

A photograph of two children, a girl and a boy, playing in a stone waterfall. The girl is on the left, wearing a teal shirt and a colorful skirt, and the boy is on the right, wearing a blue shirt and green shorts. They are both smiling and splashing water. The waterfall is made of large, rough-hewn stones, and the background is a lush green forest.

Annual Report DELA Group

2022

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In brief



In brief

Foreword

2022: A year of shifting boundaries

At DELA we are proud of the steps we've taken during 2022, the growth we've achieved and the fact that we managed to maintain the same high quality of service provision despite difficult circumstances. The COVID-19 pandemic was still very much at play in the first quarter, and we saw excess mortality rates continue throughout the year. The combination of increased mortality and a tight labour market placed a consistently high level of work pressure on our employees. Sometimes we had to pull out all the stops to be available to our members and the bereaved in due time and ensure suitable funeral services. Doing so meant occasionally pushing the limits of what we could ask from each other. Thankfully people were very understanding and, with a few exceptions, our satisfaction figures stayed as positive as in previous years. We measure customer satisfaction via Net Promotor Scores, and the Group achieved a respectable score of 63.

Solvency remains high

In February 2022 Russia invaded Ukraine and a war erupted close to home that significantly affected our sense of security. It also generated a chain reaction of economic and social effects. Energy prices shot up and inflation rose to unprecedented levels. This in turn affected the affordability of energy for businesses and households, and we too have been affected by increasing funeral costs over the past year. We were able to limit these costs for 2022, and on 1 January 2023 our premium increase was only 2.96 percent – partly thanks to profit sharing. We are pleased with this outcome.

The combination of a global energy crisis with soaring interest rates also impacted DELA's investment results in the report year, with our invested capital falling in value. In light of the term of our insurance policies our investments are of a long-term nature, which means that results may fluctuate considerably each year. Due to the increased interest rate, however, our obligations also went down, which meant that our solvency – how we measure the financial position of the insurance company – stayed stable. This shows how robust our business model is, even in extreme situations. In that regard, the interest rate rise is good news for our members as it allows for profit sharing which can then be used to limit the premium increases for our Natura policies.

Growth and development

The cooperative also pushed the boundaries in other aspects in the Netherlands, Belgium and Germany. A milestone moment in our history came with Belgian policyholders being able to become members. This membership was recently introduced in Belgium and by the end of December 2022 we had welcomed almost 16,000 new members. In addition, the Yarden takeover has given us a good nationwide coverage in the Netherlands. The new colleagues who transferred from Yarden showed boundless commitment and hundreds of them were introduced to our organisation, methods and systems. The fact that the integration of Yarden is going as planned and will probably be completed in 2023 deserves a huge compliment to all involved – especially in light of the shortages in the labour market.

Operational pressure was also tangible in our IT programs. We are slightly behind schedule with regard to our digital transition, but we still expect to be able to achieve our goals for 2025. In Germany we achieved autonomous growth and acquired the insurance portfolio of Monuta, which means that our presence in the German market is growing rapidly.

Ambition

DELA continues to raise the bar when it comes to service provision for our members. We are proud of the good customer satisfaction levels and reputation, and the fact that we managed to maintain our quality levels. Customers are the focal point in everything we do. This is the only way to ensure members see their DELA membership as valuable and feel supported in all matters related to 'saying goodbye' and 'sharing memories'. The fact that we listen closely is underlined by the level 2 Gouden Oor Award we received in the Netherlands, a recognition for companies that pay heed to what their customers need. We have the same goal for the funeral company and will be making strides toward achieving this during 2023.

The year under review also revolved around enriching our strategy and shifting our boundaries with regard to service provision. In addition to insurance and funerals, we see a growing demand for supplementary products and services.

It is also therefore our ambition to provide members with even greater added value from their membership of the cooperative.

Impact

The year 2022 also saw us celebrate the 85th anniversary of DELA's foundation. Over the years we have remained loyal to the cooperative principles of our founders: 'solidarity works', and 'many hands make light work'. The starting points of the original cooperative remain in place today, albeit with a larger scope and a greater effect on society and the environment than ever. We've therefore set ourselves the goal to have a net positive impact on people and the environment by 2030 – both via our products & services and in the way we do business. To achieve this, we increased the sustainability of a number of our crematoriums in 2022, including by installing electric cremation furnaces. We have also expanded the electric vehicle fleet for funerals, introduced the first degradable casket and launched a new range of sustainable company clothing. A dedicated CO₂ reduction plan has been drawn up for Belgium and will be rolled out in the coming years.

Trust

In conclusion, we would like to thank our members, policyholders, the bereaved and our employees for the trust they have placed in us. We have been pushed to our limits at times in 2022 but have also extended our boundaries. The cooperative concept remains as vital as ever and, despite the increasing individualisation, society's strength still lies in the connections between people and generations. We understand this sense of solidarity well and strive to live in accordance with it. This is how we know that DELA will stay on course and continue to have value for its members and the wider society.

Eindhoven, 21 April 2023

DELA cooperative

The Executive Board

E. (Edzo) Doeve, CEO / chair

J.A.M. (Jack) van der Putten, CCO / vice chair

J.L.R. (Jon) van Dijk, CFRO



In brief

Profile

The DELA cooperative is an international insurance company and funeral organiser.

DELA was established as a cooperative 85 years ago based on the concept that many hands make light work. Solidarity was since 1937 the foundation behind the goal to ensure that everyone with the chance to have a respectful funeral. This ambition is evident from the company's name: DELA stands for 'Draagt elkanders lasten', to carry each other's burdens in English.

This cooperative character is still at the heart of the company: the profit we make is partly used to strengthen the organisation and partly to limit any premium increases. In addition, our members help define our policy and further develop our service provision. We are always building on our shared interests.

'Members help define our policy and further develop our service provision'

DELA supports its members and insured people every day in word and deed. Knowing that everything is properly arranged gives a sense of peace and security. We always offer the utmost personal care and attention, and no matter what solution we provide it is accompanied by maximum effort. This is how we contribute to a carefree life.

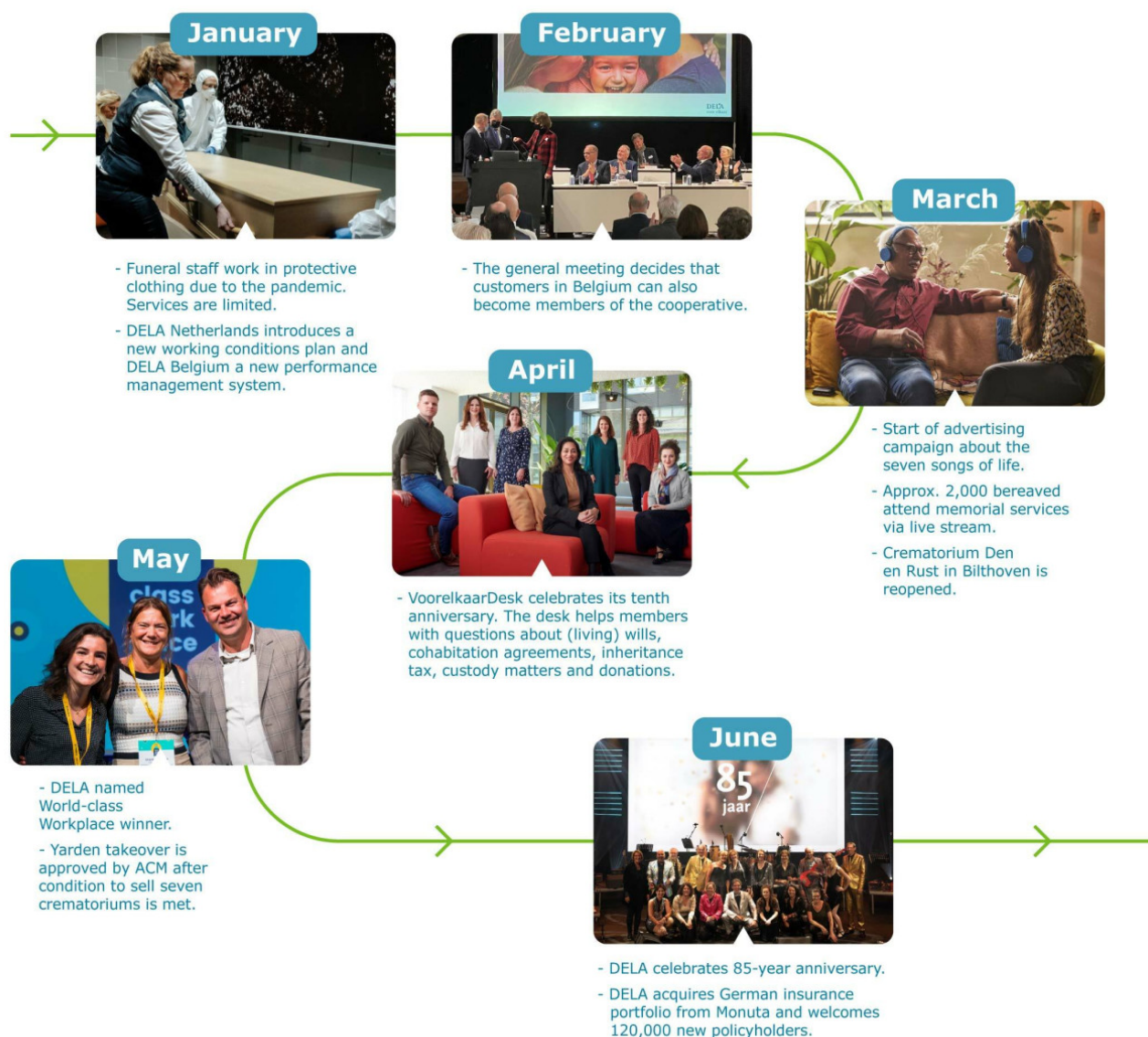
Solidarity is the basis for everything we do. As a cooperative, DELA plays a connecting role in society and strive to make the world better for current and future generations.

After the Yarden takeover, DELA in the Netherlands has 99 funeral centres and 46 crematoriums. In Belgium, DELA offers funeral services from 65 funeral centres (in 124 locations), two crematoriums and a repatriation centre. DELA Germany does not own any funeral facilities. Its office in Düsseldorf provides various insurance policies, directly via online channels or via brokers. In addition to insurance, DELA Germany also provides aftercare via various partners as an extra benefit for our 'mitgliedern' or members.

NB: DELA stands for DELA cooperative, unless stated otherwise in this report.



2022 in brief



September

- DELA Netherlands receives the 'Gouden Oor level 2' award for its insurance activities.

October

- DELA Uitvaartzorgplan in Belgium is named best funeral insurance policy by DECAVI.
- DELA Germany starts partnership with the Bessergrün ('better green') marketplace.

August

- The Living Cocoon coffin is included in the portfolio. Made from the mycelium of mushrooms, the casket is fully degradable.

November

- Crematorium Midden- Limburg in Baexem replaces its gas furnace with an electric version.
- 2000 trees planted to form three woodland burial sites in Putte, Zwevegem and Ninove.

July

- Organisers of the 31st Roparun, of which DELA is main sponsor, report that the relay race raised over €3.4 million in 2022.

December

- Fifteen hundred DELA employees receive new sustainable company clothing.
- Voor Elkaar Holding NV is set up to promote solidarity and cooperative business in the Netherlands.



In brief

Key figures



Customer satisfaction
64 in 2021



Reputation
63 in 2021



Employees
2,179 in 2021



Employee satisfaction
52 in 2021



Policyholders
5.3 million in 2021



Funerals
48,163 in 2021



Cremations
40,408 in 2021



Profit sharing
€ 5.9 million in 2021



Turnover core activities
€ 748 million in 2021



Solvency
236% in 2021



Coverage
129% in 2021



CO₂ emissions
35.3 kiloton in 2021

Financial

	2022	2021	2020	2019	2018
Turnover					
<i>x €1,000</i>					
Turnover insurance	669,011	592,472	516,792	480,189	450,891
Turnover funeral company	369,949	317,723	267,633	244,865	241,155
Minus: internal turnover	-178,173	-161,202	-153,426	-130,872	-127,680
Other turnover	39	3,236	148	10	109
Net turnover	860,826	752,229	631,147	594,192	564,475
Distribution of investment results					
<i>x €1,000</i>					
Net investment results	-841,467	646,420	74,659	664,185	-139,287
Minus: for future insurance payments*	-178,841	-160,094	-144,482	-137,065	-130,314
Remaining for financial position cooperative**	-1,020,308	486,326	-69,823	527,120	-269,601
Profit share					
<i>x €1,000</i>					
Profit share	43,654	5,940	42,994	42,323	42,321
Balance sheet					
<i>x €1 million</i>					
Balance sheet total	8,985	9,894	7,120	6,939	6,159
Investment value	8,396	9,080	6,592	6,482	5,686
Technical provision	7,532	7,172	5,155	4,870	4,584
Equity capital	1,038	1,778	1,343	1,434	1,048
... as percentage of technical provision	14%	25%	26%	29%	23%
Insured capital					
<i>x €1 million</i>					
Insured capital	72,970	68,678	57,841	49,915	42,987
Coverage					
Average coverage***	195%	129%	122%	156%	175%
Solvency					
Solvency II ratio****	226%	236%	221%	201%	272%

* Based on actuarial interest added to the technical provisions.

** Income from investments, available for capital growth.

*** The average of 12 positions at the end of the month. The average coverage is the basis for profit sharing in the following year.

**** Solvency adjustment compared to previous publications due to model adjustment; see section 4.1.1. in financial statements.

Non financial

	2022	2021	2020	2019	2018
Customer satisfaction					
<i>NPS</i>					
Netherlands	58	56	61	60	53
Belgium	69	70	70	66	52
Germany	51	49			
Total*	63	64	66	62	53
Reputation					
<i>Netherlands, Stakeholderwatch pulse</i>					
Members	77	77			
Non-members	60	56			
Total	66	63			
<i>Netherlands, Reprtrak pulse</i>					
Members		84	82	80	79
Non-members		71	69	67	65
Total		76	74	72	71
<i>Belgium, Brand Fame Tracker: 'dé uitvaartspecialist'</i>	76%	73%	70%	67%	70%
Employee satisfaction					
<i>GPTW score</i>					
Netherlands			88	88	89
Belgium			87	87	87
Total			88	88	88
<i>Effectory eNPS</i>					
Netherlands	44	51			
Belgium	53	54			
Total*	45	52			
Employees					
<i>Fte, at end of the year</i>					
Netherlands	1,606	1,735	1,154	1,113	1,115
Belgium	430	416	408	392	369
Germany	38	28	23	19	11
Total	2,074	2,179	1,585	1,524	1,495
CO2 emissions**					
<i>x 1 tonnes. Net, excluding investments</i>					
Scope 1	4,520	5,765	2,913	1,355	
Scope 2	2,172	2,552	517	-	
Scope 3	23,574	27,005	26,155	34,133	
Total	30,266	35,322	29,585	35,488	

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

** Adjustment compared to previous publications due to switch to new, GHG-approved tooling. In 2019 only emissions in the Netherlands, in 2020 the Netherlands and Belgium, from 2021 all of DELA.

Insurance company

	2022	2021	2020	2019	2018
Customer satisfaction insurance					
<i>NPS</i>					
Netherlands	48	51	53	50	43
Belgium	60	58	57	52	39
Germany	51	49			
Total*	58	57	56	52	40
Insured persons					
<i>Balance at the end of the year</i>					
Netherlands	4,295,361	4,287,483	3,304,917	3,255,079	3,218,355
Belgium	928,029	908,822	878,088	856,458	835,392
Germany	266,072	103,786	67,195	29,496	4,100
Total	5,489,462	5,300,091	4,250,200	4,141,033	4,057,847
Premium revenue					
<i>x €1,000. After deduction of reinsurance</i>					
Uitvaartplan, Netherlands (funeral insurance)	382,553	324,638	277,669	264,662	257,445
Leefdoorplan, Netherlands (life insurance)	30,052	30,309	30,200	29,542	26,044
Spaarplan, Netherlands (savings insurance)	75,004	79,571	69,694	60,587	58,091
Total Netherlands	487,609	434,518	377,563	354,791	341,580
Belgium	146,089	136,258	128,763	121,912	108,905
Germany	35,313	21,696	10,466	3,476	297
Total	669,011	592,472	516,792	480,179	450,782

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

Customer contact centre

	2022	2021	2020	2019	2018
Customer satisfaction customer service					
<i>NPS</i>					
Netherlands	45	39	50	45	35
Belgium	59	68	60	54	32
Total*	50	49	52	46	35

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

Funeral company

	2022	2021	2020	2019	2018
Customer satisfaction rating by descendants					
<i>NPS</i>					
Netherlands	71	72	73	76	71
Belgium	81	82	80	78	74
Total*	76	77	76	77	72
Funerals					
<i>Number</i>					
Netherlands**	39,800	36,168	32,715	29,106	29,109
Belgium	12,764	11,995	13,446	11,136	11,461
Total	52,564	48,163	46,161	40,242	40,570
Cremations					
<i>Number in own crematoriums</i>					
Netherlands	42,955	32,747	26,296	24,137	23,984
Belgium	7,301	7,661	9,306	8,387	8,367
Total	50,256	40,408	35,602	32,524	32,351
Turnover					
<i>x €1,000</i>					
Netherlands	303,408	258,431	206,656	191,841	188,635
Belgium	66,541	59,292	60,977	53,024	52,520
Total	369,949	317,723	267,633	244,865	241,155

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

** Adjustment compared to previous publications, now excluding DELA NL policyholder funerals when the bereaved chose not to use DELA's services.

Executive Board report



Executive Board Report

Our strategy

The origins of our cooperative are rooted in using the power of solidarity to offer a dignified funeral for all, regardless of position or status. DELA was established in 1937 to provide everyone with a dignified and affordable funeral. And today we still provide financial security and care when people say goodbye to their loved ones. We help pass on memories, experiences and values.

We do this by means of practical and financial support. We share the profits we make with our members. Sometimes this results in a lower annual increase in the premium and, when things are less positive, we all pay slightly more. Members help determine our policy and further develop our services. Solidarity is key to everything we do, enabling us to reap the rewards together and provide mutual support. The name DELA reflects this, being short for Draagt Elkanders Lasten in Dutch – carry each other's' burdens.

Mission

Solidarity and continuity are two interrelated and intrinsically linked starting points and goals, which we have translated into the following mission: "Using the strength of solidarity to connect society and secure the continuity of the cooperative. This is how we care for each other."

'In 2030 our cooperative will have strengthened solidarity in society'

Ambition

DELA is an expanding and flourishing cooperative. We have remained loyal to the essence of where we started and this remains a prime aspect of our mission. At the same time, we are constantly evolving as we find new ways to broaden and give meaning to the principles of solidarity and continuity in the future.

DELA has the following goal: "In 2030 our cooperative will have strengthened solidarity in society." We will realise this in various ways, including by growing in the domain of 'saying goodbye'. This means attracting new members and retaining existing ones by increasing interactions and enhancing our relationship. We are also looking to expand the services and products we provide to members, policyholders and the bereaved within our domain.

DELA members in the Netherlands should value their membership because of the way we help them in all aspects of saying goodbye. To further strengthen the sense of solidarity in society, we are developing new business models in the Netherlands that focus on this issue and are related to major social matters outside of the saying goodbye domain. These activities are in the hands of a separate entity called Voor Elkaar Holding ('there for each other' in English).

We established Voor Elkaar Holding to enhance solidarity and cooperative business in the Netherlands via the establishment of or investments in parties with social missions that help people. Examples include previously made investments in Salarise, Fello and The Right Meal. A dedicated investment advice committee will be established in 2023 to assess new initiatives.

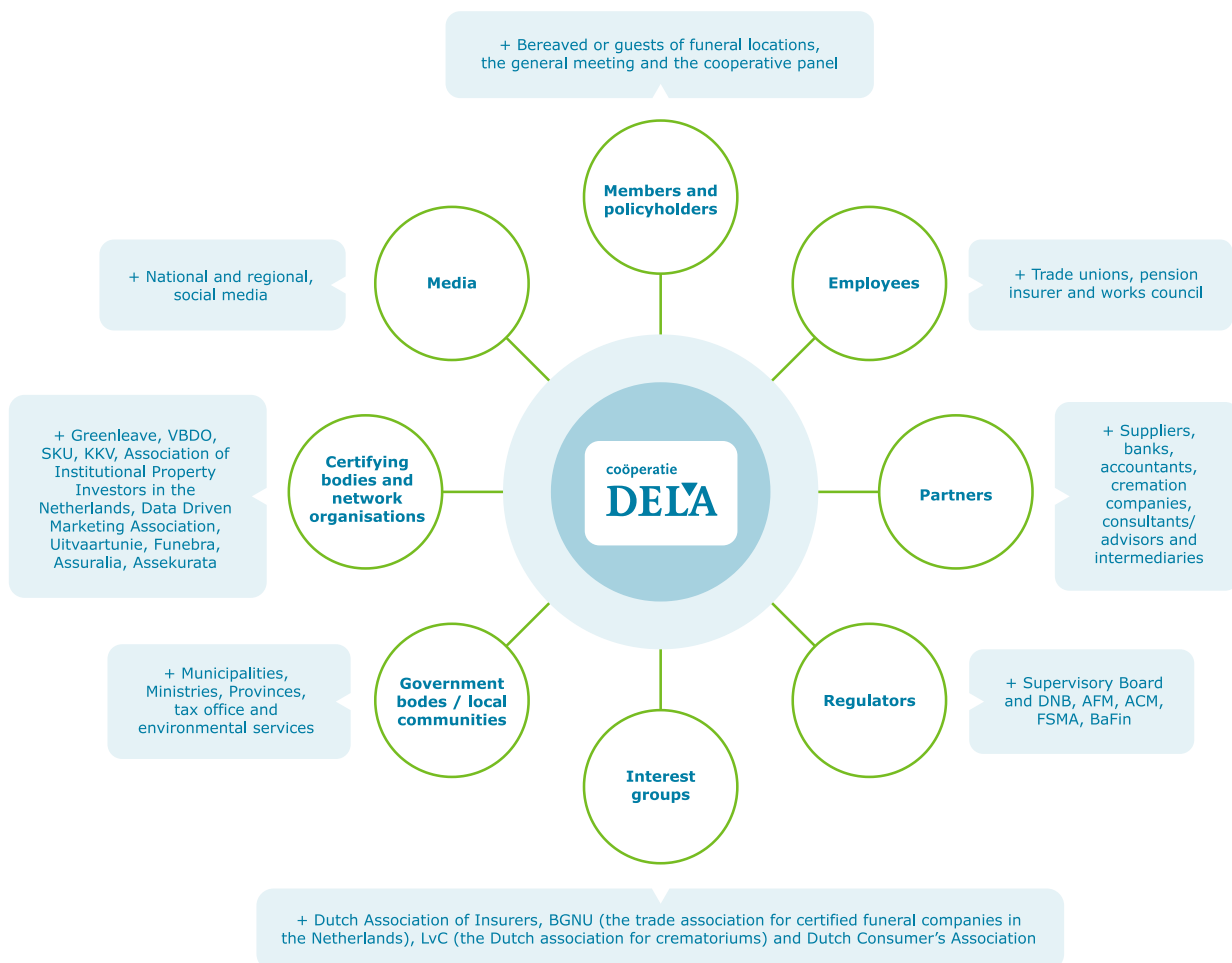
In Belgium we are looking to continue the growth seen both in the number of policyholders and in our funeral services market share. We also aim to further disseminate our cooperative identity and enrich our provision in the field of funeral services. The goal for DELA Germany is to successfully build on our recent entrance into the German market.

Our stakeholders

DELA partners with a wide range of organisations and other parties on a daily basis.

Together these groups are known as stakeholders. They all have a degree of influence on DELA and are in turn influenced by DELA's core activities. Our stakeholders also of course include members, policyholders (including the bereaved) and employees. Other significant groups with which DELA is involved are regulators, partners, suppliers, local communities, government bodies and other funeral companies. DELA is also a member of various certifying bodies, network organisations and interest groups, and has fully embraced their codes of conduct. In addition, DELA has two certifications: one for Funeral Care and the other a privacy guarantee.

Our main stakeholders are reflected in the image below.



We have a frequent dialogue with stakeholders to ensure our core activities – insurance and funerals – can be successfully realised. These discussions are part of our daily operations, and include contact between members and our customer contact centre. We also arrange more formal settings for interaction such as our general meeting and the Dutch Association of Insurers. Members can participate in debates on the general policy and (future) service provision. Research is also part of our stakeholder dialogue. We regularly consult our cooperative panel about the views of members on current topics, and hold periodic surveys on industry themes.

These stakeholder dialogues are very informative and the results are used to further optimise our operations, products and services. This helps ensure that DELA remains on track, continues to be relevant and grows in significance.

Our environment

Being at the heart of society means we are keen to contribute to a better world. We make socially responsible choices as we strive to pass on the cleanest and fairest possible world to future generations. At the same time, societal developments can influence DELA's activities and sometimes even have a considerable impact.

Developments

Below is an overview of the most important developments.

Energy crisis

The war between Russia and Ukraine has had a major impact on energy markets.

Gas supplies came to a halt in the spring of 2022 and Russia continues to use energy to apply geopolitical pressure. The gas price occasionally increased by over 250 percent on the futures market compared to the start of 2022. Uncertainty about the supply of energy and prices continues at the time of writing. The price of products and services rose by 4 to 8 percent at the start of 2023. Although previous fixed price agreements mean increasing energy prices have yet to hit DELA hard, the issue has heightened the need to accelerate the energy transition. We stimulate all employees to save energy and are increasing the sustainability of our locations via a series of small and large-scale renovations. We have stopped installing gas furnaces and now see electric cremation furnaces as the starting point for replacements and new locations.

Financial markets under pressure

The fluctuations and uncertainty with regards to energy costs has also impacted the inflation rate. At the end of 2022 this was 11.6 percent in the Netherlands (HICP = harmonised index of consumer prices), 10.2 percent in Belgium and 8.6 percent in Germany. Pressure on the available financial resources of households and businesses alike grew throughout the year. DELA was forced to adjust catering prices in our funeral centres several times over 2022.

In an attempt to tackle inflation, central banks worldwide have increased interest rates. The 10-year interest on Dutch government bonds went from 0 percent at the start of 2022 to 2.8 percent at the end of 2022. The Belgian Obligation Linéaire/Lineaire Obligatie (OLO) showed a similar development, rising from 0.2 percent at the start of the year to 3.2 by the end. The interest rate increase is resulting in a reduction in the value of investments. Government bonds in particular fell considerably in value by factors of ten. Stock markets went down in the second and third quarter, but recovered slightly in the fourth. The interest rate increase is also resulting in a drop in the value of the insurance obligations. In 2022, these effects cancelled each other out when calculating the solvency, the method that expresses DELA's financial solidity compared to our obligations.

Higher mortality

Both the Netherlands and Belgium still had higher than normal mortality rates in 2022, i.e. more deaths than would be statistically expected. Higher mortality rates and COVID restrictions were still applicable at the start of 2022 and placed extra pressure on our employees. DELA has a strong focus on the wellbeing of its staff. The existing attendance and re-integration policy is a tool to prevent employees from becoming unable to work. We maintained our high-quality service provision by being creative: sometimes the first meeting with the bereaved took place via Teams; sometimes our digital funeral planner helped them consider the various options, and on a number of occasions we called on colleagues from other locations. These measures enabled us to continue to provide everyone with a suitably dignified funeral.



The excess mortality in 2022 was mainly due to flu outbreaks and COVID 19

Labour market shortages

In addition to the higher mortality rate, the pressure on employees was further exacerbated by labour market shortages. The result of many years of demographical developments, these have made it far more difficult to fill vacancies. The availability of suitable staff is crucial to enable DELA to continue to provide high-quality, personal services and, at the same time, realise our growth ambitions. In the Netherlands, DELA has set up a Labour Market taskforce which is setting up recruitment campaigns and expanding our team of recruiters. By providing attractive working conditions, recruiting in an optimal way and actively aiming for the retention of employees, we hope to reduce the number of open vacancies and, in turn, the work pressure.

Digitisation

We are living in a decade in which digitisation is having a broader impact on organisations and society. The proper functioning of an administrative body and efficient control of core processes is only a part of the digital challenge. Issues such as cyber-crime, privacy, data protection and the responsible use of artificial intelligence also make digitisation a constant and complex matter. DELA believes that digital developments should benefit members, policyholders and the bereaved. They should allow us to provide even more personal high-quality and custom solutions. This requires both expertise in a department of IT specialists as well as knowledge throughout the organisation. The transition from old to new systems places pressure on the organisation and to ensure continuity we must first renew the insurance chain applications.

Increased sustainability

The intensifying scarcity of resources and oil (for example), damage to the environment and the consequences of factors such as climate change on society are increasingly visible. We are also becoming more aware of sustainability, and the amount of related legislation and regulations is growing. DELA has been addressing the issue since its first CSR policy in 2015 and, although we are on the right path, there is still a way to go. Electric cremation systems are a major step forward in making the company more sustainable, as are smaller initiatives such as caskets made from mushroom mycelium and company clothing from recycled materials. Rising prices are also making people more aware of the importance of saving energy.



DELA Hoentocht in Groningen, the most sustainable crematorium in the Netherlands

Materiality analysis

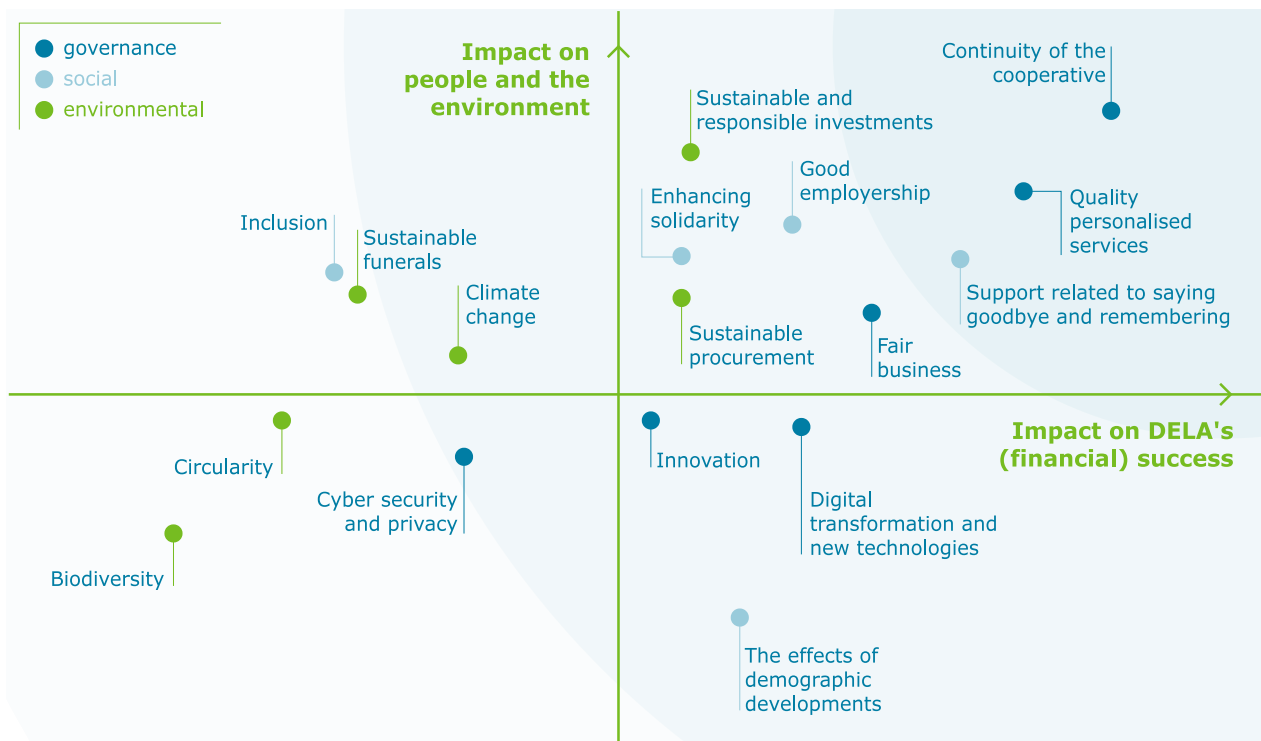
How will DELA cope with these social issues, how do they affect us and, equally as important, how can DELA affect them and our environment? A materiality analysis held in 2022 studied which aspects of sustainability are most relevant (material) to our organisation and our stakeholders.

By means of a materiality analysis we have researched the impact that DELA has on people and the environment. At the same time, we examined the influence that societal developments are having on DELA. The assessment began with a rigorous literature review which included looking at standards such as SASB (Sustainability Accounting Standards Board) and GRI (Global Reporting Initiative) as well as regulations like the EU Taxonomy. This was followed up by interviews with DELA experts in the fields of insurance, funerals, strategy, innovation and internal auditing in order to ascertain which themes were most important. A list of 17 themes was then compiled and a survey held among DELA managers and internal experts to enquire about the impact of these themes on the (financial) success of DELA and on people and the environment. The results were then used to create a first concept for a materiality analysis.

These internal studies were tested among a range of external parties. One-to-one discussions were held with various industry specialists, a survey was sent out to DELA members and a roundtable discussion was organised with various general meeting attendees. The analysis is based on the principle of double materiality – a term introduced by the European Commission as part of the guidelines of the Non-Financial Reporting Update (NFRD). Double materiality means identifying all the possible negative and positive effects on people and the environment linked to a company's operations and value chain. It also means that a negative or positive effect of a company can be material even if it doesn't affect the company value. We next met with stakeholders to study the opportunities and risks in DELA's environment that impact its success (the outside-in perspective) and DELA's own impact on people and the environment (inside-out).

This resulted in a number of adjustments to the prioritisation of the 17 themes.

