

# DELA Group Annual report 2019

DELA Coöperatie U.A.  
(abridged version)



coöperatie  
**DELA**

## Cover photo: DOMUSDELA (Paterskerk Church), Eindhoven (NL)

Now the world has abruptly come to a standstill due to coronavirus, many people need all the support they can get. For this reason, DELA has been illuminating the Jezus Waaghals statue on the DOMUSDELA Paterskerk church in green every Thursday evening to symbolise hope and offer comfort to those who can use a little extra light in these dark times.

### Light, the symbol of hope

Light has symbolised hope for centuries and Eindhoven has been known as the 'City of Light' since the 1800s. Normally lit up when a new child is born in Eindhoven, this initiative has been designed to help all residents of the city during this unprecedented period.

### New life

Upon request, the sacred heart statue on the steeple of the Paterskerk can be illuminated in the favourite colours of brand-new parents who would like to let the whole city of Eindhoven know that their child has been born. Parents whose child is stillborn can also use the opportunity if they wish to honour their child. In this way the DELA cooperative meets the desire to give extra meaning to such special moments in life. After all, we toll the bells at funerals so why not celebrate birth? Our society has a clear need for new rituals.

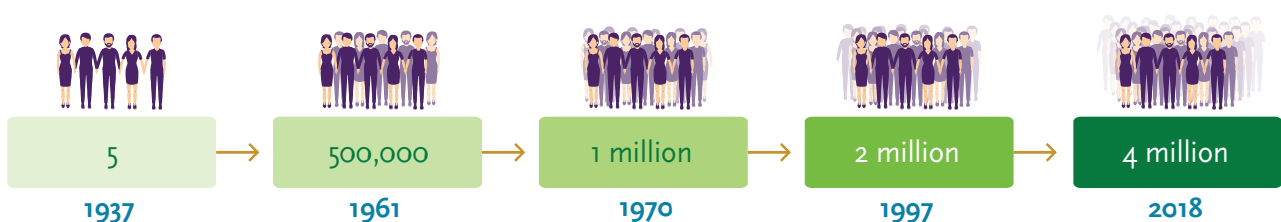
This report is a translation and condensed version of the Dutch annual report dated 17 April 2020, which includes a summary of the statutory financial statement which was composed as follows: the original balance sheet as on 31 December 2019 and the operational result statement over 2019 were copied integrally from the statutory financial statement. The statutory financial statement is based on Title 9 Book 2 of the Dutch Civil Code (BW). This summary suffices with repeating the principles for the material financial statement items. The notes that are required based on Title 9 Book 2 of the Dutch Civil Code are included in a simplified version, taking into account the intended purpose of these summarised financial statements. The summary also includes comparative figures. Consulting this summary cannot replace consultation of the statutory financial statement over book year 2019 as various simplifications are made in the summary.

Readers who would like more information can download a copy of the statutory financial statement via the website [jaarverslag2019.dela.nl](http://jaarverslag2019.dela.nl) (only available in Dutch). All other chapters have been copied integrally from the original annual report.

Disclaimer: Parts of this annual report refer to future expectations. These components may – without limitation – include expectations about future realised and unrealised results, returns, payments, market developments, government measures, the influence of other regulatory measures on DELA's or its subsidiaries' activities, and macroeconomic trends and DELA's performance within them. Such statements are preceded by, followed by or contain words such as 'believes', 'expects', 'predicts', 'believes', 'anticipates', or similar expressions. These statements refer to future activities based on current assumptions and are subject to uncertainty, including known and unknown factors of which many are beyond DELA's control. This means that actual future results may differ materially from these expectations.

In accordance with part 9, book 2 of the Dutch Civil Code, the information presented in the section 'In brief', 'Governance & risk management', 'Annexes' and 'Definition & abbreviations' is considered part of the section 'Executive Board report'. For reasons of presentation, this information is not repeated in this section.

**DELA stands for:**  
**Carrying each other's burden**  
**A feeling of solidarity**  
**Standing strong together**  
**Sharing and making joint decisions**  
**Connecting generations**  
**And being there in the moments**  
**that matter most...**  
**For each other**



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> Welcome to DELA! For everyone, regardless of rank or status, for over eighty years



# In brief

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# Foreword

We present this annual report with mixed feelings. At the time of writing, we are in the midst of an unprecedented crisis: the COVID-19 outbreak caused by coronavirus. The scale of this pandemic is demanding enormous efforts from society as a whole, not only in the Netherlands but throughout the world. Healthcare facilities are under such pressure that social traffic in many countries has been severely curtailed or locked down. Every aspect of daily life as we knew it has been turned upside down.

While every year comes to an end, in hindsight this crisis makes us see things from a very different perspective. In this report we have endeavoured however to look back on 2019 through the lens of the goals we had during the year itself. Before we were confronted by the arrival of the pandemic in early 2020 and against the background of those goals, 2019 was actually a memorable year in its own right.

As 2019 began we were looking ahead with an ambitious target to 2020 too, having given ourselves two years to achieve this target and its underlying sub-goals. Looking back on the past year, we can see that we achieved a great deal, with excellent results and a number of notable events. The robust development of our activities in Germany contributed to the growth of the cooperative. Likewise, in our home market of the Netherlands, 2019 saw us take a big step forward as we reached an agreement with Yarden to take over its activities in October. Furthermore, we worked hard on our original goals – and attained almost all of them.

In October, the DELA cooperative announced that it had reached an agreement with funeral insurer and undertaker company Yarden to take over all its activities. In doing so the DELA collective is helping another collective and growing in the process. In the more than 80 years of DELA's existence, scale has always been a driver of purchasing benefits and efficiency. This has enabled us to keep premiums low and maintain the value of our insurance policies. Once the takeover is finalised, DELA will be insuring around a million more people, have a nationwide network of funeral homes and crematoria, and be able to serve virtually all insured people in the Netherlands from our own location. Once regulators agree, Yarden will officially become part of DELA: the announcement is expected during the course of 2020.

The takeover was not an objective decided in advance: rather, circumstances ensured that DELA could offer continuity to the people insured by Yarden while also providing benefits to existing DELA members. This was a classic win-win situation, with solidarity creating benefits for everyone – the foundation on which DELA, as well as Yarden, is built.

Earlier, in March 2019, DELA again received a number of Great Place to Work Awards. We came second in the European election for Best Workplace and first in the Netherlands for the second year in a row. In Belgium, we improved our position from seventh to sixth spot. Of course, ultimately it is not about being on the winner's podium or getting a medal: our real prize is the trust of our people reflected by the surveys. But recognition does make us proud – of DELA as an employer and in ourselves as the employees who make DELA what it is.

In addition to being a 'Best Workplace', DELA Nederland had formulated three other objectives that together formed our bold goal. These revolve around Net Promoter Scores (NPS), which express whether customers are satisfied and willing to recommend DELA to others, our strong financial position, and our fine reputation, measured according to the Reprtrak method. We met all these targets, apart from one minor detail: our reputation among non-members in the Netherlands, which we wanted to see reach a score of 70, averaged 67 in 2019 and ended at 69 in December.

DELA Belgium had additional goals of its own. The NPS objective in terms of customer satisfaction, where we aimed to be seen as the funeral specialist of choice in the Belgian market, was successfully achieved – and while the result was slightly lower than in the previous year, it was well within the goal range that we had set ourselves. The objective of expanding our market share in funerals was, unfortunately, not met, but the financial targets were achieved. The year 2019 also marked 30 years since DELA started its operations in Belgium. We organised a funeral conference for this purpose dedicated to quality in our sector.

The introduction of our insurance options in Germany is proceeding successfully. We are growing well, have attractive products to offer and see lots of potential in the market.

While we are investing heavily and working hard in the field of digitisation, it remains a challenge to coordinate our various projects while keeping up with our demanding change agenda. Fortunately, we are also seeing results from our efforts. For example, we have experienced an increase in both work volume and customer satisfaction, while the number of telephone contacts with our customer centres fell by around 20% in the Netherlands. This encouraging development shows that we are on the right track with our process changes, while continuing to meet customer needs.

The investment returns were excellent in 2019, amply making up for the fall in value seen in 2018. DELA is investing for the long term and exchange rate fluctuations are part of our business model. In 2019 this turned out in our favour.



DELA has managed to stay relevant and meaningful to society for over 80 years. Our social responsibility extends beyond the interests of our members. For decades, we have been supporting bereaved relatives and working hard to further professionalise the funeral industry. We help people have a dignified old age in many ways, regardless of whether they are customers or DELA members. We have been supporting charities and connecting generations for years. We do this because we are a cooperative: continuity, solidarity and care for others are at the heart of our operations.

We received a lot of appreciation during 2019 for the realisation of the DOMUSDELA location, which officially opened in central Eindhoven in November and responds to various social goals. The new ceremonial houses, for example, provide a great place to celebrate major life events with friends and loved ones, where intense sadness and genuine joy can coexist in one place. The DOMUSDELA concept shows respect for the historic buildings – taken over from the municipality and the Augustinian Order – while making good use of the spiritual power of the location. We have kept in mind all that the Augustinian Fathers have meant to the city of Eindhoven for more than 125 years, and made sure that they are remembered in their beloved place even though they are no longer there in person. DELA has stayed true to the story of this oldest part of Eindhoven and even strengthened it – another way in which we try to create connections across generations.

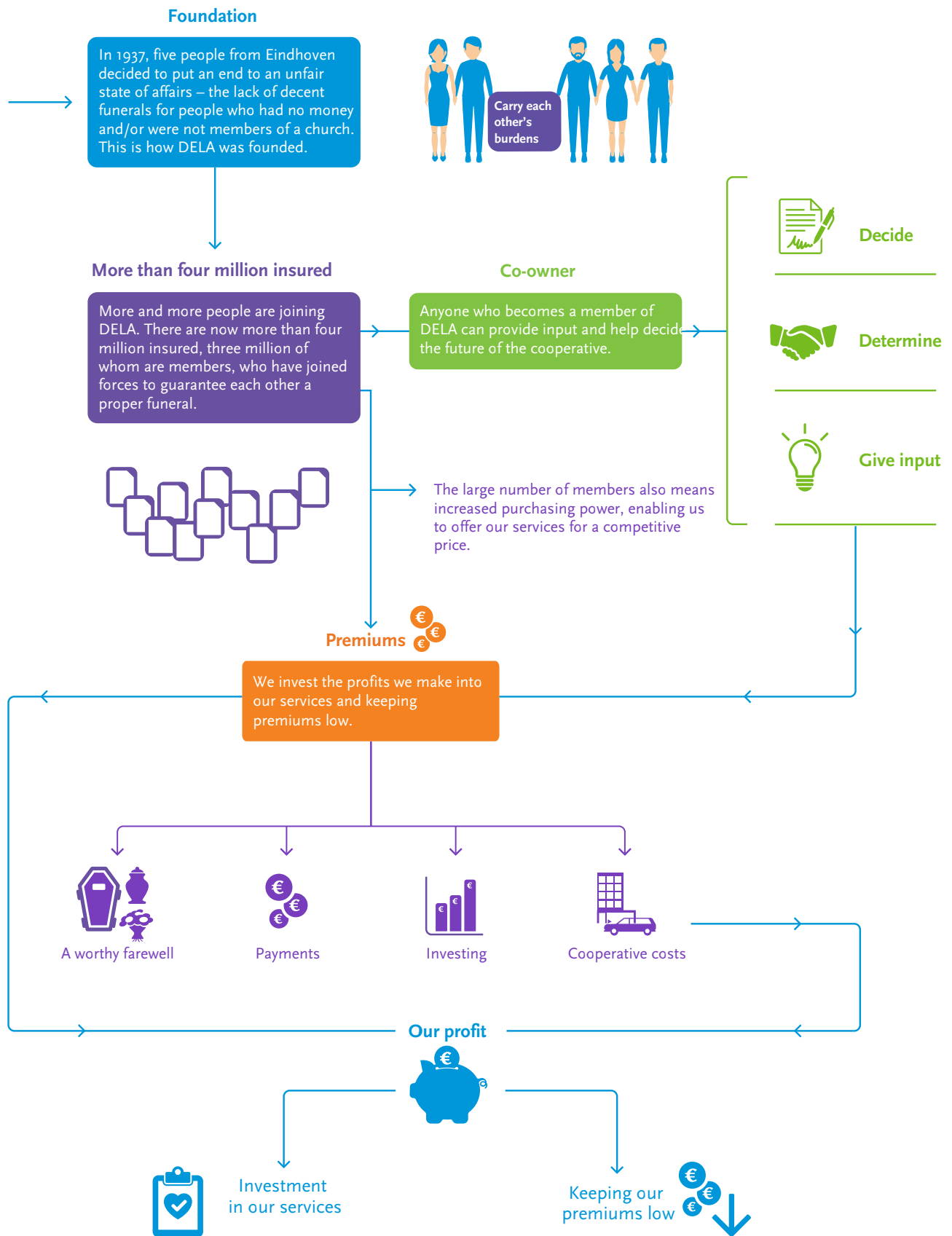
All in all, we have achieved quite a lot. In 2019, we successfully implemented our strategy and expressed the full depth of our social commitment. We will hold on to that commitment and continue to fulfil our social tasks in the trying crisis situation caused by the COVID-19 pandemic.

Eindhoven, 17 April 2020  
DELA Cooperative

#### **The Executive Board**

Edzo Doeve, Chair  
Jack van der Putten, CCO / Vice Chair  
Jon van Dijk, CFRO

# Together we are strong



# Profile

The DELA cooperative is an international insurer and funeral organiser. We ensure a dignified send-off for our insured persons and other customers. We help bereaved family members say farewell and create an environment where memories and experiences can flourish. In this way, we help bind generations together. Our strength is in our cooperative model, which places mutual solidarity to the fore. More than four million insured in three countries have already chosen DELA. We are happy to help everyone.

## Insuring and caring

DELA was founded more than 80 years ago to ensure a personalised and dignified farewell for its members by insuring and organising funerals. Since its inception, DELA has focused on offering security, care and continuity.

## By and from members

DELA is a cooperative and our members collectively own DELA. They benefit from profits, which keeps premiums low and compensates for rises in the price of funerals. DELA's Executive Board and Supervisory Board are accountable to the members via the General Meeting. The cooperative model is a unique safeguard for the interests of the insured, whether they are active members or not.

## Increasing membership, safeguarding solidarity

In the interest of providing high-quality services to members for the lowest possible premium, DELA strives to increase membership, strengthen solidarity and achieve purchasing benefits. Having initially only done this in the Netherlands, we have branched out internationally in the last three decades. Ever since its inception, the cooperative has operated according to the motto 'stronger together'.

October 2019: DELA and Yarden reach an agreement on a takeover of Yarden by DELA. The request is sent to regulators for approval. Once they agree, around a million Yarden policyholders will be transferred to DELA.

## International

DELA consists of insurance and funeral companies in the Netherlands and Belgium. This includes 54 funeral homes and 21 crematoriums in the Netherlands, and 59 funeral homes, 3 crematoriums and a repatriation centre in Belgium. All ensure a dignified farewell to the departed every day. DELA has also been active in Germany as an insurer since 2018.

December 2019: the number of policyholders increases sevenfold in DELA Germany's successful second year.

## Financial buffers

DELA has a yearly premium income of nearly half a billion euros and manages assets of almost €6.5 billion. Unlike non-life insurers, DELA has an insurance portfolio made up of long-term liabilities. This has consequences for our investment policy, which is therefore carefully aligned with our obligations. From the beginning we have built up financial buffers in good times to ensure sufficient reserves are in place when things are less rosy.



## Employees and society

At the end of 2019, DELA had more than 2,000 employees (over 1,500 FTEs). Committed, honest and enterprising, they work tirelessly to expand our membership, give people quality insurance products, ensure good investment results, provide an excellent service and dignified funerals, and offer sustainable and cost-efficient management, all with a sense of pride and satisfaction. In addition, we make social contributions in a range of other contexts.

March 2019: the DELA Group comes second in the 'Best Workplace' category 'Large Employers' in the European survey Great Place to Work.

## For and by members

How our cooperative model works:

- Stronger together: we already insure more than four million people. The three million Dutch insured are also members of the DELA cooperative. Our goal is for our Belgian and eventual German insured to also join the cooperative, as well as in principle the new arrivals from Yarden.
- Members are distributed across 36 geographical divisions.
- Every division chooses a representative and deputy. Together, they form the General Meeting and collectively function as DELA's shareholders.
- The General Meeting:
  - Appoints the Supervisory Board, which supervises the Executive Board and the organisation at large. The Supervisory Board safeguards continuity and the interests of stakeholders, including the members;
  - Determines the profit distribution scheme, which decides how much of the profit is used to keep premiums as low as possible for the people insured and how much goes to strengthening the cooperative's buffers.
- Moreover, members are represented in an online cooperative panel, which comprises some 1,200 members who advise DELA and provide input on policy issues.

Whether it comes to policy, execution or profit distribution, our members' interests come first at DELA!



# Key figures

## Group

|   | 2019     | 2018     | 2017     | 2016     | 2015     |
|---|----------|----------|----------|----------|----------|
| <b>Customer satisfaction</b>                    |          |          |          |          |          |
| <i>NPS</i>                                      |          |          |          |          |          |
| Netherlands                                     | 60       | 53       | 52       | 52       | 45       |
| Belgium   | 66       | 52       | 43       | -        | -        |
| Total (weighted by respondents)                 | 62       | 53       | 49       | -        | -        |
| <b>Reputation</b>                               |          |          |          |          |          |
| <i>Reptrak score</i>                            |          |          |          |          |          |
| Netherlands, members                            | 79.9     | 78.7     | 80.3     | 80.8     | 81.1     |
| Netherlands, non-members                        | 66.5     | 65.4     | 64.5     | 64.7     | 63.4     |
| Netherlands (RepTrak pulse)                     | 73.2     | 72.1     | 72.4     | 72.8     | 72.3     |
| Belgium ('DELA = the funeral specialist')       | 67%      | 70%      | 72%      | 62%      | -        |
| <b>Employee satisfaction</b>                    |          |          |          |          |          |
| <i>GPTW score</i>                               |          |          |          |          |          |
| Netherlands                                     | 88       | 89       | 84       | 81       | 83       |
| Belgium   | 87       | 87       | 83       | 79       | 71       |
| Total   | 88       | 88       | 84       | 80       | 77       |
| <b>Employees</b>                                |          |          |          |          |          |
| <i>Fte, at the end of the year</i>              |          |          |          |          |          |
| Netherlands                                     | 1,113    | 1,115    | 1,017    | 1,038    | 1,084    |
| Belgium   | 392      | 369      | 357      | 371      | 350      |
| Germany   | 19       | 11       | 6        | -        | -        |
| Total   | 1,524    | 1,495    | 1,380    | 1,409    | 1,434    |
| <b>Turnover</b>                                 |          |          |          |          |          |
| <i>x € 1,000</i>                                |          |          |          |          |          |
| Turnover insurance                              | 480,189  | 450,891  | 438,191  | 401,223  | 368,747  |
| Turnover funeral company                        | 244,865  | 241,155  | 237,110  | 234,593  | 235,939  |
| Minus: Internal turnover                        | -130,872 | -127,680 | -121,028 | -115,740 | -112,659 |
| Net turnover                                    | 594,182  | 564,366  | 554,273  | 520,076  | 492,027  |
| <b>Distribution of investment results</b>       |          |          |          |          |          |
| <i>x € 1,000</i>                                |          |          |          |          |          |
| Investment results                              | 664,185  | -139,287 | 422,973  | 333,402  | 109,904  |
| Minus: for future insurance payments*           | 137,065  | 130,314  | 124,624  | 119,856  | 107,458  |
| Minus: for premium limitation insurance**       | 42,323   | 42,321   | 17,753   | 31,237   | 54,618   |
| Remaining for financial position cooperative*** | 484,797  | -311,922 | 280,596  | 182,309  | -52,172  |

\* added to the technical account based on actuarial interest \*\* distribution of profit \*\*\* income from investments, available for capital gain.

## Group

continued

|  | 2019   | 2018   | 2017   | 2016   | 2015   |
|--|--------|--------|--------|--------|--------|
| <b>Balance sheet</b>                             |        |        |        |        |        |
| <i>Unless indicated otherwise: x € 1 million</i> |        |        |        |        |        |
| Balance sheet total                              | 6,939  | 6,159  | 6,111  | 5,722  | 5,303  |
| Investment value                                 | 6,482  | 5,686  | 5,742  | 5,293  | 4,793  |
| Technical provision                              | 4,870  | 4,584  | 4,291  | 4,063  | 3,850  |
| Equity capital                                   | 1,434  | 1,048  | 1,251  | 1,016  | 878    |
| ... as percentage of technical provision         | 29%    | 23%    | 29%    | 25%    | 23%    |
| <b>Insured capital</b>                           |        |        |        |        |        |
| <i>x € 1 million</i>                             |        |        |        |        |        |
| Insured capital                                  | 49,915 | 42,987 | 38,548 | 34,981 | 30,012 |
| <b>Coverage</b>                                  |        |        |        |        |        |
| Average coverage*                                | 156%   | 175%   | 189%   | 171%   | 175%   |
| <b>Solvency</b>                                  |        |        |        |        |        |
| Solvency II ratio                                | 296%   | 373%   | 309%   | 239%   | -      |
| <b>CO<sub>2</sub> emissions</b>                  |        |        |        |        |        |
| <i>x 1 tonne. Only DELA Netherlands</i>          |        |        |        |        |        |
| <b>SCOPE 1</b>                                   |        |        |        |        |        |
| Gas consumption                                  | 4,073  | 4,133  | 4,183  | 4,025  | nb     |
| Funeral transport                                | 324    | 310    | 316    | 381    | nb     |
| Lease vehicles                                   | 1,358  | 1,541  | 1,589  | 1,812  | nb     |
| Other  | 82     | 82     | 82     | 98     | nb     |
| Total  | 5,837  | 6,066  | 6,170  | 6,316  | nb     |
| <b>SCOPE 2</b>                                   |        |        |        |        |        |
| Electricity**                                    | -      | -      | 625    | 924    | nb     |
| Heating  | 3      | 3      | 3      | 3      | nb     |
| Total  | 3      | 3      | 628    | 927    | nb     |
| <b>SCOPE 3</b>                                   |        |        |        |        |        |
| Commuting  | 802    | 878    | 1,087  | 1,092  | nb     |
| Business travel                                  | 307    | 361    | 465    | 458    | nb     |
| Total  | 1,109  | 1,239  | 1,552  | 1,550  | nb     |

\* The average of 12 end-of-month positions. The average coverage ratio represents the basis of the distribution of profits in the following year \*\* Scope 2, electricity: including green power in NL and, therefore, no CO<sub>2</sub> emissions in 2018.

