



WSW Annual Report 2024

31 December 2024

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Key figures at 31 December 2024

- 264 participant housing associations (97% of all associations).
- Guaranteed loans of € 94.9 billion (2023: € 88.6 billion).
- The market value of collateral when let was € 358.8 billion, reference date 2023 (€ 371.4 billion, reference date 31 December 2022).
- Loan servicing payments with a nominal value of € 149.5 billion and a market value of € 105.7 billion (2023: € 138.2 billion and € 96.3 billion respectively).
- Risk capital of € 605.9 million (2023: € 583.8 million).
- € 26.2 million of the committed capital was called to maintain the risk capital (2023: € 117.5 million).
- Maximum annual committed capital call of € 319.2 million (2023: € 297.7 million). Total participants' committed capital of € 2.5 billion (2023: € 2.3 billion).
- Moody's and Standard & Poor's rate WSW at AAA with a stable outlook.

1. Report of the Executive Board

1.0. Foreword

The past year was marked by change and renewal. In the Netherlands, a new national government took office following a long formation process. The new coalition has a clear road map for building more suitable, affordable homes and is continuing the policy pursued by the previous government.

The Dutch economy is still showing growth, and this growth is expected to remain positive in the coming years. That being said, there is a great deal of uncertainty due to global geopolitical tensions. Inflation is currently still relatively high, and expectations are that inflation will remain at around the 3% level for the next few years. Interest rates have shown a downward trend.

For housing associations, 2024 was a year full of developments, with the national agreements on housing performance and the Sustainable Performance Model taking centre stage. Inspired in part by the national agreement on housing performance (Nationale Prestatieafspraken, NPA), housing associations invested substantially more in 2024 than in previous years, and the guaranteed loan portfolio grew. The national agreement on housing performance contains bold ambitions. It is not certain that these ambitions can be achieved within the specified timeframe, given the many challenges housing associations face when constructing homes and making them more sustainable. For example, there is a structural shortage of sites available for development, and the schedules of housing construction projects have been held up by nitrogen problems and issues relating to grid congestion.

WSW is aware that it has a key role in social housing and in keeping the guarantee system healthy in the long term. In order to fulfil their task, housing associations need to make further investments, and many of these investments will have to be financed with guaranteed loans. Our participants and other parties, including WSW, have a major responsibility when it comes to enabling homes to be built and made more sustainable. One important precondition for achieving the ambitions in the area of housing is the extent to which our participants receive rental income and are able to use that income. For WSW, the pursuit of a consistent rental policy by central government is also crucial for a healthy, future-proof guarantee system. In recent years, many measures have been taken that affect the system for rent increases, and the rent increase provision might also be adjusted for 2025. When it comes to guaranteeing loans for up to 50 years, a high degree of uncertainty about this is a highly undesirable situation.

During the past year, in addition to our regular work, such as setting guarantee ceilings and assessing risks at association and portfolio level, WSW worked on various future-oriented projects. We developed a Sustainable Performance Model for housing associations, working with the Ministry of Housing and Spatial Planning, Aedes and the Authority for Housing Associations. This model provides insight and links a housing association's execution of its task in the area of housing to that association's financial continuity. WSW was also actively involved in a number of key policy issues in 2024. These included contributing ideas on how to shape the mid-range segment of the rental market for housing associations, and project support.

In 2024, WSW set its strategic goals for 2030 in consultation with stakeholders, the participants' council and our employees. These strategic goals will keep us focused on a future in which WSW is, and remains, a stable, reliable, committed partner. WSW will continue to do its best to contribute to the achievement of housing goals. WSW is playing its role and starting a conversation about possible changes to the system that could make those goals more achievable.

WSW's activities are only possible thanks to the dedicated efforts of all employees. Every day, they make sure WSW is able to perform its work properly. These efforts are also appreciated by

our participants, as is apparent from, among other things, the participants' satisfaction survey that was carried out last year.

For a summary of our additional activities, please see section 1.1 of this annual report. There is more information elsewhere in this report of the Executive Board. The report does not address the performance of the mandated resolution role.

1.1. Key developments

Based on the three themes we decided to focus on, the key developments in 2024 were as follows:

- Establishing a *long-term strategy* and examining the implications for the organisation;
- *Development*: engage in dialogue with stakeholders, to orient on external developments in areas that include ESG, the digitalisation programme for the loan arrangement process, the mid-range segment of the rental market, and a reassessment of the maximum guarantee;
- *Inspiration and anticipation* through a programme of knowledge sessions and the further development of competencies (see 1.3 Organisation).

In the final quarter of 2024 we conducted a satisfaction survey among our participants. The response rate was 40%, and the results, which were very encouraging, confirmed that, as far as our contribution to the sector is concerned, WSW is still on the right track. Participants are satisfied with the service provided by WSW, for which they gave an average score of 8 out of 10. WSW is regarded as a reliable partner in the sector, with over half of respondents indicating that they would like see WSW act in a way that is more intention-driven than rule-driven. They also think WSW could play a role in financing the mid-range segment of the rental market, providing insight into regional differences, and integrating analyses of the national agreement on housing performance in reports.

At the end of 2024, the Administrative Jurisdiction Division of the Council of State (ABRvS) issued its ruling on the cases brought by WSW, SHH and WSG concerning resolution grants. The ruling went against us. The ABRvS found that the Minister had acted correctly, and that the purpose of resolution grants is to support interests related to housing, and not to provide financial support to a housing association or protect WSW as a guarantor. There was no breach of the principle of proportionality. This ruling has consequences for the financial statements. Since there is no possibility for appeal under administrative law, there is no longer any uncertainty about the guarantee. At the time of writing, that lack of uncertainty was unaffected by an investigation of the possibilities of civil-law proceedings. As a consequence, the provision was turned into a liability. A more detailed explanation can be found in the section on the guarantee claim and the financial section in this report, and in the financial statements.

Long-term strategy

As a sector, housing faces major challenges and is constantly in motion. This situation will not change in the coming years. WSW has asked itself what this might mean. The Environmental Scan report, which was produced in 2023, describes developments that WSW, its participants and the sector as a whole are likely to face before 2030. The analysis provides insight into various visions of the future. One of the main conclusions of the scan was that the dynamic, somewhat unpredictable environment places great demands on WSW. We need to maintain and build upon who we are and what we do, and also flesh out the challenges that we see around us. We have specified this further by formulating six strategic goals. These goals are designed to enable us to help tackle the challenges facing the sector, within the context of WSW's own tasks and responsibilities as a guarantee institution.

WSW's mission and vision serve as guiding principles, and we have reassessed and improved them, although in essence they are unchanged. It goes without saying that guaranteeing loans remains WSW's core task. We have added a number of new elements, primarily to make it clearer that, in addition to helping to keep financing costs down, we are also responsible for the

continuity of the guarantee system and therefore the sector's ability to obtain finance in the long term. We are also stating more explicitly that we want to share our knowledge and insights with stakeholders in the sector.

Mission

As an independent guarantee fund for social housing, WSW safeguards the continuity of the guarantee system. By guaranteeing loans, WSW ensures that housing associations can be financed at the lowest possible cost. In this way, we help participants perform their core activity of building and managing social housing.

Vision

We achieve our mission by assessing and providing insight into the relevant risks to the guarantee system faced by individual participants and the sector as a whole. By sharing knowledge and insights, WSW contributes to the sector's ability to obtain finance in the long term.

Strategic goals

Employees, the participants' council (Deelnemersraad, DR), and the Supervisory Board were involved in developing WSW's strategic goals; as were the external stakeholders. Discussions with key stakeholders revealed that the strategic goals are recognised and understood. Generally speaking, WSW's strategic goals enjoy widespread support in the participants' council. It is also important that we have an enduring, excellent working relationship with every stakeholder. The strategic goals were used to flesh out the long-term strategy.

The strategic goals also build on initiatives that have already started, and are a logical fit with developments in the sector. The six goals are closely connected to each other: they form an integrated package that describes WSW's ambition for the coming years (until around 2030), including what others can expect WSW to do to tackle the challenges facing the sector.

The six strategic goals are focused on the following:

1. Independent institute
2. Risk appetite
3. Sustainable business model
4. Guarantee system
5. Financing
6. Sharing insights

When arranging activities to implement the strategic goals, we evaluate the extent to which the existing organisational set-up and working methods adequately support the strategic goals. For details, see section 1.3 Organisation.

Development

WSW is focused on continuous development, and in 2024 it made headway in several areas.

Harmonisation of backstop agreement

A new backstop agreement between WSW and the State came into effect on 1 August 2021, as did multiple new backstop agreements with municipalities. Those backstop agreements applied to all guaranteed loans that came into effect on or after 1 August 2021. We also wanted all the improvements contained in those new backstop agreements (apart from the allocation formula for municipalities) to be declared applicable to all guaranteed loans dating from before 1 August 2021. For this reason, in the period 2022/2023 WSW worked with the Ministry of the Interior and Kingdom Relations (now the Ministry of Housing and Spatial Planning (VRO)) and the Association of Netherlands Municipalities (VNG) to develop a new backstop agreement with the State and municipalities that would replace all previous backstop agreements. We submitted the draft backstop agreements (between WSW and the State, and between WSW and

municipalities) in advance to all financiers of guaranteed loans and gave them three months in which to respond. This did not reveal any objections. The new backstop agreements with the State and municipalities have applied since 1 May 2024.

Risk capital adequacy

We assess the risks in our participating associations individually and in the guarantee structure as a whole. We analyse various risks under different circumstances with the aim of maintaining a robust guarantee system.

As part of this risk management, each year we examine whether our risk capital is adequate according to policy rule I, thus assessing 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. We calculate the risk capital requirement on the basis of expected and unexpected losses, broadly in accordance with the capital ratio formula for banks (Basel methodology).

The available risk capital is adequate if it is equal to or greater than the risk capital requirement. The 2024 adequacy test showed that the risk capital requirement was € 0.89 billion (2023: € 0.95 billion) and the available risk capital was € 2.9 billion (2023: € 2.7 billion).

The increase in available risk capital was mostly due to the increases in total guaranteed outstanding loans and WSW's risk capital. The slight decline in the risk capital requirement was primarily due to a fall in unexpected losses incurred by participants in default. WSW concluded that the risk capital is adequate to cover projected and unexpected losses.

2024 rating

In 2024, WSW once again received the highest possible ratings from our credit rating agencies. Both S&P and Moody's rated WSW at AAA with a stable outlook. S&P's credit rating is based on the support we receive from the housing associations in maintaining sufficient risk capital and the support we receive from the Dutch government via the backstop agreement. In the case of Moody's, our close ties with the Dutch government, the robust risk management framework and the stratified guarantee structure are important factors in its rating. WSW has the same rating as the Dutch State. Thanks to these credit ratings, which are the highest that can be awarded, our participants are able to obtain financing on good terms.

Insight into collateral

Two years ago we launched a project aimed at gaining more insight into our collateral. This project was completed in 2024. Having improved the interfaces between dVi uniform financial reports and various government property records in 2023, we made arrangements with the Netherlands' Cadastre, Land Registry and Mapping Agency (Kadaster) for sharing information. If necessary, we are now able to access entirely independently the information needed to create a mortgage at short notice.

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 the Minister of the Interior and Kingdom Relations of applications for resolution support from WSG (partial) and SHH (in full). 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.

