



Annual Report DELA Natura

2022

DELA
voor elkaar

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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 policyholders in due time. 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 DELA achieved a score of 54.

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. On the 1st of 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

DELA also pushed the boundaries in other aspects in the Netherlands, Belgium and Germany. A milestone moment in the history of the cooperative which we were part of 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. The new colleagues who transferred from Yarden showed boundless commitment and various 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 policyholders. 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. 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.

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

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 DELA 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. 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 policyholders and our employees for the trust they have placed in us. We have been pushed to our limits at times in 2022. 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 Natura- en Levensverzekeringen N.V.

The Management Board

E. (Edzo) Doeve, on behalf of DELA Holding NV

J.A.M. (Jack) van der Putten, director

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



In brief

Profile

DELA Natura- en Levensverzekeringen NV (hereinafter: DELA Natura) is an international insurer and is part of the DELA cooperative (hereinafter: DELA or DELA Group).

DELA Group 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 they make is partly used to strengthen the organisation and partly to limit any premium increases. In addition, our members help define the policy and further develop our service provision. We are always building on our shared interests.

'DELA Group was established 85 years ago based on the concept that many hands make light work'

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.

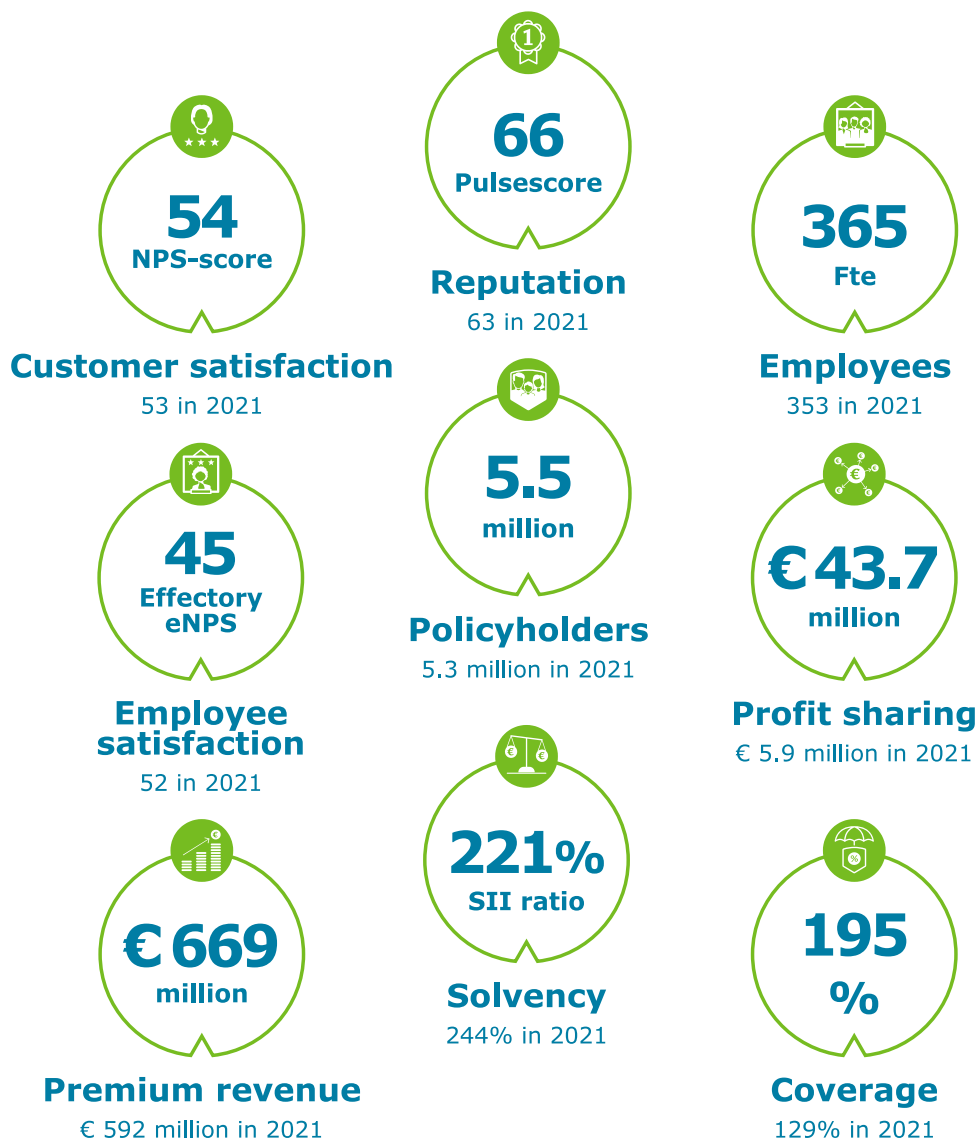
Solidarity is the basis for everything we do. As part of DELA Group, DELA plays a connecting role in society and strive to make the world better for current and future generations.

DELA Natura is active in the Netherlands, Belgium and Germany.



In brief

Key figures



Financial

	2022	2021	2020	2019	2018
Premium income					
<i>x €1.000. After deduction of reinsurance premium</i>					
Uitvaartplan, Netherlands (funeral insurance)	382,553	294,910	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
Insured capital					
<i>x €1 million</i>					
Insured capital	72,970	68,678	57,841	49,915	42,987
Distribution of investment results					
<i>x €1,000</i>					
Net investment results	-779,028	644,989	85,961	669,903	-114,480
Minus: for future insurance payments*	-178,841	-160,094	-144,482	-137,065	-130,314
Remaining for financial position cooperative**	-957,869	484,895	-58,521	532,838	-244,794
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	8,797	9,490	6,891	6,727	5,919
Investment value	8,483	9,265	6,560	6,460	5,633
Technical provision	7,532	7,172	5,155	4,870	4,584
Equity capital	921	1,683	1,294	1,415	1,009
... as percentage of technical provision	12%	23%	25%	29%	23%
Coverage					
Average coverage***	195%	129%	122%	156%	175%
Solvency					
Solvency II ratio****	221%	244%	231%	212%	281%

* 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 3.1.1. in financial statements.

Non-financial

	2022	2021	2020	2019	2018
Customer satisfaction					
<i>NPS</i>					
Netherlands	45	41	50	46	37
Belgium	60	61	57	53	38
Germany	51	49			
Total* (weighted by respondents)	54	53	54	49	37
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: 'the funeral specialist'</i>	76%	73%	70%	67%	70%
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
Employee satisfaction*					
<i>GPtW score</i>					
Netherlands			88	88	89
Belgium			87	87	87
Total			88	88	88
<i>Effactory eNPS</i>					
Netherlands	44	51			
Belgium	53	54			
Total*	45	52			
Employees					
<i>Fte, at the end of the year</i>					
Netherlands	233	230	403	383	382
Belgium	94	95	100	100	101
Germany	38	28	23	19	11
Total	365	353	526	502	494

* Adjustment from previous publications, total weighted by number of respondents.

** Reputation and employee satisfaction at group level DELA Group (including funeral company)

Management report



Management Report

Our strategy

DELA Natura is the insurer within DELA Group and therefore focuses on the development and expansion of the cooperative's insurance activities. 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."

Ambition

DELA is an expanding and flourishing insurance company. 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.

'By growing in the domain of 'saying goodbye', we contribute to the ambition of DELA Group'

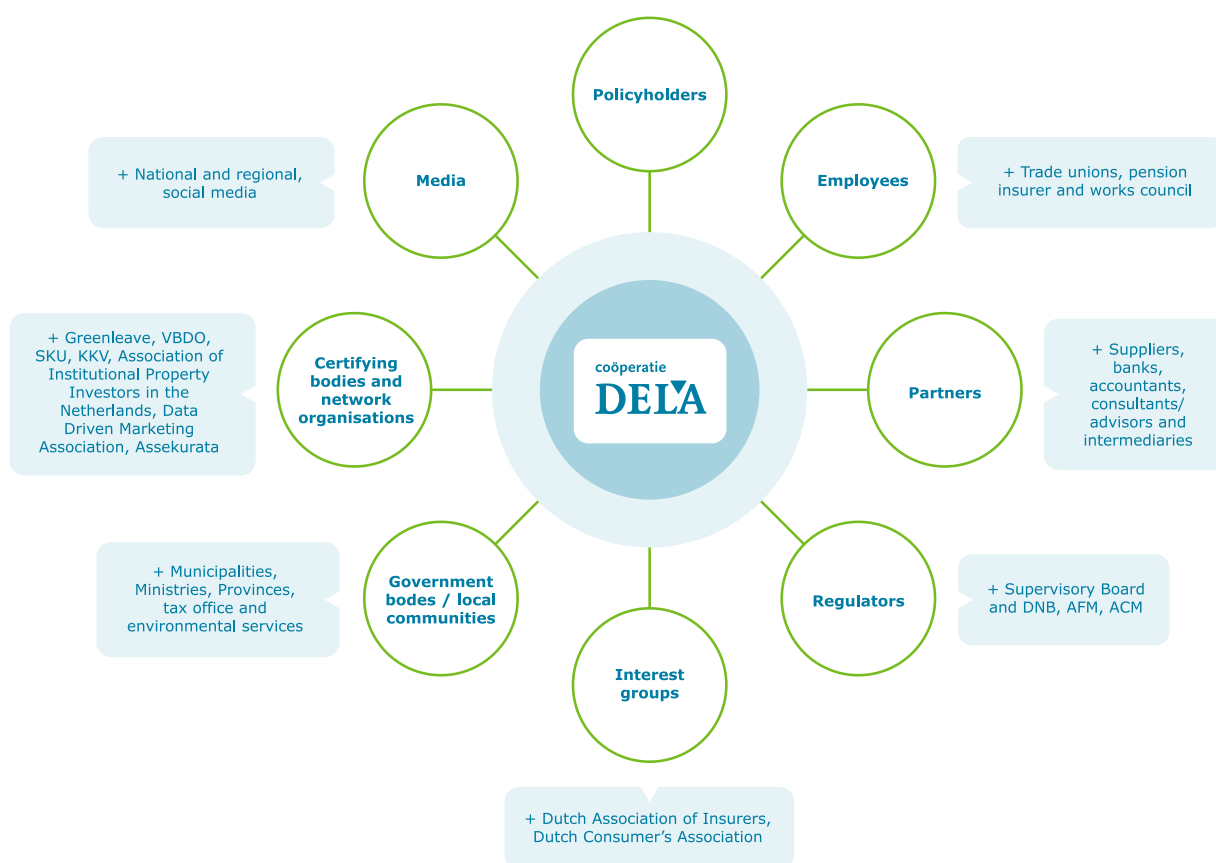
DELA Group has the following goal: "In 2030 our cooperative will have strengthened solidarity in society." As an insurance company we will realise this in various ways, including by growing in the domain of 'saying goodbye'. This means attracting new members and retaining existing ones by increasing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

Our stakeholders

DELA Natura 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 Natura and are in turn influenced by DELA's core activities. Our stakeholders also of course include policyholders and employees. Other significant groups with which DELA Natura is involved are regulators, partners, suppliers, local communities, government bodies and funeral companies. DELA Natura is also a member of various certifying bodies, network organisations and interest groups, and has fully embraced their codes of conduct. In addition, DELA Natura has the certification a privacy guarantee.

Our main stakeholders are reflected in the image below.



We have a frequent dialogue with stakeholders to ensure our core activities can be successfully realised. These discussions are part of our daily operations, and include contact between policy holders and our customer contact centre. We also arrange more formal settings for interaction such as the Dutch Association of Insurers. Members of DELA Group 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 Natura within DELA Group 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 Natura'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 Natura hard, the issue has heightened the need to accelerate the energy transition. We stimulate all employees to save energy.

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.

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 Natura's financial solidity compared to our obligations.

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 continue to provide high-quality, personal services and, at the same time, realise our growth ambitions. In the Netherlands, DELA Natura 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.

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 Natura 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.



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

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 Natura believes that digital developments should benefit. 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.

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 Natura 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. Rising prices are also making people more aware of the importance of saving energy.