## Insurer

|   | 2019      | 2018      | 2017      | 2016      | 2015      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Customer satisfaction</b>                  |           |           |           |           |           |
| <i>NPS. Excluding customer service</i>        |           |           |           |           |           |
| Netherlands                                   | 50        | 43        | 42        | 41        | 28        |
| Belgium                                       | 52        | 39        | 30        | nb        | nb        |
| Total (weighted by respondents)               | 52        | 40        | 34        | nb        | nb        |
| <b>Insured persons</b>                        |           |           |           |           |           |
| <i>Balance at the end of the year</i>         |           |           |           |           |           |
| Netherlands                                   | 3,255,079 | 3,218,355 | 3,176,382 | 3,129,427 | 3,073,020 |
| Belgium                                       | 848,694   | 835,392   | 758,456   | 724,868   | 686,576   |
| Germany                                       | 29,496    | 4,100     | -         | -         | -         |
| Total   | 4,133,269 | 4,057,847 | 3,934,838 | 3,854,295 | 3,759,596 |
| <b>Premium revenue</b>                        |           |           |           |           |           |
| <i>x € 1,000</i>                              |           |           |           |           |           |
| Uitvaartplan, Netherlands (funeral insurance) | 264,662   | 257,445   | 254,172   | 246,915   | 242,541   |
| Leefdoorplan, Netherlands (life insurance)    | 29,542    | 26,044    | 23,947    | 20,706    | 14,959    |
| Spaarplan, Netherlands (savings insurance)    | 60,587    | 58,091    | 57,741    | 39,808    | 24,215    |
| Total Netherlands                             | 354,791   | 341,580   | 335,860   | 307,429   | 281,715   |
| Belgium                                       | 121,912   | 108,905   | 98,913    | 92,140    | 85,373    |
| Germany                                       | 3,476     | 297       | -         | -         | -         |
| Total   | 480,179   | 450,782   | 434,773   | 399,569   | 367,088   |

## Customer service

|                                 | 2019    | 2018    | 2017    | 2016 | 2015 |
|---------------------------------|---------|---------|---------|------|------|
| <b>Customer satisfaction</b>    |         |         |         |      |      |
| <i>NPS</i>                      |         |         |         |      |      |
| Netherlands                     | 45      | 35      | 32      | 26   | 32   |
| Belgium                         | 54      | 32      | 26      | nb   | nb   |
| Total (weighted by respondents) | 46      | 35      | 32      | nb   | nb   |
| <b>Contact by phone</b>         |         |         |         |      |      |
| <i>Number</i>                   |         |         |         |      |      |
| Netherlands                     | 244,297 | 290,906 | 261,461 |      |      |
| Belgium                         | 199,762 | 255,227 | 242,744 |      |      |
| Total                           | 444,059 | 546,133 | 504,205 |      |      |

## Funeral home

|   | 2019    | 2018    | 2017    | 2016    | 2015    |
|---|---------|---------|---------|---------|---------|
| <b>Customer satisfaction rating by descendants</b>                  |         |         |         |         |         |
| <i>NPS</i>  |         |         |         |         |         |
| Netherlands   | 76      | 71      | 70      | 68      | 58      |
| Belgium   | 78      | 74      | 71      | nb      | nb      |
| Total (weighted by respondents)                                     | 77      | 72      | 70      | nb      | nb      |
| <b>Aftercare services</b>   |         |         |         |         |         |
| <i>Number of consultations</i>                                      |         |         |         |         |         |
| Netherlands (by phone)  | 38,977  | 33,580  | 31,920  |         |         |
| Belgium (in person)   | 8,851   | 8,745   | 8,792   |         |         |
| Total   | 47,828  | 42,325  | 40,712  |         |         |
| <b>Funerals</b>   |         |         |         |         |         |
| <i>Number</i>   |         |         |         |         |         |
| Netherlands   | 33,645  | 33,422  | 31,821  | 31,433  | 31,264  |
| Belgium   | 11,136  | 11,461  | 11,795  | 11,793  | 12,720  |
| Total   | 44,781  | 44,883  | 43,616  | 43,226  | 43,984  |
| <b>Cremations</b>   |         |         |         |         |         |
| <i>Number in own crematoriums</i>                                   |         |         |         |         |         |
| Netherlands   | 24,137  | 23,984  | 22,781  | 22,341  | 20,889  |
| Belgium   | 8,387   | 8,367   | 10,013  | 12,658  | 13,050  |
| Total   | 32,524  | 32,351  | 32,794  | 34,999  | 33,939  |
| <b>Turnover</b>   |         |         |         |         |         |
| <i>x € 1,000</i>  |         |         |         |         |         |
| Netherlands   | 191,841 | 188,635 | 182,508 | 179,613 | 179,129 |
| Belgium   | 53,024  | 52,520  | 54,602  | 54,980  | 56,810  |
| Total   | 244,865 | 241,155 | 237,110 | 234,593 | 235,939 |
| <b>Average funeral costs</b>  |         |         |         |         |         |
| <i>€ Naturapolis (pre-arranged set package), adult, Netherlands</i> |         |         |         |         |         |
| Average funeral costs   | 4,298   | 4,188*  | 4,134   | 4,099   | 4,055   |
| Increase from previous year   | 2.6%    | 1.3%    | 0.9%    | 1.1%    | 2.0%    |

\* differs from earlier publication due to recalculation

# Our stakeholders

As a cooperative, DELA is at the heart of society. Stakeholders are the groups and individuals who directly or indirectly impact the activities of DELA and its operating companies or, vice versa, are affected by DELA. DELA actively seeks out dialogue, investigates, listens and strives to understand the underlying issues. This overview features our main stakeholders, their relationship to DELA, what is important to them and how DELA fulfils their needs or interests.

## Our customers

Cooperative groups

Media

Interest groups

Consumer organisations

Religious groups

DELA offers security and care. A fixed-value insurance policy and a funeral carried out in the most valuable and personal way are at the foundation of our service provision. From this core activity, DELA has expanded the services it provides over recent years. These additional services revolve around supporting descendants and enhancing the connections between people and generations.

Customers (policyholders with the insurance company and bereaved relatives with the funeral company) feel that DELA offers security and care. Customers feel that DELA addresses any complaints that arise in a proper manner. Customers recommend DELA.



## 2019: Multi-stakeholder dialogue 'Privacy after death'

In 2019, we organised a multi-stakeholder dialogue in various sessions related to the subject of 'Privacy after death'. The goal was to come to a widely supported vision on this issue. Participants in the dialogue were recruited via social media, the DELA website, the cooperative panel and by approaching individuals in person. See page XX for more information.



## Our people

At DELA everyone matters. We believe that happy employees ensure happy customers and members, and vice versa. Our employees are the heart of our cooperative.

Labour market

Training and education



DELA employees are satisfied with their employer, position, manager and colleagues, and proud of the products and services they realise together. They believe that they can learn and develop throughout their careers. They are engaged, have integrity and are entrepreneurial. Employees are generally fit and feel healthy. **Employees have faith in DELA.**

## Society

Society

Environment and climate

Politics

Municipalities and government

Regulatory bodies

Partners & suppliers

The DELA cooperative focuses on the continuity of life, aiming to leave an equal or better world for current and future generations. We have played a meaningful role within society for over 80 years.

Society perceives DELA as honest and transparent and sees that we aim for corporate social responsibility in our operational management. We take seriously our responsibility as market leader in the funeral sector, support numerous charities, and play an active role in society.



# Vision and strategy

DELA has been around for more than 80 years, and our mission has remained faithful to that of our founders throughout this time. We have a robust business model and principles which determine how we create value for our stakeholders. Our long-term strategy and ambitious objectives show the way to the future.

## Mission

DELA is a cooperative that focuses on continuity of life. We assist members with advice and a broad range of financial and practical services which ensure they can be as carefree as possible when looking to the future. DELA's mission is: 'we provide each other with security, care and continuity'.

## Business model

DELA's members and management together guarantee the continuity of the cooperative and ensure that the concept will continue to function and flourish for years to come. The business model is simple and revolves around:

- Bundling the purchasing power of as many members as possible.
- Cost-efficient purchasing.
- The organisation of dignified funerals.
- Structural value creation for stakeholders by achieving the four main goals.
- Sustainable investments to generate profit distribution and keep premiums as low as possible.
- Guaranteeing our social responsibility and relevance. Our operations should place the smallest possible burden on the environment while contributing to a society in which everyone matters and all can participate.



## **Ambition: a bold goal that is clear to all**

Where do we want to go? What is our ultimate ambition? Both our mission and strategy are reflected in the aspiring goal we have formulated for the DELA Group for the coming decade: 'by 2030, we will have five million members in Europe who provide each other with security, care and continuity.'

The specific goal of DELA Netherlands in the current planning period focuses on social engagement and excellent service provision. It states that 'by 2020, DELA will be the most committed cooperative and give life more meaning.'

DELA Belgium is in a phase of growth, both organically and through acquisitions. Its goal for this planning period is to build up brand recognition and reputation: 'by 2020, DELA will be the foremost funeral specialist in Belgium and a warm family for all other families.'

Due to its recent creation, no goal was formulated for DELA Germany in 2019 other than making a strong entrance into the German market.

## **Our main goals: this is how we create value**

We measure our performance across four main goals. Reaching these goals enables us to create value for our main stakeholders:

- Our members: Do members and customers recommend our services? The indicator for this goal is our net promoter scores.
- Our finances: To what extent can we continue to distribute profits among our members, both now and in the future? The relevant indicator here is the expected average distribution of profit.
- Our people: Do employees think DELA is the best company to work for? Employee pride and satisfaction are measured via the annual Great Place to Work (GpW) survey.
- Our environment: What does the outside world think of DELA? As the indicator for this goal, the Reputation Institute monitors how we are perceived in the Netherlands. In Belgium, we keep track of the perception of DELA as the foremost funeral specialist.

## **Multi-year strategy: our future plans**

At a group level, the strategy for the current plan period (up to and including 2020) can be summarised as follows:

- Strengthen our position in our core markets of the Netherlands and Belgium by expanding product propositions and acquisitions.
- Use international expansion to increase the number of members, generating more and more economies of scale.
- Enhance the agility, digital mastery and adaptability of our organisation to ensure that DELA

meets the expectations of its members now and in the future by providing excellent services and cost-efficient operations.

- Develop our social responsibility and relevance, and introduce relevant products and services containing the DELA DNA (under the name ‘DELA connects’).

## Implementation 2019

The following strategic focus points applied in the year under review:

|                  |  |
|------------------|--|
| DELA Group       | Realising member growth.<br>Improving, expanding and anchoring an excellent service provision.<br>Enhancing digital mastery and improving data management and application.<br>Aligning short-cycle management control model.<br>Further embedding socially responsible, sustainable and transparent operations in our cooperative, and making them more visible. |
| DELA Netherlands | Improving reputation among non-members.<br>Strengthening position in private funeral sector.<br>Starting replacement of major back-office systems.   |
| DELA Belgium     | Strengthening our market share of funeral.<br>Implementing FIT savings programme.<br>Implementing new distribution strategy.   |
| DELA Germany     | Increasing number of policyholders.<br>Introducing new funeral products.   |

Although progress has been made in all indicated strategy focal points, not all the related expectations were achieved. For instance, while lots of energy was invested in our ambitious change agenda, we encountered delays and increased costs in various aspects. The growth of the number of funerals also lagged behind in some regards. Although the volume of private funerals in the Netherlands increased in accordance with our planning, it didn't grow fast enough to strengthen our market share for the future. In Belgium, acquisitions contributed less to our growth than budgeted for 2019. In the end, the FIT cost savings programme did not deliver as planned. An important goal was added for DELA Netherlands in 2019: preparing for the takeover and integration of Yarden.

# Personal details of Executive Board

## **Mr E. (Edzo) Doeve MAIA (1956), CEO, Chair**

Dutch citizen. Position in the DELA Group: CEO, Chair of Executive Board (since 2004). Responsible for DELA Netherlands. Position in DELA Netherlands: Managing Director (since 2004) with a focus on general policy, cooperation, insurance and funeral management, HRM, communication, CSR, internal audit, legal affairs and compliance. Employment period: indefinite. Other positions: Chair of Executive Board of national funeral museum Tot Zover, Member of Supervisory Board and Chair of Audit Committee of Eindhoven 365, Chair of Stichting Promotors Van Abbemuseum, Chair of Vereniging Impact 040, Board Member of DELA charity fund, member of the Advisory Board of ORMIT.

## **Mr J.A.M. (Jack) van der Putten MMO (1959), CCO, Deputy Chair**

Dutch citizen. Position in the DELA Group: CCO, Member of Executive Board (since 2010) and Deputy Chair (since 2010). Responsible for DELA Belgium. Position in DELA Netherlands: Director (since 2010) with a focus on IT, purchasing, customer experience, customer process team and customer service. Position in DELA Belgium: CEO until 31-12-2019. Employment period: indefinite. Other positions: Chair of Stichting Onbeperkt Genieten. Until June 2019: Member of Executive Board of DELA charity fund.

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

Dutch citizen. Position in the DELA Group: CFRO, Member of Executive Board (since 2014). Responsible for DELA Vastgoed. Position DELA Netherlands: Financial Director (since 1994) with a focus on finance, control, actuarial, risk management and investments. Employment period: indefinite. Other positions: Treasurer of Stichting Los Niños, member of the Supervisory Board and Chair of the audit committee Finances and Real Estate of Stichting Oktober. Until 2019: Member of Executive Board of DELA charity fund.

Jon van Dijk, Edzo Doeve, Jack van der Putten





# Personal details of Supervisory Board

## **Mr J.W.Th. (John) van de Steen (1954), Chair as of 25-5-2019**

Dutch citizen. Other positions: Chair of Supervisory Board of BinckBank NV, Chair of Supervisory Board of Princess Sportsgear & Traveller BV, Member of the Supervisory Board of RAI Holding B.V., Member of Executive Board of Stadhold Insurances SA, Member of Executive Board of Vereniging AEGON, Ambassador of Royal Concertgebouw Orchestra.

## **Mr C.J.H. (Corjo) Jansen (1961), Deputy Chair**

Dutch citizen. Appointed in 2012, currently serving second term. Position: professor in Legal History and Civil Rights, Radboud University Nijmegen. Other positions: Chair of the Executive Board of Titus Brandsma Institute Nijmegen.

## **Mr J.P. (Jan Pieter) de Pender (1954), Secretary**

Dutch citizen. Appointed in 2009, currently serving third and final term. Position: professor and exam secretary at De Nassau Scholengemeenschap Breda. Other positions: various Board memberships in the voluntary sector.

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

Dutch citizen. Appointed in 2014 and reappointed for a second term in the current year. Position: interim manager/Board advisor. Other positions: Member of Supervisory Board of housing association Waterweg Wonen, Chair of Supervisory Board of pension fund for agricultural and food supply sector, Chair of Supervisory Board of Stichting Pensioenfonds Openbaar Vervoer, Chair of Review Committee of Pensioenfonds Lloyds Register Rotterdam.

Jan Pieter de Pender, Willemien Caderius van Veen, Corjo Jansen



### **Mr J.J.A. (Hans) Leenaars RA (1952)**

Dutch citizen. Appointed in 2015. Reappointed in year under review, currently in second term. Position: professor emeritus in administrative information management at University of Amsterdam. Other positions: Chair of Supervisory Board of Chassé Theater NV, Chair of Cultuurfonds Chassé Theater, Member of Executive Board of Stichting John van Geunsfonds, Chair of the Supervisory Board of Stichting Het Klooster Breda, Chair of the Executive Board of Stichting Via Nobel, Chair of Advisory Board of ILFA B.V., confidential counsellor of NBA (Netherlands Institute of Chartered Accountants).

### **Mr G.H.C. (Georges) de Méris RA FCA (1961)**

Dutch citizen. Appointed in 2019, currently serving first term. Position: partner Corporate Finance, Forensics & Recovery Joanknecht. Other positions: Member of Supervisory Board of Omroep Brabant, Chair of Elefunds, Member of Executive Board of Theaterfestival Boulevard, Member of the Supervisory Board of Hy2Care B.V., Member of the Supervisory Board of Caelus B.V., Member of the Supervisory Board of Matisse B.V., member of the Executive Board of Rotary 's- Hertogenbosch, Chair of Stichting Stop Diabetes Invest.

### **Positions ended in year under review**

### **Mr W.M. (Wim) van den Goorbergh (1948), Chair until 25-5-2019**

Dutch citizen. Appointed in 2007. Third and final term until 25-5-2019.

### **Mr C.P.V. (Van) van der Weg (1955), Member until 25-5-2019**

Dutch citizen. Appointed in 2015. End of first term 25-5-2019.

*All Supervisory Board members sit on Supervisory Boards of DELA Coöperatie UA, DELA Holding NV and DELA Natura- en Levensverzekeringen NV.*

Hans Leenaars, John van de Steen, Georges de Méris



Annual report 2019

# Executive Board report

- > Our members
- > Our finances
- > Our people
- > Our environment
- > Our future

# Our members

The interests of our members and customers are central to everything we do. There was a very promising development in 2019 with regards to our net promoter score (NPS), which saw a clear increase for both our insurance services and our funeral business in both the Netherlands and Belgium. The customer service scores also improved in both countries. On balance, DELA had an average NPS of 62 in the year under review compared to 53 in 2018.

The number of insured persons also further increased in 2019, with a total net growth of over 75,000 across all products and all countries. In Germany, where we started in 2018, we secured more than 25,000 policies and introduced our funeral insurance. Still relatively modest in size, DELA Germany contributes to one third of the net growth at group level.

DELA took care of around 44,800 funerals and 32,500 cremations in the Netherlands and Belgium combined. The number of funerals dropped fractionally due to a reduction in Belgium. The number of cremations increased modestly, in line with national developments. The number of funerals realised by DELA that were not for individuals with a pre-arranged set package increased by 1.2% in the Netherlands. We had hoped to achieve a slightly bigger market share in this 'private' segment. The mortality rate in 2019 in the Netherlands was 1 percent lower than in 2018. In Belgium it was 2 percent lower and, in the regions where DELA is active, as much as 7 percent lower.

The rise of the average funeral costs of the pre-arranged set package in the Netherlands was limited to 2.6 percent, fully in accordance with the inflation (CPI) over 2019.

On balance, we are satisfied with the market developments. The strategy to become active in Germany is generating its first successes and this makes up for the lack of growth in Belgium. DELA's international coverage contributes to the structural realisation of company growth.

## Net Promotor Score

By focusing on an excellent service provision and continuously learning and improving together, we saw the NPS figures and customer satisfaction increase significantly for all company segments in both the Netherlands and Belgium.

The overall score increased to 60 in the Netherlands and to 66 in Belgium. Weighted by respondents, DELA finished at 62 (2018: 53). This marks a significant progression of which we can be very proud. The increase for customer service and insurance are especially remarkable. The further rise for our funeral business – taking into account our very high score in 2018 – is equally special.

## Net Promotor Score

12-month average. Total DELA Group, weighted by respondents

|                                 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------|------|------|------|------|------|
| <b>Netherlands</b>              |      |      |      |      |      |
| Insurance                       | 50   | 43   | 42   | 41   | 28   |
| Funeral care                    | 76   | 71   | 70   | 68   | 58   |
| Customer service                | 45   | 35   | 32   | 26   | 32   |
| Total (weighted by respondents) | 60   | 53   | 52   | 52   | 45   |
| <b>Belgium</b>                  |      |      |      |      |      |
| Insurance                       | 52   | 39   | 30   |      |      |
| Funeral care                    | 78   | 74   | 71   |      |      |
| Customer service                | 54   | 32   | 26   |      |      |
| Total (weighted by respondents) | 66   | 52   | 43   |      |      |
| <b>Total Group</b>              | 62   | 53   | 49   |      |      |

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. Scores 0 to 6 are considered negative. The group scoring a 9 or 10 are qualified as promoters, and the remainder (7 and 8) are considered passive-neutral and not counted. The NPS is determined by subtracting the percentage of negative qualifications from the percentage of positive qualifications.

## Markets

### The Netherlands: Yarden takeover

The funeral sector is expected to grow in our core market of the Netherlands due to demographic developments. DELA's market share will increase as a result of the planned takeover of Yarden. After regulators agree to the takeover, the integration of the organisations will be a key challenge for DELA Netherlands in the coming years.

### Belgium: continuing growth

Belgium is our second core market. In the long term, the market for funeral insurance could double in size. Maintaining growth over the years is the main challenge here, as is realising synergies between insurance and providing care. Belgium does not have pre-arranged set packages for active sale, and the funeral company does not have national coverage. The cross-pollination between insurance and care is therefore less self-evident. A focal point is the percentage of policyholders who have their funeral arranged by DELA. This cross-pollination improved in 2019 to 18.5 percent. Our goal is to continue this growth in coming years.

Our insurance company takes care of the financial security of funerals, while our funeral services assist the bereaved with funerals, crematoriums, repatriation and bereavement services.

### Germany: space for growth

A further exploration of possibilities in other countries in Europe has found opportunities for growth in several places, especially for entering markets via insurance. The basic principle here is that all growth abroad is at the service of the total cooperative. The German market is very large, growing and was the first to attract our interest. This is why DELA opened an office in Düsseldorf in 2018 and introduced a life insurance in Germany. A funeral insurance was launched in Germany in 2019 as well. Although the sales figures for 2019 were still limited, the first response was positive and the expectations for the new product are high.

## Number of insured persons

### Focus on growth

The size of our total portfolio, measured by the number of insured, is a major priority for DELA. Despite the shrinking market for individual life insurances, we again achieved significant growth in 2019 across all three product groups: funeral insurance, life insurance and savings insurance, and in all countries in which we operate.



Another type of growth is achieved by introducing new products. The broadening of our services means we do not just provide more for our existing members and customers, but also attract new policyholders.

## Net growth

On a consolidated level, the net growth totalled around 75,400 insured persons (approx. 123,000 in 2018). Excluding the takeover of the Belgian insurance portfolio of Hooghenraed in 2018 with 41,800 insured, the volume of the net growth remained stable. Germany represents one third of the net growth. The growth in Germany is coming at the right time as the increase in Belgium in 2019 clearly fell behind expectations. The strategy to create international coverage in order to control the growth at the DELA Group level was effective in 2019.

At the end of 2019, DELA Belgium represents 21 percent and DELA Germany 1 percent of the total number of insured. The remainder are serviced by DELA Netherlands.

## Insured persons

Number of insured per product at the end of the year and increase during the year under review

|   | 2019             | net growth    | 2018             |
|---|------------------|---------------|------------------|
| Uitvaartplan, Netherlands (funeral insurance) | 2,921,439        | 23,516        | 2,897,923        |
| Leefdoorplan, Netherlands (life insurance)    | 290,897          | 8,744         | 282,153          |
| Spaarplan, Netherlands (savings insurance)    | 42,743           | 4,464         | 38,279           |
| <b>Netherlands</b>                            | <b>3,255,079</b> | <b>36,724</b> | <b>3,218,355</b> |
| Uitvaartzorgplan, Belgium (funeral insurance) | 548,781          | 29,597        | 519,184          |
| Inactive portfolios, Belgium                  | 299,913          | -16,295       | 316,208          |
| <b>Belgium</b>                                | <b>848,694</b>   | <b>13,302</b> | <b>835,392</b>   |
| Risikoleben, Germany (life insurance)         | 26,374           | 22,274        | 4,100            |
| Sterbegeld, Germany (funeral insurance)       | 3,122            | 3,122         | -                |
| <b>Germany</b>                                | <b>29,496</b>    | <b>25,396</b> | <b>4,100</b>     |
| <b>Total</b>                                  | <b>4,133,269</b> | <b>75,422</b> | <b>4,057,847</b> |

## Funeral insurance

DELA Uitvaartplan in the Netherlands experienced a healthy increase with a net growth of 23,500 (10,600 in 2018). This success does not just apply to the inflow; DELA also achieved good results in retaining customers. DELA's score on comparison sites rose, partly due to premium increases from

competitors. The negative publicity about Yarden also helped boost the number of new DELA insured. On balance, over 40 percent of the Dutch population who entered into a new funeral insurance chose DELA.

In Belgium, the inflow of insured in 2019 was less than predicted, especially with regard to that via estate agents. A new advertising campaign was unable to reverse this trend. The campaign at the end of the year did boost the intake somewhat, which meant that the figure for December was at the planned level. The annual goal was unfortunately not achieved.

In Germany, DELA introduced a funeral insurance in 2019. It covers funeral costs and includes a profit-distribution scheme that gives policyholders the same benefits as Dutch members of the cooperative. Successful elements such as value retention and indexation are some of the other product characteristics. We welcomed over 3,100 insured in 2019.

### **Life insurance**

Net growth in life insurance policies was around 8,700 in the Netherlands (approx. 26,000 in 2018). In the year under review this score was affected by the challenging housing market for first-time buyers. Although a record number of mortgages were entered into, they mainly involved adaptations due to the low interest rates. Another reason is the elimination of the compulsory life insurance for new NHG mortgages (mortgage with National Mortgage Guarantee) as of 2018. This elimination was implemented on 1 January 2020 for existing NHG mortgages as well. Life insurance policies are mainly sold via intermediary channels. DELA is seeing an increase in competition in the Netherlands. At the end of 2019, DELA had a market share of 8 percent.

In Germany, where DELA launched its life insurance in 2018, the conditions are very different. In 2019, the first complete year of operations, DELA welcomed more than 22,000 policyholders (4,100 policyholders in the introduction year of 2018). DELA is not yet widely known in Germany, but the Dutch have a good reputation there for being reliable and friendly. The idea of a cooperative is also attractive to Germans. In 2019 DELA achieved a market share of 5 percent with its life insurance policies.

### **Savings insurance**

DELA also offers savings insurance on the Dutch market. This is a good way for consumers to put money aside for the long term at a fixed interest rate of 2 percent. This product offers a worthwhile alternative to banks now that they offer such low interest rates. Savings insurance policyholders deposit a periodic or one-off amount and receive a guaranteed return at the end of the term of at least 10 years. The net growth totalled around 4,500 policyholders (approx. 5,200 policyholders in 2018). The decrease compared to the previous year is due to changes to the policy conditions, and the lower fixed interest in particular (from 2.75 to 2 percent).

## Marketing

The increase in the number of insured persons across the full range of our products and markets was, of course, not automatic. DELA has an active marketing approach which seeks an ideal balance between commercial goals (appropriate to our objective of becoming as large as possible so we can utilise our scale benefits) and restraint (suited to our brand and products).

In the Netherlands we introduced the 'Why Wait' brand campaign as a follow-up to the much-appreciated and successful 'Why wait with saying something nice when you can say it today' campaign which DELA started in 2012. Where the campaign then focused on the speech of the sender, the short films now address the response of the receiver. Showing the expressions, emotions, happiness, affection, insecurity and beaming faces makes visible and tangible why sharing kind words is so valuable. The campaign runs on television, in cinemas, on the radio and via social media and online. Via 1-on-1-marketing we increase the effectiveness of campaigns in the modern digital media landscape, and ensure a better segmentation and customer-orientation. The 'Why Wait' brand campaign went live in 2019 and will run until early 2020. The initiative hopes to inspire people to share nice words and make the Netherlands a better place, as DELA does in our daily service provision. Moreover, we aim to enhance our brand familiarity and reputation, especially among non-members.

