



ANNUAL REPORT

31 December 2025

ANNUAL REPORT

for the year ended 31 December 2025

The reports and statements set out below comprise the Annual Financial Statements presented to members:

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REPORT OF THE BOARD OF TRUSTEES for the year ended 31 December 2025

The Board of Trustees hereby presents its report for the year ended 31 December 2025.

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1. Terms of registration

The Anglo Medical Scheme (the Scheme) is a not for profit restricted medical scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), Registration number 1012. The Scheme was established by Anglo American South Africa and its purpose is to provide medical cover to the employees, retirees and continuation members of the participating employer groups and their affiliated companies. The principal participating employer groups are Anglo Corporate Services South Africa (Pty) Limited, Mondi South Africa (Pty) Limited and Mpact Limited.

At 31 December 2025 the Scheme provided benefits to 8,003 members and 7,871 dependants. 51.05% of the members and dependants are female. Members are located primarily in Gauteng (38%), KwaZulu-Natal (34%) and the Western Cape (14%). The balance of membership is spread across South Africa with a small number outside of South Africa.

1.2. Benefit options with Anglo Medical Scheme

Anglo Medical Scheme provides its members with a choice of three Plans. At 31 December 2025, Managed Care Plan serving 4,821 beneficiaries, average age 60.01 years, Standard Care Plan, 8,156 beneficiaries, average age 35.09 years and Value Care Plan 2,897 beneficiaries, average age 26.38 years old.

Managed Care Plan (MCP)

This is a comprehensive plan that offers unlimited cover for hospitalisation paid at 100% of the Scheme Reimbursement Rate and an additional top-up benefit which pays up to 230% of the Scheme Reimbursement Rate for specialist services rendered in hospital. Radiology and Pathology are unlimited and funded by the Scheme up to 100% of the Scheme Reimbursement Rate. Medical and surgical appliances, wheelchairs, hearing aids, chronic non-PMB medication and frail care are funded by the Scheme, subject to family and individual limits. Discretionary spend for out of hospital services are covered by the members' Medical Savings Accounts (MSA). Out of hospital specialist consultations and procedures are reimbursed up to 125% of the Scheme Reimbursement Rate.

Standard Care Plan (SCP)

This is a traditional medical plan with defined benefits and out of hospital family limits. Out of hospital benefits are limited and grouped by service under individual limits reimbursed at 100% of the Scheme Reimbursement Rate. Hospital cover is unlimited and paid at 100% of the Scheme Reimbursement Rate, subject to the network facilities.

Value Care Plan (VCP)

This is a primary health care plan providing services through a capitated arrangement with Kaelo Prime Cure (Pty) Ltd. Members may only obtain services from Kaelo Prime Cure facilities or network providers. Benefits are managed through limits, pre-authorisation and the application of Kaelo Prime Cure managed care protocols.

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

1. DESCRIPTION OF THE MEDICAL SCHEME (continued)

1.3. Registered office

7th Floor	PO Box 746
144 Oxford Road	Rivonia
Melrose	2128
Rosebank	
2191	

1.4. Scheme administrator in office during the year under review

Discovery Health (Pty) Ltd
1 Discovery Place
Sandton
2146

1.5. Investment managers in office during the year under review

Abax Investments (Pty) Ltd
The Oval, 1 Oakdale Road
Newlands
7700

Allan Gray South Africa (Pty) Ltd
1 Silo Square, V&A Waterfront
Cape Town
8001

Coronation Asset Management (Pty) Ltd
Mont Clare Place, 7th Floor, Cnr Campground and Main Roads
Claremont
7700

Ninety One SA (Pty) Ltd
36 Hans Strydom Avenue, Foreshore
Cape Town
8001

1.6. Investment advisor in office during the year under review

Willis Towers Watson
1st Floor, Illovo Edge, 1 Harries Road
Illovo
Johannesburg
2196

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

1. DESCRIPTION OF THE MEDICAL SCHEME (continued)

1.7. Actuarial advisors in office during the year under review

3One Consulting Actuaries
199 Bryanston Drive
Northview Building, Ground Floor, Bryanston Place Office Park
Bryanston
2191

Discovery Health (Pty) Ltd
1 Discovery Place
Sandton
2146

1.8. External auditor for the year under review, as approved by the Annual General Meeting

Deloitte & Touche
5 Magwa Crescent
Waterfall City
Johannesburg
2090

2. SCOPE OF THE REPORT

2.1. Guidelines

The Anglo Medical Scheme adheres to the governance framework set out in the King Report.

The Scheme's financial policies and Annual Financial Statements are prepared in accordance with IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board. They are also guided by the Medical Schemes Accounting Guide (2025) issued by the South African Institute of Chartered Accountants (SAICA), and comply with the regulatory requirements set out in the Act and its supporting Regulations.

2.2. Assurance

The Scheme's Actuaries comply with the best practice guideline issued in the Professional Guidance Note published by the Actuarial Society of South Africa.

The External Auditor expresses an audit opinion on whether the financial statements are, in all material respects, prepared in accordance with IFRS and the requirements of the Medical Schemes Act of South Africa. The External Auditor complies with International Standards on Auditing (ISA) in conducting the audit.

2.3. Independence

The External Auditor has adopted independence standards in compliance with the requirement of the International Federation of Accountants, Code of Ethics (IFAC).

3. CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Anglo Medical Scheme offers comprehensive healthcare benefits and services to its members which are of high quality, market competitive, cost-effective and consumer focused. These are supported by sound financial and risk management, administrative efficiency and the active participation of the members and employers. This ensures the Scheme's active compliance with the spirit of the law, ethical standards and international norms.

The affairs of the Scheme are managed by the Board of Trustees (Board) in compliance with the Scheme Rules in a manner that is fair, transparent, non-discriminatory and upholds the rights, values and dignity of members and other stakeholders. The Board performs its duties in accordance with the Board Charter and the Code of Conduct against which the Trustees biennially evaluate their performance and the performance of the Board as a whole. The Board shall at all times avoid conflicts of interests and Trustees are required to declare any interest they may have in any particular matter coming before the Board.

The Board has delegated some of its responsibilities to the duly appointed and constituted Committees (the Committees). It determines the Terms of Reference for the Committees, approves all policies proposed by the Committees and receives quarterly reports from the Committees. The Committees do not relieve the Trustees of any of their responsibilities, but assist them to fulfil those responsibilities.

The Audit Committee meets independently with the Administrator's Internal and Scheme's External Auditors regularly. Based on the review of the internal controls and risk management, the assurance and results of the audit and the recommendation of the Audit Committee, the Board of Trustees is of the opinion that the accounting policies, the internal control systems and the financial reporting practices are adequate and effective and that the basis for the preparation of the financial statements is sound.

The Scheme has supported aspects of the participating employers' social responsibility initiatives by adopting a progressive stand in the fight against HIV/AIDS and diseases such as diabetes and cancer. The Scheme regularly communicates with the membership on health and benefit matters in the recognition that a healthy, educated workforce becomes a sustainable asset to a participating employer.

The commitment to the long-term sustainability of the Scheme and its members remains the guiding principle of the Scheme. This has been strongly supported by the participating employers in the Scheme. To this end, the liability of the Scheme's significantly higher than industry average membership age has been pre-funded to ensure the Scheme's sustainability and the contributions and benefits remain market-related and competitive.

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

4. SCHEME STRATEGY

To achieve the vision of offering quality, cost effective and competitive benefits to meet the lifelong healthcare needs of the members, the Scheme has adopted several strategies as set out below.

4.1. Long term funding

The Council for Medical Schemes' (CMS) definition of a pensioner is a beneficiary over the age of 65. The Scheme's significantly higher pensioner ratio than the industry average (24.1% compared to 9.97% - CMS report 2024) increases the expected overall cost of providing adequate healthcare benefits to our members.

The Scheme previously entered into an arrangement with the participating employer groups and received funding to meet the ongoing and the future costs of providing benefits for the higher than usual proportion of pensioner members. Annual actuarial valuations are performed in order to calculate the funding needed to continue to provide market related benefits to all members. In 2015 the Board of Trustees revised the strategy ensuring Long Term Funding (LTF) for a thirty-year period by when the pensioner ratio is expected to have normalised and be more in line with the market.

In performing the actuarial valuation, the Scheme's actuaries make long-term assumptions which may differ from those used during the Scheme's annual short-term budget process, as disclosed elsewhere in the notes to the annual financial statements.

The value of the Scheme's long term funding assets as at 31 December 2025 was R4.237 billion (2024 - R3.846 billion). This compares to the gross long-term liability calculated by the Scheme's consultants and actuaries of R3.374 billion (2024 - R2.773 billion), for the period to 2045. The Scheme therefore remains well funded for the long term.

4.2. Investment strategy

The Scheme's investment strategy has been, and remains, aimed at maximising the annual return at an acceptable level of risk within the constraints of the Act and any exemptions from the Act. The Scheme believes that this risk should be managed, in part, by holding a conservative, yet diversified portfolio with a significant proportion of the assets providing returns that offer protection against inflation over the longer term.

The investment objective is to earn a return, net of fees, which exceeds the Consumer Price Index by at least 3.5% p.a. over a rolling five-year period.

Period	Portfolio Performance	Consumer Price Index	CPI plus 3.5% p.a.
1 January to 31 December 2025 (p.a.)	13.5%	3.6%	7.1%
5 Years (p.a.)	11.0%	5.0%	8.5%
25 Years (p.a.) (since inception)	10.6%	5.3%	8.8%

The 2025 financial year saw consistent returns compared to the preceding year. The 5-year return (net of fees) for the Scheme's assets has therefore improved from 8.7% p.a. in 2024 to 11.0% p.a. for the period under review.

The Trustees remain confident that the overall long-term strategy will provide for the healthcare needs of the Scheme members into the foreseeable future.

REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025

5. KEY PERFORMANCE MEASURES

5.1. To ensure the Scheme has sufficient reserves to cover the liability of the cost of providing for the healthcare needs of members over their lifetime, the Scheme's actuaries annually determine the Scheme's liability which is matched against the level of reserving. The Liability for Future Members (formerly known as Accumulated Funds) as at 31 December 2025 is R4.237 billion.

The table below shows the funding ratio as at 31 December as per the actuarial valuation.

