

**Balance sheet as at 31 December 2018**

(after appropriation of the balance of income and expenditure)

<b>Assets</b>	Note	<b>31 December 2018</b>		<b>31 December 2017</b>	
		€	€	€	€
<i>Fixed assets</i>	4.				
<b>Intangible fixed assets</b>					
Software		<u>948,890</u>	948,890	<u>848,549</u>	848,549
<b>Tangible fixed assets</b>					
Refurbishments		208,403		312,809	
Computer systems		144,726		152,645	
Office equipment		<u>72,020</u>	425,149	<u>71,472</u>	536,926
<i>Financial fixed assets</i>	5.				
Securities		528,549,924		524,861,001	
Deferred tax assets		<u>1,215,171</u>	529,765,095	<u>260,162</u>	525,121,163
<i>Current assets</i>					
<b>Receivables</b>	6.				
Guarantee fees receivable		4,313,595		4,210,696	
Corporation tax receivables		1,265,876		510,780	
Accrued assets		6,705,224		6,942,496	
Other receivables		<u>253,320</u>	12,538,015	<u>238</u>	11,664,210
<b>Cash</b>	7.		<u>9,176,520</u>		<u>8,234,304</u>
			<u>552,853,669</u>		<u>546,405,151</u>

<b>Liabilities</b>	Note	<b>31 December 2018</b>		<b>31 December 2017</b>	
		€	€	€	€
<b>Capital</b>	8.				
Legal reserve			948,890		-
Other reserve			<u>274,467,685</u>		<u>267,586,409</u>
			275,416,757		267,586,409
<b>Provisions</b>	9.				
Provision for guarantee obligations			274,505,631		276,470,200
<b>Current liabilities</b>	10.				
Suppliers and trade creditors			944,910		941,249
Other tax and social security contributions	11.		58,513		138,189
Pension liabilities	12.		-		151,371
Accrued liabilities	13.		1,421,742		254,023
Other payables	14.		<u>506,298</u>		<u>863,711</u>
			<u>2,931,463</u>		<u>2,348,543</u>
			<u>552,853,669</u>		<u>546,405,151</u>

## Statement of income and expenditure for 2018

	Note	2018		2017	
		€	€	€	€
Guarantee fees	16.1	17,146,589		16,726,939	
Restructuring fees	16.2	<u>319,245</u>		<u>441,810</u>	
<b>Total operating income</b>			17,465,834		17,168,749
Staff costs	17	6,147,929		6,303,678	
Social security contributions	18.	598,386		508,272	
Pensions	19.	635,803		644,492	
Depreciation of tangible and intangible fixed assets	20.	443,140		525,449	
Other operating expenditure	21.	<u>4,993,666</u>		<u>3,983,736</u>	
<b>Total operating expenditure</b>			<u>12,818,924</u>		<u>11,965,630</u>
Guarantee claims	22.		(1,326,700)		287,486,000
<b>Operating result</b>			5,973,610		(282,282,882)
Gains and losses on investments	23.		(8,283,330)		(13,770,099)
Financial income and expenses	24.		12,098,372		13,119,520
<b>Result from ordinary activities before tax</b>			9,788,652		(282,933,461)
Corporation tax	25.		<u>(1,958,486)</u>		<u>(1,147,505)</u>
<b>Balance of income and expenditure</b>			<u>7,830,166</u>		<u>(284,080,966)</u>

**Cash flow statement for 2018**

**Cash flow from operating activities**

	Note	2018	2017
Balance of income and expenditure		7,830,166	(284,080,966)
Adjustments for:			
Depreciation of tangible and intangible fixed assets	4.	443,140	525,449
Gains and losses on investments	5.	8,283,330	13,770,099
Allocations to/releases from provisions	.	(1,964,569)	274,018,547
Movements in working capital:			
Movements in receivables		(1,828,814)	(179,796)
Movements in current liabilities		582,920	(2,881,550)
<i>Cash flow from operating activities</i>		<i>13,346,173</i>	<i>1,171,783</i>

**Cash flow from investment activities**

Investments in tangible fixed assets	4.	(431,802)	(77,516)
Purchases of securities	5.	(81,087,757)	(90,306,752)
Sales of securities and redemptions	5.	69,115,602	94,357,470
<i>Cash flow from investment activities</i>			<i>3,973,202</i>
		<i>(12,403,957)</i>	

**Movements in cash**

		<b>942,216</b>	<b>5,144,985</b>
Closing cash balance	7.	9,176,520	8,234,304
Opening cash balance	7.	8,234,304	3,089,319

**Movements in cash**

		<b>942,216</b>	<b>5,144,985</b>
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## Notes on the balance sheet and statement of income and expenditure

### 1. General notes

#### 1.1. Activities

The activities of *Stichting Waarborgfonds Sociale Woningbouw* ('WSW'), which has its seat in Hilversum, consist primarily in providing guarantees to lenders granting loans to housing associations in order to fund social housing projects and other properties with a social function. WSW is a not-for-profit foundation under Dutch law, with an independent management structure. WSW is registered in the Trade Register under number 41180946. WSW is subject to the supervision of the *Autoriteit Wonen* (the Dutch Authority for Housing Associations).

#### 1.2. Address

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

#### 1.3. Related parties

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

Material transactions with related parties not conducted on normal market terms are disclosed, including details of the nature and size of the transaction and any other information that may be needed to provide a proper view. There were no instances of transactions with related parties during the financial year that were not conducted on normal market terms.

#### 1.4. Notes on the cash flow statement

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

Income and expenditure relating to interest, dividends received and tax on profits are included in the cash flow from operating activities. Transactions that do not involve any inflow or outflow of cash, including finance leases, are not included in the cash flow statement.

#### 1.5. Estimates and assumptions

In order to apply the principles and rules for compiling financial statements, WSW's Executive Board is required to express an opinion on various matters and to make estimates that may be essential for the figures quoted in the financial statements. The Executive Board makes these estimates and assumptions based on the circumstances prevailing and the information available at the time when the financial statements are compiled. Estimates based on events after the reporting period (or the non-occurrence of events after the reporting period) may be subject to future market movements and conditions that are beyond the Fund's influence. These changes in estimates are recorded prospectively in the financial statements. Where required in order to provide the view referred to in Article 362 (1) of Book 2 of the Dutch Civil Code, information on the nature of these opinions and estimates, including the underlying assumptions, is disclosed in the notes on the item in question. The most important estimates are those relating to the provision for guarantee obligations, deferred tax receivables and tax.