Another way to be visible is by taking part in an active dialogue about developments in society. We use posts on social media such as LinkedIn and Facebook to communicate about DELA, our social role and death, stimulating dialogue and enhancing awareness of solidarity and mutual care.

DELA Belgium also launched a new radio campaign to promote the DELA Uitvaartzorgplan funeral insurance.

In September, DELA organised four meetings for estate agents in Flanders and Wallonia. Key developments such as product changes, our new collaboration with Europe Assistance and the roll-out of the digital platform DELAconnect were shared during these roadshows.

In November, the new digital platform DELAconnect was introduced to estate agents and sales organisations in Belgium. Some 3,700 estate agents and six sales organisations are actively using the platform at the time of writing. It enables mediators to make premium calculations, proposals and policy conditions for DELA Uitvaartzorgplan online. The next step is to start using DELAconnect to enable intermediaries to manage their own insurance portfolios.

The sales organisation in Belgium was changed from a regional set-up to a segmentation based on estate agent segments. The new structure enables our key account managers to visit the major estate agents, while our account managers focus on the medium-sized estate agents. Smaller estate agents maintain contact with our desk account managers by phone.

['Why Wait' brand campaign >](#)





The new policy application for web and mobile phone was introduced in Belgium in early 2020. It now only takes ten minutes to apply for insurance. If a number of questions indicate the applicant is healthy, all documents are created automatically and sent to the customer without obligation. If the applicant provides a digital signature via text message, itsme or eID, the insurance is implemented immediately and the customer receives their policy straight away.

Marketing in Germany is focused on building brand familiarity, especially in the intermediary channel. The proposition is attractive and has been favourably received by the market, including positive assessments from various rating organisations.

*“You don’t take out funeral insurance for yourself, you do it for someone else. To make things easier for loved ones. DELA arranges the funeral, pays the costs and takes care of the ones you leave behind.”*

In late October, DELA Belgium received another major award: DECAVI named DELA Uitvaartzorgplan as the best funeral insurance 2019. It was the third consecutive occasion that DELA has won this award.

In January 2019, DELA Germany was given a very high score in an assessment by ASSEKURATA. An exceptional 90 percent of DELA customers recommended our products. Like the similarly high marks we achieved in the spring, DELA scored above the benchmark.

## Saying goodbye and sharing memories

### Funerals

DELA owes its success to a combination of insurance and care. Our employees offer concrete help, and support our members and their relatives with advice and assistance.

In 2019, the share of private funerals in the Dutch market was 5.3 percent. In the last quarter of 2019 this figure had risen to 5.5 percent, matching the level achieved last year.

In the Netherlands approximately 152,000 people passed away (153,000 in 2018). DELA arranged around 33,600 funerals (around 33,400 in 2018) and its market share was some 22.2 percent (21.8 percent in 2018).

In Belgium there was a slight drop in the number of funerals. The funeral company in Belgium focuses primarily on the private market. In view of the reduction in mortality, growth must primarily take place through acquisitions. DELA Belgium also aimed for cross-pollination with the insurance segment. Our aftercare team established a partnership with 'Successio' and 'Advies Nalatenschap' to provide families with even more professional support in inheritance declarations. We also launched a new Aftercare app for descendants.

Margins are under pressure at funeral homes, particularly in the Netherlands due to increased competition.

### Saying goodbye and sharing memories

Funerals and cremations. Numbers

| By country        | 2019          | difference  | 2018          |
|-------------------|---------------|-------------|---------------|
| <b>Funerals</b>   |               |             |               |
| Netherlands       | 33,645        | 223         | 33,422        |
| Belgium           | 11,136        | -325        | 11,461        |
| <b>Total</b>      | <b>44,781</b> | <b>-102</b> | <b>44,883</b> |
| <b>Cremations</b> |               |             |               |
| Netherlands       | 24,137        | 153         | 23,984        |
| Belgium           | 8,387         | 20          | 8,367         |
| <b>Total</b>      | <b>32,524</b> | <b>173</b>  | <b>32,351</b> |



## Cooperation with funeral speakers

For many funerals in the Netherlands we work with speakers and/or ceremonial advisors. We see that these professionals add something to the funeral, making it more personal and giving the service more meaning to descendants. A good cooperation between funeral directors and funeral speakers and/or ceremonial advisors makes optimal use of each other's qualities: the funeral director is able to fully focus on organising the funeral, while the speaker and/or advisor focuses on the content and set-up of the ceremony. The assessments of the funerals in which we applied these combinations were very positive and hugely improved in recent years.

"As ceremonial advisors we have extensive conversations with the family, based on which we edit the entire text for the service. This is always realised in line with the wishes of the deceased and their family. During the service, we act as master of ceremonies and announce any speakers. We ensure a proper structure for the service, including any requested symbolism and rituals. Everything is realised in close consultation with the family. We also often coordinate and supply the presentation, music and commemoration card."

## Cremations

The market share in cremations in the Netherlands experienced a limited reduction but still amounts to 24 percent. The reduced market share was due to the opening of new crematoriums. In the Netherlands, the funeral division started the 'Best in Hospitality' programme, focused on improving the competences of managers, realising the 'engaged' value, and developing a uniform image, desired employee behaviour, optimal working climate, and simplified and transparent protocols. The programme is aimed at ensuring everyone receives a warm welcome.

The number of cremations in Belgium is at the same level as in 2018. Although a reduction of cremations in the DELA crematorium in Bruges related to the opening of a nearby third-party crematorium in Oostende was taken into account, the delay of their building activities allowed DELA to maintain its level.

**In October, the crematorium in Bruges received nearly 1,000 guests during the Open Business Day. Professor Manu Keirse gave a speech on mourning and grief.**

## Corporate takeovers

On 15 January 2019 DELA took over Uitvaartcentrum Jorissen in Diepenbeek and Zutendaal (B), and on 17 January 2019 Uitvaartzorg Bertje Deborre in Genk (B). On 26 July both companies merged with retroactive effect per 1 January 2019. On 1 May 2019, DELA acquired Pompes funèbres Warzée, a

funeral organisation with funeral centres in Seilles, Andenne, Petit-Waret and Sclayn (B).

### **Locations, new construction and renovations**

Our funeral centres and crematoriums have a homely, warm and colourful interior. Although saying goodbye in a pleasant ambiance with friendly, involved employees doesn't lessen the grief, it does help generate nice memories of a sad time and contribute to a dignified farewell.

At the end of 2019, DELA owned 113 funeral centres and 24 crematoriums.

DELA Netherlands has 54 funeral centres and 21 crematoriums. In 2019, we opened funeral centre Roosendaal in the Netherlands; the former funeral centre was sold. Crematorium De Ommering in Spijkenisse underwent major renovations and was reopened in 2019 as well.

In Maastricht we are realising a new crematorium together with Monuta on the monumental estate La Grande Suisse just north of the city, which is currently being renovated under a 'neutral label'. The location will operate under its own management and identity, and the names and house styles of Monuta and DELA will not be featured in the building in a recognisable way. The crematorium is due to be taken into use in 2020. The Netherlands Authority for Consumers and Markets (ACM) gave permission for the partnership in 2019.

The construction of a new crematorium on Hoendiep in Groningen was started after the summer. The Council of State definitively approved the construction plans in the spring of 2019.

DELA Belgium has 59 funeral centres, 3 crematoriums (and a 30% participation in a fourth) and a repatriation centre, Mortuary Brussels Airport in Zaventem. The crematoriums are located in Bruges, Hasselt, Mons and Charleroi (participation). DELA Belgium operates from its head offices in Antwerp and Liège.

In Belgium, we reopened Uitvaartzorg Bemelmans in Trooz after thorough renovations. The facilities of Uitvaartzorg Vangrunderbeek in Zaventem and Centre funéraire Pol Laffut & Heerwegh in Marche and Famenne were also fully renovated. Uitvaartzorg Werbrouck had its auditorium expanded and an extra office was added for insurance activities.

Thanks to collaboration with Waregem Expo, Uitvaartzorg Amez in Waregem can offer customers its new 'Mantua' auditorium for personalised funeral ceremonies.

In addition, various renovations were prepared in 2019 for realisation in 2020, including in Bruges, Wetteren, Harelbeke, Seraing, Pelt, Bottin (Liège North), Gohyssart, Ans (Liège North), Maasmechelen and Lanaken.



On 1 May 2019, DELA Belgium acquired Pompes funèbres Warzée, a funeral organisation with 4 funeral centres.

### **Mortuary Brussels Airport**

DELA has its own repatriation centre near Zaventem Airport, called Mortuary Brussels Airport, where our employees help descendants repatriate to and from other countries. Thanks to our extensive network, DELA can ensure smooth repatriation with respect for religion, customs and rituals of the deceased and their families. DELA guarantees a personal, humane approach. The location has its own viewing room and auditorium for farewell ceremonies. In 2019, the centre realised 756 repatriations, 4 percent more than in 2018.

< **Funeral centre Roosendaal, Roosendaal (NL)**



## Aftercare

The hardest time for bereaved relatives often starts after the funeral. In addition to grief processing, they have to arrange numerous practical, financial, legal and administrative tasks. A helping hand is always welcome at this time and DELA can offer this. Although we cannot lessen the grief, we can help arrange matters properly and help people get on with their lives. We offer practical help and tips based on their personal situation. The consultants from our aftercare services can help with issues such as:

What do I need to do to properly arrange my inheritance?

Can descendants refuse an inheritance when there are debts?

Until when will the pension of the deceased be paid?

Which subscriptions should be cancelled?

Whom can I talk to, to cope with my grief?

If required and desired, we can bring in specialists such as notaries, grief counsellors or tax consultants, and inform descendants of the related costs. Support by the care desk is free of charge for insured persons. In the Netherlands, the service is a standard part of all funerals DELA realises.

Our aftercare team established a partnership with 'Successio' and 'Advies Nalatenschap' to provide families with even more professional support with inheritance declarations. We also launched the new Aftercare app for descendants.



## Member interests

### By and for members

In the Netherlands, policyholders and co-insured individuals are members of the cooperative and therefore represent the collective 'owners' of DELA. Work on the legal structure for our insured in Belgium is still underway; the intention is for them to join the cooperative as well. Once the number of insured in Germany reaches a certain number – for now we are considering a cut-off point of 100,000 – we would like them to become members of the cooperative too. Even though they are not currently members, they do enjoy a form of profit distribution (depending on the product) in the same way as the Dutch and Belgian members.

The general meeting represents our members and is the highest organ of our cooperative. It has the final say in the policy and appoints supervisors and Board members. The way in which our cooperative is managed and our members' interests safeguarded is described in the Governance section.

### General meeting in 2019

There were three general meetings in 2019: in January, May and November.

The following items were discussed on 19 January:

- The five new members or deputy delegates at the general meeting;
- The commutation of deposits;
- The appointment of Mr Van der Steen and Mr de Méris as Supervisory Board members;
- The profit-distribution scheme for the new funeral insurance of DELA Germany;
- The candidacy procedure for the general meeting;
- The adjustment of payments for the general meeting, confidential committee and Supervisory Board. According to policy these are updated every three years based on a decision of the general meeting;
- The 2019 budget;
- The capital policy which describes how DELA ensures a solid solvency position is secured.

The following items were discussed on 26 May:

- The study into a possible collaboration with Yarden;
- The election of the confidential committee. In accordance with Article 10 of the Rules of Procedure, four members were appointed. The members are appointed for a maximum period of four years and one resigns in accordance with the pre-set rotation schedule each year so that a new member joins each year. After a vote, Ms A.C. van Gils-Dirks was elected as the new member;
- The reappointment of Mr Leenaars as member of the Supervisory Board;
- The annual report. After detailed clarification by the Executive Board, the general meeting



approved the financial statements for 2018 and the result appropriation, officially adopting the annual report of the DELA Group;

- Discharge. The general meeting unanimously granted discharge to the individual members of the Executive Board for the policy pursued and to the Supervisory Board for supervising the policy pursued by the Executive Board;
- The remuneration report. Based on the remuneration report, the general meeting established that remuneration for 2018 had been allocated with due care;
- The average funeral costs, clarified by the Executive Board;
- The premium adjustment. The general meeting approved an increase in the DELA UitvaartPlan premium to reflect the rise in the average funeral costs of 2.09 percent per 1 January 2019;
- The determination of the distribution of profit for the DELA CoöperatiespaarPlan;
- The status of various change programmes;
- The departure of the Chairman of the Supervisory Board, Mr van den Goorbergh and Supervisory Board member Mr van der Weg.

An extra general meeting was organised on 19 November in view of the proposed takeover of Yarden. The Executive Board provided detailed clarification, the legal and financial consequences were discussed, and follow-up steps were indicated. The general meeting had already given the mandate for assessment of the takeover to the confidential committee on 25 May. This meeting was entirely focused on informing the general meeting.

### **Consultation of members: the online cooperative panel**

To properly represent member interests, we conduct research and make choices with our members on matters such as products and operations. Consulting the members is an important aspect of this work. We have had a cooperative panel organised and run by and for our members since 2010. This panel was converted into an online platform in 2015, allowing a larger group of members to contribute ideas. At the end of 2019, more than 2,100 members (over 1,900 in 2018) were connected. In the year under review we asked the cooperative panel how they handle periodic payments and how DELA could improve the information on and clarity of invoicing.

All results can be found via <https://www.dela.nl/over-dela/over-cooperatie-dela/lid-van-cooperatie-dela/cooperatiepanel/terugkoppeling-van-onderzoeksresultaten>. (only in Dutch)

## DELA announces plan to take over Yarden

DELA plans to take over insurer and funeral organisation Yarden and this is expected to become definitive over the course of 2020. DELA and Yarden are both cooperative organisations established to enable dignified funerals. When Yarden encountered financial problems, its Board decided to turn the tide. While this was successful in the short term, Yarden started looking for a suitable party to take over its activities in order to find a structural solution for its one million insured. It found this party in DELA.

### What exactly is the DELA Group taking over?

DELA Group is taking over the entire Yarden company: the funeral organisation, insurance division and participations, including all costs and benefits, i.e. all premium incomes, resources, investments and employees as well as all current and future financial obligations.

Technically, it is a takeover that includes the announced merger of insurance companies DELA Natuur- en levensverzekeringen N.V. and Yarden Uitvaartverzekeringen N.V. With this merger, which will take place shortly after the takeover, the Yarden investment portfolio can immediately be invested in the DELA investment mix which normally performs better in the long term.

Vereniging Yarden, which provides assistance with mourning processes, will remain independent – with DELA's support – and also be used for people insured by DELA where possible.

### How does DELA see the future for Yarden policyholders?

Yarden customers will retain their policy, the difference being that they will be customers of DELA instead of Yarden. As the goal is to create one large collective in the long term we will look into how to convert Yarden policies into DELA policies. A conversion to a DELA insurance will also result in membership of the DELA cooperative.

### Why is DELA taking over Yarden?

DELA hopes to offer continuity to people insured by Yarden out of solidarity. After detailed research into the financial situation of Yarden, the takeover was shown to be favourable for Yarden and DELA insured alike. The more members carry the cooperative, the stronger the power of the cooperative will be. Moreover, the unification of the funeral companies offers scale benefits and extra opportunities for a good service provision for all members.

### In what way is the takeover favourable for DELA members?

Thanks to our buffers, we can realise the takeover while retaining a strong financial position. DELA's solvency is impressive at 296 percent (end 2019). The solvency would have been around 252 percent if the Yarden takeover had been effectuated late 2019. Due to the good solvency ratio, DELA, including Yarden, has plenty of space for very diversified investments in the long term, which is something Yarden itself cannot do as its solvency ratio is too low. Yarden is therefore forced to invest in a risk-averse way, resulting in returns that are insufficient for fully meeting its insurance obligations. The invested capital of Yarden can realise a better return with DELA. DELA can offer Yarden customers financial stability with space for inflation protection and at the same time increase the chance of profit distribution in time for its own members. In addition, the takeover will add 1 million insured and a large number of funeral centres and crematoriums to DELA. This creates an even greater scale and gives DELA better national coverage for its own funeral centres and crematoriums.

### When will the takeover be completed?

When the regulators of De Nederlandsche Bank (DNB) and the Authority for Consumers and Markets (ACM) agree, Yarden will officially become part of DELA. From that date, all Yarden figures will be included in DELA's financial statement. Yarden will be fully integrated in DELA by 2022 at the latest.

# Our finances

The name DELA stands for 'Draagt Elkanders Lasten', which means 'Carry Each Other's Burdens'. The cooperative has been there for its members, generation after generation, with a focus on providing benefits that retain value for a low premium. DELA's sound financial foundation and management are major preconditions for long-term success.

At the end of 2019, DELA's solvency, the indicator that determines our health, was a high 296 percent.

The operating result was € 31 million, which – in accordance with our expectations – was € 5 million less than in 2018. This is mainly due to the large-scale change and IT programmes which are creating a solid foundation for ensuring that DELA is the most customer-oriented insurance and funeral company, providing optimal digital support. We also organised a campaign to enhance our reputation among non-members.

The investment result was excellent at over half a billion euros (€ 664 million in total) – a return of over 12 percent. The investment fluctuations which led to a loss of € 139 million in 2018 clearly worked in our favour during 2019.

The paid profit distribution in 2019 is € 42 million, which is the same as the previous year. The 2019 profit distribution is a result of the low funeral inflation (2.09 percent in 2019) and coverage (175 percent on average, resulting in a profit distribution of 50 percent). The low interest puts pressure on the insurer's coverage. In turn the coverage is relevant for the profit distribution percentage to be awarded. This is our dilemma: although the financial position of the cooperative is excellent overall, offering a guarantee that we can aim for profit distribution in the future too, the low interest prevents us from giving higher profit distribution in the short term.

## Premium income

DELA received € 480.2 million in premium income in 2019 (€ 450.8 million in 2018) which represents an increase of 7 percent (4 percent in 2018). In Belgium, the premium income increased by 12 percent, mainly due to the acquisition of the portfolio of Hooghenraed realised per 1 October 2018 in which around 41,800 policies were transferred to DELA. The related premium income was first included in the group results for the full year in 2019.

### Premium income

€ x 1,000

|             | 2019    | difference | 2018    |
|-------------|---------|------------|---------|
| Netherlands | 354,791 | 4%         | 341,580 |
| Belgium     | 121,912 | 12%        | 108,905 |
| Germany     | 3,476   | 1,070%     | 297     |
| Total       | 480,179 | 7%         | 450,782 |

2019 was a good year for funeral insurance. In the Netherlands, competition decreased due to a price increase and the financial issues at Yarden. DELA also made a great start in Germany

## Investment income

DELA has a robust business model. The diversified investment of insurance premiums makes a structural contribution to our cooperative and its members in the long term. The nature of the insurance policies – in most cases paid out in the event of death – leads to long-term obligations. As this long horizon requires a relatively offensive investment strategy, investment results can fluctuate.

Fluctuations in the value of our investments during 2019 worked to our advantage, leading to a profit of € 664 million. While fluctuations work to our benefit in some years, this was not the case in 2018. In the year under review, however, the investment income was very high with a return of 12 percent, which easily compensates for the value decrease over 2018.

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 the inflation in funeral costs. 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 fluctuations in financial markets. A better comparison can be made with relevant benchmarks. From this perspective, our result over 2019 was slightly above average.

### Income from investments

€ x 1,000

|                    | 2019    | difference | 2018     |
|--------------------|---------|------------|----------|
| Investment results | 664,185 | 803,472    | -139,287 |

We mainly have insurance policies that pay out after death and have a long-term duration. This is why we can afford to invest a large amount in shares and real estate. In principle, this should lead to high returns in the long term.

### Operating result

In view of the (planned) extra expenses for major change programmes such as the replacement of the back-office systems and extra advertising campaigns to enhance our reputation, the operating result over 2019 is lower than in 2018, but still satisfactory.

The table below shows the development of the operating result. This demonstrates that the expenses (excluding the additional IT and campaign costs) were 5 percent higher in 2019. This is in balance with the increased income, which was also 5 percent higher.



## Operating result

€ x 1.000. Definition of balance: extra expenses in 2019 compared to 2018 (for comparison purposes)

|  | 2019    | difference | 2018    |
|--|---------|------------|---------|
| Premium revenue                                    | 480,179 | +7%        | 450,782 |
| Investment results*                                | 137,065 | +5%        | 130,314 |
| Turnover funeral company                           | 244,865 | +2%        | 241,155 |
| Other turnover                                     | 10      | -91%       | 109     |
| Revenue  | 862,119 | +5%        | 822,360 |
| Expenses (excluding balance IT and brand campaign) | 825,082 | +5%        | 786,566 |
| IT balance**                                       | 3,300   | -          |         |
| Brand campaign balance                             | 3,200   | -          |         |
| Expenses   | 831,582 | +6%        | 786,566 |
| Operational result                                 | 30,537  | -15%       | 35,794  |

\* Assigned to the so-called technical account. \*\* The additional IT expenses were € 10.2 million of which € 6.9 million was capitalised.

The operating result over 2019 was € 30.5 million (€ 35.8 million in 2018) - a balance of the insurance profit of € 38.4 million and the funeral company loss of € 7.9 million. The drop in the operating result in 2019 compared to 2018 is due to the insurer (€ 4.2 million) and the funeral company (€ 1.1 million). The funeral company was affected by the pay increase and pressure on the margins. While DELA gives priority to limiting any increase in average funeral costs and maintaining the quality of our services, we also wish the funeral company to end every year with a modest positive result. This will not be possible in coming years due to the extra IT investments, however. The funeral company aims for an increase of the market share among non-members (in the private sector) to bring a cost reduction due to scale increases within reach.

### Digitisation as a basis for personal service

Digitisation affects the entire organisation within DELA. Business and IT work closely together to build a strong foundation for the personal service provision around which everything revolves. This considerable shift in digitisation requires DELA to invest in systems and processes as well as in our people. To increase our manoeuvrability, it is important to reduce our basic costs. This will also make space for extra investments in digitisation in the coming years, including robotization and artificial intelligence. In 2019 the total IT expenses were over € 30 million. A large part of this amount was used to make DELA more future-proof.

## Average funeral costs

DELA closely monitors the average funeral costs in the Netherlands on an annual basis. Our policy is focused on paying out insured claims and compensating for the inflation of funeral costs as far as possible. The average funeral cost was € 4,298 (€ 4,188 in 2018) a rise of € 110 or 2.6 percent on a year earlier.

### Funeral costs

in €. For a pre-arranged set package in the Netherlands, per adult

|                       | 2019  | difference | 2018   |
|-----------------------|-------|------------|--------|
| Average funeral costs | 4,298 | 2.6%       | 4,188* |

\* deviates from previous publication as a result of recalculation

## Coverage

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, mortality and cost developments. In January 2020, the general meeting changed the coverage as part of the profit distribution retroactively from 1 January 2019. We now apply a single coverage for all profitable products in the Netherlands, Belgium and Germany.

In addition, investment costs, insofar as they are higher than those of a passive investment as defined by us, are no longer included in the coverage. The average coverage over a year (partly) determines the profit distribution scheme for the following year; the retroactive change therefore has no impact on the profit distribution over 2019 and the financial statement of 2019.

At the start of the year under review, the coverage was 181 percent. At the end of 2019 it was 151 percent. While this may initially seem unusual considering DELA booked a significant investment result over 2019, the overview below explains this reduction. The main factor is the reduced interest. In 2019, the 20-year interest was reduced from 1.36 percent in January to 0.61 in December. The reduced interest had a dampening effect on the coverage of 55 percentage points. The high investment results added 20 percentage points to the coverage and could therefore not compensate for the interest effect. In addition to the interest, the inflation expectation was also reduced, which affects the future funeral costs. This caused an increase in the coverage of 7 percentage points.

The average coverage over 2019 was 156 percent (2018: 175 percent). This average forms the basis for the profit distribution in the following year.

## Coverage

Percentage. Dampening and enhancing effect in percentage points

|  | Start of the year | Dampening effect | Increasing effect | End of the year |
|--|-------------------|------------------|-------------------|-----------------|
| Start of the year                      | 181%              |                  |                   |                 |
| Decreased interest in 2019             |                   | -55%             |                   |                 |
| Other factors                          |                   | -2%              |                   |                 |
|  |                   | <u>-57%</u>      |                   |                 |
| Higher return from investments in 2019 |                   |                  | +20%              |                 |
| Lower future funeral costs*            |                   |                  | +7%               |                 |
|  |                   |                  | <u>+27%</u>       |                 |
| End of the year                        |                   |                  |                   | <u>151%</u>     |

\* The reduced expectations of future inflation in 2019

## Profit distribution

DELA aims to ensure members a stable pay-out for funerals. The costs of a funeral are continuously rising due to inflation. Premiums are also increasing due to inflation as well as back-service costs. We limit these increases for our members as much as possible by means of distribution of profit. The amount being shared depends on inflation: the higher the inflation, the higher the back-service and the greater profit we aim to share in principle. Because DELA must always remain financially solid for its members, there are certain limitations to the extent to which the profit distribution can be used.