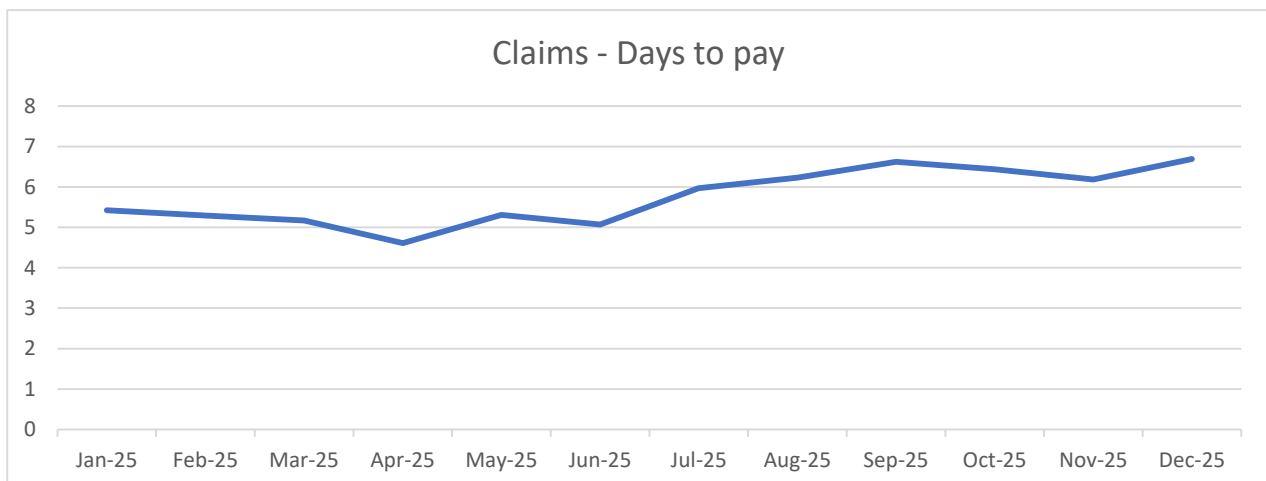
	2025 R'000	2024 R'000
Total long-term liabilities	3,373,731	2,772,653
Net value of assets	4,236,534	3,846,376
Current long-term funding ratio	125.6%	138.7%

5.2. Unlike most open schemes who measure their size, market share, annual growth, solvency levels etcetera, the Scheme closely monitors its value proposition to members and employers. The performance of the Scheme is measured by the contribution increase that is effected annually, coupled with benefit changes.

Year	2026	2025	2024	2023
Average annual contribution increase per member	5.0%	6.5%	6.9%	8.0%
CPI + 3% (generally accepted medical inflation)	7.1%	6.2%	8.6%	10.2%

5.3. The Scheme aims to provide members with better value for money than they would be able to purchase in the open market. The three Plans are independently evaluated against eight to ten similar competitor products annually to ensure this aim is met. The benefits provided in 2025 scored higher than average across all three Plans, and were all offered at lower than average contribution rates, indicating better value for money than could be purchased in the market.

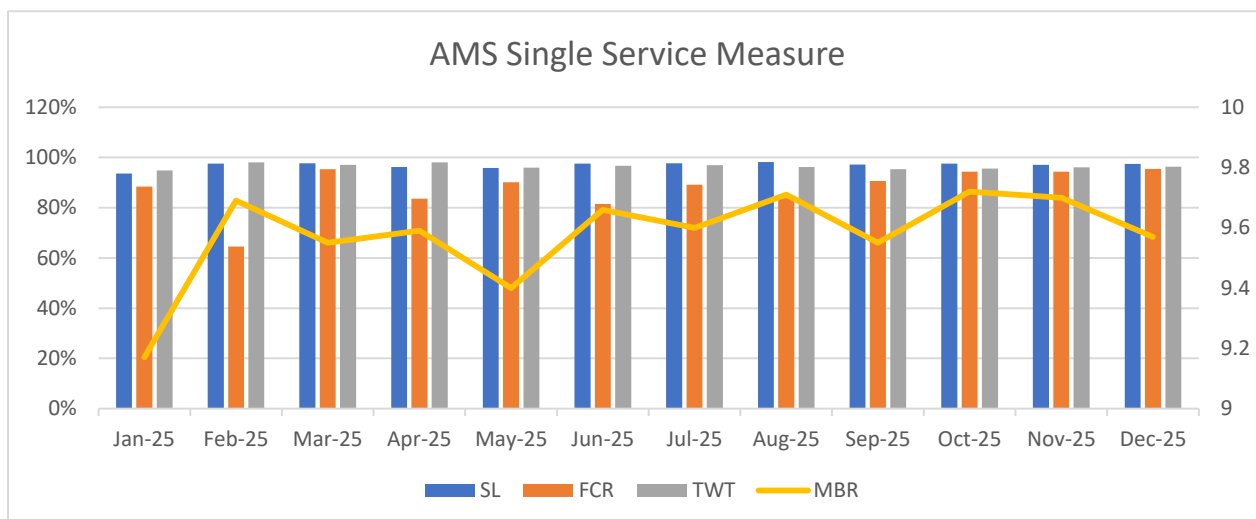
5.4. The graph below measures the average number of days between a claim being received and paid. The information is provided by the administrator and is presented and reviewed by the Board on a frequent basis.



**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

5. KEY PERFORMANCE MEASURES (continued)

During 2025 the Scheme’s administrator, Discovery Health, maintained excellent service levels, meeting the service excellence promise to members. The graph below depicts the various single service measures applicable. The information is provided by the administrator and is presented and reviewed by the Board on a frequent basis.



SL: Service Level

MBR: Member Based Research measures member happiness

FCR: First Call Resolution measures percentage of calls resolved on first contact

TWT: Today’s work today (Turnaround time)

5.5. The Council for Medical Schemes requires that non-healthcare costs are kept below 10% of gross contribution income. The 2025 non-healthcare cost compared well against previous years and is well below the Council's requirements.

Year	2025	2024	2023	2022
Non-healthcare costs as a percentage of gross contribution income#	5.4%	5.7%	6.1%	5.7%
Industry average*	-	5.7%	5.6%	5.4%

The calculation of non-healthcare cost has been kept consistent with prior years for the sake of comparability

* Industry average percentage for restricted membership medical schemes as reported by the Council for Medical Schemes. The 2025 data is not yet available for the industry.

6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

6.1. Operational results

The Scheme budgets a small surplus each year after taking into consideration the investment income and the draw down from the reserves required to cover the expected contribution shortfall.

	2025 R'000	2024 R'000
Insurance service result	(139,913)	(96,108)
Managed Care Plan	(140,417)	(113,688)
Standard Care Plan	1,380	16,692
Value Care Plan	(876)	888
Net result	390,158	272,416

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES (continued)

6.1. Operational results (continued)

The adult and child contributions are rebalanced annually (as required) by Plan, adjusting for changes in family size and ageing trends. Cognisance is taken of the employee salary increases and the claims experience of each Plan when determining contribution increases. For the period under review, the increases and contributions were as follows:

Average contribution increase 6.5% (2024: 6.9%)	2025 R Adult	2025 R Child	2024 R Adult	2024 R Child
Managed Care Plan	6,705	1,550	6,295	1,455
Standard Care Plan	3,670	1,100	3,445	1,035
Value Care Plan	1,310	320	1,230	300

6.2. Outstanding risk claims

Movements in the outstanding risk claims provision are included in the Insurance Contract Liability set out in Note 4 to the financial statements. The basis of calculation is consistent with the prior year. See disclosure in the financial statements.

6.3. Liability to members for future benefits

Movements in the Liability to members for future benefits (formerly known as Accumulated Funds) are set out in Note 4 of the Annual Financial Statements.

	2025 R'000	2024 R'000
Liability to members for future benefits per Statement of Financial Position	4,236,534	3,846,376
Less: Cumulative unrealised net gain on measurement of investments to fair value	(816,654)	(582,088)
Accumulated Funds per Regulation 29 of the Act	3,419,880	3,264,288
Gross contribution income	656,764	664,099
Accumulated funds ratio per Regulation 29 (excluding unrealised gains)	520.7%	491.5%
Accumulated funds ratio per Regulation 29 (including unrealised gains)	645.1%	579.2%
Minimum ratio required by Regulation 29 of the Act	25.0%	25.0%

Refer to Note 4.1 of the Board of Trustees' report for the reasons for this level of funding.

The average *Liability to members for future benefits* per member as at 31 December 2025 was R529,368 (2024: R451,506).

6.4. Medical Savings Accounts

The liability to members in respect of the Medical Savings Accounts is reflected as part of the Insurance Contract Liability in the annual financial statements, repayable in terms of Regulation 10 of the Act.

REPORT OF THE BOARD OF TRUSTEES (continued)

6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES (continued)

6.5. Operational statistics

	Managed Care Plan		Standard Care Plan		Value Care Plan		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Number of members at year end	2,964	3,238	3,693	3,985	1,346	1,296	8,003	8,519
Number of beneficiaries at year end	4,821	5,391	8,156	9,037	2,897	2,937	15,874	17,365
Average number of members for the year	3,081	3,312	3,790	4,017	1,293	1,222	8,164	8,551
Average number of beneficiaries for the year	5,040	5,532	8,430	9,091	2,784	2,790	16,253	17,413
Dependant-to-member-ratio at year end	1.63	1.66	2.21	2.27	2.15	2.27	1.98	2.04
Pensioner ratio (65 Years +)	57.34%	54.20%	12.97%	11.60%	2.73%	2.30%	24.48%	23.20%
Average age of beneficiaries	61.74	60.01	36.18	35.09	26.61	26.38	42.14	41.30
Average Insurance revenue per member per month (pmpm)(R)	7,533	7,177	6,031	5,726	1,932	1,893	5,948	5,741
Average Insurance revenue per beneficiary per month (pbpm)(R)	4,604	4,297	2,712	2,530	898	829	2,988	2,819
Average Insurance service expense pmpm (R)	11,361	10,102	6,035	5,448	1,992	1,976	7,404	6,754
Average Insurance service expense pbpm (R)	6,944	6,048	2,714	2,407	926	865	3,719	3,317
Relevant healthcare expenditure incurred pbpm (R)	6,775	5,906	2,586	2,302	896	840	3,595	3,213
Directly attributable insurance service expenses pbpm (R)	244	228	180	168	28	25	174	164
Insurance service expense as a percentage of insurance revenue	151%	141%	100%	95%	103%	104%	124%	118%
Relevant healthcare expenditure as a percentage of insurance revenue	147%	137%	95%	91%	100%	101%	120%	114%
Directly attributable insurance service expenses as a percentage of insurance revenue	5%	5%	7%	7%	3%	3%	6%	6%
Attributable and non-attributable expenses as a percentage of net contributions	8%	8%	9%	10%	3%	5%	8%	9%
Amounts paid to administrator (R'000)	15,533	15,321	19,154	18,608	1,025	925	35,712	34,854
Liability to members for future benefits per member at 31 December (R)	-	-	-	-	-	-	529,368	451,506
Average Healthcare management expense pmpm (R)	151	144	151	144	-	-	127	123
Average Healthcare management expense pbpm (R)	92	86	68	64	-	-	64	61
Return on investments as per an independent review by the Scheme's investment consultants	-	-	-	-	-	-	13.5%	11.4%

7. RISK

The Board of Trustees is responsible for the total risk management of the Scheme and has determined the risk strategy and policies based on the Scheme's appetite or tolerance for risk in line with the governance framework as set out in the King Report.

The Scheme has implemented a robust risk management framework, which ensures an effective ongoing process of evaluation of both the potential and current risks on a long-term and a daily basis. Assessments are completed enabling the Scheme and management of the administrator to proactively identify, assess, monitor and manage the risks to which the Scheme is exposed.

The Internal Control risk assessment process provides a structured methodology to identify the key risks within each area of business and assess the controls upon which management relies to mitigate these risks.

The Board of Trustees identified the primary risks facing the Scheme to be as follows:

7.1. Strategic risk

The potential loss of value to the members and employer groups due to the Scheme's inability to provide competitive, cost-effective, quality products and services that are market related to meet employer and member needs.

Factors driving this risk relate to the Scheme's inability to remain competitive due to financial pressures such as the investments not delivering the required returns and escalation of healthcare costs. Much of this risk management and mitigation is discussed under Strategy, point 4 and under Committees of the Board of Trustees, point 11.

The risk of a long-term funding strategy is that legislative changes might impact the Scheme's ability to provide for the lifelong healthcare needs of the members. The National Health Insurance Act and the amendments to the Medical Schemes Act may have a profound impact on the way the Scheme operates.