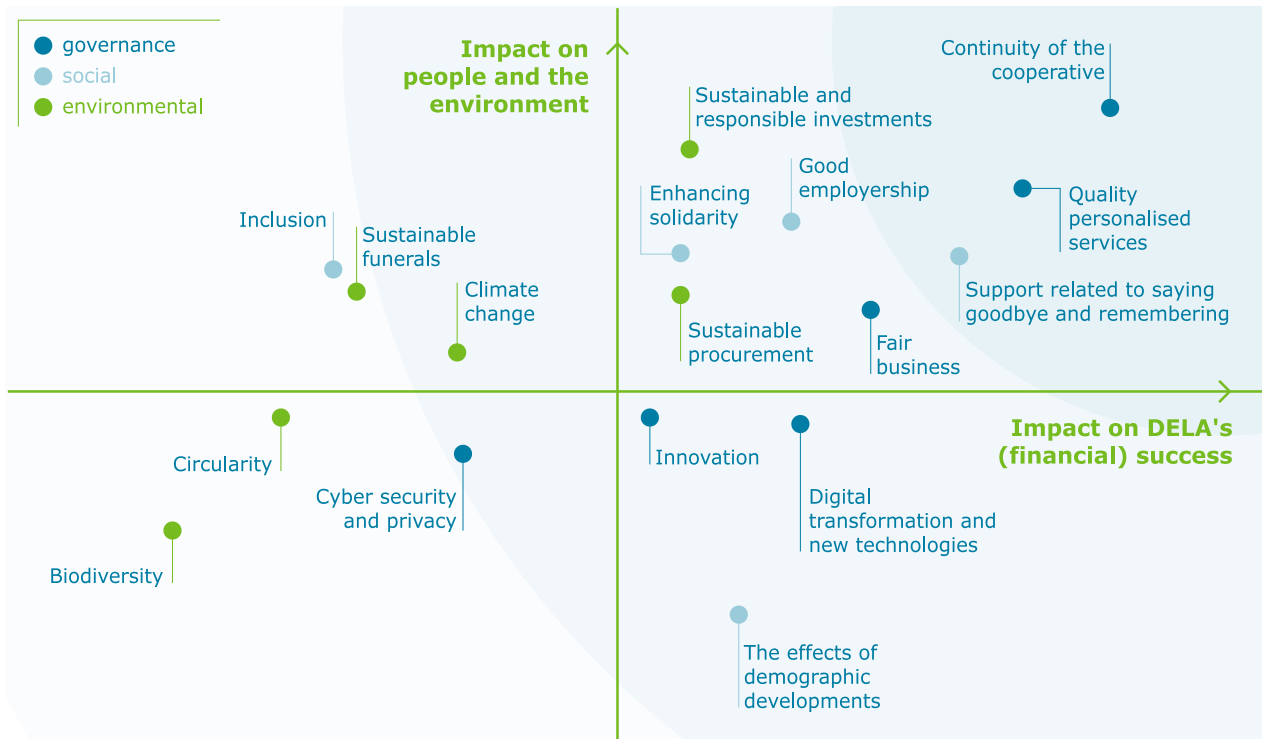
Materiality analysis

How will DELA Group 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 Group has on people and the environment. At the same time, we examined the influence that societal developments are having on DELA Group. 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 Group managers and internal experts to enquire about the impact of these themes on the (financial) success of DELA Group 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.

Input

Intellectual capital

DELA cooperative was founded in 1937 based on a belief in solidarity. We continue to follow this ethos today in order to ensure dignified and affordable funerals for all. We also offer peace of mind and support as we help people pass on memories, experiences and values.

- National coverage
- Reachable 24/7
- Protocols

Human capital

We offer the best possible personal care and attention, putting all our energy into finding the most fitting solution. Our core values are deeply rooted at the heart of our cooperative and underpin how we relate to each other and our members.

- 2,074 FTE
- Fitness budget €750 p.p
- Training budget €2.6 million

Social capital

The cooperative generates social capital. Our members have the final say and together we make choices about our products and operations. We do so via our cooperative panel (around 2300 members) and the members elected to the general meeting. The DELA Fund connects generations. Together, we form a strong collective that is a force for good.

- 5.5 million policyholders
- 3.2 million members
- Active member consultation

Financial capital

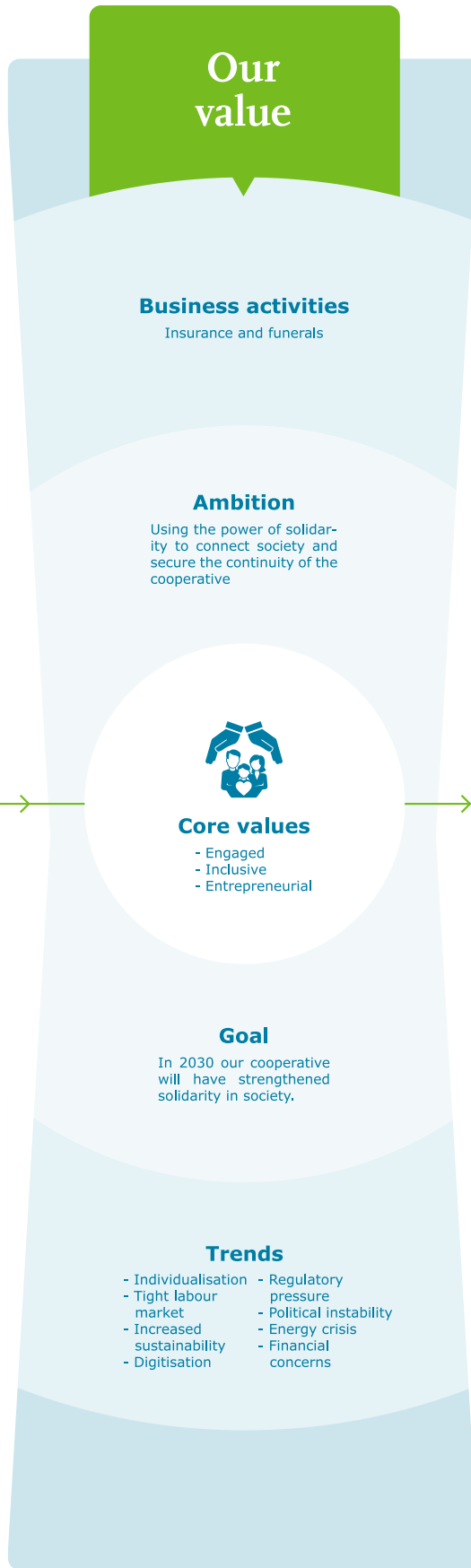
We invest the premiums of our members in the long term. Together, members carry the burden of building buffers to benefit from risky investments and combatting inflation. The power of a large collective also allows us to reap procurement benefits.

- Invested capital €8.4 billion
- Investment return minus 9.5%
- Premium income €669 million
- Gross turnover for funerals €370 million

Natural & manufactured capital

We use resources in our operations (offices, fleet, etc.) and products (caskets, printing, etc.). We aim to reduce any negative impact and convert this into a positive impact. We also safeguard the reputation of the funeral sector and stimulate a sector-wide rise in sustainability. The DELA Innovation Lab supports young companies and initiatives with significant added social value.

- 164 funeral centres
- 48 crematoriums
- Energy consumption 52,849 MWh



Output + outcome

Supported policyholders and bereaved

DELA insures and arranges funerals, which is our core business. A good funeral insurance policy offers people peace of mind. And we do more: via our wide range of financial and practical services DELA supports members in word and deed in the Netherlands, Belgium and Germany.

- 52,564 funerals, 50,256 cremations
- Net policyholder increase of 189,371
- Funeral market share of 18.4%

Valuable employer

Satisfied employees lead to satisfied members and vice versa. Working at DELA means working for a leading company. We provide modern working conditions, offer innovative services, and aim for (further) digitisation.

- Employee satisfaction 45
- Diversity male 32% female 68%
- Absenteeism 7.0%

Valuable membership

DELA works with its members to realise their wishes related to funerals and saying goodbye. We do so by providing unique services in that field via solidarity-based financing and at low(er) prices.

- Customer satisfaction (NPS) 63
- 1,073 compliments and 2,255 complaints
- Reputation score NL 66 BE 76

Solidarity

Solidarity is always our starting point. DELA plays a connecting role in society, bringing young and old together. Our goal is to leave a better world for current and future generations.

- Solvency 226%
- Profit sharing €43.7 million
- Political instability
- Energy crisis
- Financial concerns

Healthy living environment

We aim to pass on a clean as possible world. Our goal by 2030 is to be having a positive overall impact on people & the environment with our products, services and operations. This should be visible to members and society as a whole. We are here for and actively support every individual.

- CO₂ emissions 30.3 kiloton
- 29% electric lease vehicles and 5 electric cremation furnaces
- 7th place VBDO benchmark



Management Report

Our customers

We offer policyholders financial security. DELA is active in the Dutch, Belgian and German markets with insurance products.

Customer satisfaction and reputation

Providing high-quality services is key to DELA Natura'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 Natura 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 45 (2021: 41) 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 60 (2021: 61). Weighed by respondents, DELA's score improved to a total of 54 (2021: 53).

Customer satisfaction

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

	2022	2021
NPS		
Netherlands	45	41
Belgium	60	61
Germany	51	49
Total*	54	53

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

Gouden Oor niveau 2

DELA Natura received an award in the Netherlands 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. Reputation is measured by DELA Group; the results are also decisive for DELA Natura, since we work under the same brand name.

Since 2021 we measure our reputation among members and non-members in the Netherlands via the Stakeholder Watch system. Over 80 percent of members value DELA Group membership and clearly see us as an expert. In the 'Financial support (insurance)' sub-domain, members give DELA a score of 78. Our reputation in Belgium also grew.

Reputation score

	2022	difference	2021
Netherlands, Stakeholderwatch pulse			
Members	77	+0	77
Non-members	60	+4	56
Total	66	+3	63

Insurance

The size of our total portfolio, measured by the number of people insured, is a major spearhead. 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 Natura 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 Group is unique in Belgium for the way it both insures and arranges funerals. DELA Belgium is actively selling a capital insurance. We pay out upon death, although it isn't a matter of course that the funeral company of DELA Group 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.



DELA office in Belgium

The net growth 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 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.



Management Report

Our organisation

Our employees are the driving force behind DELA Natura, vital to our service provision and social significance. DELA Natura invests in people to ensure they are engaged, proud and healthy, and have ample opportunity for personal development. At the end of 2022 DELA Natura had 428 employees (365 FTE). Committed, honest and enterprising, they work tirelessly to realise our mission.

Our core values are deeply rooted in the heart of the cooperative and underline our relationship with each other. 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.

Our employees

DELA Natura 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. At DELA Natura, two thirds of the employees are women. 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 Natura on 1 June. 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'. HR also organised a number of (digital) walk-in sessions to answer any questions about employment contracts.

Based on well-publicised social developments in the Dutch media landscape, DELA Group in the 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 Natura 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 Group measures satisfaction levels among its employees in the Netherlands and Belgium every year. No separate results are available for DELA Natura. 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

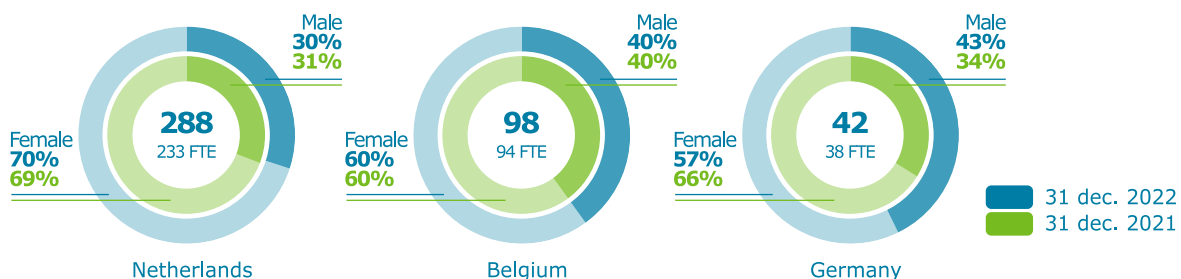
	2022	2021
Effectory eNPS		
Netherlands	44	51
Belgium	53	54
Total*	45	52

* 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.