One of these limitations is 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 drops below 1 percent and the coverage is lower than 120 percent, the general meeting will take a premium measure (a decision to apply an additional premium increase). The aforementioned percentages are part of a new profit distribution scheme which was determined by member representatives in the general meeting of January 2020.

What is best for the members is determined annually based on scenarios: in the long term the goal is to ensure the cooperative remains financially solid and in the short term the aim is to limit the increase of premiums. Member interests always come first – the issue is whether to address these in the short or long term.

A profit distribution of € 42 million was proposed in 2019, the same level as in 2018.

## Distribution of profit

€ x 1,000

|              | 2019   | 2018   |
|--------------|--------|--------|
| Appropriated | 42,323 | 42,321 |

The distribution of profits makes DELA unique. The cooperative has appropriated €551 million in profit distribution over the past decade.

## Solvency ratio

DELA determines its solvency in accordance with the Solvency II capital regime, hence the name Solvency-II ratio. This involves a European formula in which the risks included in the balance of the insurer are taken into account in determining the solvency. DELA aims for an optimal balance between its investment policy, profit distribution and solvency ratio.

The solvency ratio dropped from 373 percent to 296 percent at the end of the year.

## Solvency ratio

Percentage. In accordance with Solvency II. Dampening and enhancing effect in percentage points

|   | Start of the year | Dampening effect | End of the year |
|---|-------------------|------------------|-----------------|
| Start of the year   | 373%              |                  |                 |
| Change to profit distribution scheme                      |                   | -28%             |                 |
| Updating assumptions (costs, mortality, etc.)             |                   | -24%             |                 |
| Increased investment value and decreased interest in 2019 |                   | -19%             |                 |
| Other effects   |                   | -6%              |                 |
|   |                   | -77%             |                 |
| End of the year   |                   |                  | 296%            |

The previously mentioned change to the profit distribution scheme reduced the solvency ratio (-28 percentage points). The profit distribution scale declined from a coverage of 125 to 225 percent to 120 to 210 percent as indicated under distribution of profit, which means that profits are distributed sooner and that the distributed profits are higher. In addition, the effect of the premium measure on the increase of the premium declined by a quarter. Both measures dampen the premium increase, which was a deliberate choice. As more funds will be appropriated to premium reduction, the solvency ratio will decline.

An update of the assumptions also clearly contributed to the reduction (-24 percentage points). This is mainly due to the fact that the assumed future IT costs will increase, as will the investment costs. The latter depends on adjustments in our investment portfolio that result in a higher return than expected and a better spread of the investment risks.

Despite the high investment result in 2019, which resulted in an increase in the core capital, the investment result had a dampening effect (-19 percentage points) as the capital required in Solvency-II experienced a stronger increase than the core capital. This is due to the fact that the required capital is significantly higher in a rising stock market than the kind of declining one we saw in late 2018.

At the end of 2019, DELA had a solvency ratio of 296 percent.

DELA plans to transfer the investment portfolio of Yarden from long-term government bonds with little risk and very little return to the DELA investment mix with a little more risk and a better return soon after Yarden's takeover. History has shown that this gives us the best chance over multiple years of optimising the profit distribution to our members. Both the takeover and the transfer of investments demand more from our solvency. If the proposed takeover of Yarden had taken place at the end of 2019, our solvency ratio would have been 252 percent. At the end of 2019 the Yarden portfolio had approximately 20 percent of the scope of the DELA portfolio. If Yarden's investment portfolio had also been converted at the end of 2019, the solvency ratio including Yarden would have been 228 percent. After these changes, the solvency ratio is still more than sufficient, with the advantage that the Yarden portfolio is in a profitable situation. Yarden and DELA members will both benefit due to an increased chance of profit distribution.

### **In conclusion: financial position**

The results indicated in this segment underline the fact that DELA has a unique and very robust business model. The choice between a higher or lower premium increase is always made in the interest of our members and customers, and is a consequence of realising the policy determined by member representatives in the general meeting. The choice of premium increase is one between long- and short-term member interests. DELA members share the burdens so they can receive extra benefits that more than make up for these burdens in the long term. And therein lies the strength of our cooperative.

# Our people

Our people are the driving force behind the cooperative. Over 2,000 employees, working in three countries, contribute to fulfilling our mission in an engaged, honest and business-like way on a daily basis. DELA is an organisation in development, full of ambition, with space for entrepreneurial, involved individuals who take responsibility and initiative. Learning and improving together is one of the success factors herein, ensuring plenty of focus on personal growth and development. DELA's culture is people-oriented: everyone matters, we all inspire trust and everyone is interconnected.

Our approach is reflected in the results of the Great Place to Work (GPTW) survey that takes place every year. In the Netherlands, DELA came first in the large company category in 2019, as it did in 2018. DELA Belgium rose one position compared to the previous year to sixth place in 2019. On a European level, DELA Netherlands achieved an impressive second place in the year under review.

Absence due to illness showed clear improvement in 2019. The health of our people is a constant focal point, especially in the funeral company and customer service. Moreover, the pace of change is accelerating instead of declining, creating plenty of opportunities for the next generation. DELA now has a great IT community of some 250 in-house and external employees working on our digital transition, for example. In 2019 we started to strengthen our communication to the labour market to ensure we continue to attract the right talents to DELA.

At DELA everyone has a role to play and all colleagues are supported from day one. Employee involvement is part and parcel of our culture. Because DELA is who we are together.



## Good employer

DELA aims to provide the most pleasant and comfortable place to work. The opinion of our employees is very important to us and their feedback enables us to constantly improve.

## Great Place to Work score

To see where we stand in relation to similarly sized companies, DELA participates in the Great Place to Work (GpTW) survey every year. GpTW focuses especially on trust as a key element of being a good employer. The score for our operations in both the Netherlands and Belgium was mostly at the same level in 2019. In the Netherlands DELA had a trust index of 88 points and in Belgium 87 points. This marks a significant improvement over recent years.

## Employee satisfaction

GpTW-score (Great Place to Work)

|                                       | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------------|------|------|------|------|------|
| Netherlands (category >250 employees) | 88   | 89   | 84   | 81   | 83   |
| Belgium (category >500 employees)     | 87   | 87   | 83   | 79   | 71   |

## Best Workplaces

On 27 March 2019, DELA Netherlands was awarded first prize in the 'large companies' category during the presentation of the Best Workplaces awards by GpTW. This is the second year in a row that DELA was declared best employer in the Netherlands. DELA Belgium also did very well and was awarded sixth place among Best Workplaces in 2019. We are very proud of this recognition, which is a huge mark of appreciation and confirms that our colleagues feel heard. We work hard to achieve this together every day. The ranking of Best Workplaces consists of two components: the annual employee survey (which counts for two thirds) and feedback from the Culture Audit (one third).

The GpTW jury report shows that DELA Netherlands is most appreciated for its versatile portfolio of HR tools and the various programmes and methods with which we reach colleagues. DELA scores high with regard to warmth and the integration of the employer policy. In addition, GpTW indicates that the high score on the Trust index shows that DELA's policy is often very effective. The announcement of the results for 2020, every year around March/April, was postponed until June due to the COVID-19 outbreak.

On 27 March 2019, DELA was again announced as winner of the Best Workplace 2019 award. DELA Belgium went from seventh to the sixth place, signifying further improvement.

### Culture audit

The Culture Audit provides a detailed and illustrated insight into DELA's employer policy and what makes DELA unique and special for many colleagues. Both DELA Netherlands and DELA Belgium performed an audit in 2019.

The jury report praises DELA for addressing the needs of employees and regularly seeking consultation with them in various ways, from listening sessions to round-table meetings. DELA also stimulates staff to make the most of themselves via the Personal Course programme and DELA Summer Schools.

DELA Netherlands obtained high scores in all themes, with the top scores in the fields of acquisition, inspiration, development, care, and finding and celebrating balance. DELA scores high on all criteria, with the best marks for variety, accessibility and integration.

### People's business

We are always looking for people who fit within our company. People who give meaning to life – because working at DELA is a people's business. We seek people who are at the centre of life and are driven by passion and ambition to make the most of it. Every new colleague has to match our core values of engagement, integrity and entrepreneurship. Colleagues who fit into a culture of pride, enjoyment and trust. We apply a strict selection procedure at the gate, taking the time to ensure the match is right with regards to knowledge, skills and behaviour as well as standards and values. To achieve our ambitious goals, we need passionate people who want to take the extra step, and then give them our trust from the start.

### **Learning together**

At DELA we are there for each other. An organisation in development, full of ambition and with space for entrepreneurial people who take responsibility and initiative. Learning together is one of our success factors and ensures plenty of focus on personal growth and development.

### **Flexible employability**

Being both an insurer and a funeral company DELA has a relatively broad scope of functions. Nonetheless we offer uniform employment conditions across our cooperative. In addition, flexibility remains very important, especially in the funeral department. While DELA can estimate the number of people who will pass away in a given year, it is impossible to do so for a given day. This is the main reason why our funeral department must be extremely flexible.

### **Organisational structure in Belgium**

In 2019 we introduced a new organisational structure for the funeral organisation of DELA Belgium. The span of support of the managers had become too great for them to ensure optimal care for and communication with the employees. Teams have now been made smaller and the funeral company in Belgium has ten extra managers. This means that, as of 1 September 2019, the funeral division comprises many new teams often with a new manager.

### **Health and absence due to illness**

One of DELA's goals is to help every employee remain physically and mentally healthy and capable of quality work, now and in the future. This attention to health is bearing fruit in terms of reducing absence due to illness, which has been falling since mid-2018. This positive trend continued in 2019. Various programmes are being implemented and developed to prevent absence due to illness and promote health. DELA Belgium has a working group focused on vitality, while DELA Netherlands has a task force. A number of monthly themes related to fitness have been deployed in the Netherlands as well, but we still see a high risk of long-term absences, especially among funeral service providers.

## Absence due to illness

%

|             | 2019 | difference | 2018 |
|-------------|------|------------|------|
| Netherlands | 6.1% | -1.2pp     | 7.3% |
| Belgium     | 4.5% | -0.7pp     | 5.2% |
| Germany     | 3.3% | 0.9pp      | 2.4% |

\* Comment: in calculating the health percentage in Belgium, only absences shorter than one year have been included. In the Netherlands this is under 2 years.

Absenteeism is relatively high among staff in the funeral sector, not least because of the challenging nature of the work. Our employees are confronted with a great deal of grief every day and this can be emotionally draining. In addition, working hours are irregular and a certain degree of flexibility is required, risking physical fatigue. With this in mind we developed an attendance and reintegration policy, a tool to help prevent employee absenteeism as much as possible. It is also a guideline for our managers, whom we encourage to keep in touch with employees who stay at home. Unfortunately, there has been an increase in absenteeism at the customer contact centre Netherlands, 80 percent of which was caused by 20 percent of the employees taking short but frequent absences. Research into the causes resulted in solutions being formulated that should bear fruit in 2020. Thanks to the combined efforts, both DELA Netherlands and DELA Belgium managed to reduce absence due to illness in the funeral company. The reduction in both countries depends on the department – between 1.3% and 1.5%. There was a rise in Germany but at 3.3% the figure is still low.

### Absence due to illness policy: own hands

In 2019, DELA Netherlands implemented the 'own hands' model in order to better reflect DELA's absence due to illness vision. It means that although illness can happen to anyone, being absent is a choice that should always be made in consultation. The essence of a behavioural approach to the issue is that the manager and employee discuss absenteeism and what option is most suitable. The manager acts as case manager in every absence trajectory and determines the course – obviously within the boundaries of the Dutch Gatekeeper Act. In the 'own hands' model, we appeal to everyone's individual responsibility during the absence trajectory. The company doctor has an advisory role.

## Diversity

DELA finds it crucial that our employees reflect the full diversity of the society in which we operate. There is a relatively high proportion of women working at DELA, more than men. In leadership positions, the 30% minimum rule for women and men is respected everywhere except the Executive Board and the national Boards, as there were hardly any changes in 2019. The diversity goals will be taken into account when future changes take place. 65% of all DELA Group employees are female. We also consider it self-evident that DELA as an employer promotes other types of diversity, including hiring employees who have trouble finding suitable work.

The policy we apply is one of excluding no one. Everyone is welcome at DELA, regardless of their rank or status. Most job openings are posted via the websites [www.werkenbij.dela.nl](http://www.werkenbij.dela.nl) and [www.dela.be/nl/over-dela/dela-jobs](http://www.dela.be/nl/over-dela/dela-jobs) gepost. For the acquisition for specialist functions, we sometimes employ partners. In all cases, our core values take priority: whether you fit in with the company is more important than whether you are able to do something well – because we can teach you how to do something but not who to be. In 2019, 2,600 people applied to positions at DELA Netherlands and 1,180 candidates applied to DELA Belgium.

> Everyone is welcome to apply and work at DELA



## Diversity Numbers

|                    | 2019       |              |              | 2018       |              |              |
|--------------------|------------|--------------|--------------|------------|--------------|--------------|
|                    | Male       | Female       | Total        | Male       | Female       | Total        |
| <b>Netherlands</b> |            |              |              |            |              |              |
| Executive Board*   | 3          | -            | 3            | 3          | -            | 3            |
| Senior management  | 3          | 1            | 4            | 2          | 2            | 4            |
| Upper management   | 18         | 16           | 34           | 21         | 10           | 31           |
| Middle management  | 29         | 40           | 69           | 27         | 41           | 68           |
| Other employees    | 457        | 1,006        | 1,463        | 462        | 1,001        | 1,463        |
| <b>Total</b>       | <b>510</b> | <b>1,063</b> | <b>1,573</b> | <b>515</b> | <b>1,054</b> | <b>1,569</b> |
| <b>Belgium</b>     |            |              |              |            |              |              |
| Senior management  | 5          | 2            | 7            | 5          | 1            | 6            |
| Upper management   | 7          | 5            | 12           | 6          | 1            | 7            |
| Middle management  | 3          | 14           | 17           | 3          | 12           | 15           |
| Other employees    | 172        | 218          | 390          | 165        | 212          | 377          |
| <b>Total</b>       | <b>187</b> | <b>239</b>   | <b>426</b>   | <b>179</b> | <b>226</b>   | <b>405</b>   |
| <b>Germany**</b>   |            |              |              |            |              |              |
| Other employees    | 8          | 11           | 19           | 5          | 6            | 11           |
| <b>Total</b>       | <b>8</b>   | <b>11</b>    | <b>19</b>    | <b>5</b>   | <b>6</b>     | <b>11</b>    |
| <b>DELA Group</b>  |            |              |              |            |              |              |
| Executive Board    | 3          | -            | 3            | 3          | -            | 3            |
| Senior management  | 8          | 3            | 11           | 7          | 3            | 10           |
| Upper management   | 28         | 22           | 50           | 30         | 11           | 41           |
| Middle management  | 32         | 54           | 86           | 30         | 53           | 83           |
| Other employees    | 637        | 1,235        | 1,872        | 632        | 1,219        | 1,851        |
| <b>Total</b>       | <b>705</b> | <b>1,313</b> | <b>2,018</b> | <b>699</b> | <b>1,286</b> | <b>1,985</b> |

\* serves as DELA Group. Also part of the Executive Board Netherlands. \*\* Executive Board Germany is not included in the employee database

*“We act from a foundation of engagement, integrity and entrepreneurship. These core values are abbreviated as BIO (in Dutch) and deeply rooted in the organisation.”*



## Balanced Labour Market Act (Wab)

On 1 January 2020 the Netherlands implemented the Balanced Labour Market Act (Wab) which contains a number of measures aimed at reducing the difference between permanent and flexible employment. The goal is to make it more attractive for employers to offer employees a permanent employment contract, while flexible employment will continue to be available where necessary. The concept behind this act suits DELA. We like to connect people and our employees are given our trust from the moment they start working with us – and a permanent contract is in line with this notion. At the same time, our work also demands a degree of flexibility – for example in IT where we currently have several major projects ongoing. The funeral company also requires flexible employees during peak periods.

DELA Netherlands enables its employees to dedicate eight hours a year to volunteer work. This means that they can volunteer during their working hours, proportional to the contract hours of fulltime employment.

## Leadership

DELA's management strives to achieve a company culture that is as transparent as possible while always upholding common values. We therefore do our best to answer questions as transparently as we can and share information among employees in a range of different ways. This takes place both directly – via workshops and meetings with employees – and online, and both formally and informally. The shop floor at the offices in the Netherlands and Belgium consists of a single large open space, with managers working among their team. No one has their own office.

### Managers' day

DELA Belgium sets aside one day every six weeks to bring together all managers. The HR business partners play an important role, organising peer-to-peer coaching on facilitating open dialogues, for example. Because we believe in stimulating an open feedback culture, this has become a fixed topic during the managers' day since March 2019. We organise a peer-to-peer moment related to open dialogue where managers discuss how they tackled last time's task. What went well, what didn't? What tools did they need and use? By sharing examples, they discover how an open dialogue works. They can also discuss cases from practice and exchange tips. This way, managers inspire each other to facilitate, retain and enhance a culture of open dialogue in each department.

DELA Netherlands organised two management development days which both focused on learning from and inspiring each other. Together we looked at the realisation of our bold ambition, and organised customer arenas in which managers played an active listening role. This resulted in some great insights. Kees Klomp, promotor of corporate sustainability, also took us into the world

of the economy of meaning. In addition, there was a quarterly meeting for all direct reports and Board members. The aim was to exchange information, inspire each other and spend time together in an informal way. One of the sessions featured a customer arena with descendants to teach us how we could further improve our services.

### **AFM research into remuneration and valuation**

In 2018, the Netherlands Authority for the Financial Markets (AFM) carried out research into remuneration and valuation among five funeral insurance and five major insurance intermediaries, including DELA. The research was intended to gain insight into how employees in the financial sector experience the remuneration and valuation they receive, and what the effect of remuneration and valuation is on their (ethical) conduct and enthusiasm. The research consisted of desk research, a written survey sent to all people in the sectors that are supervised by AFM, and interviews with 10 employees from that group.

In 2019, DELA received feedback from AFM. The main result was the high enthusiasm levels of DELA employees who are clearly engaged with customer needs. The tone at the top is good and well-valued. Employees do sometimes feel pressure to realise goals.

The 5th edition of the Round Tables started in autumn, and saw DELA Netherlands employees sit down and go to work together in a fun way. We got to know each other better and discussed our strategy and future.

## DELA Netherlands: Innovation Lab

Innovation is a major focal point for DELA. Wishing to serve our members well now and in the future means giving careful consideration as to how that can be achieved. The DELA Innovation Lab contributes to the goal via product development in the core markets (funerals and insurance) and new business development in new markets. The starting point is that our new concepts are in line with what DELA represents: providing care, security and continuity. The Innovation Lab of DELA Netherlands comprises an independent and multidisciplinary team of nine members who are focused on the development of new products and services, from concept to market launch. They do so via an iterative method in accordance with lean start-up principles, and, increasingly, in collaboration with start-ups that provide a solution to existing issues. New innovations in 2019 include our chatbot Roos on [dela.nl](http://dela.nl) and the 'Delen' memory portal, where family and loved ones can share memories of the deceased. In 2019 the number of users on Fello, our app for caregivers, increased from 50,000 to 80,000.

*For more information, see [www.dela.nl/innovatie](http://www.dela.nl/innovatie) (in Dutch)*

## Personal development

DELA is a learning organisation. Learning is in our DNA and we challenge our people to do a little better every day. People in various sectors follow a personal development plan in addition to the personal development goals everyone formulates annually. We also organised summer schools in 2019 and those people who had worked for us for around a year started on their personal courses.

We believe in the power of stories to give direction and meaning, provide inspiration and to motivate. Funeral service managers are trained in this regard. We made two special videos in which six colleagues and their managers shared their stories related to hospitality with the sector in order to learn from each other. The first can be seen here: [https://youtu.be/yHI6\\_w2xw8A](https://youtu.be/yHI6_w2xw8A)

DELA Netherlands concludes its introduction programme by giving new colleagues the opportunity to embark on their personal course. This serves as their compass in making choices in their (professional) lives.

## Works council

DELA Netherlands and DELA Belgium each have their own works council and their reports on 2019 can be found below.

### DELA Netherlands

In 2019, the works council gave advice on the following matters:

- The proposed decision to transfer 60% of the IT Innovation team to the DELA Innovation Lab for the time being.
- The pilot 'approach to absence due to illness in funeral care'.
- The restructuring of the senior management team portfolios.
- Linking the Hulst funeral centre to the crematorium in Goes (Het Zeeuwse Land).
- Dividing the funeral segment of Algemeen Belang into funeral care and funeral services.
- The shifts in the IT MT.
- The pilots with the RGW cycle of Marketing and IT.
- The acquisition of a minority interest in Decidee (De Nederlandse Uitvaartmaatschappij BV). The future department for the positioning of funeral care.
- The takeover of 100% of the Yarden shares (holding, insurance organisation and other subsidiaries) and integration in DELA, within three years. The advice of the works council was:
  - to always consult the works council if the takeover could affect DELA employees;
  - to share any advice and approval requiring subjects that are submitted to the Yarden works council and their reply with DELA's works council in anticipation of a future participation structure;
  - A working group for synergy and integration issues;
  - The communication plan.

The works council gave approval for:

- The proportional assignment of an extra day of paid leave on Good Friday.
- A large number of proposed changes to the DELA Additional Working Conditions Scheme.
- The purchase and sale of days off which will now be possible on an annual basis.
- The further implementation of a custom scheme for employees in funeral care, real estate and head office staff.
- The use of flex workers in funeral services under certain conditions.
- The absence due to illness policy determining how DELA handles such absences and how they can be limited or prevented.
- The assignment of a fixed location for all employees in funeral care. This gives every employee a single DELA location as their standard office. The maximum travel time for cooperative consultants and event coordinators at the start and end of the day to the assigned DELA location was set at half an hour. Taking the same approach to travel time in the entire sector creates more equality.

## Works council members in the Netherlands

| Name                   | function   |
|------------------------|--|
| Paul Beaumont          | member of daily management works council   |
| Ans van den Boogaard   | works council member   |
| Christa van den Broek  | works council member   |
| Jan Cornelisse         | works council member   |
| Roger Dautzenberg      | vice chair works council   |
| Judith van Gerwen      | member of daily management works council   |
| Tanja Harms            | works council member (until 24 September 2019)                                   |
| Petra Jansen           | works council member   |
| Rene Jansen            | member of daily management works council   |
| Chantal van Kruijsdijk | works council member   |
| Norman van der Loop    | chair works council  |
| Roger Mutsaers         | replacement works council member (from 21 February 2019, replaces John Mulderij) |
| Ed Michielsen          | works council member (until 17 June 2019)  |
| John Mulderij          | member of daily management works council   |
| Anouk van Nunen        | works council member   |
| Maarten Schepen        | works council member   |
| Melanie Willems        | official secretary   |

## DELA Belgium

In 2019 the works council granted approval for:

- The official holiday scheme 2020.
- The exemption of sub-consolidations at the level of Belgian companies (due to reporting being realised at the DELA Group level).