The short to medium term pandemic risk impact on the healthcare costs and the investment returns will continue to work through the system without the need to change strategic direction.

7.2. Operational risks

The risk of loss arising from failed or inadequate internal processes, people, systems and/or external events. This category includes legal risk, project risk, business continuity risk, data risk, information technology risk, and human capital risk. The day-to-day management of the Scheme in accordance with all legislative requirements and best practice guidelines is monitored and measured on an ongoing basis and is discussed under point 8.

7.3. Investment risk

The Scheme has identified investment risk as the risk of a decline in the net realisable value of investment assets as a result of adverse movements in market prices or factors specific to an investment itself which may impact on the Scheme's long-term objectives. These may arise from movements in interest rates, exchange rates, or equity and commodity prices and may be a result of macro global trends, pandemics or internal domestic fluctuations.

7. RISK (continued)

7.4. Compliance risk

As defined in the Act, the business of a scheme is to undertake liability in return for a premium or contribution and to grant assistance in defraying expenditure incurred in obtaining any relevant health service. Compliance risk is the risk of statutory or regulatory sanction or material financial losses as a result of a failure to comply with applicable laws, regulations or supervisory requirements.

8. RISK MANAGEMENT AND MITIGATION

Refer to Notes 18 and 19 of the annual financial statements.

The Scheme maintains a sound system of risk management and internal control providing reasonable assurance in the achievement of the organisational objectives with respect to:

- Effectiveness and efficiency of operations;
- Safeguarding of the Scheme's assets (including information);
- Compliance with applicable laws, regulations and supervisory requirements;
- Supporting business sustainability under normal and adverse operating conditions;
- Reliability of reporting; and
- Behaving responsibly towards all stakeholders.

The risk assessment process:

- Focuses on the underlying causes of risks and not just the financial impacts;
- Assesses existing controls;
- Identifies priority areas so that effective testing of controls can take place;
- Assists management to determine the actions required to address the key risks identified;
- Assists in forecasting the Scheme's potential risk exposure in the future; and
- Allocates actions to staff that are able to effectively oversee the required activities.

The Board ensures that a systematic and documented assessment of the processes and outcomes surrounding key risks is undertaken annually and at appropriately considered intervals for the purpose of making its public statement on risk management.

Risk management and internal controls are embedded in day-to-day activities.

Several methods are employed to assess and monitor risk exposure for individual types of risks insured and overall risks. These methods include the use of internal risk measurement models, sensitivity analyses and scenario analyses all of which are subject to strict audit criteria.

In addition to the Scheme's other compliance and enforcement activities, the Board has implemented a confidential reporting process ("whistleblowing").

The Board has delegated the risk management process to the Management Committee and the oversight of the risk management to the Audit Committee and Investment Committee. These Committees are answerable to the Board and do not relieve the Trustees of any of their responsibilities, but assist them to fulfil those responsibilities.

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

8. RISK MANAGEMENT AND MITIGATION (continued)

8.1. Risk transfer arrangements (reinsurance)

Refer to Notes 5 and 7 of the financial statements.

In line with the vision to soundly manage the claims risk, the Scheme has entered into risk transfer agreements with third party service providers to ensure cost effective services. This provides the Scheme with the ability to mitigate an identified risk by agreement with a third-party service provider. The principle is based on the sharing of predefined potential claims loss in return for exclusivity of delivering the service.

The following risk transfer arrangements were in place for the year:

Organisation	Services outsourced	Plan
Discovery Health (Pty) Ltd	Provides diabetes related medical services including related hospitalisation expenses. (contract commenced 1 May 2025)	Managed Care Standard Care
Kaelo Prime Cure (Pty) Ltd	Provides primary healthcare services at healthcare centres and contracted network service providers, including a limited hospital benefit.	Value Care
Netcare 911 (Pty) Ltd	Provides emergency transport services and other ambulance services.	Managed Care Standard Care
Centre for Diabetes and Endocrinology (CDE)	Provides diabetes related medical services including related hospitalisation expenses. (contract ended 30 April 2025)	Managed Care Standard Care
Dental Risk Company	Provides a network of dentists providing dental related medical services.	Standard Care

9. GOVERNANCE

The Scheme's vision is supported by the Board Charter wherein the Board commits to act in good faith with utmost due care, diligence and skill. Each Trustee is required to aspire to the core ethical principles of fairness, transparency, honesty, non-discrimination, accountability and respect for human dignity and rights.

The Board delegates the duty of delivery and operation of the functions to the duly constituted Committees while remaining fully responsible for the performance of the Scheme and accountable to the membership. The principles of good governance and sound business ethics are firmly adhered to through the adoption of the King guidelines, a culture of rigorous risk and financial management and a stringent auditing process.

The Scheme complies with IFRS[®] Accounting Standards and all the relevant legislative requirements.

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

10. GOVERNING BODIES

10.1. Board of Trustees in office during 2025

Member elected

Dr Fox FH (Chairman)
Coetzer JP (Vice-chairman)
Dlamini Z (*alternate*)
Elliott CC
Farrell MR (*alternate*)
Hosking S
Mason-Gordon NJ
Dr Mbekeni CWS
Mhlongo QP (*alternate*)(*resigned 25 February 2025*)
Khumalo X (*alternate*)

Employer appointed

Barrett CM
Liston JB
Mamabolo NM (*resigned 31 July 2025*)
Mateme MN (*appointed 1 August 2025*)
Moodley R
Naicker R (*alternate*)
Naicker V (*appointed 1 August 2025*)
Ngidi K (*alternate*)
Thompson HM
van der Bijl BD (*resigned 31 July 2025*)

10.2. Management Committee in office during 2025

Coetzer JP (Chairman)
Barrett CM
Elliott CC
Dr Fox FH
Liston JB
Dr Mbekeni CWS
van der Bijl BD

(*resigned 31 July 2025*)

10.3. Audit Committee in office during 2025

Mohamed F (*Chairman*)(*independent*)
Kapp G (*Chairman*)(*independent*)
Barrett C
Mamabolo NM
Moodley R
Van Est M (*independent*)
Janse van Rensburg M (*independent*)

(*appointed Chairman 5 November 2025*)
(*resigned 31 July 2025*)
(*appointed 1 August 2025*)
(*resigned 31 July 2025*)
(*appointed 1 August 2025*)

10.4. Exgratia Committee in office during 2025

Dr Mbekeni CWS (*Chairman*)
Farrell MR
Dr Fox FH
Hosking S
Mhlongo QP
Pienaar J (*independent*)

(*resigned 25 February 2025*)

**REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025**

10. GOVERNING BODIES (continued)

10.5. Investment Committee in office during 2025

Mason-Gordon NJ (Chairman)	
Coetzer J	<i>(appointed 1 August 2025)</i>
Liston JB	
Mamabolo NM	<i>(resigned 31 July 2025)</i>
Naicker V	<i>(appointed 1 August 2025)</i>
Snyman HS <i>(Independent)</i>	
Thompson HM	

10.6. Disputes Committee in office during 2025

Bhengu B
Laubscher PA
Mbuli D

10.7. Remuneration Committee in office during 2025

Liston J	<i>(appointed Chairman 6 November 2025)</i>
Hosking S	
Mateme M	

10.8. Principal Officer and staff in office during 2025

Le Roux JC <i>(Principal officer)</i>	
Friese J <i>(Communications manager)</i>	<i>(resigned 28 February 2025)</i>
Landsberg Y <i>(Scheme secretary)</i>	

11. COMMITTEES OF THE BOARD OF TRUSTEES

11.1. Audit Committee

The Audit Committee (the Committee) is established in accordance with the provisions of the Act and is mandated by the Board of Trustees by written terms of reference as to its membership, authority and duties. The Committee consists of five members, two of whom are members of the Board of Trustees.

The majority of the Committee, including the chairperson, is independent and does not serve on the Board of the Scheme or act on behalf of the administrator.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Scheme's accounting policies, internal control systems and financial reporting practices.

The External Auditor formally reports to the Committee on critical findings arising from the statutory audit. The Administrator's Internal Auditor attends meetings and reports findings to the Committee.

11. COMMITTEES OF THE BOARD OF TRUSTEES (continued)

11.1. Audit Committee (continued)

The Committee met regularly during the year and both the Internal and External Auditors are invited to attend all Committee meetings and they also had unrestricted access to the Chairman of the Committee at all times.

The Committee is pleased to report that:

- It has carried out its duties in terms of the Board of Trustees written Committee Terms of Reference;
- The External Auditor has confirmed their independence;
- The assurances provided by Administrator management, the External Auditor and the Internal Auditor have satisfied the Committee that the controls are adequate and effective;
- It has ensured the co-ordination of the approaches of the Internal and External Auditors and has had oversight of the financial reporting process;
- It has performed its oversight role of the risk management and governance;
- It has considered the Going Concern assessment of management and the related inputs and assumptions applied and is comfortable that, based on this assessment, the Scheme will be a going concern for the following year;
- It has considered the non-compliance matters raised in the Annual Financial Statements and the corrective action stated and is comfortable that these have been appropriately addressed;
- It has reviewed the adequacy and effectiveness of the Scheme's internal controls, including financial reporting and information technology controls, with the Internal and External Auditors, and has received assurance that nothing has come to their attention indicating that these controls are ineffective.
- It has reviewed the approach taken to the application of King and has found no material weakness.

The Committee has reviewed the Scheme's annual financial statements, reviewed the accounting policies, obtained assurance from the External Auditor and recommended the adoption of the annual financial statements by the Board of Trustees for presentation to members at the Annual General Meeting.

11.2. Investment Committee

The Investment Committee (the Committee) is a duly constituted committee of the Board of Trustees and has the responsibility to assist the Board of Trustees in carrying out their duties relating to the Scheme's investment policy and strategy. It is mandated by means of written terms of reference as to its membership, authority and duties.

The Committee consists of six members, and includes an independent member. The Scheme appointed Willis Towers Watson as its independent investment consultants to assist the Committee. The current investment managers of the Scheme are Ninety One SA (Pty) Ltd, Coronation Asset Management (Pty) Ltd, Allan Gray South Africa (Pty) Ltd and Abax Investments (Pty) Ltd.

The Committee met regularly during the year and the investment consultant attended all Committee meetings with the investment managers, each attending at least one meeting per annum.

11. COMMITTEES OF THE BOARD OF TRUSTEES (continued)

11.3. Management Committee

The Committee reviews the strategy regularly in accordance with the mandate set by the Board of Trustees and advises on the structure of the portfolio as well as risk mitigation to ensure sustainability of the Scheme's long-term liability funding requirements.

The Management Committee (the Committee) is mandated by the Board of Trustees to oversee and review the management of the day-to-day administrative and financial risk management (with the exception of investment risk management), and financial functions of the Scheme by means of written terms of reference as to its membership, authority and duties.

This Committee is chaired by the Vice Chairman of the Scheme and comprises seven Trustees who meet a minimum of four times a year to review key indicators and make formal proposals and recommendations to the Board of Trustees.

Administrative risk management measures are employed to ensure good governance of the access to benefits; these include, but are not limited to pre-authorisation, case management, service provider profiling, billing audits and interventions in respect of fraud.