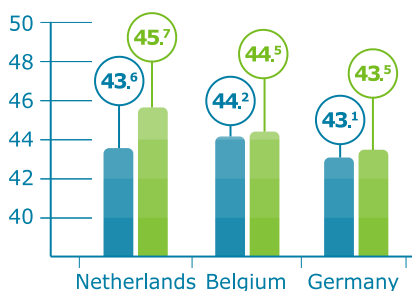
In 2022, DELA was awarded the World-class Workplace label in the Netherlands and Belgium, an annual excellence-in-employership label awarded to high performing organisations based solely on the opinion of employees. We achieved an exceptional performance in the 'enthusiasm' theme and also scored highly 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



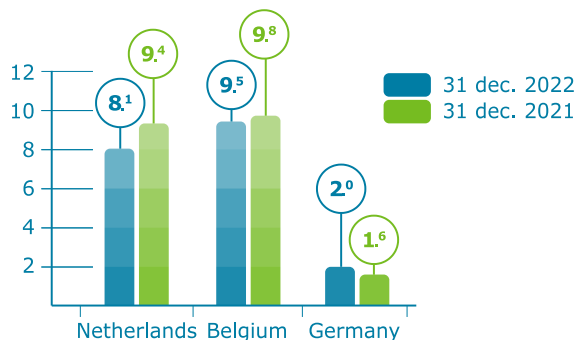
Average age

In years



Term of employment

In years



Age build-up

	2022 Male			2022 Female			2021 Male			2021 Female		
< 25 years	1	0	1	3	0	0	10	0	0	9	0	1
25 < 35 years	18	10	4	56	16	9	12	11	1	42	17	4
35 < 45 years	25	12	3	54	16	6	26	12	2	45	12	6
45 < 55 years	25	8	6	51	15	6	19	8	5	55	17	5
55 < 65 years	15	9	4	34	12	2	18	9	2	41	13	3
≥ 65 years	2	0	0	4	0	1	2	0	0	4	0	0
Total	86	39	18	202	59	24	87	40	10	196	59	19

Employees and absenteeism by sector

Sector	Number		FTE		Absenteeism (in %)	
	2022	2021	2022	2021	2022	2021
Netherlands	288	283	233	230	6.7	6.3
Belgium	98	99	94	95	4.1	5.5
Germany	42	29	38	28	5.7	5.8
Total	428	411	365	353	5.9	6.1

Absence due to illness

One of DELA Natura's goals is to help all employees stay physically and mentally healthy and capable of quality work, both now and in the future. Absenteeism due to illness has fallen by 0.2 percent compared to 2021. That is an achievement. 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.

Absenteeism over 2022 was 6.7 percent in the Netherlands, 7.5 in Belgium and 4.1 percent in Germany. Various initiatives were started to reduce absenteeism. 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.

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 Natura 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 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.

The team of recruiters has been strengthened in both the Netherlands and 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 Natura closely monitors occupational accidents. In 2022, one work-related accident occurred in the Netherlands. That happened while commuting. 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 was 1 accident (category: falling) and 1 incident. 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) at DELA Group level. 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. 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 revolve around keeping the IT landscape up-to-date and secure while providing even more quality and custom solutions to policyholders and the bereaved. An important aspect herein is to communicate in a personal, empathic and appropriate way. New digital channels should complement trusted forms of communication. 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 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. 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, we 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 cooperative 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 a number of goals:

- Reducing our own CO₂ emissions.
- Increasing the sustainability of our investments.
- Greater use of sustainable materials.
- Stimulating inclusivity.

'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 Natura follows the CSR policy that is outlined within the DELA cooperative. DELA Group is even more ambitious, aiming to reduce its CO₂ footprint by 100 percent come 2030.

Every year, DELA Group determines its CO₂ footprint in accordance with the international Greenhouse Gas protocol (GHG protocol). Since 2021, DELA Group determines the footprint for the entire group, including our Belgian and German activities, for both its own business operations and for the products and services that DELA Group offers. 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.

The 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.
- Own generation of green electricity.

The scope 3 CO₂ emissions are mostly due to the products and services we use for the operations. The main measure that contribute to a reduction is electrification of the lease car fleet.

CO₂ emissions by scope

x 1 tonne. 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.

Sustainable investments

DELA Group 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. DELA Natura carries out these activities for DELA Group. We also integrate climate scenarios in the periodic ALM studies to gain an insight into their impact on the long-term development of the DELA Group 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 Natura 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 Natura is also reporting based on the EU Taxonomy, see annexes. 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 Natura 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 Natura 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 Natura aims to have a positive effect on people and environment with our investments and this is ultimately more important than realising a positive return.

2022 activities

In late 2022 DELA Group 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 percent), environmental standards (19 percent), good governance (17 percent) 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 percent of cases. This mainly involved matters such as Board composition (45 percent), remuneration (25 percent) and other issues (19 percent). 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 Natura is aiming for a suitable financial return combined with a high social return. In December 2022, we appointed Syntus Achmea Real Estate & Finance to invest 100 million euros in the Achmea Dutch Health Care Property Fund (ADHCPF).

Greater use of sustainable materials

For DELA Natura 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 stimulates the use of sustainable materials

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:

- The purchasing and procurement policy has been tightened with specific CSR criteria.
- The paper we used was 100 percent certified environmentally friendly and CO₂-neutral.

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.



Our finances

DELA Group focuses on offering certainty, care and continuity rather than maximising profits. Our 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 policyholders with a fitting funeral.

Income from premiums

After deduction of the reinsurance premium, DELA Natura 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

Amounts x €1,000	2022	difference	2021
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	72,198	8%	66,703

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 DELA Natura amounts €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 takeover. In contrast, costs were higher as a result of the high IT investments needed to replace outdated systems.

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 almost €780 million (2021: profit of over €640 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.

Development 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).

The development of the coverage ratio 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)			<u>7%</u>	
			136%	
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 Natura 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 Natura 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 of the cooperative 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 of the cooperative. 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 of the cooperative 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 Natura 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.

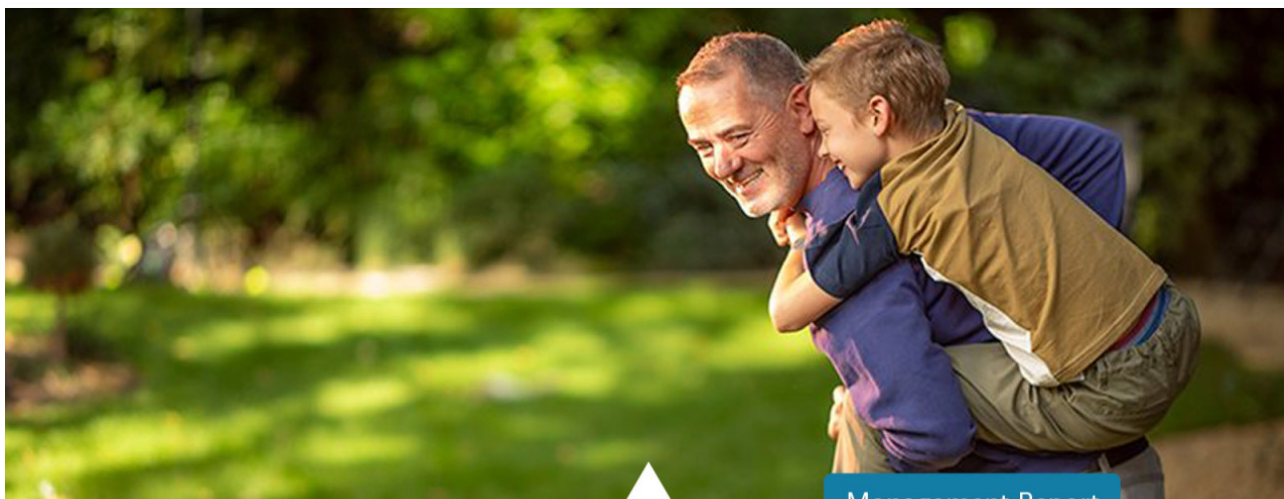
The solvency ratio fell from 244* percent to 221 percent at the end of the year and is therefore still considered robust.

Economic developments such as interest rates, inflation and increased volatility caused the Solvency-II ratio to rise by 4 %-points. Portfolio developments such as new production and the acquisition of the German portfolio cost solvency resulted in a 28 %-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 24 %-points. Other developments, including payment of €89 million dividend to DELA Holding NV, resulted in an 23 %-point drop.

The development of the solvency ratio in % points:

	Start of year	Dampening effect	Enhancing effect	Year-end
Start of year*	244%			
Portfolio developments (incl. acquisition of German Monuta portfolio)		-28%		
Other developments		-23%		
		<u>-51%</u>		
Investment results and adjustment of investment mix			24%	
Economic developments (interest, inflation, volatility, etc.)			4%	
			<u>28%</u>	
Year-end				221%

* Solvency adjustment compared to previous publications due to model adjustment; see section 3.1.1. in financial statements.



Management 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. DELA Natura is 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.

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

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

In 2023 DELA Group 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 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.

Corporate Social Responsibility (CSR) will remain a priority throughout DELA. 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.



Our services require a strong digital foundation so people can make personal choices

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 Natura- en Levensverzekeringen N.V.

The Management Board

E. (Edzo) Doeve, on behalf of DELA Holding NV

J.A.M. (Jack) van der Putten, director

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

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 'Managing Board report'. For presentation reasons the information is not repeated here.

Governance & risk management



Governance & risk management

Supervisory Board report

Dear DELA shareholder and other stakeholders, dear reader,

The Supervisory Board of DELA Natura en levensverzekeringen NV hereby presents the annual report for 2022, which includes statements from the Management Board and Supervisory Board as well as the financial statement. The statements from the Management Board was drawn up by the Board and discussed with the Supervisory Board. The financial statements were assessed by the external accountant and approved in the audit statement. The Supervisory Board approves the financial statements.

The Supervisory Board meetings of DELA Natura generally take place simultaneously with the meetings of the Supervisory Board of DELA Group. This report is therefore a brief overview of the spearheads and other points of attention that were specifically discussed for DELA Natura in 2022.

Spearheads 2022

The Supervisory Board supervised the general policy of DELA Natura and its offices in the Netherlands, Belgium and Germany. The acquisition of Yarden again played a significant role during 2022 and the integration of the company went very smoothly. Developments related to risk management and IT (including the digital transition of the insurance chain) were recurring issues. As in previous years, the Own Risk and Solvency Assessment (ORSA) was on the agenda in December.

Yarden Integration

The Yarden integration was a regular topic of discussion. We were kept informed by detailed progress reports in the meetings of the Supervisory Board of Yarden Holding. After the merger of Yarden Holding NV with DELA Holding NV, Yarden-related dossiers, including developments related to Yarden policyholders, were reported on during the regular Supervisory Board meetings.

The budget of DELA Natura was reviewed together with the Supervisory Board in 2022 and the Yarden merger had a major impact. It also demanded lots of attention from the Management Board in 2022, and the Supervisory Board was pleased when the integration of the insurance companies was successfully completed.

Strategy

The first Belgian policyholders became members of the cooperative on 1 October 2022. DELA's general meeting of 28 January 2023 decided to expand the options for Belgian policyholders related to membership of the cooperative.

Digital transition

There was a continuous dialogue with the Management Board about the digital transition of the insurance chain, 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 believing there are still major strides forward to be made, we see that progress was made in 2022.

Risk management

The Management Board informed the Supervisory Board several times about the risks linked to the activities of the company, the impact of the COVID-19-pandemic and its effect on staff, turnover and costs, the (financial and non-financial) reporting process and compliance with regulations and legislation. The Supervisory Board paid close attention to IT projects and the setup and functioning of internal risk management and control systems, asked questions when necessary and provided the Management Board with support.

Acquisition of Monuta Germany portfolio

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

Interim dividend

In 2022 it was decided to pay the shareholder a maximum of 25 percent of the net profit of the book year as dividend. This is anchored in the capital policy. The dividend payment is partly required to settle the intercompany position.

CSRD

The Supervisory Board was also informed by the Management Board of developments related to CSRD legislation and its impact on DELA Natura's reporting and accountability.

Dialogue

During the reporting year the Supervisory Board supervised and advised the Management Board in eight meetings. The Supervisory Board also closely followed developments in the Yarden integration process and has been continuously advised by the Supervisory Board on the digitization of the insurance chain and internal control.

'There is a constant dialogue between the Supervisory and Management 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 and the financial reporting.

As in previous years, in 2022 the audit committee discussed the annual report of DELA Natura and prepared them for the Supervisory Board. These have also been 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 including DELA Natura. 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 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- en levensverzekeringen N.V., 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 Management 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 Management Board. The review of the Management 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 Management 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 as a Supervisory Board member of DELA and DELA Natura, joining the Board with immediate effect. The same meeting saw Ms W.A.P.J. (Willemien) Caderius van Veen reappointed Supervisory Board member of DELA cooperative and DELA Natura 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 Management Board and any specific interests. DELA's Supervisory Board aims for a well-balanced and diverse composition.