Both WSG and SHH appealed against the decisions to reject the resolution grant. The court rejected WSG and SHH's objections. WSG and SHH appealed against these rulings at the Administrative Jurisdiction Division of the Council of State (ABRvS). WSW also appealed

against the decisions to refuse resolution grants. In the interim ruling of 3 August 2022, the ABRvS ordered the Minister of the Interior and Kingdom Relations to make substantive rulings on the objections submitted by WSW. On 21 November 2022, the Minister of the Interior and Kingdom Relations decided on WSW's objections, and they were rejected in both cases.

The ABRvS issued its final ruling on 24 December 2024. In that ruling, the ABRvS found that the Minister had not acted contrary to the statutory system by, in the case of SHH, rejecting the application for the resolution grant entirely, and, in the case of WSG, granting only part of the application for the resolution grant.

The adverse outcome of the appeal proceedings had two significant consequences. First, the ending of the uncertainty meant that the provision for guarantee obligations had to be recognised as a liability on the basis of market value. Second, the ruling resulted in a larger claim on our risk capital than anticipated, increasing WSW's liabilities (claim on the guarantee provision). For this reason, liabilities grew by € 90.1 million in 2024.

Supervision of WSW

The Authority for Housing Associations (the Authority, Autoriteit Woningcorporaties, Aw) supervises WSW with the objective of managing the financial risk associated with the backstop provided by the State and municipalities. The Authority produces a supervision report once a year. The supervision report for 2024 is expected after the annual report has been adopted. In order to provide insight into the Authority's views in the annual report, each year the annual report presents the conclusions of the most recent supervision report.

The supervision report for 2023 was issued in October 2024. Supervision focuses on compliance with the three policy rules and on controlled and integrity in business operations. The Authority noted that WSW complied with the three policy rules in 2023 and that WSW also had sufficient integrity in business operations (it also made one recommendation for improvement). With regard to controlled business operations, the opinion was that 'improvement is required'. This concerns in particular the finalisation of the Enterprise Risk Management (ERM) framework and the breach of the investment statute that was identified by the Authority. In 2024, WSW acted upon the required improvement guidelines it received from the Authority in response to the breach that the Authority detected. At the start of December 2023, WSW reported to the Authority on how it had taken action in response to the Authority's other recommendations and points requiring attention. Based on that report, the Authority stated that it saw no reason for an interim report and that it would pay to this matter in a subsequent supervision report.

Market value

The Ministry of Housing and Spatial Planning (VRO) has decided, with the support of WSW, the Authority and Aedes, that the section on market value will no longer be a compulsory part of the financial statements with effect from the 2026 reporting period. As a result, the current market valuation manual will cease to apply. In the meantime, various parties in the sector, under the leadership of WSW, are working on a new methodology for determining market value when let. The need for WSW to use the market value when let is not in dispute.

Continuity of WSW

Thanks to the agreements with our participants and backstop providers, we have sufficient cash to meet our obligations under the guarantee system even after a claim. Our work focuses primarily on preventing claims and ensuring that the risk capital and the capital committed by the participants is sufficiently robust and so there is no uncertainty about the continuity of WSW.

International developments, both political and economic, contribute to trends in interest rates and therefore the interest rate risk to which WSW and its participants are exposed. In particular, developments in the United States, the continuing events in Ukraine, and the unpredictable nature of the tensions in the Middle East, the Red Sea region and elsewhere in the world are affecting interest rates. This has direct consequences for WSW's result and financial position.

High inflation forced the European Central Bank (ECB) to increase its deposit rate sharply. There was also a sharp rise in long-term interest rates (which are relevant to housing associations that borrow). The ECB subsequently cut interest rates five times, most recently at the end of January 2025. In addition, long-term interest rates fell on average. The aforementioned interest rate movements had no negative consequences for the financiers of the housing association sector, and consequently they had no negative consequences for WSW. The financial position of the participants and the system is sufficiently robust.

1.2. Joint assessment framework

Since 1 January 2019, the Authority and WSW have been using the joint WSW/Authority(Aw) framework to assess the risks at associations. Based on the statutory evaluation of market value and policy value, we made changes to the calculation of the policy value in consultation with parties in the sector, Aedes, the Authority and the Ministry of the Interior and Kingdom relations (now the Ministry of Housing and Spatial Planning, VRO). The amended policy value was requested for the first time for the dPi uniform financial report for 2024. In connection with the amended policy value, WSW and the Authority evaluated the limits for the financial ratios, since the changes also affect the level/outcome of the policy value. This resulted in adjusted limits for the financial ratios, which were communicated to the sector in mid 2024 and published in an updated joint assessment framework in December 2024.

1.3. The WSW organisation

In 2024, one of WSW's selected themes, "*Inspiration and anticipation*", was given substance in the form of a programme of knowledge sessions and the further development of competencies, as set out below.

Professional development / knowledge sessions

In the context of the 40th anniversary of WSW, three sessions (one in 2023, and two in 2024) were held on dealing with uncertainty. There was a lecture on 'Management, countervailing power and the value of control' in February, and on 'What is left unsaid in the boardroom' in March.

Team leaders received training in managing absenteeism at the start of 2024.

Strategic goals: phase 3

After the strategic goals for the long-term policy had been set out, in September 2024 a start was made on describing how the goals will be achieved. More than 90% of employees took part in 'dreaming sessions'. Each employee described what needs to happen within the organisation in the light of the strategic goals. These descriptions, in combination with the outcome of the 'dreams' of the Executive Board and MT, resulted in seven key topics (six strategic goals and the consequences for the organisation), which we will work on together starting from 2025.

Integrity of business operations

The plans for 2024 included updating the framework for integrity of business operations. The seven elements of integrity of business operations, as defined by De Nederlandsche Bank (DNB), underlie the framework that WSW has used since 2017 to support the integrity of business operations. It was decided that action should be taken to further embed values (including integrity) and conduct in the organisation. A process for formulating a new framework for a sound corporate culture was launched with KPMG. WSW's core values and some rules of conduct are described in the code of conduct, and these are being incorporated in the new framework. This process, which started in 2024, is aimed at ensuring that the corporate culture is better suited to the challenges faced by WSW today and in the future. The entire organisation is actively involved in the development and implementation of the new framework for integrity in business operations.

1.4. Employees

At 31 December 2024, WSW employed 71 people (68.6 FTEs). During 2024, two people left and two people joined.

Department	FTEs 2024	FTEs 2023	Employees 2024	Employees 2023
Accounts	19.3	20.2	20	21
Operations & Control	5.9	5.9	6	6
Executive Board (incl. Management Support)	12.3	10.8	13	11
HRM/Facilities	5.2	5.2	6	6
Information management	6.9	6.9	7	7
Risk management	19.0	20.0	19	20
Total	68.6	69.0	71	71

Absenteeism

There was a fall in the rate of absenteeism due to illness in 2024 (5.0%, including maternity leave) compared with 2023 (5.5%). Long-term (and very long-term) absenteeism due to illness decreased by 0.6 percentage points to 3.6% in 2024. Reporting frequency fell to 0.76% (2023: 1.10%).

1.5. Information management

In 2024, the Information Management department made significant headway with various projects that made our systems more efficient and reliable.

One of the most important initiatives was the establishment of a document library for the Authority for Housing Associations (the Authority, Aw), which improved the accessibility and management of documents substantially and resulted in a streamlined documentation process.

In addition, the implementation of Okta simplified user identity management. This led to the further automation of access to systems and applications, enhancing user-friendliness in this area. We also expanded the processing of dPi data to cover a 10-year period, to support more in-depth analyses and long-term forecasts.

The addition of data from BAG (Key Register of Addresses and Buildings) to our data warehouse increased our analytical capabilities, resulting in more comprehensive and more detailed reports. Moreover, the change in the invoicing of guarantee fees simplified the internal process.

Also in 2024, we made a start on a pilot project for the implementation of Copilot, an AI assistant, to enhance the efficiency and productivity of our employees. In addition, we took further steps aimed at professionalising and improving the WSW Information Management (WIM) system by means of improved authorisation management, increased functionalities within WIM and optimisation in SharePoint.

Besides these projects, we also performed various management tasks to safeguard the continuity and security of our IT environment. All in all, for the Information Management department 2024 was a year of significant improvements and increased efficiency, with a strong focus on making our systems more secure, reliable and user-friendly.

1.6. Finances

The company loss after tax for 2024 was € 60.4 million (2023: € 96.7 million profit after tax). This negative result compared with 2023 is attributable to a fall in committed capital called and in guarantee fees invoiced, and also to the € 79.2 million increase in the guarantee claim. The final ruling on SHH and WSG issued by the ABRvS meant that WSW's legal action was unsuccessful. As a consequence, the entire provision for guarantee obligations was released and recorded as a liability. A portion of the claim relating to WSG had not been included in the provision for guarantee obligations, which meant that portion had to be recognized as a liability and charged to the result.

In 2024, € 26.2 million of the committed capital was called to maintain the risk capital (2023: € 117.5 million).

The company operating result for 2024 was a loss of € 52.3 million (2023: operating profit of € 129.1 million). The operating result this year was therefore € 181.4 million lower than in the previous year. Ignoring the call of committed capital and the addition to the claim on the provision for guarantee obligations, the operating profit would have been € 0.7 million (2023: € 11.6 million). Committed capital called fell by € 91.3 million, the addition to the claim on the guarantee provision rose by € 84.5 million, and guarantee fees invoiced fell by € 4.2 million owing to a change in the calculation methodology. Starting from 2024, the annual guarantee fees will be equal to the annual budgeted operating expenses of WSW for that calendar year. Expenses were higher in 2024 than in 2023. Employee benefits rose by € 0.9 million owing to an increase in collectively agreed wages. In addition, other operating expenses increased by € 0.5 million, primarily as a result of higher IT costs, higher rating fees and a higher contribution relating to data queries for the dPi and dVi reports through SBR-Wonen. There were no events that required a provision to be formed.

To avoid interim realised and unrealised capital gains or losses, we pursue an almost fully passive investment policy (Buy & Hold) in which the intention is to hold securities until maturity. Securities are valued at amortised cost. As part of this, differences between market value and nominal value are amortised over the bonds' period to maturity using the effective interest rate method in the statement of income and expenditure, reflecting redemptions and other movements in the principal. At year-end 2024, the amortised cost of the investments was € 579.0 million (2023: € 555.9 million). On balance, income from investments came to € 15.9 million (2023: € 16.3 million including capital gains and losses), comprising € 0.1 million in income from sold investments (2023: minus € 2.6 million), € 7.7 million in coupon interest (2023: € 7.0 million) and € 8.1 million in amortised interest income (2023: € 5.4 million).

The company result after corporation tax was a loss of € 60.4 million and this has been incorporated in the financial statements as a withdrawal of € 0.4 million from the legal reserve (for amortisation of software) and a withdrawal of € 60.0 million from the other reserve.

Outlook

In 2024 it was decided that income from guarantee fees would be based on budgeted operating expenses. As a consequence, the aim for operating profit in 2025 will be to break even, without taking into account guarantee claims and additions to and releases from provisions. The number of employees at WSW is currently expected to remain stable. In the present circumstances, employee benefits are likely to rise in 2025 as a result of collective wage bargaining. Other expenses in 2025 will be in line with 2024. Income from guarantee fees is expected to rise by some € 1.6 million compared with 2024 due to higher expected expenditure on projects.

No change in computation of call on committed capital

The method of computing the call on committed capital remained unchanged. The amount of risk capital is largely determined by the market value of invested capital, which is shown in the notes to the financial statements. As in previous years, the market value of the investments at

year-end was used as a starting point for calculating the risk capital. The amount of the call on committed capital will be decided in 2025.