11.4. Ex Gratia Committee

The Ex Gratia Committee (the Committee) is mandated by the Board of Trustees to assist members by awarding ex gratia payments where services were either denied or rejected due to limited or uncovered benefits, as deemed appropriate according to the individual merits of each case. These awards are granted against an approved budget on the basis of financial hardship of the individual member and medical necessity where benefits are not provided for or expressly excluded from the rules of the Scheme.

This committee consists of five members of whom three are Trustees and two independent members.

The Committee is governed by means of written terms of reference as to its membership, authority and duties. This Committee meets every two months.

11.5. Disputes Committee

The Disputes Committee (the Committee) is an independent Committee and comprises three members who are appointed by members at the Annual General Meeting. The appointed members may not be administrators, trustees or officers of the Scheme.

The main function of the Committee is to deal with member disputes where the member is dissatisfied with any decision taken by the Board or a Committee or the administrator of the Scheme.

No meetings were held for the year as there were no disputes brought to the Committee's attention.

11. COMMITTEES OF THE BOARD OF TRUSTEES (continued)

11.6. Regional Committees

Regions are established based on the number of members represented in a specific region. Business units are defined and designated by participating employers in each region.

There are currently three regions, namely; Central Region (Gauteng, Limpopo and Mpumalanga), Eastern Region (KwaZulu Natal) and the Southern Region (Western Cape, Eastern Cape and Northern Cape).

Each Regional Committee comprises a chairperson, Trustee or Alternate Trustee, employer and member representative and meets at least annually. The main function of these Committees is to provide feedback from the Board of Trustees meetings to the participating employers of the Scheme; who in turn provide feedback to all their respective active and retired members.

11.7. Remuneration Committee

The Remuneration Committee (the Committee) is an independent Committee and comprises three members who are appointed by the Board of Trustees.

The primary responsibility of the Remuneration Committee is to ensure sound people management of the Scheme's employees by providing oversight, assessment, and review of the maintenance of relevant Human Resources and Remuneration policies of the Scheme. In addition, the Committee's responsibilities include advising the Board on the annual cost of living adjustment for the Scheme's employees; the criteria to be used in benchmark exercises pertaining to remuneration surveys, the remuneration rates applicable to employees, trustees and independent committee members; the implementation of performance reward measures for employees and overseeing the disclosure of the remuneration of trustees, independent committee members and members of the Head Office in the annual integrated report.

REPORT OF THE BOARD OF TRUSTEES (continued)
for the year ended 31 December 2025

12. TRUSTEE AND NON-TRUSTEE MEMBERS ATTENDANCE AT COMMITTEE MEETINGS

	Board of Trustees		Audit Committee		Investment Committee		Management Committee		Ex-gratia Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Trustees												
Dr Fox FH (Chairman)	5	5	-	-	-	-	4	4	5	5	-	-
Coetzer JP (Vice-chairman)	3	5	-	-	2	2	4	4	-	-	-	-
Barrett CM	4	5	1	1	-	-	3	4	-	-	-	-
Elliott CC	4	5	-	-	-	-	4	4	-	-	1	1
Farrell MR	4	5	-	-	-	-	-	-	-	-	-	-
Hosking S	5	5	-	-	-	-	-	-	5	5	1	1
Liston JB	4	5	-	-	4	4	4	4	-	-	1	1
Mamabolo NM	3	3	2	2	2	2	-	-	-	-	-	-
Mason-Gordon NJ	4	5	-	-	4	4	-	-	-	-	-	-
Mateme MN	1	2	-	-	-	-	-	-	-	-	1	1
Dr Mbekeni CWS	5	5	-	-	-	-	2	4	5	5	-	-
Moodley R	5	5	3	3	-	-	-	-	-	-	-	-
Naicker V	2	2	-	-	2	2	-	-	-	-	-	-
Thompson HM	5	5	-	-	3	4	-	-	-	-	-	-
van der Bijl BD	2	3	-	-	-	-	1	2	-	-	-	-

Alternate trustees

Mhlongo QP (alternate)	0	0	-	-	-	-	-	-	-	-	-	-
Naicker R	2	4	-	-	-	-	-	-	-	-	-	-
Ngidi K	0	4	-	-	-	-	-	-	-	-	-	-
Dlamini Z	2	4	-	-	-	-	-	-	-	-	-	-
Khumalo X	0	4	-	-	-	-	-	-	-	-	-	-

Audit committee

Kapp G	-	-	2	2	-	-	-	-	-	-	-	-
Mohamed F	-	-	3	3	-	-	-	-	-	-	-	-
Janse van Rensburg M	-	-	1	1	-	-	-	-	-	-	-	-
Van Est M	-	-	3	3	-	-	-	-	-	-	-	-

Exgratia committee

Pienaar J	-	-	-	-	-	-	-	-	5	5	-	-
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Investment committee

Snyman H	-	-	-	-	3	4	-	-	-	-	-	-
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A - actual attendance

B - maximum possible attendance

13. ACTUARIAL SERVICES

The Scheme's actuaries are contracted to identify and monitor health related risks, establish claiming patterns and recommend contribution and benefit levels. They also participate in the monthly and annual calculations of the Liability for incurred claims (LIC) which is included in the Insurance Contract Liability in the financial statements. The Scheme's long-term funding valuation is calculated and reviewed annually by the actuaries.

14. GUARANTEES RECEIVED BY THE SCHEME FROM A THIRD PARTY

No guarantees were received by the Scheme from any third parties during the period under review.

15. INVESTMENTS IN PARTICIPATING EMPLOYERS AND OTHER RELATED PARTIES

Trustee remuneration is disclosed in Note 12 of the annual financial statements.

Refer to related parties disclosure in Note 13 of the annual financial statements.

16. SUBSEQUENT EVENTS

The Trustees confirm that no events have occurred subsequent to the end of the accounting period to the date of this report that affect the annual financial statements that should be brought to the attention of the members of the Scheme.

17. ROAD ACCIDENT FUND (RAF) CLAIMS

The Scheme has the right to recover medical expenditure incurred on members who have been involved in motor vehicle accidents (MVAs), from those members, if the value of the medical expenditure is reimbursed by the RAF. Usually a portion of the award to claimant by the RAF is compensating for medical expenditure incurred. Scheme members, on joining the Scheme, agree to reimburse the Scheme for medical expenses paid by the Scheme, in the event that such expenses are reimbursed by the RAF.

The Scheme has no legal right to these funds until a court order has been issued instructing the RAF to reimburse the member for the medical costs incurred as a result of the MVA. Because of the significant uncertainty as to the outcomes of these claims, the Scheme, from an accounting perspective, can therefore not raise an amount owing, or contingent asset, until such an award is made by the court. As at the 31 December 2025, the Scheme had potential reimbursements of medical expenditure incurred on members involved in MVA's who had pending claims against the RAF, of R10.6 million.

18. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT

The Trustees are of the opinion that there are no material deviations from the Act as a result of the Scheme having obtained the necessary exemptions from the Council for Medical Schemes (CMS) to achieve compliance. Although exemptions have been obtained from the CMS, it is a regulatory requirement to disclose all non-compliance matters.

18.1. Outstanding contributions

In terms of Section 26(7) of the Act, contributions should be received in accordance with the rules of the Scheme. Per the Scheme rules, contributions are required to be received within three days after their due date. Instances were noted where contributions were received late.

18. NON-COMPLIANCE WITH THE MEDICAL SCHEMES ACT (continued)

18.1. Outstanding contributions (continued)

Balances after three days are due to reconciling discrepancies between the participating employers and the Scheme. The risk of default on payments due to the Scheme is small because of the restricted nature of the Scheme and employer base. The Trustees consider this to be immaterial.

Suspension policies are in place and applied where contributions are outstanding for individual paying members outside the participating employers' obligation.

18.2. Investment in participating employer and administrators

Sections 35(8)(a) and 35(8)(c) of the Act states that a medical scheme shall not invest any of its assets in a participating employer or any administrator. During the year the Scheme had exposure to such investments in participating employer groups and administrators through pooled investment vehicles.

The Scheme invests in pooled investment vehicles which allow investment managers discretion to invest in a combination of shares and bonds that will best achieve their stipulated benchmark. Given this approach, the Scheme was exposed to participating employer shares and administrator shares.

The Scheme applies annually to the Council for Medical Schemes and received an exemption from this section of the Act. This exemption is valid until 31 December 2028.

18.3. Sustainability of benefit options

In terms of section 33(2) of the Act, each benefit option shall be self-supporting in terms of membership and financial performance. At 31 December 2025, the Managed Care and Value Care plans incurred deficits before investment income as set out in Note 14 to the financial statements.

The Board of Trustees annually maintain market related benefit offerings and competitive contribution increases. Due to the Scheme demographics, this gives rise to the non-compliance.

Anglo American South Africa sold numerous subsidiaries over a period of time resulting in the loss of active employees and retention of pensioners. To compensate the Scheme for the resultant high pensioner ratio and expected deterioration of the claiming profile, the participating employers pre-funded the additional liability to the extent that the Scheme could maintain market related benefits and contribution increases into the future. The Scheme meets its responsibility to the members by subsidising the expected claims excess over contributions from the reserves. The Trustees will continue to review the investment returns to align with the strategy ensuring sustainability.

18.4. Payment of claims within 30 days

In terms of section 59(2) of the Act a member or provider claim should be settled within 30 days of submission. Instances were noted where settlements took more than 30 days.

Delays can occur when accounts are referred for clinical audit or other investigations. These are however exceptions and claims are generally paid within the prescribed time.

The Scheme is aware of the requirements and complies as far as possible. It is however an inherent part of the industry that a limited number of problematic claims may exceed the payment requirement of 30 days.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

The Trustees are responsible for the preparation and fair presentation of the annual financial statements of Anglo Medical Scheme (the Scheme), set out on pages 28 to 88, comprising the statement of financial position at 31 December 2025, the statement of comprehensive income, statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards (IFRS) and the requirements of the Medical Schemes Act of South Africa. In addition, the Trustees are responsible for preparing the report of the Board of Trustees.

The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Trustees have reviewed the Scheme's budget for the year ending 31 December 2026. The Trustees have made an assessment of the Scheme's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The external auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

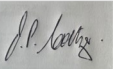

Approval of the annual financial statements

The annual financial statements of Anglo Medical Scheme, as identified in the first paragraph, were approved and authorised for issue by the Trustees on 15 April 2026 and are signed on their behalf by:

Frank Fox

Signed by Frank Hooton Fox, frankhfox@gmail.com
30/04/2026 10:06:21(UTC+02:00) 

Dr FH Fox
Chairman

Johannes Coetzer

Signed by Johannes Petrus Coetzer, joepcoetzer@gmail.com
30/04/2026 13:26:34(UTC+02:00) 

Mr JP Coetzer
Vice-Chairman

Julia Christina Le Roux

Signed by Julia Christina Le Roux, Julia.leroux@angloamerican.com
30/04/2026 09:16:01(UTC+02:00) 

Ms JC le Roux
Principal Officer

15 April 2026

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

Anglo Medical Scheme (the Scheme) is committed to the principles and practice of responsibility, accountability, fairness and transparency in its dealings with all stakeholders and applies good governance principles.

The Scheme is committed to ensuring compliance within recognised frameworks and conducting its affairs based on ethical values, by the adoption of risk assessment, evaluation and management processes and regular monitoring of third party administrators and providers in accordance with contractual service level agreements. This includes evaluating the performance of the Board and the Board committees against agreed terms of reference and performance targets, the establishment and management of internal controls by assessing the adequacy and effectiveness through the reports of the internal auditor and calling on expert and professional advice when required.