Ongoing education

The members of the Supervisory Board held two internal education sessions in 2022 aimed at updating and increasing their expertise where necessary. 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 Natura- en levensverzekeringen N.V., the Supervisory Board has processed the annual report and financial statements of DELA Natura- en levensverzekeringen N.V. and approved the supplemented data. The Supervisory Board discussed the documents with the Management 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 Natura- en levensverzekeringen N.V. The Supervisory Board proposes that the general meeting confirm the 2022 financial statements of DELA Natura- en levensverzekeringen N.V. and grant the members of the Management 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 policyholders for their confidence.

Eindhoven, 21 April 2023

DELA Natura- en Levensverzekeringen N.V.

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.

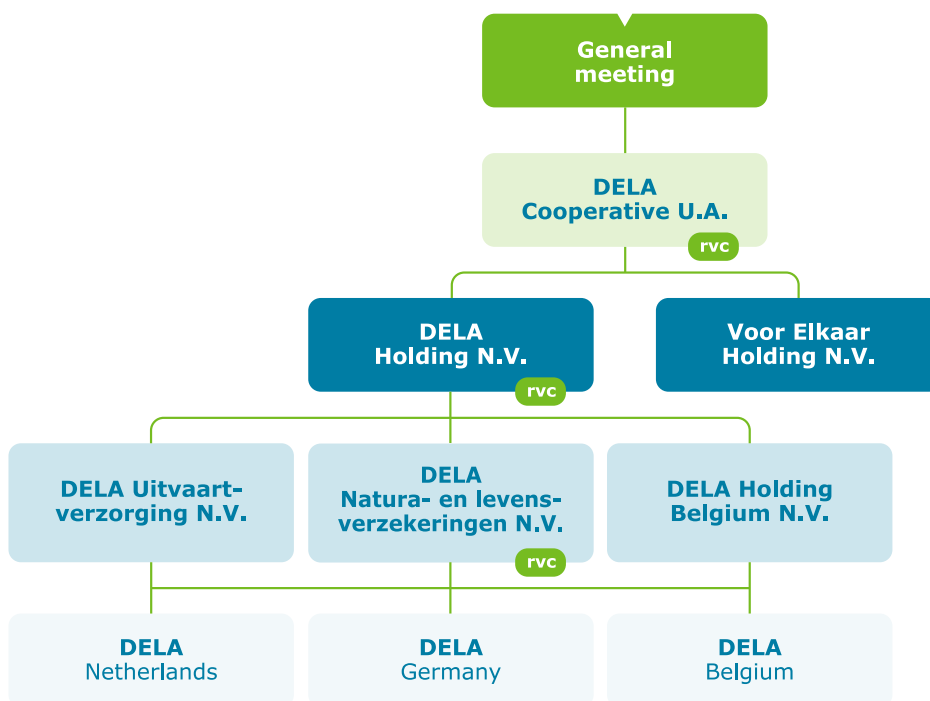
The DELA governance charter is evaluated on an annual basis and was adapted after the Yarden acquisition in 2022.

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.

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.

Permits and supervision

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.

The insurance activities in Belgium comprises insurance activities accommodated by the Dutch company DELA Natura. 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.

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 Management Board on:

- the realisation of the goals;
- 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;
- determining the remuneration policy.

The Supervisory Board evaluates the remuneration policy and the functioning of the Management Board. The chair is the point of contact for any alleged irregularities regarding the functioning of Management 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 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 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 Stadhold (Randstad) Insurances SA and Stadhold 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, board member at Stichting SFO.

Management Board

DELA Natura has an Management 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 Management Board manages the company and its capital. The Management Board can determine which special tasks will be/are assigned to which of its members. The task distribution must be approved by the Director.

Personal details of the Management Board



Edzo Doeve
CEO, chair



Jack van der Putten
CCO, vice-chair



Jon van Dijk
CFRO

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

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 DELA Group, director DELA Natura

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) and director DELA Natura.

Focal areas: strategy, finance and risk management. Employment period: indefinite. Additional functions: treasurer of Stichting Los Niños, board member Stichting Dergengelden Muntenburg Advocatuur (from April 2022), member of Supervisory Board and chair of audit committee Finances and Real Estate at Stichting Oktober (until June 2022).

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 Management 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 Management Board, the Management 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 Management 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 Management 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 Management 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:

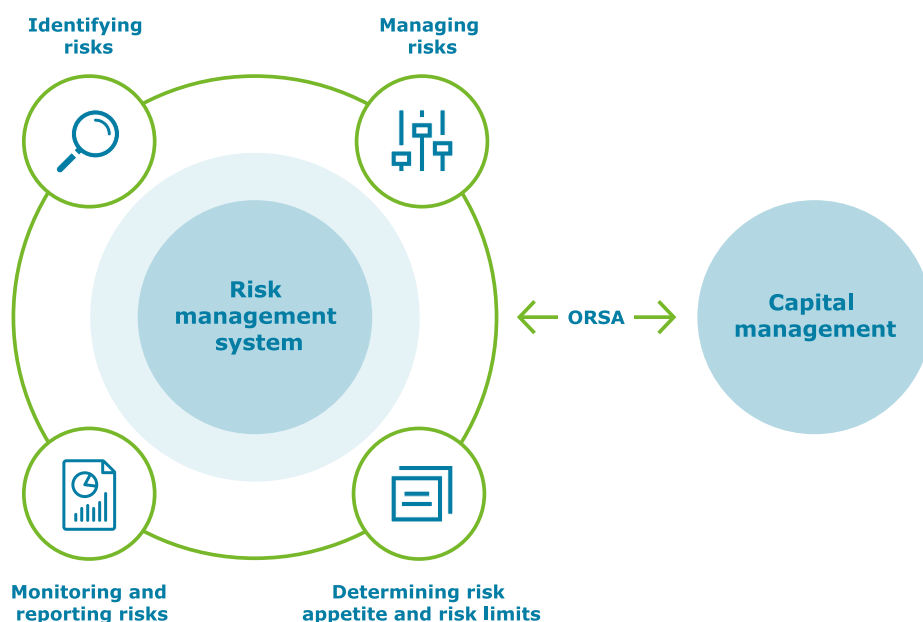
- The first line is primarily responsible for realising the formulated goals of the company and the demonstrable realisation of internal control measures and effective risk management. Responsibilities of the first line include the operations, results, definition of risk appetite, management and compliance 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 Management 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 management, 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 management.

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 management 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 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: 'Financial statements', '3. Risk'.

Financial statements

Company-only financial statements on 31 december 2022

Assets, after result appropriation

Amounts x €1,000	Ref.	31-12-2022	31-12-2021
Intangible fixed assets	4.1	47,726	37,157
Investments	4.2		
Real estate:			
- For own use		-	-
- Other real estate	4.2.1	24,791	25,520
Investments in group companies and participations:	4.2.2		
- Participations in group companies	4.2.2.1	1,367,179	1,256,772
- Loans to and claims on group companies	4.2.2.2	210,904	468,436
Other financial investments:	4.2.3		
- Shares and other variable-yield securities		1,764,933	2,937,638
- Bonds and other fixed interest securities		2,147,344	2,605,203
- Derivatives		63,021	-
- Claims from mortgage loans		1,015	999
- Claims from other loans		221,795	334,063
- Real estate funds		1,309,118	877,372
- Infrastructure funds		900,576	480,924
- Agricultural and forestry funds		103,686	
- Investments in cash and cash equivalents		62,644	59,516
- Other financial investments		306,057	218,731
		8,483,063	9,265,174
Claims	4.3		
Claims from direct insurance	4.3.1	-251	2,580
Other receivables	4.3.2	179,277	29,213
		179,026	31,793
Other assets			
Tangible fixed assets	4.4	461	447
Cash and cash equivalents	4.5	80,694	151,943
		81,155	152,390
Accrued assets	4.6	5,635	3,673
TOTAL ASSETS		8,796,605	9,490,187

Liabilities, after result appropriation

<i>Amounts x €1,000</i>	Ref.	31-12-2022	31-12-2021
Equity capital	4.7		
Paid-up and called-up issued capital	4.7.1	2,950	2,950
share premium	4.7.2	74,889	74,889
Revaluation reserve	4.7.3	412,184	361,360
Legal and statutory reserves	4.7.4	27,693	23,579
Other reserves	4.7.5	403,894	1,219,853
		921,610	1,682,631
Technical provisions	4.8		
Gross technical provisions		7,557,016	7,195,942
Reinsurance share technical provisions		-25,281	-23,630
		7,531,735	7,172,312
Provisions	4.9	6,526	102,998
	7.8		
Deposit reinsurers	4.10	18,462	17,359
Debts	4.11		
Debts from direct insurance		109,213	103,329
Other debts		187,401	355,105
		296,614	458,434
Accrued liabilities	4.12	21,658	56,453
Total liabilities		8,796,605	9,490,187

Company-only income statement for 2022

Technical account

Amounts x €1,000	Ref.	2022	2021
Premiums earned on own account	5.1		
Gross premium		678,000	601,078
Outward reinsurance premiums		-8,989	-8,607
		669,011	592,471
Investment income	5.2		
Income from participations		137,066	91,769
Income from other investments		233,449	182,069
Realised profit on investments		570,282	636,855
		940,797	910,693
Unrealised profit from investments	5.2	-	22,916
Net claims incurred	5.3		
Gross		-315,147	-266,989
Reinsurer share		5,287	4,194
		-309,860	-262,795
Change to technical provision own account	4.8		
Gross		-307,793	-289,869
Reinsurer share		1,651	1,663
		-306,142	-288,206
Profit sharing and discounts		-43,654	-5,940
Operating costs			
Operating expenses	5.4	-70,674	-66,227
Management and personnel costs and depreciations	5.5	-86,944	-71,860
		-157,618	-138,087
Investment costs	5.2		
Management costs and interest charges		-24,831	-20,134
Realised loss on investments		-775,478	-268,486
		-800,309	-288,620
Unrealised loss from investments	5.2	-919,516	-
Result on investment not attributed to non-technical account		102,998	-119,923
Result technical account		-824,293	422,509

Non-technical account

<i>Amounts x €1,000</i>	Ref.	2022	2021
Result technical account		-824,293	422,509
Allocated result from investments transferred from technical account		-102,998	119,923
Other income	5.6	15,180	5,643
Other expenses	5.6	-3,108	-16,685
Result from ordinary operations before tax		-915,219	531,390
Taxes result from ordinary activities	5.7	243,200	-82,470
Result from ordinary activities after taxes		-672,019	448,920

I. General notes

I.1 Activities

The activities of DELA Natura- en levensverzekeringen N.V. ('DELA Natura'), with its statutory office in Eindhoven, Oude Stadsgracht 1, CoC number 17078393 involve insurance and investments. The insurance products are funeral insurance, life insurance and savings plans. The insurance activities take place in the Netherlands, Belgium and Germany. Investment activities are managed centrally from the Netherlands.

I.2 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 Natura and close affiliates are also considered affiliated parties. The other group companies in the DELA Coöperatie UA group, of which DELA Natura is a part, are also designated as associated 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. Subsidiary DELA Crematoria Group BV also rents out crematoriums and funeral centres to DELA Uitvaartverzorging NV at market rates. In addition, DELA Natura has a current account relationship with DELA Holding NV.

I.3 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 cost 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.

I.4 Consolidated figures

DELA Natura- en levensverzekeringen NV uses the exemption for consolidation in accordance with Article 2:408 DCC (consolidation exemption for parts of groups). The financial data the legal entity would have to consolidate is included in the condensed financial statements of DELA Coöperatie UA. The financial statements including the consolidated figures of DELA Coöperatie UA, is available from the Chamber of Commerce.

1.5 Cashflow overview

DELA Natura uses the exemption in RJ 360 which states that a medium or large-sized legal entity should draw up a cashflow overview unless the capital of said legal entity is directly or indirectly provided by another legal entity which draws up an equivalent cashflow overview that is included in a condensed financial statements that has been deposited at the trade register in the Netherlands. The financial statements including the consolidated figures of DELA Coöperatie UA is available via the Chamber of Commerce.

1.6 Estimates

To apply the principles and rules for drawing up the financial statements, the Management 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 Management 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 also section 4.2);
- the applied principle for the technical provision (see also section 2.12);
- the value of the non-technical provisions (see also section 2.13).