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 Duties and procedures

The Supervisory Board has at least five members. The composition of the Supervisory Board is intended to ensure diversity in terms of knowledge, background, age, gender, 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 in 2024

Mr Mr. H.M. Meijdam, chair (1961)	Since 1 February 2018; term of office ends on 1 February 2026
Ms Drs. G. van Vollenhoven-Eikelenboom (1970)	Since 1 February 2018; term of office ends on 1 February 2026
Mr Drs. J.G. Pot (1949)	Since 25 September 2018; term of office ends on 25 September 2026
Prof. Dr. D. Brounen (1976)	Since 25 June 2019; term of office ends on 25 June 2027
Mr Ir. M.A.E. Calon (1959)	Since 9 November 2020; term of office ended on 9 November 2024

Mr Calon stood down in 2024. The procedure for replacing him is expected to be completed early in 2025. The Supervisory Board will continue to be fully authorised in the period until a successor to Mr Calon is appointed. All necessary steps in the process for recruiting a successor to Mr Calon were completed in 2024. Consensus with the works council will follow in 2025, as will the 'fit and proper' procedure of the Authority for Housing Associations.

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 Supervisory Board's responsibility for its own decisions.

Audit Committee

The audit committee comprises Mr Pot (chair) and Prof. Brounen (member). The audit committee met four times in 2024. Among the topics discussed were the 2023 Annual Report and financial statements, WSW's annual plan for 2025, the external auditor's reports, the findings and plans of the internal auditor, the ERM process cycle, and the asset management tendering process at WSW. The external auditor was present during the discussion of various relevant topics.

Remuneration Committee

Ms van Vollenhoven- Eikelenboom (chair) and Mr Meijdam (member) form the remuneration committee.

The remuneration committee met on several occasions in 2024. The business discussed included the assessment of the members of the Executive Board. The remuneration committee was also actively involved in the succession procedure and in creating an overlapping set-up for both the Executive Board and the Supervisory Board. The terms of office of the Executive Board members and of three of the four current Supervisory Board members are all scheduled to end in 2026. The Supervisory Board, led by the remuneration committee, also discussed these topics with the Executive Board and the regulator, and it informed and involved the works council on several occasions. The remuneration committee was also active when it came to finding a new Supervisory Board member. When necessary, this committee discussed topics more broadly with the full Supervisory Board, after which the Supervisory Board reached 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 are examined as part of the Supervisory Board's activities but none arose in 2024.

6.3 Activities

In 2024, WSW set its strategic goals for the coming years. WSW is aware that it operates in a dynamic, somewhat unpredictable environment and that this places great demands on the organisation. The task faced in the area of housing is huge, and WSW is seeing an increase in the guaranteed volume of loans. WSW's goals are aimed at maintaining what WSW is and does, and at fleshing out the challenges that WSW sees. Plenty of attention was devoted to this topic in the Supervisory Board's meetings in the past year. WSW is making increasing efforts in the form of contributions relating to topics such as the national agreements on housing performance and the Sustainable Performance Model. Where necessary, WSW gets around the table and makes an active contribution. This is in keeping with the strategic goals WSW has set itself for the coming years. The Supervisory Board was happy to read the results of the WSW participants' satisfaction survey. This survey revealed that participants are very satisfied with WSW's services and have confidence in them. In the Supervisory Board's view, this provides a good foundation for achieving WSW's strategic goals in the coming years.

The Supervisory Board held six meetings in 2024. An off-site meeting was held on location in the autumn. The chairs of the Supervisory Board and the Executive Board also held regular meetings. In addition, members of the Supervisory Board also had regular contact with the Executive Board. Every meeting was attended by all members with the exception of Mr Calon, who was unable to attend the meeting on 25 September. His term of office ended, moreover, before the meeting on 3 December 2024.

The Supervisory 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 also contacts with employees in the organisation. The Supervisory Board also liaised with the works council and WSW's regulator, the Authority for Housing Associations (Aw). In the autumn, the entire Supervisory Board (which at that time consisted of four members) attended the consultative meeting with the works council pursuant to Section 24 of the Works Council Act. This year, the meeting was also attended by representatives that were a reflection of WSW employees. The Executive Board informed the Supervisory Board proactively when major developments in the field occurred. Individual members report to the Supervisory Board on the outcome of all meetings, so that the Supervisory Board as a whole has all relevant information.

During the year under review, the Supervisory Board also approved decisions of the Executive Board on the setting of the strategic goals, the annual report, the 2023 financial statements, the 2024 annual plan and budget, the policy rules on restructuring, and the internal auditor's annual

plan. Approval was also given to adjust the limits, abolish the system of differentiated premiums for guarantees, and amend the investment statute. The succession process for WSW's Executive Board continued, but it has not yet resulted in any new candidates. Other topics that were discussed in depth include WSW's long-term strategy, the national agreements on housing performance (NPA), the Sustainable Performance Model, the new government, and the 'Woontop' housing summit with the Minister of Housing and Spatial Planning (VRO). The Supervisory Board was also involved in consultations relating to the breach of the investment statute that was identified by the Authority. As mentioned above, the actions ordered by the Authority based on that breach were followed up by WSW in 2024, and a concluding meeting was held.

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 Supervisory Board received a commentary on the auditor's report and the recommendations for improvements and other points raised by the auditor.

The Supervisory Board would like to thank WSW's employees and Executive Board for all their efforts in the past year and for helping to achieve WSW's ambitions and goals. In 2024 WSW focused its efforts on its core activity (guaranteeing loans for the construction and management of social housing), but it also made efforts relating to trends in the near and more distant future. The Supervisory Board is looking forward to seeing these efforts develop further in 2025.

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 Mr. H.M. Meijdam, chair

Positions

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

Ancillary positions

Chair of Federatie Particulier Grondbezit
Chair of Waterrecreatie Nederland
Chair of VAN Kansspelen (sector organisation for providers of games of chance)
Chair of Netherlands Veterinary Medicines Institute (SDa)
Member of the Supervisory Board of SAOZ B.V.
Member of the Supervisory Board of Platform 31
Chair of Koninklijke NVRD
Chair of Stichting KOMO/KIK
Non-executive director of Puurt wat Zuurt B.V.

Ms Drs. G. van Vollenhoven-Eikelenboom AAG

Ancillary positions

Chair of Foundation Board of Chapter Zero Netherlands
Chair of Supervisory Board of 100WEEKS
Alternate expert member of the Enterprise Division of the Amsterdam Court of Appeal
Member of the Supervisory Board of ASR Nederland N.V.
Interim chair 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 EIOPA Insurance and Reinsurance Stakeholder Group (until May 2024)

Member of the Audit Committee of the Ministry of Foreign Affairs

Mr Drs. J.G. Pot, member

Main position

Consulting and interim management services provided through J.G.PotAdvies

Ancillary positions

Chair of the incompatibility committee of the Whistleblowers Authority

Member of the Audit Committee of the Ministry of Foreign Affairs

Member of the Advisory Board of Grey Matter Matters

Lecturer at the National Academy for Finance and Economics

Prof. Dr. D. Brounen, member

Main position

Professor of Real Estate Economics, Tilburg University and TIAS School for Business and Society (until October 2024)

Professor of Housing & Household Finance, Maastricht University (from October 2024)

Professor of Real Estate Economics, Tias Business School

Ancillary positions

Chair of the Central Board of Experts of VastgoedCert

Member of PGGM Advisory Board Alternative Funds

Freelance adviser to various governmental authorities and property organisations

Mr Ir. M.A.E. Calon, member (until 9 November 2024)

Main position

Farmer

Ancillary positions

Member of the Advisory Board of Arriva

Chair of the Supervisory Board of Univé Noord-Nederland

Senior advisor to Nature Energy (until May 2024)

7. Company financial statements

Balance sheet at 31 December 2024

(after appropriation of the result)

Assets		31 December 2024		31 December 2023	
	Note	€	€	€	€
Fixed assets					
Intangible fixed assets 4.1					
Software		183,611		592,324	
			183,611		592,324
Tangible fixed assets 4.2					
Refurbishments		1,604,558		1,830,310	
Computer systems		245,033		353,869	
Office equipment		181,378		257,889	
			2,030,969		2,442,068
Financial fixed assets					
Securities	5.1	579,000,835		555,866,104	
Deferred tax	5.2	6,816,699		9,911,109	
			585,817,534		565,777,213
Current assets					
Receivables					
Debtors guarantee fees	6.1	-		5,381,741	
Corporation tax receivable	6.2	1,099,246		-	
Prepayments and accrued income	6.3	4,902,165		4,871,371	
Other receivables	6.4	21,647,000		67,551	
			27,648,411		10,320,663
Cash	7.		18,792,331		40,711,301
			634,472,856		619,843,569

Capital and liabilities		31 December 2024		31 December 2023	
	Note	€	€	€	€
Capital					
Legal reserve	8.1	183,611		592,324	
Other reserve	8.2	<u>381,725,476</u>		<u>441,710,442</u>	
		381,909,087		442,302,766	
Provisions					
Provision for guarantee obligations	9.1	-		154,630,679	
			-	154,630,679	
Non-current liabilities					
Guarantee claim	10.1	233,683,766		-	
				-	
		233,683,766			
Current liabilities					
Claim on guarantee provision	10.1	17,697,816		-	
Suppliers and trade creditors	11.1	240,804		600,114	
Corporation tax payable	11.2	-		21,324,445	
Other tax and social security contributions	11.3	42,250		45,073	
Accruals and deferred income	11.4	587,242		550,243	
Other payables	11.5	<u>311,891</u>		<u>390,249</u>	
		18,880,003		22,910,124	
		<u>634,472,856</u>		<u>619,843,569</u>	

Statement of income and expenditure for 2024

		2024		2023
	Note	€	€	€
Guarantee fees	13.1	16,846,649	20,962,729	
Income from calling committed capital	13.2	26,240,884	117,513,246	
Resolution fees	13.3	28,484	50,042	
Other income	13.4	<u>930</u>	<u>-</u>	
Total operating income		43,116,947	138,526,017	
Salaries	14.	8,347,061	7,605,950	
Other employee benefits	15.	2,357,399	1,964,087	
Amortisation and depreciation	16.	854,649	902,211	
Other operating expenses	17.	<u>4,647,118</u>	<u>4,173,130</u>	
Total operating expenses		(16,206,227)	(14,645,378)	
(Addition to)/release from guarantee claim	18.	<u>(79,241,853)</u>	<u>5,229,236</u>	
Operating profit		(52,331,133)	129,109,875	
Realised and unrealised gains and losses on investments	19.	54,958	3,888,585	
Financial income and expenses	20.	3,146,263	182,359	
Result before tax		(49,129,912)	133,180,819	
Corporation tax	21.	<u>(11,263,767)</u>	<u>(36,484,130)</u>	
Result after tax		<u>(60,393,679)</u>	<u>96,696,689</u>	

Cash flow statement for 2024

The cash flow statement has been prepared using the direct method, which links all cash receipts and payments directly to the activities.