BOARD OF TRUSTEES


The Board of Trustees and its committees meet regularly and monitor the performance of the Administrator and other service providers. They address a range of key issues and ensure discussion on items of policy, strategy and performance are informed and constructive.

All Trustees have access to the advice and services of the Principal Officer and, where appropriate, the Board may seek independent professional advice at the cost of the Scheme.

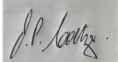
INTERNAL CONTROL

The Administrators of the Scheme maintain internal controls and systems designed to provide reasonable assurance of the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.


No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of the key internal controls and systems during the year under review.

Frank Fox

Signed by Frank Hooton Fox, frankhfox@gmail.com
30/04/2026 10:06:30(UTC+02:00) SIGNIFLOW

Dr FH Fox
Chairman

Johannes Coetzer

Signed by Johannes Petrus Coetzer, joepcoetzer@gmail.com
30/04/2026 13:26:51(UTC+02:00) SIGNIFLOW

Mr JP Coetzer
Vice-Chairman

Julia Christina Le Roux

Signed by Julia Christina Le Roux, Julia.leroux@angloamerican.com
30/04/2026 09:16:13(UTC+02:00) SIGNIFLOW

Ms JC le Roux
Principal Officer

15 April 2026

Independent Auditor's Report

To the Members of Anglo Medical Scheme

Report on the Financial Statements

Opinion

We have audited the financial statements of Anglo Medical Scheme (the Scheme), set out on pages 28 to 86, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Anglo Medical Scheme as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Scheme for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 06 May 2025.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Key audit matter	How the key audit matter was addressed during the audit
<p><i>Insurance contract liabilities</i></p> <p>As disclosed in note 4.1 to the financial statements, the carrying amount of the Insurance Contract Liabilities is R305.3 million as at 31 December 2025 (2024: R292.8 million).</p> <p>The Insurance Contract Liabilities consists of the Liability for incurred claims (LIC) of R318.5 million (2024: R305.4 million), the Risk Adjustment (RA) of R2.4 million (2024: R1.1 million) and Liability for remaining coverage (LRC) of R15.6 million (2024: R13.6 million).</p> <p>The LIC includes the component recognised for the estimated cost of healthcare benefits that have been incurred prior to year-end but are only reported to the Scheme after year-end. The LIC also includes a risk adjustment for non-financial risk.</p> <p>Included in the LIC is a provision for the estimated costs of healthcare benefits that have occurred before the year end but have not been reported to the Scheme by that date, which requires the Schemes Trustees to make assumptions in the valuation thereof, which is determined with reference to an estimation of the ultimate cost of settling all claims incurred but not yet reported at the Statement of Financial Position date.</p> <p>The calculation is based on a number of factors which include:</p> <ul style="list-style-type: none"> • Previous experience in claims patterns; • Claims settlement patterns; • Changes in the nature and number of members according to gender and age; • Trends in claims frequency; • Changes in the claims processing cycle; • Variations in the nature and average cost per claim; and 	<p>We obtained an understanding from the Scheme’s actuaries regarding the process followed in calculating the provision for the estimated cost of healthcare benefits that had occurred before the year-end, but that had not been reported to the Scheme and Risk Adjustment for Non-financial Risk.</p> <p>The actuarial method applied by the Scheme is one that is generally applied within the medical scheme industry.</p> <p>In evaluating the valuation of the provision for the estimated cost of healthcare benefits that had occurred before the year-end, but that had not been reported to the Scheme, we audited the calculations and performed various procedures including the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation of key controls within the provision for the estimated cost of healthcare benefits that had occurred before the year-end, but that had not been reported to the Scheme process; • Tested the integrity of the information used in the calculation of the provision by performing substantive procedures to ensure the completeness and accuracy of the information; • With the assistance of our internal actuarial specialists, we performed an independent calculation of the estimated future cash flows included in the LIC using historical claims data and trends, and using this estimate as a basis of assessing the reasonableness of the Scheme’s estimate of the provision; • Assessed the presentation and disclosure and considered whether the disclosures reflect the risks inherent in the accounting for the provision for the estimated costs of healthcare benefits that have occurred before the year end but have not been reported to the scheme by that date. <p>In evaluating the valuation of the Risk Adjustment for Non-financial Risk, we performed various procedures including the following:</p> <ul style="list-style-type: none"> • With the assistance of our internal actuarial specialists, we assessed the methodology and confidence levels used by Anglo Medical Scheme; and

<ul style="list-style-type: none"> • Other factors such as expectations of future events that are believed to be reasonable to be taken into account in the valuation of the provision for the estimated costs of healthcare benefits that have occurred before the yearend but have not been reported to the scheme by that date. <p>Under IFRS 17, Insurance Contracts (“IFRS 17”), a risk adjustment reflects the compensation that the entity requires for bearing the uncertainty for the amount and the timing of the cashflows that arise from non-financial risk during the coverage period. The RA is principle based and exhibits the following main properties:</p> <ul style="list-style-type: none"> • Reflects risks and uncertainty as viewed by the Scheme; • Considers all aspects of non-financial risk and uncertainty; and • Excludes financial risks, such as investment returns (cash flows not directly tied to contract). <p>The abovementioned factors require judgement and assumptions to be made by the Scheme’s Trustees and therefore accordingly, for the purposes of our audit, we identified the valuation of the provision for the estimated cost of healthcare benefits that had occurred before the year-end, but that had not been reported to the Scheme and the Risk Adjustment for Non-financial Risk as representing a key audit matter.</p>	<ul style="list-style-type: none"> • With the assistance of our internal actuarial specialists, conducted a recalculation of the risk adjustment using the same methodology applied by Anglo Medical Scheme. <p>We have evaluated management’s experts by assessing their competence, capability, and objectivity and noted no aspects requiring further consideration.</p> <p>The assumptions applied in determining the provision are appropriate, and we are satisfied that the movement of the provision in the Statement of Comprehensive Income and the related disclosure of the Insurance Contract Liabilities balance and assumptions are appropriate. The assumptions applied in determining the Risk Adjustment for Non-financial Risk are appropriate, and we are satisfied that the movement in the Statement of Comprehensive Income and the related disclosure of the Risk Adjustment for Non-financial Risk (RA) and assumptions are appropriate. We have reviewed the disclosure in the financial statements, to ensure compliance with the requirements of IFRS 17, Insurance Contracts.</p>
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Other Information

The Scheme’s trustees are responsible for the other information. The other information comprises the information included in the Annual Integrated Report which includes the Scheme Details, Report of the Board of Trustees, and Statement of Responsibility by the Board of Trustees. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Scheme’s Trustees for the Financial Statements

The Scheme's trustees are responsible for the preparation and fair presentation of the financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Medical Schemes Act of South Africa, and for such internal control as the Scheme's trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Scheme's trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Scheme's trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Scheme's trustees.
- Conclude on the appropriateness of the Scheme's trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Scheme's trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Scheme's trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Non-compliance with the Medical Schemes Act of South Africa

As required by the Council for Medical Schemes, we report that there are no material instances of non-compliance with the requirements of the Medical Schemes Act of South Africa that have come to our attention during the course of our audit.



Audit tenure

As required by the Council for Medical Schemes' Circular 38 of 2018, *Audit Tenure*, we report that the Deloitte & Touche firm has been the auditor of Anglo Medical Scheme for 1 year (financial year ended 31 December 2025).

The engagement partner, Ronel van Graan, has been responsible for Anglo Medical Scheme's audit for 1 year (financial year ended 31 December 2025).

DocuSigned by:

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Deloitte & Touche
Registered Auditor
Per: Ronel van Graan
Partner

12 May 2026

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Notes	2025 R'000	2024 R'000
ASSETS			
Financial assets at fair value through profit or loss	1	4,384,904	4,009,601
Other financial assets at amortised cost	2	1,609	2,486
Cash and cash equivalents	3	156,793	128,303
TOTAL ASSETS		4,543,306	4,140,390
LIABILITIES			
Liability to members for future benefits*	4.4	4,236,534	3,846,376
Insurance contract liabilities	4.1	305,328	292,846
Reinsurance contract liabilities	5	414	-
Financial liabilities at amortised cost	6	1,030	1,168
TOTAL LIABILITIES		4,543,306	4,140,390

* This represents the obligation of the Scheme to provide healthcare benefits to its members in the future. It was previously referred to as the Insurance liability for future members.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000
Insurance revenue	7	582,770	589,045
Insurance service expense		(725,402)	(693,093)
Net claims incurred*	7	(691,509)	(658,746)
Accredited managed healthcare services*	7	(12,435)	(12,644)
Directly attributable insurance services expenses	7	(21,458)	(21,703)
Net income from risk transfer arrangements/reinsurance*	7	2,719	7,940
Premiums paid		(45,870)	(54,094)
Amounts recovered from risk transfer arrangements		48,589	62,034
Insurance service result		(139,913)	(96,108)
Other income		581,728	422,313
Investment income	8	121,368	138,653
Net gains on investments at fair value through profit or loss	8	458,350	281,717
Sundry income	10	2,010	1,942
Other expenditure		(51,657)	(53,788)
Other operating expenses	11	(13,735)	(16,105)
Asset management fees		(17,565)	(16,181)
Finance expense from insurance contracts	9	(20,357)	(21,502)
Net surplus for the year before amounts attributable to members for future benefits		390,158	272,416
Amounts attributable to members for future benefits	4.4	(390,158)	(272,416)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-
Relevant healthcare expenditure*		(701,225)	(663,450)

*Relevant healthcare expenditure consists of net claims incurred, accredited managed healthcare services and net expense from risk transfer arrangements. The Scheme has expanded its presentation of the Insurance service expense to reflect this breakdown and align with the medical schemes accounting guide issued by the South African Institute of Chartered Accountants.

Insurance service expense in accordance with IFRS17 includes the transfer (to)/from the liability to members for future benefits. The total value of insurance service expense therefore amounts to R1,11b (2024: R966m).

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from members and providers		655,850	660,986
Cash receipts from members - contributions	4.1	655,038	660,964
Cash receipts from members and providers - other	19	812	22
Cash paid to members and providers		(815,511)	(786,025)
Cash paid to members and providers - insurance service expense	4.1	(735,323)	(699,212)
Cash paid to reinsurers	19	(45,456)	(54,094)
Cash paid to providers - non-healthcare expenditure	19	(13,099)	(17,031)
Cash paid to members - savings plan refunds	4.1	(21,633)	(15,688)
Sundry income		1,236	1,177
Net cash utilised in operating activities		(158,425)	(123,862)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	19	(1,845,594)	(2,156,131)
Proceeds on disposal of investments	19	1,928,641	2,136,996
Asset management fees paid		(17,565)	(16,181)
Interest received	19	78,175	89,907
Dividends received	8	43,258	42,907
Net cash generated from investing activities		186,915	97,498
Net increase/(decrease) in cash and cash equivalents		28,490	(26,364)
Cash and cash equivalents at beginning of the year		128,303	154,667
Cash and cash equivalents at end of the year	3	156,793	128,303

GENERAL INFORMATION

Anglo Medical Scheme (the Scheme) is a medical scheme that offers hospital, chronic illness and day-to-day benefits and is administered by Discovery Health (Pty) Ltd, a wholly owned subsidiary of Discovery Limited, listed in the insurance sector of the Johannesburg Stock Exchange (JSE).