### 2. Valuation principles

#### 2.1. General

WSW has prepared the financial statements in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and the Guidelines for Annual Reporting in the Netherlands issued by the Dutch Accounting Standards Board. The financial statements have been prepared on a going-concern basis and are stated in euros, being the Fund'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 netted in the statement of income and expenditure only if and insofar as:

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

## 2.3. Financial instruments

The 'financial instruments' item includes financial instruments such as 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 principles and rules governing primary financial instruments.

## 2.4. Intangible fixed assets

An intangible fixed asset is capitalised if:

- the Fund is likely to profit from the future economic benefits inherent to the asset; and
- an accurate assessment can be made of the cost of the asset.

Expenses incurred for an intangible fixed asset that do not satisfy the conditions for capitalisation (for example, expenditure on research and internally developed trademarks, logos, publishing rights and customer databases) are taken directly to the statement of income and expenditure. Intangible fixed assets are valued at cost less cumulative depreciation and cumulative impairments, if applicable.

Intangible fixed assets are systematically depreciated on the basis of their estimated useful life, subject to a maximum of five years. The useful life and method of depreciation are reviewed at the end of each financial year. A legal reserve is maintained for the assets' balance sheet value.

## 2.5. Tangible fixed assets

Tangible fixed assets are shown at cost price less cumulative depreciation based on the asset's expected useful life and cumulative impairments, if applicable.

On each balance sheet date, we assess whether there are any indications of impairments. If so, an impairment test is performed. If the book value of a tangible fixed asset is consistently higher than its realisable value, the book value is immediately reduced to the realisable value. Discarded assets are stated at book value or at the net realisable value, if this is lower.

## 2.6. Financial fixed assets

Financial fixed assets consist of securities and deferred tax receivables.

### 2.6.1. Securities

The securities included under financial fixed assets form part of the investment portfolio and are initially recognised at fair value. After initial recognition, they are valued at fair value without deduction of any transaction costs on disposal. Gains and losses (both realised and unrealised) are taken directly to the statement of income and expenditure as capital gains or losses on investments. Interest income is accounted for in the period to which it relates.

### 2.6.2. Deferred tax receivables

See section 3.7 ('Tax') for more information on the valuation and recognition of deferred tax receivables.

## 2.7. Receivables

Receivables are initially recognised at fair value plus transaction costs. After initial recognition, they are valued at amortised cost, net of any provision for doubtful debts. Other receivables and accrued income pertain to prepaid amounts and are stated at face 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 bank debts in current liabilities. Cash items are stated at face value.

## 2.9. Capital

Capital includes a legal reserve and an 'Other reserve'. The legal reserve is designed to cover the capitalised cost of software design. The Other reserve is formed by appropriations from the result and is intended to cover possible future claims from third parties under the guarantee terms of the loans guaranteed by WSW.

## 2.10. Provision for guarantee obligations

Provisions are formed for legally enforceable or actual obligations on the balance sheet date which are the result of a past event, are likely to necessitate an outflow of funds, and the scale of which can be reliably determined. The provisions are stated at the net present value of the expenditure that is likely to be necessary in order to discharge the obligation and settle the losses. We have included a provision for guarantee obligations to cover the actual claims under the guarantee, taking account of the amount, the settlement date and ongoing legal proceedings.

## 2.11. Current liabilities

Current liabilities are stated at fair value on initial recognition. After initial recognition, liabilities are shown at amortised cost in accordance with the effective interest method.

## 2.12. 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 virtually all, the rights to the economic benefits and all, or virtually all, the risks pertaining to the position.

## 2.13. Leases

### 2.13.1. Operating leases

In operating leases, the lease payments are taken to the statement of income and expenditure on a straight-line basis over the lease term. There is a lease incentive in relation to the lease of office and storage space and parking facilities.

## 3. Principles for the determination of the result

### 3.1. Income

Total operating income includes 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 pertaining to the provision of a service can be reliably estimated and the revenue is likely to be received, 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 costs incurred at the balance sheet date from the provision of services, as compared with the estimated costs of the total volume of services to be provided. At the end of each quarter, we charge our participants a guarantee fee for the past

quarter. At the end of each financial year, we charge the Ministry of the Interior and Kingdom Relations a fee for restructuring costs.

### 3.2.2. Income from guarantee fees

We charge 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 our operating expenses and also includes a credit risk surcharge. The calculation of these guarantee fees is based on a system of differentiated premiums aligned with our risk assessment model. Based on their risk profile as determined on 31 December of the previous year, participants are grouped into four different fee categories which 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 Restructuring costs

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

## 3.3. Costs

Costs are determined subject to the valuation principles set out above and are recognised in the financial year to which they apply. Foreseeable liabilities and potential losses originating before the end of the financial year are recognised if they become known before the financial statements are prepared and if the conditions for including provisions are satisfied.

## 3.4. Staff remuneration

### 3.4.1. Periodic remuneration

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

### 3.4.2. Pensions

All pension schemes are accounted for in accordance with the projected benefit obligation approach. Pension contributions for the year under review are shown as an expense. All WSW staff are entitled to a defined-benefit pension scheme. Each year, qualifying members of staff acquire a pension entitlement in respect of the salary they have earned that year, i.e. it is an average-salary scheme. *Stichting Pensioenfonds voor de Woningcorporaties* (SPW) has been made responsible for discharging the obligations to staff arising from these entitlements.

## 3.5. Depreciation of tangible and intangible fixed assets

Depreciation of tangible and intangible fixed assets starts from the date on which they are first used and is based on the estimated future useful life of the asset in question. 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 included in Other income.

## 3.6. Gains and losses on investments

Changes in the value of investments are based on market prices and are recognised directly in the statement of income and expenditure. Unrealised capital gains and losses are also included in the Other reserve stated under Capital. Interest income is recognised on a proportionate basis, based on the effective interest rate.



### 3.7. Tax

#### 3.7.1. Current tax liabilities

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 assets are stated to account for temporary differences between the value of assets and liabilities as calculated in these financial statements for tax and filing purposes. Deferred tax assets and liabilities are stated at face 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.