		<u>2024</u>	<u>2023</u>
		€	€
Cash flow from operating activities			
Cash receipts	Note		
Guarantee fees received from participants	13.1	22,228,390	20,900,408
Resolution costs received	13.3	28,484	50,042
Other cash receipts	13.4	930	42,000
Payments to suppliers	17.	(6,341,784)	(5,103,234)
Payments to employees	14/15.	(9,347,300)	(8,757,641)
Cash flow from direct business operations		6,568,720	7,131,575
Committed capital call received from participants	13.2	26,240,884	117,513,246
Loan servicing payments	9.1	(17,659,179)	(17,983,828)
Cash flow from committed capital calls and guarantee claims		8,581,705	99,529,418
Cash flow from operations		15,150,425	106,660,993
Interest received	20.	8,519,912	7,967,402
Interest paid	20.	-	-
Corporation tax paid	6.	(30,593,048)	(9,184,134)
Cash flow from operating activities		(6,922,711)	105,444,261
Cash flow from investment activities			
Additions to intangible fixed assets	4.	(10,711)	(8,322)
Additions to tangible fixed assets	4.	(24,126)	(68,433)
Purchases/sales and redemptions of securities	5.	(193,279,660)	(136,897,148)
Sales and redemptions of securities	5.	178,318,238	19,414,755
Cash flow from investment activities		(14,996,259)	(117,559,148)
Movements in cash		(21,918,970)	(12,114,887)
Closing cash balance	7.	18,792,331	40,711,301
Opening cash balance	7.	40,711,301	52,826,188
Movements in cash		(21,918,970)	(12,114,887)

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 had 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

The offices of Stichting Waarborgfonds Sociale Woningbouw are 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

The cash flow statement has been prepared using the direct method. This method provides insight into the cash flows relating to WSW's various revenue streams, in contrast to the indirect method in which the overall cash flow from operating activities is derived from the result reported in the statement of income and expenditure.

The cash flow statement differentiates between operating, investment and financing activities. Within the cash flow from operating activities, receipts and expenditure from direct business operations are included as a sub-total prior to the sub-total of cash flow from committed capital calls and guarantee claims. Both sub-totals form part of the cash flow from business operations. Receipts from committed capital calls from participants, other receipts, received implementation costs for mandated resolution activities, and payments to suppliers and employees are included

in the cash flow from direct business operations. Receipts from committed capital calls from participants and guarantee payments are included under cash flow from committed capital calls and guarantee claims. Receipts and payments relating to interest and to taxes on profits are also 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 deferred tax receivables and liabilities, and taxes.

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 WSG and SHH have been consolidated since 2019 and consolidated financial statements have been prepared since 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. Up to 4 April 2023, they were subsequently measured at fair value without deduction of any transaction costs on disposal. Until 4 April 2023, unrealised gains and losses were 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 through profit or loss are recognised directly through the statement of income and expenditure.

Starting from 4 April 2023, securities are held until maturity and following initial recognition are measured at amortised cost, while realised gains and losses are recognised as capital gains or losses on investments.

Gains and losses on securities valued at amortised cost are recognised through the statement of income and expenditure when the investments are transferred to a third party or are impaired (or impairment is reversed), and also through the amortisation process.

2.6.3. Deferred tax

For information on the measurement and recognition of deferred tax assets, see note 3.7 Tax.

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 rate at 31 December 2024 (2023: European swap rate at 31 December 2023) that reflects current market interest rates.

Provision for guarantee obligations

Until 24 December 2024, WSW 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

For information on the measurement and recognition of deferred tax liabilities, see note 3.7 Tax.

2.12. 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.

2.13. Current liabilities

On initial recognition, current liabilities are measured at fair value. Liabilities are subsequently recognised at amortised cost using the effective interest method.

2.14. 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.

2.15. 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 un-collectability.

2.16. 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.

2.17. 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 an annual 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. 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 Housing and Spatial Planning (formerly 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 a defined benefit scheme 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 it 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. 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.

3.7. Interest

Interest income is recognised on a pro rata time basis in the statement of income and expenditure, taking into account the effective interest rate for the asset concerned, if the income can be measured and is likely to be received.

Share premiums and discounts are allocated as interest to subsequent reporting periods in such a manner that the effective interest, together with the interest receivable on the investment, is recognised in the statement of income and expenditure, and the net amortised value of the investments is recognised in the balance sheet. Regular interest expenses and similar expenses are charged to the year for which they are payable.

3.8. Tax

3.8.1. 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.

3.8.2. 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 2024	Software 2023
	€	€
Balance at 1 January		
Purchase price	3,699,889	3,691,567
Accumulated amortisation and impairment	<u>(3,107,565)</u>	<u>(2,654,241)</u>
Carrying amount	<u>592,324</u>	<u>1,037,326</u>
Movements during the reporting period		
Additions/assets under development	10,711	8,322
Retirements	-	-
Accumulated amortisation on retirements	-	-
Amortisation of intangible fixed assets	<u>(419,424)</u>	<u>(453,324)</u>
Balance	(408,713)	(445,002)
Balance at 31 December		
Purchase price	3,710,600	3,699,889
Accumulated amortisation and impairment	<u>(3,526,989)</u>	<u>(3,107,565)</u>
Carrying amount	<u>183,611</u>	<u>592,324</u>
Amortisation rates	<u>20%</u>	<u>20%</u>

Intangible fixed assets consist of software developed in-house for WSW's computer systems.

4.2 Tangible fixed assets

	Refurbishments	Computer systems	Office equipment	Total
	€	€	€	€
Balance at 1 January 2024				
Purchase price	2,255,476	934,860	448,801	3,639,137
Accumulated depreciation and impairment	<u>(425,168)</u>	<u>(580,991)</u>	<u>(190,912)</u>	<u>(1,197,071)</u>
Carrying amount	<u>1,830,308</u>	<u>353,869</u>	<u>257,889</u>	<u>2,442,066</u>
Movements during the reporting period				
Additions	-	19,404	6,228	25,632
Depreciation	(225,752)	(128,240)	(81,233)	(435,225)
Retirements	-	-	(18,971)	(18,971)
Accumulated depreciation on retirements	<u>-</u>	<u>-</u>	<u>17,465</u>	<u>17,465</u>
Balance	(225,752)	(108,836)	(76,510)	(411,099)

Balance at 31 December 2024

Purchase price	2,255,476	954,264	436,058	3,645,798
Accumulated depreciation and impairment	<u>(650,920)</u>	<u>(709,231)</u>	<u>(254,680)</u>	<u>(1,614,831)</u>
Carrying amount	<u>1,604,556</u>	<u>245,033</u>	<u>181,379</u>	<u>2,030,967</u>
Depreciation rates	<u>10%</u>	<u>20%</u>	<u>20%</u>	

Refurbishments relate to the premises at Olympia 1G, Hilversum. Computer systems consist largely of hardware. Office equipment consists mainly of office furniture and other equipment.

Movements in tangible fixed assets in 2023:

	<i>Refurbishments</i>	<i>Computer systems</i>	<i>Office equipment</i>	<i>Total</i>
	€	€	€	€
Balance at 1 January 2023				
Purchase price	2,238,903	895,300	436,825	3,571,028
Accumulated depreciation and impairment	<u>(199,655)</u>	<u>(442,869)</u>	<u>(105,984)</u>	<u>(748,508)</u>
Carrying amount	<u>2,039,248</u>	<u>452,431</u>	<u>330,841</u>	<u>2,822,520</u>

Movements during the reporting period

Additions	16,573	39,560	12,786	68,919
Depreciation	(225,513)	(138,122)	(85,252)	(448,887)
Retirements	-	-	(809)	(809)
Accumulated depreciation on retirements	<u>-</u>	<u>-</u>	<u>324</u>	<u>324</u>
Balance	(208,940)	(98,562)	(72,952)	(380,454)

Balance at 31 December 2023

Purchase price	2,255,476	934,860	448,801	3,639,137
Accumulated depreciation and impairment	<u>(425,168)</u>	<u>(580,991)</u>	<u>(190,912)</u>	<u>(1,197,071)</u>
Carrying amount	<u>1,830,308</u>	<u>353,869</u>	<u>257,889</u>	<u>2,442,066</u>
Depreciation rates	<u>10%</u>	<u>20%</u>	<u>20%</u>	

5. Financial fixed assets

5.1. Securities

The investment portfolio is part of WSW's risk capital and can be used in the event of a guarantee claim. The investment policy is to maintain nominal value, aiming to offset inflation. Portfolio performance is assessed by the extent to which the investment objective is met.

The portfolio is managed by the asset manager InsingerGilissen. The asset manager manages the investment portfolio in accordance with a passive investment mandate. In line with its investment statute, WSW invests exclusively in euro-denominated bonds.

The custodian of the securities is Quintet Private Bank (Europe) S.A. WSW is the legal and beneficial owner of the securities. All securities are available to WSW on demand.

Buy & Hold policy

On 4 April 2023, the investment policy was amended from a smart passive policy against a market-weighted benchmark to a fully passive policy (Buy & Hold). A Buy & Hold policy is the investment strategy in which bonds are bought with the intention of keeping them to maturity. Coupon interest is received during the period to maturity, and the bond is redeemed at face value on maturity. The funds released are reinvested by buying new bonds. No interim transactions take place during the year for the purposes of benchmark rebalancing.

Further to this, since 4 April 2023 securities have been recognised at amortised cost. Movements in securities:

	2024	2023
	€	€
Balance at 1 January	555,866,105	429,048,818
Purchases of securities	193,279,662	136,897,148
Sales and redemptions of securities	(178,263,283)	(21,982,011)
Amortisation of securities	8,118,351	5,446,308
Unrealised price gains and losses in the reporting period	-	6,455,842
Balance at 31 December	<u>579,000,835</u>	<u>555,866,105</u>

The purchase price of listed securities at 31 December 2024 was € 605,422,151 (2023: € 594,281,256).

For the year as a whole, interest income including amortised interest was € 15,851,698 (2023: € 12,430,991).

Amortisation of securities

The amortisation of securities can be broken down as follows:

(amounts in €)	2024	2023
Market value of securities on initial recognition	568,616,608	550,419,796
Nominal value of securities on initial recognition	616,035,000	578,840,000
Recognised amortisation	8,118,351	5,446,308
Amortisation over the remaining term to maturity of the investments	37,073,780	22,973,896

Amortisation in 2024 was € 8.1 million (2023: € 5.4 million), of which € 6.0 million related to the investment portfolio at 31 December 2024 and € 2.1 million related to securities purchased in

2024. Amortisation over the remaining term to maturity of the securities at year-end 2024 was € 37.1 million.

At year-end 2024, the nominal value of the investment portfolio was € 616.0 million (2023: € 578.8 million), of which:

maturity < 1 year	€ 69.3 million
maturity >= 1 year and <=5 years	€ 313.0 million
maturity > 5 years	€ 233.7 million

Market value of securities

The market value (excluding accrued interest) of listed securities at 31 December 2024 was € 583,805,663 (2023: € 479,314,379). In 2024, two sales were made as part of the transition to the new investment policy, resulting in a gain of € 54,858 (2023: loss of € 11,410).

The modified duration of the portfolio, as a measure of interest rate sensitivity, at 31 December 2024 was 3.75 years, which is an increase of 0.89 years compared with 31 December 2023 (2.86 years). As an indication of interest rate sensitivity, the market value of the balance of investments at 31 December 2024 would change by € 21.9 million if interest rates fluctuate by 1 percentage point (2023: € 16.1 million).

The composition of the securities portfolio by rating, based on market value (excluding accrued interest) as at 31 December 2024, is as follows:

(in € million)

Rating	Market value	% distribution	Market value	% distribution
	2024	2024	2023	2023
AAA	289.4	49.58	260.1	46.31
AA	294.4	50.42	301.5	53.69
Total*	583.8	100.00	561.6	100.00

* The market value including accrued interest was € 588.3 million.