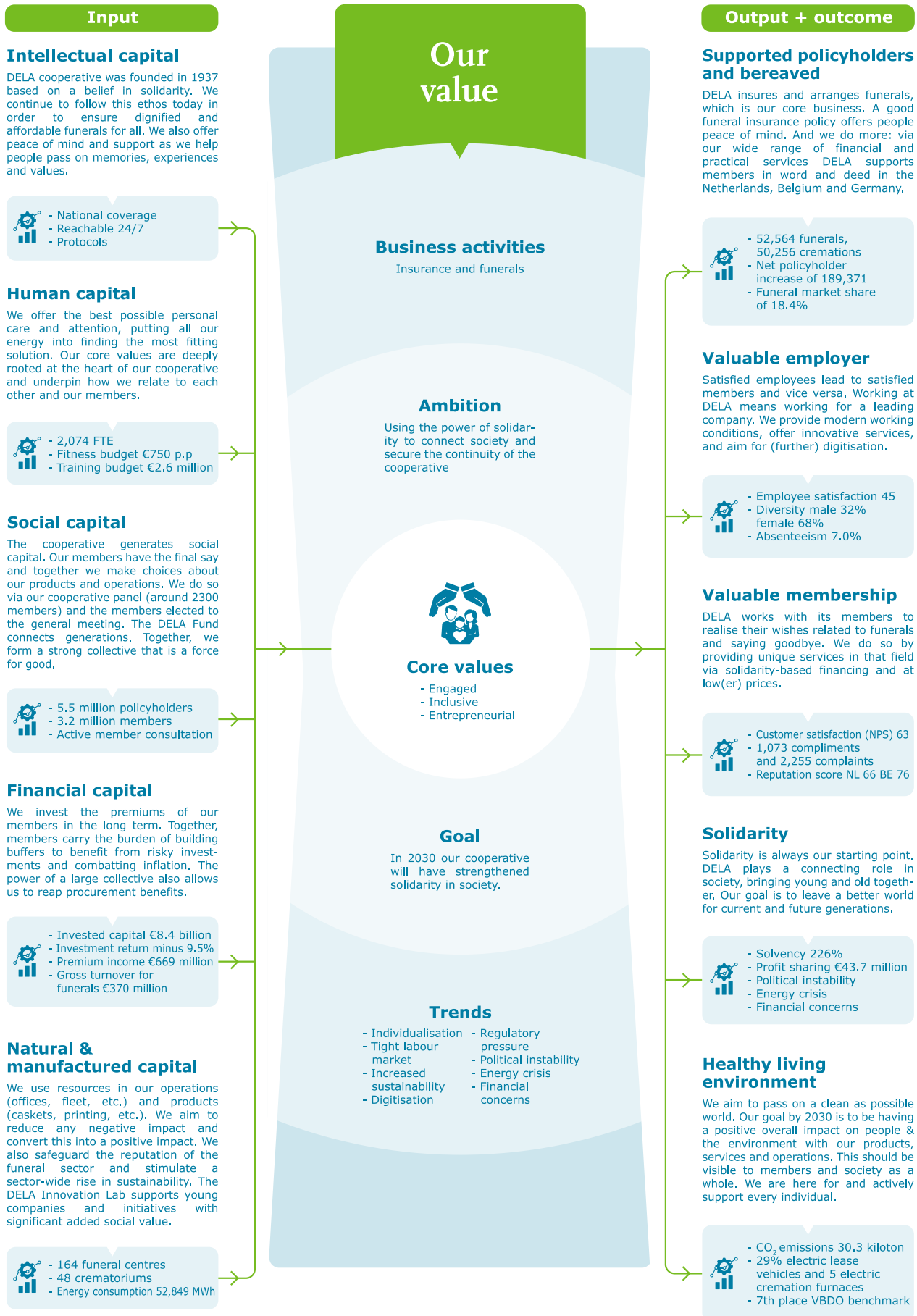
The following materiality analysis was approved by the DELA board in December 2022.



Further information on the various themes is provided in the Annual Report annexes.

Our significance

Our broad financial and practical service provision in the fields of funerals and insurance allows DELA to support members, policyholders and the bereaved in word and deed. We take an engaged, honest and proactive approach to protecting the various interests at play. Our value creation model shows how we use each of the six types of capital of the IIRC framework (financial, intellectual, human, social and natural & produced) to realise our goals. We also show the value we create with our core activities and the impact thereof.





Executive Board Report

Our customers

We offer members, policyholders and the bereaved (together, our customers) financial security and support in saying goodbye and remembering loved ones. Insurance and funeral/cremation services are our core business. DELA is active in the Dutch, Belgian and German markets with insurance products and owns funeral companies in the Netherlands and Belgium.

Members

Members are represented via the general meeting and the online cooperative panel. The general meeting has the final say over the general policy of the DELA cooperative, which means its members help determine the future of DELA.

Until 2022 only Dutch policyholders could be members of DELA cooperative. Those with a DELA Uitvaartplan insurance policy in the Netherlands and their co-insured automatically become members when the policy is opened.

On 5 February 2022 the DELA general meeting opened the door to membership in Belgium. Belgian members initially become part of the Eindhoven geographical department which will represent them in the general meeting. DELA Belgium launched the cooperative membership in October last year, and new policyholders can now become members. In the coming year we also hope to welcome existing clients who already have an insurance policy with DELA Belgium.

Number of cooperative members

	2022	difference	2021
Members	3,223,641	+43,798	3,179,843

General meetings

There were two general meetings in 2022. In February we said goodbye to 11 members and replacement members, including Ms Scheen from the North Holland West department, Mr Libregts from Eindhoven and Mr Zeelen from Eastern Central Limburg who had been members for the maximum term of 16 years. We also appointed 11 new members and replacement members. Partly due to the expansion of the general meeting from 36 to 40 departments there are now a number of open vacancies in the general meeting.

The rules of procedure were confirmed, including the expansion by four departments due to the Yarden takeover. Membership was also discussed in detail, including making it available to the DELA Uitvaartzorgplan policyholders in Belgium, starting with the newly insured. These Belgian members will initially be represented in the general meeting by the Eindhoven geographical department, with a new department being set up once a total of 100,000 is reached. DELA Belgium is taking up to five years to reach 250,000 members. The general meeting was also informed of the 2022 business plan of DELA Group. Ms Fijneman was appointed as a Supervisory Board member and Ms Caderius van Veen reappointed as a member of the Supervisory Board. The capital policy was also approved.

In the general meeting of June, Mr Slenter was reappointed as a member of the Confidential Committee. As usual, the annual report of the previous year was discussed and the financial statements 2021 confirmed. The general meeting discharged the Executive Board and Supervisory Board, and determined that the remuneration over 2021 was in good order. The developments in average funeral costs were clarified. Due to the increase herein, the Executive Board sought and received approval for a premium increase for the DELA UitvaartPlan of 2.96 percent. The discretionary increase in profit sharing, from 10 to 50 percent, and the discontinuation of the increase in remuneration for the bereaved who choose not to use DELA's services were also approved. Profit sharing for the DELA CoöperatiePlan was determined at 0 percent. The Yarden integration was also a major topic of discussion at the meeting.

Customer satisfaction and reputation

Providing high-quality services is key to DELA's operations.

We measure the satisfaction of our customers at various times along the customer journey, and these measurements form the basis for our management, learning and improvement in this area.

DELA measures customer satisfaction via the Net Promotor Score (NPS). A common indicator that shows the extent to which customers would recommend products and services to others, the NPS shows that customer satisfaction is increasing in the Netherlands and Germany. In the Netherlands it went up to 58 (2021: 56) and in Germany to 51 (2021: 49). The highest score was achieved in Belgium, where it remained stable compared to 2022 with a score of 69 (2021: 70). Weighed by respondents, DELA's score saw a fractional fall to 63 (2021: 64).

Customer satisfaction

Net Promotor Score, 12-month average, weighed by respondents.

	2022	2021
Netherlands		
Insurance	48	51
Funeral care	71	72
Customer service	45	39
Total	58	56
Belgium		
Insurance	60	58
Funeral care	81	82
Customer service	59	68
Total	69	70
Germany	51	49
Total Group*	63	64

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

Gouden Oor level 2

DELA Netherlands received an award for its insurance activities from Stichting Toetsing Verzekeraars, under the name 'gouden oor level 2'. By listening closely we can understand what is truly needed and learn how to make improvements on various levels: from products and services to how we communicate with customers.

DELA has a robust and strong reputation and our activities are partly focused on maintaining and strengthening this reputation.

Since 2021 we measure our reputation among members and non-members in the Netherlands via the Stakeholder Watch system. This includes extra questions about how membership is valued, and the expert role of DELA in the 'saying goodbye' domain. Over 80 percent of members value DELA membership and clearly see us as an expert. In the 'Financial support (insurance)' sub-domain, members give DELA a score of 78 and for 'goodbyes and funerals' an 87.

Our reputation in Belgium also grew. Here we measure it as 'prompted awareness' to the question: "Do you see DELA as the funeral specialist?" The already high score of 73 percent in 2021 increased to 76 percent in the year under review.

Reputation score

	2022	difference	2021
Netherlands, Stakeholderwatch pulse			
Members	77	+0	77
Non-members	60	+4	56
Total	66	+3	63
Belgium (Brand Fame Tracker: 'the funeral specialist')	76%	+3%	73%

Funerals and cremations

There were almost 170,000 deaths in the Netherlands in 2022 (2021: 171,000). DELA Netherlands arranged some 39,800 funerals (2021: approx. 36,200), and around 43,000 cremations (2021: 32,700). This increase is partly due to the Yarden takeover.

We did not reach our goal in the Dutch market in 2022 for the share of free market funerals (when the deceased is not insured with DELA). The high workload in the funeral company, partly due to high mortality rates, the Yarden integration and the tight labour market, all played a role herein. On balance, DELA Netherlands arranged some 8,400 funerals in this segment – approximately 35 percent more than in the previous year (2021: approx. 6,200). This increase is entirely due to the Yarden takeover.

Belgium recorded over 116,000 deaths in 2022, compared to some 112,000 in the previous year. In the reporting year, DELA arranged approximately 12,800 funerals (2021: approx. 12,000) and around 7,300 cremations (2021: approx. 7,700). The funeral company in Belgium is mainly focused on funerals for non-insured people as DELA Belgium has yet to achieve national coverage. This is why the acquisition of funeral companies is part of our strategy here. In addition, DELA Belgium aims to strengthen cross-pollination with policyholders as DELA can arrange funerals upon their deaths.

Number of arranged funerals and cremations

	2022	difference	2021
Funerals			
Netherlands*	39,800	+3,632	36,168
Belgium	12,764	+769	11,995
Total	52,564	+4,401	48,163
Cremations			
Netherlands	42,955	+10,208	32,747
Belgium	7,301	-360	7,661
Total	50,256	+9,848	40,408

* Adjustment compared to previous publications, now excluding DELA NL policyholder funerals when the bereaved chose not to use DELA's services.

The hardest period for bereaved relatives often starts after the funeral. In addition to processing their grief they are faced with numerous practical, financial, legal and administrative tasks. A helping hand is always welcome at this time and that's where DELA comes in, offering practical support and tips based on individual situations. Aftercare is a standard element for policyholders in the Netherlands and for all funerals arranged by DELA. Aftercare is also a standard part of the DELA Uitvaartzorgplan in Belgium and of all funerals arranged by DELA.

In 2021, the Netherlands Authority for Consumers and Markets (ACM) agreed with the takeover of Yarden on the condition that DELA sold Yarden's crematoriums in Beuningen, Heerlen, Groningen, Schagen, Utrecht and Venlo, plus the DELA crematorium in Spijkenisse. It also had to sell two Yarden funeral centres (in Veldhoven and Venray), the sale of which was realised in 2021. The ACM approved the sale of the crematoriums to Funecap on 12 May 2022.

DELA Belgium acquired two funeral companies in 2022: Dubois Tanier in the Huy region and surroundings, and Van Tendeloo in Nijlen and Zandhoven.

Insurance

The size of our total portfolio, measured by the number of people insured, is a major spearhead for DELA. Our growth in 2022 resulted from expansion in all three countries.

Number of policies per product at the end of the year and growth in reporting year

	2022	net growth	2021
Uitvaartplan, Netherlands (funeral insurance)	3,026,304	+28,778	2,997,526
Leefdoorplan, Netherlands (life insurance)	285,858	-4,807	290,665
Spaarplan, Netherlands (savings insurance)	55,136	+2,874	52,262
Yarden, Netherlands	928,063	-18,967	947,030
Total Netherlands	4,295,361	+7,878	4,287,483
Uitvaartzorgplan, Belgium (funeral insurance)	643,686	+29,954	613,732
Inactive portfolios, Belgium	284,343	-10,747	295,090
Total Belgium	928,029	+19,207	908,822
Risikoleben, Germany (life insurance)	90,469	+14,440	76,029
Sterbegeld, Germany (funeral insurance)	46,183	+18,426	27,757
Monuta, Germany	129,420	+129,420	-
Total Germany	266,072	+162,286	103,786
Total	5,489,462	+189,371	5,300,091

The DELA Uitvaartplan in the Netherlands saw further growth. The net growth was lower in 2022 than in 2021 and 2020 when the demand for funeral insurance peaked during the pandemic. Most cancellations normally occur in the first years after the insurance was started and this also partly explains why the net growth in 2022 was lower than in the two previous years. The increased number of deaths resulted in a lower net growth than in previous years.

As Yarden policies are no longer being sold, they only involve natural losses and termination via buyouts.

Net growth in life insurance policies was negative in the Netherlands where there are many providers of this type of insurance. In addition, the fact that life insurance is no longer required for new and existing mortgages by the Dutch Mortgage Guarantee Scheme (NHG) and lenders, means fewer new insurance policies. An increase in mortgage switches and people trading up using their excess value also played a role in the reduced demand for life insurance.

In addition, DELA offers a savings plan on the Dutch market with a fixed interest rate of 2.0 percent.

The market for funeral insurance in Belgium is still developing. At the time of writing, just 11 percent of the Belgian population has funeral insurance. Maintaining growth over multiple years is difficult, as is realising synergies between insurance and funeral care. DELA is unique in Belgium for the way it both insures and arranges funerals. DELA Belgium is actively selling a capital insurance. Our insurance company pays out upon death, although it isn't a matter of course that our funeral company then arranges the funeral as this doesn't involve a package (Natura) policy and people are free to use the funeral company of their choice.

The net growth of insured persons in the active insurance portfolio in Belgium was lower in 2022 than in 2021, when it was around 36,400. We especially saw a drop in the brokers' channel, while the online channel grew.



DELA office in Belgium

DELA Germany offers funeral insurance and life insurance. The German market is large and still growing. On 1 November 2022 DELA acquired the German portfolio from competitor Monuta, which included nearly 130,000 policyholders. DELA Germany's funeral insurance covers funeral costs and comes with a profit-sharing scheme that gives policyholders the same benefits as Dutch members of the cooperative. DELA Germany is aiming for growth via brokerages and online.



Executive Board Report

Our organisation

Our employees are the driving force behind the DELA cooperative, vital to our service provision and social significance. DELA invests in people to ensure they are engaged, proud and healthy, and have ample opportunity for personal development. At the end of 2022 DELA had some 2,850 employees (around 2,100 FTE). Committed, honest and enterprising, they work tirelessly to realise DELA's mission in three countries.

Our core values are deeply rooted in the heart of our cooperative and underline our relationship with each other and with our members. We use digitisation to bring people even closer together. One of our goals is that by 2030 we'll be having a positive impact on people and the environment with our products, services and operations. The DELA Fund further stimulates initiatives that connect the generations.

Our employees

DELA is committed to ensuring that our employees reflect the full diversity of the society in which we operate, that everyone has equal opportunities and feels able to be themselves. DELA-wide, some 66 percent of all DELA Group employees are female. In leadership positions, the 30 percent minimum rule for women and men is easily achieved. When personnel changes occur, we always take increased diversity into account.

Yarden integration

The integration of Yarden was an important focal point at DELA Netherlands in 2022. Our new colleagues joined DELA on 1 June with the exception of those from the HR, Finance and IT departments, who transferred later in the year. Due to the tight labour market, the customer contact centre of DELA Netherlands did not manage to acquire new employees before 1 June. As a result, various Yarden colleagues were asked whether they wished to work for DELA a little longer. Thankfully the majority agreed.

The employees from Yarden who joined DELA took part in a 'Warm Welcome programme' that involved 15 sessions in total. HR also organised a number of (digital) walk-in sessions to answer any questions about employment contracts.

DELA's Funeral Services department assigned 'buddies' to answer any immediate questions and offer support where necessary. Funeral care staff from Yarden took a training course in the DELA application used for arranging funerals. The new colleagues quickly adapted to the DELA approach and soon found their way in the organisation.

Based on well-publicised social developments in the Dutch media landscape, DELA Netherlands carried out an internal study into diversity, inclusion and respecting boundaries. Formulating a vision related to psychological security, collecting data and guaranteeing safety is the basis for our personnel policy. In addition, good practices were mapped out and aligned throughout the organisation. This resulted in 32 good practices for diversity and inclusion, and 16 good practices for respecting boundaries.

Major changes to the overall package of employment conditions at DELA Netherlands came into force on 1 January 2022. These included offering an individual budget for choices and the option to take a sabbatical. Employees who joined the workforce from 1 January 2022 are subject to a new pension scheme. And we also introduced an individual fitness budget to benefit employees' health and personal development. Customer-orientedness is a core value of DELA and to achieve this we create a climate in which learning and performing is a matter of course. Following a culture survey, our organisations in the Netherlands and Belgium set up a learning and performance programme. Together we aim to grow, work in a result-oriented way, and enhance the strength of our people and teams. We stimulate employees to make the most of themselves on a daily basis. In this framework, we provide a dedicated portfolio of training courses and workshops. After the introduction of the new programme the decision was taken to end the variable remuneration approach. A limited variable remuneration is still available in Belgium.

The working conditions in Germany remained largely the same as in 2021.

Employee satisfaction

DELA measures satisfaction levels among its employees in the Netherlands and Belgium every year. In 2022, this survey was carried out via Effectory. Over 2,000 employees in total completed the survey, a response rate in the Netherlands of 75 percent and in Belgium 79 percent. The survey focused on various themes such as enthusiasm, employership, team leadership and social safety. The solid foundation for good employership remained in 2022, as is shown in the eNPS scores. In the Netherlands this is +43.7 (2021: +50.5) and in Belgium +53.3 (2021: +54.4). The score for both country organisations is high.

Employees continued to be proud of their co-workers, the focus on customers, the development of the organisation and the room for employee development. The main points for improvement in both organisations involved work pressure, communication, cooperation and the way assessments are linked to pay. The survey also showed that the balance between work and private life required more attention. The results were discussed in both teams and various initiatives established to optimise the results. A survey has yet to be held in Germany.

Results of employee satisfaction survey

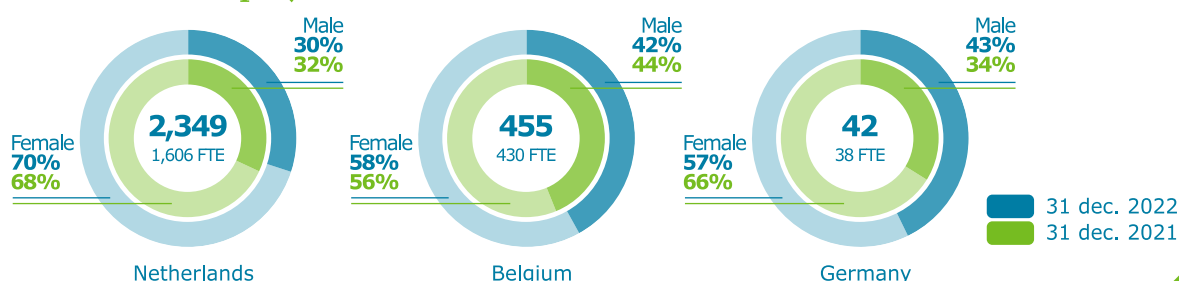
	2022	2021
Effectory eNPS		
Netherlands	44	51
Belgium	53	54
Total*	45	52

* Adjustment of total compared to previous publications, now weighed by the number of respondents.

The eNPS (employer Net Promoter Score) shows the extent to which employees recommend cooperative DELA to others as an employer. The score is determined by the percentage of promoters minus the percentage of detractors.

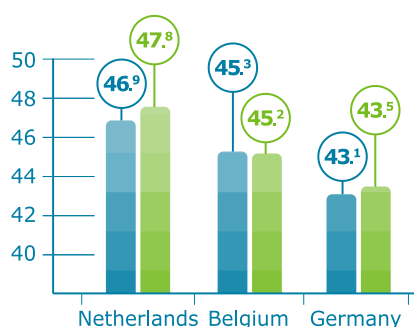
In 2022, DELA was awarded the World-class Workplace label in the Netherlands and Belgium, an annual excellence-in-employership label awarded to high performing organisations based solely on the opinion of employees. We achieved an exceptional performance in the 'enthusiasm' theme and also scored highly on themes such as 'meaningful work', 'how employees fit into the organisation' and 'how teams contribute to the success of the organisation'.

Number of employees



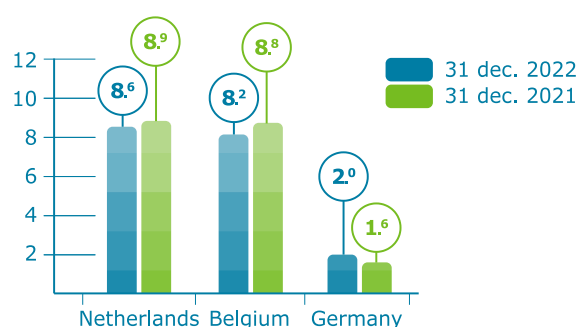
Average age

In years



Term of employment

In years



Age build-up

	2022 Male			2022 Female			2021 Male			2021 Female			
< 25 years	46	3	1	115	6	0	65	3	0	115	6	1	
25 < 35 years	77	40	4	209	48	9	92	44	1	193	49	4	
35 < 45 years	144	57	3	311	70	6	159	60	2	294	55	6	
45 < 55 years	173	49	6	495	74	6	197	43	5	534	75	5	
55 < 65 years	220	37	4	468	66	2	244	38	2	542	62	3	
≥ 65 years	35	3	0	55	2	1	44	4	0	43	0	0	
Total	695	189	18	1653	266	24	801	192	10	1721	247	19	

Legend: Netherlands (light green), Belgium (blue), Germany (light blue)

Employees and absenteeism by sector

Sector	Number		FTE		Absenteeism (in %)	
Netherlands						
Insurance	288	281	233	230	6.7	6.3
Funerals	1,795	1,895	1,135	1,202	8.0	6.4
Holding & staff	266	346	238	303	2.7	3.5
Total Netherlands	2,349	2,522	1,606	1,735	6.8	6.1
Belgium						
Insurance	98	99	94	95	4.1	5.5
Funerals	279	262	259	245	8.9	9.0
Holding & staff	78	78	77	76	6.9	4.2
Total Belgium	455	439	430	416	7.5	7.5
Germany						
Insurance	42	29	38	28	5.7	5.8
Total Germany	42	29	38	28	5.7	5.8
Total	2,846	2,990	2,074	2,179	7.0	6.4

Legend: 2022 (blue), 2021 (green)

Note: 1 non-binary employee in the Netherlands was included in the totals, but not under male or female.

Absence due to illness

One of DELA's goals is to help all employees stay physically and mentally healthy and capable of quality work, both now and in the future. Absenteeism is at an undesirably high level across DELA. Increasing absenteeism is a society-wide development and has never been as high in the Netherlands as it is now (source: ArboNed). Causes include increased work pressure as well as the stress people feel due to higher expenses and polarisation. Employees in the funeral sector are confronted with grief on a daily basis and this can be emotionally challenging. Other factors include physical strain, irregular working hours and the requirement for flexibility. Taken as a whole this leads to physical and mental challenges.

Absenteeism over 2022 was 6.8 percent in the Netherlands, 7.5 in Belgium and 5.7 percent in Germany. In the Netherlands and Belgium this signified an increase from 2021. Various initiatives were started to reduce absenteeism as quickly as possible. We also continue to focus on the reintegration of employees with long-term absences due to illness.

DELA has an attendance and reintegration policy, a tool to help prevent employee absenteeism as much as possible.

DELA Belgium organised sessions in the spring around the theme of 'managing one's own energy'. In the funeral company, we focused on psychological security, based on the survey into employee satisfaction. In the autumn we organised sessions for managers revolving around the issue of having constant constructive contact with employees, with the starting point being to allow employees to take control themselves.

The tightness of the labour market also plays a role in absence due to illness. We are seeing that it is becoming more difficult to attract people, and the time that vacancies are left unfilled is increasing. This does not just apply to DELA but to the entire market. It also makes it more difficult to find temporary employees, which in turn puts extra stress on our permanent staff. Training new people also takes a lot of effort, while new staff are unable to work fully during that time. The resulting pressure further increases absenteeism.

Staff turnover

The total staff turnover of the past year for both DELA Netherlands and DELA Belgium was around 15 percent. The development of undesirable staff attrition is another unwelcome development. The undesirable attrition is the departure of employees within two years of employment set off against the total turnover of staff. This figure was over 30 percent for both country organisations. We are currently considering how this issue can best be addressed.

We also took some general measures to tackle the staff shortage, which included expanding the team of recruiters in the Netherlands and in Belgium. It is obviously important to attract and select the right people and retain and engage the staff we already have. Various initiatives were started that will also be continued in 2023. Colleagues are stimulated to contribute to finding new staff by a reward scheme. Another move involved making an appeal for staff to increase their contract hours and/or continue working after retirement where possible. We are also increasing the workforce potential by exploring how we can employ people who are distanced from the labour market, and we started the establishment of an internship agency – both for students and for residence permit-holders or people from other companies who cannot reintegrate into their own work or company. We are intensifying personnel recruitment campaigns as well, and, focusing on growth and development in our learning and performance programme. By growing together and working in a result-oriented way, we can enhance the strength of our people and teams.

Occupational accidents

DELA closely monitors occupational accidents. In 2022, 36 work-related accidents have been reported in the Netherlands (2021: 22). They can be divided into three categories: 18 occupational accidents, 11 needle-stick injuries and 7 other accidents. In Belgium, an occupational accident is deemed to involve an event that leads to at least one day of absence. An incident indicates that something has occurred which does not lead to absenteeism. In 2022 there were 10 occupational accidents (2021: 11) and 13 incidents (2021: 6) in Belgium. In total 10 were related to a fall, 5 occurred in traffic, and 2 were caused by lifting or hoisting activities. There were also 2 needle-stick injuries. We aim to keep occupational accidents to a minimum by means of registration and evaluation.

Role of the works council

DELA Netherlands and DELA Belgium each have their own works council (OR) that is actively involved in economic and social issues and provides advice on the desired business operations. The works council of DELA Netherlands gave advice on the integration of Yarden's Procurement & Contract Management department into the Procurement department at DELA in Eindhoven and about the planning of the teams in Hengelo and Oldenzaal. In addition and in view of the tight labour market, the works council temporarily agreed to the direct placement of temps in vacancies, and the simultaneous internal and external acquisition of employees. The OR also made changes to the posting of vacancies, and made agreements that the works council would be informed in the event of specific external hiring. Advice was also given on changes to the Code of Conduct, the pension scheme and the lease scheme. Recurring topics of discussions included absenteeism, occupational accidents and employee satisfaction.

The works council of DELA Belgium discussed various subjects in the field of personnel. As well as the results of the employee satisfaction survey, it also focused on the increasing work pressure and the introduction of the performance management system. The impact of the new Arbeidsdeal labour legislation on the HR policy was also a matter of discussion, with a focus on acquisition and the development and use of HR development tools. More specific attention went to the filling of vacancies, resource planning, absenteeism and its prevention. Time was also spent discussing the business plan and CSR policy.

Digitisation

Digital developments at DELA revolve around keeping the IT landscape up-to-date and secure while providing even more quality and custom solutions to members, policyholders and the bereaved. An important aspect herein is to communicate with members in a personal, empathic and appropriate way. New digital channels should complement trusted forms of communication. Digitisation affects the entire organisation within DELA and the large amount of assignments involved require major investments in systems, processes and, most importantly, people. Systems are replaced step by step as the interdependence of projects is considerable. To ensure continuity, we are renewing the applications for the insurance chain first.



Digitalisation impacts the entire organisation at DELA

New systems are built to better address the needs of members, policyholders and the bereaved. In the Netherlands, we had three priorities in 2022: 1) the Yarden integration, 2) the migration of the deposit product, and 3) the migration of the DELA Coöperatie Spaarplan to a new platform.

We have made considerable strides in the IT project related to the integration of Yarden. The line organisation is performing many of the daily activities. This finalisation means that former Yarden locations and staff are now working with DELA systems. The cooperation with and high level of engagement from the Yarden staff have led to a successful end result. Distributing work across the existing IT teams in accordance with the portfolio management process proved fruitful. The migration of the deposit product has been concluded, and the migration of the DELA Coöperatie Spaarplan to the new platform which was to take place in late 2022 will be completed in 2023. The projects required a great deal of time and effort from the (IT) organisation.

In Belgium, the IT project Coöperatie went live in 2022. One of its goals was to allow the registration of Belgian customers. We also started preparations for a new CRM system, which is expected to be introduced in 2023. Another focal point was the further improvement of compliance related to data quality and process management, including stricter compliance with the storage times. The decision was taken at the group level in 2022 to transfer the full IT management from DELA Belgium to DELA Group in Eindhoven. This is expected to be realised in 2023.

In Germany the IT focus was on the technical support for the timely integration and administration of the Monuta portfolio acquired by DELA Germany.

Corporate Social Responsibility

DELA was established based on the strength of the collective and the concept of taking care of each other. We make responsible choices that help us leave the planet as clean and fair as possible to future generations. Our goal for 2030 is to have a net positive impact on people and the environment with our products, services and operations.

To realise this ambition, we have set ourselves five goals:

- Reducing our own CO₂ emissions.
- Increasing the sustainability of our investments.
- Greater use of sustainable materials.
- Stimulating inclusivity.
- Being a sector leader for sustainable funerals.

'In 2030 we have a positive impact on people and the environment'

Below we highlight the main results per goal.

Reducing our CO₂ emissions

We aim to reduce the CO₂ emissions of our operations and services as this greenhouse gas makes a major contribution to global warming, also known as climate change. The long-term goal of the Paris Climate Agreement to be climate-neutral by 2050 and produce 55 percent fewer greenhouse emissions in 2030 has been adopted by the European Parliament. DELA is even more ambitious, aiming to reduce its CO₂ footprint by 100 percent come 2030.

Every year, we determine our CO₂ footprint in accordance with the international Greenhouse Gas protocol (GHG protocol). We started with DELA Netherlands in 2015 and since 2021 have determined the footprint for the entire DELA Group, both for our own operations and for the products and services we provide. In addition to direct emissions under scope 1 and 2, we also strive to gain a good insight into our scope 3 emissions (indirect emissions caused by the operations of other organisations) as this is where we can have a considerable impact. The increasing transparency of and collaboration with supply chains means we expect to implement further refinement in determining our scope 3 emissions in the coming years.

Our scope 1 and 2 CO₂ emissions are primarily caused by transport and energy consumption in our buildings and installations. The main measures that contribute to a reduction of scope 1 and 2 CO₂ emissions are:

- The purchase of green power from Dutch solar & wind energy and natural gas compensated by forests. The share of green power in 2022 was 52 percent, and this will increase in the coming years when contracts are renewed.
- Energy savings in buildings and processes.
- Replacing gas cremation furnaces by electric furnaces; five of the 46 cremation furnaces in the Netherlands are electric.
- Generating our own green power; solar panels have been installed at 6 locations.

Our scope 3 CO₂ emissions are mostly due to the products and services we use for our operations and the funerals we arrange. The main measures that contribute to a reduction are:

- FSC solid spruce casket included in the insurance package.
- Changing the catering range to more plant-based and local & seasonal products.
- Electric hearses instead of diesel vehicles; EVs are the standard offer in 7 of the 15 regions in the Netherlands.
- Electrification: 38 percent of the lease fleet in the Netherlands was electric at the end of 2022, 9 percent in Belgium.

CO₂ emissions by scope

Net, excluding investments

x 1 tonne	2022	difference	2021
Scope 1	4,520	-1,245	5,765
Scope 2	2,172	-380	2,552
Scope 3	23,574	-3,431	27,005
Total	30,266	-5,056	35,322
Netherlands	22,070	-3,699	25,769
Belgium	8,130	-1,320	9,450
Germany	66	-37	103
Total*	30,266	-5,056	35,322

* Adjustment compared to previous publications due to transition to new, GHG-approved tooling.

The CO₂ footprint fell by 14 percent in 2022 compared to 2021. The reduction of scope 1 and 2 emissions is mainly due to a lower consumption of natural gas and electricity in our buildings. Both the upstream and downstream scope 3 emissions also went down, which was largely due to a reduction in transportation costs such as hearses, funeral vehicles and for visitors.

In addition, a route map was drawn up for DELA Belgium and DELA Netherlands in 2022 to make CO₂ reductions in the period until 2030. This provides a concrete plan of how further reductions can be achieved in the years ahead, and focuses on the main contributors to the CO₂ footprint on which DELA can have an impact, such as energy procurement, energy generation, energy savings in buildings and processes, transport, and funeral-related products and services.

Sustainable investments

DELA takes the issue of social responsibility very seriously and that certainly extends to our investment policy. Legislation and regulations, social developments and the wishes of our members are taken fully into account. We also integrate climate scenarios in the periodic ALM studies to gain an insight into their impact on the long-term development of DELA's balance.

It is our ambition to have reduced the net CO₂ emissions of our investments by 50 percent in 2030 compared to 2019. We assess new initiatives and investment opportunities based on this goal and always consider whether they might make a contribution. Determining and comparing CO₂ emissions is a challenge as data comes from various providers and external capital managers. Moreover, not all companies we invest in report on their CO₂ emissions. The number of companies publishing non-financial data such as on emissions is growing, however. DELA is currently monitoring the supplied data, with the aim of using the same source as much as possible to enable accurate comparisons. The European Corporate Sustainability Reporting Directive (CSRD) is expected to further improve the availability and quality of data. We are also looking into various market initiatives to see if we can join them, and meeting with our capital managers to compile a unilateral report on non-financial data including CO₂ emissions.

Legislation and regulations serve as the foundation of sustainable investments. DELA has followed the Principles for Responsible Investment (PRI) since 2015. Recognising that we can further increase our impact by working with other major investors, we act within the principles of International Corporate Social Responsibility (ICSR). This covenant between government bodies, trade unions, social organisations and many other insurance companies sees participants confirm international standards in the field of human rights and responsible corporate governance. By endorsing standards like the Global Compact Principles and OESO guidelines, DELA expects companies in which it invests to align their activities and strategies with ten universally accepted principles related to human rights, labour, the environment and anti-corruption. DELA's investment policy also takes into account the standards of the United Nations, such as the Global Compact Principles and Guiding Principles, as well as the OESO guidelines for Multinationals and the Sustainable Development Goals (SDGs).

To steer toward energy efficiency in our real estate and infrastructure funds, DELA complies with the Global Real Estate Sustainability Benchmark (GRESB), an independent assessment of worldwide real estate funds and portfolios which compares sustainability performances. In our accounting we use the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). From the year under review on, DELA is also reporting based on the EU Taxonomy. Designed by the European Commission, the system makes clear which activities can be designated and labelled as sustainable.

Sanctions legislation has an impact on the investment portfolio. Companies and countries that violate international legislation, sanctions and guidelines in the field of sustainability are excluded. Nor do we invest in companies involved in the development, production or maintenance of a number of controversial weapons. We also exclude companies that generate a substantial part of their turnover from the following sectors:

- Tar sands
- Coal
- Shale energy
- Oil & gas extraction on the North Pole
- Tobacco, fur & special leather
- Predatory loans
- Whale meat
- Assault weapons for private buyers
- Recreational cannabis

DELA takes the environment, social issues and good corporate governance into account in its investments. In addition to the abovementioned exclusion of companies and sectors, we apply various other instruments.

ESG integration

ESG stands for environmental, social and governance. The external capital and fund managers we use must take our sustainability ambitions and goals into account. We assess how they integrate the environment, social issues and good corporate governance (known as ESG integration).

Engagement

We maintain a dialogue with companies in which we invest in order to impact their approach to sustainability, stimulate the implementation of environmental improvements and mitigate sustainability risks.

Voting rights

DELA has its own voting policy which entails that we exercise our right to vote in as many shareholder meetings of the companies in our investment portfolio as possible. An active voting policy is part of the dialogue with these companies. We also enter into discussions with other major investors where we wish to see improvements in the field of ESG.

Impact investing

Ultimately, DELA aims to have a positive effect on people and environment with our investments and this is ultimately more important than realising a positive return.

Activities in 2022

In late 2022 we assessed our current sustainable investment policy among members via the online cooperative panel. We also asked the panel whether any issues were absent in our current policy and presented various dilemmas. The results will be used in a stakeholder dialogue in the first quarter of 2023.