## 4. Fixed assets

### 4.1 Intangible fixed assets

Movement in intangible fixed assets are as follows:

	<u>Software</u>
	€
<b>Balance on 1 January 2018</b>	
Cost of purchase	4,503,260
Cumulative depreciation and impairment	<u>(3,654,711)</u>
Book value	<u>848,549</u>
<b>Movements in 2018</b>	
Investments	-
Assets under development	365,386
Depreciation of intangible fixed assets	<u>(265,045)</u>
Balance	100,341
<b>Balance on 31 December 2018</b>	
Cost of purchase	4,868,646
Cumulative depreciation and impairment	<u>(3,919,756)</u>
Book value	<u>948,890</u>
Rate of depreciation	<u>20%</u>

The intangible fixed assets consist of software used by our computer systems. The costs of a major IT project are included under Assets under development, in 2018. The project costs will be depreciated once the new computer systems are operational, i.e. in 2019.

### 4.2. Tangible fixed assets

Movements in tangible fixed assets are as follows:

	<u>Refurbishments</u>	<u>Computer systems</u>	<u>Office equipment</u>	<u>Total</u>
	€	€	€	€

**Balance on 1 January 2018**

Cost of purchase	1,044,053	216,716	502,538	1,763,307
Cumulative depreciation and impairment	<u>(731,244)</u>	<u>(64,071)</u>	<u>(431,066)</u>	<u>(1,226,381)</u>
Book value	<u>312,809</u>	<u>152,645</u>	<u>71,472</u>	<u>536,926</u>

**Movements in 2018**

Investments	-	36,285	30,032	66,317
Depreciation of tangible fixed assets	<u>(104,406)</u>	<u>(44,204)</u>	<u>(29,484)</u>	<u>(178,094)</u>
Balance	(104,406)	(7,919)	548	(111,777)

**Balance on 31 December 2018**

Cost of purchase	1,044,053	253,001	532,570	1,829,624
Cumulative depreciation and impairment	<u>(835,650)</u>	<u>(108,275)</u>	<u>(460,550)</u>	<u>(1,404,475)</u>
Book value	<u>208,403</u>	<u>144,726</u>	<u>72,020</u>	<u>425,149</u>

Rate of depreciation	<u>10%</u>	<u>20%</u>	<u>20%</u>	
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The figure for refurbishments represents alterations made to our premises at Marathon 6 in Hilversum. The figure for computer systems is made up largely of investments in hardware. The figure for office equipment consists mainly of office furniture and the like.

**5. Financial fixed assets**

**5.1. Securities**

Movements in securities are as follows:

	<u>2018</u>	<u>2017</u>
	€	€
<b>Balance on 1 January</b>	524,861,001	542,681,817
Movement in unrealised price gains and losses in the reporting period	(3,820,040)	(10,880,256)
Purchases of securities	81,087,757	90,306,753
Sales and redemptions of securities	<u>(73,578,894)</u>	<u>(97,247,313)</u>
<b>Balance on 31 December</b>	<u>528,549,824</u>	<u>524,861,001</u>

The amount paid for listed securities was €533,410,506 on 31 December 2018 (2017: €525,901,643).

We earned a profit of €3,815,042 on our investment portfolio in 2018, consisting of the balance of realised and unrealised capital gains and losses on investments and positive interest income (2017: loss of €650,579).

The objective of our investment portfolio is to sustain our capital, taking account of inflation. WSW is the legal and beneficial owner of the securities, which are managed by InsingerGilissen Bankiers N.V. The securities are held by KBL European Private Bankers. All securities are available to us on demand. The investment portfolio forms part of our risk capital and can be used in the event of a guarantee claim. We have agreed a credit facility with the custodian, guaranteeing that we will always have access to cash at very short notice if the portfolio cannot be immediately liquidated.

Our external asset manager manages our investment portfolio in accordance with a passive investment mandate relative to a market-weighted benchmark. In accordance with our investment policy, we invest 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 benchmark consists of the following sub-indices, weighted by market value:

- Bloomberg Barclays Capital Euro Aggregate AAA index, minimum issue value: €2 billion; maximum maturity: 15 years:
- Bloomberg Barclays Capital Euro Aggregate AA index, minimum issue value: €2 billion; maximum maturity: 15 years.

Composition of the securities portfolio as at 31 December 2018:

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

(x €1,000)

Rating	Fair value in 2018	% distribution in 2018	Fair value in 2017	% distribution in 2017
AAA	232,721	44.03	218,812	41.69
AA	295,829	55.97	306,049	58.31
Total	528,550	100.00	524,861	100.00

The rating is based on the ratings assigned by Moody's, Fitch and S&P. If three ratings are available, the middle of the three is used for determining the rating. If two ratings are available, the lower of the two is used. If only one rating is available, this is the rating used. If a security rating is not available but an issuer rating is, the latter rating is taken.

The portfolio performance is assessed on the basis of the extent to which the portfolio is able to keep pace with inflation. If the portfolio fails to keep pace with inflation over a number of years, or where this is necessitated by global trends, the benchmark (and hence also the investment objective) is reviewed. In 2018, the investment portfolio failed to meet the investment objective. Inflation in 2018 stood at 1.98% (2017: 1.25%). The portfolio performance over the same period was 0.69% (2017: -0.20%). The benchmark's performance during the same period was 0.72% (2017: -0.16%). This means that the portfolio underperformed the benchmark by 0.03% (2017: 0.04% lower). The maturity of the portfolio, as a measure of interest sensitivity, stood at 5.24 years on 31 December 2018 (2017: 5.25 years).

In terms of the performance of the portfolio, a positive result was achieved in particular on price gains of German and Dutch sovereign bonds with maturities of four years or more. Bonds with maturities of less than four years made a negative contribution to the result, due to negative interest rates at the short end of the yield curve. French sovereign bonds and bonds issued by supra-national organisations made a positive contribution to the portfolio performance.

The table below shows the portfolio's composition by maturity in 2018 and 2017. There was no significant change in the composition by maturity relative to 2017.

Composition by maturity of the investments in 2018:

Maturity (years)	% distribution in 2018	% distribution in 2017	Difference between 2018 and 2017 (in %)
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			points)
0-3 years	25.81	25.57	0.24
3-5 years	22.73	23.74	-1.01
5-7 years	19.15	15.99	3.16
7-10 years	19.90	21.87	-1.97
10 or more	12.42	12.83	-0.41

## 5.2 Deferred tax receivables

A deferred tax receivable was formed for temporary taxable differences between values as calculated for tax and filing purposes.

	2018	2017
	€	€
Deferred tax receivable	1,215,171	260,162
Balance on 1 January	260,162	-
Movement in deferred tax receivables	<u>955,009</u>	<u>260,162</u>
Balance on 31 December	1,215,171	260,162

The deferred tax provision was formed to account for valuation differences between the financial statements and the valuation principles applied by the tax authorities.