## Works council members in Belgium

| Name                                   | function                                  |
|--|---|
| Jack van der Putten (until 31-12-2019) | on behalf of employer                     |
| Sandra Schellekens (as of 1-1-2020)    | on behalf of employer                     |
| Ludo Verstraete                        | on behalf of employer                     |
| Bruno Moors                            | replacement member, on behalf of employer |
| Martine Verhoeven                      | on behalf of ACV                          |
| Kristof de Buck                        | on behalf of ACV                          |
| Ronny Bulcke                           | on behalf of ACV                          |
| Jean-Marc Charpentier                  | on behalf of ACLVB                        |

# Employees in the Netherlands

## Average age

2019  
**48.0**  
year

2018  
**48.2**  
year



## Average term of employment

2019  
**9.3**  
year

2018  
**9.1**  
year



## Number of employees

2019  
**1,573**  
1,113 FTEs

2018  
**1,569**  
1,115 FTEs

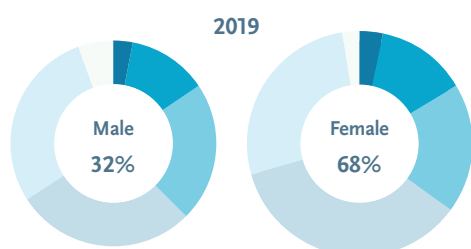


## Employees and absenteeism by sector



| Sector                    | 2019         |              |             | 2018         |              |             |
|---------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
|                           | Number       | FTE          | Absence     | Number       | FTE          | Absence     |
| Cooperation and Insurance | 68           | 62           | 0.7%        | 66           | 59           | 2.3%        |
| Holding staff services    | 237          | 211          | 3.0%        | 230          | 201          | 0.8%        |
| Customer centre           | 124          | 95           | 9.0%        | 132          | 101          | 7.0%        |
| Funeral services          | 685          | 412          | 7.7%        | 664          | 407          | 9.2%        |
| Funeral care              | 442          | 318          | 6.2%        | 454          | 326          | 8.6%        |
| Real estate               | 17           | 15           | 4.3%        | 23           | 21           | 9.1%        |
| <b>Total</b>              | <b>1,573</b> | <b>1,113</b> | <b>6.1%</b> | <b>1,569</b> | <b>1,115</b> | <b>7.3%</b> |

## Age build-up



|              | 2019       |              | 2018       |              |
|--------------|------------|--------------|------------|--------------|
|              | Male       | Female       | Male       | Female       |
| < 25         | 16         | 37           | 10         | 16           |
| 25 < 35      | 64         | 140          | 62         | 133          |
| 35 < 45      | 112        | 198          | 123        | 228          |
| 45 < 55      | 144        | 376          | 139        | 383          |
| 55 < 65      | 147        | 286          | 158        | 273          |
| ≥ 65         | 27         | 26           | 23         | 21           |
| <b>Total</b> | <b>510</b> | <b>1,063</b> | <b>515</b> | <b>1,054</b> |
|              | <b>32%</b> | <b>68%</b>   | <b>33%</b> | <b>67%</b>   |



# Employees in Belgium

## Average age

2019  
**44.6**  
year

2018  
**44.7**  
year



## Duration of employment

2019  
**8.6**  
year

2018  
**8.8**  
year



## Number of employees

2019  
**426**  
392 FTEs

2018  
**405**  
369 FTEs



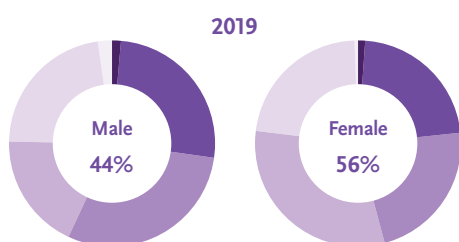
## Employees and absenteeism by sector



| Sector                 | 2019       |            |             | 2018       |            |             |
|------------------------|------------|------------|-------------|------------|------------|-------------|
|                        | Number     | FTEs       | Absence**   | Number     | FTEs       | Absence**   |
| Insurance              | 108        | 100        | 3.0%        | 111        | 101        | 2.6%        |
| Holding staff services | 66         | 63         | 3.6%        | 49         | 47         | 3.6%        |
| Funerals               | 252        | 229        | 5.6%        | 245        | 221        | 6.9%        |
| <b>Total</b>           | <b>426</b> | <b>392</b> | <b>4.5%</b> | <b>405</b> | <b>369</b> | <b>5.2%</b> |

\*Sick leave, short (less than 30 days) and medium (between one month and a year)

## Age build-up



|              | 2019       |            | 2018       |            |
|--------------|------------|------------|------------|------------|
|              | Male       | Female     | Male       | Female     |
| ■ < 25       | 3          | 3          | 4          | 4          |
| ■ 25 < 35    | 48         | 53         | 43         | 51         |
| ■ 35 < 45    | 56         | 54         | 54         | 45         |
| ■ 45 < 55    | 34         | 74         | 34         | 75         |
| ■ 55 < 65    | 42         | 54         | 40         | 47         |
| ■ ≥ 65       | 4          | 1          | 4          | 4          |
| <b>Total</b> | <b>187</b> | <b>239</b> | <b>179</b> | <b>226</b> |
|              | <b>44%</b> | <b>56%</b> | <b>44%</b> | <b>56%</b> |

# Employees in Germany

## Average age

2019  
**38.7**  
year

2018  
**38.7**  
year



## Duration of employment

2019  
**2.0**  
year

2018  
**1.0**  
year



## Number of employees

2019  
**19**  
19 FTEs

2018  
**11**  
11 FTEs

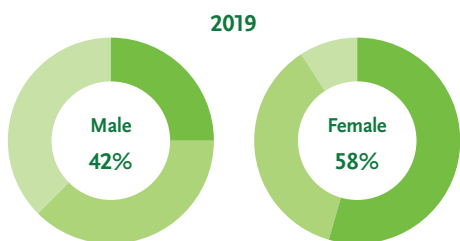


## Employees and absenteeism by sector



| Sector       | 2019      |           |             | 2018      |           |             |
|--------------|-----------|-----------|-------------|-----------|-----------|-------------|
|              | Number    | FTEs      | Absence     | Number    | FTEs      | Absence     |
| Insurance    | 19        | 19        | 3.3%        | 11        | 11        | 2.4%        |
| <b>Total</b> | <b>19</b> | <b>19</b> | <b>3.3%</b> | <b>11</b> | <b>11</b> | <b>2.4%</b> |

## Age build-up



|              | 2019     |           | 2018     |          |
|--------------|----------|-----------|----------|----------|
|              | Male     | Female    | Male     | Female   |
| < 25         | 0        | 0         | 0        | 1        |
| 25 < 35      | 2        | 6         | 1        | 1        |
| 35 < 45      | 3        | 4         | 1        | 2        |
| 45 < 55      | 3        | 1         | 3        | 2        |
| 55 < 65      | 0        | 0         | 0        | 0        |
| ≥ 65         | 0        | 0         | 0        | 0        |
| <b>Total</b> | <b>8</b> | <b>11</b> | <b>5</b> | <b>6</b> |
|              | 42%      | 58%       | 45%      | 55%      |

# Our environment

As a cooperative, we support and help each other. Our goal is to connect generations, making the world a better place now and in the future.

DELA operates in a sustainable and responsible way. For example, aiming to reduce the CO<sub>2</sub> emissions produced by our operations and our funerals, we have set ourselves the ambitious target of being CO<sub>2</sub>-neutral by 2030.

Considerable steps were taken during 2019 to help bring this about. A major milestone was to bring online the first electric cremation furnace in the Netherlands. Another step in the right direction was the introduction of a new sustainable and FSC-certified coffin, which is the standard in the nature package we market in the Netherlands.

Meanwhile, we have also further tightened our criteria for sustainable investment. We follow international and national guidelines, work with an exclusion list, use our votes at shareholders' meetings to help companies make sustainable moves, and invest a little more – still a limited amount – in green bonds.

In addition to core activities, we also have a social role. At the initiative of a group of colleagues, our funeral company has established various memorial places especially for stillborn children. The commemorative 'evenings of light' we organised were very well received by relatives and other visitors.

A stunning project called DOMUSDELA was completed in Eindhoven in 2019, an initiative designed to create a place where people could come together for all the important moments in life. Marriage and mourning take place here literally and figuratively side by side, at the heart of the community.

Using a multi-stakeholder dialogue, we made a case for developing a vision on the theme 'privacy after death'. Under current law, there is no right to privacy after death, and we feel that this really needs to change. In practice, DELA already respects the

privacy of the deceased while taking into account the wishes of their next of kin. The sessions of the dialogue brought together a number of stakeholders to exchange points of view and jointly set up guidelines with which we could move forward as a society.

This is just a selection of the many initiatives we have taken to contribute to our community. We hope they will catch on and encourage everyone to show a little more care and solidarity for each other. The community is all of us together and, as a cooperative, DELA aims to play a major role in disseminating this mindset.

All the above is based on our convictions, sense of solidarity and collective strength. At the same time, we naturally hope that our community appreciates these efforts and that our actions contribute to DELA's good reputation. We are proud of our robust and strong reputation and to count ourselves among the best companies in the Netherlands in this field. In this sense, we have almost achieved the ambitious targets we set ourselves as part of our bold objective for 2020.

### **Quality control and consumer protection within the funeral sector**

Last November in the Netherlands, DELA, Monuta and Yarden presented a joint ambition, supported by the funeral sector, for safeguarding quality and protecting consumers. This initiative includes the establishment of a central expertise centre, a central spokesperson and an independent complaints institute for the sector. The foundation of this ambition was the broad support that Ton Heerts, former Member of Parliament, trade union director and chair of the MBO Raad (Dutch council of Vocational Education and Training institutions), generated for his 'principles for quality control and consumer protection in the funeral sector'.

At the request of the three funeral companies, Heerts spoke to all stakeholders in the sector. The talks made it clear that all sector associations supported a central knowledge centre which would also be the outward face of the funeral industry to which interested parties such as journalists or politicians could turn with questions about the sector. In addition, there was support for an independent complaints body to which consumers with experiences in the various disciplines in the funeral sectors could turn.

#### **Role for politicians**

The funeral industry currently lacks an independent and objective assessment framework supported by the sector that would broadly back the current system of unwritten human values and standards of decency while providing consumers with guidance and protection against poor service. The profession

is not protected, the Burial and Cremation Act stipulates no quality standards for service, training courses are not accredited and the administrative burden of voluntary certificates is perceived as onerous by many small businesses. Parliamentarians are not expected to include quality control in the forthcoming modernised Funeral Act and there are still many practical obstacles to the introduction of occupational protection. Politicians could task the sector itself with setting up an independent quality control system within a given timeframe, giving the joint ambitions a sense of urgency.

### **Conference with a view on funerals**

An initiative of this type has also taken place in Belgium. On the occasion of its 30th anniversary, DELA Belgium organised a conference for the entire sector in November. To counteract the erosion of professionalism caused by the elimination of the Business Establishment Act in Flanders, DELA took the initiative to create a support base within the sector to promote quality standards within the funeral sector. In addition, DELA aims to further optimise and improve the mutual cooperation in the sector. To achieve this goal, the conference reflected on the legislation, possible new developments, ethics and trends, and a potential follow-up to this initiative. Entitled 'A view on funerals', the conference brought together many DELA employees and external professionals from the funeral sector and other stakeholders.

### **Multi-stakeholder dialogue on privacy after death**

The Dutch Privacy Act (AVG) does not apply to deceased persons – so how should funeral directors deal with privacy after death? To answer this question and formulate a vision that would help shape policy on this subject, the DELA cooperative organised a multi-stakeholder dialogue on this topic together with Nyenrode Business University. The conclusion was that privacy matters, even after death.

The work of a funeral director involves privacy questions on a daily basis. Think, for example, of internal sharing of photos of a funeral ceremony in order to learn and improve. How should DELA advise its members regarding questions about their digital inheritance? Should funeral directors stand up for sons or daughters who are excluded by other family members? Stakeholders were encouraged to indicate and discuss what aspects of privacy after death are important to them.

The dialogue consisted of three get-togethers. Participation was open to both DELA members and people who wished or expected something from or had an interest in DELA. It was clear from the start that there was a great deal of interest in the subject of privacy after death. More than 20 stakeholders took part.

**'Perspective on funerals' conference, November 2019, Brussels (B) >**







Overall, the stakeholders felt it was important for DELA to take a pioneering role in relation to the sector and politicians. There is a lot happening in society today, and DELA's experience and vision can help initiate real change for the better. In anticipation of the publication of the final report, DELA published a position paper to share the participants' views and ideas on digital estates with Dutch parliamentarians. The participants considered it important that DELA inform its members about what a digital estate is and the issues that need to be taken into account to facilitate its settlement by next of kin. This topic will be revisited in the Kroniek magazine for members in spring 2020. DELA is pleased with the outcome of the dialogue and has started work on its further elaboration. The final report can be read on our website (in Dutch): [www.dela.nl/over-dela/nieuws-en-media/20200128-multistakeholderdialog](http://www.dela.nl/over-dela/nieuws-en-media/20200128-multistakeholderdialog)

## **Socially responsible operational management**

### **Reduction of energy consumption**

When we think about responsible business operations, saving energy is one of our absolute priorities. We aim to achieve this by implementing technical improvements such as light sensors and more economical systems in our buildings. Changing the behaviour of employees is also important. A second step in reducing energy consumption and our carbon footprint is the use of sustainable energy. We already buy green electricity in the Netherlands, and from 2018 onwards, all electricity consumed in the Netherlands comes from Dutch solar and wind energy production.

When building and renovating our locations, we take the sustainability of the buildings and their furnishings into account wherever possible. This includes things like more sustainable materials and more economical systems, as well as plentiful daylight for employees. This has been reflected in the granting of a BREEAM certificate for the renovation of our head office. BREEAM-NL is the leading environmental assessment standard for new buildings, existing buildings, construction areas and demolition projects.

### **More sustainable spruce coffin**

In the summer of 2019, DELA took an important step towards making funerals more sustainable by replacing the particle board coffin with a solid spruce casket in its basic package in the Netherlands. Being part of the basic package means the new coffin will be by far the most widely used. It has a more contemporary, sleeker design, is made of FSC-certified wood, and is lighter both in colour and weight. On the inside, the polyester satin has been replaced by unbleached cotton. All of this makes this casket much better for the environment than the particle board coffin that had been used before. It represents a substantial step in DELA's goal to achieve climate-neutral funerals by 2030. Some 6,000 of these sustainable caskets were already used in 2019.

**[New coffin made from FSC-certified wood and unbleached cotton >](#)**

**[DELA Group Annual report 2019 \(abridged version\)](#)**



## Sustainable purchasing

DELA's purchasing department in the Netherlands has started a range of projects to contribute to the cooperative's sustainability objectives. Issues related to people, planet, profit have already been expressed more explicitly in the new procurement policy. DELA imposes sustainability requirements on its suppliers and the products and services they provide. We are also working with suppliers in a range of areas to realise new sustainable products.

### First electric cremation furnace in the Netherlands

DELA started operating the first electric cremation furnace in the Netherlands – at crematorium Nedermaas in Geleen – in February 2019. Cremation furnaces have traditionally been connected to the gas grid in the Netherlands, and consume an average of 60 m<sup>3</sup> of gas per cremation. Switching to electric furnaces reduces CO<sub>2</sub> emissions by around 113 kilograms per cremation. DELA's installation of the first electric cremation furnace in the Netherlands was made feasible by technical developments and the increased efficiency of electric furnaces. Electric cremation represents a serious step towards reducing the use of fossil fuels in the sector.

## Solar and wind power

Our Dutch crematoria, funeral homes and head office are powered by Dutch solar and wind energy, which we currently consider the best option for green electricity. We have also installed solar panels on several of our buildings. All these measures represent a big step towards a climate-neutral DELA.

DELA Nederland installed solar panels in three locations at the end of 2019. Together, these panels supply 45,000 kWh/year.

By the end of 2019, DELA Belgium had equipped 12 locations in Flanders and ten in Wallonia with solar panels. With an output per roof varying between 4 and 10 kWp, the roofs generate 400,000 kWh of electricity per year.

DELA Nederland aims to be climate-neutral – that is, produce no more net CO<sub>2</sub> emissions – by 2030. To achieve this, we are working on three tracks: savings, sustainability and, where possible, compensation. In 2015 we mapped out our CO<sub>2</sub> emissions, observing that the coffin, the cremation, the building, the gravestone and the visitors' trips were the major sources of CO<sub>2</sub> involved in a funeral. DELA's total CO<sub>2</sub> emissions are shown below for the Netherlands; they are not yet available for the other countries where DELA operates.

## CO2 emissions by category

In tonnes. In tonnes. Results of DELA Netherlands, including funeral activities

|                                  | 2019  | difference | 2018  |
|----------------------------------|-------|------------|-------|
| Offices                          | 101   | -68%       | 311   |
| Funeral centres and crematoriums | 3,972 | 2%         | 3,907 |
| Funeral transport                | 324   | 5%         | 310   |
| Lease vehicles                   | 1,358 | -12%       | 1,541 |
| Business travel                  | 307   | -15%       | 361   |
| Commuting                        | 802   | -9%        | 878   |
| Total                            | 6,864 | -6%        | 7,308 |

## CO2 emissions by scope

In tonnes. Results of DELA Netherlands, including funeral activities

|                   | 2019  | verschil | 2018  |
|-------------------|-------|----------|-------|
| <b>Scope 1</b>    |       |          |       |
| Gas consumption   | 4,073 | -1%      | 4,133 |
| Funeral transport | 324   | 5%       | 310   |
| Lease vehicles    | 1,358 | -12%     | 1,541 |
| Other             | 82    | -        | 82    |
| Total             | 5,837 | -4%      | 6,066 |
| <b>Scope 2</b>    |       |          |       |
| Electricity       | -     | -        | -     |
| Heating           | 3     | -        | 3     |
| Total             | 3     | -        | 3     |
| <b>Scope 3</b>    |       |          |       |
| Commuting         | 802   | -9%      | 878   |
| Business travel   | 307   | -15%     | 361   |
| Total             | 1,109 | -10%     | 1,239 |

## Sustainable investment

An important component of our business model is the diversified long-term investment of insurance premiums. The DELA cooperative aims to be among the most socially responsible investors in 2020. We are therefore focusing a great deal on our policy in the field of corporate social responsibility (CSR). Our CSR policy contains all the guidelines and frameworks with which DELA aims to comply as a responsible investor and is available on our website. DELA has set itself the goal of reaching VBDO's top 10 sustainable investors benchmark and is currently in sixth place.

## Engagement

The degree of involvement and influence DELA has in the companies in which we invest is described as our engagement. DELA has its own voting policy. We cast our vote at as many shareholder meetings of the companies in our investment portfolio as possible. An active voting policy is part of the dialogue we conduct with the companies concerned. We also talk to other major investors in companies where we wish to see improvements in the areas of good corporate governance, social issues or the environment. DELA addressed a total of 408 companies in its equity portfolio on engagement topics in 2019 (398 in 2018) and this had an effect on 212 occasions (163 in 2018). A dialogue was sought with 85 companies within the corporate bonds portfolio, which led to 49 positive changes.

## Stricter exclusion standards

DELA uses an exclusion list of companies and countries in which we, and our external asset managers, do not invest for social reasons. In 2019, the exclusion policy was expanded to include the following sectors: tar sands, coal, Arctic oil and gas extraction, shale gas, assault weapons for individuals, predatory loans, fur & specialty leather and whaling.

## Green bonds

The money that DELA invests in green bonds can only be used for specific projects of a sustainable nature. Examples include the generation of green power or the construction of a sustainable office. This means that green bonds have both a financial return and a social one. In late 2019, DELA had approximately € 62 million invested in green bonds (€ 52 million in 2018).

## International covenant

DELA also complies with the International Responsible Business Conduct (IRBC) covenant. Established in 2018 for four years, this forum unites pension funds and insurers with the government, trade unions and social organisations in efforts to prevent and resolve the negative impact on society and the environment caused by companies in the portfolio. Based on an active voting policy as part of the dialogue with companies, various subjects were discussed in 2018, including working together against greenhouse gas emissions, reducing plastic in the oceans, calling for accountability on policies against modern slavery and the responsible pricing of medications.

DELA Belgium's grieving app for children 'My memories of you' (Mijn herinnering aan jou in Dutch and Je ne t'oublierai jamais in French) won two awards in December: Best Digital App and Innovation Award.

## DOMUSDELA

In 2017, DELA started the renovation and redevelopment of the Mariënhage area in the centre of Eindhoven. The resulting DOMUSDELA ceremonial centre opened its doors on 8 November 2019, giving central Eindhoven a contemporary place to meet, celebrate and reflect. DELA originally took over the area and associated buildings from the Order of the Augustinians and the municipality of Eindhoven. The site was then transformed by DELA into two ceremony facilities, a conference hotel with hospitality and meeting facilities, a brasserie, a new outdoor space, and monastery gardens. Thanks to DELA, the old but historic part of Eindhoven now has a new purpose, while saying goodbye again has a place at the heart of the community.

*“DOMUSDELA is a centre for meetings, celebrations and reflection, a place where happiness and sorrow coexist in the same way as they do our daily lives. This is a house for celebrating life and sharing memories.”*

*Edzo Doeve, CEO*

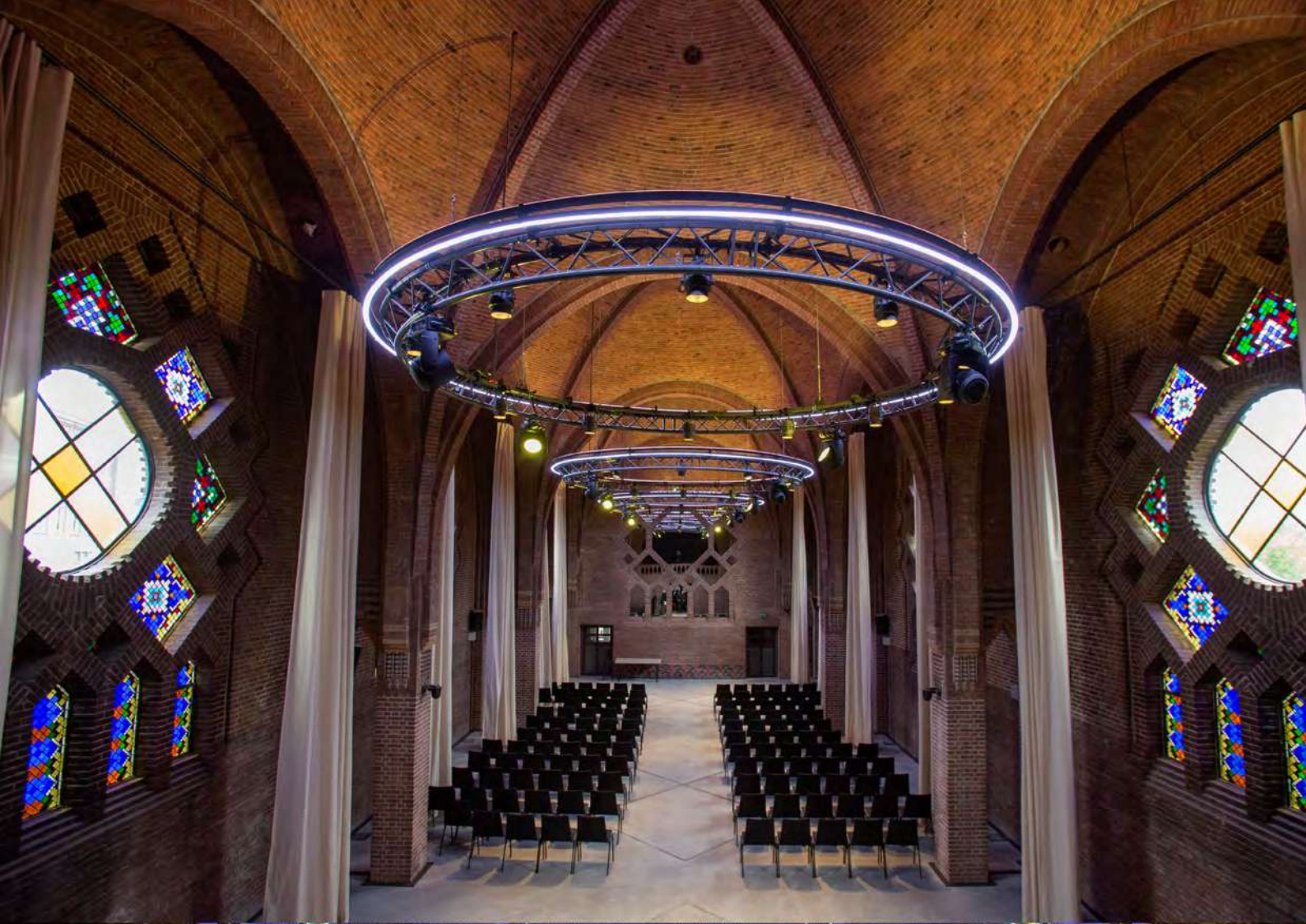
In addition to funeral services, DOMUSDELA's ceremony facilities also host weddings. These special locations can also be used for parties, dinners, seminars and concerts.

[DOMUSDELA, Eindhoven \(NL\) >](#)











## Charities

DELA was established based on a deep-rooted social engagement which is still part of the company today. This is why the DELA charity funds in the Netherlands and Belgium support social initiatives: by doing something good for other people together, we aim to make life more meaningful.

DELA has been connecting generations and helping people share memories, experiences and values for more than 80 years.

With the DELA Fund and the new Connecting Generations theme that we introduced in the Netherlands in 2019, we aim to actively bring generations together, learn from each other and make use of each other's knowledge. As a cooperative, we wish to contribute to an inclusive society in which everyone matters and can participate. The fund will organise and support any initiatives between different generations that might not otherwise arise spontaneously in everyday life. This will be defined as any activities where at least two generations are brought together. These unique encounters will contribute to the feeling of interconnectedness and help people share with each other and connect.

The activities supported by the funds in 2019 include:

### Above the Clouds

Boven de Wolken (Above the Clouds) is a volunteer organisation in which professional photographers capture subtle images of deceased children free of charge to create lasting memories for their parents. Such a photo account can play an important role in the processing of grief. The DELA Belgium charity fund felt that everyone in Belgium should have the right to this unique initiative and expanded it to Wallonia under the name 'Au-delà des nuages'. In 2019, the organisation made portraits of 667 children in Flanders and 134 in Wallonia.