The Scheme is a restricted membership medical scheme registered in terms of the Medical Schemes Act No. 131 of 1998, as amended (the Act), and is domiciled in the Republic of South Africa.

BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with IFRS[®] Accounting Standards (IFRS) and IFRIC[®] Interpretations, which are set by the International Accounting Standards Board (IASB). The Financial Statements are also prepared in accordance with the Act, which requires additional disclosures for registered medical schemes.

The detailed accounting policies have been set out in the respective Note to the Financial Statements, with the general accounting policies applied in the preparation of these Financial Statements set out below. These policies have been consistently applied to all years presented, except for changes required by the mandatory adoption of new and revised IFRS and changes in accounting policies.

The preparation of financial statements in conformity with IFRS[®] Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Scheme's accounting policies. The areas involving a higher degree of judgement, or areas where estimates are significant to the Financial Statements, are disclosed below.

The Financial Statements are prepared in accordance with the going concern principle using the historical cost basis except for certain assets and liabilities, which include:

- Financial instruments at fair value through profit or loss; and
- Insurance and reinsurance assets and liabilities – measured in terms of IFRS 17.

The Statement of Financial Position is disclosed in the order of liquidity as it provides more reliable information about the transactions and conditions on the financial position of medical schemes largely due to the uncertainty around the actual identifiable operating cycle and the asset decisions taken to manage such uncertain operating cycle.

Due to the short-term nature of the financial assets and liabilities, all values are shown as current unless otherwise stated.

All monetary information and figures presented in these financial statements are stated in thousands of rand (R'000), unless otherwise indicated.

EVENTS AFTER REPORTING DATE

There have been no significant events that have occurred subsequent to the end of the accounting period that effect the Financial Statements, and that the Trustees consider should be brought to the attention of the members of the Scheme.

IMPLEMENTATION OF NEW STANDARDS

New standards, amendments and interpretations not yet effective and relevant to the Scheme

The following new standards, amendments and interpretations to the existing standards have been published and are not yet effective for the current financial year. The Scheme has not yet adopted them and it is not expected that they will have any material impact on the Scheme's assets, liabilities and results. However, this may result in additional disclosure in the Financial Statements.

Standard	Scope	Effective date
Amendments to the Classification and Measurement of Financial Instruments – amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.	These amendments to IFRS 9 and IFRS 7 address feedback from the post-implementation review of classification and measurement requirements. They clarify the treatment of financial liabilities settled via electronic payment systems and refine the assessment of contractual cash flows, particularly for financial assets with ESG-linked features. Additionally, they enhance disclosure requirements for equity investments designated at fair value through other comprehensive income and introduce new disclosures for financial instruments with contingent features unrelated to basic lending risks and costs. This amendment has no further impact on the Scheme.	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statement	The Standard was issued in April 2024 and supersedes IAS 1 Presentation of Financial Statements. The Standard provides additional requirements for the presentation and disclosure of information in the primary Financial Statements and the notes to improve transparency and comparability of information. IFRS 18 will impact the Scheme's Income statement and related note disclosures. The Scheme will assess the additional disclosure requirements.	1 January 2027

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Scheme's accounting policies, which are described below and in the notes, the Board of Trustees is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying the Scheme's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Significant Judgements

Classification of the Scheme as a mutual entity

A medical scheme is not legally defined as a mutual entity and the classification of the scheme as a mutual entity was done based on the principles set out in IFRS.

IFRS 3 defines a "mutual entity" as "An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities."

IFRS 17 does not define a "mutual entity" however it provides a key characteristic of a mutual entity in the basis of conclusion to the standard. IFRS 17 paragraph BC265 explains that "a defining feature of an insurer that is a mutual entity is that the most residual interest of the entity is due to a policyholder and not a shareholder." The Act is not explicit that members (i.e. policyholders) hold a residual interest or are entitled to the residual interest upon the liquidation of the medical scheme. Section 64 of the Act requires the medical scheme rules to be followed in the event of liquidation.

The rules of the Scheme do not contain specific guidance on how the assets of the Scheme should be distributed on liquidation. The Act prohibits the disposal of assets of a medical scheme except in limited, listed circumstances, one of them being the liquidation of the Scheme. Members can opt for voluntary liquidation and can distribute the Scheme's remaining assets amongst themselves. As the Scheme does not have shareholders, the current members will access the reserves through economic benefits such as funding reductions in contributions or deferral of contribution increases.

Although the rules do not specify how the assets should be distributed on liquidation, IFRS 17 states that "contracts can be written, oral or implied by an entity's customary business practices. Contractual terms include all terms in a contract, explicit or implied, but an entity shall disregard terms that have no commercial substance (i.e. no discernible effect on the economics of the contract). Implied terms in a contract include those imposed by law or regulation" (IFRS 17.2). Therefore, based on customary business practices, the remaining assets of a scheme should be distributed to the members on liquidation if there are any and if the scheme does not amalgamate with another scheme. Even if the assets are distributed by a regulator or by the policyholders to an independent third party e.g. another medical scheme, an administrator or a charity, the important aspect is that the choice resides with the members or the regulator acting on behalf of the members, not with an equity holder.

SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Significant Judgements (continued)

Classification of the Scheme as a mutual entity (continued)

The substance of the legal framework issued regarding insurance contracts and observed practice is that once a contribution is paid to the medical scheme, the contribution is used to provide benefits to members. The benefits are provided by the medical scheme (or amalgamated schemes) through insurance coverage, reduced contributions, or payment to members on liquidation (based on votes taken by members).

It is therefore expected that the remaining assets of the scheme will be used to pay current and future members. Based on the above, the Scheme meets the definition of a mutual entity in terms of IFRS.

The Scheme has therefore developed an accounting policy in terms of the IFRS 17 guidance for mutual entities and the educational material as issued by the IASB and the Scheme recognises any cumulative profits or losses as part of the Liability attributable to future members (which forms part of the Insurance contract liabilities on the face of the Statement of Financial Position).

Consequently, the Statement of Comprehensive Income reflects no total comprehensive income for the year.

Due to the Scheme being a mutual entity, the assessment of onerous contracts is also affected.

Onerous contract assessment

In the consideration of whether facts and circumstances indicate that a group of insurance contracts is onerous, the Scheme considers whether the expected deficit of the following year exceeds the insurance liability attributable to future members. In the rare scenario where the following year's deficit exceeds the insurance liability attributable to future members – the contracts written would be onerous and an onerous contract liability raised. Where the amounts attributable to future members exceed the following year's deficit the contracts would not be determined as onerous, and no provision raised as a liability is already recognised.

Unit of account

Judgement has been applied to how the Scheme determined the unit of account for the measurement of its insurance contracts. Management has assessed the portfolio of the Scheme as a whole due to the holistic pricing methodologies and risk management strategy that manages the risk on a scheme level.

The above is demonstrated by the following:

- Hospital claims are managed on a scheme level.
- Chronic conditions are managed on a scheme level, i.e. no matter the option the member will have access to the chronic condition management benefit.
- Reinsurance contracts are based on conditions and not on benefit options.
- Pricing and benefit option changes are determined at a scheme level to manage member migration between different benefit options to ensure each option is sustainable.
- Risk (utilisation and concentration) is managed holistically.

SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Significant Judgements (continued)

Risk adjustments - liability for incurred claims

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Scheme requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Scheme fulfils insurance contracts. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Scheme's degree of risk aversion. The Scheme estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the portfolio level as the Scheme does not have groups due to laws that constrain the Scheme's ability to set a price based on the individual risk profile of the member. The Risk-Based Solvency methodology was used which calculates the deviations of the recommended provision from the actual using past data and then builds the distribution based on approaches used for Solvency II insurance regulation. The confidence level method was used to derive the overall risk adjustment for non-financial risk. In the confidence level method, the risk adjustment is determined by applying a confidence level to run-off triangles used to calculate the *Liability for incurred claims*. The confidence level is set at 75%.

The Scheme will present the changes in the risk adjustment for non-financial risk in the insurance service result. The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in the current year.

Significant estimates

The preparation of Financial Statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the Financial Statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios.

The sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17, are detailed in the Insurance Risk Management note in the Financial Statements.

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of the *Liability for incurred claims* of a group of contracts are all the future cash flows within the boundary of the group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Scheme estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Scheme uses information about past events, current conditions and forecasts of future conditions. The Scheme's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing, and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a full range of scenarios.

SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Significant estimates (continued)

The uncertainty in the insurance contracts lies in the number, severity and timing of claims.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

Method used to measure the insurance contracts

The Scheme estimates insurance liabilities in relation to claims incurred for healthcare contracts.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. The actuarial methodology used in assessing the estimated claims outcome of insurance liabilities is the Bornhuetter-Ferguson method (BFM).

The BFM uses loss ratios represented by the proportion of claims paid to earned premiums to estimate the expected outstanding claims amount. The primary assumption is that patterns in claims activities and the rate of claims payment in the past will continue to be seen in the future.

The following was taken into account when estimating the *Liability for incurred claims*:

- The homogeneity of the data.
- Changes in pattern of claims.
- Changes in the composition of members and their beneficiaries.
- Changes in benefit limits.
- Changes in the prescribed minimum benefits.

FINANCIAL INSTRUMENTS

Recognition

The Scheme recognises a financial instrument when, and only when, it becomes a party to the contractual provisions of the instrument. The Scheme classifies its financial instruments into the following categories: financial assets or financial liabilities at fair value through profit or loss, derivatives, and other receivables. Other receivables are receivables other than those arising from insurance contracts and include sundry accounts receivable and interest receivable. Other receivables are disclosed under "Financial assets at amortised cost".

Classification

The classification depends on the purpose for which the financial instruments are acquired. Management determines the classification of financial instruments at initial recognition. All purchases and sales of financial instruments are recognised on the trade date, which is the date on which the Scheme commits to purchase the financial asset or assume the financial liability.

FINANCIAL INSTRUMENTS (continued)

Offsetting financial instruments

This applies where a legally enforceable right to set off exists for recognised financial assets and financial liabilities, and there is an intention and ability to realise the asset and settle the liability simultaneously or to settle on a net basis.

The Scheme will disclose the net asset or liability in the Statement of Financial Position and on a gross basis in the accompanying notes if the above conditions are met.

Derecognition of financial assets and liabilities

The Scheme derecognises a financial asset or part of a financial asset when:

- The contractual right to the cash flows from the asset expires.
- The Scheme retains the contractual right to receive cash flows of the asset, but assumes the obligation to pay one or more third parties the cash flow without material delay.
- The Scheme transfers the asset, while transferring substantially all the risks and rewards of ownership.
- The Scheme neither transfers the financial asset nor retains significant risk and reward of ownership, but has transferred control of the financial asset.

The Scheme derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. After initial recognition the financial liabilities are measured at amortised cost, using the effective interest method. In addition, the Scheme is not permitted to borrow, in terms of Section 35 (6)(c) of the Act. The Scheme therefore has no long-term financial liabilities.

PROVISIONS

The Scheme recognises a provision when the following conditions are met:

- it has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- and
- a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

CONTINGENT LIABILITIES

The Scheme will disclose a contingent liability if one of the following conditions are met:

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Scheme.
- A present obligation that arises from past events but not recognised because:
 - It is not probable that an outflow of resources will be required to settle an obligation.
 - The amount of the obligation cannot be measured with sufficient reliability.