As part of our engagement with companies in 2022, we spoke to 241 companies within the share and corporate bond portfolio. The main topics discussed were climate change (25%), environmental standards (19%), good governance (17%) and working conditions (17%), with positive results being attained on 111 occasions. We exercised our right to vote in 4621 shareholder meetings and voted against a motion in 19.4% of cases. This mainly involved matters such as Board composition (45%), remuneration (25%) and other issues (19%). Our exclusion list grew as a result of the sanctions legislation against Russia. At the end of 2022, 493 companies and 17 governments/countries were excluded (2021: 494 and 16).

We also invest in health care properties. DELA is aiming for a suitable financial return combined with a high social return. In December 2022, we appointed Syntrus Achmea Real Estate & Finance to invest 100 million euros for DELA in the Achmea Dutch Health Care Property Fund (ADHCPF).

Greater use of sustainable materials

For DELA to be having a positive overall impact on people and the environment by 2030 requires us to have insight into the effect of the products and services we use. One of the areas we explored in 2022 was the total lifecycle of products, such as the resource stage, production stage, user stage and discard or reuse stage. This broad impact analysis showed us how we can make our products and services more sustainable. It is being partially realised in collaboration with our partners and suppliers to ensure a proper insight of the entire chain. The impact analysis will be used in future procurement trajectories in addition to the existing policy for sustainable procurement.

DELA asks its suppliers to endorse the CSR procurement code, as published on the website. This stimulates them to deal with CSR focal areas in a constructive way, with specific reference to labour and human rights as included in the United Nations Universal Declaration of Human Rights. Suppliers are also expected to demand the same from any subcontractors and make clear how important this issue is to DELA. The CSR code is an intrinsic part of all agreements made between suppliers and DELA.

The main results we achieved in the field of more sustainable materials in 2022 were:

- New company clothing was taken into use in the Netherlands, comprised of 70 percent recycled polyester.
- The procurement policy was enhanced with specific CSR criteria.
- The Loop Living Cocoon casket, made from mycelium, was included in our product range. This contributes to the development of new types of casket that have a positive impact on people and the environment.
- The paper we used was 100 percent certified environmentally friendly and CO₂-neutral.



New range of sustainable DELA company clothing

Stimulating inclusivity

We find it important that people from different backgrounds, levels and ages feel welcome in our organisation as a customer, employee and supplier. We want to be there for and actively support everyone. To promote inclusivity in and outside of DELA, a dedicated initiative was started in DELA Netherlands looking at issues such as gender equality and forms of address. As a result of social developments in the media, DELA Netherlands performed internal research into diversity, inclusion and respecting boundaries. This subject will be explored in further detail in 2023 and we will draw up a plan of approach.

Leading the sector with sustainable funerals

Every funeral DELA arranges is unique, personal and of a high quality. At the same time we want to ensure we work with sustainable products and maintain partnerships with the right suppliers. We are a catalyst and innovator in the sector with regard to eco-friendly funerals, and can have a major impact as a leading market player.

The main results in this field in 2022 were:

- Stimulating the development and use of electric hearses.
- Supporting the innovative Loop Living Cocoon coffin by including it in our product range.
- Contributing to knowledge exchange in the field of sustainable funerals, including by giving a presentation at a BGNU (the trade association of certified Dutch funeral companies) event on sustainable funerals and by offering a good information supply on our website, member magazine and on social media.

Renovation and increased sustainability in crematorium Den en Rust

In 2021, the Den en Rust crematorium in Bilthoven was given a comprehensive renovation which also involved a significant increase in its sustainability. Highlights included the installation of two electric cremation furnaces, a new climate system and solar panels. The garden was made greener to bring the building more in line with the landscape, and the reception area expanded. The reopening was in March 2022.

DELA Fund and sponsoring

Because DELA was borne out of a sense of solidarity and attaches great value to social engagement, it has its own DELA Fund in the Netherlands and in Belgium.

We believe it is important to contribute to society and be there for each other, which is why the two DELA Funds were established. Everyone can submit projects to the funds that are aligned with their themes. In the Netherlands the fund focuses on connecting the generations, while in Belgium it revolves around making the difficult times of saying goodbye more bearable.

The Dutch Fund received over 300 submissions from associations and foundations in 2022 and contributed to 167 projects; 115 projects were supported with an amount up to €1,500 and 52 projects with an amount of between €1,500 and €10,000. Eighteen donations were made to associations and foundations that provided aid to war victims from Ukraine, 16 of which were initiated by DELA employees. They ranged from purchasing school materials and clothing to paying the fuel costs needed to bring goods to the border. DELA also donated laptops to a school in Eindhoven that teaches students who have fled Ukraine. Other projects involved initiatives such as students meeting with senior citizens, lunches and dancing with the elderly as well as museum visits and baking contests for people of all ages.



The DELA Fund is committed to supporting Ukrainian refugees

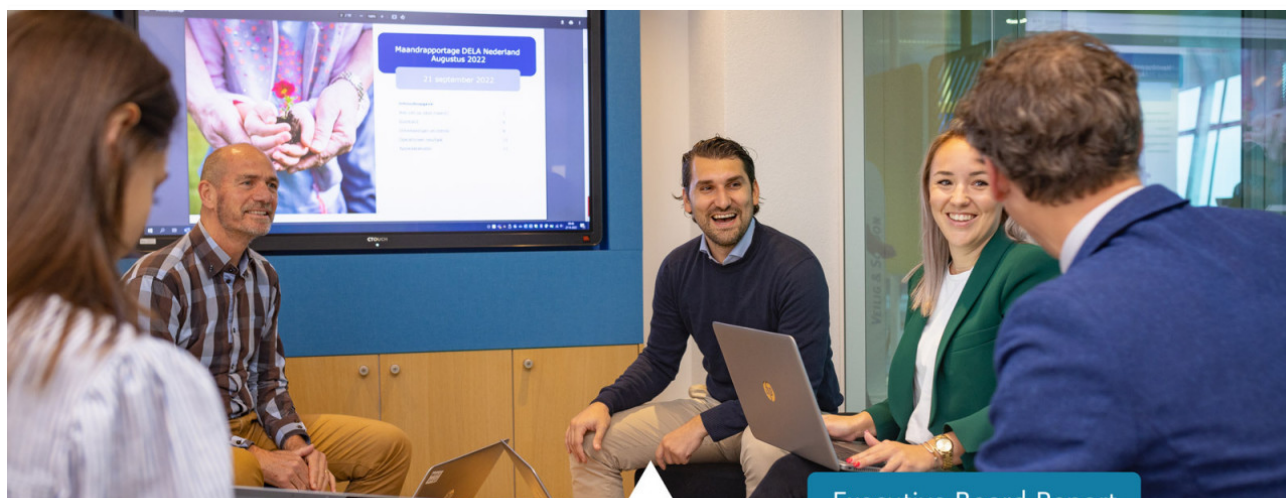
The Belgian fund supported the Boven de Wolken (Above the Clouds) project until 2022 which offered parents of infants who died young the opportunity to make a photo report of their child (free of charge). The project started in Flanders but thanks to DELA's support is now available to parents throughout Belgium.

Both DELA funds supported various social initiatives to the tune of €330,000.

DELA has been the main sponsor of the Roparun relay race where teams of people raise funds for people suffering from cancer. DELA also took part with one team in the 31st edition of the event, which raised over €3.4 million.

Finally, DELA works in social initiatives with football club PSV. As two organisations from the city of Eindhoven we aim to have a joint impact on the region. The main goal in the coming years is to contribute to the sense of connection and solidarity in the region and elsewhere.

In Belgium, DELA supported football club KAA Gent with a remembrance wall where supporters can remember their loved ones.



Executive Board Report

Our finances

At DELA we focus on offering certainty, care and continuity rather than maximising profits. Our members and policyholders can look forward to the future with as few concerns as possible and a stable pay-out based on a premium that is kept as low as possible. We aim for the best possible balance between investments, profit sharing and solvency. Our financial position is very strong, allowing us to always provide members with a fitting funeral.

The decision regarding the level of premium is based on a policy instrument determined by the general meeting. Member interests are also key when determining the premium. The member collective is the shareholder at DELA cooperative, and we share in both the benefits and the burdens. This is ultimately the strength of our cooperative.

Income from premiums

After deduction of the reinsurance premium, DELA received €669.0 million in premium income in 2022 (2021: €592.5 million), a 13 percent rise compared to the previous year (2021: 15 percent). A primary cause of this growth was the Yarden acquisition. In 2021 the Yarden premium was consolidated from August, in 2022 across the entire year. In Belgium the premium income was €146.1 million (2021: €136.3 million), a rise of 7 percent. In Germany the premium income increased by over 60 percent to €35.3 million (2021: €21.7 million). From November, the increase was due to the acquisition of the German portfolio of Monuta.

Premium income after deduction of reinsurance premium:

<i>Amounts x €1,000</i>	2022	difference	2021
Netherlands	487,609	+53,091	434,518
Belgium	146,089	+9,831	136,258
Germany	35,313	+13,617	21,696
Total	669,011	+76,539	592,472

Operating result

The operating result is the result achieved from DELA's core activities, with the exception of exceptional income and expenses, profit sharing and taxes. The operating result for 2022 amounts to €47.6 million. In 2021, the operating result amounted to €54.5 million.

Amounts x €1,000	2022	difference	2021
Insurance company			
Premium income	669,011	13%	592,472
Interest accrued from technical provision	178,841	12%	160,094
Underwriting costs	-616,002	12%	-551,425
Technical margin	231,850	15%	201,141
Operating expenses	141,906	19%	119,144
Acquisition costs	17,746	16%	15,294
Operating result Insurance company	72,198	8%	66,703
Funeral company			
Turnover	369,949	16%	317,723
Procurement costs	-153,612	12%	-137,242
Gross margin	216,337	20%	180,481
Operating costs	217,003	22%	177,444
Financial income (-) and costs	-716	-14%	-834
Operating result Funeral company	50	-99%	3,871
Operating result Holding and staff	-6,242	-	-
Operating result cooperative	-16,790	20%	-14,018
Effect group policies	-1,616	-23%	-2,104
Operating result DELA Group	47,600	-13%	54,452

The insurance company's result was €72.2 million, €5.5 million or 8 percent higher than in 2021. The reason was the increase in costs and income due to the Yarden acquisition. In contrast, costs were higher as a result of the high IT investments needed to replace outdated systems.

The result of the funeral company dropped by €3.8 million to €0.1 million due to the extra costs of the Yarden integration, increased outsourcing due to higher mortality rates, the relatively high absence figures, fewer funerals than expected in Belgium, and extra payments to employees to support their spending power.

The costs attributed to the cooperative for holding and staff increased to €23.0 million, partly due to the extra expenditure on the new strategy and innovation projects.

Return on investments

The net investment return over 2022 was minus 9.5 percent (2021: plus 9.2 percent). Shares had a negative return of approximately 15 percent and fixed-income securities were minus 16 percent. The return on investments in real estate and infrastructure was positive, partly due to the dollar rising against the euro. The net investment result in 2022 amounted to a loss of over €840 million (2021: profit of nearly €650 million).

The volatility of the value of our investments is a direct consequence of our strategic investment choices. These are aimed at achieving the solid long-term returns on which the premium is based as well as to offset any inflation in funeral costs. The nature of the insurance policies – in most cases paid out in the event of death – leads to long-term obligations. Investment results can fluctuate as this extended horizon requires a more offensive strategy. By accepting a calculated risk in our investment strategy, we expect to achieve better overall results over the years. A consequence of this policy is that there are sometimes significant fluctuations in the value of our investment portfolio. This is why the investment result cannot be compared over the years without taking into account issues such as variations in financial markets.

Technical provisions

The increasing interest rate determines the value reduction of our investments. In the income statement we see a negative return from investments with a scope of €0.8 billion. At the same time, the technical provisions increased by €300 million to €7.5 billion. The technical provisions on our balance sheet are based on a fixed actuarial interest, which is why the impact of the interest rate rise in 2022 on the technical provisions is not visible on this balance sheet position. This is confirmed by the excess value of the liability adequacy test on the technical provisions, which increased by €1.7 billion from €0.6 billion to €2.3 billion. This largely compensates for the reduction in the investment value. Our solvency remains robust and our continuity is guaranteed, even when interest rates fluctuate.

Coverage ratio

The coverage represents the market value of the investments in percentages of the market value of the guaranteed liabilities and depends on factors such as interest rates, mortality and costs. The coverage at the start of the year under review was 135 percent and ended at 234 percent. It has been a while since coverage was this high, which means there is room for much more profit distribution.

In 2022 the 20-year interest rate increased from 0.55 percent in early January to 2.87 percent by the end of December. The interest rise resulted in a 129 %-point increase of the coverage. The negative investment results caused a 20 %-point drop. The higher inflation rate results in increased future costs and generated a 17%-point drop, while various portfolio developments resulted in a 7 %-point rise. The average coverage in 2022 was 195 percent (2021: 129 percent).

Coverage developments in %-points:

	Start of year	Dampening effect	Enhancing effect	Year-end
Start of year	135%			
Increased inflation		-17%		
Investment results		-20%		
		<u>-37%</u>		
Increased interest rate curve			129%	
Portfolio developments (incl. acquisition of German Monuta portfolio)			7%	
			<u>136%</u>	
Year-end				234%

Stable pay-out for funerals

The average coverage in a year (partly) determines the profit distribution scheme for the following year for all such products in the Netherlands, Belgium and Germany.

DELA aims to offer its members an inflation-proof funeral. Funeral costs rise over time due to inflation. Premiums are also increasing due both to inflation as well as back-service costs. When funeral costs increase during the term of the funeral insurance, the amount paid in over the underlying years is based on an insurance value that was too low. This difference must be made up for in the future, a correction called a back-service. In principle, therefore, an increase in funeral costs leads to a higher percentage increase in the premium, one which DELA aims to limit using profit distribution.

The amount being shared depends on inflation: the higher the inflation rate, the higher the back-service and the greater profit we aim to share in principle. There are certain limitations to the extent to which profit distribution can be used in a year, one of which is determined by the average coverage over the past 12 months. If the average coverage is 210 percent or higher, the profit will be distributed. A coverage of between 120 percent and 210 percent leads to a partial distribution of profit. Under 120 percent no profit is distributed. If the 20-year interest rate drops below 1 percent and the coverage is lower than 120 percent, a premium measure (additional premium increase) will be applied.

Profit sharing

In 2022 profit sharing was determined at €43.7 million (2021: €5.9 million). This amount was much higher despite the negative results due to the reduced value of the investments. In 2021 profit sharing was relatively low as the average coverage in 2020 was just above the desired minimum at 122 percent. Although a premium measure was not required, this did limit the distribution of profit. Due to the increase in the average coverage to 129 percent over 2021, DELA could in principle realise a profit distribution of 10 percent in 2022. It was then decided to realise a discretionary increase to 50 percent to celebrate two unique milestones: 1) the acquisition and integration of Yarden, and 2) the 85-year anniversary of DELA. The general meeting confirmed this decision.

Premium adjustment

The DELA UitvaartPlan in the Netherlands is the DELA product with the largest share in the number of policies, some 56 percent in total.

The premium increase in the Netherlands on 1 January 2023 was 2.96 percent (1 January 2022: 3.46 percent) based on three factors:

- Increase related to rising funeral costs. This component of the premium change is determined annually by the general meeting. The expected inflation rate for the following year determines the proposal for the premium increase as of 1 January. The expected inflation was 1.73 percent. A further 0.27 percent was added due to the ongoing uncertainty about the course of inflation at the time the decision was made in spring 2022, bringing the rise to 2.00 percent. The same percentage was proposed to the general meeting as component for the premium adjustment on 1 January 2023 and accepted;
- Increase related to not fully awarding the profit distribution for the coverage of the back-service. The total premium for the back-service that goes with 2.00 percent inflation of the funeral costs is 1.92 percent, 50 percent of which is allocated as a profit-sharing percentage. The other 50 percent needs to be covered by policyholders. As a result, the increase related to the not fully awarded profit distribution was 0.96 percent;
- Increase related to the premium measure as a result of a structurally low interest rate and low coverage. A premium measure didn't apply because the 12-month average coverage was above 120 percent in 2022.

Solvency ratio

DELA determines its solvency in accordance with the Solvency II capital regime, hence the name Solvency-II ratio. This involves European calculation rules in which the risks included in the balance of the insurer are taken into account in determining the solvency. The Solvency-II regulation demands sufficient solvency as a precondition for profit distribution.

The solvency ratio fell from 236* percent to 226 percent at the end of the year and is therefore still considered robust.

Economic developments such as interest rates, inflation and increased volatility caused the Solvency-II ratio to rise by 6 %-points. Portfolio developments such as new production and the acquisition of the German portfolio cost solvency resulted in a 27 %-point drop in the Solvency-II ratio. While investment results were negative, sliding share prices and changes to our investment mix partly contributed to a fall in the capital requirement too. On balance, this resulted in a ratio increase of 22 %-points. Other developments resulted in an 11 %-point drop.

Solvency ratio developments in %-points:

	Start of year	Dampening effect	Enhancing effect	Year-end
Start of year*	236%			
Portfolio developments (incl. acquisition of German Monuta portfolio)		-27%		
Other developments		-11%		
		<u>-38%</u>		
Investment results and adjustment of investment mix			22%	
Economic developments (interest, inflation, volatility, etc.)			6%	
			<u>28%</u>	
Year-end				226%

* Solvency adjustment compared to previous publications due to model adjustment; see section 4.1.1. in financial statements.



Executive Board Report

Our future

Solidarity and continuity will stay at the core of our cooperative concept. We are determined to show that solidarity works, both within the 'saying goodbye' domain and elsewhere. Our aim is for DELA to have further helped strengthen the solidarity within society by 2030.

Another key ambition is to make our members feel connected. We will achieve this by providing versatile and meaningful services that they appreciate, and making them feel part of a strong, socially-oriented collective. While solidarity is the driving force for what the cooperative can do for its members, it is the number of members that provides continuity and impact. We are focused on increasing the number of policyholders, with growth coming primarily in Belgium and Germany over the coming years. This keeps our cooperative healthy. Solidarity and continuity are inextricably linked.

Customer focus remains another key issue and the needs of our members take priority as we develop new products and services.

'A key ambition is to make our members feel connected'

In 2023 we will be working on various types of membership for the Netherlands. At the same time, we will be expanding membership in Belgium to current Belgian policyholders, and assess how we can further develop membership in Germany.

Our Voor Elkaar Holding is exploring new domains such as caregiving to see how solidarity can make a difference there. In doing so we focus not only on members/policyholders, but also on the role of municipalities, employers and counsellors. Our efforts will be further reinforced via an Investment Advice Committee with external experts.

New steps will be taken to further develop our culture and organisation. In positioning our cooperative, we will continue to focus on our strengths and qualities while also giving a face to our local funeral services. One of the aspects we will highlight is how our people are available to everyone for support, lovingly taking care of every detail in their work. In Belgium we want to achieve a nationwide service provision.

Our service provision requires a firm digital foundation in order to best support personal choices and be efficient and flexible at the same time. We will achieve this for the entire organisation by focusing on better synergies between our national organisations and the related cost savings. In the Netherlands we are working hard on a digital transition of the insurance activities to a new IT landscape that should be completed in 2025.

This transition is a major challenge and asks a lot from our organisation. In 2023, we aim to accelerate the process via our well-trained, dedicated teams and a more intensive partnership with implementation partners. The migration of the acquired Monuta portfolio is a key project in Germany.



DELA Waalstede in Nijmegen is located in a beautiful rural setting

Corporate Social Responsibility (CSR) will remain a priority. By centrally embedding the CSR policy within the organisation we can further develop our ambitions in the field of CO₂ reduction, sustainable investments, eco-friendly materials, biodiversity and inclusivity. A route map ensures we will eventually have a positive impact on people and the environment. At the same time, 2023 will be about getting ready for future regulations in the framework of the Corporate Sustainability Reporting Directive (CSRD).

We will do our utmost to improve the work pressure after three busy years with high mortality rates. Our people need this, and we are willing to accept the resulting risk of overcapacity. We are making progress in the current difficult labour market, but we will have to increase our efforts. At the same time, work pressure is not just a matter of demand but also of how work is organised – this too will remain a major focal point.

Financially, we expect our solvency to remain stable and the investment portfolio to generate an average of 5 percent on an annual basis according to the latest economic assumptions. Whether this means we can keep up with funeral cost inflation in 2023 remains to be seen. Although it will be difficult – the inflation expectations are still quite high – if we look at the period up to 2025 with what we know now, we have a positive outlook on the development of our solvency, profitability and premium levels for our members.

All in all, DELA cooperative continues to be a growing and flourishing organisation with the ambition to provide greater value to its members and show society that solidarity really does work.

Eindhoven, 21 April 2023

DELA cooperative

The Executive Board

E. (Edzo) Doeve, CEO / chair

J.A.M. (Jack) van der Putten, CCO / vice-chair

J.L.R. (Jon) van Dijk, CFRO

In view of Title 9, Book 2 of the Dutch Civil Code (DCC), the information provided in the 'In brief', 'Governance and risk management', 'Annexes' and 'Terms & abbreviations' sections is part of the 'Executive Board report'. For presentation reasons the information is not repeated here.

Governance & risk management



Governance & risk management

Supervisory Board report

Dear DELA members and other stakeholders, dear reader,

The Supervisory Board hereby presents the annual report for 2022, which includes statements from the Executive Board and Supervisory Board as well as the financial statements. The statements from the Executive Board was drawn up by the Board and discussed with the Supervisory Board. The financial statements were audited by the external accountant and approved in the audit statement. The Supervisory Board approves the financial statements.

The Supervisory Board would like to take this opportunity to go over the key issues and other focal points of 2022, and highlight the changes in its composition that took place this year.

Spearheads 2022

The Supervisory Board supervises the general policy of DELA and its associated companies in the Netherlands, Belgium and Germany. The year 2022 was another unique year, in which the pandemic, a tight labour market and the acquisition of Yarden played significant roles. The operational result remained reasonable stable, and the integration of Yarden in particular went very well. The Supervisory Board is pleased with the way the Executive Board managed to keep the company running smoothly in these challenging conditions. Developments related to risk management, IT (including the digital transition), strategy (especially related to membership), priorities in the field of corporate social responsibility and the results of capital management were recurring issues.

Yarden Integration

The integration of Yarden was a regular topic of discussion. Detailed progress reports during the meetings of the Supervisory Board of Yarden Holding kept us fully informed. After the merger of Yarden Holding with DELA Holding, Yarden-related dossiers were reported on at regular Supervisory Board meetings. The merger meant that the separate Supervisory Board for Yarden Holding was no longer required and Mr Pieterse stepped down as a Supervisory Board member. We thank him for the pleasant cooperation over the past year.

The budget was reviewed by the Supervisory Board in 2022 and it became clear that the Yarden merger had had a major impact. Yarden also required a lot of attention from the Executive Board in 2022, and the Supervisory Board was pleased to see the integration was largely and successfully completed in August 2022.

Strategy

The Supervisory Board was well briefed on the strategy, course and goals of the cooperative in 2022. The mission and ambitions, which are largely based on solidarity and continuity, were discussed several times, and the Supervisory Board provided the Executive Board with relevant advice. The focus was mainly on the continued development of the principles of membership. The first Belgian policyholders became members of the cooperative on 1 October 2022.

A further development of the principles was proposed in the general meeting of 28 January 2023. Another point of discussion was increasing the options for existing Belgian policyholders to become members, with which the general meeting agreed.

Innovation is an important spearhead for the cooperative, which is why the Supervisory Board agreed to establish Voor Elkaar Holding NV. This organisation is aimed at enhancing solidarity and cooperative businesses in the Netherlands via the establishment of or investment in parties with social missions that support people. Examples include previously made investments in Salarise, Fello and The Right Meal. A dedicated investment advice committee will be established in 2023, and the Supervisory Board will meet with this committee on a regular basis.

Digital transition

There was a continuous dialogue with the Executive Board about the digital transition, process management and internal control. The Supervisory Board provided extensive supervision in these areas and often sought more detailed information. Where necessary the Supervisory Board provided advice. Although we believe that major steps are still ahead, progress has clearly been made in 2022.

Risk management

The Executive Board briefed the Supervisory Board on a number of occasions regarding the risks linked to the company's activities, the impact of COVID-19 with the associated excess mortality rates and the effect of that on staff, employee satisfaction, turnover and costs, the (financial and non-financial) reporting process and compliance with regulations and legislation. The Supervisory Board paid close attention to the investments, IT projects, and the setup and functioning of internal risk management and control systems, asked questions when necessary and provided the Executive Board with support.

The Supervisory Board determined and confirmed that the capital allocation, investment policy, cash and cash equivalents position were in line with the risk appetite on a strategic level. The risk appetite was also discussed with the Executive Board and then reconfirmed.

Acquisition of Monuta Germany portfolio

In June 2022 DELA signed an acquisition agreement for the funeral insurance portfolio of Monuta in Germany. The Supervisory Board sees the acquisition as a major step in increasing DELA's share in the funeral insurance market in Germany.

Other focal points

In January 2022 the variable remuneration for employees of DELA Netherlands was ended, with compensation offered in return. In Belgium, variable remuneration only exists based on collective goals. In addition, DELA started a training and performance programme in 2022, in which the assessment system is not linked to remuneration. The Executive Board does still receive a variable remuneration, which is determined based on financial and non-financial result-oriented agreements. These agreements are derived from DELA's long-term strategy, risk appetite, multi-year goals and annual plan.

Based on the performance of the Executive Board in 2022, the remuneration and appointment committee advised the Supervisory Board to award the variable remuneration.

DELA celebrated its 85th anniversary in 2022, which is why the Supervisory Board and the general meeting agreed to a discretionary profit share among members. DELA employees were awarded an anniversary bonus.

Partly due to social developments, the Supervisory Board spoke of establishing an ethical committee for DELA. Further research into the matter is currently underway and will continue in 2023.

The Supervisory Board was also briefed by the Executive Board of developments within the framework of the Corporate Sustainability Reporting Directive (CSRD) and its impact on DELA's reporting and accountability.

Dialogue

During the reporting year the Supervisory Board supervised and advised the Executive Board in eight meetings, some of which were specifically focused on strategy. The Supervisory Board also closely followed developments in the Yarden integration process. In 2022, the attendance of Ms Caderius van Veen and Mr Van der Steen was 87.5 percent; they both missed one meeting. Attendance was 100 percent for the other Supervisory Board members.

As usual there were two regular general meetings which were attended by the complete Supervisory Board.

Regular contact between the chair of the Supervisory Board and the chair of the Executive Board was made throughout the year. The Supervisory Board also met twice with the Confidential Committee. Several Supervisory Board members individually attended one or more meetings of the DELA Netherlands works council.

There is a constant dialogue between the Supervisory and Executive Board. The chairs of the individual committees report on what they discussed during the Supervisory Board meetings. Every Supervisory Board meeting starts with a preliminary discussion. The Supervisory Board formally assesses its own functioning once a year, with an external assessment taking place every three years. This external assessment took place late 2022. The resulting report and conclusions were discussed with the Supervisory and Executive Boards in 2023. The assessment painted a positive picture. Any proposed recommendations will be taken on board, including advice on how documents are drawn up and delivered.

'There is a constant dialogue between the Supervisory and Executive Board'

Audit committee – focal points in 2022

The audit committee prepares the supervision of the Supervisory Board with regard to the functioning of the internal risk management and control systems, compliance with recommendations and the follow-up of the internal audit function and external accountant, the financing of the companies and the financial reporting.

As in previous years, in 2022 the audit committee discussed the annual report of DELA cooperative and DELA Natura and prepared them for the Supervisory Board. They were also extensively evaluated with the external accountant, in which there was extra focus on the process involving the Yarden acquisition balance. Other topics discussed in the audit committee included the progress report for the Audit Plan and the Audit Report from the Internal Audit department and the IIA quality assessment by IAD.

The main subjects discussed with the external accountant included the management letter, engagement letter, Solvency II Longform report 2021 and the plan of approach for the annual audit.

The audit committee meetings focused on the monthly and quarterly reports of DELA Group, the quality of which was deemed to be good. The reviewed budget of DELA Group 2022 and the business plan of DELA Group 2023 were also prepared in the audit committee.

There were several presentations in the field of process management within DELA which were attended together with the risk committee.

The audit committee met four times in 2022, and the attendance of each member was 100 percent.

Risk committee – focal points in 2022

The risk committee prepares the Supervisory Board's supervision on the functioning of the internal risk management and control systems, including supervision of compliance with the relevant laws and regulations and applicable codes of conduct, the set-up and effectiveness of the internal risk management system, and the management of the cooperative's financial and non-financial risks.

In 2022 the risk committee discussed issues such as the functioning and quarterly reports of second-line functions (actuarial, operational, financial and compliance) and the risk management policy. The developments in capital management and investment policy were also discussed on many occasions, especially in relation to social developments such as the war in Ukraine, inflation and the energy crisis, all of which had a major impact on the investment results.

In addition, the risk committee carefully prepared the SFCR DELA 2021 and ORSA annual reports (static and dynamic) in November 2022 for approval in the Supervisory Board.

The risk appetite statements of DELA Group mention there will be a greater focus on sustainability risks.

Other important items on the agenda of the risk committee included the organic analysis of DELA Natura, the Solvency II model correction, and various studies by DNB in the field of outsourcing, the Sanctions Act and information security.

The risk committee also had to pay considerable attention to digitisation within the insurance chain.

The risk committee met four times in 2022, and the attendance of each member was 100 percent.

Remuneration and appointment committee – focal points in 2022

The remuneration and appointment committee prepares the decisions of the Supervisory Board related to the employer role, such as the assessment and remuneration of the Supervisory Board and Executive Board. The committee monitors the developments of key positions and forms an opinion about the organisational culture.

In 2022 the committee discussed issues such as the ongoing approach related to the future composition of the Executive Board. The review of the Executive Board and key functions, including possible development trajectories, were discussed several times, also looking at the growth potential of the organisation.

The ending of 'result-oriented work' and implementation of a new approach related to the training and performance programme led to the abolition of variable remuneration. The committee will remain responsible for supervising the progress of the remuneration policy via evaluation and risk analyses, partly because the Executive Board of the cooperative still receives variable remuneration.

Overviews of training courses taken by the Supervisor and Executive Board, senior management and the second management tier are shared with the committee, which also monitors any additional functions by members of this specific group.

There were four meetings of the remuneration and appointment committee in 2022. G.C.H. de Méris missed one meeting (attendance rate of 75 percent) while the other committee members had a 100 percent attendance.

Changes to the Supervisory Board

In the DELA cooperative general meeting of 5 February 2022, Ms G.M. (Georgette) Fijneman was appointed a Supervisory Board member, joining the Board with immediate effect. The same meeting saw Ms W.A.P.J. (Willemien) Caderius van Veen reappointed Supervisory Board member for a period of two years, marking the start of her third term. Both appointments were approved by DNB. These new appointments mean the Supervisory Board is now comprised of two women and four men, which is in line with the diversity standard of at least 30 percent women and men.

The Supervisory Board agrees with the principle that the composition of its members should be such that they are able to be critical and act independently from each other, the Executive Board and any specific interests. DELA's Supervisory Board aims for a well-balanced and diverse composition.

The Supervisory Board discusses its own functioning at least once a year and once every three years with independent external support. The reference framework of the evaluation is based on the Dutch Code of Conduct for Insurers as well as prevailing insights into good governance. The Supervisory Board feels that it is functioning effectively and, with its current composition, can guarantee a sufficient level of knowledge, experience and competence. Moreover, the general notion is that its composition is complementary and pluriform. The Supervisory Board uses a profile to ensure a proper composition and every year reassesses whether the profile is still in line with the current and future tasks and interests of the Supervisory Board.

Ongoing education

The members of the Supervisory Board held two internal education sessions in 2022 aimed at updating and increasing their expertise where necessary. A session on 11 June involved the governance of the cooperative with a speaker from the Dutch Council for Cooperatives (NCR) addressing the Supervisory Board, senior management and the Executive Board about the governance structure for a cooperative (DELA became a member of the NCR in 2022). A follow-up to this session on 4 November focused more on the governance of DELA itself, especially in relation to its goals, strategy and changes to the principles of membership. Both sessions were considered valuable and resulted in some useful insights. In addition, the Supervisory Board was informed of various educational sessions within DELA which its members could attend.

Proposal to the general meeting

In accordance with the statutes of DELA Coöperatie UA, the Supervisory Board has processed the annual report and financial statements of DELA Coöperatie UA and approved the supplemented data. The Supervisory Board discussed the documents with the Executive Board, the internal accountant and the external accountant Deloitte, and was informed about the intention from Deloitte to issue an unqualified auditor's report on the 2022 financial statements of DELA Coöperatie UA. The Supervisory Board proposes that the general meeting confirm the 2022 financial statements of DELA Coöperatie UA and grant the members of the Executive Board discharge for the applied policy in the reporting year. We also propose the general meeting grants the members of the Supervisory Board discharge for their supervision.

In conclusion

The Supervisory Board thanks all members, policyholders and bereaved for their confidence. A special word of gratitude goes to DELA employees for their hard work and dedication over the past year.

Eindhoven, 21 April 2023

DELA cooperative

Supervisory Board

J.W.T. (John) van der Steen, chair

J.J.A. (Hans) Leenaars, vice-chair

G.C.A.M. (Frits) van Bree, secretary

W. A.P.J. (Willemien) Caderius van Veen

G.M. (Georgette) Fijneman

G.H.C. (Georges) de Méris



Governance & risk management

Corporate governance

Good corporate governance involves due diligence, proper supervision and transparent accountability. At DELA we organise our activities based on a vision which revolves around the long-term interests of members and customers. The associated risks are carefully monitored. DELA's strength lies in its cooperative structure, entrepreneurship and flexibility. This strength is partly based on the principles of a learning organisation and the mission, core values, assets and quality of honest business practices.

Governance charter

DELA's governance structure is detailed in a governance charter.

This ensures that we comply with decrees and regulations based on European legislation such as Solvency II and the General Data Protection Regulation, as well as national legislation and regulations like the Dutch Financial Supervision Act, policy regulations and best practices from regulators and the Code of Conduct for Insurers. Our company culture is another major component.

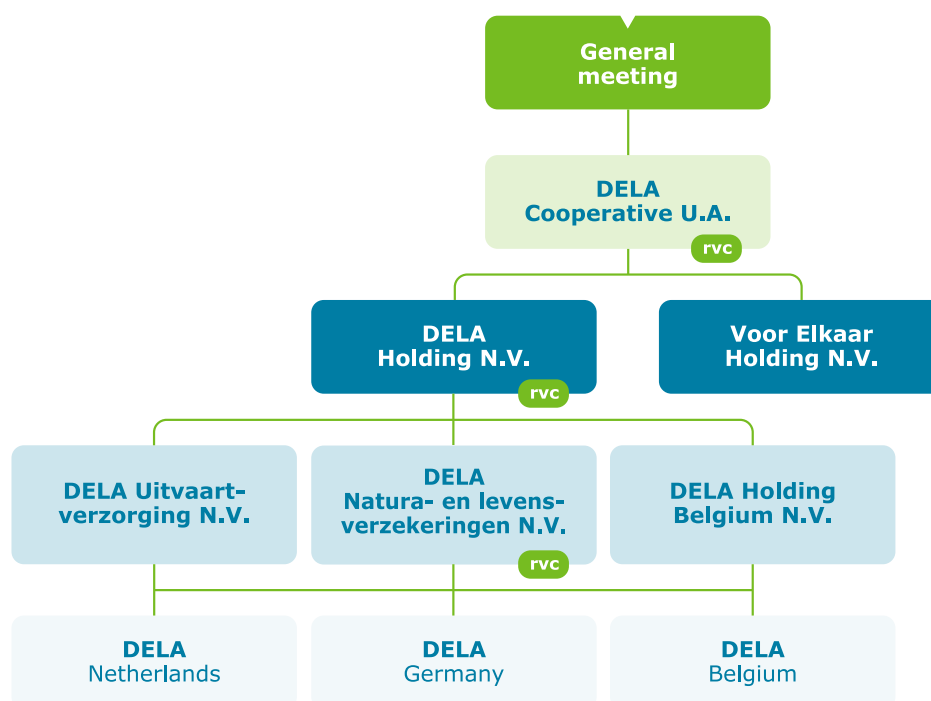
The DELA governance charter is evaluated on an annual basis and was adapted after the Yarden acquisition in 2022.