< DOMUSDELA, Eindhoven (NL)

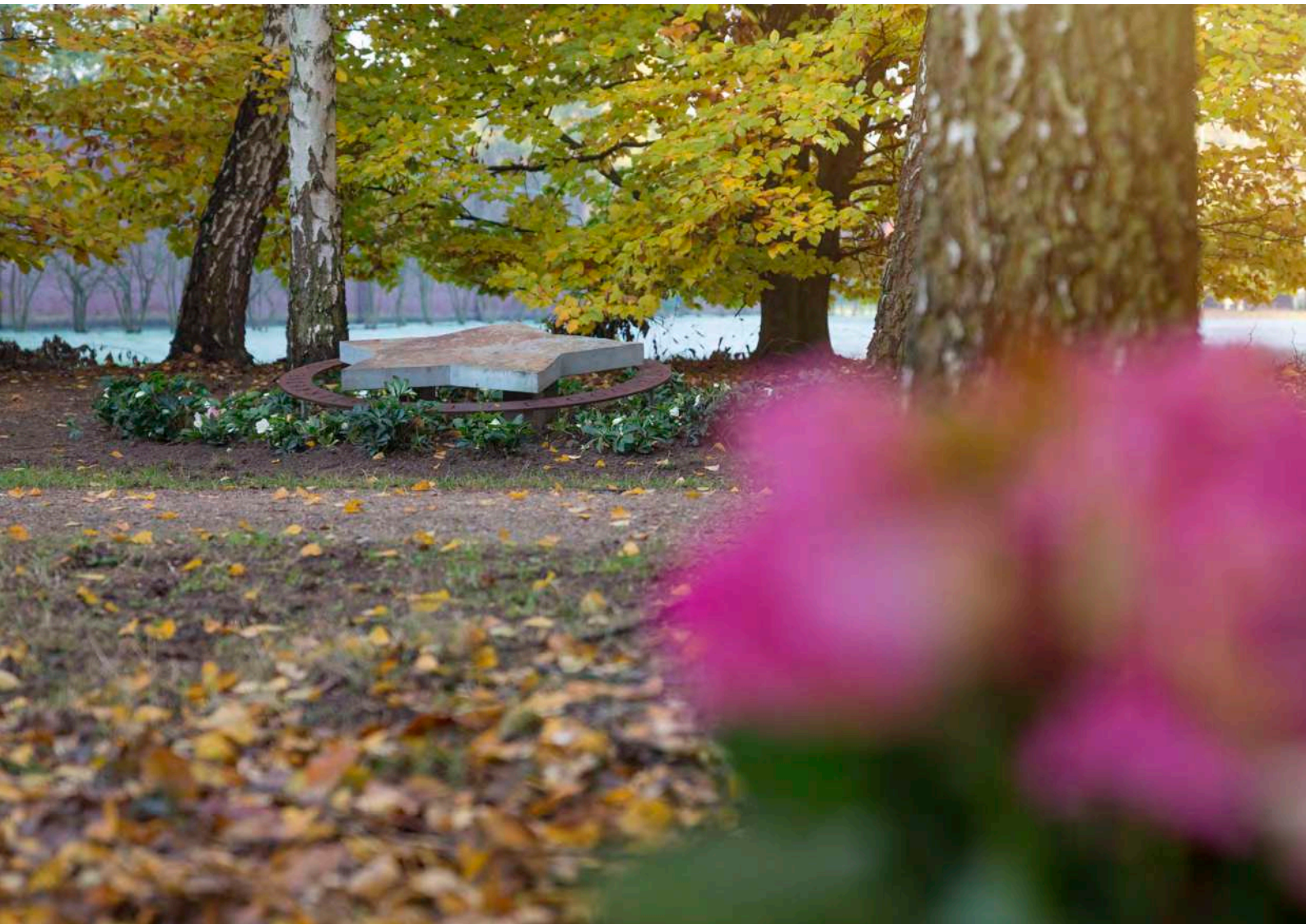
### **Memorial places for stillborn children**

In 2019, DELA Netherlands opened four memorial places for stillborn children. Grief over the loss of a new-born child has been receiving more attention in Dutch society lately, and DELA is pleased with this new focus. Since February this year, parents have been able to register their departed children in the population register, and some 10,000 were entered during the first six months alone. In addition, more and more children who passed away below 24 weeks of age are receiving funerals (this is compulsory by law above the age of 24 weeks).

### **Research into use of games to combat loneliness**

DELA joined forces with the Eindhoven foundation Games for Health Europe to award half a million euros for research on how games can be used to reduce loneliness among the elderly. The Netherlands Organisation for Scientific Research (NWO) matched the pledge, bringing the available funds up to one million. More than half of people over 75 sometimes feel lonely, a growing problem as people live longer. Our partnership with Games for Health and Radboud University Nijmegen is investigating whether connecting digital games between older people and children can reduce this social problem.

> **'Starlight' monument, Rijtackers crematorium, Eindhoven (NL)**



### **Mourning application 'My Memories of You'**

Mourning after someone passes away is important for children as well as adults. This is why DELA Belgium joined forces with its mourning specialists and the mourning therapist Lies Scaut to develop 'My Memories of You', a web application where children aged 6 to 12 can build a digital world of remembrance around a deceased loved one. The app received several updates in 2019. Videos in children's formats help the kids say goodbye and guide them through the mourning process. The children fill their world of remembrance dedicated to a loved one themselves with photos, videos, songs and spoken or written texts. A healthy mourning process requires them to learn to cope with loss while keeping memories alive and the app facilitates this in a child-friendly and creative way. The web app is also available on the go, allowing children to visit the world of their memories anytime and anywhere.

### **Sponsoring Belgian mobile emergency and intensive care services helicopter**

The helicopter belonging to the Belgian mobile emergency and intensive care services makes an average of three to four daily flights from its base at the Bruges campus of the Sint Jan Brugge-Oostende general hospital. The helicopter is three times faster than emergency road vehicles, which can make a serious difference in life-or-death situations. For the second year running DELA sponsored the helicopter with funding for several months.

### **Christmas gifts**

DELA partnered with Veldhoven company ASML to collect 880 presents for children from families dependent on the Food Bank in Eindhoven. Both companies asked their employees, customers, suppliers and the people of Eindhoven to put a gift under a disadvantaged family's Christmas tree. This Christmas campaign was held for the sixth time and marked the first time that DELA has teamed up with ASML.

## Reputation

To understand how we are perceived by society, DELA carries out structural reputation research. This shows that the cooperative has built up a good reputation in recent decades and that DELA has widespread name recognition. Our reputation is determined by all the things we show, say and do together. It is our daily behaviour that inspires confidence. A good reputation is of vital importance to us as DELA's raison d'être both as an insurer and funeral service provider revolves around trust.

We periodically measure changes in our reputation. In the Netherlands we use the RepTrak methodology, a reputation survey developed by the Erasmus University in Rotterdam and the Reputation Institute and used all over the world.

Our reputation in the Netherlands remained stable in 2019, with the general public score rising slightly to 73 (from 72 in 2018). This keeps us at the top of financial institutions with a good reputation. Our reputation among members rose slightly from 79 to 80. We are proud of the fact that we are able to raise our reputation even further, despite a score that was already quite high. Our ambition is to keep it to at least 80. Our reputation among non-members rose to an annual average score of 67 (65 in 2018). In December, we even ended up with a score of 69. Part of our bold objective is a score of 70 among non-members, which we have not yet achieved.

In Belgium, we noted a slight drop in the reputation score for prompted awareness as the funeral specialist of choice. In 2019, the score for people giving an affirmative answer to the question 'Do you consider DELA to be the foremost funeral specialist?' fell from 70 to 67. Our ambition in this field is to maintain the score in the range 66-78; anything outside this range would represent a significant change.

## Reputation

RepTrak Reputation Institute), pulse score. Indicates reputation in the Netherlands.

|  | 2019 | difference | 2018 |
|--|------|------------|------|
| Netherlands (RepTrak score)                            |      |            |      |
| Members  | 80   | 1          | 79   |
| Non-members  | 67   | 1          | 65   |
| Total  | 73   | 1          | 72   |
| Belgium (Brand Fame Tracker: 'the funeral specialist') | 67   | -3         | 70   |

# Our future

Amid the ongoing COVID-19 crisis, many of our plans for 2020 have collapsed or need to be revised. The pandemic is far from suppressed and continues to present us with new challenges on an enormous scale. Imagining the future has suddenly become a very risky business – but we must do our best. DELA has grown steadily for the past 80 years, and will continue to do so. The insurance we offer becomes even more relevant in uncertain times. With the upcoming acquisition of Yarden, which will add approximately a million insured persons to the books, 2020 is expected to go down in the history of our cooperative as a year of strong growth. Assuming that this acquisition is completed in the course of 2020, the careful integration of the Yarden organisation will take up much of the attention of our Dutch offices in the coming years. In Belgium, we will continue our acquisitions policy and try to strengthen our market position. In Germany, there is ample room for growth with the products that have already been introduced and the organisation that has been built up in a short period of time.

## Financial

The macroeconomic and financial impact of COVID-19 is still very uncertain. Our business model is very robust and ORSA studies have amply demonstrated that the effect on our SII ratio will be minimal or non-existent. With or without the pandemic, the important thing is that we continue to work on our cost structure and make our digital transition a success. The DELA Group therefore does not anticipate any need for additional financing.

## New business plan period

In the Netherlands and Belgium, we will formulate a new bold objective for 2020 and develop a business plan for the period starting in 2021. The implementation of our change agenda for IT projects remains important in this respect.

## Our employees

We hope to maintain the satisfaction and confidence of our employees at the current high level as they experience the importance and meaningfulness of our service in these unusual times. We will try to continue to provide these services in all circumstances, with all due care taken to prevent our people from being put unnecessarily at risk.

## Our environment

We will continue on our path towards fully sustainable business operations. Our many initiatives to be CO<sub>2</sub> neutral by 2030 will be translated into a step-by-step plan with concrete annual targets. There is a real enthusiasm and intrinsic motivation to be among the frontrunners in this area within the organisation. We have already developed a number of excellent sustainable initiatives although it is still too early to determine the impact of the COVID-19 crisis on this process. We sincerely hope it will lead to a realisation that, just like fighting a pandemic, the climate requires an approach which transcends national borders.

### COVID-19 and basic principles for DELA

In view of the restrictions and the unique situation caused by COVID-19, we have drawn up principles on which decisions about our services will be based:

- We take our social responsibility seriously and intend to continue doing so at all times. This is why it is a good thing that our colleagues within funeral services are considered to be among the essential professions.
- This social responsibility means that we will contribute as much as possible to curbing the spread of the virus.
- It is our job to protect our employees as far as possible. This may mean that we take tougher measures than those indicated by the government.

We continue to provide advice and assist next of kin with our caring and practical services. We always follow national and local health agency guidelines, within which we always take precautions that fit our services as well as possible and are necessary to guarantee the welfare of our employees and next of kin. We do everything in our power to keep the quality of service as high as possible and ensure that it meets expectations.



## Our members and customers

If there is one thing we have learned from the COVID-19 crisis, it is that togetherness is essential. It is only in connection with other people that we can defy external calamities. This is where DELA's 'Carrying Each Other's Burden' motto comes from. We have no doubt whatsoever that the vision of our founders is still very much alive, and will continue in the coming decade to propagate the vision they gave us over 80 years ago: to relieve people of their cares, help them on the basis of mutual solidarity and be accessible to all, without concern for rank or status. Especially now, it is up to us to make our solidarity visible and tangible, both inside and outside our organisation. We need to be there for each other.

## Acknowledgements

The Executive Board thanks all stakeholders for their involvement. DELA is a people company. We are there for each other in the moments and places that matter. In 2019, we took great strides on many fronts and we would like to extend a special thank you to all who contributed to this.

Eindhoven, 17 April 2020

DELA Cooperative

### The Executive Board

Edzo Doeve, MAIA

Jack van der Putten, MMO

Jon van Dijk, RA



Annual report 2019

# Supervisory Board report

> Presentation of annual report

# Presentation of annual report

## Dear DELA stakeholder, dear reader

The Supervisory Board hereby presents the annual report, which includes statements from the Executive Board and Supervisory Board as well as the financial statement.

The statement from the Executive Board was drawn up by the Board and discussed with the Supervisory Board. The financial statement was audited by the external accountant and approved in the audit statement. The Supervisory Board confirms the financial statement.

## 2019

In the year under review, the Supervisory Board mainly focused on the realisation of DELA's goals, the progress in the change agenda, the Yarden takeover and the internal control process.

## Our task and responsibilities

The tasks and responsibilities of the Supervisory Board comprise supervising the Executive Board and the general course of affairs in the cooperative and the associated companies. In addition, the Supervisory Board provides the Executive Board with advice, weighing all the relevant interests, including those of its members and employees. In addition to its supervisory and advisory role, the Supervisory Board functions as the employer of the Executive Board members. All members also act as the Supervisory Board of DELA Holding NV and of DELA Natura- en levensverzekeringen NV.

## Supervisory and advisory role

In 2019, the Supervisory Board was kept regularly informed about the realisation of the cooperative goals, strategy and risks related to the company activities, the setup and functioning of internal risk management and control systems, the financial reporting process, compliance with legislation and regulations, the turnover and cost developments, IT projects and the change agenda, and the risk policy. The Supervisory Board assessed whether the capital allocation, investment policy and liquidity position were in line with the risk appetite at a strategic level.

## The Supervisory Board as employer

The Supervisory Board evaluates the functioning of the Executive Board members at least once a year, as was the case in 2019.

It also supervises the policy of the Executive Board with regard to the selection criteria and appointment procedure for senior management. In 2019, the Supervisory Board in its employer role discussed the Executive Board's evaluation of the management of the independent company segments and the direct reports under the Executive Board.

The variable remuneration for the Executive Board is determined based on financial and non-financial result-oriented agreements derived from DELA's long-term strategy, risk appetite, multi-year goals and annual plan. Based on the performance of the Executive Board in 2019, the remuneration and appointment committee proposed that the Supervisory Board award a variable remuneration. The committee received advice from the governance remuneration policy committee, audit committee and risk committee on this matter.

### **Composition of the Supervisory Board**

Two Supervisory Board members stepped down in 2019: Mr Wim van den Goorbergh and Mr Van van der Weg. They said their goodbyes in May during the general meeting and were thanked for their contribution to the cooperative by all those present. Their place was taken by Mr Georges de Méris, who joined the Supervisory Board in 2019, and Mr John van der Steen, who was appointed in January and became Chair of the Supervisory Board in May.

Mr Hans Leenaars was re-appointed for a period of four years after his first term ended.

The composition of the Supervisory Board is detailed in the segment 'In brief' under 'Personal details of Supervisory Board'.

The Supervisory Board agrees with the principle that the composition of its members should be such that they are able to be critical and act independently from each other, the Executive Board and any specific interests. DELA's Supervisory Board aims for a well-balanced and diverse composition. With its current composition, it believes it can guarantee a sufficient level of knowledge, experience and competence. The Supervisory Board uses a profile to ensure a proper composition and every year reassesses whether the profile is still in line with the current and future tasks and interests of the Supervisory Board.

### **Supervisory Board meetings**

During the reporting year, the Supervisory Board supervised and presented advice to the Executive Board on a continuous basis.

In 2019, it had six regular meetings. The attendance was 100% for all members. In addition, there were 15 extra meetings in varying compositions devoted to the (proposed) takeover of Yarden. The audit committee and risk committee each met four times. In the first three meetings in 2019 this still involved a combined risk and audit committee. The remuneration and appointment committee met five times.

As usual, there were two regular general meetings. In addition, there was an extra general meeting in November devoted to the takeover of Yarden. The 'Executive Board report' segment describes the topics discussed in the general meetings in the 'By and for members' section.

There was regular contact between the Supervisory Board Chair and Executive Board Chair throughout the year. The Supervisory Board met with the confidential committee five times. In addition, the members each attended one or more meetings of the Dutch works council together with the Chair of the Executive Board.

The Supervisory Board supervised the general policy of DELA and its associated companies in the Netherlands, Belgium and Germany. The developments in the field of risk management and the activities and results of capital management were recurring topics. As usual, the December agenda included the Own Risk and Solvency Assessment (ORSA) and capital policy. The proposal for changing the profit distribution scheme was also discussed and has since been approved by the general meeting in January 2020.

As is the case each year, the Executive Board regulations were updated and approved. In addition, the regulations of the Supervisory Board and committees were evaluated and determined, as they are every year, in which the regulations of the audit and risk committees were separated. In September 2019, the Supervisory Board had a joint meeting with members of the investment advice committee to discuss the developments in investments, including the choice of asset mix and the vision of the committee. This meeting also focused on plans in the field of corporate social responsibility.

#### *Evaluation of the Supervisory Board*

The Supervisory Board discusses its own functioning at least once a year and once every three years with independent external support. The latter was the case in 2018. The reference framework of the evaluation is based on the Dutch Code of Conduct for Insurers as well as prevailing insights into good governance. An internal evaluation took place in 2019. The Supervisory Board feels it is functioning effectively. Moreover, it is the general notion that its composition is complementary and pluriform.

### **Committees and compositions**

#### *Audit and risk committee separated*

The audit and risk committee was split in mid-2019. The audit committee supports the Supervisory Board in supervising the activities of the Executive Board in areas such as financial reporting, internal risk management and IT. The risk committee supervises the risk policy, risk management and any risks resulting from the remuneration policy. There were four meetings of the audit and risk committee with the Executive Board in 2019.

The composition of the audit committee is as follows:

- Ms Willemien Caderius van Veen, Chair;
- Mr Hans Leenaars;
- Mr Georges de Méris.

The composition of the risk committee is as follows:

- Mr Hans Leenaars, Chair;
- Ms Willemien Caderius van Veen;
- Mr Jan Pieter de Pender.

#### *Remuneration and appointment committee*

The remuneration and appointment committee supports the Supervisory Board in preparing decisions about issues such as the composition and (re)appointment to the Supervisory Board and Executive Board, remuneration of the Executive Board, and the remuneration policy of the company. In 2019, the committee had three meetings with the Executive Board.

The composition of the remuneration and appointment committee is as follows:

- Mr John van der Steen (from 25 May 2019) / Mr Wim van den Goorbergh (until this date), Chair;
- Mr Corjo Jansen;
- Mr Georges de Méris (from 25 May 2019) / Mr Van van der Weg (until this date).

#### **Ongoing education**

The members of the Supervisory Board followed an education programme in 2019, aimed at updating and increasing the members' expertise where necessary. The first session took place on 7 June 2019 and revolved around flexible organisation / Agile working methods. Mr Melisse (DELA's IT Director) and Mr Kolkman (Director Joint IT Command at the Dutch Ministry of Defence) hosted the session. The second session took place on 8 November 2019, and involved a lecture on the low interest environment by Mr Middeldorp, head economist at Rabobank. Both sessions were seen as valuable and resulted in new insights. The sessions were plenary and all members of the Supervisory Board took part.

#### **Proposal to the general meeting of DELA Coöperatie U.A. in Eindhoven**

In accordance with the statutes of DELA Coöperatie U.A., the Supervisory Board has processed the annual report and financial statement of DELA Coöperatie U.A. and approved the supplemented data. The Supervisory Board discussed the documents with the Executive Board, the internal accountant and the external accountant (Deloitte), and was informed about Deloitte's approved audit statement for the 2019 DELA Coöperatie U.A. financial statement. The Supervisory Board proposes that the general meeting confirm the 2019 financial statement of DELA Coöperatie U.A. and grant the members of the Executive Board discharge for the applied policy in the reporting year. We also propose the general meeting grants the members of the Supervisory Board discharge for their supervision.

### **In conclusion**

The Supervisory Board thanks its member Mr Van van der Weg for his contribution over the past four years. A special word of gratitude goes to our member and Chair Mr Wim van den Goorbergh, who also left the Supervisory Board after having been involved in the cooperative for 12 years.

The Supervisory Board thanks all members and other customers for their trust. We are also grateful for the efforts and involvement of all DELA employees.

Eindhoven, 17 April 2020

DELA Cooperative

### **Supervisory Board**

J.W.T. van der Steen, Chair

C.J.H. Jansen, Deputy Chair

J.P. de Pender, Secretary

W.A.P. J. Caderius van Veen RA

J.J.A. Leenaars RA

G.H.C. de Méris RA FCA

Annual report 2019

# Governance & risk management

- > Governance
- > Risk management



# Governance

Good corporate governance involves due diligence, adequate supervision and transparent accountability. At DELA we organise our activities based on a vision aimed at 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 operational management. DELA's goals include an excellent service provision with sustainable, accessible products and services, being a good employer and fulfilling a (visible) social role. This chapter highlights the main aspects of our governance.

## Governance charter

DELA's corporate governance is founded on the culture of our organisation on the one hand, and legislation, regulations and best practices on the other. This ensures that DELA complies with regulations and guidelines from the European legislator such as Solvency II, national legislation including the Dutch Financial Supervision Act and any underlying regulations, policy regulations from the regulators and the Insurer's Code. Our corporate governance is detailed in a governance charter which is evaluated on an annual basis.

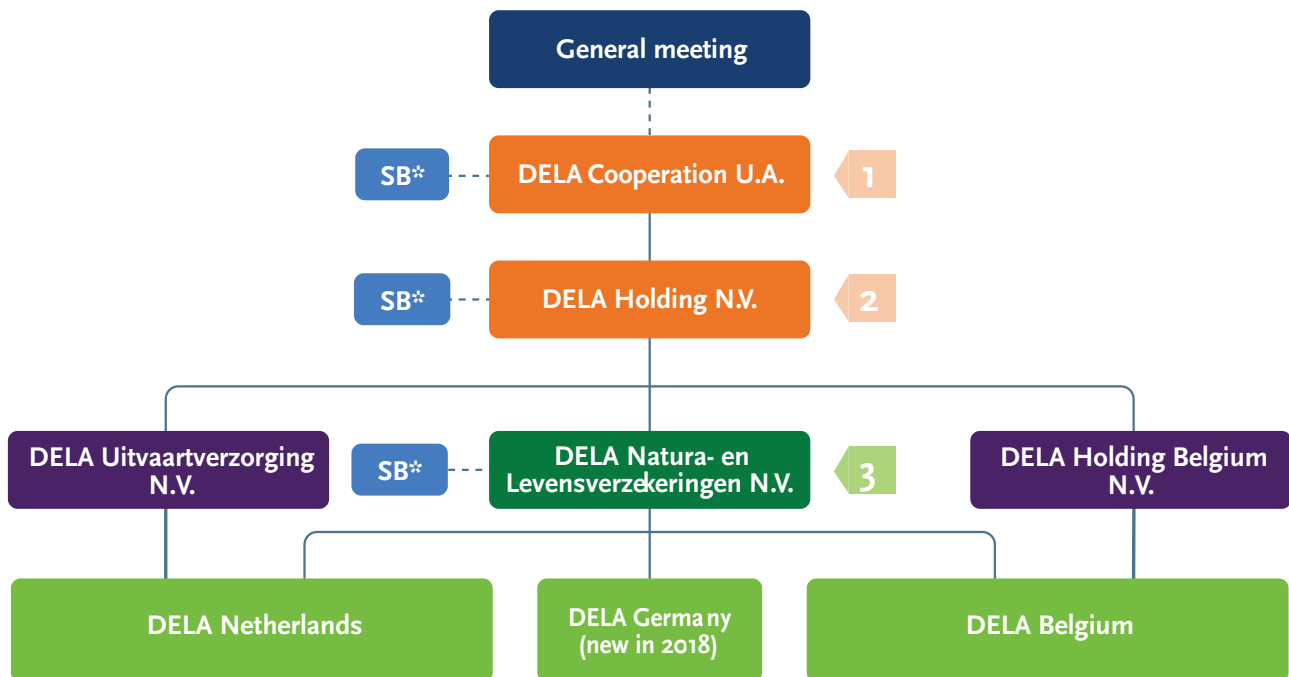
## Legal structure

DELA Coöperatie U.A. (hereafter: 'the DELA cooperative') is a cooperative for members established in 1937 with the following purpose:

- support members in word and deed so they can look to their future with as few worries as possible;
- guarantee members and co-insured a dignified and affordable funeral;
- promote the reputation of the life insurance market and the funeral sector.

## Structure

Simplified image



### Explanation

- 1: abbreviated as "DELA" (statutory) or "DELA Group" (consolidated). Board members: see personal information
- 2: abbreviated as "DELA Holding" (statutory) or "DELA Holding Group" (consolidated). Same Board members as DELA Coöperatie U.A., see personal information
- 3: abbreviated as "DELA Natura" (statutory) or "DELA Natura Group" (consolidated) Supervisory Board: in personal union for these three entities, see personal information

DELA is a cooperative with excluded 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 with the cooperative.