## 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 book value.

### 6.1 Guarantee fees receivable

	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
	€	€
<b>Guarantee fees</b>	<u>4,313,595</u>	<u>4,210,696</u>
	<u><u>4,313,595</u></u>	<u><u>4,210,696</u></u>

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

### 6.2 Corporation tax receivable

Corporation tax	<u>1,265,876</u>	<u>510,780</u>
	<u><u>1,265,876</u></u>	<u><u>510,780</u></u>

The figure for corporation tax receivable relates to an advance payment of corporation tax made in 2018. The current tax charge for 2018 is € 2,939,523. The advance corporation tax charge was set too high as it was based on the higher level of tax income earned in previous years. All corporation tax charges in respect of previous years have been paid.

### 6.3. Accrued income

Accrued interest income	6,491,481	6,678,101
Prepaid other costs	<u>213,743</u>	<u>264,395</u>
	<u>6,705,224</u>	<u>6,942,496</u>

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

### 6.4. Other receivables

Charges passed on to third parties	229,273	-
Other receivables	<u>24,047</u>	<u>238</u>
	<u>253,320</u>	<u>238</u>

## 7. Cash

ING BANK N.V.	8,030,772	7,700,614
N.V. Bank Nederlandse Gemeenten	1,004,086	455,876
KBL Bank	140,400	76,521
Cash in hand	1,261	1,293
	<u>9,176,519</u>	<u>8,234,304</u>

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

We signed an agreement with KBL European Private Bankers S.A. in 2011. This agreement covers 95% of the market value of the investment portfolio, subject to a ceiling of €433.5 million. It gives us access to cash within three hours in the event of a guarantee claim. As in previous years, we did not exercise our rights under the agreement in 2018.

## 8. Capital

Capital consists of a legal reserve and an Other reserve.

### 8.1. Legal reserve

Balance on 1 January 2018	-
Appropriation of balance of income and expenditure	948,890
Balance on 31 December 2018	948,890

The legal reserve is designed to cover the capitalised cost of software design.

### 8.2. Other reserve

Balance on 1 January 2018	267,586,409
Appropriation of balance of income and expenditure	<u>6,881,276</u>
Balance on 31 December 2018	274,467,685

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 balance of income and expenditure

We propose to appropriate the balance of income and expenditure by transferring €0.9 million to the legal reserve and transferring €6.9 million to the Other reserve. The financial statements have been drawn up on the assumption that this proposal is adopted.

## 9 Provisions

	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
	€	€

Provision for guarantee obligations	<u>274,505,631</u>	<u>276,470,200</u>
	<u>274,505,631</u>	<u>276,470,200</u>

### 9.1 Provision for guarantee obligations

The financial statements include a provision for possible expenditure resulting from our role as a guarantor.

	<b>2018</b>	<b>2017</b>
	€	€
Balance on 1 January	276,470,200	-
Transfer to provision for SHH	13,977,305	124,800,000
Withdrawal from provision for SHH	-	(11,015,800)
Withdrawal from provision for WSG	(637,869)	-
Transfer to provision for WSG	-	162,686,000
Release from provision for WSG	<u>(15,304,005)</u>	<u>-</u>
Balance on 31 December	274,505,631	276,470,200

Expected outflow of funds in the coming years:

	<b>SHH</b>	<b>WSG</b>	<b>Total</b>
< 1 year	5,285,453	13,690,215	18,75,668
1-5	13,536,834	47,913,696	61,450,529
> 5 years	108,939,218	85,140,215	194,079,433

Total	127,761,505	146,744,126	274,505,631
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We received our first ever guarantee claim in 2018. This was the direct consequence of the entry into force on 1 July 2015 of the amended version of the Housing Act. One of the changes brought about by the new law relates to the principle of restructuring. Under the old Housing Act, restructuring support could be provided more or less automatically to an approved organisation experiencing financial difficulties. The system was aimed at preserving the continuity of housing associations facing financial difficulties. This basic principle changed with the adoption of the amended version of the Housing Act in 2015. Any restructuring support must now be geared towards sustaining ‘vital activities in the general economic interest’ performed by an association in financial difficulties. As a result, it is now possible that an association may qualify only for partial restructuring support. Whether an association is eligible for restructuring support in respect of ‘vital activities in the general economic interest’ is reviewed on a case-by-case basis.

#### Stichting Humanitas Huisvesting

2017 saw the first ever rejection of an application for restructuring support. The application was submitted by Stichting Humanitas Huisvesting (SHH). This means that we will be presented with a guarantee claim in 2019.

We have formally objected to the decision made with respect to SHH. We believe that, based on SHH’s application for restructuring support, SHH should have qualified for full support. The proceedings under administrative law should be concluded within four years from now.

We decided to assist with the splitting up of SHH, which means that all of SHH’s assets and a corresponding part of its loans will be transferred by means of a legal demerger to the Woonbron housing association by 1 July 2019. Following this operation, part of the guaranteed loan portfolio will remain in the ownership of SHH. In 2019, we will be presented with the first ever claim relating the guarantee provided with respect to the loans held by SHH.

We have made a provision of €127.8 million for SHH. The size of this provision is based on a possible outflow of funds equal to the loan servicing payments (i.e. payments of principal and interest) for the loans held by SHH, plus a best estimate of fees charged to cover SHH’s operating costs and legal fees for the coming four years.

#### Stichting WSG

In 2018, the Minister of the Interior and Kingdom Relations decided to partially reject an application for restructuring support from Stichting WSG (WSG). The Minister decided to grant 55% of the support required and requested, on condition that a lasting solution be found for sustaining WSG’s ‘vital activities in the general economic interest’. We decided to assist in finding a solution that satisfies this condition, given that this will generate the lowest possible guarantee claim.

Based on (among other things) a previous restructuring decision, we have good reason to believe that the restructuring grant will resolve all WSG’s financial problems. It was always the parties’ intention to restructure WSG fully and in such a way that it would subsequently satisfy our creditworthiness criteria.

WSG itself is also contesting the decision. In addition to citing a number of other grounds, WSG also says that it has good reason to believe that the Minister has underestimated the number of dwellings classified as being ‘vital to the general economic interest’. WSG claims that the restructuring support granted should have been based on a figure of 76% rather than on a figure of 55%. Should it become clear, once all legal proceedings have come to an end, that the Minister should have granted WSG full restructuring support as requested, or should have provided a larger amount of restructuring support, a supplementary restructuring grant will be offset against the payments made by us on the basis of the guarantee claim.