Legal structure

DELA Coöperatie UA (hereafter: 'DELA cooperative') is a cooperative for members with the following purposes:

- support members in word and deed by serving the interests of its members;
- policyholders and co-insured a dignified and affordable funeral;
- promote the reputation of the life insurance market and the funeral sector.

DELA is a cooperative with exclusion of liability for its members. The cooperative is formed by all insured persons who become a member of the cooperative when entering into an insurance policy agreement with the cooperative. The general meeting of 5 February 2022 expanded this by adding the Uitvaartzorgplan of DELA Belgium, which means that newly insured persons in Belgium can become a member of the cooperative since 1 October 2022.



This is a simplified representation of the legal structure of DELA Group. This shows the most important parts including the activities insurance, funeral and cooperative innovation.

DELA Coöperatie UA includes DELA Holding NV and Voor Elkaar Holding NV. The Board members of the cooperative are also the Board members of these two entities.

In December 2022, DELA Holding NV and Yarden Holding BV legally merged, with DELA Holding NV becoming the remaining company. The holding includes three principal companies: DELA Natura- en levensverzekeringen NV (hereafter: DELA Natura), DELA Uitvaartverzorging NV and DELA Holding Belgium NV.

DELA Natura accommodates all Dutch, Belgian and German insurance activities, including those of Yarden. The German activities are carried out as a branch of Dutch insurance activities.

DELA Uitvaartverzorging NV is responsible for funeral activities in the Netherlands. The Belgian funeral activities are covered by the DELA Holding Belgium NV.

The principal companies include subsidiaries and participations. DELA Holding NV always governs the principal companies. Each principal company governs its subsidiaries. In addition, each company may have a director. The authority of each director is defined per company in its statutes, and the authorisation regulations for the relevant company segment and in the Chamber of Commerce registrations.

Voor Elkaar Holding NV was established to promote solidarity and cooperative business in the Netherlands via the establishment of or investment in parties with social missions that help people.

Permits and supervision

The registration number of DELA cooperative at the Chamber of Commerce is 17012026.

DELA Natura Group is supervised by The Netherlands Authority for Financial Markets (AFM) and Dutch central bank (DNB), and is registered under licence number 12000437. The Chamber of Commerce registration number of DELA Natura is 17078393.

DELA Belgium comprises insurance activities accommodated by the Dutch company DELA Natura Group, and funeral activities that are part of Belgian companies. Insurance activities are realised within the entity DELA Enterprises NV, the insurance activities are carried out under the licence issued by DNB and prudential supervision activities are also overseen by DNB. With regard to the supervision of conduct, DELA Belgium is accountable to the Belgian Financial Services and Markets Authority (FSMA).

Marketing and sales activities in Germany take place via a branch in Düsseldorf (article 2:115 Dutch Financial Supervision Act). All other activities take place at the head office of DELA Natura Group in Eindhoven (DELA Netherlands). The activities in Germany come under the independent business segment DELA Netherlands. Supervision is carried out by the Bundesanstalt für Finanzdienstleistungsaufsicht in Germany.

Members

Only natural persons can become a member of the cooperative. To become a member, they must enter into an (insurance) agreement as determined by the general meeting. The cooperative is divided into 40 geographical departments. The numbers, names and boundaries of the departments are described in the rules of procedure. Each member of the cooperative is part of a department.

Belgian policyholders have also been able to become members of the cooperative, since February 2022, initially as part of the Eindhoven department. A separate Belgian department will be established once a total of 100,000 members has been reached.

DELA cooperative honorary members

Mr F.H.J. Boons

Mr J.A.G. Dirks

Mr W.M. van den Goorbergh

Mr S.C.J.J. Kortmann

Mr J. Kremers

Mr A.J.M. Lauvenberg

Mr C.C.M. Libregts

Mr J.P. de Pender

On 7 February 2023 we were sad to learn that honorary member and former Supervisory Board member Mr A.W.M. van de Zande had passed away. He was an enthusiastic supporter of the cooperative for many years.

General meeting

The general meeting of DELA Group acts as the 'highest level shareholder' and is formed by individuals chosen from the members of the cooperative. To become a member of the general meeting it is preferred that the candidate has been a member of the DELA cooperative for over five years.

The general meeting consists of one member and one replacement member from each department.

A comprehensive and up-to-date overview of members per department can be found on the DELA website via

<https://www.dela.nl/over-dela/over-coöperatie-dela/governance/algemene-vergadering>

Both the members and their replacements attend the general meetings, which in principle take place twice a year.

The meetings discuss issues important to the DELA cooperative, such as:

- The business plan for the coming year;
- The annual report of the concluded book year;
- Determining the financial statements and discharging the Executive and Supervisory Board;
- Approving changes to DELA insurance products related to all policyholders such as the annual premium increase of DELA UitvaartPlan;
- The appointment of (Supervisory) Board members.

The general meeting is also asked to consider developments important to the cooperative as well as issues such as the DELA charity funds, complaint procedures and funeral methods.

Confidential committee

In addition to the general member council, there is a confidential committee with four members selected from and by the general meeting.

The confidential committee is tasked with promoting cooperation between the general meeting and the Executive Board and Supervisory Board within the framework of the general meeting's authorities. In view of this task, the confidential committee is invited by the Supervisory Board to meet with them prior to each general meeting. In addition, the committee has at least one meeting a year with the Executive Board.

Every member of the confidential committee is selected for a period of no more than four years. One member steps down each year in accordance with a schedule drawn up by the committee. A member who steps down can be immediately re-elected. The maximum term on the confidential committee is 12 years.

Supervisory Board

The Supervisory Board consists of at least five and at most seven natural persons as determined by this Board. If possible, there are two members who are also (replacement) members of the general meeting. The composition of the Supervisory Board is such that the combination of experience, expertise and independence of its members meets the Supervisory Board profile and allows it to perform its various duties. The members are appointed by the general meeting based on the suggestion of the Supervisory Board.

The tasks and duties of the Supervisory Board include overseeing, monitoring and providing advice to the Executive Board on:

- the realisation of the goals of the cooperative;
- the strategy and risks related to its activities;
- the setup and functioning of internal risk management and control systems;
- the financial reporting process;
- compliance with legislation, regulations and the risk policy;

In addition, the Supervisory Board ensures:

- compliance with and enforcement of the corporate governance structure;
- approving the financial statements, budget and material capital investments;
- selecting and appointing the external accountant and auditor;
- approving the risk tolerance;
- nominating members of the Executive Board for appointment and resignation;
- determining the remuneration policy.

The Supervisory Board evaluates the remuneration policy and the functioning of the Executive Board. The chair is the point of contact for any alleged irregularities regarding the functioning of Executive Board members.

In fulfilling its duties, Supervisory Board members focus on the interests of the cooperative and its associated companies. They carefully consider the interests of the various stakeholders of the cooperative in doing so, including members and employees. The Supervisory Board itself is responsible for the quality of its own functioning.

Regulations

The Supervisory Board has internal regulations that provide rules for its decision-making process. The regulations are drawn up by the Supervisory Board and confirmed by the general meeting. They serve as a supplement to the regulations and guidelines that apply to the Supervisory Board based on Dutch legislation and the cooperative's statutes.

Appointment and term

Each Supervisory Board member is appointed for a period of up to four years, in the understanding that a member will step down at the latest after the first general meeting held after four years have passed since their latest appointment. A member who is stepping down can be reappointed immediately, insofar as the maximum term of 12 years is not exceeded.

Committees

The Supervisory Board has an audit committee, risk committee and a remuneration and appointment committee.

Participations

The members of the Supervisory Board of the DELA cooperative are also appointed as Supervisory Board member for DELA Holding NV and DELA Natura. The establishment of a Supervisory Board was compulsory for DELA Natura Group based on the Dutch Financial Supervision Act.

Personal details of the Supervisory Board



John van der Steen
chair



Hans Leenaars
vice-chair



Frits van Bree
secretary



Willemien Caderius van Veen



Georgette Fijneman



Georges de Méris

The Supervisory Board has six members. All are part of the Supervisory Board of DELA Coöperatie UA, DELA Holding NV and DELA Natura- en levensverzekeringen NV.

Mr J.W.Th. (John) van der Steen (1954), chair

Male, Dutch citizen. Appointed in 2019, currently serving first term. Function: professional supervisor, DGA Ansteen Holding BV. Other additional functions: chair of Supervisory Board of BinckBank NV, chair of Supervisory Board of Princess Sportsgear & Traveller BV, member of the Executive Board of Stadhoud (Randstad) Insurances SA and Stadhoud Reinsurances SA, member of Executive Board of Vereniging AEGON, Ambassador for Royal Concertgebouw Orchestra.

Mr J.J.A. (Hans) Leenaars (1952), vice-chair

Male, Dutch citizen. Appointed in 2015. Currently in second term. Position: professional supervisor. Additional functions: member of Executive Board of Stichting John van Geunsfonds, chair of Supervisory Board of Stichting Het Klooster Breda, chair of Executive Board of Stichting Via Nobel, Chair of Advisory Board of ILFA BV.

Mr G.C.A.M. (Frits) van Bree (1952), secretary

Male, Dutch citizen. Appointed in 2021 by members of the general meeting, currently in first term. Position: professional supervisor. Additional functions: council member of Vereniging Eigen Huis.

Ms W.A.P.J. (Willemien) Caderius van Veen (1959)

Female, Dutch citizen. Appointed in 2014 and now in third term. Position: professional supervisor, DGA Caadje BV. Additional functions: member of Supervisory Board of Unilever Nederland Holdings BV, chair of the Review Committee Pensioenfonds Lloyds Register Nederland, member of Supervisory Board of Woningcorporatie Trivire, member of Supervisory Board of Ondernemingspensioenfondsen Capgemini.

Ms G.M. (Georgette) Fijneman (1966)

Female, Dutch citizen. Appointed in 2022, currently in first term. Position: chair of Executive Board of health insurance company Zilveren Kruis. Additional functions: vice-chair of Zorgverzekeraars Nederland, Executive Board member of Kansfonds.

Mr G.H.C. (Georges) de Méris (1961)

Male, Dutch citizen. Appointed in 2019 by members of the general meeting, currently serving first term. Position: external consultant Corporate Finance, Forensics & Recovery Joanknecht. Additional functions: member of Supervisory Board of Omroep Brabant, member of Supervisory Board of Hy2Care BV, member of Supervisory Board of Caelus BV, chair of Supervisory Board of Matisse BV, member of Supervisory Board of Theaterfestival Boulevard (until 2022), board member at Stichting SFO.

Executive Board

The cooperative has an Executive Board, which consists of a number of natural persons to be determined by the Supervisory Board. With the exception of limitations indicated in the statutes, the Executive Board manages the cooperative and its capital. The Executive Board can determine which special tasks will be/are assigned to which of its members. The task distribution must be approved by the Supervisory Board.

Personal details of the Executive Board



Edzo Doeve
CEO, chair



Jack van der Putten
CCO, vice-chair



Jon van Dijk
CFRO

Mr E. (Edzo) Doeve (1956), CEO, chair

Male, Dutch citizen. Position in the DELA Group: CEO, chair of Executive Board (since 2004). Focal areas: strategy, internationalisation and general policy. Active as Managing Director of DELA Netherlands (since 2004). Employment period: indefinite. Additional functions: chair of Executive Board of national funeral museum Tot Zover, chair of Supervisory Board Eindhoven 365, chair of Stichting Promotors Van Abbemuseum, chair of Vereniging Impact 040, Board Member of DELA charity fund, member of Advisory Board of Brabantse Dag, member of Advisory Board ORMIT.

Mr J.A.M. (Jack) van der Putten (1959), CCO, vice-chair

Male, Dutch citizen. Position in the DELA Group: CCO, member of Executive Board (since 2010) and deputy chair (since 2010). Focal areas: strategy and Voor Elkaar Holding. Also active as Director of DELA Netherlands (since 2010). Employment period: indefinite. Additional functions: chair of Stichting Onbeperkt Genieten, member of Supervisory Board UNC Holding BV (until 1-1-2023).

Mr J.L.R. (Jon) van Dijk (1957), CFRO

Male, Dutch citizen. Position in the DELA Group: CFRO, member of Executive Board (since 2014). Focal areas: strategy, finance and risk management. Employment period: indefinite. Additional functions: treasurer of Stichting Los Niños, board member Stichting Derdengelden Muntenburg Advocatuur (from April 2022), member of Supervisory Board and chair of audit committee Finances and Real Estate at Stichting Oktober (until June 2022).

Independent business segments and directors

The group includes independent business segments (ZBOs), of which there were two at the time of writing this report: DELA Netherlands and DELA Belgium. Each business segment has its own management team that reports to the Executive Board, one member of which is primarily responsible for a segment. The management team has regulations that include the responsibilities and authorisations of the team.

DELA Netherlands directors



From left to right: Jack van der Putten (vice-chair/funeral services), Véronique Klaassen (funeral care), Roos Fleuren (HR), Edzo Doeve (CEO), Alfo Melisse (IT), Godelieve van Velsen (CFO) and Chris Beaulen (insurance)

An independent business segment management team is tasked with implementing the strategy, managing and providing management information for the consolidation of the group, dealing with formal/legal issues, and sound decision-making as defined in the statutes of the segment and the regulations. This management model ensures professional and well-balanced operations with proper checks and balances.

DELA Belgium directors



From left to right: Hanna Zijlstra (HR), Bruno Moors (CFO), Sandra Schellekens (CEO), Wim Delplace (funerals) and Geert Deschoolmeester (insurance)

Policy

Policy that applies to the entire group falls under the responsibilities of the Executive Board and is considered group policy. Policy that relates to an independent business segment comes under the responsibilities of the management team of that segment. The management teams of the independent business segments determine their own policy within these frameworks. Group policy issues include branding, IT, data management, security, privacy, investments, capital management, ORSA, ALM, fiscal/tax, reporting & control, communications, CSR, remuneration, risk management and internal control.

Investments

DELA Group's investment activities are run from the Netherlands. DELA has an investment advisory committee (BAC) which has an advisory and evaluating role to the Executive Board on investments. In addition, it is asked for advice regarding policy proposals, policy changes and the implementation of policy in this field. If the committee's advice is ignored by the Executive Board, the Executive Board must report this to the Supervisory Board. The investment advisory committee has an explicit advisory role and evaluates whether proposals are consistent, comprehensive and sound with regard to return and risk. The Executive and Supervisory Board maintain their own responsibilities. The investment advisory committee is composed of at least three external members who are appointed by the Supervisory Board as proposed by the Executive Board.

Integrity

DELA finds it important to have a consistently professional and well-balanced business with appropriate checks and balances within the right culture. The culture of DELA is characterised by the values of engagement, integrity and entrepreneurship.

An important part of DELA's integrity policy is to ensure that every DELA employee acts with integrity. This means that employees are honest, open, clear and meticulous. To further define the term integrity for employees, we have published a code of conduct that indicates the rules employees should follow to enhance their integrity on various focal areas. The code focuses on issues such as conflicts of interest and corruption, improper behaviour, reporting malpractices, unauthorised competition and private investment transactions.

The code of conduct and underlying regulations are based on internal and external legislation and regulations, and were drawn up for DELA Netherlands. DELA Belgium has an integrity code with underlying regulations which are focused specifically on the Belgian situation and market, including legislation. DELA Germany has composed a handbook related to integrity which is based on the Dutch code of conduct and in accordance with German legislation.

DELA's Executive Board is responsible for realising adequate safeguards related to integrity in DELA's business practices. All employees are responsible for implementing integrity in DELA's operations.



Governance & risk management

Risk management

Risk management makes a direct contribution to long-term goals and provides an insight into the sensitivities and correlations of strategic, financial, operational and compliance risks to ensure that DELA can effectively address developments and take timely action to realise its goals and secure continuity of the organisation.

Model

DELA applies the 'three lines of defence' model for the setup of the management and control of risks:

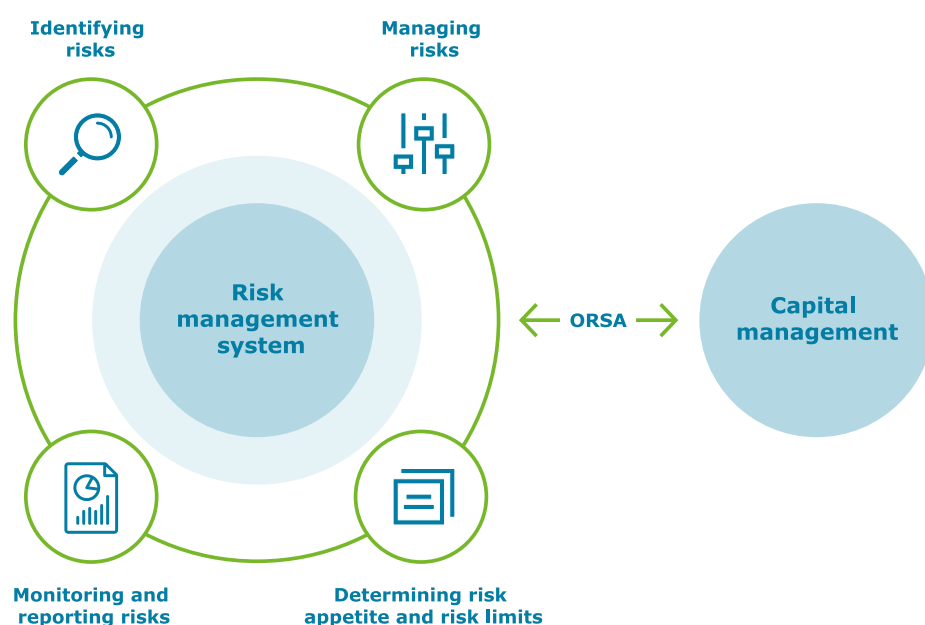
- The first line is primarily responsible for realising the formulated goals of the company and the demonstrable realisation of internal control measures and effective risk management. Responsibilities of the first line include the operations, results, definition of risk appetite, management and compliance with internal control measures;
- The second line provides advice, coordinates, safeguards and evaluates – independently from the first line – whether or not the first line is actually taking responsibility and operating within the risk tolerance of DELA;
- The third line ensures additional security of the quality of internal control via audits.

The independence of the second and third lines is an important starting point to ensure this model functions properly, which is why it is safeguarded. The overview below shows a schematic representation of the model.



Process

DELA has a process for risk management that ensures an insight into the main risks and opportunities in all circumstances and that opportunities, risks and applicable control measures are always carefully weighed. The risk management process is continuous as summarised below.



Identifying risks

Risk identification is primarily the responsibility of the first line. The second line periodically analyses the risks identified by the first line and supplements them where necessary, with a special focus on upcoming risks. This analysis is then discussed in meetings between the first, second and third line.

Determining risk appetite and risk limits

The Executive Board evaluates the risk profile every year based on predetermined operational goals and the capacity of the organisation. In addition, the Board determines the risks DELA is prepared to take – based on its risk profile – to achieve its strategic goals, in line with its risk appetite. In addition to the intended goals, it is essential that the continuity of the organisation is secured. The risk appetite consists of the risk appetite statements and the declarations on quality and quantity. These are translated into risk limits and risk tolerances to enable continuous monitoring and control.

The most important qualitative statements from the risk appetite are:

- DELA accepts no disproportionate premium increases.
- DELA accepts significant market risks as the taking of such risks is an explicit part of its business model.
- DELA does not accept significant cost overruns as a result of its regular operations.
- DELA accepts no form of internal or external fraud.
- DELA accepts no risks that could fundamentally threaten DELA's reputation.
- DELA does not accept increased risks related to information security or cyber security.

A detailed explanation of these risks is included in the financial statements.

Managing risks

To ensure the risks remain within the desired bandwidths, DELA applies suitable risk mitigation solutions. In most situations this involves a suitable mix of:

- terminating or outsourcing activities;
- reducing risks by applying preventative measures;
- transferring risks via (re)insurance and/or the application of contract management;
- accepting risks that can be carried by the organisation itself.

If risks are outside of the predetermined risk limits – and therefore larger than desired – management will take additional risk mitigation measures. The deliberate breach of risk limits is only allowed with approval from the Board, and only when of a temporary nature. The risk appetite statements were evaluated and optimised in late 2022, including changes to the thresholds.

Monitoring and reporting

Monitoring and evaluating risks and the risk management system are important preconditions for the type of learning organisation that DELA aims to be.

In assessing a risk an evaluation is made of whether it remains outside the risk appetite level. The starting point is that risks exceeding the appetite are reduced to a lower risk level based on a good mix of risk mitigation solutions.

To ensure constant risk monitoring, management determines KRIs (key risk indicators) for each risk within the risk profile, monitors the development of these indicators at least once per quarter, and evaluates the extent to which risk limits and tolerances are exceeded. Extra management actions are defined when breaches occur. In addition, the second and third line periodically report to the Board.

Management periodically participates in a Risk Control Self Assessment (RCSA) process which results in a Control Statement (ICS). In addition, the Internal Audit department evaluates the setup and effectiveness of the risk management system.

Own Risk and Solvency Assessment

Solvency II requires a demonstrably balanced weighing up of risk management, capital management and the corporate strategy. The ORSA is the process structure for this assessment and the degree of compliance is shown in the ORSA report. The content of the scenarios and stress scenarios is determined by the Board before the ORSA starts, after obtaining advice from the second line.

Management uses the Own Risk and Solvency Assessment (ORSA) at least once a year or when developments occur that may significantly affect the risk profile. This helps determine whether the risk profile is still fitting in light of the company goals, risk appetite and available capital buffers. Various scenarios and stress scenarios are taken into account in this process.

The results of the ORSA 2022 show that DELA's solvency position is robust. Coverage significantly increased in 2022 due to the interest rate rises during the year. This is in line with the qualitative statement: "DELA does not accept disproportionate premium increases."

DELA has no influence on interest rates or inflation curves, but can have some impact on the amount of funeral costs. The ORSA 2022 showed that scenarios with low funeral cost inflation (combined with low interest rates) could put pressure on the solvency and/or premium increase.

Capital management

Capital policy is aimed at maintaining a solid solvency position, in which DELA is constantly looking for a good balance between the amount of capital (assets) it maintains and the risks it faces. In this framework, DELA has defined a minimum normative value of solvency which DELA always aims to exceed. The capital policy defines various actions should the solvency ratio drop below the benchmark. The benchmark for each licensed entity (DELA Cooperative and DELA Natura) has been established at 150 percent.

The solvency ratio was constantly higher than the solvency benchmark during 2022.

For more details on risks and how they are managed please refer to the financial statements: 'Consolidated financial statements', 'Notes on the consolidated balance sheet and income statement', '4. Risk'.

Financial statements

Consolidated financial statements

Consolidated balance sheet on 31-12-2022

Amounts x €1,000	Ref.	31-12-2022	31-12-2021
ASSETS			
Intangible fixed assets	5.1	134,910	140,940
Investments	5.2		
Real estate		521,889	672,637
Participations		4,464	3,999
Other financial investments:			
- Shares and other variable income securities		1,792,117	2,968,913
- Bonds and other fixed-income securities		2,226,270	2,695,781
- Derivatives		64,574	-
- Mortgage loans		163,879	192,457
- Other loans		243,278	359,668
- Real estate funds		1,891,058	1,345,465
- Infrastructure funds		1,002,657	554,968
- Agricultural and forestry funds		103,686	-
- Mortgage funds		298,979	209,616
- Investments in cash and cash equivalents		72,667	64,057
- Other financial investments		10,894	12,644
		8,396,412	9,080,205
Receivables	5.3	191,267	87,211
Other assets	5.4		
Real estate in own use		96,116	99,580
Other intangible assets		26,025	26,198
Inventory		2,238	2,880
		124,379	128,658
Accruals			
Accrued rent and interest		1,164	1,189
Accruals		29,466	23,396
		30,630	24,585
Cash and cash equivalents		107,707	218,856
TOTAL ASSETS		8,985,305	9,680,455

Amounts x €1,000	Ref.	31-12-2022	31-12-2021
LIABILITIES			
Group equity			
Equity	5.5, 5.7	1,037,582	1,778,413
Minority interest	5.6	3,164	3,229
		1,040,746	1,781,642
Provisions	5.8	9,631	206,885
Technical provisions	5.9	7,531,734	7,172,312
Long-term liabilities	5.11	168,559	171,239
Short-term debts and accrued liabilities	5.12	234,635	348,377
TOTAL LIABILITIES		8,985,305	9,680,455

Consolidated income statement for 2022

Amounts x €1,000	Ref.	2022	2021
Income			
Premium revenue	6.1	669,011	592,472
Gross investment result	6.2	-805,658	685,295
Turnover funeral company	6.1	191,776	156,521
Other turnover	6.1	39	3,236
		55,168	1,437,524
Costs			
Underwriting costs	6.3	437,829	389,374
Acquisition costs	6.4	17,746	15,294
External costs funeral company		148,860	137,084
Personnel costs	6.5	236,134	192,263
Depreciations	6.6	41,377	32,621
Management costs investments	6.2	35,809	38,875
Other operational costs	6.7	104,009	87,154
		1,021,764	892,665
Group result from ordinary activities before interest and taxes		-966,596	544,859
Interest			
Interest income		-335	594
Interest expense		4,494	5,202
		-4,829	-4,608
Group result from ordinary activities before taxes		-971,425	540,251
Profit sharing	5.9	43,654	5,940
Group result before taxes		-1,015,079	534,311
Taxes	6.10	273,801	-99,625
Minority interest result		177	195
Group result after taxes		-741,101	434,881

Consolidated statement of cashflows for 2022

Amounts x €1,000	Ref.	2022	2021
Result after taxes	5.5	-741,101	434,881
Adjustments for:			
Changes in value of intangible fixed assets	5.1	29,725	21,279
Changes in value of tangible fixed assets	5.4	11,652	11,379
Depreciation of allocated acquisition costs	5.9	15,771	13,736
Addition technical provision	5.9	343,651	267,988
Changes in value of investments	5.2	914,193	-501,964
Changes in value of minority interest	5.6	-177	-195
Other changes to equity	5.5	270	281
Changes to other provisions	5.8	-410,847	123,011
Changes in other intangible assets	5.4	-	-28,809
		904,238	-93,294
Change in working capital:			
Changes in inventory		642	50
Changes in receivables	5.3	109,537	-50,848
Changes in accrued assets		-6,319	-9,249
Changes in short-term debts	5.12	-32,220	184,215
		71,640	124,167
		975,878	30,873
Total cashflow from operational activities		234,777	465,754
Interest received		274	150
Interest paid		-1,550	-1,697
Corporate income tax		-79,972	-46,760
		-81,248	-48,307
Cashflow from operational activities	(a)	153,529	417,447
Investments and acquisitions			
- in intangible fixed assets	5.1	-23,695	-23,492
- in participations	5.2	-	-1,793
- in real estate	5.2	-22,137	-18,764
- in loans and securities	5.2	-3,728,231	-3,630,829
- in other intangible assets	5.4	-11,552	-11,752
- in other financial investments	5.2	-288	-228
- in acquisition Yarden Holding BV		-	-1,402
		-3,785,903	-3,688,260

Consolidated statement of cashflows for 2022, continued

Amounts x €1,000	Ref.	2022	2021
Disposals, payments and sales			
- in intangible fixed assets	5.1	-	5,344
- in participations	5.2	-465	-13
- in real estate	5.2	129,669	102,345
- in loans and securities	5.2	3,391,052	3,210,476
- in other intangible assets	5.4	3,537	1,543
- in other financial investments	5.2	-	-
		3,523,793	3,319,695
Cashflow from investment and fund activities	(b)	-262,110	-368,565
Cashflow minority interest	5.6	112	213
Payment and borrowing of long-term liabilities	5.11	-2,680	-27,678
Withdraw long-term liabilities	5.11	-	-
Cashflow from financing activities	(c)	-2,568	-27,465
Change in cash and cash equivalents on balance	(a)+(b)+(c)	-111,149	21,417
Cash and cash equivalents on 1 January		218,856	143,070
Cash and cash equivalents received from acquisition Yarden Holding BV		-	54,369
Cash and cash equivalents on 31 December		107,707	218,856

Notes on the consolidated balance sheet and income statement

1. General notes

1.1 Activities

The activities of DELA Coöperatie UA ('DELA cooperative'), with its statutory office in Eindhoven, Oude Stadsgracht 1, CoC number 17012026, and its group companies ('DELA Group') involve insurance, investments and funeral services. The insurance products are funeral insurance, life insurance and savings plans. The insurance activities take place in the Netherlands, Belgium and Germany. The funeral services take place in the Netherlands and Belgium. Investment activities are managed centrally from the Netherlands.

1.2 Consolidation

DELA cooperative is at the head of a group of legal persons. The consolidation includes the financial data of the DELA cooperative, its group companies and other legal persons over which it has decisive control and central management. Group companies are legal persons over which DELA cooperative has decisive control, whether directly or indirectly, because it has the majority of the votes or can control the financial and operational activities in other ways. This takes into account potential voting rights that can be exercised directly on the balance sheet date.

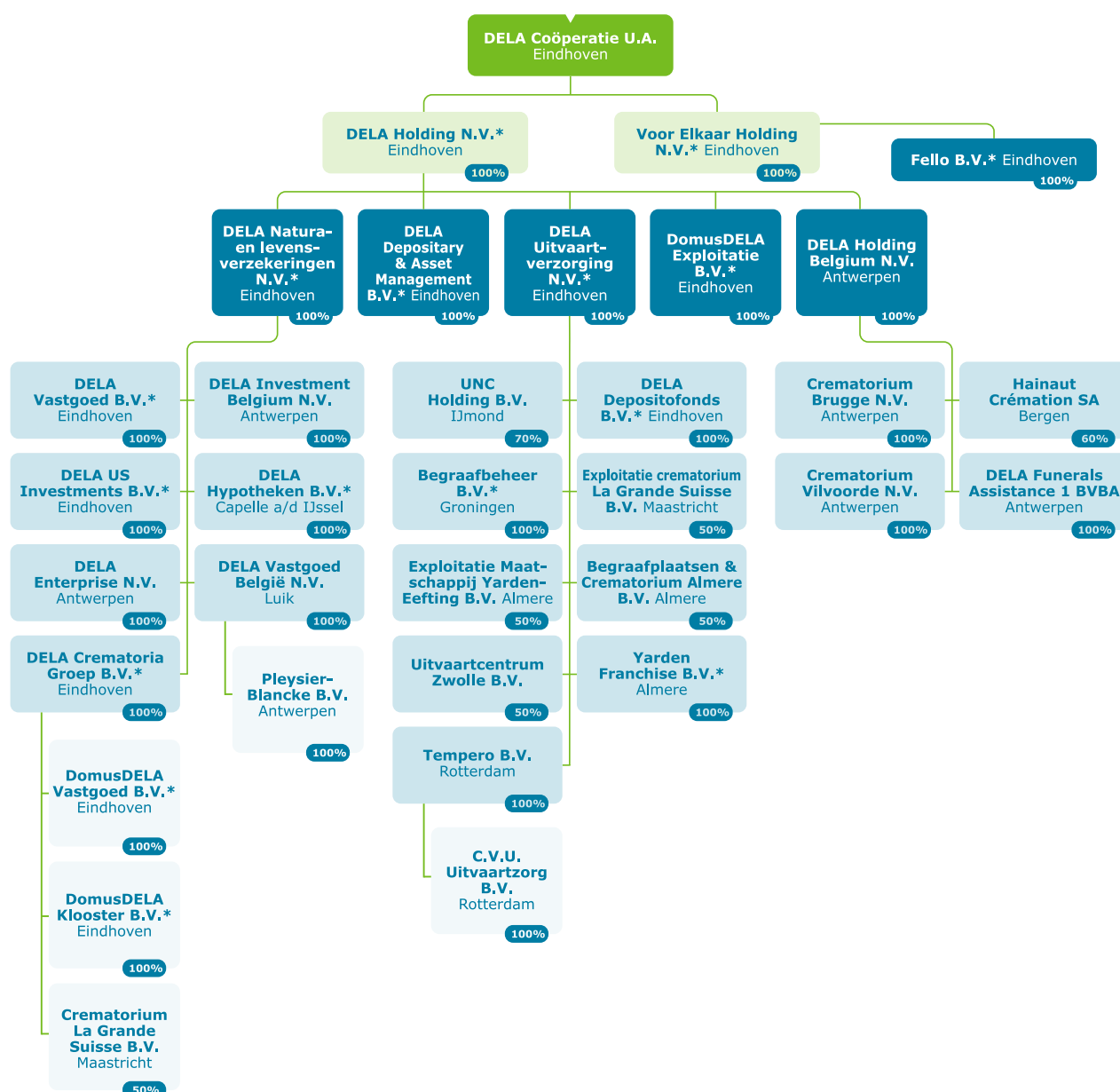
The group companies and other legal persons over which DELA cooperative has decisive control or central management are included in the consolidation for 100 percent. The minority interest in the group equity and group result are stated individually.

In the event of an interest in a joint venture, this interest is consolidated proportionally. A joint venture is an agreement to cooperate in which the control is equally divided between the two shareholders.

Intercompany transactions, profits and mutual receivables and debts between group companies and other legal persons included in the consolidation are eliminated. Unrealised losses on intercompany transactions are also eliminated unless an impairment applies. Valuation principles of group companies and other legal persons included in the consolidation are adjusted where necessary to align them to the valuation principles applied by DELA Group.

As the income statement for DELA cooperative is included in the consolidated financial statements, the company-only financial statements only includes a reflection of an abridged income statement in accordance with Article 2:402 of the Dutch Civil Code (hereafter: DCC).

The organisational chart of the companies included in the consolidation of DELA Group is provided below. This chart includes the data required as of 31-12-2022 based on Articles 2:379 and 2:414 DCC.



* DELA cooperative has guaranteed liabilities of these group companies as meant in article 2:403 DCC. This means they are exempt from the obligation to file as their figures are consolidated in this financial statements.

Paragraph 5.2 includes an overview of the participations that are not consolidated.