5.2. Deferred tax

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

	<u>2024</u>	<u>2023</u>
	€	€
Balance at 1 January	9,911,109	12,967,435
Movements in provision for deferred tax	<u>(3,094,410)</u>	<u>(3,056,326)</u>
Balance at 31 December	<u>6,816,699</u>	<u>9,911,109</u>

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 2024, the difference between the value of the securities and their acquisition price decreased compared with the previous year, as a result of which the tax asset fell compared with 2023.

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 Debtors guarantee fees

	31 Dec. 2024	31 Dec. 2023
	€	€
Guarantee fees	-	5,381,741
Committed capital call	-	-
	<u>-</u>	<u>5,381,741</u>

At 31 December 2024 there were no outstanding debtors.

6.2 Corporation tax receivable

Corporation tax	<u>1,099,246</u>	-
	<u>1,099,246</u>	-

In 2024, the corporation tax liability became a tax receivable. The corporation tax receivable relates to refundable payments relating to the provisional corporation tax assessment for 2024. The current tax charge for 2024 is € 8,155,342 (2023: € 33,428,605). Corporation taxes for the years up to and including 2023 have all been paid and finalised.

6.3 Prepayments and accrued income

	31 Dec. 2024	31 Dec. 2023
	€	€
Accrued interest	4,502,215	4,419,803
Prepaid other costs	<u>399,950</u>	<u>451,568</u>
	<u>4,902,165</u>	<u>4,871,371</u>

Accrued interest relates to interest earned on the investment portfolio.

6.4 Other receivables

Right of recourse against assets	21,638,787	-
SBR-wonen	6,170	30,210
Other receivables	<u>2,043</u>	<u>37,341</u>
	<u>21,647,000</u>	<u>67,551</u>

Right of recourse against assets concerns the right to seek recovery from the credit balances of SHH and WSG. At 31 December 2024, SHH and WSG had some € 21.6 million available in cash. These bank balances have been earmarked for the payment of residual loans of SHH and WSG for which WSW is guarantor, and for covering costs relating to future settlement and maintenance. WSG and SHH have given a contractual undertaking that they will use these bank balances and any financial windfalls in accordance with WSW's instructions or after gaining WSW's approval.

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 Housing and Spatial Planning (VRO), and the Authority for Housing Associations (Aw). The amount receivable from SBR-wonen consisted of the difference between the operating expenses of SBR-wonen's team and the advances receivable from WSW.

7. Cash

Bank	<u>18,792,331</u>	<u>40,711,301</u>
	<u>18,792,331</u>	<u>40,711,301</u>

At 31 December 2024, the balance of cash was € 18.8 million (2023: € 40.7 million).

Surplus liquidity is invested in accordance with the investment policy. The cash is at the free disposal of WSW.

8. Capital

Capital consists of the legal reserve and the Other reserve. The company capital differs from the consolidated capital. See note 27.6.2 for information on the consolidated capital.

8.1. Legal reserve

	€
Balance at 1 January 2024	592,324
Supplement from the result	<u>(408,713)</u>
Balance at 31 December 2024	<u>183,611</u>

The legal reserve covers the capitalised cost of developed software, and is adjusted in line with the proposed appropriation of the result. The movement in capitalised software during the reporting period reduced the legal reserve in 2024 in favour of the other reserve.

8.2. Other reserve

	€
Balance at 1 January 2024	441,710,442
Appropriation of result	<u>(59,984,966)</u>
Balance at 31 December 2024	<u>381,725,476</u>

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 that the balance of income and expenditure be appropriated by drawing € 0.4 million from the legal reserve and € 61.0 million from the Other reserve. This proposal has been incorporated in the financial statements.

9. Provisions

	31 Dec. 2024	31 Dec. 2023
	€	€
Provision for guarantee obligations	<u>-</u>	<u>154,630,679</u>
	<u>-</u>	<u>154,630,679</u>

9.1 Provision for guarantee obligations

Obligations resulting from 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 the Minister of the Interior and Kingdom Relations of applications for resolution support from WSG (partial) and SHH (full).

Both WSG and SHH objected to the decisions to reject the resolution grant. The court rejected WSG and SHH's objections. WSG and SHH appealed against these rulings at the Administrative Jurisdiction Division of the Council of State (ABRvS). WSW also appealed against the decisions to refuse resolution grants.

The ABRvS issued its final ruling on 24 December 2024. In that ruling, the ABRvS found that the Minister had not acted contrary to the statutory system by, in the case of SHH, rejecting the application for the resolution grant entirely, and, in the case of WSG, granting only part of the application for the resolution grant.

The adverse outcome of the appeal proceedings resulted in a larger claim on our risk capital than anticipated, increasing WSW's liabilities (claim on guarantee provision). This loss has been recognised directly in non-current liabilities (see note 10.1).

Reclassification as non-current liabilities

The ruling issued by the ABRvS in the appeal cases has led to a change in the degree of uncertainty. Following the ruling, there are no possibilities for further legal proceedings and there is therefore no longer any uncertainty about the amount involved or the deadline for meeting the payment obligations. Owing to this lack of uncertainty, in the financial statements the provision for guarantee obligations, which was classified as a provision, has been reclassified as a non-current liability. The nature of the item and the indirect legal relationship between SHH and WSG's debt to the financiers and the guarantee issued by WSW (guarantee provision) have no influence on this. The nature of the liability has therefore not changed as a result of the reclassification.

Owing to the end of the uncertainty, on 24 December 2024 the provision for guarantee obligations was recognised, on the basis of market value, as a liability at the prevailing market value.

Valuation of the provision for guarantee obligations at 24 December 2024

The provision at 24 December 2024 was valued at the present value of the expected cash flows, and was subsequently reclassified under non-current liabilities. WSW used the European swap rate at 24 December 2024 for this (2023: European swap rate at 31 December 2023). The movement in the provision for guarantee obligations in 2023 was as follows:

2024 (in €)	WSG	SHH	Total
Balance at 1 January	72,246,267	82,384,413	154,630,680
Discounting	4,325,809	4,690,816	9,016,625
Addition/release	31,304	(72,091)	(40,787)
Withdrawal	(14,674,895)	(3,029,254)	(17,704,149)
Balance at 24 December	61,928,485	83,973,884	145,902,369

Reclassification as non-current liabilities	<u>(61,928,485)</u>	<u>(83,973,884)</u>	<u>(145,902,369)</u>
Balance at 31 December	-	-	-

See note 6.4 Other receivables for information on the reclassification as receivables.

The movement in the provision for guarantee obligations in 2023 was as follows:

2023 (in €)	WSG	SHH	Total
Balance at 1 January	81,986,600	82,310,392	164,296,992
Discounting	6,619,518	7,022,382	13,641,900
Addition/release	(1,259,276)	(3,969,960)	(5,229,236)
Withdrawal	<u>(15,100,576)</u>	<u>(2,978,401)</u>	<u>(18,078,977)</u>
Balance at 31 December	72,246,266	82,384,413	154,630,679

From 1 January up to 24 December 2024, € 9.0 million was added to the provision for guarantee obligations as a result of discounting in view of the decrease in interest rates (2023: addition of € 13.6 million). During that period, € 17.7 million (2023: € 18.1 million) was withdrawn for contractual payments of interest and redemptions and legal fees. Owing to the reclassification of the provision for guarantee obligations under non-current liabilities, on balance € 40,787 was released in connection with anticipated maintenance costs, legal fees and claims up to 24 December 2024.

10. Non-current liabilities

10.1 Claims on the guarantee provision

As a result of the ruling issued by the ABRvS on 24 December 2024, with effect from that date the provision for guarantee obligations was reclassified under liabilities as guarantee claim debts in the amount of € 145.9 million. In addition, at the end of the reporting period € 21.6 million relating to bank balances held by SHH and WSG was reclassified from non-current liabilities to receivables (see also note 6.4). The guarantee claim rose by € 79.0 million at that time because WSW had provided a lower amount than the amount awarded by the Minister. A change in the measurement basis for the payment obligations (there is no longer any uncertainty regarding the obligation) increased this liability by € 4.8 million. At 31 December 2024, this liability was valued at a total of € 251.4 million, of which € 233.7 million was recognised under non-current liabilities and € 17.7 million under current liabilities.

Non-current liabilities relate to loans granted by credit institutions to WSG and SHH. WSW is guarantor for these loans. 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.

Movements in the claim on the guarantee provision (non-current liabilities) were as follows:

	WSG	SHH	Total
Balance at 1 January 2024	-	-	-
<i>Movements starting 24 December 2024:</i>			
Reclassification from provision for guarantee obligations	61,928,485	83,973,884	145,902,369
Reclassification of SHH and WSG bank balances under receivables	10,732,009	10,906,778	21,638,787

Increase due to loss of administrative-law proceedings in ABRvS	79,032,286	-	79,032,286
Change in discounting basis	2,764,252	1,792,802	4,557,054
Other change in measurement bases	<u>(150,000)</u>	<u>400,354</u>	<u>250,354</u>
Outstanding loans at 24 December 2024	154,307,032	97,073,818	251,380,850
Redemptions of loans	-	-	-
Amortisation of loans	<u>(47,814)</u>	<u>48,546</u>	<u>732</u>
Outstanding loans at 31 December 2024	154,259,218	97,122,364	251,381,582
Recognised in current liabilities	<u>(5,518,614)</u>	<u>(12,179,202)</u>	<u>(17,697,816)</u>
	148,740,604	84,943,162	233,683,766

On the day the ABRvS issued its ruling (24 December 2024), the loans were initially recognised at 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 € 64.2 million over the full term. The amortisation in 2024 was € 732. Amortisation over the remaining term of the loans at year-end 2024 was € 64.2 million.

Market value of SHH and WSG's loans at 24 December 2024	251,380,850
Nominal value of loans following reclassification	187,204,502
Recognised amortisation up to and including 2024	<u>-732</u>
Amortisation over the remaining term of the loans	64,177,080

The criteria for determining the market value of loans at 24 December 2024 were as follows:

- General
The market value was calculated using the €STR zero swap curve at 24 December 2024, and was discounted using the discounted cashflow method ('medio numerando' model).
- Discontinuity principle
The market value is the value from the computation date to the end of the term, and is based on the discontinuity principle, which means the market value is determined in the event of discontinuity, in other words when a participant defaults. It is assumed that all liabilities will be settled as soon as possible once a participant has defaulted.
- Fixed-interest loans
The interest on the loans has been fixed for the full term.
- Redemption
The loans are repaid at maturity or on a straight-line basis.

The market value at 31 December 2024 was € 250.1 million, including accrued interest. A yield curve based on the €STR zero swap curve at 31 December 2024 was used when measuring the market value at 31 December 2024.

Interest and redemptions

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

	WSG	SHH	Total
< 1 year	5,437,056	12,043,142	17,480,198
1-5	34,919,956	16,376,273	51,296,229
> 5 years	<u>113,125,085</u>	<u>68,181,709</u>	<u>181,306,793</u>
Total	153,482,097	96,601,124	250,083,220

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 2024 compared with 2023 and was 11.48 years at 31 December 2024 (2023: 12.59 years). As an indication of interest rate sensitivity, the market value of these future payments at 31 December 2024 (€ 250.1 million, compared with € 251.7 million at 31 December 2023) would change by some € 28.7 million (2023: change of € 31.7 million) in the event of a 1% fluctuation in interest rates.