As a consequence of the splitting-up of WSG, we will receive a guarantee claim to service the loans still held by WSG. The loss amounts to €567.0 million, and the guarantee claim is for some 45% of this amount. We have made a provision of €146.7 million (2017: €162.7 million); a further €117.9 million (2017: €73.2 million) is not covered by any provision. The size of the provision is based on a possible outflow of funds equal to the loan servicing payments (i.e. payments of principal and interest) of the loans still held by WSG, including a best estimate of the fees charged to cover WSG's operating costs and legal fees for the coming four years. The proceedings under administrative law should have reached their conclusion by the end of this period. We have raised the provision to 24% of the total amount of the claim. This is the same as the percentage of 'non-vital activities in the general economic interest' included in WSG's application for restructuring support. If the court rules in our favour, WSG's guarantee claim will lapse. If not, we will then have to make a provision to cover the differential of €117.9 million.

### 10. Current liabilities

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

### 11. Other tax and social security contributions

	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
	€	€
Value added tax	61,877	126,960
Payroll taxes	<u>(3,364)</u>	<u>11,229</u>
	58,513	138,189

The current liability resulting from value added tax consists mainly of the tax owing on services provided by foreign suppliers during the fourth quarter of 2018.

### 12. Pension liabilities

We have a pension administration contract with SPW, the industry-wide pension fund for housing associations. The SPW pension scheme is an average-salary scheme.

The pension scheme is subject to conditional indexation. Depending on the pension fund's financial position, SPW's Board of Trustees decides on the size of any percentage increase each year. SPW's financial position did not permit any increase to be made in 2018.

We are required to form a provision if, under the pension administration agreement, there is a liability on the balance sheet date and if the adoption of a package of measures (as is needed to restore the funding ratio on the balance sheet date) is likely to lead to an outflow of resources, the size of which can be reliably estimated.

SPW had a funding ratio of 115.9% at year-end 2018 (year-end 2017: 115.8%), as compared with a requisite funding ratio of 125.5% at the end of 2018, which means that the fund still has a reserve shortfall. SPW expects to remedy this shortfall within 10 years from now, and submits annual recovery plans to the supervisory authority. The fund expects to be able to remedy the shortfall independently and will not, for the time being, require us to contribute. As a result, we were not under any obligation to form a provision in this connection at the end of the year under review.

### 13. Accrued liabilities

<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
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	€	€
Accrued paid leave entitlements	151,615	152,273
Reserve for individual career budgets	99,737	101,750
Advance payments for <i>SBR-wonen</i>	<u>1,170,390</u>	<u>-</u>
	1,421,742	254,023

#### 14. Other liabilities

Redundancy payments due	-	235,000
Unpaid commuting allowances	60,234	61,474
Unpaid management fees in respect of investments portfolio	63,942	49,607
Expenses payable	<u>382,122</u>	<u>517,630</u>
	506,298	863,711

##### Reserve for individual career budgets

Individual career budgets are formed over a maximum period of five years. Employees can choose between using the budget for their own career development or, in the case of employees aged 55 or over, spending it on additional leave. The obligation lapses as soon as the employee in question leaves the Fund's service.

##### Advance payments for *SBR-wonen*

In 2018, we kept the accounts of *SBR-wonen*. *SBR-wonen* is responsible for implementing a covenant known as the 'covenant on improving information disclosure among housing associations'. The object of this agreement is to improve information-sharing and to enhance the quality of the information shared. The idea is to raise standards of management, decision-making and reporting. We are party to the agreement, together with Aedes (the federation of Dutch housing associations), the Ministry of the Interior and Kingdom Relations, and the Dutch Authority for Housing Associations. The advance payments for *SBR-wonen* consist of the difference between the operating costs of *SBR-wonen*'s supply chain team and the advances received from the parties to the agreement. From mid-2019 onwards, the Dutch Authority for Housing Associations will be keeping the accounts of *SBR-wonen* on a long-term basis.

#### 15. Off-balance sheet assets and liabilities

##### 15.1. (Long-term) financial commitments

##### Operating leases:

An annual rent of €0.2 million is payable in respect of the office premises and the parking spaces. Of the total amount shown, €0.4 million is payable after more than one year. The rental contract expires on 1 December 2021.

Operating lease liabilities relating to the vehicle fleet totalled €342,588 at year-end. These were made up as follows:

Amounts payable:	€
Within 1 year	217,450
Within 1-5 years	125,138
After more than 5 years	-

At year-end, there were operating lease liabilities totalling €40,148 relating to computer and other equipment. These were made up as follows:

Amounts payable:	€
Within 1 year	40,148
Within 1-5 years	-
After more than 5 years	-

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

	<b>2018</b>
Lease instalments for vehicles	252,420
Lease instalments for computer and other equipment	40,533

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

## 15.2. Guarantee obligation to ColonnadeDuhaf

The social housing industry launched two campaigns in the 1990s for gaining access to the public capital market and increasing the supply of funding to the industry. These campaigns were known as Colonnade and Duhaf, and were amalgamated a few years after their launch. They consisted principally of pooling the capital market requirements of approved institutions, devising programmes for the capital market and promoting the Dutch housing associations on the international capital market. ColonnadeDuhaf first stopped issuing new shares in 2006. The existing shares were transferred to a non-profit-making foundation, so as to ensure that all outstanding loans were duly repaid.

We agreed to stand surety for any future losses incurred by ColonnadeDuhaf (and its group entities). The group made an operating loss in 2016, following which the group's executive board invoked the guarantee. We expect to have to underwrite the Colonnade Duhaf group's operating losses up to the end of the second quarter of 2019, totalling a maximum of €30,000. The last outstanding loan was repaid at the end of 2018. The ColonnadeDuhaf group (and its group entities) will be dissolved in the first quarter of 2019.

## 15.3. Claims under guarantees

Under the guarantee clauses in loan contracts, we guarantee to service participants' loans that are covered by our guarantee, thus giving an assurance to those lending to participants that the obligations under a guaranteed loan agreement will be met both in full and in good time. The total value of the loans guaranteed by us as at year-end 2018 was €79.8 billion (2017: € 81,0 billion). Of this figure, €0.3 billion relates to deferred payments confirmed by us in 2018.

Our security structure enables us to guarantee the servicing of these loans. It is made up of three elements: our risk capital, the participants' committed capital and the backstop agreements made with the government and local authorities. The risk capital is defined as comprising investments valued at purchase price (or market price, if this

is lower), plus cash, less liabilities consisting of creditors, transitory liabilities and loan capital, without taking account of provisions for guarantee obligations.