The following mergers and acquisitions had taken place in DELA Group in 2022:

- The sale and delivery of all shares in the capital of Yarden Uitvaartzorg BV and Yarden Uitvaartfaciliteiten BV by Yarden Holding BV to DELA Holding NV, followed by a merger between Yarden Uitvaartzorg BV and Yarden Uitvaartfaciliteiten BV as companies ceasing to exist and DELA Uitvaartverzorging NV as the acquiring company;
- The sale and delivery of 50 percent of the shares in the capital of Uitvaartcentrum Zwolle BV by Yarden Holding BV to DELA Uitvaartverzorging NV;
- The sale and delivery of all shares in the capital of Yarden Depositofonds BV by Yarden Holding BV to DELA Uitvaartverzorging NV, followed by a merger between Yarden Depositofonds BV as the company ceasing to exist and DELA Depositofonds BV as the acquiring company;
- The sale and delivery of all shares in the capital of Tempero BV by Yarden Holding BV to DELA Uitvaartverzorging NV;
- Mother-daughter merger between Yarden Holding BV as the company ceasing to exist and DELA Holding NV as the acquiring company;

- Merger between Yarden Vastgoed BV and Yarden Vastgoed II BV as companies ceasing to exist and DELA Crematoria Groep BV as the acquiring company;
- Merger between AB Crematorium DELA BV as the company ceasing to exist and DELA Crematoria Groep BV as the acquiring company;
- Merger between DELA Vastgoed Management B.V. as the company ceasing to exist and DELA Vastgoed B.V. as acquiring company.

All the aforementioned mergers and acquisitions were processed retroactively (1 January 2022) via the 'carry over accounting' method. The mergers and acquisitions in the group involve transactions with associated parties which are processed based on book value. These transactions were not based on standard market conditions.

The following transactions also took place in book year 2022:

- DELA Vastgoed België BV acquired and received all shares in the capital of the following entities in book year 2022: Immo JHL SRL, Les Fuérailles SRL, GHD Management SRL, Uitvaartverzorging Van Tendeloo - Verhagen BV and Van Tendeloo BV. These entities also merged with DELA Vastgoed België BV in the year under review in accordance with the carry over accounting method.
- DELA Vastgoed België BV acquired and received all shares in the capital of Pleysier-Blancke BV in book year 2022.
- Yarden Holding B.V. has the interest in Sassen-Dielemans B.V. sold.

1.3 Related parties

Affiliated parties are all legal persons over which a company has decisive control, joint control or significant influence. This includes legal persons that have a controlling interest. The statutory Executive and Supervisory Board members, other key officials in the management of DELA Group and close affiliates are also considered affiliated parties.

Significant transactions with affiliated parties are clarified insofar as they did not apply under normal market conditions. Details related to the nature and scope of the transactions and other information required to provide insight will be provided where necessary. With regard to deaths reported for DELA Natura- en levensverzekeringen NV, the subsequent arrangements are in principle in the hands of DELA Uitvaartverzorging NV or its subsidiaries. Any costs are charged at regular transfer prices.

1.4 Acquisitions and disposals of group companies

The results and identifiable assets and liabilities of the acquired company are included in the consolidated financial statements from the acquisition date. The acquisition date is the moment that decisive control is gained over the acquired company.

The historical price consists of the monetary amount or equivalent that was agreed on for the acquisition of the acquired company plus any directly attributable costs. If the historical cost differs from the net amount of fair value of the identifiable assets and liabilities, the difference is considered as goodwill.

The companies included in the consolidation scope will remain in the consolidation until the decisive control is transferred or the company is only being held for onward sale.

1.5 Estimates

To apply the principles and rules for drawing up the financial statements, the Board must form an opinion on various matters and make estimates that may be essential to the figures included in the financial statements. If required in order to provide the insight as intended by Article 2:362 section 1 DCC, the nature of these opinions and estimates, including the associated suppositions, is included in the notes related to the relevant items. Although these estimates have been made by the Board to the best of their knowledge, the actual results may ultimately differ. The main estimates relate to:

- The valuation of investments: real estate, real estate funds, infrastructure funds and private equity firms (see section 5.2);
- The applied principle for the technical provision (see section 2.14);
- The value of the non-technical provisions (see section 2.12).

1.6 Comparative figures

The financial statements includes a change related to the presentation of the costs in the income statement. Up to and including book year 2021, part of the personnel and other operational costs (advertising and other sales costs) were attributed to the acquisition costs. The reason for the change is that the functional and categorial methods were both used in the presentation of the income statement. The impact on the presentation of the income statement over book year 2021 is shown below.

Change to the presentation of costs

<i>Amounts x €1,000</i>	Annual report 2022	Annual report 2021
Acquisition costs	15,294	65,224
Personnel costs	192,263	171,861
Other operating costs	87,154	57,626
Total	294,711	294,711

An adjustment was also made to the comparative figures on the balance sheet in relation to the 2021 financial statements. It involves the deferred tax assets and liabilities, which should be offset. This was not the case in the 2021 financial statements and has been corrected in this year's statement. Offsetting reduces the deferred tax assets and liabilities by €213,593 compared to the 2021 financial statements.

1.7 Drawing up and confirmation of the financial statements

The financial statements 2022 was drawn up by the Executive Board on 21 April 2023 and is due at the time of publication to be confirmed in the general meeting of 13 May 2023. The financial statements 2021 was adopted at the general meeting of 11 June 2022.

2. Principles for balance sheet and profit determination

2.1 General

The consolidated financial statements was drawn up in accordance with the statutory demands of Title 9 Book 2 DCC and the Dutch Accounting Standards for Annual Reporting (RJ). All amounts are provided in thousands unless indicated otherwise.

The valuation and determination of the results are based on historical costs unless indicated otherwise. Revenue and costs are assigned to the year to which they occur. Profits are only included insofar as they were realised on the balance sheet date unless indicated otherwise. Obligations and any losses that originated before the end of the reporting year are taken into account insofar as they were known when the financial statements was drawn up.

2.2 Foreign currency

2.2.1 Functional currency

The items in the financial statements of the group companies are valued in compliance with the currency of the economic environment in which the group companies carry out the majority of their activities (the functional currency). The euro is the functional and performance currency of DELA Group.

2.2.2 Conversion of foreign currency

Transactions in foreign currencies during the reporting period are processed in the financial statements at the exchange rate on the transaction date. Assets and liabilities in foreign currency that are valued at their current value are converted at the exchange rate on the balance sheet date. Exchange rate differences that occur in the settlement of monetary items are processed in the income statement in the period in which they occur.

Assets valued in foreign currency at the historical cost are converted at the exchange rate (or the approximate exchange rate) on the transaction date.

2.3 Reinsurance contracts

DELA Group is compensated for losses on issued insurance contracts by contracts made with reinsurers.

Reinsurance premiums, provisions and payments as well as technical provisions for reinsurance contracts are accounted for in the same way as the direct insurance to which the reinsurance applies. The share of reinsurers in the technical provision to which DELA Group is entitled as a result of its reinsurance contracts is subtracted from the gross technical provision. Short-term receivables from reinsurers are included under Receivables.

The valuation of amounts due from or payable to reinsurers takes place in accordance with the conditions of the reinsurance contracts. The obligations related to reinsurance mainly involve future premiums.

Receivables due to reinsurance contracts are assessed on the balance sheet date for any impairments.

2.4 Intangible fixed assets

The intangible fixed assets are valued at the amount of the incurred costs, minus the cumulative depreciations and, where applicable, impairments. The economic useful lives and depreciation method are reassessed at the end of the book year and the depreciation terms are reviewed if any significant changes are detected. A statutory reserve is established for the costs of internal development, equivalent to the value of the capitalised amount.

To determine whether an impairment applies to an intangible fixed asset, we refer to Paragraph 2.8.

2.4.1 Goodwill

Any paid goodwill for acquisitions is valued at fair value at the time of acquisition. This value is determined based on the sum that would have been paid between independent parties who are well-informed and willing to make the relevant transaction. The goodwill is depreciated linearly based on the expected economic lifespan, which is assessed annually. The current expected lifespan of various goodwill positions is between 20 years and 30 years.

2.4.2. Acquired insurance portfolios

The future cashflows from acquired insurance portfolios are valued at fair value determined at the time of acquisition. This value is determined based on the sum that would have been paid between independent parties who are well-informed and willing to make the relevant transaction, and it is depreciated linearly based on the expected economic lifespan, which is assessed annually. The current expected lifespan for acquired insurance portfolios is 20 years, calculated from the acquisition date.

2.4.3 Concessions and permits

Costs of concessions and permits are valued at the historical cost, and depreciated linearly over the expected future period of use with a maximum of 20 years.

2.5 Investments

The principle for valuation and result determination per investment category is described below. The majority of the investments are valued at the fair value. Any further clarification of the fair value required is provided in section 5 in the notes on the balance item. Both unrealised and realised profits and losses due to the sale and value change of investment are accounted for in the income statement. Transaction costs related to the purchase sale of investments are directly accounted for in the income statement.

2.5.1 Real estate

Real estate is valued at the fair value on the balance sheet date. Value changes (if cumulatively positive) are processed in the revaluation reserve via the income statement, taking deferred tax into account. Section 5.2 provides further details on the valuation method.

2.5.2 Participations

Participations in which a significant influence applies are valued in accordance with the net asset value method. A legal presumption of significant influence occurs when 20 percent or more of the votes can be cast.

The net asset value method is calculated in accordance with the principles that apply to this financial statements; for participations for which insufficient data is available to change these principles, the valuation principles of the relevant participation are applied.

A participation that is valued as negative in accordance with the net asset value method is valued at nil. If and insofar as DELA Group is partially or fully responsible for the debts of the participation, a provision will be made. The initial valuation of participations is based on fair value of the identifiable assets and liabilities at the time of acquisition. From then on, the principles related to this financial statements apply, based on the value at initial valuation.

Participations without significant influence are valued at the historical cost. If a sustainable devaluation applies, valuation is at this lower value. Devaluation is charged to the income statement.

The liabilities from participations included under financial fixed assets are stated at the fair value of the provided amount, which is normally the nominal value, minus any provisions deemed necessary.

2.5.3 Shares and other variable income securities

Shares and convertible bonds are stated at fair value based on official listings in the financial markets. Value changes are accounted for directly in the income statement.

2.5.4 Bonds and other fixed-interest securities

Bonds are stated at fair value based on official listings in the financial markets.

2.5.5 Derivatives

DELA Group has forward exchange contracts and an option for extra shares in a participation; both are stated at fair value. In addition, DELA Group has a convertible loan. This involves a compound financial instrument which comprises a loan and an embedded derivative, namely the option to convert the loan into shares. This embedded derivative is

separately stated at fair value. The profit and loss from the revaluation into fair value on the balance sheet date is immediately processed in the income statement. It involves all non-listed items which are valued based on financial models – the 'mark-to-model' method. Any derived financial instruments with a negative value are categorised on the balance sheet under short-term debts.

2.5.6 Mortgage loans

Receivables from mortgage loans are valued at the amortised cost price. The direct costs related to the provision of a mortgage loan are included as acquisition costs. They are part of the amortised cost price and are capitalised on the balance sheet. An assessment will be made on the balance sheet date as to whether there are objective observations for the impairment of the receivables resulting from mortgage loans. If this proves to be the case, the loss is accounted for in the income statement.

2.5.7 Other loans

The investments in company loans are stated at fair value. Other loans with a fixed interest are valued at amortised cost price minus a provision for doubtful debts.

2.5.8 Real estate funds, infrastructure funds, and agriculture and forestry funds

Participations in real estate funds, infrastructure funds and horticulture and forestry funds are stated at fair value. This item includes investments without frequent market quotation. Section 5.2 provides further clarification of the valuation method. Value changes are accounted for directly in the income statement. In addition, a revaluation reserve is established for the unrealised value increase.

2.5.9 Mortgage funds

Participations in mortgage funds are stated at fair value. This item includes investments without frequent market quotation. Section 5.2 provides further clarification of the valuation method. Value changes are accounted for directly in the income statement.

2.5.10 Investments in cash and cash equivalents

Investments in cash and cash equivalents are stated at fair value, which equals the nominal value.

2.5.11 Other financial investments

Other financial investments are stated at fair value. This item includes investments without a frequent market listing. Section 5.2 provides further clarification of the valuation method. Value changes are accounted for directly in the income statement. In addition, a revaluation reserve is established for any unrealised value increase. An exception is the art collection which is valued at cost price.

2.6 Receivables

Receivables are initially processed at fair value, then valued at the amortised cost price. Any provisions deemed necessary for possible losses due to doubtful debts are subtracted. These provisions are determined based on an individual assessment of the receivables.

Deferred tax assets are included for any temporary differences between the value of the assets and the liabilities in accordance with the tax regulations on the one hand and the valuation principles used in this financial statements on the other. The deferred tax assets are calculated based on the tax rates applicable at the end of the reporting year or the rates that will apply in the coming years, insofar as these have been legally established.

2.7 Other assets

2.7.1 Real estate in own use

Real estate in own use is valued at the historical cost, minus cumulative depreciations and, where applicable, impairments. The depreciations are based on the expected future term of use and calculated based on a fixed percentage of 3 percent of the historical cost, taking any residual value into account. Depreciation is applied from the moment the

object is taken into use. Land is not subject to depreciation. Periodical large-scale maintenance is capitalised in accordance with the component approach, in which the total expenditure is attributed to the component parts.

2.7.2 Other intangible assets

The other intangible assets including inventories and vehicles are included at the historical cost minus depreciations based on the expected lifespan, taking any residual value into account. The costs of major maintenance are capitalised in accordance with the component approach and depreciated over the expected lifespan. Depreciation occurs linearly, under the following depreciation terms:

- Installations: 10 years;
- Inventory: 10 years;
- Hearses: 8 years;
- Other vehicles: 5 years;
- Company clothing: 2 years;
- Laptops: 4 years

2.7.3 Inventory

The inventory is valued at the historical cost in accordance with the FIFO (first in, first out) method or lower market value. The historical cost includes all costs associated with the acquisition as well as any costs incurred for storage in their current location and condition. The lower market value is the estimated sales price minus any directly attributable sales costs. The obsolescence of the inventory is taken into account when determining the lower market value.

2.8 Impairments of fixed assets

DELA Group assesses on the balance sheet date whether there are any indications that a fixed asset is subject to impairments. If so, the realisable value of the individual asset is determined. Should it not be possible to determine the realisable value for the individual asset, the realisable value of the cashflow generating unit of which the asset is part is determined. Estimates are used here. An impairment occurs when the book value of an asset is higher than the realisable value. The realisable value is whichever is highest between the market value and the value in use.

If it is determined that a previously accounted impairment no longer exists or has been reduced, the impairment is reversed to at most the book value that would have been determined if no impairment had been attributed to the asset.

With regard to financial instruments, DELA Group also assesses whether there are objective indications of impairments of a financial asset or group of financial assets. In the event of objective indications of impairments, the scope of the loss resulting from the impairment is determined and processed directly in the income statement.

For financial assets that were valued at the redemption value, the scope of the impairment is determined as the difference between the book value of the asset and the best possible estimate of the future cashflows, discounted at the effective interest rate of the financial asset as determined in the initial processing of the instrument. Any reversal of an impairment loss is limited to at most the amount that is required to value the asset at the amortised cost price. The reversed loss is then processed in the income statement. An impairment loss on goodwill is not reversed in the future.

2.9 Accrued receivables

Receivables are valued at nominal value minus any provisions deemed necessary for potential losses resulting from doubtful debts.

2.10 Cash and cash equivalents

Cash and cash equivalents involve cash and bank balances. Any current account debts to banks are included as short-term debts under debts to credit institutions. Cash and cash equivalents are valued at face value.

2.11 Minority interest

The minority interest in the group equity involves the third-party minority interest in the equity of the consolidated companies. The minority interest in the result of the consolidated companies is deducted from the group result in the income statement.

If the loss attributable to the minority interest exceeds the minority interest in the equity of the consolidated companies, the loss and any possible further losses shall be entirely borne by DELA Group unless and insofar as the minority shareholder has the obligation and is able to cover these losses. Should the consolidated companies start to make a profit again, this profit will be passed on to DELA Group until any loss covered by DELA Group has been fully repaid.

2.12 Provisions

2.12.1 General

Provisions are made for legal or constructive obligations that exist on the balance sheet date for which it is probable that an outflow of resources will be necessary and the scope of this outflow can be reliably estimated.

The provisions are valued as a best estimate of the amounts required to settle the obligations on the balance sheet date. The provisions are valued at present value of the expenses that are expected to be necessary to settle the obligations unless stated otherwise.

If it is expected that a third party will pay the obligations and it is likely that the payment will be received once the obligation has been settled, the payment is included in the balance sheet as an asset.

2.12.2 Pension provision

The Netherlands

The pension plan of the group companies in the Netherlands consists of an available premium scheme in which participants build up a capital with which they are expected to buy pension benefits at the time of their retirement.

The main features of this scheme are:

- the employer pays a monthly premium for each employee to the pension provider;
- the pensionable salary is 1.1666 times the fulltime monthly wage paid in the calendar month, with an annual maximum (2022: €114,886);
- the pension base over which the employer contributes a premium is the pensionable salary minus the franchise (2022: €14,802);
- the pension premium paid to the pension provider is based on an age table with incremental premium percentages. Personnel who were employed from 1 January 2022 are entitled to a pension premium of 22 percent of the pension base regardless of their age
- the employee contribution is 4.5 percent of the pension base. Personnel who were employed from 1 January 2022 pay a contribution of 6 percent of the pension base;
- the scheme does not result in any obligation on the balance sheet date, with the exception of obligations resulting from future premiums.

Participants are also insured for a partner pension with a scope of 1.16 percent of the pension base multiplied by the number of years of service from when they started participating in the pension scheme to the pensionable age. The orphan's pension is 20 percent of the partner pension. Participants are subject to a premium exemption in the event of disability. In addition, there is an additional disability benefit insurance that pays out depending on the level of disability.

Pension schemes in the Netherlands are subject to the conditions of the Dutch Pension Act. DELA Group pays premiums to insurance companies on a compulsory, contractual or voluntary basis. The premiums are accounted for as personnel costs as soon as they are due. Advance premiums are included as accrued assets if they result in reimbursement or a reduction of future payments. Premiums that have yet to be paid are included in the balance sheet as an obligation.

Belgium

A defined contribution scheme applies in Belgium. Upon retirement, participants can choose to be paid the capital as a one-off amount or convert it into a periodic pension payment. The main characteristics of this pension scheme are:

- the employer pays a monthly premium to the pension provider;
- the premium is 4 percent of the reference salary, plus 4.4 percent tax;
- the reference salary is 13.92 times the gross monthly salary.

Employees are also provided with a life insurance policy in which the bereaved receives the insurance capital if the employee dies before the end date. In addition, the insured receives a replacement income in the event of disability due to illness, pregnancy or a personal accident.

Germany

In Germany the statutory pension premiums are paid via the monthly social insurance premiums. There is no additional company pension.

2.12.3 Provision for work anniversaries

The provision for work anniversaries is included as expected costs during the course of employment. The actuarial method applied to determine the provision is known as the Projected Unit Credit method, which takes into account future salary increases, survival and disability rates, and more. A percentage of 3.7 percent (2021: 1.2 percent) is applied to the long-term investment return and 2.0 percent (2021: 2.0 percent) for the general salary increase. The AG Generation Table 2020 and WIA/IVA data are also applied. The calculated obligation was then discounted by 3.7 percent at the end of 2022 (2021: 1.2 percent).

2.12.4 Deferred tax obligations

For any tax amounts to be paid in the future resulting from differences between commercial and fiscal balance sheet valuations, a provision is made equivalent to the sum of these differences multiplied by the applicable tax rate. This provision is then reduced by the still to be settled tax amounts resulting from tax loss carry-forwards insofar as it is likely that the future fiscal profits will be available for settlement. The provision for deferred tax obligations is stated at nominal value. The calculation of the deferred tax obligation applies the tax rates applicable at the end of the reporting year or the rates that will be applicable in coming years, insofar as these have been legally determined. The tax rate at the end of 2022 in the Netherlands was 15 percent over a profit of up to €395,000 and 25.8 percent for higher amounts. In Belgium the tax rate at the end of 2022 was 25 percent. In Germany, the applicable nominal value of 30 percent is taken into account. In 2023, the tax rate in the Netherlands will rise to 19 percent over a profit of €200,000 and 25.8 percent for higher amounts. No changes have been proposed for Belgium and Germany.

2.12.5 Restructuring provision

This provision is related to costs involving any restructuring of activities and is made in case a constructive or legal obligation arises for the Group. A provision is made if, on the balance sheet date, a plan has been formalised and there is either a legitimate expectation among those involved that the restructuring will take place or the implementation of the restructuring plan has already started. A provision will also be included in the balance sheet for reorganisations for which a plan has been formalised on the balance sheet date, but for which there is either a legitimate expectation among those involved that the restructuring will take place or the restructuring plan will be implemented after the balance sheet date.

2.12.6 Other provisions

If the effect of the time value of money is material, the other provisions will be valued at the present value of the expenses expected to be needed to settle the relevant obligations. Discounting is based on a discount rate for taxes that reflects both the actual market value and the specific risks related to the obligation. If the effect of the time value of money is not material, the other provisions are stated at nominal value. Unless otherwise stated, the other provisions are stated at present value.

2.13 Discretionary profit sharing

Profit sharing is calculated actuarially and has a provisional character. The profit share is determined by the general meeting on the recommendation of the Executive and Supervisory Boards. The processing of the discretionary profit share takes place via the technical provisions item. The addition of the amount the DELA Group has appropriated for discretionary profit distribution under the technical provisions is charged to the result.

2.14 Technical provision

2.14.1 General

Determining the technical provisions is a process that by its very nature involves uncertainties. The actual payments depend on factors such as social, economic and demographic trends, inflation, investment returns, the behaviour of policyholders, and assumptions about mortality developments. Any application of different assumptions for these factors than the tariff principles currently used in the financial statement could have a material effect on the technical provisions and underwriting costs (see also 5.10: Liability adequacy test).

2.14.2 Funeral insurance

For payments based on insurance policies that are expected to be made in the future, an obligation is included as soon as the policy is implemented. The obligations for funeral insurance at own expense and risk consists of the (with tariff interest) discounted value of the expected future payments (based on the mortality rate and including already appropriated profit distribution) to policyholders or other beneficiaries, minus future premiums.

The majority of the technical provisions for own-risk funeral insurance as established in the Netherlands are calculated in accordance with the pure net method at an interest of 2.75 percent and based on the GBMV 1995-2000 mortality table as published by the Actuariële Genootschap, using the principles related to mortality and interest. For insurance policies with a temporary premium payment, the actuarial interest for the period after the end date of the premium payment is 2 percent.

The technical provisions related to the Yarden portfolio acquired in 2021 are subject to principles that fall under a valuation at fair value at the time of acquisition. The actuarial interest is 1.3 percent on average and the mortality rate is based on the 2020 prognosis table of the Actuarial Society of the Netherlands. Lapses due to other causes than death were also taken at the moment of acquisition into account based on empirical data and the actual cost level. In addition, there are two additional provisions regarding the Yarden portfolio:

- DELA created a provision of €62.4 million to finance the future indexation of the Yarden package policies. These future indexations are estimated at the moment of acquisition and the fair value of this provision will be the present value of these withdrawals.
- DELA also guaranteed that bereaved will not have to pay inflation deficits for the first ten years after the acquisition. These deficits are estimated at the moment of acquisition and discounted resulting in the fair value of the commitment.

The majority of technical provisions for own risk funeral insurance as established in Belgium are calculated in accordance with the pure net method at the usual interest from the moment of implementation and based on the usual mortality table, using the principles related to mortality and interest. The expected payments are based on the principles of the rate as determined when the policy was signed.

The technical provision for funeral insurance as established in Germany is calculated in accordance with the pure net method at an interest of 2 percent. The mortality rate is based on tables produced by the German Actuarial Society.

The technical provisions in the insurance portfolio acquired in Germany in 2022 are subject to principles associated with a valuation at current value on the acquisition date. The actuarial interest is 2.5 percent on average, and the mortality rate is based on the prognosis for 2022 by the Actuarial Society of the Netherlands.

2.14.3 Life insurance

The technical provision for the DELA LeefdoorPlan (life insurance plan) is calculated in accordance with the pure net method at an interest of 3 percent and based on the tables published by the Actuarial Society of the Netherlands when the rate was introduced.

The technical provision for life insurance as established in Germany is calculated in accordance with the pure net method at an interest rate of 3 percent plus a provision for unearned premium. The mortality rate is based on mortality tables as produced by the German Actuarial Society.

2.14.4 Savings plan

The technical provision for the DELA CoöperatiespaarPlan (savings plan) is calculated in accordance with the built-up policy value based on the paid savings premiums, the already allocated profit shares and the interest rate linked to the rate.

2.14.5 Premiums

The premiums include surcharges for the coverage of the costs. When the premiums are received or become claimable, the surcharges are released and made available for the coverage of the actual costs, which includes ongoing costs and acquisition costs.

2.14.6 Acquisition costs

The deferred acquisition costs are deducted from the provision.

2.15 Long-term liabilities

Long-term liabilities have a term of more than one year and are initially processed at fair value, which is initially the same as the amortised cost price. Transaction costs that can be attributed directly to the acquisition of the liabilities are valued in the initial processing, after which long-term liabilities are valued at the amortised cost price. This consists of the amount received, taking into account agio or disagio minus the transaction costs. If no (dis)agio applies, this amount is the same as the nominal value.

The difference between the determined book value and the eventual payment value is processed as interest costs in the income statement based on the effective interest during the estimated term of the liabilities.

2.16 Short-term debts

Short-term debts are valued in the same way as long-term liabilities, although they have a term of one year or less.

2.17 Accrued liabilities

Accrued liabilities are stated at nominal value.

2.18 Leasing

DELA Group does not have any financial lease contracts. Lease contracts that do not qualify as a financial lease are listed as operational leases. For operational leases, the lease payments are processed linearly at the expense of the result over the course of the lease.

2.19 Revenue recognition

2.19.1 Premium income

The gross premiums consist of the premiums that are payable by policyholders for insurance contracts. The gross premiums excluding taxes and other fees resulting from insurance contracts are included as income when they are due by the policyholder. For single premium contracts the premium is included as income when it is due, with any cost and risk coverages being postponed and included in the result in a constant ratio to the ongoing insurance.

2.19.2 Reinsurance premiums

The reinsurance premiums include the premiums resulting from reinsurance contracts. They are stated as a cost in the income statement pro rata to the term of the contract.

2.19.3 Turnover funeral company

The income of the funeral company is included at the moment the services are delivered.

2.19.4 Other turnover

Other turnover accounts for the income resulting from other sources than the operational activities of DELA Group.

2.19.5 Net turnover

Net turnover is the income from the delivery of goods and services minus discounts and the like as well as the taxes imposed on the turnover, and after the elimination of transactions within DELA Group. One of these eliminations ensures payments by the insurer used to realise funerals at the funeral company.

2.20 Acquisition costs

Acquisition costs are costs directly related to the implementation of insurance policies, which depend on and relate to the acquisition of new insurance contracts or the extension of existing ones. The acquisition costs comprise provisions paid to third parties for insurance products. The acquisition costs are deducted from the technical provision, depreciated over ten years and charged against the result. The annual provisions are offset by the return provisions reclaimed throughout the year. Acquisition costs are deducted from the technical provision insofar as they can be reclaimed from the expected gross result of the underlying new production of that year. The depreciation period is assessed periodically. Where applicable, the depreciation cost is adapted to the shorter depreciation period, which currently stands at ten years.

As part of the liability adequacy test, impairments to the attributed acquisition costs are assessed annually and a determination made as to whether the future contribution from the insurance products is sufficient to cover the attributed costs.

2.21 Personnel expenses

Wages, salaries and social security costs are processed in the income result insofar as they are payable to employees and tax authorities.

2.22 Other income and expenses

These are items that result from the ordinary operational activities but which are kept out of the operational result due to their nature, scope or incidental character. The goal is to enhance the analysis and comparability of the operational result over the years.

2.23 Depreciation of intangible and fixed assets

Intangible fixed assets and other intangible assets are depreciated over the expected future useful life of the asset from the moment it is taken into use. Land is not depreciated.

Future depreciations are adapted accordingly if there is a change to the estimated economic useful life.

Book profit and loss from the incidental sale of tangible fixed assets is accounted for under exceptional income and expenses.

2.24 Taxes

Taxes over the result are calculated over the result before tax in the income statement, taking into account any tax loss carry-forwards (insofar as they are not included in the deferred tax receivables) and tax-exempt profit, and after adding non-deductible costs. Future changes to the tax rate are also taken into account.

3. Notes on the cashflow statement

The cashflow statement was drawn up in accordance with the indirect method.

The financial resources in the statement consist of cash and cash equivalents, with the exception of deposits with a term of over three months. Cashflows in foreign currencies have been converted at the exchange rates at the end of each month.

Revenues and expenses resulting from interest, received dividends & rent and profit tax are included under the cashflow from operational activities. The historical cost of an acquired group company is included under cashflow from investment activities, insofar as payment took place in cash. The financial resources present in the acquired group company are deducted from the historical cost.

4. Risk

4.1 Solvency position

The solvency position of DELA Group is determined based on the standard model under Solvency II.

4.1.1 Development of solvency position

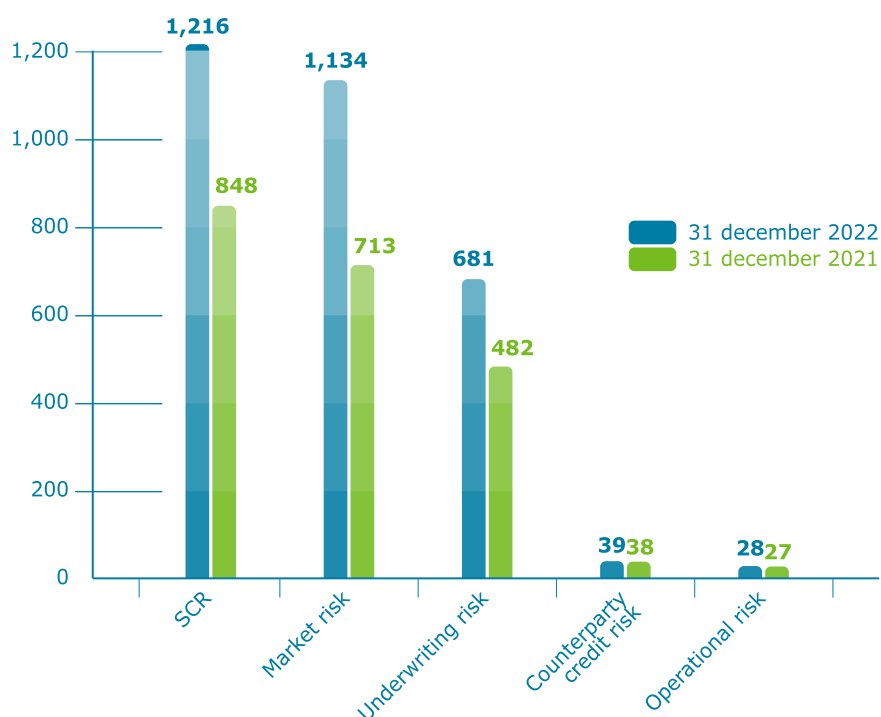
In 2022 an adjustment was made to the models used to determine the solvency ratio to reflect an inaccuracy found during an internal check. The adjustment meant that the solvency ratio at the end of 2021 was 236 percent, not 266 percent. The ratios of the previous years have been adjusted in the key figures. After the discovery of this inaccuracy, we asked an independent third party to carry out a full model review. This showed no further inconsistencies related to the determination of the solvency ratio. The internal monitoring processes were enhanced.

The Solvency II ratio for 2022 is at virtually the same level as the previous year. Various developments such as the negative investment result and rising interest rates and inflation have opposite effects which almost cancel each other out. Stress tests show that the solvency position is robust, but that DELA Group is sensitive to scenarios with a low interest rate and low inflation.

4.1.1.1 Development of solvency capital requirement

The composition of the capital requirement is shown in the table below.

Composition SCR



The model was adjusted after an inaccuracy was found. This involved an adjustment to the SCR on 31-12-2021 to €848 million. See section 4.1.1 for further details.

It is clear that the underwriting risks and market risks are the largest. The gross positions of both (without taking into account the mitigating effect of profit sharing) are approximately the same as they were at the end of 2021. The mitigating effect of the profit distribution was reduced. This is due to the significant increase in interest rates in 2022,

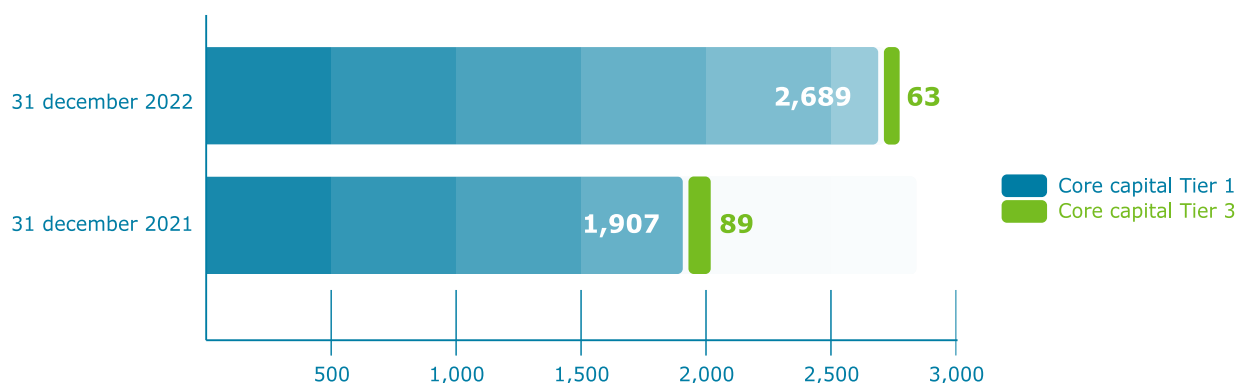
and therefore the coverage. This was 234 percent at the end of 2022 which is higher than the level of 210 percent at which a full profit distribution is given. As a result, the Solvency-II fluctuations partially lead to less profit distribution and the mitigating effect of profit sharing is therefore lower than at the end of 2021.

4.1.2 Development of core capital

The model was adjusted after an inaccuracy was found. This involved an adjustment to the core capital on 31-12-2021 to €1,996 million. See section 4.1.1 for further details.

Both the capital requirement and the core capital increased in 2022. Due to the interest rate increases in 2022 the value of the technical provisions fell significantly, which meant that the core capital rose despite the negative investment return. The composition of the core capital is represented in the table below (amounts in € million).