1.7 Drawing up and confirmation of the financial statement

DELA Natura- en levensverzekeringen NV uses the exemption for consolidation in accordance with Article 2:408 DCC (consolidation exemption for parts of groups). The financial data of the company and its subsidiaries are included in the condensed financial statements of DELA Coöperatie UA.

The financial statements 2022 was drawn up by the Management Board on 21 April 2023 and is due at the time of publication to be confirmed in the shareholder meeting of 13 May 2023. The financial statements 2021 was confirmed at the shareholder meeting of 30 April 2022.

1.8 Comparative figures

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 statement and has been corrected in this year's statements. Offsetting reduces the deferred tax assets and liabilities by €207.828 compared to the 2021 financial statements.

2. Principles for balance sheet and profit determination

2.1 General

The 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), including the RJ605 applicable to insurers. 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 Natura.

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 Natura 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 Natura 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 lifespan 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 useful life, 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 useful life, which is assessed annually. The current expected useful life 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 4 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 Immovable properties

Immovable properties are valued at the fair value on the balance sheet date. The fair value is based on the valuation by an external appraiser.

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 Natura 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-yield 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 Receivables from 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.

2.5.6 Derivatives

DELA Natura has forward exchange contracts which are stated at fair value. In addition, DELA Natura has a convertible loan, which consists of a loan and a call option. Upon valuation, the call option is separated from the loan and individually valued at fair value. Profit and loss from the revaluation into fair value on the balance sheet date is immediately processed in the income statement. This 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.

2.5.7 Receivables from 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 4.2 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 4.2 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.

2.5.12 Investment results

The items from the income statement below comprise the total investment results.

2.5.12.1 Investment income

Investment income includes:

- rental income from investments in real estate;
- dividends from participations;
- dividends from shares;
- interest on investments in fixed-interest securities;
- profit from the sale of investments

Interest charges are processed evenly over time, taking into account the effective interest rate of the relevant liabilities. Transaction costs on the received loans are taken into account when processing interest charges.

2.5.12.2 Unrealised results on investments

The unrealised results derive from value changes to securities and real estate.

2.5.12.3 Management costs and interest charges

These include:

- management costs of investments in real estate;
- management and depository costs of shares and bonds;
- interest expenses.

2.5.12.4 Realised loss on investments

Realised losses on financial instruments which are valued at market value are processed in the income statement.

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 Tangible fixed assets

Tangible fixed assets (including installations and vehicles) are stated at purchase price less depreciation based on the expected useful life, taking into account any residual value.

- installations: 10 years;
- vehicles: 5 years;
- laptops: 4 years

2.8 Impairments of fixed assets

DELA Natura 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 Natura 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 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 nominal value.

2.10 Accrued assets

Receivables are valued at nominal value minus any provisions deemed necessary for possible losses due to doubtful debts.

2.11 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 of DELA Group. The processing of the discretionary profit share takes place via the technical provisions item. The addition of the amount the DELA Natura has appropriated for discretionary profit distribution under the technical provisions is charged to the result.

2.12 Technical provision

2.12.1 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 statements could have a material effect on the technical provisions and underwriting costs (see also 4.8.1: Liability adequacy test).

2.12.2 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 takeover 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.

2.12.3 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.

2.12.4 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.

2.12.5 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.

2.12.6 Acquisition costs

The deferred acquisition costs are deducted from the provision.

2.13 Provisions

2.13.1 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.

2.13.2 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 Natura 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.

2.13.3 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).

2.13.4 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.

2.13.5 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 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 cash value.

2.14 liabilities

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.

2.15 Accrued liabilities

Accrued liabilities are stated at nominal value.

2.16 Leasing

DELA Natura 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.

2.17 Revenue recognition

2.17.1 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.

2.17.2 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.

2.18 Operating costs

2.18.1 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.

2.18.2 Management costs

Management costs not including acquisition costs, personnel costs and depreciations

2.18.3 Personnel expenses

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

2.18.4 Depreciation of intangible and fixed assets

Intangible and tangible fixed 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.

2.19 Other income and expenses

These items are the income and costs that result from areas other than insurance and investment activities or those that have an incidental character.

2.20 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. Risk

3.1 Solvency position

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

3.1.1 Development of solvency position

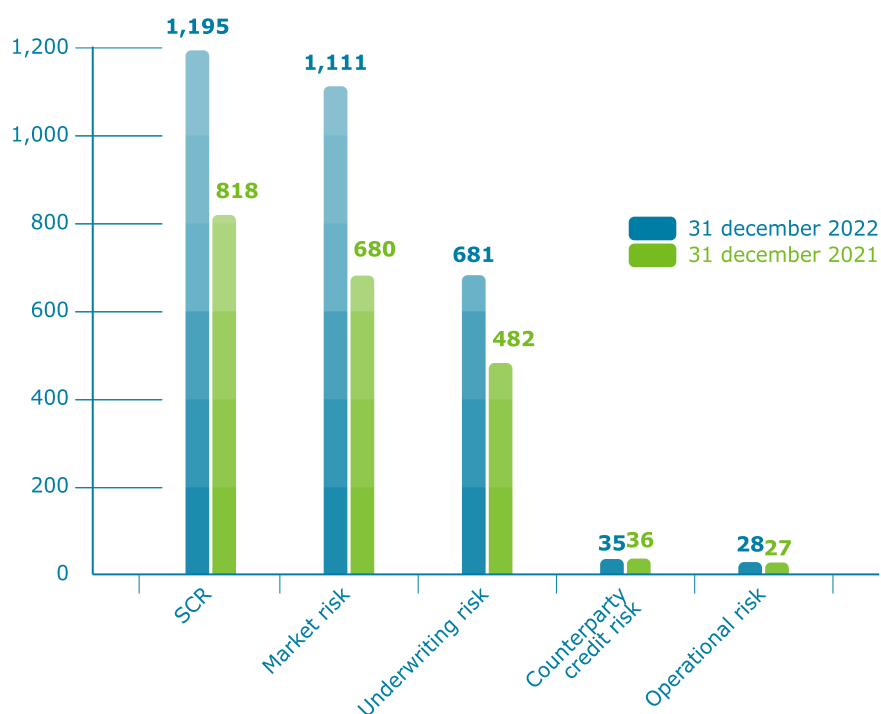
In 2022 an adjustment was made to the models used to determine the solvency ratio to reflect an inaccuracy found during an internal check. The adjustment meant that the solvency ratio at the end of 2021 was 244 percent, not 269 percent. The ratios of the previous years have been adjusted in the key figures. 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 Natura is sensitive to scenarios with a low interest rate and low inflation.

3.1.1.1 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 €818 million. See section 3.1.1 for further details.

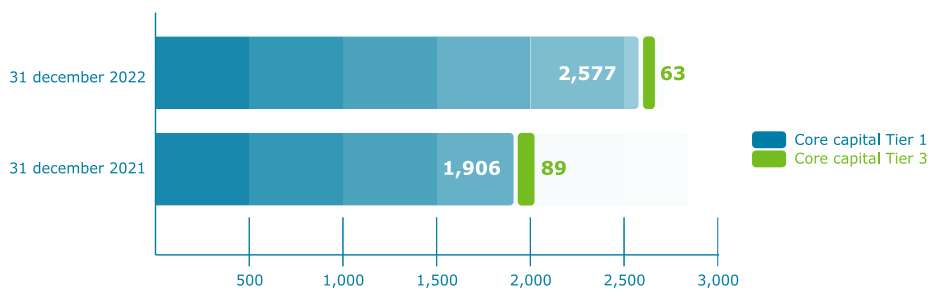
It is clear that the underwriting risks and market risks are the largest. The gross positions of both (without taking into account the mitigating effect of profit sharing) are approximately the same as they were at the end of 2021. The mitigating effect of the profit distribution was reduced. This is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

3.1.2 Development of core capital

The model was adjusted after an inconsistency was found. This involved an adjustment to the core capital on 31 december 2021 to €1,996 million. See section 3.1.1 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).

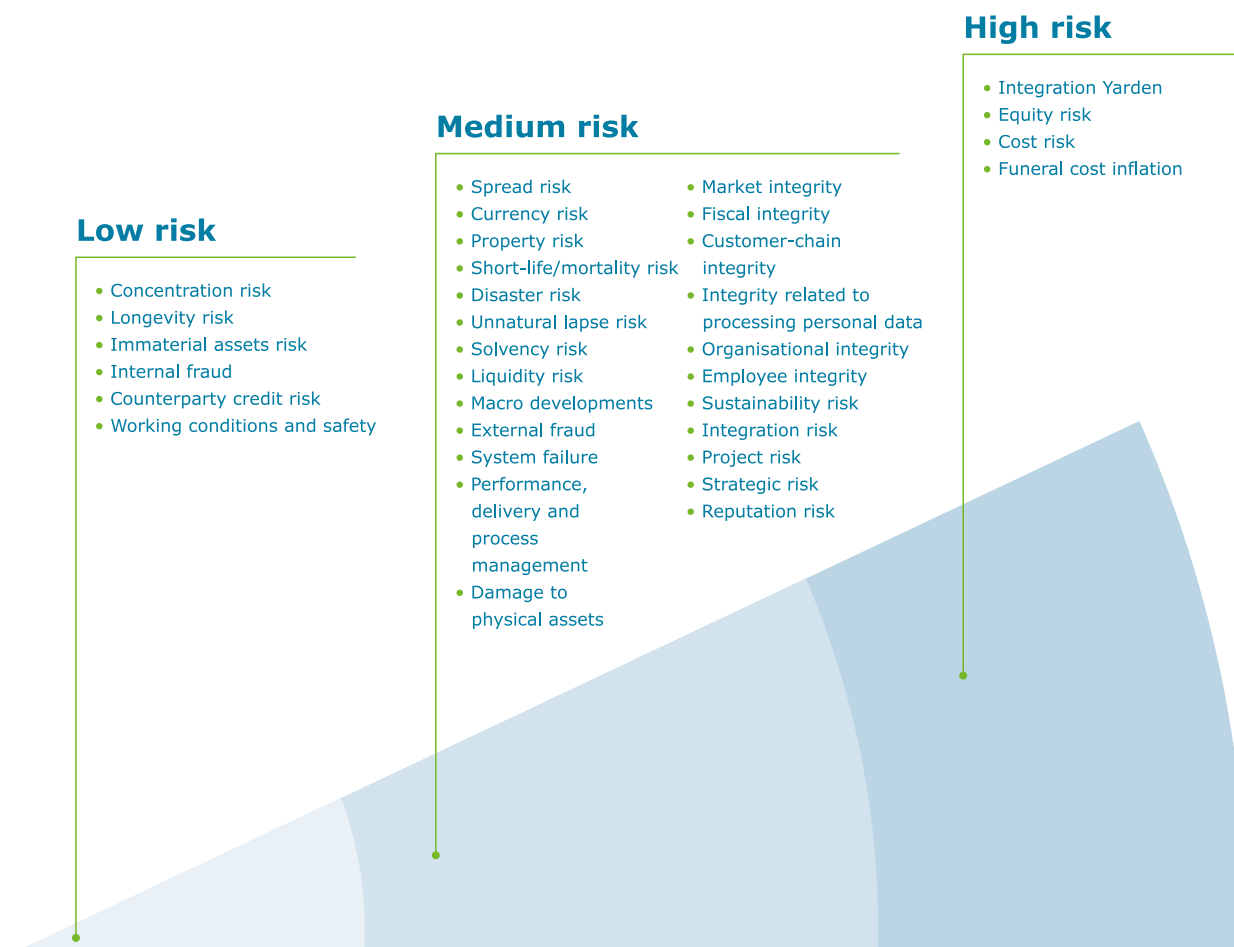
Core capital composition



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

3.2 Risk profile

DELA Natura 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 Natura.

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.