DELA Coöperatie U.A. accommodates DELA Holding NV. The Board members of the cooperative are also the Board members of DELA Holding NV

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 the Dutch, Belgian and German insurance activities. This means, that like the Dutch insurance, the Belgian and German insurance fall under the Dutch licence granted by De Nederlandsche Bank.

DELA Uitvaartverzorging NV accommodates the funeral activities for the Netherlands. The Belgian funeral activities are accommodated by the principal company DELA Holding Belgium NV.

The principal companies include subsidiaries and participations.

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

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

## Members

Only natural persons can become a member of the cooperative. To become a member, they must have entered into a relevant (insurance) agreement with one or more of the subsidiaries as determined by the general meeting.

The cooperative is divided into departments. The numbers, names and boundaries of the departments are described in the Rules of Procedure. Each member of the cooperative is part of a department.

### DELA cooperative honorary members

| Name                      |
|---------------------------|
| Mr F.H.J. Boons           |
| Mr J.A.G. Dirks           |
| Mr W.M. Van den Goorbergh |
| Mr mr. S.C.J.J. Kortmann  |
| Mr J. Kremers             |
| Mr A.J.M. Lauvenberg      |
| Mr C.C.M. Libregts        |
| Mr A.W.M. van de Zande    |

## General meeting

The general meeting of DELA Group acts as the 'highest level shareholder' and is formed by individuals chosen from the members of the cooperative. The general meeting has 36 members and 36 replacement members, each of whom attends the general meeting, which in principle takes place twice a year. Below is a list of the members of the general meeting on 17 April 2020.

The meeting discusses issues important to the DELA cooperative, such as:

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

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

To become a member of the general meeting, an individual must have been a member of the DELA cooperative for over five years.

## Members of council

| Department                                  | Member                   | Replacement member      |
|---|--------------------------|-------------------------|
| Achterhoek                                  | Ms W. Ruesink-Orriëns    | Mr W. ten Hooven        |
| Almelo, Enschede and surr.                  | Mr J. Mulstege           | Mr J.J.M. Brouwer       |
| Amsterdam, Amstelveen, Flevoland            | Mr A. Prins              | Mr B. Ramautarsing      |
| Arnhem, Southeast                           | Ms M. van Zwam-Jagers    | Mr W. Ankersmit         |
| Breda                                       | Mr A.J.M. Strik          | Mr C. De Witte          |
| Drenthe, Northwest Overijssel               | Vacancy                  | Ms A.L. Weijenberg      |
| Eindhoven                                   | Mr R.P.C. Libregts*      | Ms K. Wagt              |
| Friesland, Groningen                        | Mr J.G.J.M. Wennink      | Ms P.W.M. Zomer         |
| Region around Breda                         | Mr L.A.M. Everts         | Mr A. Matheeuwsen       |
| Region around Eindhoven                     | Ms A.C. van Gils-Dirks*  | Mr J.W.C.M. Van de Rijt |
| Region around Rotterdam                     | Mr J.A.M. Heppe          | Ms C.C.A.E. van der Loo |
| Region around 's-Hertogenbosch, Maaskant    | Mr J.E.M. Slenter*       | Ms H. Litmaath          |
| Region around Tilburg                       | Mr M.A.E. van den Boer   | Ms M.A. Schaafsma       |
| Helmond e.o., Kempenland                    | Ms J. Beerens            | Ms D. De Hoon-Sanders   |
| Land van Maas en Waal, Bommelerwaard        | Mr R. Asschert           | Mr C. Bekkers           |
| Langstraat, Land van Altena                 | Mr N. Teunissen          | Ms I. Brokken-Janssen   |
| Maastricht, South Limburg                   | Mr R.J.P. van der Burgt  | Mr I. Habets            |
| Midden Meierij                              | Mr J.T.H.M. Schepers     | Mr H.J.J. van Gogh      |
| North Holland North                         | Mr R. de Graaf           | Mr M.H. ten Have        |
| North Holland West                          | Ms M.M. Scheen           | Mr C. Hoogland          |
| North Limburg and Land van Cuijk            | Mr R. Oehmen             | Vacancy                 |
| East Central Limburg                        | Mr J. Zeelen             | Mr J.F.P. Leurs         |
| Oostelijke Mijnstreek                       | Mr E.E.T.M. Kalneek      | Mr J.M.W. Scholtis      |
| Rijnstreek                                  | Ms Ir. R.M.A.B. Ubachs   | Mr T.W.H. de Bruijn     |
| Roosendaal, Bergen op Zoom and surr.        | Mr C.A. van Loon         | Mr R.P.A. van Meer RA   |
| Rotterdam                                   | Mr A.A. van 't Hof       | Mr S. Will              |
| The Hague, Leiden and surr.                 | Mr J.M.M. Hoogstraaten   | Ms A. Goes              |
| 's-Hertogenbosch                            | Mr C.L. Groeneweg        | Ms A.M.J.G. Van Lier    |
| Tilburg                                     | Ms E. Hensen-Timmermans  | Ms E.H.M. Verheijen     |
| Utrecht North and East                      | Mr G.C.A.M. van Bree RA* | Mr M.P. Meeder MBA      |
| Utrecht, Utrecht West, Het Gooi             | Ms I. Dijst              | Ms S. Pieters           |
| Veluwe                                      | Ms J.M. Spruijt          | Mr R.G.J.M. Spierings   |
| West Central Limburg, Westelijke Mijnstreek | Mr D.L.A.M. Bindels      | Ms W.C.H.M. Bindels     |
| Southeast Brabant and Brabantse Peel        | Mr F.J.J. Paumen         | Mr L.A. Janssen         |
| Zeeland                                     | Mr R.A.J. van de Bank    | Ms I. Wojtal            |
| South Holland South                         | Mr C.M.J. Mierop         | Mr A. Scheurwater       |

\* members of the Confidential committee

## Confidential committee

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

### Task

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

### Term

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

## Supervisory Board

### Composition

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 Supervisory Board members are appointed by the general meeting based on the suggestion of the Supervisory Board

### Tasks

The tasks and duties of the Supervisory Board include overseeing, monitoring and providing advice to the Executive Board on the realisation of the goals of the cooperative, the strategy and risks related to its activities, the setup and functioning of internal risk management and control systems, the financial reporting process, compliance with legislation and regulations, and the risk policy.

In addition, the Supervisory Board ensures compliance with and enforcement of the corporate governance structure, approving the financial statement, budget and capital investments, selecting and appointing the external accountant and auditor, approving the risk tolerance, nominating members of the Executive Board for appointment and resignation, and determining the remuneration policy. The Supervisory Board selects and nominates its members to the general meeting for appointment. It also evaluates the remuneration policy and the functioning of the Executive Board. The chair is the point of contact for alleged irregularities regarding the functioning of Executive Board members.

In fulfilling its duties, Supervisory Board members focus on the interests of the cooperative and its associated companies. In doing so, they carefully consider the interests of the various stakeholders of the cooperative, 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 then confirmed by the general meeting. They serve as a supplement to the regulations and guidelines that apply to the Supervisory Board based on Dutch legislation and the cooperative's statutes.

### **Appointment and term**

Each Supervisory Board member is appointed for a period of up to four years, in the understanding that a member will step down at the latest after the first general meeting held after four years have passed since their latest appointment. A member who is stepping down can be reappointed immediately, insofar as the maximum term of 12 years has not or will not be 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- en levensverzekeringen NV (hereafter: 'DELA Natura Group'). For DELA Natura Group, the establishment of a Supervisory Board was compulsory based on the Dutch Financial Supervision Act (Wft).



## Executive Board

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

## Investments

DELA Group's investment activities are run from the Netherlands. DELA has an investment advisory committee which has an advisory and evaluating role to the Executive Board on investments. In addition, it is asked for advice regarding policy proposals, policy changes and the implementation of policy in this field. Significant real estate transactions that exceed € 25 million are submitted to the investment advisory committee for advice. If the committee's advice is ignored by the Executive Board, the Executive Board must report this to the Supervisory Board. The investment advisory committee meets with the Supervisory Board, Executive Board, Chief Investment Officer and director of the DELA Vastgoedmanagement BV at least once a year. It has an explicit advisory role and evaluates whether proposals are consistent, comprehensive and sound with regard to return and risk. The Executive and Supervisory Board maintain their own responsibilities. The investment advisory committee is composed of at least three external members who are appointed by the Supervisory Board as proposed by the Executive Board.

## DELA Natura- en levensverzekeringen N.V.

One of the participations of the Group involves DELA Natura- en levensverzekeringen NV (hereafter: 'DELA Natura Group') which accommodates the insurance activities, including any related personnel. The Supervisory Board of DELA Natura Group has the same members as the Supervisory Board of the DELA cooperative (in personal union).

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

## Independent business segments

The group includes independent business segments, of which there were three at the time of writing this annual report: DELA Netherlands, DELA Belgium and DELA Vastgoed (real estate).

Each independent business segment has its own management team. They report to the Executive Board, one member of which is primarily responsible for a segment. The management team has regulations that include the responsibilities and authorisations of the team. An independent business segment management team is tasked with implementing the strategy, managing and providing management information for the consolidation of the group, dealing with formal/legal issues, and proper decision-making as defined in the statutes of the segment and the regulations. This management model ensures professional and well-balanced operations with adequate checks and balances.

## Policy: for group or business segments

Policy that applies to the entire group falls under the responsibilities of the Executive Board and is considered group policy. Policy that relates to an independent business segment falls under the responsibilities of the management team of that segment. The management teams of the independent business segments determine their own policy within these frameworks. Group policy issues (besides secondary or tertiary policy items) include:

- Brand policy;
- IT policy;
- Remuneration policy;
- Security policy (information security and BCM);
- Privacy policy;
- Capital management policy;
- Investment policy;
- Data management policy;
- ORSA policy;
- Asset & Liability Management policy;
- Internal control policy.

## Activities in Belgium

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

Sandra Schellekens was appointed CEO of DELA Belgium on 1 January 2020. In the five years prior she held the position of Funeral Services Director within DELA Netherlands and was an Executive Board member of BGNU. Ms Schellekens started working in Belgium on 1 February 2019, initially as Interim Director Insurances in DELA Belgium. Former CEO Jack van der Putten gradually started transferring his duties as of 1 July 2019.

## Activities in Germany

Marketing and sales activities in Germany take place via a branch in Düsseldorf (article 2:115 Wft). All other activities take place at the head office of DELA Natura Group in Eindhoven (DELA Netherlands). Conduct supervision is performed by the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) in Germany.

## Integrity

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

### Joint responsibility

The Executive Board of DELA is responsible for realising sufficient guarantees related to operational integrity. All employees are responsible for implementing operational integrity.

### Code of conduct

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 for various focal areas. The code of conduct and underlying regulations are based on internal and external legislation and regulations. They were drawn up for DELA Netherlands and also apply to the DELA Vastgoed independent business segment. DELA Belgium has an integrity code with underlying regulations which are focused specifically on the Belgian situation and market, including legislation and regulations, while also being in line with the code and regulations described below.

The code of conduct includes the following focal areas:

- Details of integrity-sensitive functions;
- Conflicts of interest and corruption;
- Inappropriate behaviour;
- Reporting suspected malpractice;
- Unlawful competition;
- Private investment transactions.

# Risk management

Risk management directly contributes to the long-term goals of DELA such as continuity, growth, a healthy financial position and a good service provision to policyholders at acceptable costs. It also 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.

## Risk management system

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

- The first line is primarily responsible for the operations, results, definition of risk appetite, compliance with internal control measures and effective limitation of risks;
- The second line provides advice, coordinates, safeguards and evaluates – independently from the first line – whether or not the first line actually takes responsibility, and operates 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 within DELA. The overview below shows a schematic representation of the 'Three lines of defence' model.

## Three lines of defence model

| 1 <sup>st</sup> line  | 2 <sup>nd</sup> line   | 3 <sup>rd</sup> line  |
|---|--|---|
| <b>Who:</b> <ul style="list-style-type: none"><li>• Board</li><li>• Line and staff management</li></ul>                                 | <b>Who:</b> <ul style="list-style-type: none"><li>• Actuarial function</li><li>• Compliance Risk Manager</li><li>• Financial Risk Manager</li><li>• Operational Risk Manager</li></ul> | <b>Who:</b> <ul style="list-style-type: none"><li>• Internal Audit</li></ul>  |
| <b>Taken:</b> <ul style="list-style-type: none"><li>• Risk identification</li><li>• Risk management</li><li>• Risk monitoring</li></ul> | <b>Taken:</b> <ul style="list-style-type: none"><li>• Independent monitoring of and advice to first line regarding risk identification and management</li></ul>                        | <b>Taken:</b> <ul style="list-style-type: none"><li>• Assessing the adequateness and effectiveness of the governance system</li></ul> |

## Identification and monitoring of risks

Risks can be identified by both the first and second line. The financial risk manager, operational risk manager, compliance risk manager and actuarial function periodically analyse the risks, while focusing on upcoming risks too. In addition, part of the regular ORSA is the assessment and testing of the risk profile and the assessment of the suitability of the standard model. The findings are discussed and challenged in the risk and compliance meeting (RCO).

## Risk appetite

To take risks into account resulting from major decisions, we apply the risk categories defined in Solvency II as a cornerstone. DELA management uses these categories to weigh up which risks DELA is prepared to take and to what extent. The results of this assessment are established in DELA's risk appetite, which consists of qualitative statements that are quantitatively translated into risk limits and risk tolerances. DELA ensures there is always sufficient capital to compensate for setbacks. Where this is impossible, we take measures to limit the risks. In view of the developments within DELA and elsewhere our risk appetite is analysed annually.

The most important qualitative statements from the risk appetite are:

- DELA aims to compensate for the inflation costs of its policyholders by giving them as much profit distribution as possible;
- DELA takes market risks, taking into account the characteristics of its long-term insurance obligations and aimed at sharing profits and strengthening the core capital;
- DELA is cost-efficient;
- DELA accepts no form of internal or external fraud;
- DELA accepts no risks that could threaten DELA's reputation.



## Risk matrix

DELA applies the following risk categories:

- Strategic risks;
- Profit distribution and solvency risks; Underwriting risks;
- Market risks;
- Other financial risks;
- Operational risks;
- Integrity risks;
- Other risks.

DELA's risk profile is represented in the graph below. To determine the risk profile the operational risk has been further divided into various domains which are indicated separately in the graph. The integrity and reputation risks are not separately plotted as they result from or form the basis of the already plotted risks. The other risks are not represented in the graph. A detailed explanation of these risks is included in the financial statement.



Please refer to the financial statement for more details on the risks and management thereof. See 'Notes on the consolidated balance sheet and income statement', '4. Risk.'

## Developments in 2019

From a risk management perspective there were a number of important developments in 2019 which are detailed below.

### *Yarden takeover bid*

In 2019 DELA placed a bid for Yarden, which – after approval from the regulators – would lead to the takeover of Yarden's insurance and funeral activities. From a financial perspective this would lead to a significant increase in obligations and investments, which in turn brings an increase in risks (in an absolute sense). These risks are, however, already known by DELA. Yarden's insurance obligations have different characteristics than DELA's, especially as they don't involve a premium measure and apply a different profit distribution scheme. Although this increases the interest risk, the overall effect would be limited. The main risk involves the integration of Yarden in DELA and the operational setup thereof, and this will most certainly be a focal point if approval is given.

### *Investment portfolio developments*

In 2019 we focused on reducing our exposure to Dutch commercial real estate and building up an international portfolio of real estate funds and infrastructure funds. Together, these developments will lead to a better diversification in the investment portfolio and reduction of the concentration risk.

### *Developments in IT landscape*

DELA is renewing its IT landscape in different parts of the company and various projects were started to manage this properly. The renewal involves certain risks from an operational perspective.

### *Recalibration of profit distribution scheme*

The profit distribution was also recalibrated in 2019, and the scheme was confirmed by the general meeting in January 2020. The adaptation of the profit distribution table, change to the premium measure for our Dutch funeral insurance, and change of the profit distribution method for several other products resulted in a more balanced distribution of burdens and benefits for all policyholders.

### *Enhancing internal control*

In 2019, DELA also worked on the further professionalisation of the risk management in the first line. The risk awareness in all department resulting from this focus was enhanced and the responsibility regarding the various risks further clarified. This has resulted in a clearer focus, mainly on the operational and compliance risks, which allows them to be managed in a better way.

Annual report 2019

# Condensed financial statement

- > Summary
- > Consolidated balance sheet as on 31 December 2019
- > Operational income statement
- > Notes on the consolidated balance sheet and operational income statement

# Summary

This report is a translation and condensed version of the Dutch annual report dated 17 April 2020 and includes a summary of the statutory financial statement which was composed as follows: the original balance sheet as on 31 December 2019 and the operational income statement over 2019 were copied integrally from the statutory financial statement. Any events occurring between publication of the statutory financial statement and this summarized financial statement have not been taken into account. The statutory financial statement is based on Title 9 Book 2 of the Dutch Civil Code (BW). This summary suffices with repeating the principles for the material financial statement items. The notes that are required based on Title 9 Book 2 of the Dutch Civil Code are included in a simplified version, taking into account the intended purpose of these summarised financial statements. The summary also includes comparative figures. Consulting this summary cannot replace consultation of the statutory financial statement over book year 2019 as it contains various simplifications.

Readers who would like more information can download a copy of the statutory financial statement via the website [jaarverslag2019.dela.nl](http://jaarverslag2019.dela.nl) (in Dutch). All other chapters have been copied integrally from the original annual report.

# Consolidated balance sheet as on 31 December 2019

After appropriation of results, amounts x €1,000

|   | 31-12-2019       | 31-12-2018       |
|---|------------------|------------------|
| <b>ASSETS</b>                                 |                  |                  |
| <b>Intangible fixed assets</b>                | <b>79,932</b>    | <b>88,133</b>    |
| <b>Investments</b>                            |                  |                  |
| Real estate                                   | 890,477          | 1,213,934        |
| Participations                                | 2,882            | 1,003            |
| Other financial investments:                  |                  |                  |
| - Shares and other variable-return securities | 2,353,375        | 1,956,842        |
| - Bonds and other fixed-interest securities   | 1,802,648        | 1,645,147        |
| - Derivatives                                 | 8,557            | 80,905           |
| - Mortgage loans                              | 258,873          | 283,116          |
| - Other loans                                 | 236,890          | 171,914          |
| - Real estate funds                           | 586,831          | 252,003          |
| - Infrastructure funds                        | 282,277          | 40,534           |
| - Investments in liquidities                  | 46,677           | 30,007           |
| - Other financial investments                 | 12,097           | 10,909           |
|   | <b>6,481,584</b> | <b>5,686,314</b> |
| <b>Receivables</b>                            | <b>169,092</b>   | <b>194,221</b>   |
| <b>Other assets</b>                           |                  |                  |
| Real estate in own use                        | 69,176           | 67,447           |
| Other intangible assets                       | 31,187           | 26,730           |
| Stock   | 2,250            | 2,124            |
|   | <b>102,613</b>   | <b>96,301</b>    |
| <b>Accruals</b>                               |                  |                  |
| Rent and interest yet to be received          | 1,159            | 1,214            |
| Other accruals                                | 15,314           | 12,741           |
|   | <b>16,473</b>    | <b>13,955</b>    |
| <b>Cash and cash equivalents</b>              | <b>89,670</b>    | <b>79,867</b>    |
| <b>TOTAL ASSETS</b>                           | <b>6,939,364</b> | <b>6,158,791</b> |

|   | 31-12-2019              | 31-12-2018              |
|---|-------------------------|-------------------------|
| <b>LIABILITIES</b>                                    |                         |                         |
| <b>Group equity</b>                                   |                         |                         |
| Equity  | 1,433,623               | 1,048,474               |
| Minority interest                                     | 3,268                   | 3,350                   |
|   | <u>1,436,891</u>        | <u>1,051,824</u>        |
| <b>Provisions</b>                                     | 290,667                 | 188,001                 |
| <b>Technical provisions</b>                           | 4,869,891               | 4,584,184               |
| <b>Long-term liabilities</b>                          | 156,008                 | 151,236                 |
| <b>Short-term liabilities and accrued liabilities</b> | 185,907                 | 183,546                 |
| <b>TOTAL LIABILITIES</b>                              | <u><u>6,939,364</u></u> | <u><u>6,158,791</u></u> |



# Operational income statement

## Segmented information

Amounts x € 1,000

|   | 2019           | 2018           |
|---|----------------|----------------|
| <b>INSURER</b>                          |                |                |
| <b>Revenue</b>                          |                |                |
| Premium revenue                         | 480,179        | 450,782        |
| Investment revenue                      | 137,065        | 130,314        |
| Other turnover                          | 10             | 109            |
|   | <b>617,254</b> | <b>581,205</b> |
| <b>Costs</b>                            |                |                |
| Underwriting costs                      | 438,113        | 411,858        |
| Personnel costs                         | 63,544         | 59,010         |
| Acquisition costs                       | 47,225         | 44,295         |
| Other operational costs                 | 29,968         | 23,405         |
|   | <b>578,850</b> | <b>538,568</b> |
| <b>Operating result insurer</b>         | <b>38,404</b>  | <b>42,637</b>  |
| <b>FUNERAL COMPANY</b>                  |                |                |
| <b>Revenue</b>                          |                |                |
| Revenue funeral company                 | 244,865        | 241,155        |
| Direct costs funeral company            | -109,379       | -108,559       |
|   | <b>135,486</b> | <b>132,596</b> |
| <b>Costs</b>                            |                |                |
| Personnel costs                         | 91,365         | 86,218         |
| Other operational costs                 | 52,453         | 54,540         |
| Financial costs                         | -465           | -1,319         |
|   | <b>143,353</b> | <b>139,439</b> |
| <b>Operating result funeral company</b> | <b>-7,867</b>  | <b>-6,843</b>  |

## Segmented information, continued

Amounts x € 1,000

|   | 2019            | 2018            |
|---|-----------------|-----------------|
| <b>Operating result</b>   |                 |                 |
| Operating result insurer  | 38,404          | 42,637          |
| Operating result funeral company  | -7,867          | -6,843          |
|   | <b>30,537</b>   | <b>35,794</b>   |
| <b>Other revenue and costs</b>  |                 |                 |
| Other incidental revenue  | 201             | 4,204           |
| Other incidental costs  | -16,551         | -10,738         |
| Donation DELA charity fund  | -670            | -690            |
| Goodwill depreciation   | -20,936         | -12,769         |
|   | <b>-37,956</b>  | <b>-19,993</b>  |
| <b>Available for profit distribution</b>                                  |                 |                 |
| Revenue investments available for distribution of profit and capital gain | 535,393         | -265,091        |
| Distribution of profit  | -42,323         | -42,321         |
|   | <b>493,070</b>  | <b>-307,412</b> |
| <b>Result before taxes</b>  | <b>485,651</b>  | <b>-291,611</b> |
| <b>Taxes</b>  | <b>-101,873</b> | <b>88,462</b>   |
| <b>Minority interest</b>  | <b>228</b>      | <b>-243</b>     |
| <b>Result after taxes</b>   | <b>384,006</b>  | <b>-203,392</b> |

# Notes on the consolidated balance sheet and operational income statement

## 1. General notes

The summarised financial statement 2019 of DELA Coöperatie U.A. in Eindhoven is based on the audited statutory financial statement 2019 of DELA Coöperatie U.A. The summarised financial statement comprises the balance sheet as on 31 December 2019 and the operational income statement over 2019 including the main principles and notes. The operational income statement is included to provide better insight into the individual company activities of the insurance and funeral divisions. For the income statement based on the Annual Accounts Formats Decree (Besluit modellen jaarrekening), we refer to the statutory financial statement.

### 1.1 Activities

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

### 1.2 Consolidation

The consolidation includes the financial data of the DELA cooperative, its group companies and other legal persons over which it has decisive control and central management.

## 2. Principles for balance sheet determination

### 2.1 General

The consolidated financial statement was drawn up in accordance with the statutory provisions of Title 9 Book 2 of the Dutch Civil Code (BW) and the Dutch Guidelines for Annual Reporting (RJ). All amounts are provided in thousands unless indicated otherwise. There are no generally applicable criteria for summarised financial statements in the Netherlands. The criteria applied by the Board and the aggregation level of this financial statement are tailored to the desired goal of the summary.

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 relate. 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 statement was drawn up.

## **2.2 Investments**

Investments are valued at current value with the exception of the mortgage loans and the art collection. The mortgage loans are valued at amortised cost. The art collection is part of the other financial investments and valued at cost price. 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 or sale of investments are directly accounted for in the income statement.

## **2.3 Discretionary profit distribution**

Profit distribution is calculated actuarially and has a provisional character. The processing of the discretionary profit distribution takes place via the technical provisions item. The addition of the amount the DELA Group has appropriated for discretionary profit distribution under the technical provisions is charged to the result.