INSURANCE CONTRACTS

Definition and classification

Contracts under which the Scheme accepts significant insurance risk from another party (the member) by agreeing to compensate the member or other beneficiary if a specified uncertain future event (the insured event) adversely affects the member or other beneficiary are classified as insurance contracts. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Scheme uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant.

Separating components

Before the Scheme accounts for an insurance contract it analyses whether the contract contains components that should be separated. There are three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct non-insurance services.

The Scheme does not have contracts with specified embedded derivatives. Certain contracts with members contain a Personal Medical Savings Account (PMSA) component. The PMSA, an investment component, and the insurance component of the insurance contract are highly interrelated.

The PMSA is a non-distinct investment component with the balances included in Insurance contract liabilities in the Statement of Financial Position. While the cash flows are not recorded in the Statement of Comprehensive Income, they are considered in assessing onerous contracts.

Level of aggregation

The level of aggregation has a significant impact on accounting for the insurance contract, including the measurement of insurance contracts and the extent of offsetting or cross subsidisation to determine onerous contracts. A portfolio comprises contracts subject to similar risks and managed together. Once the group of insurance contracts has been established, it becomes the unit of account.

The contracts issued by the Scheme are subject to similar risks and managed together thus falling into the same portfolio with no further disaggregation into groups. The level of aggregation is assessed to be at a Scheme level.

INSURANCE CONTRACTS (continued)

Contract boundary

The Scheme uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the member is obligated to pay contributions, or the Scheme has a substantive obligation to provide the member with insurance coverage or other services. A substantive obligation ends when both of the following criteria are satisfied:

- the Scheme has the practical ability to reassess the risks of the portfolio of insurance contracts and set a price or level of benefits that fully reflects the risks of that portfolio; and
- the pricing of contributions related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the member to the Scheme are considered.

Cash flows outside the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The Scheme has assessed its portfolio of insurance contracts to have a contract boundary of one year, which coincides with the Scheme's financial year.

Recognition and derecognition

The group of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period; or
- the date when the first payment from the member is due or actually received, if there is no due date; or
- when the Scheme determines that a group of contracts becomes onerous.

An insurance contract is derecognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled);
or
- if the terms are modified due to an agreement between the Scheme and its member or by regulation and the modification terms meet the requirements of IFRS 17.

If the modification does not comply with all the requirements of IFRS 17, the Scheme shall treat the changes in cash flow as changes in estimates of fulfilment cash flows.

INSURANCE CONTRACTS (continued)

Initial and subsequent measurement

The coverage period of each contract in the Scheme's portfolio of insurance contracts is one year or less. Therefore, the Scheme has made the accounting policy choice to simplify the measurement of its group of contracts using the Premium Allocation Approach (PAA).

For insurance contracts issued, on initial recognition, the Scheme measures the *Liability for remaining coverage* at the amount of contributions received.

The carrying amount of the group of insurance contracts issued at each reporting period is the sum of:

- the *Liability for remaining coverage* decreased by any investment component paid or transferred to the *Liability for incurred claims*; and
- the *Liability for incurred claims*, comprising the fulfilment cash flows related to past service at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the *Liability for remaining coverage* is:

- increased for contributions received in the period;
- decreased by any investment component paid or transferred to the *Liability for incurred claims*; and
- decreased for the amounts of expected contributions received recognised as insurance revenue for the services provided in the period.

For insurance contracts issued at each of the subsequent reporting dates the *Liability for incurred claims* is:

- the probability weighted estimate of the present value of the future cash flows; and
- the risk adjustment for non-financial risk.

Refer to Judgements and Estimates earlier in this note for the significant judgements and estimates used to determine the *Liability for incurred claims* and the estimates to determine the fulfilment cash flow.

The insurance liability attributable to future members consists of accumulated profits or losses of the Scheme. The funds are mainly held as statutory reserves in lieu of the solvency requirement as required by the Act and they are:

- increased by the net surplus for the period; and
- decreased by the net deficit for the period.

Insurance revenue

As the Scheme provides services under a group of insurance contracts, it reduces the *Liability for remaining coverage* and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Scheme expects to be entitled to in exchange for those services.

For the group of insurance contracts measured under the PAA, the Scheme recognises insurance revenue based on the passage of time over the coverage period of the group of contracts.

INSURANCE CONTRACTS (continued)

Insurance service expenses

Insurance service expenses include:

- incurred claims and benefits excluding investment components;
- other incurred directly attributable insurance service expenses;
- changes that relate to past service (i.e. changes in the fulfilment cash flows relating to the *Liability for incurred claims*);
- changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components);
- amounts attributable to future members; and
- recoveries from third parties (including reimbursement from the Road Accident Fund).

Cash flows that are not directly attributable to a group of insurance contracts are recognised in other operating expenses as incurred.

The Scheme includes broker service fees as acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are costs directly attributable to individual contracts and the group of contracts.

Insurance acquisition costs are expensed by the Scheme when it incurs the cost.

Insurance interest income and expenses

The non-distinct investment component (the PMSA) accrues interest. This is disclosed within the net finance expense from insurance contracts line item.

Reimbursements from the road accident fund

The Scheme grants assistance to its members in defraying expenditure incurred in connection with the rendering of any relevant health service. Such expenditure may be in connection with a claim that is also made against the Road Accident Fund, administered in terms of the Road Accident Fund Act No 56 of 1996. If the member is reimbursed by the Road Accident Fund, they are obliged, contractually, to cede that payment to the Scheme to the extent that they have already been compensated.

Due to the uncertainty around the confirmation and measurability of the Road Accident Fund amounts, the Scheme accounts for these amounts on a cash basis. These amounts are recognised as a reduction of net claims incurred.

INSURANCE CONTRACTS (continued)

Other incurred insurance service expenses include:

Accredited administration services

Expenses for accredited administration services are paid to the Scheme's administrator.

Cash flows that are not directly attributable to a group of insurance contracts are recognised in other operating expenses as incurred and include the Scheme's operating expenses and other administration services fees paid to the Scheme's administrator.

Accredited managed care healthcare services (no risk transfer)

Accredited managed healthcare services (no risk transfer) fees comprise amounts paid or payable to a Third-party for managing the utilisation, costs and quality of healthcare services to the members of the Scheme and are expensed as incurred.

Accredited managed healthcare services are part of healthcare expenditure as they directly impact on the delivery of cost-effective and appropriate healthcare benefits to beneficiaries of the Scheme.

Managed healthcare services are recognised as an expense over the indemnity period on a straight-line basis.

Broker service fees

Broker service fees are fees paid as acquisition costs for the introduction and provision of ongoing services to members and are expensed as incurred when contributions are received by the Scheme and the related broker is accredited in terms of the Act.

Classification of contribution receivables

The Scheme has accounted for all contribution debtors that relate to insurance services already rendered in Liability for Remaining Coverage (LFRC) at year-end.

Classification of Personal Medical Savings Accounts (PMSA)

The Scheme has accounted for all PMSA transactions that relate to insurance services already rendered in the Liability for Incurred Claims (LIC) at year-end.

Classification of expenditure/income outstanding at year-end that meet the definition of financial liabilities or financial assets

The fulfilment cash flows may include expenditure incurred in accounting standards other than IFRS 17. Where expenditure/income outstanding at year-end meet the definition of financial liabilities or financial assets, the Scheme has an accounting policy choice to either include the payable/receivables in the insurance contract liabilities or to recognise it as a separate IFRS 9 liability/asset such as trade and other payables/receivables. The Scheme has chosen to include these payables in the insurance contract liabilities.

RISK TRANSFER ARRANGEMENTS (REINSURANCE)

Definition

Risk transfer arrangements are contractual arrangements entered into by the Scheme with a provider. The provider is paid a fixed fee per member to cover the risk of the number of incidents that occur during a specified period and the cost of providing the service. Risk transfer arrangements do not reduce the Scheme's primary obligations to its members and their dependants.

Unit of account

Groups of reinsurance contracts held are assessed for aggregation separately from groups of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Scheme aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of contracts for which there is a net gain at initial recognition.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Scheme tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net gain position without a significant possibility of a net cost arising subsequently.

Recognition and derecognition

The reinsurance contract held that covers the losses of separate insurance contracts on a proportionate basis is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

Initial and subsequent measurement

The coverage period of each reinsurance contract in the Scheme's group of reinsurance contracts, is one year or less. Therefore the Scheme has made the accounting policy choice to simplify the measurement of its group of reinsurance contracts using the PAA.

For reinsurance contracts held, on initial recognition the Scheme measures the remaining coverage at the amount of ceding contributions paid.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- the *Liability for remaining coverage*; and
- the *Liability for incurred claims*, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

Subsequent measurement of the remaining coverage for reinsurance contracts held is:

- increased for the reinsurance fees paid in the period; and
- decreased for the amount of reinsurance fees recognised as reinsurance expenses for the services received in the period.

The Scheme does not adjust the asset for the remaining coverage for reinsurance contracts held for the effect of the time value of money. The reinsurance contributions are due within coverage periods which are one year or less.

RISK TRANSFER ARRANGEMENTS (REINSURANCE)(continued)

Contract boundary

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Scheme is compelled to pay amounts to the reinsurer or in which the Scheme has a substantive right to receive services from the reinsurer.

The Scheme's reinsurance contracts held have a duration of one year or less.

Net income/(expense) from reinsurance contracts held

Reinsurance income consists of:

The amount that depicts the value the insurer benefits from entering into a risk transfer arrangement (i.e. the value of services received from the reinsurance provider).

Reinsurance expenses consist of:

- reinsurance premiums; and
- effect of changes in risk of reinsurer non-performance.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding contributions the Scheme expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the Premium Allocation Approach, the Scheme recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Scheme has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

LONG-TERM FUNDING

Additional contributions received from participating employers are intended to compensate for the above average cross-subsidisation of pensioners by active members. Amounts received from participating employers are recognised as other income on a cash receipt basis as there is no legal obligation to refund the amounts to the employer. Long-term funding is recognised in sundry income.

INCOME TAX

In terms of Section 10 (1)(d) of the Income Tax Act 58 of 1962, as amended, receipts and accruals of a benefit fund are exempt from normal tax. A medical scheme is included in the definition of a benefit fund and consequently the Scheme is exempt from income tax.

STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual agreements. A structured entity often has some or all of the following features or attributes:

- Restricted activities;
- A narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Scheme has determined that some of its investments in pooled funds and in collective investments ("funds") are investments in unconsolidated structured entities. Disclosure of these investments has been made in Note 19 to the Financial Statements. The objectives include achieving medium to long-term capital growth. The investment strategy does not include the use of leverage.

These funds are managed by independent asset managers who apply various investment strategies to accomplish their respective investment objectives.

The change in fair value of each fund is included in the Statement of Comprehensive Income in "Fair value gains from investments held at fair value through profit or loss".

ALLOCATION OF INCOME AND EXPENDITURE TO BENEFIT PLANS

The following items are directly allocated to benefit plans:

- Insurance revenue;
- Insurance service expense; and
- Finance expenses on Personal Medical Savings Accounts

The risk adjustment for non-financial risk is calculated at Scheme level. The allocation to benefit plans is based on the proportion of each benefit option's share in the provision for outstanding claims in the Insurance Contract Liability.

For disclosure purposes, the remaining items are apportioned based on the number of members on each option, except for Value Care Plan which is allocated on an average of its proportion of insurance revenue and membership.