The primary purpose of our risk capital is to meet guarantee claims. It amounted to €534.8 million at 2018 year-end (2017: €530.7 million).. There will be an outflow of cash in 2019 due to the guarantee claims made by SHH and WSG. This will result in the risk capital falling in 2019 by €12.9 million to €521.9 million. We expect to see a further decrease in the risk capital during the coming five years, taking it to around €469.4 million at the end of 2023. As and when we become aware of guarantee claims being made that are likely to result in the risk capital falling below 0.25% of the total guaranteed volume (2018: €199.4 million), calls are made on the participants' committed capital. If guarantee claims, whether already submitted or impending, are likely to result in the risk capital falling below 0.25% of the total guaranteed volume after the committed capital has been called upon, use is then made of the backstop arrangements with the government and the local authorities.

Where there is a possibility of a claim being made, we follow a protocol under which, in accordance with the terms of the backstop agreements, the local authorities and the government together grant us interest-free loans by no later than the 15th day of the second calendar month following the month in which we receive a claim under the guarantee (by no later than 75 days), thus enabling us to meet our guarantee obligations at all times..

We verify each year whether we have sufficient risk capital. To this end, we also assess whether the housing associations are indeed capable of supplying that proportion of the risk capital that they are obliged to supply on request. If the appeal procedures instigated against rejections (whether in full or in part) of the applications for restructuring support made by SHH and WSG do not result in the award of more or full restructuring support, we will in due course be compelled to make a call on the participants' committed capital so as to restore the level of risk capital to 0.25% of the total guaranteed volume.

#### **15.4. Guarantee facilities**

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

#### **15.5. Credit rating**

Although we currently satisfy the criteria set by the credit rating agencies responsible for setting our credit rating, it is not clear whether this will remain the case in the future. One of the agencies, viz. S&P, issued a negative outlook for WSW in the summer of 2018.

#### **Post balance sheet events**

##### **Third-party action**

*Stichting Vestia* (a not-for-profit foundation under Dutch law) brought legal action in 2013 against (i) a former employee of the Treasury department, (ii) two audit firms/former external auditors, and (iii) a bank. Vestia is holding all the above parties liable for the losses it claims to have incurred.

In the action referred to above under (i), we received a letter that sought to interrupt a period of limitation that may have been in force. The former employee asked the court to add WSW (and a number of other parties) as a third party in the legal action. Although the court rejected this request, this does not prevent the former employee from instigating separate proceedings.

In one of the actions referred to above under (ii), we received a letter which sought to interrupt any period of limitation that may have been in force. One of the audit firms/former external auditors also asked the court to add WSW (and a number of other parties) as a third party in the legal action. The court granted this request, and we

were served a summons as a third party to the action. In the action referred to above under (iii), we received a letter that sought to interrupt a period of limitation that may have been in force.

We believe that there is very little likelihood of all or part of the liability in question being passed on to us.

### Consolidation of WSG and SHH with effect from the 2019 financial year

Stichting WSG (WSG) was split up on 1 January 2019, following which all of its assets and some of its liabilities were transferred to other regional housing associations; the remainder of its liabilities continued to be held by WSG. The latter consist of loans guaranteed by us. In order to facilitate the splitting-up of WSG, we entered into an agreement with WSG on 1 September 2018. We also signed an agreement on 17 January 2019 with Stichting Humanitas Huisvesting (SHH) and Stichting Woonbron for transferring all of the assets and some of the liabilities of SHH to Stichting Woonbron by 1 July 2019, following which the remaining liabilities will continue to be held by SHH. These liabilities also consist of loans guaranteed by us.

Although WSG and SHH have independent boards of trustees and independent supervisory boards, the contracts we have signed with the two funds give us a controlling influence, and state that the two funds are to be consolidated effective from the date on which WSG is split up. This is why we will be obliged, from 2019 onwards, to compile consolidated financial statements in addition to our own financial statements. The consolidated financial statements will include WSG's financial accounts in addition to our own, after account has been taken of intra-group transactions. The same will apply to SHH, on condition that SHH is indeed split up as planned in 2019. As we have no participating interests in the two funds, the capital and result stated in our consolidated financial statements will be the result of the amalgamation of our own capital and result with those of WSG and SHH. They will not therefore correspond with the capital and result stated in our individual financial statements.

### Supervision exercised by Dutch Authority for Housing Associations

As part of the supervision exercised in relation to WSW in 2018, the Dutch Authority for Housing Associations published a report in June. We are engaged in an ongoing dialogue both with the Authority and with our stakeholders about the implementation of the recommendations made in the report and are taking action, as part of our strategic plan, to minimise the uncertainties surrounding the adequacy of the requisite risk capital.

## 16. Income

### 16.1 Guarantee fees

	<u>2018</u>	<u>2017</u>
	€	€
Guarantee fees	<u>17,146,589</u>	<u>16,726,938</u>

Until 1 January 2017, we charged a guarantee fee of €69 for each €1 million of the current value of outstanding loans. This fee is invoiced on a quarterly basis in relation to loans contracted after 30 June 2007. Participants pay this fee when they raise a guaranteed loan, to cover operating costs and a credit risk surcharge. On 1 January 2017, we adopted a system of differentiated fees, under which participants are classified in four different fee groups based on their risk profiles.

We used a different fee structure before 30 June 2007. Under this structure, either a fee was charged on new guaranteed loans, to be paid as a lump sum on the date when the loan was made, or, in the case of loans in respect of which we assumed the role of guarantor in lieu of a local authority, a fee was charged from the 21st year of the life of the loan.

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

## 16.2 Restructuring fees

Restructuring fees	<u>319,245</u>	<u>441,810</u>
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The costs we incur in carrying out restructuring activities are charged to the Ministry of the Interior and Kingdom Relations. These restructuring costs are charged to the Ministry's Rationalisation Fund.

## 17. Staff costs

Gross wages and salaries	3,941,118	4,176,507
Temporary staff employed via third parties	1,353,926	1,239,055
Other staff costs	<u>852,885</u>	<u>888,116</u>
	<u>6,147,929</u>	<u>6,303,678</u>

We did not incur any costs on account of the termination of employment contracts in 2018 (2017: €253,377).