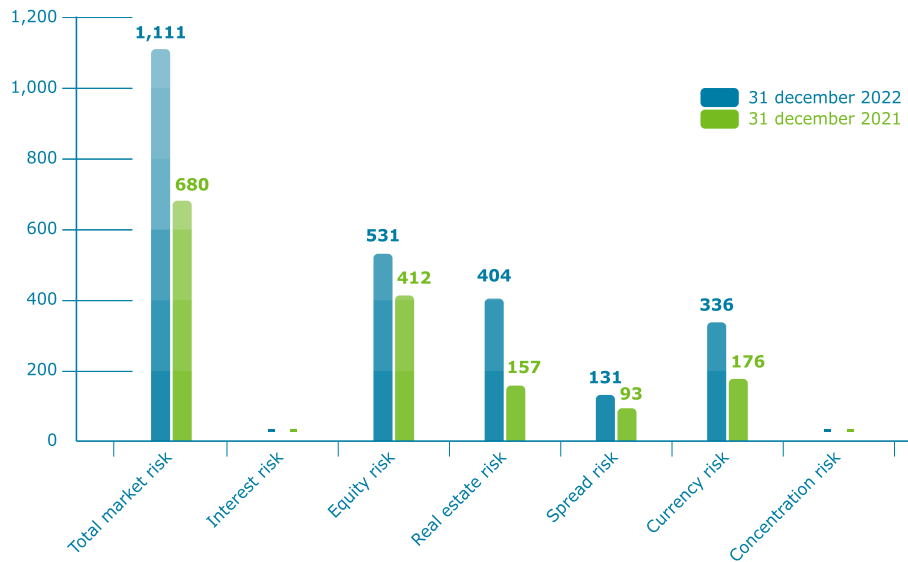
3.2.1 Market risks

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 Natura 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 Natura 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



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.

3.2.2 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 Natura 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.

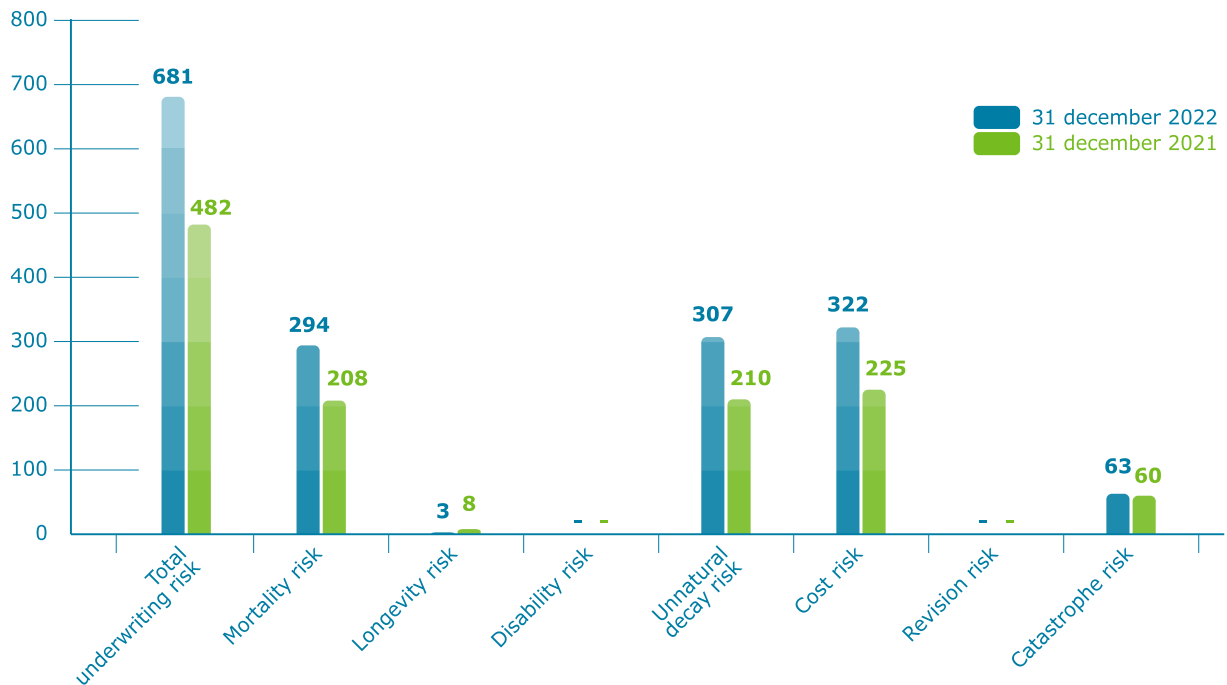
DELA Natura is exposed to the life insurance risk alone as it only provides life insurance policies. The portfolio largely consists of funeral insurance, with specific rates for the Netherlands, Belgium and Germany. These rates are based on specific characteristics and starting points (actuarial interest, 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 Natura acquired the funeral insurance portfolio of Monuta in 2022.

In addition, DELA Natura 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 Natura 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.

3.2.3 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.

3.2.4 Liquidity risk

This is the risk that DELA Natura 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 Natura must have sufficient cash and cash equivalents to pay claims resulting from the existing insurance agreements and to pay for its yearly expenses. DELA Natura uses multiple banks in order to have access to a wide range of credit facilities. In addition, DELA Natura has credit facilities with the custodian of the shares and bonds.

3.2.5 Operational risks

In addition to financial risks, DELA Natura 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 Natura is built up of the following sub-risks:

3.2.5.1 Internal and external fraud

DELA Natura distinguishes between internal fraud and external fraud. Internal fraud is that committed by DELA employees who undertake unauthorised activities to enrich themselves and by doing so harm DELA Natura. Examples are malversations, unjustified indemnities, purposefully declaring incorrect working hours, etc. External fraud is committed by someone from outside of DELA Natura (third parties, suppliers, customers, etc.) whose unauthorised activities impact DELA Natura. DELA Natura 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 Natura.

3.2.5.2 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 Natura does not accept higher risks with regard to the health and safety of its employees. 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.

3.2.5.3 Physical assets

This involves risks of loss of or damage to the head office. The presence of various control measures as defined in policy documents and procedures means these risks for DELA Natura are considered medium.

3.2.5.4 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 Natura has formulated a number of statements in its risk appetite:

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

3.2.6 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 Natura 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 Management 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 Natura (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 Natura. Second line managers will further develop the monitoring of key fiscal risks in 2023 in alignment with the tax manager and responsible management.

3.2.7 Other risks not part of the standard model I

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 Natura. The sections below describe these risks in further detail.

3.2.7.1 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 Natura.

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.

3.2.7.2 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 Natura aims for a good service provision to members at the lowest premium possible. This is, in fact, a focal point in the ORSA. DELA Natura has some influence on the development of funeral cost inflation and monitors this throughout the year.

3.2.7.4 Sustainability risk

The sustainability risk includes the risk of climate change. DELA Natura 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.

3.2.7.5 Financial reporting risk

DELA Natura 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 Natura, 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.

4. Notes on the balance sheet

4.1 Intangible fixed assets

Developments

Amounts x €1,000	2022	2021
Book value on 1 January	37,157	38,321
Investments	14,767	11,776
Disposals	-	-33
Revaluation	-	-8,628
Depreciation	-4,198	-4,279
Book value on 31 December	47,726	37,157

Intangible fixed assets, cumulative

Amounts x €1,000	31-12-2022	31-12-2021
Acquisition prices	107,511	92,744
Cumulative value changes and depreciations	-59,785	-55,587
Book value on 31 December	47,726	37,157

Intangible fixed assets, specification

Amounts x €1,000	Acquired insurance portfolios	Softwaresystems	Other	Total
Book value on 1 January 2022	10,221	25,404	1,532	37,157
Investments	-	14,797	-	14,797
Disposals	-	-30	-	-30
Depreciation	-610	-3,282	-306	-4,198
Book value on 31 December 2022	9,611	36,889	1,226	47,726

4.2 Investments

4.2.1 Sites and buildings

Other sites and buildings, development

Amounts x €1,000	31-12-2022	31-12-2021
Book value on 1 January	25,520	24,070
Investments	6	18
Disposals	-735	-
Revaluation	-	1,432
Book value on 31 December	24,791	25,520

This involves the head office, which is classified as an investment object as part of the building is being let. The disinvestment involves the sale of a building in Groningen which generated no profit.

4.2.2. Participations in group companies and participations

The following mergers took place in 2022:

- 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.

The mergers were processed retroactively (per 1 January 2022) in accordance with the 'carry over accounting' method. The mergers within DELA Group involve transactions with associated parties and are therefore processed based on book value. These transactions were not based on market conditions.

In addition, DELA Natura sold its 16.2% share in The Right Meal BV to Voor Elkaar Holding NV. The mergers within DELA group involve transactions with associated parties and are therefore processed based on book value. These transactions were not based on market conditions.

Participations, specification

Amounts x €1,000	Share in issued capital	31-12-2022	31-12-2021
DELA Vastgoed B.V., Eindhoven	100%	167,167	409,878
DELA Vastgoedmanagement B.V., Eindhoven	100%	-	3,039
DELA Crematoria Groep B.V., Eindhoven	100%	179,388	53,063
DELA US Investments B.V., Eindhoven	100%	641,951	293,342
DELA Hypotheken B.V., Capelle a/d IJssel	100%	270,456	264,285
DELA Investment Belgium N.V., Antwerpen	100%	45,502	52,396
DELA Vastgoed België N.V., Luik	100%	60,995	56,352
Dela Enterprises N.V., Antwerpen	100%	1,720	1,720
The Right Meal B.V., Hilversum	18%	-	275
Yarden Vastgoed B.V., Almere	100%	-	103,622
Yarden Vastgoed II B.V., Almere	100%	-	18,800
Book value on 31 December		1,367,179	1,256,772

Participations, developments

Amounts x €1,000	2022	2021
Book value on 1 January	1,256,772	1,046,890
Result from participation	137,066	91,769
Acquisition	-	99,159
Investments	232,000	179,070
Dividend	-258,384	-159,127
Disposals	-275	-
Other value changes	-	-989
Book value on 31 December	1,367,179	1,256,772

Loans to and receivables from group companies

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Current account		
- DELA Holding N.V.	37,465	64,093
- DELA Crematoria Groep B.V.	-	27,182
- DELA US Investments B.V.	56,833	-
- DELA Investment Belgium N.V.	2,813	233,006
- DELA Vastgoed België N.V.	93	1,625
- Yarden Holding B.V.	-	23,096
- Yarden Uitvaartzorg B.V.	-	11
- Yarden Franchise B.V.	-	38
- Yarden Depositofonds B.V.	-	85
	97,204	349,136
Loans to group companies		
- Yarden Vastgoed B.V.	-	4,000
- Yarden Holding B.V.	-	1,500
- DELA Holding N.V.	1,500	-
- DELA Crematoria Groep B.V.	112,200	113,800
	113,700	119,300
Total	210,904	468,436

The average balance of these current account relationships is subject to an interest rate of 0.5 percent (short) and 3.5 percent (long). There are no agreements related to payment and securities.

4.2.3 Other financial investments**Developments**

<i>Amounts x €1,000</i>	End position 2021	Purchases	Disposals and repayment	Other transactions	End position 2022
Shares and other variable-yield securities	2,937,638	1,175,976	-1,919,518	-429,163	1,764,933
Bonds and other fixed interest securities	2,605,203	1,876,300	-1,879,204	-454,955	2,147,344
Derivatives	-	-	-	63,021	63,021
Claims from mortgage loans	999	-	-4	20	1,015
Claims from other loans	334,063	86,254	-138,580	-59,942	221,795
Real estate funds	877,372	460,195	-	-28,449	1,309,118
Infrastructure funds	480,924	382,960	-	36,692	900,576
Agricultural and forestry funds	-	104,346	-	-660	103,686
Investments in cash and cash equivalents	59,516	-	-	3,128	62,644
Other financial investments	218,731	147,674	-	-60,348	306,057
Total	7,514,446	4,233,705	-3,937,306	-930,656	6,880,189

Other financial investments, other valuations 2022

<i>Amounts x €1,000</i>	Balance value	Cost price	Market value
Shares and other variable-yield securities	1,764,933	1,649,553	1,764,933
Bonds and other fixed interest securities	2,147,344	2,424,531	2,147,344
Derivatives	63,021	-	63,021
Claims from mortgage loans	1,015	1,015	1,015
Claims from other loans	221,795	236,653	221,795
Real estate funds	1,309,118	1,172,425	1,309,118
Infrastructure funds	900,576	814,738	900,576
Agricultural and forestry funds	103,686	104,346	103,686
Investments in cash and cash equivalents	62,644	62,644	62,644
Other financial investments	306,057	361,592	306,057
Total	6,880,189	6,827,497	6,880,189

Other financial investments, other valuations 2021

<i>Amounts x €1,000</i>	Balans- waarde	Kostprijs	Markt- waarde
Shares and other variable-yield securities	2,937,638	2,207,793	2,937,638
Bonds and other fixed interest securities	2,605,203	2,428,195	2,605,203
Derivatives	-	-	-
Claims from mortgage loans	999	999	999
Claims from other loans	334,063	326,768	334,063
Real estate funds	877,372	877,372	877,372
Infrastructure funds	480,924	480,918	480,924
Investments in cash and cash equivalents	59,516	59,516	59,516
Other financial investments	218,731	215,266	218,731
Total	7,514,446	6,596,827	7,514,446

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%	35.2%
Europe	25.8%	29.7%
North America	34.3%	32.3%
Latin America	3.7%	1.6%
Middle East	2.8%	1.2%
Total	100.0%	100.0%

Shares, categorised by sector

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Information technology	17.7%	16.9%
Luxury consumer goods	15.9%	18.2%
Financial institutions	11.9%	10.8%
Industry	11.2%	13.0%
Health care	10.3%	9.9%
Communication services	8.6%	7.7%
Consumer goods	6.5%	7.2%
Raw materials	6.2%	6.5%
Real estate	5.7%	3.9%
Energy	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	28.1%	13.9%
AA	13.4%	7.3%
A	6.4%	7.1%
BBB	17.5%	16.9%
< BBB	24.5%	23.1%
Overige	10.1%	31.7%
Total	100.0%	100.0%

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.