The nominal residual amount of interest and redemptions in the loan portfolio at 31 December 2024 was € 345.1 million, of which:

maturity < 1 year	17.7 million
maturity >= 1 year and <=5 years	54.5 million
maturity > 5 years	272.9 million

At 31 December 2024 the weighted average interest rate for WSG's loans was 4.80% (2021: 4.73%), and it was 3.70% for SHH's loans.

11.1. Current liabilities

	31 Dec. 2024	31 Dec. 2023
	€	€
Suppliers and trade creditors	240,804	600,114
	<u>240,804</u>	<u>600,114</u>

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.

11.2. Corporation tax payable

	31 Dec. 2024	31 Dec. 2023
	€	€
Corporation tax payable	-	21,324,445
	<u>-</u>	<u>21,324,445</u>

In 2024, the corporation tax liability became a tax receivable (6.2).

11.3. Other tax and social security contributions

Value added tax	42,071	45,073
Payroll taxes	<u>179</u>	<u>-</u>
	<u>42,250</u>	<u>45,073</u>

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 2024.

11.4. Accruals and deferred income

Accrued paid leave entitlements	364,858	333,582
Reserve for individual career budgets	<u>222,384</u>	<u>216,661</u>
	<u>587,242</u>	<u>550,243</u>

11.5 Other payables

Commuting allowances payable	58,510	58,267
Investment portfolio management fees payable	52,000	43,000
Expenses payable	<u>201,381</u>	<u>288,983</u>
	<u>311,891</u>	<u>390,250</u>

Expenses payable relate to various invoices connected to projects and ordinary activities received after year-end.

12. Off-balance sheet assets and liabilities

12.1. Financial commitments

Operating leases:

Rent of € 0.4 million per year (2023: € 0.5 million) is payable in respect of the office premises, parking spaces and associated supplies and services. Of the total amount payable, € 0.7 million (2023: € 1.1 million) is payable after more than one year. The rental contract expires on 30 November 2026.

WSW has agreed a bank guarantee for € 90,739 (2023: € 90,739) with ING Bank N.V. for the term of the lease.

At year-end, liabilities relating to new leases increased to € 1,127,891 (2023: € 406,120). Operating lease liabilities relating to the vehicle fleet can be broken down as follows:

<u>Amounts payable:</u>	€
Within 1 year	310,324
Between 1 and 5 years	817,567
After 5 years	-

12.2. 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 2024 was € 95 billion (2023: € 88 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 State and local authorities.

The primary purpose of the risk capital is to meet guarantee claims. It amounted to € 605.9 million at 31 December 2024 (2023: € 583.8 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>	<u>31 December</u> <u>2024</u>	<u>31 December</u> <u>2023</u>
Investments at the lower of purchase price and market value	588.3	566.0
Cash	18.8	40.7
Liabilities comprising payables, accruals and deferred income and debt excluding provisions for guarantee obligations	<u>(1.2)</u>	<u>(22.9)</u>
Risk capital	<u>605.9</u>	<u>583.8</u>

WSW will call on the participants' committed capital if a guarantee claim is made such that the risk capital falls below the minimum. The minimum risk capital is 0.65% of the total guaranteed volume (31 December 2024: € 617 million).

If guarantee claims, whether already submitted or impending, are likely to result in the risk capital falling below minimum level of risk capital after the committed capital has been called upon, use is then made of the backstop arrangements with the State 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 2024 was € 26.2 million (2023: € 117.5 million).

Computation of call on committed capital

The computation of the call on committed capital is based in part on the risk capital. As in previous years, the market value of the investments at year-end was used as a starting point for calculating the risk capital. Related to this, the method of computing the call on committed capital was unchanged. The amount of the call on committed capital in 2025 will be decided later. Invested capital consists of bonds that are recognised at amortised cost in the balance sheet (see note 5.1). This balance sheet valuation has no impact on the calculation of the risk capital

12.3. 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.

12.4. Claims

There is a negligible risk of a claim.

12.5. 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.

12.6. *Effect of external factors on financial position*

Thanks to the agreements with our participants and backstop providers, we have sufficient cash to meet our obligations under the guarantee system even after a claim. Our work focuses primarily on preventing claims and ensuring that the risk capital and the capital committed by the participants is sufficiently robust and so there is no uncertainty about the continuity of WSW.

International developments, both political and economic, contribute to trends in interest rates and therefore the interest rate risk to which WSW and its participants are exposed. In particular, developments in the United States, on-going events in Ukraine, and the unpredictable nature of the tensions in the Middle East, the Red Sea region and elsewhere in the world are affecting interest rates. This has direct consequences for WSW's result and financial position. High inflation forced the European Central Bank (ECB) to increase its deposit rate sharply. There was also a sharp rise in long-term interest rates (which are relevant to housing associations that borrow). The ECB subsequently cut interest rates five times, most recently at the end of January 2025. In addition, long-term interest rates fell on average. The aforementioned interest rate movements had no negative consequences for the financiers of the housing association sector, and consequently they had no negative consequences for WSW. The financial position of the participants and the system is sufficiently robust.

Notes to the company statement of income and expenditure

13. *Income*

13.1 *Guarantee fees*

	2024	2023
	€	€
Guarantee fees	16,846,649	20,962,729

Guarantee fees relate to the fees payable for the guarantees. The guarantee fee rate is fixed once a year on the basis of WSW's budget and the confirmed outstanding amount of the loans guaranteed by WSW at 31 December of the previous calendar year. The annual rate is a maximum of 0.0276%, and was 0.0216% in 2024.

13.2 *Income from calling committed capital*

Income from committed capital calls	26,240,884	117,513,246
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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. The maximum annual committed capital call is 0.34% of the guaranteed volume of loans at the end of the preceding calendar year. In 2024, the committed capital call was 0.0299% (2023: 0.1383%) of the guaranteed outstanding loans at 31 December 2023 including loans to be paid in during 2024 and for which WSW issued a guarantee in 2023. The committed capital call is explained in note 12.2 Claims under guarantees.

13.3 *Resolution fees*

Resolution fees	28,484	50,042
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Costs incurred to carry out resolution activities are charged to the resolution fund of the Ministry of Housing and Spatial Planning. There were fewer resolution activities in 2024 than in the previous year.

13.4 Other income

Other income	930	-
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14. Salaries

Gross wages and salaries	6,659,710	5,972,974
Social security charges	819,612	756,544
Pension charges	<u>867,739</u>	<u>876,432</u>
	<u>8,347,061</u>	<u>7,605,950</u>

In 2024, salaries rose by € 0.7 million compared with 2023, owing to an increase in collectively agreed wages and an end-of-year bonus. Indexation of pensions due to an increase in collectively agreed wages will be implemented with effect from 2025.

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 defined benefit 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. An increase was granted in 2024 as permitted by SPW's financial position.

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 31 December 2024, SPW had a funding ratio of 130.3% (31 December 2023: 128.8%), compared with a requirement at the end of 2024 and later years of 126.4%. At 31 December 2024 the funding ratio was above the required levels and so there is no shortfall.

15. Other employee benefits

	2024	2023
	€	€
Temporary staff employed via third parties	1,278,676	979,538
Other employee benefits	<u>1,078,723</u>	<u>984,549</u>
	<u>2,357,399</u>	<u>1,964,087</u>

Temporary staff employed via third parties were higher than in the previous year because of various projects.

Other employee benefits rose due to increased spending on study costs, although less was spent on matters relating to occupational health and safety. Other employee benefits included lease payments for the vehicle fleet of € 223,397 (2023: € 254,340).

16. Amortisation and depreciation

Software	419,424	453,324
Refurbishments	225,752	225,513
Hardware	128,240	138,122
Office equipment	<u>81,233</u>	<u>85,252</u>

854,649 902,211

17. Other operating expenses

Cost of premises	531,936	519,369
General overheads	3,859,801	3,477,466
Cost of supervisory and advisory bodies	<u>255,381</u>	<u>176,295</u>
	<u>4,647,118</u>	<u>4,173,130</u>

17.1. Cost of premises

	2024	2023
	€	€
Rent	293,658	288,465
Cleaning	68,045	61,493
Gas, water and electricity	108,121	112,266
Insurance	24,056	16,667
Other costs relating to premises	<u>38,056</u>	<u>40,478</u>
	<u>531,936</u>	<u>519,369</u>

Gas, water and electricity charges were lower in 2024 than in 2023 thanks to a final settlement for service charges for the previous year. Insurance includes costs relating to 2025, which is why this item is higher than in the previous year.

17.2. General overheads

IT	1,967,753	1,734,624
Consultants	270,108	306,279
Auditor	348,330	310,726
Investment expenses	386,694	309,527
Information and documentation	31,664	142,065
Rating agencies	275,703	176,979
Costs of retrieving data from participants	502,297	418,319
Other general expenses	<u>77,252</u>	<u>78,947</u>
	<u>3,859,801</u>	<u>3,477,466</u>

In 2024, IT costs increased compared with the previous year due to spending on projects related to digitalising the administrative processing of loan agreements.

Consultants comprised fees for legal and tax consultancy services. These fees decreased compared with the previous year because less legal advice was obtained on changing the backstop agreement.

Investment expenses consisted of fees paid for the external management of WSW's investments and increased compared with 2023 because the investment portfolio grew in size.

Information and documentation charges were lower in 2024 than in 2023 owing to the fact an event was held in 2023 to mark WSW's 40th anniversary.

Costs of rating agencies increased in the year under review because the costs relating to S&P for 2022 and 2023, which should have been split evenly over both years, were fully recognised in 2022. As a result, the amount presented for costs of rating agencies in 2023 was too low.

Costs of retrieving data from participants comprised the contribution to the operating and development costs of SBR-wonen. The contribution in 2024 was higher than the previous year, owing to an increase in the costs of hiring of external staff as a result of indexation, expansion of the management activities, and hiring of external management and support.

17.2.1 Audit fee

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

	2024 €	2023 €
Audit of the financial statements	326,550	310,726
Additional work on 2023 financial statements	21,780	-
Other audit work	-	-
Tax advice	-	-
Other non-audit work	-	-
Total	<u>348,330</u>	<u>310,726</u>

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). The additional work in 2023 concerned the change of accounting policy for the cash flow statement (indirect method replaced by direct method).

18. Movement in guarantee claim

Release from provision for guarantee obligations	40,787	5,229,236
Addition to guarantee claim	<u>(79,201,066)</u>	<u>-</u>
	<u>(79,241,853)</u>	<u>5,229,236</u>

In 2024 there was a release from the provision for guarantee obligations as explained in note 9.1 Provision for guarantee obligations. Furthermore, an addition was made to the claim on the guarantee provision at 31 December 2024. An explanation of this addition can be found in note 10.1 under non-current liabilities.

19. Realised and unrealised gains and losses on investments

Realised gains and losses on investments	54,958	(2,567,257)
Unrealised gains and losses on investments	<u>-</u>	<u>6,455,842</u>
	<u>54,958</u>	<u>3,888,585</u>

At 4 April 2023, the investment portfolio was valued at amortised cost. As a consequence, unrealised gains and losses on investments ceased to be recognised with effect from 4 April 2023 (see also the note on securities in note 5.1).

20. Financial income and expenses

	2024	2023
	€	€
Changes in value due to movements in interest rates	(13,573,680)	(13,641,900)
Interest earned on the investment portfolio	7,733,347	6,984,683
Amortisation of interest on investments	8,118,351	5,446,308
Amortisation of interest on long-term loans	(732)	-
Other interest income	868,977	1,393,268
Financial income and expenses	<u>3,146,263</u>	<u>182,359</u>

Of the result of changes in value due to movements in interest rates, € 9.1 million relates to the discounting of the loan servicing obligation at the European swap rate at 24 December 2024 as included under the provision for guarantee obligations (9.1), and € 4.5 million relates to the claim on the guarantee provision (10.1) included under non-current liabilities, which was discounted on 24 December 2024 on the basis of the €STR zero swap curve. For comparison purposes, such changes in value due to movements in interest rates are presented as interest income or expense in the statement of income and expenditure.