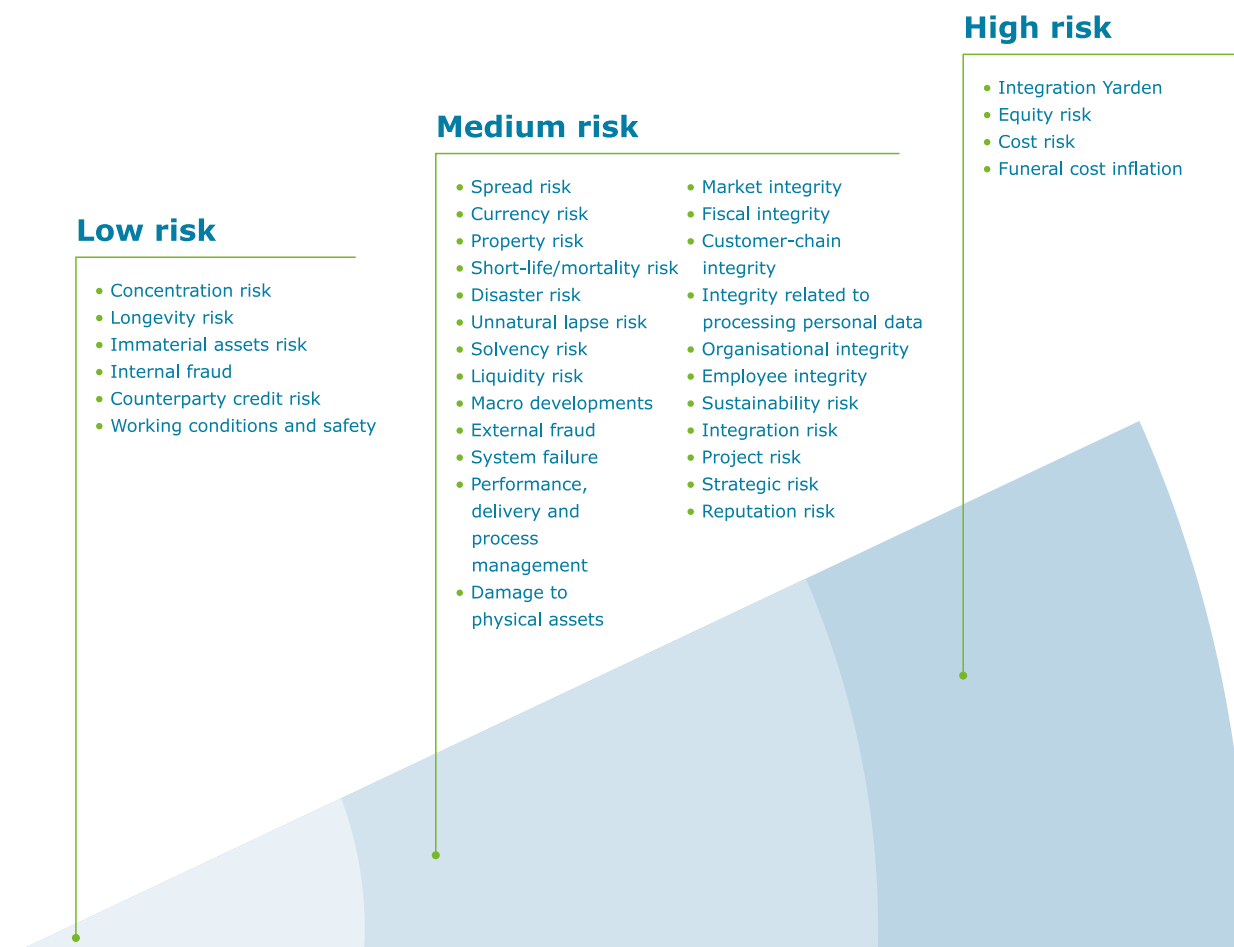
Core capital composition



'Core capital tier 2' and 'ineligible' are nil

4.2 Risk profile

DELA Group is exposed to a wide range of risks. The figure below shows the main risk areas classified as low, medium and high.



The risk classification indicates, among other things, the level of management focus on the relevant risk. The starting point is that risks in the 'medium' category are periodically included on the agenda of the responsible management team. This means that the 'high' category risks are actively monitored and discussed more frequently. Risks in the 'low' category are estimated to be so minimal that they are itemised less frequently. The risk classification takes into account all (risk-mitigating) measures as present in DELA Group.

The various risks and the related developments in 2022 are discussed below. To enhance readability not all risks are discussed in detail and some are combined.

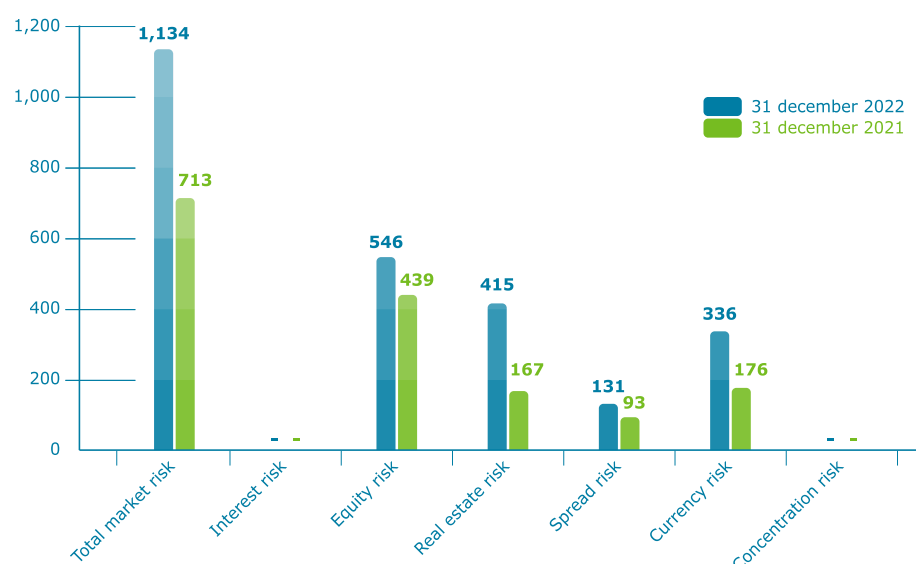
4.2.1 Market risks

The market risk is the risk of possible losses due to unfavourable developments in the financial markets. The value of the investments and obligations depend on developments in these markets, the composition of the investment portfolio and the characteristics of the insurance obligations.

DELA Group has mitigated the market risk to a significant extent through its profit distribution scheme and premium measure, as well as via derivatives that mitigate part of the currency risk. DELA Group also applies the 'prudent person' principle to its investment policy, and full and/or partial ALM studies are performed periodically to assess whether the investment policy is still suitable.

The table below shows the development of the market risk, quantified based on the presented standard model (amounts in € million).

Market risk development



The financial markets were volatile in 2022 (as they were in 2021). Interest rates and inflation increased compared to 2021, and the investment return was negative. As the solvency can withstand these conditions, the higher risk estimate for the market risk was left unchanged.

The main developments impacting the capital requirement for market risks in 2022 were the aforementioned lower mitigating effect of the profit distribution and the adjustment of the investment mix. Compared to 2021, there were more investments in real assets (real estate, infrastructure, agriculture & forestry) and fewer in shares and bonds. This resulted in shifts in the capital requirements for market risks.

4.2.2 Underwriting risk

The underwriting risk is the risk that the scope and timing of pay-outs are not aligned to the expectations as included in the premium determination. DELA Group mitigates the underwriting risk in various ways, including via its profit distribution and premium measure, but also via reinsurance, (medical) acceptance and a continuous focus on costs.

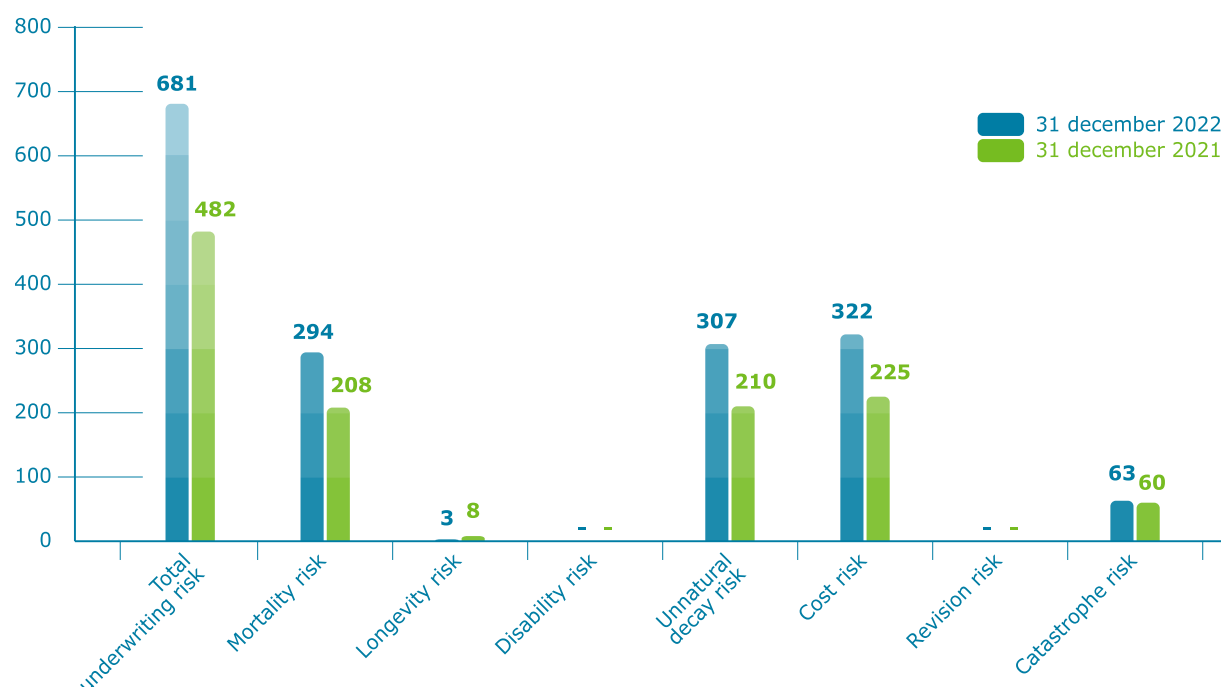
DELA Group is exposed to the life insurance risk alone as it only provides life insurance policies. The portfolio largely consists of funeral insurance, with specific rates for the Netherlands, Belgium and Germany. These rates are based on specific characteristics and starting points (actuarial interest, costs, mortality tables) aligned to each country. Every year, DELA studies whether these starting points remain in line with the development of the relevant portfolios. The portfolio is large in numbers and scope, with a limited chance of fluctuations in the results. The portfolio of DELA Germany did increase significantly partly due to the fact that DELA Group acquired the funeral insurance portfolio of Monuta in 2022.

In addition, DELA Group has a temporary life insurance policy in the Netherlands and Germany. The insured capitals herein are significantly higher than in the funeral insurance. Reinsurance is used to limit any volatility of the results for this portfolio.

Finally, DELA Group has a savings product in the Netherlands. The mortality risk of this portfolio is limited at 10 percent of the built-up value.

The table below shows the build-up of the underwriting risk (amounts in € million).

Underwriting risk



The underwriting risks increased. This was also due to the lower impact of the mitigating effect of the profit distribution due to the higher interest rates and coverage on 31 december 2022.

4.2.3 Credit risk

Credit risk (or: counterparty credit risk) is the risk of losses due to an unexpected default or unexpected worsening of the credit rating of the counterparties and debtors of the insurance company. This mainly involves receivables related to mortgages, reinsurers, derivatives or other debtor receivables. The scope of the credit risk in 2022 did not change significantly.

4.2.4 Liquidity risk

This is the risk that DELA Group is unable to fulfil its financial obligations to its policyholders or other creditors at any time because assets cannot be traded fast enough. The liquidity risk is not expressed as a capital requirement (SCR) in Solvency II. DELA Group must have sufficient cash and cash equivalents to pay claims resulting from the existing insurance agreements and to pay for its yearly expenses. DELA Group uses multiple banks in order to have access to a wide range of credit facilities. In addition, DELA Group has credit facilities with the custodian of the shares and bonds. DELA has fulfilled its financial obligations to policyholders and other creditors in 2022.

4.2.5 Operational risks

In addition to financial risks, DELA Group also faces operational risks. These are risks resulting from external influences related to the failing of people, processes or systems. The main operational risk areas are further detailed below.

Operational risks occur at all levels of the organisation. The control measures are therefore embedded in various specific policy documents, protocols and process descriptions.

This risk domain in DELA Group is built up of the following sub-risks:

4.2.5.1 Internal and external fraud

DELA Group distinguishes between internal fraud and external fraud. Internal fraud is that committed by DELA Group employees who undertake unauthorised activities to enrich themselves and by doing so harm DELA Group. Examples are malversations, unjustified indemnities, purposefully declaring incorrect working hours, etc. External fraud is committed by someone from outside of DELA Group (third parties, suppliers, customers, etc.) whose unauthorised activities impact DELA Group. DELA Group does not accept any type of internal or external fraud in its risk appetite. The presence of various control measures as defined in policy documents (e.g., fraud policy) and process descriptions means that internal fraud risks are considered low and external fraud risks medium for DELA Group.

4.2.5.2 Working conditions and safety

The risks included here involve losses due to actions which are out of step with legislation in the field of working conditions, health or safety, or as a result of events related to inequality or discrimination. DELA Group does not accept higher risks with regard to the health and safety of its employees in its risk appetite. The presence of various control measures as defined in policy documents (e.g., the health and safety policy) and protocols means these risks are considered low for DELA Group.

4.2.5.3 Physical assets

This involves risks of loss of or damage to the head office, funeral centres and crematoriums due to natural disasters or other events. DELA Group does not accept risks related to the availability of its funeral facilities. The presence of various control measures as defined in policy documents and procedures means these risks are considered medium.

4.2.5.4 System failure and process management

This involves the risk of disruptions of operations due to system failure, and includes themes such as cyber threats and information security. The risk of losses due to failing transaction processing or process management or relationships with suppliers are also included. DELA Group has formulated a number of statements in its risk appetite:

- DELA Group does not accept risks related to disruptions of IT/telecom systems that lead to a substantial disruption of business-critical operational processes;
- DELA Group does not accept risks that fundamentally affect DELA's reputation;
- DELA Group does not accept risks related to controlled business operations.

The presence of various control measures as defined in policy documents (such as an information security protocol and process management policy), process descriptions and protocols means the risks related to process management and system failure are considered medium.

Development of operational risks in 2022

While the initiatives started within DELA Group have led to improvements in 2022, activities related to the integration of Yarden and DELA led to less progress in some segments than originally planned. Despite the completed integration, this risk domain requires a focus on Yarden locations. DELA Group estimates the risks in the field of process management and system failures as well as physical assets to be medium. These estimates remained unchanged in 2022 compared to 2021. Various developments were started in 2022 which are leading and will continue to lead to an improvement of internal control. All things considered, this should result in a consistent risk estimate. Flaws were found in the cloud environment in Belgium during 2022. Management responded immediately and prevented any incidents occurring.

4.2.6 Integrity risks

Integrity risks are paired with the threat of damage to DELA's reputation or existing or future threats to the capital or results as a result of insufficient compliance with the law. In principle, DELA Group monitors this issue from its compliance function based on the themes in the systematic integrity risk analysis (SIRA). The remaining risk is therefore considered very limited, and DELA believes that no additional capital has to be reserved.

The SIRA themes are:

- Organisational and employee integrity: organisational integrity includes themes such as governance and outsourcing. Employee integrity involves the integrity of the Executive Board, the internal supervising body, and internal and external employees. Related subjects are pre-employment screening, professionalism and conflicts of interest.
- Customer-chain integrity: this involves both the integrity of customers and how the organisation treats customers. It also includes the integrity of the chain in which the company operates. Themes range from duty of care to combatting money laundering and terrorism.
- Market integrity: this relates to the integrity of the (financial) market(s), including issues such as competition and market abuse.
- Integrity related to the processing of personal data: this involves the integrity of the data used within DELA Group (such as the processing and security of personal data).

Development of integrity risks in 2022

A major development that affected all integrity risks in 2022 was the integration of Yarden. In addition, the allocation of a fulltime Data Protection Officer enhanced the focus on the correct and timely processing of personal data. A DNB study into compliance with the Sanctions Act and regulations enhanced the focus on customer-chain integrity in 2022. The findings from this study helped improve compliance. Another major development is visible in Procurement, and, more specifically, in the outsourcing theme as part of SIRA Organisational Integrity. In 2022 the procurement and outsourcing policy was updated and the focus on outsourcing enhanced. Further steps are required in 2023 to adapt the current contracts to the new requirements and gain a better insight into the outsourcing chains.

Fiscal integrity was added as a separate domain within SIRA in 2022 and relates to the fiscal control within DELA Group. Second line managers will further develop the monitoring of key fiscal risks in 2023 in alignment with the tax manager and responsible management.

4.2.7 Other risks not part of the standard model

In addition to the risks included in the standard model related to determination of the capital requirements, there are various other risks that are of interest to DELA Group. The sections below describe these risks in further detail.

4.2.7.1 Strategic risks

This involves uncertainties that may impede implementation of the long-term strategy. These risks may hinder expansion abroad or restrict the ability to keep to the business model and its essential profit distribution concept. These risks can largely be minimised via a proper strategy process, supervised by external consultants, and monitored by the Supervisory Board. The implementation involves business cases to assess the required investments and keep them manageable. In addition, the annual Own Risk and Solvency Assessment checks which risks are a potential threat to the continuity of the DELA Group. Stress tests show that the solvency position is robust, although DELA Group is sensitive to scenarios with low interest rates and low inflation. Preparatory measures are taken or different choices made where necessary. The main preconditions and measures are developed in the capital policy, which is evaluated annually. The risks are therefore considered limited and no additional capital has to be set aside.

External developments that may impact the strategy are constantly monitored and included in the ongoing strategy process.

4.2.7.2 Reputation risk

The reputation risk is the threat of any damage caused by a loss of reputation. It is controlled by the active development of reputation management, with incident management being a major spearhead. This involves the timely identification of possible reputation risks and any associated spill-over effects, and taking timely management actions where necessary. The company culture and desired tone at the top are other important factors in mitigating this risk. They are supported by training programmes, the administrative organisation and internal controls. The risk is therefore considered limited and no reason to reserve additional capital.

4.2.7.3 Funeral cost inflation

The standard model does not include a funeral cost inflation risk. Although inflation is primarily a risk for policyholders, it is relevant to DELA as an increase in funeral costs directly results in a premium increase. DELA Group aims for a good service provision to members at the lowest premium possible. This is, in fact, a focal point in the ORSA. DELA Group has some influence on the development of funeral cost inflation and monitors this throughout the year.

4.2.7.4 Sustainability risk

The sustainability risk includes the risk of climate change. DELA Group is confronted with this both directly and indirectly via its investments. In 2022 the climate risk impact was re-analysed in the ORSA. The risks related to climate change have a limited impact on the coverage, premium increase and solvency. In pricing climate-related risks we see that coverage stays low for longer and the premium increase is higher than in the basic scenario. The solvency remains stable in the various climate scenarios.

4.2.7.5 Financial reporting risk

DELA Group also faces a financial reporting risk – i.e. that the financial and non-financial reports of the company contain substantially incorrect or incomplete information. It also involves the risk that internal and external stakeholders were not made aware of the reports in time. In DELA Group, this risk is limited via measures and procedures embedded in various policy documents and then implemented. Examples include the external reporting policy in accordance with the Reporting Guidelines (R)), the Disclosure Policy (SFCR), and reports for the regulator.

5. Notes on the balance sheet

5.1 Intangible assets

Developments

Amounts x €1,000	2022	2021
Book value on 1 January	140,940	85,916
Investments	17,572	23,301
Disposals	-	-5,344
Revaluations	-16,377	-14,728
Acquisitions	6,123	58,346
Depreciations	-13,348	-6,551
Book value on 31 December	134,910	140,940

Intangible fixed assets, cumulative

Amounts x €1,000	31-12-2022	31-12-2021
Acquisition costs	355,730	332,035
Cumulative value revaluations and depreciations	-220,820	-191,095
Book value on 31 December	134,910	140,940

Intangible fixed assets, specification

Amounts x €1,000	Goodwill	Acquired insurance portfolios	Software systems	Other	Total
Book value on 31-12-2021	92,276	10,221	33,808	4,635	140,940
Investments	-	-	17,572	-	17,572
Disposals	-	-	-	-	-
Revaluations	-16,377	-	-	-	-16,377
Depreciations	-7,477	-610	-4,654	-607	-13,348
Acquisitions	6,123	-	-	-	6,123
Book value on 31-12-2022	74,545	9,611	46,726	4,028	134,910

The investments in book year 2022 involve investments in multiple software systems. The acquisitions in 2022 involved acquisition of Belgian funeral activities.

In 2022 there was an impairment to the goodwill position of funeral activities acquired in the Netherlands and Belgium. This resulted in a devaluation of €16.4 million caused by an increase in the required returns (mainly due to the rising market rate) which meant that the expected return was no longer sufficient.

At the end of the year, a sum of €16.0 million of the goodwill position is reserved to acquired Dutch and Belgian funeral activities. The valuation of this goodwill position at the end of the year strongly depends on the expected return on the one hand and the expected future operating results on the other. Any major deviation from the current estimates could potentially have a significant effect on the book value.

5.2 Investments

DELA Group manages risk positions using the periodical Asset & Liability Management (ALM) studies as it aims to realise long-term investment results that exceed the interest obligations resulting from insurance contracts and deposits and help meet profit sharing ambitions. The main investment goal in the insurance company is the maximisation of the investment return within the authorised risk framework.

5.2.1 Real estate

Developments

Amounts x €1,000	2022	2021
Book value on 1 January	672,637	642,785
Investments	22,137	18,764
Revaluations	-43,216	-31,399
Disposals	-129,669	-102,345
Procurement due to acquisitions	-	144,832
Book value on 31 December	521,889	672,637
Acquisition costs	338,142	445,674
Cumulative value changes	183,747	226,963
Book value on 31 December	521,889	672,637

Real estate involves investments in direct properties. The balance sheet of DELA Group does not include any real estate investments from operational leasing in which DELA Group is the lessee. To realise a better geographical distribution of real estate investments, parts of the portfolio were sold from 2020 onwards and investments made in international real estate funds (investment category: real estate funds). The value of the properties (excl. crematoriums) which were still in the portfolio at the end of 2022 had fallen by approximately 4 percent during the year. The market rent of these assets fell by around 4.3 percent. At the end of 2022 the total value of this portfolio was 14.4 times the market rent (2021: 14.3 times).

A positive result of €7,772 was realised over the disposals. The sales result is determined by the difference between the net sales return and the valuation on the balance sheet on the selling date.

Other real estate does not include assets that are not being used for company activities.

The overview below shows a categorisation of the real estate objects.

Real estate, specification

Amounts x €1,000	31-12-2022	31-12-2021
Retail (-/- environmental provision)	152,096	260,172
Residential	6,085	18,298
Crematoriums	299,234	328,607
Offices	35,051	35,890
Parking	3,410	3,570
Other	26,013	26,100
Total	521,889	672,637

The investments in retail mainly consist of retail properties at A-1 locations and shopping centres throughout the Netherlands.

Other real estate relates to DomusDELA. The fair value of DomusDELA Vastgoed and Klooster for the first five years is based on the establishment costs as this period is considered a start-up phase.

Of all real estate, €8,510 involved crematoriums that were under development on 31-12 2022. The valuation of real estate under development did not take into account the company's development costs, other indirect costs or interest rates.

Real estate, amounts in income statement

Amounts x €1,000	2022	2021
Rental income	44,972	46,743
Other income and costs	-37,898	-41,392
Operating costs	-13,922	-10,309
Total	-6,848	-4,958

The rental contracts of commercial real estate are drawn up based on ROZ model 2012. 93 percent of the contracts have a fixed term and are extended automatically if not terminated. 59 percent have a fixed term with an extension rule of five years, and others have various fixed terms (usually one or three years). About 7 percent of the contracts are indefinite and can be terminated at any time with a term of notice of one year. The rental contracts do not include an option to buy.

The negative 'Other income and costs' are mainly the result of an unrealised depreciation in value in the real estate; this is part of the investment results.

DELA Group has a limited exposure to operating costs related to vacant properties.

Contractual obligations on balance sheet date

Amounts x €1,000	31-12-2022	31-12-2021
For new builds	2,210	-
For redevelopment	-	-
Total	2,210	-

The valuations of real estate include estimates, which means there is a level of uncertainty in the value and a bandwidth should always be taken into account. The accuracy of an appraisal of a common object should be within a bandwidth of 10 percent (+ / -) of the value. The valuation method used for each real estate category is clarified below.

Valuation method for retail, residential, offices and parking

The valuation of real estate is partly based on available market data and is calculated by external appraisers. The appraisals are made in accordance with RICS appraisal standards and the regulations of the Register of Real Estate Appraisers in the Netherlands (NRVT). Both the RICS standards and the NRVT regulations – and therefore the appraisals – comply with the International Valuation Standards. Depending on the type of real estate, the BAR/NAR method, direct capitalisation method and discounted cashflow (DCF) methods are used. At least once every three years the value is determined by independent, external experts by means of a full valuation based on the private sale value in rented state. In the other years, the value is based on a reappraisal that is also made by external experts. The entire portfolio is valued by external appraiser CBRE. The company has an ISAE3402 type II attestation and the responsible appraisers are registered with NRVT. The applied discount rate is between 2 percent and 7 percent, depending on the applied risk premium determined per complex. The gross initial return is between 3.6 percent and 13 percent. In the event of a definitive and unconditional agreement to sell a real estate object, this is valued at the agreed selling price.

Retail

The direct capitalisation method or the DCF method are applied to calculate the fair value of the retail objects. The appraiser considers which method is best suited to determine the value of each object. The direct capitalisation method is mainly used for shops, the DCF method more commonly used for shopping centres. The direct capitalisation method determines the fair value based on the gross market rent value of the lettable floor surfaces of the buildings and/or premises, minus the operating costs and other expenses linked to the object, and related to a net return that is considered realistic in current market conditions.

Residential

The DCF method is used to determine the fair value of residential objects. This calculation assumes a return over a review period of ten years. The cashflows consist of rental income minus the operating costs and other expenses linked to the object.

Parking and offices

It is standard in the market to value parking facilities (garages and car parks) and offices based on the income approach and the comparative method. The valuation is therefore based on a combined BAR/NAR-DCF calculation.

Valuation method for crematoriums

Crematoriums are stated at fair value on the balance sheet date. Both the DCF method and direct capitalisation are used to determine this fair value for crematoriums older than five years. The applied discount rates are in line with the market and lie between 9.3 percent and 10.3 percent. In addition, the value is assessed by independent external experts once every five years. In the intervening years, the current value is determined internally. The external valuation takes place on a rotational basis over the portfolio, which means that part of the portfolio is always determined annually by independent, external experts.

Crematoriums less than five years old are valued based on the establishment costs, as this is considered a start-up phase. In addition, an internal calculation method is used every year to see whether any impairments should take place.

Due to the lack of actual transactions in the market that could be used to validate the appraisal process, the appraisal of real estate comes with a significantly increased level of uncertainty. In the event of sales transactions in the period in which the financial statements is being drawn up and when there are deviations between the selling price and appraisal value, valuation of a real estate object is based on the realised selling price. Sales results and value changes of real estate stated at market value are processed in the income statement. In this statement, these value changes – insofar as they are cumulatively positive (at the building level) – are processed in the revaluation reserve in which deferred taxes are taken into account. The original cost price, where no correction for depreciation is made, is also taken into account.

5.2.2 Participations

Specification

<i>Amounts x €1,000</i>	Share in issued capital	31-12-2022	31-12-2021
- Société d'Étude et de Service pour la Crémation N.V., Rue des Nutons 329, Charleroi	35%	1,242	594
- Stoppelenburg B.V., Populierenlaan 122a, Krimpen aan den IJssel	20%	712	658
- Neo Joule B.V., Sintelstraat 27, Maasbracht	18%	1,400	1,400
- The Right Meal B.V., Melkpad 49, Hilversum	16%	275	275
- Salarise B.V., Hoofdstraat 244, Driebergen-Rijsenburg	25%	657	910
- Jelsumerhof Beheer B.V., Sem Dresdenstraat 2A, Leeuwarden	25%	178	162
Total		4,464	3,999

Participations, developments

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	3,999	2,038
Procurement due to acquisitions	-	155
Investments	-	1,793
Result participation	515	13
Dividend payments	-50	-
Book value on 31 December	4,464	3,999

- DELA Funerals Assistance 1 BVBA has a 35% interest in Société d'Étude et de Service pour la Crémation NV;
- DELA Uitvaartverzorging NV has a 20% interest in Stoppelenburg BV, a funeral company located;
- DELA Holding NV has a 18.4% interest in Neo Joule BV which was set up to research various cremation methods;
- Voor Elkaar Holding N.V. has a 16.2% interest in The Right Meal BV. The company offers personal dietary advice and supervision in the event of illness and treatment based on personal tastes and living conditions;
- Voor Elkaar Holding N.V. has a 25% interest in Salarise BV. This Peer-to-Peer loan platform provides attractive, repayable loans for people with employee salaries. DELA Holding NV has the option to expand its interest to 100%;
- DELA Uitvaartverzorging NV has an interest of 25% in the funeral company Jelsumerhof Beheer BV.

5.2.3 Other financial investments**Developments**

<i>Amounts x €1,000</i>	Book value 31-12-2021	Acquisitions	Sales and payments	Revaluation and other mutations	Book value 31-12-2022
Shares and other variable income securities	2,968,913	980,831	-1,723,936	-433,691	1,792,117
Bonds and other fixed interest securities	2,695,781	1,513,140	-1,515,539	-467,112	2,226,270
Derivatives	-	-	-	64,574	64,574
Mortgage loans	192,457	1,997	-30,358	-217	163,879
Other loans	359,668	66,201	-121,219	-61,372	243,278
Real estate funds	1,345,465	516,402	-	29,191	1,891,058
Infrastructure funds	554,968	397,641	-	50,048	1,002,657
Agricultural and forestry funds	-	104,346	-	-660	103,686
Mortgage funds	209,616	147,673	-	-58,310	298,979
Investments in cash and cash equivalents	64,057	-	-	8,610	72,667
Other financial investments	12,644	288	-	-2,038	10,894
Total	8,403,569	3,728,519	-3,391,052	-870,977	7,870,059

Other financial investments, other valuations

<i>Amounts x €1,000</i>	Balance value	Cost price	Market value
Shares and other variable income securities	1,792,117	1,676,001	1,792,117
Bonds and other fixed interest securities	2,226,270	2,512,815	2,226,270
Derivatives	64,574	-	64,574
Mortgage loans	163,879	357,847	157,351
Other loans	243,278	260,165	243,278
Real estate funds	1,891,058	1,609,322	1,891,058
Infrastructure funds	1,002,657	900,195	1,002,657
Agricultural and forestry funds	103,686	104,346	103,686
Mortgage funds	298,979	354,389	298,979
Investments in cash and cash equivalents	72,667	72,667	72,667
Other financial investments	10,894	10,894	10,894
Total	7,870,059	7,858,641	7,863,531

Shares and bonds

All shares and bonds are listed on the stock exchange.

The modified duration formula is used to measure interest rate sensitivity. The average modified duration of the bonds and other loans is 6.1.

Shares, geographically distributed

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Asia-Pacific	33.4%	35.1%
Europe	25.9%	29.7%
North America	34.4%	32.4%
Latin America	3.7%	1.6%
Middle East	2.7%	1.2%
Total	100.0%	100.0%

Shares, categorised by sector

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Financial institutions	17.7%	18.2%
Information technology	15.9%	16.9%
Luxury consumer goods	11.9%	13.0%
Industry	11.2%	10.8%
Health care	10.3%	9.8%
Consumer goods	8.6%	7.7%
Communication services	6.5%	7.2%
Raw materials	6.2%	6.4%
Energy	5.7%	3.9%
Real estate	3.0%	3.6%
Utilities	3.0%	2.5%
Total	100.0%	100.0%

Fixed-interest securities, categorised by rating

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
AAA	27.5%	13.9%
AA	13.2%	7.3%
A	6.5%	7.2%
BBB	17.6%	17.0%
< BBB	25.0%	23.2%
Other	10.3%	31.4%
Total	100.0%	100.0%

Unhedged foreign exchange positions

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Hong Kong dollar	145,840	189,493
American dollar	142,483	343,411
South Korean won	76,778	106,871
Brazilian real	65,481	58,632
New Taiwan dollar	64,138	108,403
Indian rupee	56,616	65,641
Australian dollar	54,760	46,057
South African rand	51,704	46,133
Mexican pesos	51,645	44,386
Chinese yuan	32,852	46,566
Swiss franc	32,012	69,690
Indonesian rupiah	31,172	38,560
Canadian dollar	30,455	48,485
Thai baht	29,125	21,717
Malaysian ringgit	25,007	17,678
Other	196,603	399,205
Total	1,086,671	1,650,928

Derivatives

The valuation of the derivatives (forward exchange contracts) is made based on the 'mark-to-model' approach. The average remaining term of these contracts is 2 months. There were also derivatives (forward exchange contracts) in place on 31 December 2021 but their value was negative so they were categorised on the liabilities side under short-term debts.

Mortgage loans

The mortgage loans involve direct investments in mortgages, all provided with NHG accreditation. The current value of the mortgage loans is €157,351. The current value of the collateral for the mortgage loans at the end of 2022 was €375,103.

Other loans

Some €3.5 million of the loans were at a fixed-interest percentage on 31 December 2022. For these loan is a security consists of a pledge on all outstanding shares in the relevant counterparty and a security deposit of €0.5 million.

Real estate funds

The real estate funds are not listed on the stock exchange. The valuation of the real estate funds involves the fair value using the DCF method. This valuation is taken from the fund managers and is the valuation model also used in the trading of property. The valuation is in accordance with generally accepted methods and set by an external appraiser/valuer. We receive an ISAE3402 Type II report or equivalent for most funds. The audit statement from the external accountant with the valuation or annual statement of the funds is only received in some cases after the DELA Group financial statements has been drawn up. Analysis has shown that sufficient certainty exists for the reliability of the valuations as accounted for by fund managers, although there is a limited risk of the kind of estimation uncertainty that can naturally occur for investments held by the fund.

Infrastructure funds and agricultural and forestry funds

The infrastructure funds and agricultural and forestry funds are not listed on the stock exchange. Their valuation is based on the fair value provided by fund managers. The valuations are established using the DCF method and local accounting standards, and we have determined that there are only marginal differences between them. The valuation is preferably performed by an external appraiser/valuer. We receive an ISAE3402 Type II report or equivalent for most funds. The audit statement from the external accountant with the valuation or annual statement of the funds is only received in some

cases after the DELA Group financial statements has been drawn up. Analysis has shown that sufficient certainty exists for the reliability of the valuations as accounted for by fund managers, although there is a limited risk of the kind of estimation uncertainty that can naturally occur for investments held by the fund.

Mortgage funds

The mortgage fund is not listed on the stock exchange and comprises investments in non-NHG accredited mortgages. The valuation of these funds involves the fair value, and is taken from the fund managers. The valuations are established via the DCF method. Local accounting standards are applied and these are assessed by DELA for applicability within our valuation principles. The valuation is performed and reviewed internally by the fund's external accountant and we receive an ISAE3402 Type II report. The audit statement from the external accountant with the annual statement of the fund is only received after the DELA Group financial statements has been drawn up. Analysis has shown that sufficient certainty exists for the reliability of the valuations as accounted for by fund managers, although there is a limited risk of the kind of estimation uncertainty that can naturally occur for investments held by the fund.

On the balance sheet date, the loan-to-value is 66,7 percent (2021: 71.3 percent)

Investments in cash and cash equivalents

Investments in cash and cash equivalents relate to receivables and debts directly linked to the investment portfolios with a mandate issued to the asset manager. It mainly involves cash positions in the various FGRs (joint account investment funds).

Other financial investments

The amounts included under the Other financial investment item relate to the art collection and interests in non-listed private equity firms. The market value of these private equity firms is based on the DCF method. The art collection is valued at cost price or lower market value; at the end of 2022 it amounted to €2.8 million (2021: €3.5 million).