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.

Unhedged foreign exchange positions

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
American dollar	150,232	334,840
Hong Kong dollar	144,222	187,702
South Korean won	76,018	105,874
Brazilian real	63,798	56,903
New Taiwan dollar	63,500	107,391
Indian rupee	56,050	64,958
Australian dollar	55,210	45,559
South African rand	50,432	45,023
Mexican pesos	50,053	43,244
Chinese yuan	32,527	46,131
Swiss franc	31,397	68,958
Indonesian rupiah	30,118	37,178
Canadian dollar	29,786	47,625
Thai baht	28,294	21,219
Malaysian ringgit	24,162	17,084
Other	189,879	391,713
Total	1,075,678	1,621,402

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 Natura 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.

Other financial investment

The amounts included under other financial investments relate to agricultural and forestry funds, mortgage funds and interests in non-listed private equity firms. The market value of these private equity firms is based on the DCF method.

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 Natura 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).

Securities lending

DELA Natura lends shares and bonds. To limit the risk for DELA Natura, 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).

4.3 Receivables

4.3.1 Receivables from direct insurance

Due to the scope and distribution of the operations of DELA Natura the credit risk based on the claims from direct insurance is only condensed to a limited extent. In addition to the usual provision for doubtful debts from intermediaries there is therefore no additional provision for credit risk.

4.3.2 Other receivables

Specification

Amounts x €1,000	31-12-2022	31-12-2021
Deferred tax assets	124,946	-
Corporation tax	16,887	11,235
Taxes and social security charges	12,093	14,684
Debtors	1,813	2,311
Other receivables	23,538	983
Total	179,277	29,213

The other receivables have a term of less than one year, except for the deferred tax assets,

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

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Regarding other tax valuation of:		
- technical provision	109,307	-
- First cost	33,768	-
- Securities	47,113	-
- Real estate	-66,182	-
- Other	940	-
Total	124,946	-

The deferred tax assets related to the technical provision resulted from a difference in valuation of the technical provision at the time of the Yarden acquisition. While the technical provision is commercially valued at fair value, this is not allowed in fiscal terms.

The deferred tax assets are largely of a long-term character.

4.4 Tangible fixed assets

Developments

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	447	6,256
Investments	155	111
Acquisition	-	16
Disposals	-1	-388
Depreciation	-140	-133
Other changes	-	-5,415
Book value on 31 December	461	447

The tangible fixed assets concern inventory and computers. No result was realized on the divestments.

4.5 Cash and cash equivalents

Cash and cash equivalents involve bank balances are freely available.

4.6 Accrued receivables

The accrued receivables consist of accrued interest and rent and amounts paid in advance.

4.7 Equity capital

Developments

Amounts x €1,000	2022	2021
Book value on 1 January	1,682,631	1,293,999
Result after taxes	-672,019	448,920
Paid dividend	-89,000	-
Other value changes	-2	-60,288
Book value on 31 December	921,610	1,682,631

Other value changes in 2021 involve the negative capital of Yarden Uitvaartverzekeringen NV incorporated in DELA Natura due to the merger.

It is proposed to charge the result after tax of -€672,019 to the other reserves. In anticipation of confirmation by the general meeting, this result appropriation has already been included in the financial statements.

4.7.1 Share capital

On 31 December 2022 the registered (145,210 shares) and issued capital (29,498 shares) of the company were €14,521 and €2,950 respectively.

4.7.2 Premium reserve

The premium reserve resulted from the share issuance above the nominal value and therefore involves a free reserve.

4.7.3 Revaluation reserve

Developments

Amounts x €1,000	2022	2021
Balance on 1 January	361,360	215,328
From (to) other reserves re. value changes of investments without frequent market quotation	168,616	174,003
From (to) other reserves re. the sale of investments without frequent market quotation	-117,792	-27,971
Balance as at 31 December	412,184	361,360

4.7.4 Legal and statutory reserves

Developments

Amounts x €1,000	2022	2021
Balance on 1 January	23,579	21,042
Investment in internally developed software systems	5,899	3,860
Depreciation internally developed software systems	-1,785	-1,323
Balance as at 31 December	27,693	23,579

A statutory reserve has been set at the level of the capitalised expenses of internally developed software systems. The rest of the legal reserves come from subsidiaries of DELA Natura.

4.7.5 Other reserves

Developments

Amounts x €1,000	2022	2021
Balance on 1 January	1,219,853	979,790
From appropriation of profit in book year	-672,019	448,920
Paid dividend	-89,000	-
From (to) revaluation reserve re. value changes of investments without frequent market quotation	-168,616	-174,003
From (to) revaluation reserve re. sale of investments without frequent market quotation	117,792	27,971
To statutory reserve re. capitalised expenses related to internally developed software	-4,114	-2,537
Other changes	-2	-60,288
Balance as at 31 December	403,894	1,219,853

Other changes in 2021 involve the negative capital of Yarden Uitvaartverzekeringen NV which has been incorporated in DELA Natura due to the merger.

4.8 Technical provision

Developments

Amounts x €1,000	2022	2021
Book value on 1 January	7,172,312	5,154,718
- From premium	523,206	462,961
- Interest	178,840	160,075
- Profit sharing	43,654	5,844
- Acquisition	19,982	1,735,870
- 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	-12,420
Book value on 31 December	7,531,735	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.

Acquisition concerns the acquisition of a funeral insurance portfolio from Monuta in Germany.

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.

Technical provision, specification 2022

<i>Amounts x €1,000</i>	Annual premium	Insured capital	Accumulated balance	Provision for insurance liabilities	Number of policy holders
Funeral insurance	589,388	28,904,875	-	7,100,926	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	7,531,735	5,489,462

Technical provision, specification 2021

<i>Amounts x €1,000</i>	Annual premium	Insured capital	Accumulated balance	Provision for insurance liabilities	Number of policy holders
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	-	85,470	366,694
Reinsurance	-	-	-	-23,630	
Surplus interest sharing	-	-	-	-	
Allocated acquisition costs	-	-	-	-96,478	
Total	615,161	68,677,697	400,194	7,172,312	5,300,091

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

Allocated acquisition costs, developments

<i>Amounts x €1,000</i>	2022	2021
Book value on 1 January	96,478	84,056
Allocated	26,126	26,158
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.

4.8.1 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 distribution	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.
Cost	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 3.1.1. 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 (including the Belgian and German offices).

4.9 Provisions

Developments

Amounts x €1,000	Book value 31-12-2021	Allocation	Withdrawn	Other value changes	Book value 31-12-2022
Provision for deferred tax	102,264	83,850	-204,592	24,428	5,950
Provision for work anniversaries	734	-	-158	-	576
Total	102,998	83,850	-204,750	24,428	6,526

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
Regarding other tax valuation of:		
- technical provision	-	-138,481
- Real estate	15,308	59,508
- First cost Belgium	-16,279	-23,240
- loss relief previous years	6,921	-12,444
- Securities	-	214,521
- Other	-	2,400
Total	5,950	102,264

4.10 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 Natura. 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

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Book value on 1 January	17,359	16,179
Deposits	1,103	1,180
Book value on 31 December	18,462	17,359

4.11 Debts

Debts from direct insurance occur when policyholders pay premiums in advance.

The existing debts are not subject to agio or disagio, which means the amortised cost is equal to the nominal value.

Other debts, specification

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Creditors	2,224	5,245
Corporation tax	19,394	97,693
Security deposits	-	-
Debts to group companies	144,081	230,915
Payable VAT	144	175
Payable taxes and social-security contributions	3,398	2,810
Monetary loans	17,500	17,500
Other	660	767
Total	187,401	355,105

The reduction in debts to group companies is due to a lower current account debt to DELA Vastgoed BV after a dividend payment took place which was set off against it.

Monetary loans, developments

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Book value on 1 January	17,500	2,500
Acquisitions	-	15,000
Book value on 31 December	17,500	17,500

The monetary loans, have a term of more than 5 years.

4.12 Accrued liabilities**Specification**

<i>Amounts x €1,000</i>	31-12-2022	31-12-2021
Rent paid in advance	29	39
Other debts due	19,345	13,880
Payable days off	703	804
Payable holiday allowance	763	1,009
Payable 13th month	285	607
Payable variable remuneration	32	358
Individual Choice budget	501	-
Derivatives	-	39,757
Total	21,658	56,454

The accrued liabilities are lower than last year, mainly because the derivatives have a positive value and have therefore been included on the asset side of the balance sheet. The value was negative in 2021.

4.13 Assets and obligations not included in the balance sheet**4.13.1 Lightyear - Atlas Technologies B.V.**

DELA Natura 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.

4.13.2 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.

4.13.3 Multi-year financial obligations

Multi-year financial obligations

<i>Amounts x €1,000</i>	Less than one year	Between one and five years	More than five years
Lease obligations	474	701	0

4.13.4 Credit facilities

DELA Natura 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.

4.13.5 Investment obligation

DELA Natura 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 \$45 million (which equals €42 million on the balance sheet date).

In 2022 DELA Natura 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 \$67 million (which equals €63 million on the balance sheet date).

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

DELA Natura 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).

4.13.6 Fiscal unity

Fiscal units have been established in DELA Natura for corporate tax (VPB) and turnover tax (OB). Every company within the tax unity is severally liable for the taxes due.

5. Notes on the income statement

5.1 Income

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

5.2 Investment result

The net investment results consist of the following items of the income statement:

Specification of net investment result

Amounts x €1,000	2022	2021
Investment income	940,797	910,693
Unrealised profit from investments	-	22,916
Realised loss on investments	-775,478	-268,486
Unrealised loss from investments	-919,516	-
Management costs and interest charges	-24,831	-20,134
Total	-779,028	644,989

Realised and unrealised investment results, specification 2022

Amounts x €1,000	Realized profit	Realized loss	Unrealised result	Management costs and interest charges	Total
Participations	137,066	-	-	-	137,066
Sites and buildings (b)	1,640	-	-	238	1,402
Other financial investments (c):					
- Shares and other variable-yield securities	470,906	221,730	-614,340	7,105	-372,269
- Bonds and other fixed interest securities	173,381	248,196	-334,463	5,715	-414,993
- Derivatives	72,671	297,113	102,778	411	-122,075
- Claims from mortgage loans	34	-	-	-	34
- Claims from other loans	14,840	8,421	-22,074	1,046	-16,701
- Real estate funds	26,261	18	-28,449	337	-2,543
- Infrastructure funds	28,528	-	36,693	396	64,825
- Agricultural and forestry funds	-	-	-660	-	-660
- Other financial investments	15,470	-	-59,001	9,583	-53,114
	802,091	775,478	-919,516	24,593	-917,496
Net investment result (a) + (b) + (c)	940,797	775,478	-919,516	24,831	-779,028

Realised and unrealised investment results, specification 2021

<i>Amounts x €1,000</i>	Realized profit	Realized loss	Unrealised result	Management costs and interest charges	Total
Participations	91,769	-	-	-	91,769
Sites and buildings (b)	1,460	-	-	232	1,228
Other financial investments (c):					
- Shares and other variable-yield securities	337,160	81,079	221,969	7,006	471,044
- Bonds and other fixed interest securities	357,773	70,830	-259,285	5,865	21,793
- Derivatives	62,251	113,894	-74,394	388	-126,425
- Claims from mortgage loans	34	-	-	-	34
- Claims from other loans	15,773	2,074	6,858	1,192	19,365
- Real estate funds	20,920	586	65,860	2,446	83,748
- Infrastructure funds	10,962	-	59,097	-860	70,919
- Other financial investments	12,591	23	2,811	3,865	11,514
	817,464	268,486	22,916	19,902	551,992
Net investment result (a) + (b) + (c)	910,693	268,486	22,916	20,134	644,989

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

<i>Amounts x €1,000</i>	Direct	Indirect	Total
Participations (a)	137,066	-	137,066
Sites and buildings (b)	1,402	-	1,402
Other financial investments (c):			
Shares and other variable-yield securities	59,097	-431,366	-372,269
Bonds and other fixed interest securities	76,801	-491,794	-414,993
Derivatives	-411	-121,664	-122,075
Claims from mortgage loans	34	-	34
Claims from other loans	12,123	-28,824	-16,701
Real estate funds	25,869	-28,412	-2,543
Infrastructure funds	28,132	36,693	64,825
Infrastructure funds	-	-660	-660
Other financial investments	5,572	-58,686	-53,114
	207,217	-1,124,713	-917,496
Net investment result (a) + (b) + (c)	345,685	-1,124,713	-779,028

Direct and indirect investment result, specification 2021

<i>Amounts x €1,000</i>	Direct	Indirect	Total
Participations (a)	91,769	-	91,769
Sites and buildings (b)	1,228	-	1,228
Other financial investments (c):			
Shares and other variable-yield securities	51,952	419,092	471,044
Bonds and other fixed interest securities	64,179	-42,386	21,793
Derivatives	-388	-126,037	-126,425
Claims from mortgage loans	34	-	34
Claims from other loans	11,590	7,775	19,365
Real estate funds	18,464	65,284	83,748
Infrastructure funds	11,759	59,160	70,919
Other financial investments	3,119	8,395	11,514
	160,709	391,283	551,992
Net investment result (a) + (b) + (c)	253,706	391,283	644,989

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.