21. Corporation tax

Result from ordinary activities before tax	(49,129,912)	133,180,819
<i>Differences between annual figures as calculated for filing and tax purposes</i>		
<i>Temporary differences</i>		
Securities (unrealised gains/losses and amortisation)	(8,118,351)	(11,902,150)
Securities (realised gains/losses)	(3,875,485)	-
Non-deductible legal fees	(44,970)	(95,151)
<i>Permanent differences</i>		
Movement in the provision for guarantee obligations	79,241,853	(5,229,236)
Changes in value due to movements in interest rates	13,573,680	13,641,900
Other permanent differences	15,752	24,769
Taxable result	31,662,567	129,620,951
<i>Corporation tax due on the above figure:</i>		
19% on € 200,000	38,000	38,000
25.8% on the remainder of the taxable result	8,117,343	33,390,605
	8,155,343	33,428,605
Prior-year adjustments to corporation tax	14,014	(801)
Movements in deferred tax	3,094,410	3,056,326
Corporation tax for the reporting period	11,263,767	36,484,130

Effective tax rate (22.93%) 27.39%

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 the permanent differences relating 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 and interest amortisation results 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.

22. Average number of staff

The average workforce (measured in full-time equivalents) in 2024 was 67.2 (2023: 67.9). WSW does not employ any staff outside the Netherlands.

	31 December		
	2024	Average 2024	Average 2023
Executive Board	2.0	2.0	2.0
Management support	15.5	13.6	14.0
Risk management	19.0	19.3	18.9
Account management	19.3	19.5	20.2
Information management	6.9	6.9	6.9
Operations & Control	5.9	5.9	5.9
Total number of employees (FTE)	68.6	67.2	67.9

22.1 Executive Board remuneration

The total remuneration of the Executive Board of WSW in 2024, comprising gross salaries including holiday allowances and pay in lieu of holiday entitlement, was € 465,894 (2023: € 445,672). The remuneration of these senior officials does not exceed the maximum set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

Pension costs for the Executive Board amounted to € 45,825 in 2024 (2023: € 42,701).

The remuneration payable to the members of the Supervisory Board, including VAT, amounted to € 124,776 in 2024 (2023: € 124,121). The remuneration of Supervisory Board members was raised by 4.48% in 2024 (2023: 3.24%) 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:

In €	R. Röttscheid MFE	R. Röttscheid MFE	Mr. L.J. van Kalsbeek	Mr. L.J. van Kalsbeek
Position	Executive Board member	Executive Board member	Executive Board member	Executive Board member
Year	2024	2023	2024	2023
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	210,004	201,478	210,066	201,493
Future payments	22,915	21,353	22,909	21,348
Total remuneration	232,919	222,831	232,975	222,841
Individual remuneration limit	233,000	223,000	233,000	223,000

No undue amounts were paid.

Supervisory Board

The maximum remuneration payable to members of the Supervisory Board in 2024 under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act was 15% of the maximum amount for 2024 for the chair, and 10% of the maximum amount for 2024 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 period of employment and remuneration of the members of the Supervisory Board in 2024 as compared with 2023. Mr Calon stood down on 9 November 2024. Aside from that, the composition was unchanged.

	Mr. H.M. Meijdam	Drs. G. van Vollenhoven AAG	Drs. J.G. Pot	Prof. Dr. D. Brounen	Ir. M.A.E. Calon
Position(s)	Chair	member	member	member	member
Period of employment in 2024	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 9 Nov
Remuneration (in € 1)					
Remuneration	34,950	23,300	23,300	23,300	19,926
Total remuneration	34,950	23,300	23,300	23,300	19,926

The period of employment and remuneration of the members of the Supervisory Board in 2023 was as follows.

	Mr. H.M. Meijdam	Drs. G. van Vollenhoven AAG	Drs. J.G. Pot	Prof. Dr. D. Brounen	Ir. M.A.E. Calon
Position(s)	Chair	member	member	member	member
Period of employment in 2023	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Remuneration (in € 1)					
Remuneration	33,450	22,300	22,300	22,300	22,300
Total remuneration	33,450	22,300	22,300	22,300	22,300

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 2024 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.

22.2. *Date of preparation of the company financial statements*

These company financial statements were prepared on 23 April 2025.

8. Consolidated financial statements

23.1 Consolidated balance sheet at 31 December 2024

(after appropriation of the result)

Assets		31 December 2024		31 December 2023	
	Note	€	€	€	€
Fixed assets					
Intangible fixed assets	4.1				
Software		<u>183,611</u>		<u>592,324</u>	
			183,611		592,324
Tangible fixed assets	4.2				
Refurbishments		1,604,558		1,830,310	
Computer systems		245,033		353,869	
Office equipment		<u>181,378</u>		<u>257,889</u>	
			2,030,969		2,442,068
Financial fixed assets					
Securities	27.2	579,000,835		555,866,104	
Deferred tax	5.2	6,816,699		9,911,109	
Other receivables	27.1	<u>400,000</u>		<u>500,000</u>	
			586,217,534		566,277,213
Current assets					
Receivables					
Debtors guarantee fees	6.1	-		5,381,741	
Corporation tax receivable	27.3	1,430,735		-	
Prepayments and accrued income	27.4	4,903,963		4,876,044	
Other receivables	27.5	<u>108,213</u>		<u>168,728</u>	
			6,442,911		10,426,513
Cash	7.	<u>40,431,118</u>		<u>73,044,899</u>	
			635,306,143		652,783,017

Capital and liabilities		31 December 2024		31 December 2023
	Note	€	€	€
Consolidated capital	27.6			
Legal reserve		183,611		592,324
Other reserve		<u>346,150,468</u>		<u>314,036,365</u>
		346,334,079		314,628,689
Provisions				
Other provisions	27.7	-		<u>58,919</u>
			-	58,919
Non-current liabilities				
Amounts owed to credit institutions	27.8	270,067,204		286,664,783
Current liabilities				
Redemption of long-term loans	27.8	17,697,816		17,691,005
Suppliers and trade creditors		240,804		600,114
Corporation tax payable	6.2	-		21,032,625
Other tax and social security contributions	11.3.	42,250		45,073
Accruals and deferred income	27.9	612,099		593,512
Other payables	27.10	<u>311,891</u>		<u>11,468,297</u>
		<u>18,904,860</u>		<u>54,430,626</u>

635,306,143

652,783,017

23.2 Consolidated statement of income and expenditure for 2024

		<u>2024</u>	<u>2023</u>
		€	€
	Note		
Guarantee fees	13.1	16,846,649	20,962,729
Income from calling committed capital	13.2	26,240,884	117,513,246
Resolution fees	13.3	28,484	50,042
Other income	27.13.1	<u>2,580</u>	<u>2,703</u>
Total operating income		43,118,597	138,528,720
<i>Operating expenses</i>			
Salaries	14.	8,347,061	7,605,950
Other employee benefits	27.13.2	2,438,542	2,079,056
Amortisation and depreciation	16.	854,649	902,211
Movement in provisions	27.7	(13,949)	(3,032,093)
Other operating expenses	27.13.3	<u>4,792,604</u>	<u>15,446,687</u>
Total operating expenses		(16,418,907)	(23,001,811)
Operating profit		26,699,690	115,526,909
Realised and unrealised gains and losses on investments	19.	54,958	3,888,585
Financial income and expenses	27.13.4	16,176,839	12,229,910
Result before tax		42,931,487	131,645,404
Corporation tax	28.	<u>(11,226,098)</u>	<u>(36,830,310)</u>
Consolidated result after tax		<u>31,705,389</u>	<u>94,815,094</u>

23.3 Consolidated cash flow statement for 2024

The cash flow statement has been prepared using the direct method, which links all cash receipts and payments directly to the activities.

	<u>2024</u>	<u>2023</u>
	€	€
Cash flow from operating activities		
Cash receipts		
Guarantee fees received from participants	22,228,390	20,900,408
Resolution costs received	28,484	50,042
Other cash receipts	2,580	44,703
Payments to suppliers	(6,579,993)	(5,167,965)
Payments to employees	(9,347,300)	(8,757,641)
Settlement for subsidy paid by WSG	(11,078,046)	-
Cash flow from direct business operations	(4,745,885)	7,069,547
Committed capital call received from participants	26,240,884	117,513,246
Loan servicing payments	(17,659,179)	(17,983,828)
Cash flow from committed capital calls and guarantee claims	8,581,705	99,529,418
Cash flow from operations	3,835,820	106,598,965
Interest received	9,039,773	8,280,402
Interest paid	-	(96,000)
Corporation tax paid	(30,593,048)	(9,822,134)
Cash flow from operating activities	(17,717,455)	104,961,233
Cash flow from investment activities		
Additions to intangible fixed assets	(10,711)	(8,322)
Additions to tangible fixed assets	(24,126)	(68,433)
Purchases/sales and redemptions of securities	(193,279,660)	(136,897,148)
Sales and redemptions of securities	178,318,238	19,414,755
Other cash receipts	100,000	100,000
Cash flow from investment activities	(14,896,259)	(117,459,148)
Movements in cash	(32,613,715)	(12,497,915)
Closing cash balance	40,431,340	73,045,055
Opening cash balance	73,045,055	85,542,970
Movements in cash	(32,613,715)	(12,497,915)

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

24. General notes

24.1. 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.

24.2. 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 incorporates 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.

24.3. 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.

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

25.1. Basis of consolidation

The consolidated financial statements at 31 December of the financial year 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 intragroup transactions and results with and between 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.

25.2. Hedge accounting

The consolidated entities do not use hedge accounting.

26. *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.

27. Notes to the consolidated balance sheet and statement of income and expenditure

27.1. Financial fixed assets

	31 Dec. 2024	31 Dec. 2023
	€	€
Securities	579,000,835	555,866,104
Deferred tax	6,816,699	9,911,109
Other receivables	<u>400,000</u>	<u>500,000</u>
	<u>586,217,534</u>	<u>566,277,213</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 € 378,657 (nominal value: € 400,000).

27.2. Securities

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

27.3. Corporation tax receivable

Corporation tax	<u>1,430,735</u>	<u>-</u>
	<u>1,430,735</u>	<u>-</u>

In 2024, the corporation tax liability became a tax receivable. Of the corporation tax receivable, € 1,099,246 concerns an overpayment by WSW relating to the provisional corporation tax assessment for 2024, and € 331,489 concerns SHH's tax receivables for the years 2012 up to and including 2017.

27.4. Prepayments and accrued income

Accrued interest	4,502,215	4,419,803
Prepaid other costs	400,981	456,241
Interest receivable	<u>767</u>	<u>-</u>
	<u>4,903,963</u>	<u>4,876,044</u>

Accrued interest relates to interest earned on the investment portfolio.