Securities lending

DELA Group lends shares and bonds. To limit the risk for DELA Group, borrowers must provide collateral for the loans. Cash collaterals are not allowed and the lending parties must comply with strict requirements. To further limit the risk, the following additional restrictions are applied:

- counterparties must have a S&P rating of at least A-;
- collateral may only involve government bonds from OECD countries with a S&P rating of at least AA- in accordance with S&P;
- the market value of the collateral should be at least 102 percent of the market value of the loaned securities;
- shares on our engagement list are not eligible for lending. Engagement is the process by which active rights as shareholder are being used.

The market value of the loaned items on 31-12-2022 was €518.6 million (2021: €364.1 million). The value of the collateral is €536.2 million (2021: €376.2 million).

5.3 Receivables

Specification

Amounts x €1,000	31-12-2022	31-12-2021
Deferred tax assets	90,733	-
Corporate tax	40,757	43,255
Taxes and social insurance premiums	11,185	13,361
Loans to the Board	107	250
Debtors	17,541	20,640
Receivables from insurance	-251	2,580
Other receivables	31,195	7,125
Total	191,267	87,211

The other receivables have a term of less than one year, except for the deferred tax assets and the loans to the Board.

The other receivables increased because DELA was still expecting €11.9 million from the sale of a number of crematoriums at the end of 2022, which is being paid in instalments. The amount of this receivable may change later as the future results of the sold crematoriums will determine the definitive sales price.

The deferred tax positions are subjected to offsetting (where possible). The table below shows a specification of the various deferred positions that are presented jointly on the asset side of the balance sheet, which also include negative amounts due to the offsetting applied.

Deferred tax receivables, specification

Amounts x €1,000	31-12-2022	31-12-2021
- Related to different tax valuations of:		
- technical provision	109,308	-
- initial expenses	38,222	-
- securities	55,309	-
- real estate	-109,741	-
- other	-2,365	-
Total	90,733	-

As a result of negative developments in the fair value of the investments in book year 2022, there was an increase in the deferred tax assets on investments.

€5,027 of the total deferred tax receivables are expected to be settled within one year.

Loans to the Board

The mortgage loan to a Board member, as referred to in Article 2:383 section 2 DCC, is €107 (2021: €250). Of this loan, €107 (2021: €250) has been provided at 3 percent and must be repaid by the Board member involved in the year they step down from their position. Repayments were made in the book year.

5.4 Other assets

Real estate in own use, developments

Amounts x €1,000	2022	2021
Book value on 1 January	99,580	68,808
Investments	3,752	7,506
Revaluations	-	-119
Procurement due to acquisitions	45	28,894
Disposals	-2,457	-594
Depreciations	-4,804	-4,997
Other changes	-	82
Book value on 31 December	96,116	99,580
Acquisition value	207,570	207,525
Cumulative depreciations	-111,454	-107,945
Book value on 31 December	96,116	99,580

The disposals resulted in a book loss of €22 (2021: book loss €101).

Other intangible assets, developments

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	26,198	26,932
Investments	7,621	4,246
Procurement due to acquisitions	134	2,314
Disposals	-1,080	-949
Depreciations	-6,848	-6,345
Book value on 31 December	26,025	26,198
Acquisition value	155,344	156,777
Cumulative depreciations	-129,319	-130,579
Book value on 31 December	26,025	26,198

The disposals resulted in a book loss of €330 (2021: book loss €3).

5.5 Group equity**Developments**

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	1,778,413	1,343,251
Result after taxes	-741,101	434,881
Other changes in value	270	281
Book value on 31 December	1,037,582	1,778,413

The total result over the book year amounted to minus €740,831.

5.6 Minority share**Developments**

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	3,229	3,211
Result after taxes	-177	-195
Other changes in value	112	213
Book value on 31 December	3,164	3,229

5.7 Solvency

DELA Group determines the solvency based on Solvency II, which are European calculation rules that take into account the risks included in the balance sheet of the insurer. DELA Group applies the so-called Solvency II standard model for its calculations. This uses the interest rate term structure (including Ultimate Forward Rate) at the end of 2022 as determined by European supervisor EIOPA. The internal minimum solvency percentage deemed necessary has been set internally at 150 percent.

Solvency (based on Solvency II guidelines)

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Required solvency	1,216,049	847,537
Available solvency	2,751,276	1,996,018
Solvency ratio	226%	236%

An adjustment was made to the model used to determine the solvency after an inaccuracy was found. The Solvency II ratio on 31-12-2021 was adjusted to 236 percent for reasons explained in section 4.1.1.

The Solvency II ratio for 2022 is at virtually the same level as the previous year. Various developments such as the negative investment result and rising interest rates and inflation have opposite effects which almost cancel each other out.

For further clarification of how the solvency ratios are determined, refer to the SFCR report (solvency and financial condition) provided on the DELA website.

5.8 Provisions

Developments

<i>Amounts x €1,000</i>	Book value 31-12-2021	Allocation	Withdrawal	Other value mutations	Book value 31-12-2022
Provision for deferred tax obligations	191,876	30,791	-223,305	8,584	7,946
Provision for pensions	66	-	-6	-	60
Provision for work anniversaries	1,755	79	-511	-	1,323
Provision for restructuring	12,625	1,738	-12,919	-1,444	-
Other provisions	563	224	-69	-416	302
Total	206,885	32,832	-236,810	6,724	9,631

The provisions are mainly of a long-term nature.

The deferred tax positions are subjected to offsetting (where possible). The table below shows a specification of the various deferred positions that are presented jointly on the liabilities side of the balance sheet, which also include negative amounts due to the offsetting applied.

Deferred taxes, specification

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Related to different tax valuations for:		
- technical provision	-	-138,482
- real estate	-348	152,939
- loss set-off for previous years	-16,625	-12,725
- initial expenses	15,309	-23,240
- securities	7,581	209,507
- other	2,029	3,877
Total	7,946	191,876

5.9 Technical provision

Specification

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Gross technical provisions	7,663,848	7,292,420
Reinsurance share	-25,281	-23,630
Allocated acquisition costs	-106,833	-96,478
Total	7,531,734	7,172,312

Technical provision, developments

Amounts x €1,000	2022	2021
Book value on 1 January	7,172,311	5,154,718
- From premiums	523,206	462,962
- Interest	178,840	160,075
- Profit sharing	43,654	5,844
- Benefits	-201,332	-166,418
- Risk premium	-175,760	-151,533
- Release for expenses	-17,914	-13,477
- Other changes	-898	-3,308
- Allocated acquisition costs	-10,355	-12,421
- Acquisition	19,982	1,735,870
Book value on 31 December	7,531,734	7,172,312

Almost the entire technical provision can be considered long-term. The modified duration is 35.2. The indexation provision and the provision for compensating the indexation deficit for package policies are part of the technical provision. The value of these provisions on 31 December 2022 was €53.0 million (2021: €57.7 million) respectively €21.7 million (2021: €22.4 million). The decrease of these provisions is mainly due to owners of package policies being awarded indexation respectively the compensation for the indexation shortages for pay-outs upon death in 2022.

The share of reinsurers in the technical provision and the payments to which DELA Group is liable as a result of its reinsurance contracts are deducted from the gross technical provision.

The provisions for life risk are initially based on base tariffs, which are usually mortality rates, a fixed actuarial interest and cost parameters for initial and ongoing costs.

Financial metrics life insurance 2022

Amounts x €1,000	Annual premium	Insured capital	Accumulated balance	Provision insurance obligations	Number of insured
Funeral insurance	589,388	28,904,875	-	7,100,925	4,928,579
Savings insurance	43,465	506,381	460,401	460,401	55,136
Life insurance	57,527	43,558,706	-	102,522	505,747
Reinsurance	-	-	-	-25,281	-
Allocated acquisition costs	-	-	-	-106,833	-
Total	690,380	72,969,962	460,401	7,531,734	5,489,462

The increase in the annual premium and the insured capital is mainly due to the acquisition of the insurance portfolio in Germany.

Financial metrics life insurance 2021

Amounts x €1,000	Annual premium	Insured capital	Accumulated balance	Provision insurance obligations	Number of insured
Funeral insurance	520,610	26,807,901	-	6,806,756	4,881,135
Savings insurance	41,113	440,148	400,194	400,194	52,262
Life insurance	53,438	41,429,648	-	85,469	366,694
Reinsurance	-	-	-	-23,630	-
Allocated acquisition costs	-	-	-	-96,478	-
Total	615,161	68,677,697	400,194	7,172,312	5,300,091

Allocated acquisition costs, developments

Amounts x €1,000	2022	2021
Book value on 1 January	96,478	84,057
Allocated	26,126	26,157
Depreciated	-15,771	-13,736
Book value on 31 December	106,833	96,478

The allocation of acquisition costs relates to paid provisions in Belgium and Germany. For the Dutch insurance portfolio, depreciation only took place on paid provision prior to 1 January 2013.

5.10 Liability adequacy test

The liability adequacy test checks that the technical provision is sufficient to provide a high level of certainty regarding the obligations to policyholders. In the test, the balance sheet provision is reduced by the related allocated acquisition costs, and intangible assets are compared to a provision that takes current estimates of all future cashflows and developments into account. These cashflows include profit sharing and premium measures. The current estimates take into account the uncertainty margins prescribed in Guideline 605 of the Dutch Accounting Standards Board.

Should the current estimate be lower than the available technical provision, it can be stated that the available balance sheet provision is able to meet the obligations to policyholders.

The liability adequacy test is performed on the total portfolio of insurance obligations every year. Any shortfalls are charged directly to the income statement, initially by writing them off to future profit margins in acquired portfolios, followed – if necessary – by writing them off to allocated acquisition costs and, finally, by establishing an additional provision if required. Write-offs to allocated acquisition costs or future profit margins in acquired portfolios due to this test are not reversed in later years. No write-offs took place in previous years.

Assumptions liability adequacy test

Discount rate	Based on the interest rate term structure published by EIOPA, taking into account the Ultimate Forward Rate (UFR) on 31 December 2022.
Profit sharing	Full profit sharing occurs when the coverage, or the market value of the investments expressed in percentages of the market value of the already allocated obligations, is higher than 210 percent. No profit share is given if the coverage is 120 percent or lower. Profit sharing is realised pro rata between 120 and 210 percent.
Premium measure	An extra premium measure is required if both the 20-year swap interest in accordance with the interest rate term structure as described above is lower than 1 percent and the coverage is lower than 120 percent. The extra premium increase attains the maximum value at an interest rate of 1 percent.
Expected mortality	Based on the mortality table 2022 published by the Actuarial Society of the Netherlands, the mortality table 2020 by the Institute of Actuaries in Belgium and the mortality table 2008T by the German Actuarial Society. The mortality rates from these tables are corrected based on portfolio statistics.
Unnatural deaths	Risks per homogenous risk group based on own portfolio.
Costs	The costs for each coverage for the Netherlands and Belgium are determined based on the 2023 budget and the investment costs associated with the expected investment mix in 2023.
Guarantees	Fair value.

An adjustment was made to the models after an inaccuracy was found which means that the excess value at the end of 2021 was changed to €608 million (including VOBA and mortgage excess value). See also the notes on section 4.1.1. The performed liability adequacy test at current value shows that the total of the technical provisions has an excess value of €2,341 million at the end of 2022. Due to the interest rate rise in 2022 and the excess value shown in the liability adequacy test went up. The results from the test are at the level of DELA Natura- en levensverzekeringen NV (including the Belgian and German offices).

5.11 Long-term liabilities

Specification

Amounts x €1,000	31-12-2022	31-12-2021
Deposit reinsurers	18,462	17,359
Deposit fund	139,941	141,548
Long-term loans payable externally	8,948	12,332
Other	1,208	-
Long-term liabilities	168,559	171,239

The 'Other' category includes a long-term obligation based on a loss-making contract.

5.11.1 Deposit reinsurers

The liabilities to reinsurers are part of an arrangement and are of a long-term nature. The reinsurers are obligated to deposit the reinsured interest in cash to the insurers of DELA Group. The deposit is subject to an interest of 3 percent to 4.5 percent a year (2021: 3 percent to 4.5 percent).

Deposit reinsurers, developments

Amounts x €1,000	2022	2021
Balance on 1 January	17,359	16,179
Received deposits	1,103	1,180
Book value on 31 december	18,462	17,359

5.11.2 Deposit fund

This involves deposits by clients for future funeral services that are paid out at time of death. This item is therefore mainly of a long-term nature.

Debts resulting from the deposit fund, developments

Amounts x €1,000	2022	2021
Balance on 1 January	141,547	137,111
Added interest	3,756	3,549
Received deposits	5,346	3,784
Surrendered policies	-744	-1,139
Procurement due to acquisitions	-	7,419
Payments	-9,964	-9,176
Book value on 31 December	139,941	141,548

The interest rate over the DELA deposit fund is based annually on the ECB deposit interest on 31 December of the relevant year plus 0.75 percent, with a minimum of 1.5 percent to 3.0 percent a year depending on the starting date and deposited amount.

A deposit fund was also acquired as part of the Yarden acquisition in 2021 (accounted for under 'Procurement due to acquisitions'). The interest rate for these deposits in 2022 was 0,01 percent (2021: 0,01 percent).

5.11.3 Monetary loans

This involves loans entered into by subsidiaries with applicable interest rates ranging from 1 percent to 2 percent.

Monetary loans, developments

Amounts x €1,000	2022	2021
Balance on 1 January	12,332	10,008
Procurement due to acquisitions	74	25,508
Payments	-3,458	-23,184
Book value on 31 December	8,948	12,332

Of the monetary loans, €303 has a term of less than one year, €1,153 a term of between 1 and 5 years, and €7,492 a term of more than 5 years.

5.12 Short-term debts

Specification

Amounts x €1,000	31-12-2022	31-12-2021
Advance premiums	68,371	68,012
Creditors	9,229	23,732
Corporate tax	26,371	103,714
Other taxes and social security costs	4,435	13,316
Future payments	67,796	58,347
Short-term share of long-term liabilities	98	72
Derivative financial tools	-	40,841
Other debts and accrued liabilities	58,335	40,343
Book value on 31 December	234,635	348,377

Derivative financial instruments

The derivative financial instruments on 31 December 2021 included forward exchange contracts. There were also derivatives (foreign exchange contracts) in place on 31 December 2022 but their value was positive so they were classified on the asset side under other investments.

Grave maintenance (included in the item Other debts and accrued liabilities)

The accrual (amount: €7,252) is determined based on the advance received income resulting from contracts relating to the maintenance of graves and the expected future loss on the maintenance contracts existing on the balance sheet date. Old contracts are depreciated linearly over a term of 15 years. New contracts are depreciated in accordance with the contract term.

5.13 Assets and obligations not included in the balance sheet

5.13.1 Lightyear - Atlas Technologies B.V.

DELA Group has a convertible loan of €30.0 million with a term until 1 July 2024 with Lightyear - Atlas Technologies BV at an interest rate of 6% a year. The security on this loan consists of a pledge on the IP portfolio (patents and the like). Unfortunately, Atlas Technologies was declared bankrupt on 27 January 2023. The bankruptcy was being concluded as this financial statements was being drawn up.

The company will be relaunched in a slimmed down form, and the loan has been converted into an equity interest in the newly founded company. The current situation remains sufficiently unclear that a fair valuation hereof cannot be reliably made. This means that the processing criteria for an asset in the financial statements cannot be met as it must be possible for the value of an asset to be reliably determined. With this in mind the asset has not been included on the balance sheet for 31 December 2022.

5.13.2 Liability

DELA cooperative has issued a liability statement for most of the subsidiaries involved in the consolidation as referred to in Article 2:403 DCC. The subsidiaries involved are included in section 1.2.

5.13.3 Terrorism guarantee

Participation in the Dutch Terrorism Claims Reinsurance Company (NHT) entails a conditional obligation for compensation for acts of terrorism with a value of up to €2.1 million. No terrorist act as meant by this agreement occurred in the book year.

5.13.4 Bank guarantees

DELA Group has issued a total of €0.2 million in bank guarantees. These were mainly issued for rental contracts with external parties.

5.13.5 Multi-year financial obligations

Specification

Amounts x €1,000	Less than one year	Between one and five years	Longer than five years
Rent obligations	4,660	14,066	3,942
Lease obligations	4,015	6,873	1

5.13.6 Credit facilities

DELA Group has a credit facility at Northern Trust with a maximum of €100 million or 10 percent of the value of the securities deposited. The collateral comprises the securities in custody with Northern Trust. The interest percentage due is the ESTER interest rate plus 1.25 percent.

DELA Group has a credit facility at Rabobank with a maximum of €4 million. The interest percentage due is the EONIA interest rate plus 1.6 percent.

5.13.7 Investment obligation

DELA Group came to an agreement with a counterparty in 2022 to invest €100 million in real estate funds. At the end of 2022 the remaining investment obligations to various counterparties were €100 million and \$62 million (which equals €58 million on the balance sheet date).

In 2022 DELA Group did not enter into any new agreements for investments in infrastructure funds. At the end of 2022 the remaining investment obligations were €30 million and \$80 million (which equals €74 million on the balance sheet date).

At the end of 2022 the remaining investment obligation in ASR Hypotheekfonds was €75 million.

DELA Group came to an agreement with a counterparty in 2022 to invest €100 million in agricultural and forestry funds. At the end of 2022 the remaining investment obligations were €131 million and \$80 million (which equals €74 million on the balance sheet date).

5.13.8 Future contractual rental income

DELA Group is entitled to future rental income as a result of ongoing rental agreements.

Future contractual rental income

Amounts x €1,000	Less than one year	Between one and five years	Longer than five years
Rental income	13,117	24,857	2,497

5.13.9 Fiscal unity

Fiscal units have been established in DELA Group for corporate tax (VPB) and turnover tax (OB) in both the Netherlands and Belgium. Every company within the tax unity is severally liable for the taxes due. The table below shows the composition of these tax entities:

Composition of tax entities

	Corporate Tax Netherlands	Turnover tax Netherlands	Corporate Tax Belgium	Turnover tax Belgium
DELA Coöperatie U.A.	Yes	Yes	No	No
DELA Holding N.V.	Yes	Yes	No	No
DELA Natura- en levensverzekeringen N.V.	Yes	Yes	No	No
DELA Vastgoed B.V.	Yes	Yes	No	No
DELA Hypotheken B.V.	Yes	Yes	No	No
DELA Crematoria Groep B.V.	Yes	Yes	No	No
DomusDELA Vastgoed B.V.	Yes	Yes	No	No
DomusDELA Klooster B.V.	Yes	Yes	No	No
DomusDELA Exploitatie B.V.	Yes	Yes	No	No
DELA Uitvaartverzorging N.V.	Yes	Yes	No	No
DELA Depositofonds B.V.	Yes	Yes	No	No
DELA US Investments B.V.	Yes	Yes	No	No
Begraafbeheer B.V.	Yes	Yes	No	No
DELA Depositary & Asset Management B.V.	Yes	Yes	No	No
Yarden Franchise B.V.	Yes	Yes	No	No
Voor Elkaar Holding B.V.	Yes	Yes	No	No
Fello B.V.	Yes	Yes	No	No
UNC Holding B.V.	No	No	No	No
Crematorium La Grande Suisse B.V.	No	No	No	No
Exploitatie crematorium La Grande Suisse B.V.	No	No	No	No
Begraafplaatsen & Crematorium Almere B.V.	No	No	No	No
Exploitatie Maatschappij Yarden - Eefting B.V.	No	No	No	No
Uitvaartcentrum Zwolle B.V.	No	No	No	No
Tempero B.V.	No	No	No	No
C.V.U. Uitvaartzorg B.V.	No	No	No	No
DELA Holding Belgium NV	No	No	Yes	Yes
Crematorium Brugge N.V.	No	No	Yes	Yes
Crematorium Vilvoorde N.V.	No	No	Yes	Yes
Hainaut Crémation SA	No	No	No	Yes
DELA Funerals Assistance 1 BVBA	No	No	No	Yes
DELA Natura-en levensverzekeringen N.V. filiaal België	No	No	Yes	Yes
DELA Vastgoed België N.V.	No	No	No	Yes
DELA Enterprise N.V.	No	No	Yes	Yes
DELA Investment Belgium N.V.	No	No	Yes	No

6. Notes on the income statement

6.1 Income

Specification

Amounts x €1,000	2022	2021
Premium revenue		
Premium revenue Netherlands	487,609	434,518
Premium revenue Belgium	146,089	136,258
Premium revenue Germany	35,313	21,696
	669,011	592,472
Turnover funeral company		
Turnover funeral company Netherlands	303,408	258,431
Turnover funeral company Belgium	66,541	59,292
	369,949	317,723
Internal turnover	-178,173	-161,202
	191,776	156,521
Income from investments	-805,658	685,295
Other insurer turnover	39	3,236
Total	55,168	1,437,524

Of the total premium income in 2022, €11.6 million consists of single premiums (2021: €15.4 million).

6.2 Net investment result

Realised and unrealised investment result, specification 2022

Amounts x €1,000	Realised profit	Realised loss	Unrealised result	Asset management costs	Total
Real estate (a)	24,639	-	-13,273	18,997	-7,631
Participations (b)	471	-44	-	-	515
Other financial investments (c):					
- Shares and other variable income securities	453,644	203,652	-619,164	5,912	-375,084
- Bonds and other fixed-income securities	171,340	224,229	-364,846	4,003	-421,738
- Derivatives	73,925	304,021	105,416	436	-125,116
- Mortgage loans	6,718	-	-	946	5,772
- Other loans	17,894	7,784	-24,712	1,149	-15,751
- Real estate funds	50,112	439	29,192	337	78,528
- Infrastructure funds	28,528	-	50,048	242	78,334
- Agricultural and forestry funds	-	-	-660	-	-660
- Mortgage funds	4,093	-304	-58,310	-	-53,913
- Other financial investments	64	308	-692	3,787	-4,724
	806,318	740,129	-883,728	16,812	-834,351
Net investment result (a) + (b) + (c)	831,428	740,085	-897,001	35,809	-841,467

Realised and unrealised investment result, specification 2021

Amounts x €1,000	Realised profit	Realised loss	Unrealised result	Asset management costs	Total
Real estate (a)	29,028	-	-26,234	21,054	-18,261
Participations (b)	13	-1	-	-	14
Other financial investments (c):					
- Shares and other variable income securities	325,919	73,607	231,453	5,837	477,928
- Bonds and other fixed-income securities	359,457	69,446	-260,445	4,572	24,994
- Derivatives	59,452	117,143	-76,657	409	-134,757
- Mortgage loans	8,374	-	-	701	7,673
- Other loans	20,526	2,171	7,457	1,310	24,502
- Real estate funds	29,376	608	157,890	2,422	184,236
- Infrastructure funds	11,366	-	65,982	-965	78,313
- Mortgage funds	448	-	2,900	-18	3,366
- Other financial investments	2,070	15	-90	3,553	-1,588
	816,988	262,990	128,490	17,821	664,667
Net investment result (a) + (b) + (c)	846,028	262,989	102,256	38,875	646,420

Unrealised results indicate changes to the market value of the investments (including currency exchange effects) in the book year as they stand on the balance sheet date. All other investment results are attributed to the realised investment results.

Direct and indirect investment result, specification 2022

Amounts x €1,000	Direct	Indirect	Total
Real estate (a)	-2,130	-5,501	-7,631
Participations (b)	515	-	515
Other financial investments (c):			
- Shares and other variable income securities	61,113	-436,197	-375,084
- Bonds and other fixed-income securities	81,707	-503,445	-421,738
- Derivatives	-436	-124,680	-125,116
- Mortgage loans	5,772	-	5,772
- Other loans	14,198	-29,949	-15,751
- Real estate funds	49,720	28,808	78,528
- Infrastructure funds	28,528	49,806	78,334
- Agricultural and forestry funds	-	-660	-660
- Infrastructure funds	4,402	-58,314	-53,912
- Other financial investments	-1,843	-2,881	-4,724
	243,161	-1,077,512	-834,351
Net investment result (a) + (b) + (c)	241,546	-1,083,013	-841,467

Direct and indirect investment result, specification 2021

Amounts x €1,000

	Direct	Indirect	Totaal
Real estate (a)	11,305	-29,565	-18,261
Participations (b)	14	-	14
Other financial investments (c):			
- Shares and other variable income securities	53,757	424,171	477,928
- Bonds and other fixed-income securities	68,493	-43,499	24,994
- Derivatives	-409	-134,348	-134,757
- Mortgage loans	7,673	-	7,673
- Other loans	13,620	10,882	24,502
- Real estate funds	29,350	154,886	184,236
- Infrastructure funds	10,960	67,353	78,313
- Mortgage funds	314	3,052	3,366
- Other financial investments	-3,212	1,624	-1,588
	180,546	484,121	664,667
Net investment result (a) + (b) + (c)	191,864	454,556	646,420

Direct investment results include all received rental, lease and dividend income minus all investment costs. All results – both realised and unrealised – that result from market value changes are attributed to the indirect investment results.

6.3 Underwriting costs

Specification

Amounts x €1,000

	2022	2021
Payment on death	64,813	36,575
Funeral costs	133,807	131,208
Expiration	4,028	3,230
Pension insurance payment	11	12
Capital payments	70,877	67,164
Annulment payments	312	288
Surrendered policies	36,012	23,995
Technical provisions allocation	306,142	288,104
Intercompany payments insurer to funeral company	-178,173	-161,202
Total	437,829	389,374

6.4 Acquisition costs

Specification

Amounts x €1,000

	2022	2021
Direct acquisition costs	28,101	27,519
Allocated acquisition costs	-26,126	-25,961
Depreciation of acquisition costs	15,771	13,736
Total	17,746	15,294

The acquisition costs involve provisions paid to third parties.

6.5 Personnel costs

Personnel costs, specification

Amounts x €1,000	2022	2021
Salaries	133,630	113,589
Social security costs	25,672	19,506
Pension costs	17,904	14,687
Outsourced work	41,432	34,137
Other personnel costs	17,496	10,344
Total	236,134	192,263

6.6 Depreciation of and other value changes to intangible and tangible fixed assets costs

Specification

Amounts x €1,000	2022	2021
Depreciation of intangible fixed assets	29,725	21,279
Depreciation of tangible fixed assets	11,652	11,342
Total	41,377	32,621

6.7 Other operating costs

Specification

Amounts x €1,000	2022	2021
Building and inventory	22,548	23,451
Vehicle costs	8,705	6,663
ICT costs	31,467	25,486
Advertising costs	24,331	23,023
Third-party services	28,473	20,691
Office costs	10,587	9,726
Incidental income	-16,168	-10,769
Incidental costs	4,710	1,595
Donation to Stichting DELA Fonds	602	468
Other costs	299	462
Minus: activation of software systems	-11,545	-13,642
Total	104,009	87,154

The incidental costs comprise the costs for the 85-year anniversary, partially compensated for by a reduction in costs due to the definitive calculation of the pro rata VAT percentage.

The incidental income mainly the release of negative goodwill related to the acquisition of the Monuta portfolio in Germany. The incidental income in 2021 also included recovered VAT over previous years as well as the sale of the Hasselt crematorium (€5.4 million).

6.8 Remuneration Executive and Supervisory Board members

Executive Board members are remunerated via a fixed and a variable component. They do not receive any representation fee or shares or bonds. Of the variable component (no more than 20 percent) 60 percent is paid unconditionally and 40 percent conditionally. Both parts are fully paid in cash. The retention period for the conditional part is three years. The remuneration of the Executive Board members in the book year comprised a fixed component of €1,142 (2021: €1,148), a variable component of €180 (2021: €170) and a pension contribution of €241 (2021: €217).

The remuneration of the Supervisory Board members (of DELA Coöperatie U.A., DELA Holding NV and DELA Natuur- en levensverzekeringen NV together) in the book year amounted to €268 (2021: €246).

6.9 Audit fees

The fee for auditing the financial statements involves the total fee for the book year to which the financial statements relates, regardless of whether the activities were already performed by the external accountant during the book year. In this book year and the previous, the following amounts in accountancy costs were charged to the result:

Audit fees 2022

<i>Amounts x €1,000</i>	Deloitte NL	Deloitte abroad	Total Deloitte
Audit of the financial statements	853	264	1,117
Other audit engagements	232	-	232
Total	1,085	264	1,349

Audit fees 2021

<i>Amounts x €1,000</i>	Deloitte NL	Deloitte abroad	Total Deloitte
Audit of the financial statements	850	248	1,098
Other audit engagements	134	-	134
Total	984	248	1,232

The aforementioned fees involve the activities performed at DELA Group by audit firms and independent external accountants as referred to in Article 1, section 1 of the Accounting Organisations (Supervision) Act (Wta) and the charged fees of the entire network of which the audit firm is part. The other auditing activities mainly involve checking the annual statements for the supervisor. In addition, extra work was carried out for the model adjustment implemented within DELA. The amounts are exclusive of sales tax.

6.10 Taxes on results from ordinary activities

The taxes on the negative results before tax to the amount of € 1.015.079 can be clarified as follows:

Taxes on results, specification

<i>Amounts x €1,000</i>	2022	2021
Corporate tax due in reporting year	26,126	97,288
Previous years	-10,990	-1,603
Acute corporate income tax	15,136	95,685
Deferred corporate tax	-288,937	-5,686
Impact of tax percentage change	-	9,626
Total	-273,801	99,625

The nominal tax rate in the Netherlands in 2022 was 25.8 percent (2021: 25 percent), in Belgium 25 percent (2021: 25 percent), for Germany the applicable nominal rate of 30 percent (2021: 30 percent) was taken into account. As Germany only determines a limited taxable result, this results in a minimal divergence between the applicable rate and the effective tax burden.

Taxes on results, clarification

Amounts x €1,000	2022	2021
Result from ordinary operations before tax	-1,015,079	534,312
Nominal tax percentage	25.8%	25.0%
Nominal tax amount	-261,890	133,578
Impact of participation exemption	-43,090	-20,166
Corporate tax previous years	-10,990	-1,603
Tax differences	42,169	-12,184
Total	-273,801	99,625

The effective tax burden deviates from the nominal rate. Participation exemptions apply due to interests of over 5 percent in investment funds. Taxes over previous years mainly involve a change in how the participation exemption on an investment fund is applied. The fiscal differences are due to the fact that realised and unrealised losses on shares are not tax-deductible in Belgium. The effective tax rate over 2022 is 27.0 percent (2021: 18.6 percent).

7. Average number of employees

DELA Group had an average of 2,919 (2021: 2,543) employees over 2022, 447 (2021: 440) of which in Belgium and 36 (2021: 26) in Germany. Of these employees, 9 (2021: 12) worked for asset management and real estate management, with the personnel costs of €989 (2021: €1,524) coming under the investment costs.

8. Claims

No material claim is pending by or for DELA Group.

Eindhoven, 21 april 2023

DELA cooperative

The Executive Board

E. (Edzo) Doeve, CEO / chair
 J.A.M. (Jack) van der Putten, CCO / vice-chair
 J.L.R. (Jon) van Dijk, CFRO

Supervisory Board

J.W.T. (John) van der Steen, chair
 J.J.A. (Hans) Leenaars, vice-chair
 G.C.A.M. (Frits) van Bree, secretary
 W. A.P.J. (Willemien) Caderius van Veen
 G.M. (Georgette) Fijneman
 G.H.C. (Georges) de Méris

Company-only financial statements

Company-only balance sheet on 31 December 2022

After result appropriation.

Amounts x €1,000	Ref.	31-12-2022	31-12-2021
ASSETS			
Fixed assets			
Participations	10	1,026,046	1,750,752
Receivables from group companies	11	3,500	4,375
Other investments		3,027	2,764
		1,032,573	1,757,891
Current assets			
Receivables from group companies	11	18,254	-
Other receivables		16,519	21,749
		34,773	21,749
Cash and cash equivalents	12	330	409
TOTAL ASSETS		1,067,676	1,780,049
LIABILITIES			
Equity capital			
Revaluation reserve	13	437,905	387,037
Statutory reserves	14	33,200	28,198
Other reserves	15	566,477	1,363,178
		1,037,582	1,778,413
Short-term debts			
Debts to group companies		29,601	1,271
Other debts		493	365
		30,094	1,636
TOTAL LIABILITIES		1,067,676	1,780,049

Company-only income statement for 2022

Amounts x €1,000	2022	2021
Result of participations after tax	-725,021	445,394
Company result after tax	-16,080	-10,513
Result after taxes	-741,101	434,881

Notes on the company-only balance sheet and income statement

9. General

9.1 Principles

The company-only financial statements was drawn up in accordance with the legal stipulations in Title 9 Book 2 DCC and the authoritative statements of the Dutch Accounting Standards for annual reporting, published by the Dutch Council for Annual Reporting.

The principles for valuation and the determination of the results for the company-only financial statements and the consolidated financial statements are the same. As the 2022 operational income statement of DELA cooperative has been processed in the consolidated financial statements, only the summarised individual income statement is included in accordance with Article 2:402 DCC. Participations in group companies are valued in accordance with the equity value in compliance with section 5.2 of the consolidated financial statements.

For the principles used in the valuation of assets and liabilities and the result determination, we refer to the clarification in sections 2 and 3 related to the consolidated balance sheet and income statement.

9.2 Comparative figures

The comparative figures from 2021 include the figures from the adopted financial statements 2021.

10. Participations

The participating interests concern a 100% interest in DELA Holding N.V. and a 100% interest in Voor Elkaar Holding N.V.

Participations, developments

Amounts x €1,000	2022	2021
Balance on 1 January	1,750,752	1,305,077
Result of participation	-725,021	445,394
Paid dividend	45	-
Other value changes	270	281
Balance on 31 December	1,026,046	1,750,752
Acquisition value	607,409	607,364
Cumulative changes	418,637	1,143,388
Balance on 31 December	1,026,046	1,750,752

11. Receivables

Receivables from group companies, developments

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
<i>Fixed assets</i>		
DELA Holding NV	3,500	4,375
<i>Current assets</i>		
DELA Holding NV	18,254	-
Total	21,754	4,375

The average balance of these current account relationships is subject to an interest of 0.5 percent (short) and 3.5 percent (long).

12. Cash and cash equivalents

The cash and cash equivalents are freely available to the legal person and consist entirely of bank balances.

13. Revaluation reserve

Developments

<i>Amounts x €1,000</i>	2022	2021
Balance on 1 January	387,037	240,740
From other reserves related to change in value of investments without frequent market listing	98,970	174,085
To other reserves related to sale of investments without frequent market listing	-48,102	-27,788
Balance on 31 December	437,905	387,037

14. Statutory reserves

A statutory reserve has been set at the level of the capitalised expenses of internally developed software systems.

Statutory reserves, developments

<i>Amounts x €1,000</i>	2022	2021
Balance on 1 January	28,198	24,976
To other reserves related to release of statutory reserve in participations	-2,562	-2,949
From other reserves related to establishment of statutory reserve in participations	7,564	6,171
Balance on 31 December	33,200	28,198

15. Other reserves

Developments

<i>Amounts x €1,000</i>	2022	2021
Balance on 1 January	1,363,178	1,077,535
From appropriation result book year	-741,101	434,881
To revaluation reserve related to change in value of investments without frequent market listing	-98,970	-174,085
From revaluation reserve related to sale of investments without frequent market listing	48,102	27,788
Establishment of statutory reserve	-5,002	-3,222
Other change in value	270	281
Balance on 31 December	566,477	1,363,178

16. Statement of changes to own equity

Proposal for the appropriation of the 2022 result

It is proposed that the positive result after tax of €741,101 is added to the other reserves. In anticipation of confirmation by the general meeting, this appropriation has already been processed in the financial statements.