## 18. Social security contributions

Social security contributions	<u>598,386</u>	<u>508,272</u>
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## 19. Pension costs

Pension costs	<u>635,803</u>	<u>644,492</u>
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## 20. Depreciation of tangible and intangible fixed assets

Software	265,045	351,695
Refurbishments	104,406	104,407
Computer systems	44,205	42,264
Office equipment	<u>29,484</u>	<u>27,083</u>
	<u>443,140</u>	<u>525,449</u>

## 21. Other operating expenditure

	<b>2018</b>	<b>2017</b>
	€	€
General overheads	4,449,394	3,301,899
Cost of supervisory and advisory bodies	<u>183,16</u>	<u>244,285</u>
	<u>4,993,666</u>	<u>3,983,738</u>

### 21.1. Cost of premises

Rent	181,828	246,411
Cleaning	31,777	30,561
Gas, water and electricity	83,033	64,964
Insurance	15,512	21,652
Other costs relating to premises	<u>48,806</u>	<u>73,967</u>
	<u>360,956</u>	<u>437,555</u>

### 21.2. General overheads

IT costs	1,789,734	1,563,590
Auditors and advisers	915,697	505,405
Investment costs	456,471	474,409
Information and documentation costs	109,472	23,758
Rating agency costs	101,177	45,572
Costs of retrieving data from participants	1,069,149	430,130
Other general expenses	<u>7,693</u>	<u>259,034</u>
	<u>4,449,393</u>	<u>3,301,899</u>

Auditors and advisers for 2018 consists of legal, tax and other advice, as well as the cost of the annual audit.

Investment costs consist of the fees paid for the external management of our investments.

The Costs of retrieving data from participants in 2018 consist of our contribution to the operating and development costs of *SBR-women* (see section 13 above) and the operating costs of Corpodata. In 2017, this item consisted exclusively of the costs incurred for Corpodata.

#### 21.2.1 Audit fees

Audit fees relate to 'Auditors and advisers' at 21.2 above. The following audit fees (incl. VAT) paid to Ernst & Young Accountants LLP were charged to the balance of income and expenditure in the year under review:

	<b>2018</b>	<b>2017</b>
	€	€
Audit of the financial statements	169,400	133,100
Additional work	<u>61,104</u>	<u>60,648</u>
Total	<u>230,504</u>	<u>193,748</u>

No audit fees charged by other firms were taken to the balance of income and expenditure. The above fees relate exclusively to the work performed for the Fund by independent audit firms and independent external auditors as referred to in Section 1.1 of the Audit Firms (Supervision) Act. Costs are attributed to the financial year to which the audit and audit-related work relate. Under this method, costs are recognised in the financial year to which they relate. If part of the audit and audit-related work is performed after the end of the financial year (i.e. in the next financial year), a provision or deferred item must be formed for this.

### 22. Guarantee claims

Amount transferred to/released from the provision for guarantee obligations	<u>(1,326,700)</u>	<u>287,486,000</u>
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Information on the amount released from the provision for guarantee obligations is given in the note on item 9.1., Provision for guarantee obligations.

**23. Gain and losses on investments**

Realised capital gains and losses on investments	(4,463,292)	(2,889,843)
Unrealised capital gains and losses on investments	<u>(3,820,038)</u>	<u>(10,880,256)</u>
	(8,283,330)	(13,770,099)

**24. Financial income and expenses**

Interest earned on the investment portfolio	<u>12,098,372</u>	<u>13,119,520</u>
	<u>12,098,372</u>	<u>13,119,520</u>

**25. Corporation tax**

	2018	2017
€	€	€
<b>Result from ordinary activities before tax</b>	<b>9,788,652</b>	<b>(282,933,461)</b>
<i>Differences between annual figures as calculated for filing and tax purposes</i>		
Provision for guarantee obligations	(1,326,700)	287,486,000
Withdrawal from provision for guarantee obligations	(500,000)	
Securities	3,820,038	10,880,256
Depreciation of tangible fixed assets	-	-
Interest due on corporation tax	-	-
Other permanent differences	16,100	16,100
	2,689,879)	269,444,356
<b>Taxable result</b>	<b>11,798,090</b>	<b>15,448,895</b>
<i>The amount of corporation tax due on the above figure is:</i>		
20% of €200,000	40,000	40,000
25% of the remainder of the taxable result	2,899,522	3,812,224
	<b>2,939,522</b>	<b>3,852,224</b>
Adjustments to corporation tax for previous years	(26,027)	7,096
Movement in deferred tax provision	(955,009)	(2,711,815)
<b>Corporation tax for the financial year</b>	<b>1,958,486</b>	<b>1,147,505</b>
<i>Effective tax burden</i>	<i>20.01%</i>	<i>-0.41%</i>

The movement in the deferred tax provision is the figure for the change in the temporary differences between the annual figures as calculated for filing and tax purposes.

**26. Average number of staff**

The average size of our staff complement (measured in full-time equivalents) in 2018 was 55.7 (2017: 56.5). We do not employ any staff outside the Netherlands.

	31 December 2018	Average in 2018	Average in 2017
Management	2.0	1.8	1.0
Management support	15.0	15.2	13.6
Risk management	13.0	10.1	7.0
Account management incl. Special Accounts			
Management	18.0	17.4	17.2
Operations & Control incl. Information			
Management	14.0	13.3	15.7
Total number of staff	62.0	57.8	54.5

### 27. Executive board remuneration

The total amount of remuneration paid to the Executive Board in 2018, comprising gross salaries including holiday allowances and pay in lieu of holiday entitlement, was €458,494 (2017: €331,256).

Pension costs for the Executive Board amounted to €39,121 in 2018 (2017: €21,955). Since 1 January 2015, pension accrual for Mr Wilders has been capped at a pensionable salary of €100,000. The Executive Board's remuneration has been adjusted to offset part of the pension entitlement Mr Wilders has lost as a result of this cap.