## **2.4 Technical provisions**

### **2.4.2 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 (including already appropriated profit distribution) to policyholders or other beneficiaries, minus future premiums.

The majority of the technical provisions for funeral insurance at own expense and risk as established in the Netherlands are calculated in accordance with the pure net method at an interest of 2.75% and based on the GBMV 1995-2000 mortality table as published by the Actuarieel Genootschap, using the principles related to mortality and interest.

The majority of technical provisions for funeral insurance at own expense and risk 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 HD or MK-FK 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%. The mortality rate is based on mortality tables as produced by the Deutsche Aktuarvereinigung.

#### **2.4.3 Life insurance**

For the DELA LeefdoorPlan (life insurance plan), the technical provision is calculated in accordance with the pure net method at an interest of 3% and based on the prognosis tables as published by the Koninklijk Actuarieel Genootschap 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 of 3%. The mortality rate is based on mortality tables as produced by the Deutsche Aktuarvereinigung.

#### **2.4.4 Savings insurance**

For the DELA CoöperatiespaarPlan (savings plan), the technical provision 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.

#### **2.4.5 Premiums**

The premiums include surcharges for the coverage of the costs. When the premiums are received or have become claimable, the surcharges are released and made available for the coverage of the actual costs, which includes ongoing costs and acquisition costs. Different principles are used for some of the smaller technical provisions.

#### **2.4.6 Acquisition costs**

The deferred acquisition costs are subtracted from the provision.

### **3. Financial instruments and risk management**

DELA Group identifies risk exposures using periodical Asset & Liability Management (ALM) studies with the aim of realising long-term investment results that exceed the interest obligations based on insurance contracts and deposits. The main investment goal in the insurance company is the maximisation of the expected return within the permitted risk framework.

## 4. Statement of changes in equity

### Statement of changes in equity

Amounts \* € 1,000

|                                     | 2019      | 2018      |
|-------------------------------------|-----------|-----------|
| Balance on 1 January                | 1,048,474 | 1,251,400 |
| From appropriation result book year | 384,006   | -203,392  |
| Other value mutations               | 1,143     | 466       |
| Balance on 31 December              | 1,433,623 | 1,048,474 |

### Proposal for the appropriation of results 2019

It is proposed to withdraw the positive result after taxes of € 384,006 to the other reserves.

In anticipation the general meeting's decision, this proposal has already been processed in the financial statement.

### Result appropriation 2018

The 2018 financial statement was determined in the general meeting of 25 May 2019, which determined the appropriation of the result in line with the proposal.

## 5. Solvency

DELA Group determines the solvency based on Solvency II. These are European calculation rules in which the determination of the solvency takes into account the risks included in the insurer's balance sheet. DELA Group applies the so-called Solvency II standard model in its calculations. This is based on an interest term structure published by European supervisor EIOPA (including Ultimate Forward Rate Ultimate Forward Rate) as by the end of 2019. The minimum necessary solvency percentage has been determined at 150%.

### Solvency

Amounts x € 1,000

|                    | 31-12-2019 | 31-12-2018 |
|--------------------|------------|------------|
| Required solvency  | 556,299    | 442,412    |
| Available solvency | 1,644,229  | 1,651,909  |
| Solvency ratio     | 296%       | 373%       |

The solvency percentage decreased compared to 2018 mainly due to the adjustment of the profit distribution method, the rise in assumed IT and investment costs, and an increase of the required capital due to the growth of investments.

## 6. Technical provisions

### Technical provisions, specification

Amounts x € 1,000

|                            | 31-12-2019       | 31-12-2018       |
|----------------------------|------------------|------------------|
| Gross technical provisions | 4,958,442        | 4,674,166        |
| Reinsurance share          | -20,160          | -18,305          |
| Surplus interest sharing   | 4,535            | 600              |
| Deferred acquisition costs | -72,926          | -72,277          |
| <b>Total</b>               | <b>4,869,891</b> | <b>4,584,184</b> |

The surplus interest sharing is higher in 2019 than in 2018 due to the high investment returns.

### Technical provisions, progress

Amounts x € 1,000

|   | 2019             | 2018             |
|---|------------------|------------------|
| <b>Book value on 1 January</b>                          | <b>4,584,184</b> | <b>4,291,492</b> |
| Additions at the expense of the profit and loss account |                  |                  |
| - From premiums   | 367,215          | 342,556          |
| - Interest  | 137,163          | 129,019          |
| - Profit distribution                                   | 42,323           | 42,415           |
| - Takeover/conversion portfolio                         | -                | 26,878           |
| - Payments  | -128,542         | -123,364         |
| - Shared premium for death                              | -124,653         | -114,548         |
| - Withdrawal for costs                                  | -7,416           | -6,600           |
| - Other mutations                                       | 266              | 623              |
| - Deferred acquisition costs                            | -649             | -4,287           |
| <b>Book value on 31 December</b>                        | <b>4,869,891</b> | <b>4,584,184</b> |

The total technical provision can be considered long-term.



The share of reinsurers in the technical provision and the payments to which DELA Group is entitled based on its reinsurance contracts are deducted from the gross technical provisions.

The provisions for the life risks are in principle based on rate principles, taking into account market-specific assumptions and the cost level of the insurer.

## 7. Revenue

### Revenue, specification

Amounts x € 1,000

|   | 2019             | 2018            |
|---|------------------|-----------------|
| <b>Premium revenue</b>                  |                  |                 |
| Premium revenue Netherlands             | 354,791          | 341,580         |
| Premium revenue Belgium                 | 121,912          | 108,905         |
| Premium revenue Germany                 | 3,476            | 297             |
|   | <b>480,179</b>   | <b>450,782</b>  |
| <b>Revenue funeral company</b>          |                  |                 |
| Revenue funeral company Netherlands     | 191,841          | 188,635         |
| Revenue funeral company Belgium         | 53,024           | 52,520          |
| Internal turnover                       | -130,872         | -127,680        |
|   | <b>113,993</b>   | <b>113,475</b>  |
| <b>Investment results</b>               | <b>664,185</b>   | <b>-139,287</b> |
| <b>Other insurance company turnover</b> | <b>10</b>        | <b>109</b>      |
| <b>Total</b>                            | <b>1,258,367</b> | <b>425,079</b>  |

Of the total premium revenue in 2019, € 4.0 million consists of single premiums (2018: € 4.1 million).

## Realised and unrealised results on investments, specification 2019

Amounts x €1,000

| 2019  | Realised profit | Realised loss  | Unrealised result | Management costs and interest costs | Total          |
|---|-----------------|----------------|-------------------|-------------------------------------|----------------|
| Real estate (a)                                 | 55,424          | -              | -37,015           | 13,035                              | 5,374          |
| Participations (b)                              | -93             | -              | -                 | -                                   | -93            |
| <b>Other financial investments (c):</b>         |                 |                |                   |                                     |                |
| - Shares and other variable-yield securities    | 204,959         | 78,493         | 420,300           | 5,284                               | 541,482        |
| - Bonds and other fixed-interest securities     | 135,832         | 63,177         | 136,551           | 4,809                               | 204,397        |
| - Derivatives                                   | 32,484          | 76,855         | -110,540          | 561                                 | -155,472       |
| - Mortgage loans                                | 9,495           | -              | -                 | 784                                 | 8,711          |
| - Other loans                                   | 9,298           | 1,632          | 3,994             | 877                                 | 10,783         |
| - Real estate funds                             | 12,184          | 22             | 26,303            | 609                                 | 37,856         |
| - Infrastructure funds                          | 4,978           | 1,190          | 8,654             | 809                                 | 11,633         |
| - Other financial investments                   | 1,095           | 80             | 618               | 2,119                               | -486           |
|   | <b>410,325</b>  | <b>221,449</b> | <b>485,880</b>    | <b>15,852</b>                       | <b>658,904</b> |
| <b>Total investment results (a) + (b) + (c)</b> | <b>465,656</b>  | <b>221,449</b> | <b>448,865</b>    | <b>28,887</b>                       | <b>664,185</b> |

Unrealised results reflect the changes of the market value of the investments (including currency effects) in the year under review that are available on the balance sheet date. All other investment results are attributed to the realised investment results.

## 8. Events after balance sheet date

### *Recalibration of profit distribution*

The general meeting of 18 January 2020 approved the adapted profit distribution method. This method was included in the calculations of Solvency II and the liability adequacy test, and is described in section 4.10.

### *Impact of the coronavirus pandemic*

COVID-19 has spread rapidly since December 2019, creating an unparalleled crisis in many parts of the world. Such is the pressure on care facilities that social visits in many countries have been limited or ended altogether.

The first case of coronavirus in the Netherlands was established on 27 February 2020 and that was the date it started impacting DELA. As an event unrelated to the situation on the balance sheet date, the outbreak does not impact the financial statement. As this annual report was drawn up it was

impossible to determine the exact financial consequences for DELA. Focal points for the organisation include communication, compliance with government policies (and our own stricter policies where necessary), management and operational alignment, developing scenarios and analysis.

#### *Initial inventory of risks and impact*

Below is an overview of the main points from the first broad inventory of the related risks and impact.

*Insurance:* with regard to insurance, our services have continued as normal via phone and online. We have seen an increase in funeral insurance policies in the Netherlands since the start of the crisis. There has also been a healthy continuation of sales in Belgium and Germany, although a decline is expected to occur in Belgium as few policy agreements are realised online: most are made via the kind of consultancy meetings (largely with agents) which are not currently taking place. With regard to the DELA Coöperatie Spaarplan (savings insurance) we see more funds being withdrawn than normal. On balance we have not witnessed any negative impact on premium income, except for the withdrawals.

*Increased mortality:* the main question is the extent to which the number of deaths will rise in the coming period and when. Looking at the statistics in other countries which peaked sooner, and the number of deaths caused by coronavirus in our own facilities to date, we do not expect the mortality rate to increase to such a degree that it will lead to (financial) problems for the insurer.

*Operational realisation:* there is increasing pressure on the company due to the extra work, employee absence and a potential lack of personal protective equipment.

*Funeral business:* the closing of the hospitality sector has reduced the margin. We are investigating whether we can access government furloughing measures now that a large number of employees are unavoidably out of work.

*Operational result:* our operational result will be affected by the fall in turnover and additional expenses, especially in funeral care.

*Investments:* There has been a significant reduction in the value of investments.

*Solvency ratio:* despite the fall in investment value and interest rates, our solvency ratio remains high. The chance of profit distribution for our members has dropped due to the lower coverage ratio.

*Cashflow:* with regards to the cashflow we expect to be able to fulfil our direct payment obligations.

*Conclusion:* while the continuity of our operational management is secure for the coming period, there is a clear need for an ongoing (management) focus on the main risks. DELA does not currently foresee any consequences for the continuity of the cooperative.

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# Other information

# Other information

## **Statutory distribution of profit**

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

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# Audit statement

> Independent auditor's report

# Independent auditor's report

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

## **Our opinion**

The summary financial statements 2019 (hereinafter "the summary financial statements") of DELA Coöperatie U.A., Eindhoven, the Netherlands, are derived from the audited financial statements 2019 of DELA Coöperatie U.A.

In our opinion, the enclosed summary financial statements are, in all material respects, consistent with the audited financial statements 2019 of DELA Coöperatie U.A. based on the accounting policies described on page 109 and in notes 1 and 2 of the financial statements.

The summary financial statements comprise:

1. The consolidated balance sheet as at 31 December 2019;
2. The operational income statement of 2019.
3. The corresponding summary notes.

## **Summary financial statements**

The summary financial statements do not contain all the disclosures required by Title 9, Book 2 of the Dutch Civil Code (DCC). Reading the summary financial statements and our opinion thereon, therefore, is not a substitute for reading the audited financial statements of DELA Coöperatie U.A. and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of 17 April 2020.

## **The audited financial statements and our auditor's report thereon**

We expressed an unqualified audit opinion on the audited financial statements 2019 of DELA Coöperatie U.A. in our auditor's report of 17 April 2020.

That report also includes an emphasis of matter relating to the impact of the coronavirus. This emphasis refers to management's disclosure in paragraph 5.14 of the audited financial statements in which management states that at such date management could not properly assess the impact of the Coronavirus on financial result and health of Dela Coöperatie U.A. Our opinion was not modified in respect of this matter.



That auditor's report also includes the communication of materiality, the scope of the group audit and the key audit matters.

### **Responsibility of Management and the Supervisory Board for the summary financial statements**

Management is responsible for the preparation of the summary financial statements on the basis as described on page 109 and in notes 1 and 2.

The Supervisory Board is responsible for overseeing the financial reporting process.

### **Our responsibilities**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Accounting Standard 810 'Opdrachten om te rapporteren betreffende samengevatte financiële overzichten' (Engagements to report on summary financial statements).

Amsterdam, 5 June 2020

Deloitte Accountants B.V.

C.J. de Witt



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# Annexes

- > [Annex 1: About this report](#)
- > [Annex 2: Memberships and codes of conduct](#)
- > [Annex 3: GRI table](#)

# Annex 1: About this report

## Reporting and auditing process

The selection of the reported indicators is based on the GRI guidelines, meetings with our stakeholders, the impact of DELA and the resulting materiality matrix. Data included in this report is based wherever possible on measurements and calculations (such as NPS). Other data is derived from central systems (including personnel data) or based on input from third parties. Whenever there are changes to the definitions, measuring methods or inherent limitations in the data, or when extrapolation or estimates are used, this will be indicated in the report.

Some of the included indicators (financial indicators, absence through illness) are part of the regular planning and control cycle. This means that the data is reported via monthly reports. Our financial department looks at changes in the data compared to previous reports and at the plausibility of the reported information, requesting supporting evidence where necessary. Other indicators (energy, CO<sub>2</sub> emissions) are reported annually for the purpose of the annual report. The underlying data for these indicators is collected and checked by the CSR project leader.

The accountant must explicitly report on material deviations in the Statement from the Executive Board based on knowledge obtained from auditing the financial statement. The accountant was not tasked to grant assurance on non-financial information, although we do aim to start doing so in the future.

## Framework and scope

The framework of the report was determined based on the materiality assessment of 2016, with which we report on material issues. The framework has not changed since the previous reporting period.

The report involves book year 2019, which runs from 1 January 2019 to 31 December 2019. The CSR information is related to activities of DELA in the Netherlands, excluding the acquisitions Algemeen Belang Uitvaartverzorging and Begraafbeheer BV. Myosotis Uitvaartverzorging was included in the CO<sub>2</sub> footprint of the previous reporting periods. In principle, we do not report on sub-contractors and/or suppliers, unless indicated otherwise.

## Locations of non-financial information

Non-financial information in this annual report can be found in the following sections:

## Non-financial information

Location in this annual report

| Item                              | Segment         |
|-----------------------------------|-----------------|
| Customer satisfaction             | Our members     |
| Environmental issues              | Our environment |
| Social issues                     | Our environment |
|                                   | Our people      |
| Personnel issues                  | Our people      |
| Social investment policy          | Our environment |
| Respect for human rights          | Our environment |
| Combatting corruption and bribery | Our environment |

# Annex 2: Memberships and codes of conduct

DELA cooperative is a member of and operates in accordance with the agreed codes of conduct of the following organisations:

- Verbond van Verzekeraars -> Code of conduct for insurers
- BGNU -> Trade association for certified Dutch funeral companies
- IVBN -> Association of institutional investors in real estate
- DDMA -> Data Driven Marketing Association

The certifications/quality marks DELA has acquired are:

- Keurmerk Uitvaartzorg (certification for funeral services)
- Keurmerk klantgericht verzekeren (quality mark for customer-oriented insurance)
- Privacy waarborg (privacy guarantee)

# Annex 3: GRI table

## GRI table

| GRI Standard / disclosure  | location  |
|--|---|
| <b>Organisation</b>  |   |
| 102-1 Name of the organisation   | Executive Board report, Our environment   |
| 102-2 Main brands, products and services   | In brief, Profile   |
| 102-3 Location of headquarters   | Eindhoven   |
| 102-4 Locations van crematoriums and funeral homes   | <a href="https://www.dela.nl/service-en-contact/contact-met-ons-opnemen/vestiging-zoeken">https://www.dela.nl/service-en-contact/contact-met-ons-opnemen/vestiging-zoeken</a> (only in dutch) |
| 102-5 Ownership structure and legal form   | Condensed financial statement, Notes on the consolidated balance sheet and operational income statement   |
| 102-6 Markets served   | In brief, Profile & Key figures   |
| 102-7 Scale of the reporting organisation  | In brief, Key figures   |
| 102-8 Information on employees   | Executive Board report, Our people  |
| 102-9 Description of the organisation's supply chain   | In brief, Together we are strong  |
| 102-10 Significant changes to the organisation and the supply chain  | Condensed financial statement, Notes on the consolidated balance sheet and operational income statement   |
| 102-11 Externally developed economic, environmental and social charters, principles applied by the organisation                      | Annex: Memberships and codes of conduct<br><br><a href="https://www.dela.nl/verzekeringen/keurmerken">https://www.dela.nl/verzekeringen/keurmerken</a>  |
| 102-12 Initiatives to compensate the environmental consequences of products and services and the scope of this compensation          | Statement from the Executive Board, Our environment   |
| 102-13 Memberships of associations (including trade associations) and national and international interest groups                     | Annex: Memberships and codes of conduct<br><br><a href="https://www.dela.nl/verzekeringen/keurmerken">https://www.dela.nl/verzekeringen/keurmerken</a> (only in dutch)                        |
| <b>Strategy</b>  |   |
| 102-14 Statement from the highest decision-maker of the organisation   | In brief, Foreword.<br><br>In brief, Vision and strategy.   |
| <b>Ethics and integrity</b>  |   |
| 102-16 Description of values, principles, standards and norms of behaviour, such as codes of conduct, as applied by the organisation | Executive Board report, Our people<br><br>Annex: Memberships and codes of conduct   |
| <b>Governance</b>  |   |
| 102-18 Governance structure of the organisation  | Governance & risk management, Corporate governance  |
| <b>Stakeholder engagement</b>  |   |
| 102-40 List of involved stakeholder groups   | Annex: About this report  |



|  |   |
|--|---|
| 102-41 Percentage of employees subject to the collective labour agreement  | Not reported  |
| 102-42 Principles for the inventory and selection of stakeholders  | Not reported  |
| 102-43 Approach to stakeholder engagement  | Annex: About this report  |
| 102-44 Key topics and issues based on stakeholder meetings   | Annex: About this report  |
| <b>Reporting profile</b>   |   |
| 102-45 Overview of all companies included in the consolidated financial statements and not included in this report         | Annex: About this report  |
| 102-46 Process for defining the content and specific framework of the report and the applied principles                    | Annex: About this report  |
|  | Annex: GRI Table  |
| 102-47 Material topics determined during the process to define the contents of the report Annex: About this report         | Annex: About this report  |
| 102-48 Consequences of possible restatement of information provided in previous reports and reasons for these restatements | Condensed financial statement, Notes on the consolidated balance sheet and operational income statement |
| 102-49 Significant changes compared to the previous reporting periods regarding scope and framework                        | Condensed financial statement, Notes on the consolidated balance sheet and operational income statement |
| 102-50 Reporting period  | 2019  |
| 102-51 Date of the most recent report  | 04/17/2020  |
| 102-52 Reporting cycle   | Annual  |
| 102-53 Contact information for questions related to the report   | Colophon  |
| 102-54 GR applicability level  | Core  |
| 102-55 GRI Table   | Annex: GRI Table  |
| 102-56 Policy related to assurance   | Auditor's statement, Auditor's statement from the independent accountant                                |

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# Definitions & abbreviations

# 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.

## **Asset mix**

The asset mix is the distribution of capital over shares, real estate, fixed-income securities, infrastructure and liquidities. The asset mix is determined based on the ALM study and drawn up in the investment policy.

## **Average funeral costs**

Every funeral costs money. These costs vary based on choices made by the descendants and the place where the services are rendered. The average funeral costs provide insight into what a funeral costs on average. At DELA, this means the average costs of a funeral based on the provision package of the DELA UitvaartPlan.

## **B.V.**

Private company

## **BIO**

Our strategy of employee engagement, integrity and entrepreneurial spirit

## **BREEAM**

BREEAM stands for Building Research Establishment Environmental Assessment Method. It determines the sustainability performance of buildings by focusing on three aspects: the building, its management and its use. The three aspects are assessed in nine sustainability categories: management, health, energy, transport, water, materials, waste, land use & ecology and pollution. A score is achieved per aspect ranging from 5 stars for 'Outstanding', 4 for 'Excellent', 3 for 'Very Good', 2 for 'Good' and 1 for 'Pass'.

## **CAO**

Collective labour agreement

## **CFRO**

Chief financial and risk officer

## **Climate-neutral**

Climate-neutral means that there are no net CO<sub>2</sub> emissions and no contribution to climate change. A process, service or organisation is climate-neutral if it does not produce CO<sub>2</sub> emissions or if the produced greenhouse gases are offset elsewhere.

## **CO<sub>2</sub>-footprint**

A CO<sub>2</sub> footprint is an inventory of the total amount of emitted greenhouse gases, expressed in CO<sub>2</sub> equivalents. CO<sub>2</sub> emissions are caused by the combustion of fuels. Too much CO<sub>2</sub> in the atmosphere leads to climate change. A CO<sub>2</sub> footprint indicates the extent to which an organisation impacts climate change and where CO<sub>2</sub> emissions can be reduced. A CO<sub>2</sub> footprint is categorised in Scope 1, 2 and 3. Scope 1 involves direct CO<sub>2</sub> emissions; scope 2 indirect CO<sub>2</sub> emissions via the acquisition of electricity and gas; and scope 3 involves all other indirect CO<sub>2</sub> emissions. Annex 1 (Corporate Social Responsibility) and Annex 3 (About this report) provide more information on our CO<sub>2</sub> footprint.

## **CPI**

Consumer price index

## **CSI**

Corporate Social Investment

## **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)

### **Energy scan**

An energy scan provides insight into the energy-saving opportunities of a building and maps which energy-saving measures would be profitable for a building.

### **Entrepreneur's salary**

The costs of a funeral entrepreneur to whom a funeral is outsourced.

### **FIT**

FIT stands for financially solid, innovative and future-oriented. This internal DELA programme focuses on structural cost savings.

### **Fixed-value**

Inflation-proof.

### **Fte**

Fulltime equivalents (for example: 2 part-time employees who each work for 50% are equivalent to 1 FTE).

### **GPtW**

Great Place to Work is an organisation that measures the opinions of employees. These measurements are then compared to establish a GPtW benchmark. The main components involved are trust in the company, confidence in the management, challenges, opportunities and the possibility of self-development from the employee's perspective.

### **GreenLeave**

GreenLeave is a consortium of funeral companies in the Netherlands who aim to realise sustainability in funeral options and designs in a practical way. They achieve this based on five key principles, a portfolio of products and services for aspects of the funeral, and collaboration with suppliers. For more information, go to: [www.greenleave.nu](http://www.greenleave.nu).

### **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 GRESBscore, fund managers can assess their sustainability policy and make improvements. See <https://gresb.com>

### **IT**

Information technology

### **KGW**

Customer-oriented approach

### **Mln**

Million

## **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% of the responders is a promotor and 20% is a detractor, the NPS is +10.

## **Operational result**

The result acquired from the regular activities of DELA, with the exception of special income and expenses, profit sharing and taxes.

## **OR**

Works council

## **ORSA**

Under Solvency II, insurers are compelled to perform an ORSA (Own Risk and Solvency Assessment). An ORSA is an annual assessment that must be performed by or on behalf of the insurer to determine whether all financial risks that may occur have been mapped and/or whether any mitigating measures to minimise possible risks have been taken so that the insurer can continue to fulfil its insurance obligations in the future.

## **Paper consumption**

The number of sheets of paper we use annually for printing and copying on our central printers. The paper consumption of mobile printers used by our funeral carers and cooperative consultants is not included.

## **Premium income**

Premium income is the total of premium paid to DELA by policyholders for purchased products.

## **Prognosis**

Prediction by management

## **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.

## RepTrak

RepTrak is a method for gauging an organisation's reputation. It measures the perceptions of the general public regarding the reputation of companies (the RepTrak® Pulse) and seven reputation drivers: products and services, innovation, working environment, governance, CSR, leadership and performance. For more information: <https://netherlands.reputationinstitute.com/tag/retrak/>

## Risk appetite

The risk appetite of a company indicates the nature and scope of the risks a company is willing to take in realising its operational goals.

## SA

Société anonyme (public limited company)

## SA

Société anonyme (naamloze vennootschap)

## SCM (KCS in Dutch)

Short-cycle management

## 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.

## 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.

## Transparency benchmark

The transparency benchmark is an initiative of the Dutch Ministry of Economic Affairs and Climate. In collaboration with the Netherlands Institute of Chartered Accountants (NBA), annual reports are assessed on certain criteria. The Crystal award is presented to the organisation with the most inspiring example of transparent CSR reporting.



# Colophon

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