Appropriation of the 2021 result

The financial statements 2021 was confirmed in the general meeting of 11 June 2022. The general meeting determined the appropriation of the result in accordance with the proposal.

Statement of changes in equity

<i>Amounts x €1,000</i>	2022	2021
Balance on 1 January	1,778,413	1,343,251
From appropriation result book year	-741,101	434,881
Other changes in value	270	281
Balance on 31 December	1,037,582	1,778,413

17. Assets and obligations not included in the balance sheet

DELA cooperative is part of a Dutch fiscal unity for corporation tax (VPB) and turnover tax (OB). Every company within the fiscal unity is severally liable for the taxes due.

18. Average number of employees

DELA Cooperative had 1 employee (2021: 1) in 2022, none of which were abroad (2021: none).

Eindhoven, 21 april 2023

DELA cooperative

The Executive Board

E. (Edzo) Doeve, CEO / chair

J.A.M. (Jack) van der Putten, CCO / vice-chair

J.L.R. (Jon) van Dijk, CFRO

Supervisory Board

J.W.T. (John) van der Steen, chair

J.J.A. (Hans) Leenaars, vice-chair

G.C.A.M. (Frits) van Bree, secretary

W. A.P.J. (Willemien) Caderius van Veen

G.M. (Georgette) Fijneman

G.H.C. (Georges) de Méris

Other information

Statutory result appropriation

Article 26 of the statutes states that the Executive Board draws up the annual statement of the previous book year, including the proposal for the appropriation of the result.

Independent auditor's report

To: the General Meeting and the Supervisory Board of DELA Coöperatie U.A.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of DELA Coöperatie U.A. ("the company"), based in Eindhoven, The Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DELA Coöperatie U.A. as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company balance sheet as at 31 December 2022.
2. The consolidated and company income statement for 2022.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of DELA Coöperatie U.A. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance- opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 20.800.000. The materiality is based on 2% of equity. We consider equity to be the most appropriate benchmark, because also the SCR-ratio is derived from it, and this ratio is generally viewed by stakeholders as an important metric for the financial robustness of the organization. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 1.040.000, identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

DELA Coöperatie U.A. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of DELA Coöperatie U.A..

Our group audit mainly focused on significant group entities, such as DELA Coöperatie U.A., DELA Holding N.V., DELA Natura- en Levensverzekeringen N.V. (including the Dutch, Belgian and German insurance activities), DELA Vastgoed B.V., DELA Crematoria Groep B.V., DELA Hypotheken B.V., DELA Holding Belgium N.V. en DELA Uitvaartverzorging N.V.

We have performed audit procedures ourselves at group entities DELA Coöperatie U.A., DELA Holding N.V., DELA Vastgoed B.V., DELA Crematoria Groep B.V., DELA Uitvaartverzorging N.V. and DELA Natura- en Levensverzekeringen N.V. (Dutch en German activities). We have used the work of other auditors when auditing DELA Natura- en Levensverzekeringen N.V. (Belgium activities), DELA Hypotheken B.V. en DELA Holding Belgium N.V. We have performed review procedures or specific audit procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as, among other things, the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. In this process, we have taken into account the elements that can result in fraud:

Rationalization, pressure (motivation) and opportunity. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

The risk of management override of controls.

Description:

Management is in a unique position to commit fraud because management has the position to manipulate accounting records and prepare fraudulent statements by overriding controls that otherwise appear to be operating effectively.

How we audited this:

We evaluated the design and implementation of internal controls and processes related to generating and processing journal entries and making estimates, assuming a risk of breach of that process. We assessed the processes involved in preparing financial reports and the identification of significant transactions outside the normal course of business. We also focused on access security in the IT systems and the possibility that the segregation of duties in these systems could be breached.

In addition, we have paid specific attention to:

- Estimates by management:
Identifying and testing the key estimates underlying the valuation of investment property (real estate) investments. In this process, we have used specialists in the field of property valuation. We also audited the valuation principles used for the technical provisions, by using actuarial specialists as part of the audit team. We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements, even if these are individually reasonable, indicate a possible management bias that may represent a risk of material misstatements due to fraud.
- Generating and processing journal entries:
Selecting and testing journal entries based on risk criteria, such as journal entries and journal entries with fraudulent characteristics or descriptions.
- Significant transactions outside the normal course of business:
Performing procedures to determine whether there are significant transactions outside the normal course of business, including reviewing minutes of board meetings and critically evaluating the transactions accounted for.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant members of executives, directors (including internal audit, board, second-line risk managers, fraud coordinator and internal legal counsel) and the supervisory board.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We obtained a general understanding of the legislative and regulatory framework applicable to the entity by reading minutes, correspondence with regulators and reports from internal audit, as well as making inquiries of key functions (risk, compliance and actuarial). We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under Part 9 of Book 2 of the Dutch Civil Code and the Solvency II regulation with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, DELA Coöperatie U.A. is subject to other laws and regulations, as also stated in the NBA Practice Note 1143 “Specifieke verplichtingen vanuit de toezichtwet- en regelgeving voor de interne auditor en de externe accountant bij (her)verzekeraars” where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, e.g., through imposing fines or litigation.

Given the nature of DELA Coöperatie U.A.'s business and the complexity of these regulation, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to DELA Coöperatie U.A.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiring of management, the Supervisory Board, the Executive Board and others within DELA

Coöperatie U.A. as to whether DELA Coöperatie U.A. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Management has prepared the financial statements on the basis of going concern of all activities for a period of at least twelve months as of the date of the annual report. Our work to review management's going concern assessment includes, among other things:

- Considering whether management's going concern assessment contains all relevant information of which we have knowledge as a result of our audit and assessing management's key assumptions. Among other things, we paid attention to the solvency position, liquidity ratios and collectability of receivables.
- Determining whether management has identified events or circumstances that may cast significant doubts on the entity's ability to continue as a going concern.
- Evaluating the information included in the notes to the financial statements related to Solvency II in relation to the procedures we performed on the Solvency II regulatory reporting forms.
- Evaluating the budgeted operating results and related cash flows for the period of twelve months as of the date of the financial statements, taking into account developments in the industry and our knowledge from the audit.
- Inquiring management about its knowledge of going concern risks after the period of the going concern assessment.
- Take note of the results of the ORSA prepared by management, including the assessment of the identified stress scenarios.

Our audit procedures did not provide any information that conflicts with management's assumptions used in its going concern assessment.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

Estimates used in determining and testing the adequacy of the technical provisions for insurance contracts

Description of key audit matter:

DELA Coöperatie U.A. has significant technical provisions on the balance sheet for € 7,5 billion. Quantification of these technical provisions is inherently uncertain and requires that management makes estimates on the valuation, which is dependent on factors such as social, economic and demographic trends, inflation, investment returns, the interest rate curve used, policyholder behavior and assumptions on the development of mortality, lapse and expense rates.

Using assumptions for these factors other than those currently used in the financial statements could have a material effect on the technical provisions and underwriting costs. There is a risk that technical provisions have not been appropriately valued.

How we addressed the key audit matter:

In order to address this risk, we have performed the following:

Internal control procedures

- Assessed the design and implementation of the internal control environment of the determination of the technical provisions, including the work performed by the second-line actuarial function holder.

Substantive procedures

- Performed several test of details including checks on the reliability of the data contained in the policy administration that is relevant for the valuation of the technical provisions, test of details on the accuracy of premiums at the individual policy level and performed data analysis on the data contained in the policy administration.
- Assessed and performed a retrospective analysis on the assumptions used and the actuarial results for which the audit team involved actuarial specialists. We focused on the expense, mortality and lapse assumptions which are inputs for the liability adequacy test and the effect of the yield curve on the valuation of the technical provisions. In assessing the assumptions and actuarial results, the effect of social, economic and demographic trends and investment returns on actuarial results was also evaluated.
- Assessed the liability adequacy test prepared by DELA Coöperatie U.A. at year-end in accordance with the Financial Supervision Act (Wft). Our procedures on the liability adequacy test included assessing the reasonableness of projected future cash flows, critically reviewing assumptions and input data used, in which we also assessed whether there was potential management bias.
- Audited the accuracy of the adjustment in the modeling of the options (profit sharing and premium measure) affecting the valuation of the Solvency-II provision.
- Performed substantive procedures in relation to the reliability of information derived from the IT systems.
- Reviewed the disclosures included in the financial statements.

Our observation:

We deem the methodology and assumptions applied by DELA Coöperatie U.A. in the valuation of the technical provisions appropriate and we note no material findings with regard to the technical provisions. Furthermore, we deem that the related disclosures in note 2.14, 5.9 and 5.10 in the financial statements are adequate.

Valuation of real estate investments

Description of key audit matter:

As per 31 December 2022, DELA Coöperatie U.A. has a portfolio of investments in real estate with a fair value of € 522 million. The portfolio consists of retail, residential, crematoria, office and other properties.

At the end of each reporting period, management determines the fair value of its real estate investment portfolio in accordance with the requirements of Dutch Accounting Standard 213. DELA Coöperatie U.A. used valuation reports from external independent qualified appraisers to determine the fair value of its real estate investments. For the valuation of the crematoria, DELA Coöperatie U.A. uses a combination of external valuation reports and internal valuation models.

Since the valuation of real estate investments includes an inherent estimation uncertainty, any change in the key assumptions can have a significant impact on both valuation and result; this in relation to the relative size of the investment portfolio on the balance sheet and due to the use of assumptions that are highly sensitive. The main assumptions and parameters used here, given their sensitivity and impact on the valuation, are the discount rate and market rent levels.

How we addressed the key audit matter:

In order to address this risk, we have performed the following:

Internal control procedures

- Assessed the design and implementation of relevant internal controls regarding the data and the use of external appraisers used in the valuation of the portfolio.

Substantive procedures

We evaluated the professional competence of the external appraisers, including consideration of their qualifications and expertise. We further evaluated the assumptions made regarding the credit ratings of key lessees, lease incentives and vacancy periods and subjected them to critical analysis in the valuation calculations.

With regard to the significant assumptions in the valuation of real estate investments, we have:

- Determined that the valuation methods applied by management, and as included in the external valuation reports and internal valuation models, are appropriate.
- The significant assumptions used (such as discount rate, market rent levels, market-derived discount rate) have been subjected to critical challenge with relevant market data. We involved our internal property valuation experts in these analyses.
- Assessed the sensitivity analysis on key input data and assumptions to understand the impact of reasonable changes in assumptions on valuation and other key performance indicators (e.g., solvency ratios).
- Assessed the adequacy of the disclosures related to the assumptions used in the valuations and sensitivity analysis as included in the financial statements.

Our observation:

Considering the (significant) assumptions used in the valuation reports, we deem the valuation of the real estate investments to fall within the acceptable range and therefore appropriate. Furthermore, we deem that the related disclosures in note 2.5.1 and 5.2.1 in the financial statements are adequate.

Other financial investments valuated at fair value that are based on valuation techniques with significant non-observable inputs

Description of key audit matter:

DELA Coöperatie U.A. has, as of 31 December, 2022 other financial investments (€ 3.3 billion) which, due to their illiquid nature, are measured at fair value using valuation techniques based on significant inputs, many of which are not directly observable in the market. These investments without a frequent market listing mainly concern unlisted investment funds:

- Real estate funds
- Infrastructure funds
- Agricultural and forestry funds
- Mortgage funds

The funds are not listed and do not have frequent market quotations. Investments in these funds are valued at fair value (market value), mostly derived from Net Asset Value statements of the fund managers.

The valuation of these assets is important to our audit as the valuation is significantly dependent on valuation techniques and estimates of assumptions that in many cases cannot be derived directly from market information. Due to the significant degree of estimates in the valuation process, combined with the size of the investments, there is a risk of misstatement.

How we addressed the key audit matter:

In order to address this risk, we have performed the following:

Internal control procedures

- Assessed the design and implementation of internal controls related to the accurate and complete recording of source data and the process for determining the valuation of the other financial investments.
- Assessed the design and implementation of the administrative organization and internal controls at the fund managers by reviewing reports on the quality of the internal control environment (the ISAE 3402 report or equivalent and the bridge letters) in which, among other things, the controls relating to the valuation of the fund are defined. If there is no ISAE 3402 type 2 report available from the funds, DELA has issued additional requirements and requested reports (in control statement/compliance letter) to obtain assurance regarding internal controls. We have reviewed these reports to identify any findings.

Substantive procedures

- Took note of the valuation principles used by the fund managers to assess whether this is in line with DELA Coöperatie U.A.'s valuation principles.
- Obtain direct confirmation through NAV statements as of 31 December 2022 from the fund managers that are reconciled with the valuation as per the financial statements from DELA Coöperatie U.A. If the audited NAV statements are not available in time, a retrospective analysis is performed on the Net Asset Value as included in the most recently available audited financial statements, where we also coordinate with the fund auditor for some funds to determine whether there are any findings with regard to the valuation as per 31 December, 2022.
- We have reviewed the disclosures included in the financial statements.

Our observation:

We deem the methodology and assumptions applied by DELA Coöperatie U.A. in the valuation of other financial investments (Real estate funds, Infrastructure funds, Agricultural and forestry funds and Mortgage funds) appropriate and we note no material findings with regard to the other financial investments. Furthermore, we deem that the related disclosures in note 2.5.8, 2.5.9 and 5.2.3 in the financial statements are adequate.

Disclosure relating to the solvency position, based on Solvency II regulation

Description of key audit matter:

For DELA Coöperatie U.A. the Solvency II ratio as of 31 December 2022 is 226%. This ratio is determined based on recalculating the balance sheet to fair value and dividing the eligible own funds by the, according to the standard model, calculated required capital. Both the market consistent balance sheet and the calculated capital requirement are based on complex calculations and significant assumptions that may have a material effect on the calculated Solvency II ratio. In association with these assumptions and complex valuation models, there is an increased risk of misstatements. Since the solvency ratio is an important figure and the Solvency II information is used in the capital management policy of DELA Coöperatie U.A., we considered auditing this information to be important. There is a risk that the calculated Solvency II ratio is misstated in the financial statements.

How we addressed the key audit matter:

In order to address this risk, we have performed the following:

Internal control procedures

- Assessed the design and implementation of internal controls regarding the determination of the Solvency II ratio.

Substantive procedures

- Performed a critical challenge of the assumptions, parameters and results for which the audit team included actuarial specialists.
- Performed substantive procedures on the determination of available capital (EOF), including assessing the accuracy and completeness of the valuation adjustments from the statutory balance sheet to the market value balance sheet.
- Performed substantive procedures on the technical provision, including tested the accuracy and completeness of the valuation and the timing of the projected cash flows.
- Tested the accuracy of the adjustments made in the modeling of the options (profit sharing and premium measure) in the Solvency-II technical provision.
- Tested the reliability of the required data of the different SCR calculations.
- Verified the correct application of the standard formula used in the different SCR calculations.
- Reviewed the disclosures included in the financial statements.

Our observation:

We deem the methodology and assumptions applied by DELA Coöperatie U.A. in the calculation of the Solvency II ratio appropriate and we note no material findings with regard to the Solvency II ratio. Furthermore, we deem that the related disclosures in note 4.1 and 5.7 in the financial statements are adequate.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- In brief, including key figures
- Executive board report
- Supervisory board report
- Corporate governance
- Risk management
- Other information
- Annex: NFRD
- Annex: EU Taxonomy

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the executive board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the executive board report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board as auditor of DELA Coöperatie U.A. on February 6, 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, April 21, 2023
Deloitte Accountants B.V.

R.J.M. Maarschalk

About this report

This Annual Report integrates all the main economic, social and environmental data from the DELA cooperative in 2022 and covers the book year from 1 January to 31 December.

The selection of the reported indicators in the Executive Board Report is based on the GRI guidelines, a materiality analysis, DELA's value creation model and meetings with various stakeholders.

Data included in this report is based wherever possible on measurements and calculations. Other data is derived from central systems or based on input from third parties. Any changes to the definitions, measuring methods or inherent limitations in the data are indicated, as is the use of extrapolation and estimates.

Data included in this report is based wherever possible on measurements and calculations. Other data is derived from central systems or based on input from third parties. Any changes to the definitions, measuring methods or inherent limitations in the data are indicated, as is the use of extrapolation and estimates.

Other indicators such as energy and CO₂ emissions are reported annually for the purpose of this report. The underlying data for these indicators is collected and checked by the CSR project leader.

The Executive Board report was reviewed by various stakeholders during its writing and delivery, including several members of the Executive Board, the Supervisory Board and DELA's confidential committee. The financial statements was reviewed by the external accountant in accordance with legal requirements.

Our reporting is constantly under development. If you have any related comments and/or questions, please let us know via woordvoering@dela.org.

Annexes

Definitions & abbreviations

Below is a list of clarifications of commonly used terms and abbreviations.

Absence due to illness

This percentage is calculated by dividing the number of sick days by the number of workable days per year. It involves the period during which DELA is financially at risk for each country for which the absence due to illness is indicated. For the Netherlands this is two years, for Belgium one year.

Amortised cost price

The amount at which financial assets or obligations are valued in the initial recognition minus payments and plus or minus cumulative depreciation. This is realised by using the effective interest method for the difference between the original amount and the amount on the expiry date. The effective interest rate is the percentage which ensures that the discount of the expected cashflows is the same as the initial valuation of the receivable or debt.

Asset mix

The asset mix is the distribution of capital over shares, real estate, fixed-income securities, infrastructure, cash and cash equivalents. The asset mix is determined based on the ALM study and drawn up in the investment policy.

Average funeral costs

Every funeral costs money and these costs vary based on choices made by the bereaved and the place where the services are rendered. At DELA, the average funeral costs are based on the provision package of the DELA UitvaartPlan.

BIO

Our strategy of employee engagement, integrity and an entrepreneurial spirit.

BV

Private company

Call option

A call option is a tradable right to buy an underlying asset value at a specified price within a specific time period.

CFRO

Chief financial and risk officer

CO₂ footprint

A CO₂ footprint is an inventory of the total amount of emitted greenhouse gases, expressed in CO₂ equivalents. CO₂ emissions are caused by the combustion of fuels. Too much CO₂ in the atmosphere leads to climate change. A CO₂ footprint indicates the extent to which an organisation impacts climate change and where CO₂ emissions can be reduced. A CO₂ footprint is categorised in Scope 1, 2 and 3. Scope 1 involves direct CO₂ emissions; scope 2 indirect CO₂ emissions via the acquisition of electricity and gas; and scope 3 involves all other indirect CO₂ emissions.

CSR

Corporate Social responsibility

DCG

DELA Crematorium Group

DCP

DELA Coöperatie SpaarPlan (savings insurance)

DECAVI

DECAVI (B) provides services for the insurance sector (estate agents, insurers, actuaries). In addition to organising events in the sector and publishing market studies, DECAVI has been awarding insurance trophies since 2000.

DLP

DELA LeefDoorPlan (life insurance)

DNB

De Nederlandsche Bank (Dutch central bank)

DUP

DELA UitvaartPlan (pre-arranged funeral insurance)

eNPS

The eNPS (employer Net Promotor Score) shows the extent to which employees of the cooperative would recommend DELA as an employer. The score is determined by the percentage of promoters minus the percentage of detractors.

Fixed-value

Inflation-proof

FSC

The Forest Stewardship Council (FSC) is an international organisation that promotes the preservation of forests and responsible forest management worldwide.

GreenLeave

GreenLeave is a consortium of funeral companies in the Netherlands who aim to realise sustainability in funeral options and designs in a practical way. They achieve this based on five key principles, a portfolio of products and services for aspects of the funeral, and collaboration with suppliers. See www.greenleave.nu for more information.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is an independent scientific benchmark that assesses the sustainability policy of real estate funds and portfolios worldwide. Based on the GRESB score, fund managers can assess their sustainability policy and make improvements. See <https://gresb.com/>

IMVO

IMVO is a partnership of government, trade unions, social organisations and many other insurance companies in which members commit to international standards in the field of human rights and good governance.

Intercompany position

Outstanding financial positions between various entities of a group.

Materiality analysis

A materiality analysis can help identify and prioritise the sustainability issues important to an organisation and its stakeholders. Prescribed by the Global Reporting Initiative (GRI) guidelines, the analysis includes the interests and opinions of internal and external stakeholders.

Net growth

The difference between the number of new policies and the number of terminated policies.

NPS

NPS stands for Net Promotor Score. Customers are asked in surveys the extent to which they would recommend a specific company, product or service to others. They can give a score between 0 and 10. The group of responders who give a mark of 0 to 6 are called detractors. The group marking a 9 or 10 are qualified as promoters, and the remainder (7

and 8) are considered passive-neutral. The NPS is determined by subtracting the percentage of detractors from the percentage of promoters. For example, if research shows that 30 percent of the responders is a promotor and 20 percent is a detractor, the NPS is +10.

NV

Public limited company

OR

Works council

ORSA

Solvency II regulations require insurers to perform an annual ORSA (Own Risk and Solvency Assessment). An ORSA is performed by or on behalf of the insurer to determine whether all financial risks that may occur have been mapped out and/or whether sufficient mitigating measures to minimise possible risks have been taken so that the insurer can continue to fulfil its insurance obligations in the future.

Premium income

Premium income is the total of premium paid to DELA by policyholders for purchased products.

Pulse score

The Pulse score measures the extent to which brands are able to maintain their client relations based on a number of emotional motivations.

RCSA

Risk Control Self Assessments map any substantial risks that may endanger the realisation of the goals and continuity of the company. The goal is to take mitigating measures after the assessment has been performed.

Risk appetite

The risk appetite of a company indicates the nature and scope of the risks a company is willing to take in order to realise its operational goals.

SA

Société anonyme (public limited company)

Solvency ratio

A solvency ratio indicates to what extent a company is able to fulfil its financial obligations. Under Solvency II, this figure is calculated by dividing the available capital by the required capital, taking into account the actual risks.

Solvency II

European regulations for solvency requirements for (re)insurers. Solvency II aims to promote an internal European market for insurance services and provide sufficient consumer protection. The starting point is an economic-risk-based approach, in which all assets and liabilities are valued at market value. In addition, the starting point is the link between the solvency requirements and the risk profile of insurers.

Solvency II is the name for the statutory regulations that are imposed on insurers by the supervising body. These regulations involve:

- Quantitative requirements for capital buffers and the valuation principles requirements for the setup of risk management and governance
- The performance of an ORSA (Own Risk Solvency Assessment)
- The establishment of a report (SFCR) and publication of this report in the framework of transparency

Stakeholder dialogue

A stakeholder dialogue involves discussions related to a specific theme. This could be any matter or problem which an organisation wishes to address that requires broad input. The usefulness of a stakeholder dialogue can therefore vary per organisation.

Stakeholder watch

Stakeholder watch is a research tool that measures on a daily basis the reputation of an organisation and the possible effect of publications in the media. Because the measurements are taken daily and explicitly ask respondents what effect publications in the media have had on how they perceive the organisation, there is a direct correlation between a publication and/or widely shared social media post and its reputational impact.

TCFD

Task Force on Climate-related Financial Disclosures, a framework for the financial sector to include the impact of climate change in their operational processes and decision-making.

Value creation model

The value creation model indicates which instruments (both financial and in areas like resources and people) are used by an organisation (input), how the organisation converts them into products and services (output) – the business model – and what value this adds and subtracts for stakeholders and society as a whole (outcome) in the short and long term.

Wta

Dutch Financial Supervision Act

GRI-table

GRI Standard / disclosure	Location
Organisation	
102-1 Name of the organisation	In brief, Profile
102-2 Main brands, products and services	In brief, Profile Executive Board report, Our members, Funerals and cremations. Executive Board report, Our members, Insurances
102-3 Location of headquarters	Eindhoven
102-4 Locations van crematoriums and funeral homes	In brief, Profile https://www.dela.nl/service-en-contact/contact-met-ons-opnemen/vestiging-zoeken https://www.dela.be/nl/uitvaart-verzorgen/tijdens-de-uitvaart/vind-een-begrafenisondernemer
102-5 Ownership structure and legal form	Governance & riskmanagement, Corporate governance Condensed financial statements Notes on the consolidated balance sheet and income statement
102-6 Markets served	Executive Board report, Our members, Funerals and cremations. Executive Board report, Our members, Insurances
102-7 Scale of the reporting organisation	In brief, Key figures
102-8 Information on employees	Executive Board report, Our organisation, Our people
102-9 Description of the organisation's supply chain	Executive Board report, Our strategy, Our meaning
102-10 Significant changes to the organisation and the supply chain	Condensed financial statements Notes on the consolidated balance sheet and income statement
102-11 Externally developed economic, environmental and social charters, principles applied by the organisation	Executive Board report, Our strategy, Stakeholders https://www.dela.nl/verzekeringen/keurmerken
102-12 Initiatives to compensate the environmental consequences of products and services and the scope of this compensation	Executive Board report, Our organisation, CSR
102-13 Memberships of associations (including trade associations) and national and international interest groups	Executive Board report, Our strategy, Stakeholders https://www.dela.nl/verzekeringen/keurmerken
Strategy	
102-14 Statement from the highest decision-maker of the organisation	Executive Board report, Our strategy
Ethics and integrity	
102-16 Description of values, principles, standards and norms of behaviour, such as codes of conduct, as applied by the organisation	Executive Board report, Our strategy, Stakeholders Executive Board report, Our organization Governance & risk management, Corporate governance, Integrity
Governance	
102-18 Governance structure of the organisation	Governance & risk management, Corporate governance
Stakeholder engagement	
102-40 List of involved stakeholder groups	Executive Board report, Our strategy, Our environment
102-41 Percentage of employees subject to the collective labour agreement	Not reported
102-42 Principles for the inventory and selection of stakeholders	Executive Board report, Our strategy, Our environment
102-43 Approach to stakeholder engagement	Executive Board report, Our strategy, Our environment
102-44 Key topics and issues based on stakeholder meetings	Executive Board report, Our strategy, Our environment
Reporting profile	

GRI Standard / disclosure	Location
102-45 Overview of all companies included in the consolidated financial statements and not included in this report	Not reported
102-46 Process for defining the content and specific framework of the report and the applied principles	Annex: About this report
102-47 Material topics determined during the process to define the contents of the report Annex: About this report	Annex: About this report Executive Board report, Our strategy, Our environment, Materiality analysis
102-48 Consequences of possible restatement of information provided in previous reports and reasons for these restatements	In brief, Key figures Notes on the consolidated balance sheet and income statement
102-49 Significant changes compared to the previous reporting periods regarding scope and framework	Annex: About this report
102-50 Reporting period	2022
102-51 Date of the most recent report	21-04-2023
102-52 Reporting cycle	Annual
102-53 Contact information for questions related to the report	Annex: About this report
102-54 GR applicability level	Core
102-55 GRI Table	Annex: GRI Table
102-56 Policy related to assurance	Statement from the independent accountant

Definitions of material themes

Nr	Theme	Description
1	Continuity of the cooperative	Members of the cooperative have been able to rely on DELA for over a century. Ensuring this continues to be the case requires sound business operations and a financial policy that is focused on the long-term.
2	Quality personalised services	Our service provision is of a high quality, personal and special to all.
3	Support related to saying goodbye and remembering	We help our members in areas related to saying goodbye and remembering in word and deed. In addition to arranging funerals, we provide services such as notarial activities, caregiver support and debt counselling.
4	Sustainable and responsible investments	DELA aims to have a positive impact on people, animals and the environment with our investments. We invest for the long term and choose a mix of engagement, voting rights, ESG integration, exclusion and impact investments in our investment strategy.
5	Fair business	We are reliable and conduct our business fairly with customers, suppliers and other partners. Transparency, chain accountability and honest advice are essential to us.
6	Good employership	Our people make all the difference. DELA invests in engaged, proud and healthy employees. We offer equal opportunities, the chance to develop, suitable work and transparent salaries.
7	Enhancing solidarity	DELA is for everyone. We believe in solidarity and being there for each other. Membership of our cooperative is open to all. We aim to be important to all our members based on the concept of standing strong together. We believe that carrying each other's burden allows us to all to bear the fruit. This is why we integrate solidarity as widely as possible.
8	Cyber security and privacy	DELA handles the personal information of members and policyholders with the utmost care. Digital security and personal data protection are a constant focal point.
9	Inclusion	Everyone should feel welcome at DELA, regardless of their background. This applies to DELA as an employer and as a service provider. It is illustrated by our service for caregivers and financial self-sufficiency. DELA uses its cooperative strength to ensure everyone can be part of our society.
10	Sustainable procurement	DELA purchases products and services that have no harmful effects and preferably have a positive impact on people, animals and the environment. As a major player, we have a significant influence. Examples include sustainable transport, electric cremation furnaces and sustainable caskets.
11	Sustainable funerals	DELA makes sustainable choices so that we can pass on a clean and fair world to future generations. We are a driver and innovator in the sector when it comes to sustainable funerals, and offer sustainable alternatives for funerals and cremations. We also inspire suppliers, competitors and other stakeholders to make sustainable choices, and aim to provide our members with eco-friendly products and promote awareness among them.
12	Climate change	The climate is changing and this is having major consequences for people, animals, the environment. And for DELA's operations. In this framework we are studying the effect of flood risks on our funeral locations. Our premises can contribute to climate adaptation via trees and water storage. On the other hand, DELA is combatting the causes of climate change by generating sustainable energy, using innovations such as the electric furnace and via our investments.
13	Circularity	The demand for resources is growing worldwide. As part of the fight against depleting our planet DELA is using resources in a more efficient and smarter way. We minimise waste streams and choose renewable resources where possible, for instance by opting for circular construction.
14	Innovation	DELA is helping make the funeral sector more sustainable and professional via innovations and pleased to play a leading role. We use our cooperative values and strength in solidarity to address social themes outside of the 'saying goodbye' domain too. New DELA services can help people who feel excluded as a result of factors such as individualisation and decreasing government support.
15	Digital transformation and new technologies	From big data and the internet of things to robotisation, the pace of external developments related to digitisation and technology is accelerating. DELA addresses the related risks and opportunities by providing new services that help people in the 'saying goodbye' domain.
16	Improving biodiversity	Preserving nature is one of the major challenges of our time. DELA is improving biodiversity via nature development on its own premises, the procurement of sustainable products and our investment policy.
17	Demographic developments	Demographic developments such as the aging of the population are having an impact on DELA as people who grow older pay premiums for a longer period. We closely monitor these developments and change our premiums and services where appropriate. We keep in close contact with our members to ensure our services are relevant and accessible to all.

NFRD

Item	Section
Description of the company model	In brief, Profile Executive Board report, Our strategy
Description of policy related to environmental matters	Executive Board report, Our organisation, CSR
Description of policy related to social matters and treatment of employees	Executive Board report, In brief, Profile Executive Board report, Our strategy, Our significance Executive Board report, Our organisation, Our employees Executive Board report, Our organisation, CSR
Description of policy related to respect for human rights	Executive Board report, Our organisation, CSR Governance & risk management, Corporate governance, Integrity
Description of policy related to tackling corruption and bribery issues	Executive Board report, Our organisation, CSR Governance & risk management, Corporate governance, Integrity
Description of the primary risks related to environmental, social and employee matters, respect for human rights and tackling corruption and bribery issues, and how the company manages these risks;	Executive Board report, Our organisation, CSR Governance & risk management, Corporate governance, Integrity Governance & risk management, Risk management
Non-financial performance indicators and results for environmental, social and employee matters, respect for human rights and tackling corruption and bribery issues	Executive Board report, Our strategy, Our significance Executive Board report, Our organisation, Our employees Executive Board report, Our organisation, CSR No KPIs have been set for the respect of human rights and the fight against corruption and bribery.
Diversity of executive board, management and supervisory bodies (description of policies, goals, implementation and results)	Executive Board report, Our organisation, Our employees

EU Taxonomy

The Paris Climate Agreement is aimed at bringing an end to global warming. The European Union has set itself the target of being climate-neutral by 2050 at the latest and has introduced the European Green Deal growth strategy to support the European economy in reaching this goal. One of the crucial steps is the implementation of a uniform classification system for environmentally sustainable economic activities known as the EU Taxonomy.

The EU Taxonomy has been designed to guide investors, companies, issuers and providers of financial products and project promoters in the transition to a climate-neutral, climate-resilient and ecologically sustainable economy. Clear definitions based on strict screening criteria of exactly which economic activities are sustainable ensures greater transparency and comparability. The EU also aims to use the system to tackle greenwashing.

The Taxonomy Regulation establishes six environmental objectives. Two are related to the mitigation and adaption of climate change while the other four are environmental objectives including the transition to a circular economy and the prevention and control of pollution. The taxonomy describes which activities are making a substantial contribution to achieving one of the environmental goals. Based on Article 8, companies are required to report what proportion of their turnover and capital & operational expenditure is environmentally sustainable.

The first reporting obligations came into force on 1 January 2022. This means that all organisations to whom the EU Taxonomy regulations apply must publish the key indicators in their annual report. These indicators are related to the so-called 'taxonomy-eligible economic activities' and the 'taxonomy-aligned economic activities' which are set out in the screening criteria. Financial companies are required to disclose the share of their investments related to the financing of taxonomy-eligible and taxonomy-aligned activities. The reporting obligation initially applies to the two climate objectives – the mitigation and adaptation of climate change.

In our annual report we make a distinction between our core activities (business operations) and our investments at DELA Group level.

Business operations (insurance and funerals)

Our core activities, insurance and funeral care, do not contribute to the mitigation and adaptation of climate change. We therefore have a 0 percent eligible report score.

Investments

With regard to our investments about 40% of the investment portfolio is eligible based on the two climate goals. This is €3.0 billion of €7.4 billion. In accordance with the regulations, government bonds are not included in this calculation and derivatives (€65 million) are excluded from the numerator in this calculation.

About 5% or €352 million of the investment portfolio meets the technical screening criteria of the EU taxonomy and is therefore 'aligned'.

The calculation is structured as follows:

	Portefeuille		Eligible		Aligned	
	x €1 million	%	x €1 million	%	x €1 million	%
Shares	1,826	25%	237	13%	18	1%
Fixed income	2,003	27%	300	15%	-	0%
Property	2,435	33%	2,435	100%	334	14%
Infrastructure	1,018	13%	-	0%	-	0%
Agriculture and forestry	104	1%	-	0%	-	0%
Other	33	0%	-	0%	-	0%
Subtotal	7,420	100%	2,973	40%	352	5%
Government bonds	976					
Total	8,396					

The percentages of shares are based on the percentage 'eligible' and 'aligned' of the turnover of the listed companies in our portfolio. This percentage is calculated on a 'best effort' basis, based on input from a specialist external party which continuously verifies the percentage of 'eligible' and 'aligned' turnover, operational expenses (opex) and investments (capex) at more than 40,000 companies. The input used from this external party was obtained at the beginning of February and is mostly based on annual reports 2021.

The 'eligible' and 'aligned' percentages of our fixed-interest securities are determined in the same way as the percentage estimate of the share portfolio.

Our real estate portfolio is considered to be 100 percent 'eligible'. We do not expect all our real estate investments to meet the screening criteria in 2023. For this estimate, we used energy label information. Of the Dutch real estate fund (15 percent of the real estate portfolio), 73 percent has the energy label A. We don't have information about the energy label (equivalent) or whether the energy label equivalent can be considered sustainable for other real estate funds. In addition, some of our crematoria have energy label A. The 'alignment' of our real estate portfolio is therefore 14%.

We have insufficient information to assess whether the infrastructure and agriculture & forestry portfolios are EU taxonomy eligible or aligned. We therefore apply a prudent approach and consider these investment as 'non-eligible'.

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