The remuneration payable to the members of the Supervisory Board, including VAT, amounted to €101,061 in 2018 (2017: €109,505). The remuneration of Supervisory Board members was raised by 3.31% in 2018 in line with the current limit in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

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

The Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act entered into force on 1 January 2013. The statement of remuneration components required under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act is as follows:

#### Remuneration of senior officials

Amounts in €	R. Rötscheid MFE	L.J. van Kalsbeek	E. Wilders
<b>Post</b>	Executive Board Member	Executive Board Member	Executive Board Member
Period of employment in 2018	1 Feb – 31 Dec	17 April – 31 Dec	1 Jan – 28 Feb
Workload (in FTEs)	1.0	1.0	1.0
Employed under contract of employment?	Yes	Yes	Yes
<b>Remuneration</b>			
Remuneration plus taxable expense allowances	151,254	109,354	45,417
Future payments	20,163	15,233	3,725
<i>Sub-total</i>	<i>171,417</i>	<i>124,586</i>	<i>49,142</i>
Individual remuneration limit	172,948	134,112	30,551



-/- Amounts unduly paid and not yet repaid	N.a.	N.a.	N.a.
<b>Total remuneration</b>	<i>171,417</i>	<i>124,586</i>	<i>49,142</i>
Grounds on which transgression of limit was or was not allowed	N.a.	N.a.	Transitional rules
Notes on receivable due to amounts unduly paid	N.a.	N.a.	N.a.
<b>Figures for 2017</b>			
<b>Amounts in €</b>	-	-	<b>E. Wilders</b>
<b>Position</b>	Executive Board Member		
Period of employment in 2017	-	-	1 Jan – 31 Dec
Workload (in FTEs)	-	-	1.0
Employed under contract of employment?	-	-	Yes
<b>Remuneration</b>			
Remuneration plus taxable expense allowances	-	-	188,735
Future payments	-	-	21,817
<i>Sub-total</i>	-	-	<i>210,552</i>
Individual remuneration limit	-	-	181,000
<b>Total remuneration</b>	-	-	210,552

Following the entry into force of the Act on the reduction of the maximum limit set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act on 1 January 2015, the amount of remuneration paid to Mr Wilders is now higher than the maximum limit of €189,000 set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. Mr Wilders is covered by the transitional rules. His remuneration arises from specific terms agreed in writing before the transitional rules entered into force on 1 January 2015.

No unduly paid amounts have arisen.

**Remuneration of senior managerial officials not employed under a contract of employment.**

Mr Breij held the position of Executive Board Member from 1 January to 31 March 2018. Mr Breij qualified as a senior managerial official not employed under a contract of employment.

<b>Amounts in €</b>	<b>M.A.M Breij</b>	
<b>Post</b>	<b>[POST OR POSTS]</b>	
Calendar year	<b>2018</b>	<b>2017</b>
Period of employment during the calendar year (from – to)	1 Jan – 31 Mar	7 Sep – 31 Dec
<b>Individual remuneration limit</b>		
Maximum hourly fee during the calendar year	€182	€176
Individual remuneration limit during the entire period from January to December	69,700	98,000
<b>Remuneration</b>		

Actual hourly fee lower than the (average) maximum hourly fee?	Yes	Yes	
Total remuneration during the entire period from January to December	68,348	94,240	
-/- Amounts unduly paid and not yet repaid	N.a.	N.a.	
<b>Total remuneration, excl. VAT</b>	<b>68,348</b>	<b>94,240</b>	

A payment was made in 2018 for the termination of the contract of employment of an Executive Board member.

Amounts in €	E. Wilders
<b>Post</b>	
Post or posts upon termination of contract of employment	Executive Board Member
Workload (in FTEs)	1.0
Year or termination of employment	2018
<b>Severance payment</b>	
Agreed payments due to termination of employment	4,000
<b>Individual remuneration limit</b>	75,000
-/- Amounts unduly paid and not yet repaid	N.a.
<b>Total payments made due to termination of employment</b>	45,000
Paid in 2018	45,000

The remuneration also includes payment of any remaining hours of leave ensuing from the agreements made.

*Supervisory Board*

	H.M. Meijdam	G. van Vollenhoven AAG	J.G.I.M. Reijrink
<b>Post(s)</b>	Chair	Member	Member
Period of employment in 2018	1 Feb – 31 Dec	1 Feb – 31 Dec	1 Jan – 31 Dec
<b>Remuneration (in €)</b>			
Pay	25,668	17,112	18,700
<b>Total remuneration</b>	<b>25,668</b>	<b>17,112</b>	<b>18,700</b>
<b>Figures for 2017</b>			
Period of employment in 2017	-	-	1 Jan – 31 Dec
Pay	-	-	18,100
<b>Total remuneration</b>			<b>18,100</b>

J.G. Pot      J.E.M. Tijhuis      Prof. J.H. Garretsen

<b>Post(s)</b>	Member	Member	Member
Period of employment in 2018	25 Sep – 31 Dec	1 Jan – 31 Dec	1 Jan – 30 Jun
<b>Remuneration (in €)</b>			
Pay	5,021	18,700	9,273
<b>Total remuneration</b>	<b>5,021</b>	<b>18,700</b>	<b>9,273</b>
<b>Figures for 2017</b>			
Period of employment in 2017	-	1/1 – 31/12	1/1 - 31/12
Pay	-	18,100	18,100
<b>Total remuneration</b>	-	<b>18,100</b>	<b>18,100</b>

The maximum remuneration payable to members of the Supervisory Board in 2018 under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act is 15% of the maximum amount for 2018 insofar as the chair is concerned, and 10% of the maximum amount for 2018 insofar as the other Supervisory Board members are concerned. The remuneration of these senior officials does not exceed the maximum limit set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. There was a change in the composition, period of employment and remuneration of the members of the Supervisory Board in 2018 as compared with 2017. Mr H.M. Meijdam and Ms G. van Vollenhoven and Mr J.G. Pot joined the Supervisory Board and Professor J.H. Garretsen stepped down on 1 July 2018, having completed his term of office.

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

Apart from the senior officials listed above, no other officials employed under a contract of employment received a remuneration in 2018 that was in excess of the individual maximum limit.

None of the identified senior managerial officials employed by us under a contract of employment are employed under a contract of employment (effective from 1 January 2018) as a senior managerial official at other institutions that are subject to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

#### **28. Date of preparation of the annual accounts**

These annual accounts were prepared on 12 June 2019.

**Signed by the Executive Board and the Supervisory Board**

Hilversum, 25 June 2019

Stichting Waarborgfonds Sociale Woningbouw (Social Housing Guarantee Fund)

Executive Board

Executive Board

Mr R. Rötscheid MFE

Mr L.J. van Kalsbeek

Supervisory Board

Supervisory Board

Mr H.M. Meijdam, chair

Ms G. van Vollenhoven-  
Eikelenboom AAG, member

Supervisory Board

Supervisory Board

Ms J.E.M. Tijhuis, member

Mr J.G. Pot, member

**Other information, including auditors' report*****Provisions of the constitution concerning the appropriation of the balance of income and expenditure***

The constitution does not include any rules governing the appropriation of the Fund's balance of income and expenditure.