27.5. Other receivables

Stichting Humanitas Zorg	100,000	100,000
Other receivables	<u>8,213</u>	<u>68,728</u>
	<u>108,213</u>	<u>168,728</u>

Stichting Humanitas Zorg

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

Other receivables

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

27.6. Consolidated capital

	31 Dec. 2024	31 Dec. 2023
	€	€
Legal reserve	183,611	592,324
Other reserve	<u>346,150,467</u>	<u>314,036,365</u>
	346,334,078	314,628,689

Movements in consolidated capital:

	Other reserve	Legal reserve	Consolidated capital
Capital at 1 January 2024	314,036,365	592,324	314,628,689
Result for the reporting period	<u>32,114,102</u>	<u>(408,713)</u>	<u>31,705,389</u>
Capital at 31 December 2024	346,150,467	183,611	346,334,078

27.6.1. Notes on comprehensive income

	31 Dec. 2024	31 Dec. 2023
	€	€
Consolidated result after tax	31,705,389	94,815,094
Movements recognised directly through capital as part of group capital	-	-
Comprehensive income	31,705,389	94,815,094

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

The difference between the company and consolidated results for 2024 was € 92,099,068, as follows:

	€
Result in the company financial statements	(60,393,679)
Operating expenses and income at WSG and SHH	335,513
Adjustment for addition to the company provision for guarantee obligations	92,829,482
Adjustment for interest expenses and amortisation of market value of loans	<u>(1,065,927)</u>
Result in the consolidated financial statements	<u>31,705,389</u>

27.6.3. 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 2024	381,909,087
Difference between the company and consolidated capital in prior years	(127,674,077)
Difference between the company and consolidated result for the reporting period	<u>92,099,068</u>
Capital in the consolidated financial statements at 31 December 2024	346,334,078

Difference in valuation of non-current liabilities

The way in which non-current liabilities are measured in the company financial statements differs from how they are measured in the consolidated financial statements, despite the fact the non-current liabilities are in fact the same. Non-current liabilities are initially measured at fair value based on accounting standard RJ 290.501, with the fair value in the company financial statements being determined at 24 December 2024, following which non-current liabilities have been measured at amortised cost. The company financial statements included a provision until 24 December 2024. Non-current liabilities (of the consolidated entities SHH and WSG) were already recognised in the consolidated financial statements in 2019, and the loans have therefore been valued at amortised cost since 2019.

WSW has opted not to bring the value of the long-term loans in the company financial statements into line with their value in the consolidated financial statements. Even if such a revaluation were carried out, it would not resolve the difference in capital because there would still be differences between the capital recognised in the company financial statements and in the consolidated financial statements.

27.7. Provisions

	31 Dec. 2024	31 Dec. 2023
	€	€
Other provisions	-	<u>58,919</u>
	<u>-</u>	<u>58,919</u>

27.7.1. Other provisions

The movements in the other provisions were:

Balance at 1 January	58,919	3,186,163
Addition/release	(13,949)	(3,032,093)
Withdrawal	<u>(44,970)</u>	<u>(95,151)</u>
Balance at 31 December	<u>-</u>	<u>58,919</u>

Until 2024, the other provisions consisted of a provision of € 58,919 for legal fees for WSW for the appeal proceedings against the State. In 2024, € 44,970 was drawn from this provision and the remainder was released. The other provisions have a term of less than one year.

27.8. Non-current liabilities

Non-current liabilities are amounts owed to credit institutions of € 270.1 million (2023: € 286.7 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 2024	286,664,783
Movements:	
Redemptions of loans	(9,083,544)
Amortisation of loans	<u>(7,507,224)</u>
Outstanding loans at maturity date	270,074,015
Movement in repayment obligation in current liabilities:	
Balance at 1 January	17,691,005
Balance at 31 December	<u>17,697,816</u>

Movements (6,811)

Balance at 31 December 2024 270,067,204

On the increase in the 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. An amount of € 38.7 million has been amortised up to and including 2024. The amortisation in 2024 was € 7.5 million. Amortisation over the remaining term of the loans at year-end 2024 was € 100.6 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 up to and including 2024	<u>38,690,888</u>
Amortisation over the remaining term of the loans	100,560,519

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.
- Redemption
The loans are repaid at maturity or on a straight-line basis.

The market value at 31 December 2024 was € 250.1 million (31 December 2023: € 258.4 million), including accrued interest. A yield curve based on the €STR zero swap curve was used when measuring the market value at 31 December 2024. A yield curve based on the 6-month swap curve was used when measuring the market value at 31 December 2023.

27.9. Accruals and deferred income

Accruals and deferred income were as follows:

	31 Dec. 2024	31 Dec. 2023
	€	€
Accrued paid leave entitlements	364,858	333,582
Reserve for individual career budgets	222,384	216,661
Other accruals and deferred income	<u>24,857</u>	<u>43,269</u>
	612,099	593,512

27.10. Other payables

Other payables were as follows:

	31 Dec. 2024	31 Dec. 2023
	€	€
Commuting allowances payable	58,510	58,267
Investment portfolio management fees payable	52,000	43,000
Settlement for subsidy payable by WSG	-	11,078,046
Expenses payable	<u>201,381</u>	<u>288,983</u>
	311,891	11,468,296

On 11 December 2023, the subsidy paid to WSG by the resolution fund was determined definitively by the mandated resolution party (at that time this was the Minister of the Interior and Kingdom Relations; this is now the Minister of Housing and Spatial Planning). An amount of € 11,078,046 had been paid to WSG by way of undue subsidy, and WSG repaid this amount to the resolution fund on 16 January 2024.

27.11. Risks in financial instruments

27.11.1 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.

27.11.2 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 2024, a 1 percentage point movement in interest rates could lead to a change in the market value of the loans portfolio of some € 28.7 million (2023: € 31.7 million). This fluctuation is greater than the fluctuation in the market value of the investments, which would increase or decrease by about € 21.9 million (2023: € 16.1 million) in the event of a 1 percentage point movement.

On balance, interest sensitivity is € 6.8 million positive for a 1 percentage-point fall in interest rates (2023: € 15.6 million), and € 6.8 million negative for a 1 percentage point rise in interest rates (2023: € 15.6 million negative).

27.11.3 Price risk

The consolidated entities run risks with respect to the value of securities recognised in financial fixed assets (see note 5). In accordance with its investment statute, WSW invests exclusively in euro-denominated bonds. The consolidated entities manage the price risk by means of a fully passive investment policy (Buy & Hold). See note 5.1 for further information.

27.11.4 Credit risk

The consolidated entities ran a limited credit risk on € 625.3 million at 31 December 2024 (2023: € 639.8 million) in terms of debtors, cash and invested capital.

The investment portfolio was € 579.0 million (2023: € 555.9 million), comprising exclusively of 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.

WSW holds cash of € 6.0 million (2023: € 4.2 million) at ING, which has an A credit rating, and € 12.7 million (2023: € 36.4 million) at BNG with a AAA rating.

With respect to receivables, the consolidated entities run a credit risk on € 6.4 million (2023: € 10.4 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.

27.11.5 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. Furthermore, WSW can call capital committed from the participants and so have cash available over the longer term.

At 31 December 2024, the non-discounted contractual payment obligations were as follows:

(in € million)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Loans	5.4	5.4	29.6	210.5
Trade creditors and other payables	0.2	-	-	-
Total	5.6	5.4	29.6	210.5

27.12. Off-balance sheet arrangements and liabilities

27.12.1. 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. The objection and appeal proceedings were concluded at the end of the year. The ABRvS rejected the actions brought by WSW, WSG and SHH, which means that the proceedings have come to an end. There is no higher body to which an appeal can be made. The possibility of civil-law proceedings, however, is being investigated. See note 10.1 to the company financial statements for further information.

27.12.2. Claims and legal proceedings

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

27.12.3. Pensions

WSG and SHH no longer have any pension liabilities. All of 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.

27.12.4 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 12 to the company financial statements for other off-balance sheet rights and obligations.

27.13. Notes to the consolidated statement of income and expenditure

27.13.1. Other income

	<u>2024</u>	<u>2023</u>
	€	€
Other income	<u>2,580</u>	<u>2,703</u>

27.13.2. Other employee benefits

Temporary staff employed via third parties	1,311,346	1,012,208
Other employee benefits	<u>1,127,196</u>	<u>1,066,848</u>
	2,438,542	2,079,056

27.13.3. Other operating expenses

Cost of premises	547,561	530,259
General overheads	3,975,618	14,724,150
Cost of supervisory and advisory bodies	<u>269,425</u>	<u>192,278</u>
	<u>4,792,604</u>	<u>15,446,687</u>

27.13.3.1. Cost of premises

Rent	295,973	288,465
Cleaning	68,045	61,493
Gas, water and electricity	108,121	112,266
Insurance	37,366	27,557
Other costs relating to premises	<u>38,056</u>	<u>40,478</u>
	<u>547,561</u>	<u>530,259</u>

27.13.3.2. General overheads

	<u>2024</u>	<u>2023</u>
	€	€
IT	1,978,499	1,746,305
Consultants	351,525	408,308
Auditor	371,018	352,533
Investment expenses	386,694	309,527

Information and documentation	31,664	142,065
Rating agencies	275,703	176,979
Costs of retrieving data from participants	502,297	418,319
Payment of settlement for subsidy by WSG to resolution fund	-	11,078,046
Other general expenses	<u>78,218</u>	<u>92,068</u>
	<u>3,975,618</u>	<u>14,724,150</u>

27.13.4. Financial income and expenses

Interest earned on the investment portfolio	7,733,347	6,984,683
Amortisation of investments	8,117,619	5,446,308
Other interest income	1,461,800	1,912,981
Other interest expense	<u>(69,999)</u>	<u>(95,856)</u>
	<u>17,242,767</u>	<u>14,248,116</u>
Interest expense on non-current liabilities	(8,573,152)	(8,910,288)
Amortisation of non-current liabilities	<u>7,507,224</u>	<u>6,892,083</u>
	(1,065,928)	(2,018,205)
Total financial income and expenses	<u>16,176,839</u>	<u>12,229,911</u>

28. Taxes

28.1. 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

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

When the 2024 financial statements were prepared, various uncertainties were identified, which related in particular to the amount of corporation tax that is still due for the years 2018 and 2019. SHH has been in prior consultations about this with the Tax and Customs Administration since September 2017. So far, these consultations have resulted in two advance tax agreements being entered into with the Tax and Customs Administration. In the advance tax agreement dated 14 November 2023, the parties laid down the arrangements for the tax consequences ensuing from WSW's intervention and the fulfilment of the loan servicing obligation. A second advance tax agreement was signed on 3 December 2024 and 9 January 2025. The objections concerning the returns submitted previously for the years 2012, 2013 and 2014 and the resulting assessments, and the returns for the years 2015, 2016 and 2017, will be settled on the basis of this advance tax agreement. The administrative settlement of the

arrangements contained in the second advance tax agreement has not yet been completed. The consultations with the Tax and Customs Administration are also still ongoing.

WSG

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

See note 21 to the company financial statements for information on the corporation tax charge for 2024 in the consolidated financial statements.

29. *Date of preparation of the consolidated financial statements*

These consolidated financial statements were prepared on 23 April 2025.

Signed by the Executive Board and the Supervisory Board

Hilversum, 23 April 2025

Stichting Waarborgfonds Sociale Woningbouw

Executive Board

Executive Board

Mr R. Rötscheid MFE

Mr Mr. L.J. van Kalsbeek

Supervisory Board

Supervisory Board

Mr Mr. H.M. Meijdam,
chair

Ms Drs. G. van Vollenhoven-
Eikelenboom, AAG
member

Supervisory Board

Supervisory Board

Prof. Dr. D Brounen

member

Mr Drs. J.G. Pot
member

9. Other information, including audit opinion



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