5.3 Net claims incurred

Specification

<i>Amounts x €1,000</i>	2022	2021
Payment on death	70,032	41,026
Funeral costs	133,807	131,208
Expiration	4,027	3,229
Pension insurance payment	11	12
Capital payments	70,877	67,164
Annulment payments	312	288
Buyouts	36,081	24,062
Gross benefits	315,147	266,989
Reinsured payment upon death	-5,219	-4,128
Reinsured expiration	1	1
Reinsured buyouts	-69	-67
Reinsured benefit	-5,287	-4,194
Payments own account	309,860	262,795

The payments upon death and surrendered policies are higher because the Yarden portfolio acquired in 2021 is included in the figures for the entire year in 2022; in 2021 they were included from the acquisition date in early August.

5.4 Acquisition costs

Specification

<i>Amounts x €1,000</i>	2022	2021
Allocated acquisition costs, personnel	22,660	20,402
Allocated acquisition costs, other	29,176	29,528
Direct acquisition costs	29,193	28,522
Deferred acquisition costs	-26,126	-25,961
Depreciation of acquisition costs	15,771	13,736
Total	70,674	66,227

The allocated acquisition costs, personnel and other, involve indirect acquisition costs that are determined based on internal cost models. The increase of the capitalised acquisition costs is due to growth of the insurance portfolio in Germany.

5.5 Operating-, personnel costs and depreciation

Specification

<i>Amounts x €1,000</i>	2022	2021
Building and inventory costs	656	145
Vehicle costs	727	599
IT-cost	-3,080	-4,520
Consultancy costs	10,782	6,271
Office costs	6,000	5,964
Passed on costs/chargebacks/recharges	64,456	58,436
Salary costs	22,121	19,978
Social security costs	3,692	3,050
Pension costs	2,726	2,038
Costs of outsourced work	7,436	7,669
Other personnel costs	1,497	1,246
Advertising costs	21,491	20,702
Personnel costs, classified by acquisition costs	-22,660	-20,402
Other expenses, classified by acquisition costs	-29,176	-29,528
Other expenses	276	212
Total	86,944	71,860

The IT costs are negative as the capitalisation of software development costs (€8,868) was deducted. The incurred costs are in the charge backs as they are made in DELA Holding NV.

5.6 Other income and expenses

The other income mainly involves the release of negative goodwill regarding the acquisition of the Monuta portfolio in Germany.

Other expenses, specification

Amounts x €1,000	2022	2021
Depreciation intangible fixed assets	2,386	17,703
Pension costs for inactives	-157	-37
Other charges	879	-981
Total	3,108	16,685

5.7 Taxes on results from ordinary activities

Taxes on results, specification

Amounts x €1,000	2022	2021
Corporate tax due in reporting year	5,619	84,773
Previous years	-1,756	-1,187
Acute corporate income tax	3,863	83,586
Deferred corporate tax	-247,063	-1,116
Total	-243,200	82,470

The applicable tax rate is based on the nominal tax rate in the Netherlands. The nominal tax rate in the Netherlands increased from 25 to 25.8 percent in 2022.

Taxes on results, clarification

Amounts x €1,000	2022	2021
Result from ordinary operations before tax	-915,219	531,390
Nominal tax percentage	25.8%	25%
Nominal tax amount	-236,127	132,848
Corporate tax previous years	-1,756	-1,187
Impact of participation exemption	-41,342	-40,082
Tax differences	36,025	-9,109
Total	-7,073	-50,378

The effective tax burden deviates from the nominal rate. Taxes in previous years mainly involve a change to the application of the participation exemption for an investment fund. There is a participation exemption for the results of participations and on interests of over five percent in investment funds. Tax differences are due to the fact that the realised and unrealised losses on shares are not tax-deductible in Belgium. The effective tax rate over 2022 was 26.6 percent (2021: 15.5 percent).

5.8 Organic analysis

The organic analysis shows the result of the technical account and the result before tax, categorised by profit sources.

Organic analysis

Amounts x €1,000,000	2022	2021
Result on mortality and invalidity	51.3	45.3
Result on buyouts and transactions	15.2	12.8
Result on costs	10.5	5.3
Result on interest	-854.9	365.0
Other technical result	-2.8	0.0
Result-sharing	-43.7	-5.9
Result technical account	-824.3	422.5
Investment result of own capital	-103.0	119.9
Other result	12.1	-11.0
Result before taxes	-915.2	531.4

The determination of the income from investments for technical or non-technical accounts is based on the equity/debt ratio.

5.9 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 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 €686 (2021: €651), a variable component of €110 (2021: €120) and a pension contribution of €142 (2021: €122).

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).

5.10 Audit fees

DELA Natura uses the exemption based on Article 2:382a section 3 DCC, which means it does not have to publish the fees.

5.11. Average number of employees

DELA Natura had an average of 419 (2021: 378) employees over 2022, of which 284 (2021: 249) of in The Netherlands, 99 (2021: 103) in Belgium and 36 (2021: 26) in Germany.

Eindhoven, 21 april 2023

DELA Natura- en levensverzekeringen N.V.

The Management 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 30 of the statutes states that the Management 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 Natura- en levensverzekeringen N.V.

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 Natura- en levensverzekeringen N.V. ("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 Natura- en levensverzekeringen N.V. 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 company balance sheet as at 31 December 2022.
2. The 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 Natura- en levensverzekeringen N.V. 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 € 18.430.000. The materiality is based on 2% of equity. We consider equity to be the most appropriate benchmark, because 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 € 921.500, 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 Natura- en levensverzekeringen N.V. is at the head of a group of entities. The financial information of this group is included in the financial statements of DELA Natura- en levensverzekeringen N.V..

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

We have performed audit procedures ourselves at group entities DELA Vastgoed B.V., DELA Crematoria Groep B.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) and DELA Hypotheken B.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 Natura- en levensverzekeringen N.V. 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 Natura- en levensverzekeringen N.V.'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 Natura- en levensverzekeringen N.V.'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 help 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 Natura- en levensverzekeringen N.V. as to whether DELA Natura- en levensverzekeringen N.V. 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 of 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 Natura- en levensverzekeringen N.V. has significant technical provisions on the balance sheet for € 7,5 billion. Quantification of the technical provisions is inherently uncertain and requires that management make 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 about 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:

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 Natura- en levensverzekeringen N.V. 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 Natura- en levensverzekeringen N.V. 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 2.12 and 4.8 in the financial statements are adequate.

The valuation of the participations depends to a significant extent on the valuation of the investments in real estate

Description of key audit matter:

As per 31 December 2022, DELA Natura- en levensverzekeringen N.V. held interest in different participations (among others DELA Vastgoed B.V. and DELA Crematoria B.V.). The net asset value of these participations depends primarily on the value development of the portfolio of investments in real estate held by these participations with a fair value of €593 million.

The portfolio consists of retail, residential, crematoria, office and other properties.

At the end of each reporting period, management determines the net asset value of its participations by among others determining the fair value of the real estate investment portfolio in accordance with the requirements of Dutch Accounting Standard 213. DELA Natura- en levensverzekeringen N.V. 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 Natura- en levensverzekeringen N.V. 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 the result and the net asset value of the participations; this in relation to the relative size of the investments in real estate (primarily in the participations in DELA Vastgoed B.V. and DELA Crematoria Groep B.V.) 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 4.2.2 in the financial statements are adequate.

Other financial investments valued at fair value that are based on valuation techniques with significant non-observable inputs*Description of key audit matter:*

DELA Natura- en levensverzekeringen N.V. has, as of 31 December, 2022 other financial investments (€ 2.2 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 Natura- en levensverzekeringen N.V.'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 Natura en levensverzekeringen N.V. 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.
- Reviewed the disclosures included in the financial statements.

Our observation:

We deem the methodology and assumptions applied by DELA Natura- en levensverzekeringen N.V. 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 4.2.3 in the financial statements are adequate.

Disclosure relating to the solvency position, based on Solvency II regulation*Description of key audit matter:*

For DELA Natura- en levensverzekeringen N.V. the Solvency II ratio as of 31 December 2022 is 221%. 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 Natura- en levensverzekeringen N.V., 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 testing 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 Natura- en levensverzekeringen N.V. 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 3.1 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
- Corporate governance
- Risk management
- Other information
- Annex: NFRD
- Supervisory board report
- 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 Natura- en levensverzekeringen N.V. 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 Natura in 2022 and covers the book year from 1 January to 31 December.

The selection of the reported indicators in the Management 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.

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Other indicators such as energy and CO₂ emissions are reported at DELA Group level annually for the purpose of this report. The underlying data for these indicators is collected and checked by the CSR project leader.

The Management 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.

FTE

Fulltime equivalents (for example, 2 part-time employees who each work 50 percent, together count as 1 Fte).

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 Management Board report, Our members, Insurances
102-3 Location of headquarters	Eindhoven
102-4 Locations	In brief, Profile Antwerpen, Luik, Düsseldorf
102-5 Ownership structure and legal form	Governance & riskmanagement, Corporate governance Financial statements Notes on the balance sheet and income statement
102-6 Markets served	Management Board report, Our members, Insurances
102-7 Scale of the reporting organisation	In brief, Key figures
102-8 Information on employees	Management Board report, Our organisation, Our people
102-9 Description of the organisation's supply chain	Management Board report, Our strategy, Our meaning
102-10 Significant changes to the organisation and the supply chain	Financial statements Notes on the balance sheet and income statement
102-11 Externally developed economic, environmental and social charters, principles applied by the organisation	Management 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	Management Board report, Our organisation, CSR
102-13 Memberships of associations (including trade associations) and national and international interest groups	Management Board report, Our strategy, Stakeholders https://www.dela.nl/verzekeringen/keurmerken
Strategy	
102-14 Statement from the highest decision-maker of the organisation	Management 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	Management Board report, Our strategy, Stakeholders Management Board report, Our organization, Our people 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	Management 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	Management Board report, Our strategy, Our environment
102-43 Approach to stakeholder engagement	Management Board report, Our strategy, Our environment
102-44 Key topics and issues based on stakeholder meetings	Management 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 Management 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 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 Management Board report, Our strategy, Our significance
Description of policy related to environmental matters	Management Board report, Our organisation, CSR
Description of policy related to social matters and treatment of employees	Management Board report, In brief, Profile Management Board report, Our strategy, Our significance Management Board report, Our organisation, Our employees Management Board report, Our organisation, CSR
Description of policy related to respect for human rights	Governance & risk management, Corporate governance, Integrity
Description of policy related to tackling corruption and bribery issues	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;	Management 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	Management Board report, Our strategy, Our significance Management Board report, Our organisation, Our employees Management 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)	Management 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.

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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