1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting policy

Financial assets at fair value through profit or loss are initially recognised at fair value and the transaction costs, if applicable, are expensed in the Statement of Comprehensive Income.

The Scheme's investment strategy ("business model objective") is determined by means of an allocation across different asset classes and grouping of financial assets into specific portfolios. Independent asset managers manage these portfolios under fully discretionary, active mandates with performance evaluated at portfolio level on a fair value basis. All asset managers are remunerated based on the fair value of the portfolios under management.

The business model objective is achieved through the selling of assets per the documented strategy for realisation of gains with the collection of contractual cash flows being incidental to the primary business model objective. The financial assets are managed together and grouped into specific portfolios. Based on the business model objective the financial assets are measured at fair value through profit or loss.

The fair value of the financial instruments traded in an active market is determined by using quoted market prices or dealer quotes. The fair value of financial instruments not traded in an active market is determined by using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates.

Gains or losses arising from subsequent changes in fair value are recognised under fair value gains from Investments held at fair value through profit or loss in the Statement of Comprehensive Income within the period in which they arise.

The methodology applied to assess assets as non-current or current:

Commodities and equities

The Scheme's intention is not to liquidate these portfolios; however, in the event that operational or strategic requirements require, these portfolios may be liquidated. As a result these portfolios have been included as open ended.

Collective Investment Schemes

The Scheme's intention is not to liquidate these portfolios; however, in the event that operational or strategic requirements require, these portfolios may be liquidated. As a result, these portfolios have been included as open ended.

Money market instruments

Assets that are expected to be realised to fund operating activities within 12 months from the reporting date are considered to be settled within 12 months. All other instruments are classified as open ended.

Bonds

The maturity date at instrument level is used to determine the expected settlement. If the maturity date is within 12 months from the reporting date, the instrument is considered to be settled within 12 months. All other instruments are considered open ended.

Linked Insurance Policies

The Scheme's intention is not to liquidate these portfolios; however, in the event that operational or strategic requirements require, these portfolios may be liquidated. As a result, these portfolios have been included as open ended.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Note

The Scheme's Financial assets at fair value through profit or loss are summarised by measurement classes as follows:

	2025	2024
	R'000	R'000
Bonds	1,467,261	1,388,478
Collective investment schemes	638,311	702,648
Commodity linked instruments	85,152	63,876
Linked Insurance Policies	699,189	529,342
Listed equities	1,391,049	1,156,421
Money market instruments	103,942	168,836
	4,384,904	4,009,601
Reconciliation		
Fair value at the beginning of the year	4,009,601	3,702,884
Purchase of investments	1,845,594	2,161,996
Dividends recapitalised	43,258	42,907
Interest recapitalised	75,393	92,634
Acquisition of Financial assets at fair value through profit or loss	1,726,943	2,026,455
Proceeds on disposal of investments	(1,704,857)	(1,902,731)
Asset management fees	(17,565)	(16,181)
Proceeds on disposal of Financial assets at fair value through profit or loss	(1,687,292)	(1,886,550)
Net movement on revaluation of Financial assets at fair value through profit or loss	234,566	47,452
Fair value at the end of the year	4,384,904	4,009,601
Open ended, available on demand (non-current asset)	1,524,198	1,213,203
Expected to settle within 12 months (current asset)	2,860,706	2,796,398
	4,384,904	4,009,601

A register of investments is available for inspection at the registered office of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

2. OTHER FINANCIAL ASSETS AT AMORTISED COST

Accounting policy

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those the Scheme intends to sell in the short term.

Receivables are initially recognised at fair value, plus transaction costs. The Scheme holds its other receivables with the objective to collect the contractual cash flows and measures them subsequently at amortised cost using the effective interest method.

Impairment of other receivables

The Scheme applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for other receivables. To measure the expected credit losses, other receivables are grouped based on shared credit risk characteristics and days past due. There are no impairments of other receivables.

Note	2025 R'000	2024 R'000
Interest receivable	224	288
Prepayments	12	1,913
Sundry accounts receivable	1,373	285
	<u><u>1,609</u></u>	<u><u>2,486</u></u>

At 31 December 2025, the carrying amounts of other financial assets at amortised cost approximate their fair values due to the short-term maturities of these assets. Interest is not charged on overdue balances.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

3. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents are short-term, highly liquid instruments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

In the Statement of Cash Flows, cash and cash equivalents comprise:

- Money on call and short notice; and
- Balances with banks.

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes and are carried at cost, which, due to their short-term nature, approximates fair value.

Note

	2025	2024
	R'000	R'000
Cash held in segregated portfolios	110,206	76,673
Current accounts	46,587	51,630
Current assets	<u>156,793</u>	<u>128,303</u>

The weighted average effective interest rate earned on cash held in segregated portfolios for the year was 7.61% (2024: 8.50%) and 7.02% (2024: 7.90%) for current accounts. The cash held in segregated portfolios and current accounts have a weighted average maturity of 1 day (2024: 1 day).

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there were no identified impairment loss.

The carrying amounts of cash and cash equivalents approximate their fair values due to the short-term maturities of these assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. INSURANCE CONTRACT LIABILITIES

4.1 RECONCILIATION OF INSURANCE CONTRACT LIABILITY

Insurance contracts issued

	2025 R'000			2024 R'000				
	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total		
		Present value of future cash flows	Risk adjustment		Present value of future cash flows	Risk adjustment		
Net opening balance	(13,595)	305,353	1,088	292,846	(10,288)	290,307	3,247	283,266
Insurance service result	(582,770)	724,123	1,279	142,632	(589,045)	695,252	(2,159)	104,048
Insurance revenue	(582,770)			(582,770)	(589,045)	-	-	(589,045)
Insurance service expense	-	724,123	1,279	725,402	-	695,252	(2,159)	693,093
Incurred claims and directly attributable expenses	-	701,644		701,644	-	671,124	-	671,124
Changes in fulfilment cash flows relating to the liability for incurred claims - past service	-	(1,135)	(1,088)	(2,223)	-	475	(3,247)	(2,772)
Changes in fulfilment cash flows relating to the liability for incurred claims - current service	-	23,614	2,367	25,981	-	23,653	1,088	24,741
Finance income from insurance contracts issued	-	20,357		20,357	-	21,502	-	21,502
Total amounts recognised in the Statement of Comprehensive Income	(582,770)	744,480	1,279	162,989	(589,045)	716,754	(2,159)	125,550
Investment component - PMSA	(74,227)	74,227	-	-	(75,226)	75,226	-	-
PMSA contributions received	(73,994)	73,994	-	-	(75,054)	75,054	-	-
Transfers received from other schemes	(233)	233	-	-	(172)	172	-	-
Total movement	(656,997)	818,707	1,279	162,989	(664,271)	791,980	(2,159)	125,550
<i>Cash flows</i>								
Contributions received	655,038	-	-	655,038	660,964	-	-	660,964
Claims and other directly attributable expenses paid	-	(735,323)	-	(735,323)	-	(699,212)	-	(699,212)
Refunds on death or resignation - PMSA	-	(21,633)	-	(21,633)	-	(15,688)	-	(15,688)
Total cash flows	655,038	(756,956)	-	(101,918)	660,964	(714,900)	-	(53,936)
<i>Non-cash flows</i>								
Claims related to recoveries from reinsurance (Note 5)	-	(48,589)	-	(48,589)	-	(62,034)	-	(62,034)
Net closing balance	(15,554)	318,515	2,367	305,328	(13,595)	305,353	1,088	292,846

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. INSURANCE CONTRACT LIABILITIES (continued)

4.2 RECONCILIATION OF INSURANCE CONTRACT LIABILITY CASH FLOWS	Notes	2025	2024
		R'000	R'000
<i>BREAKDOWN OF CASH FLOWS</i>			
Contributions received		655,038	660,964
Risk contributions		580,811	585,738
MSA contributions		73,994	75,054
MSA transferred from other schemes		233	172
Claims and directly attributable expenses paid		735,323	699,212
Risk claims		639,749	600,098
MSA claims		61,681	64,767
Other directly attributable expenses		33,893	34,347
<i>INCLUDED IN INSURANCE CONTRACTS LIABILITIES</i>			
Medical Savings Account monies	4.3	277,581	266,311
Reported claims not yet paid		14,726	13,432
Amounts due to administrator		2,748	2,831
Amounts due to managed care organisation		219	-
Liability for claims incurred but not yet reported		25,981	24,741
Unallocated receipts		735	-
Less:			
Insurance revenue outstanding		(15,554)	(13,595)
Net member and service provider claims debt		(652)	(788)
Forensic receivables		(456)	(87)
		305,328	292,846

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. INSURANCE CONTRACT LIABILITIES (continued)

4.3 MEDICAL SAVINGS ACCOUNT LIABILITY

The medical savings account, which is managed by the scheme on behalf of its members, represents savings contributions, and accrued interest thereon in terms of the rules of the scheme, net of any savings claims paid on behalf of members in terms of the scheme's registered rules.

Unspent savings at year end are carried forward to meet future expenses for which the members are responsible. In terms of the Medical Schemes Act 131 of 1998, as amended, balances standing to the credit of members are refundable only in terms of Regulation 10 of the Act.

The scheme elected to account for unspent MSA to be accounted for in the liability for incurred claims.

Reconciliation of medical savings accounts	2025	2024
	R'000	R'000
Balance at the beginning of the year	266,311	250,039
Plus:		
MSA contributions received	73,994	75,054
Transfers received from other schemes	233	172
Interest on MSA monies	20,357	21,502
Less:		
MSA claims	(61,681)	(64,767)
Refunds on death or resignation	(21,633)	(15,688)
	<u>277,581</u>	<u>266,311</u>

Interest is paid in terms of the rules of the scheme on the personal medical savings accounts monthly, calculated using the effective interest method.

It is estimated that claims to be paid out of members' medical savings accounts in respect of claims incurred in 2025 but not recorded amount to R735,904 (2024: R646,157).

4.4 LIABILITY TO MEMBERS FOR FUTURE BENEFITS

Balance at the beginning of the year	3,846,376	3,573,960
Amounts attributable to members for future benefits**	390,158	272,416
Balance at the end of the year relating to Liability to members for future benefits	4,236,534	3,846,376
Current liability*	35,318	-
Non-current liability	4,201,216	3,846,376

* The current liability represents the onerous contract liability projected to be incurred for the following financial year which will be funded from the Liability to members for future benefits.

** See Statement of Comprehensive Income

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

5. REINSURANCE CONTRACT LIABILITIES

Healthcare Risk – Reinsurance contracts held

	2025 R'000			2024 R'000				
	Remaining coverage component	Incurred claims for contracts under the PAA		Total	Remaining coverage component	Incurred claims for contracts under the PAA		Total
		Present value of future cash flows	Risk adjustment for non-financial risk			Present value of future cash flows	Risk adjustment for non-financial risk	
Net opening balance	-	-	-	-	-	-	-	
Net expenses/(income) from reinsurance contracts held	(45,870)	48,589	-	2,719	(54,094)	62,034	-	7,940
Reinsurance expenses	(45,870)	-	-	(45,870)	(54,094)	-	-	(54,094)
Claims recovered	-	48,589	-	48,589	-	62,034	-	62,034
Total amounts recognised in the Statement of Comprehensive Income	(45,870)	48,589	-	2,719	(54,094)	62,034	-	7,940
Cash flows								
Premiums paid	45,456	-	-	45,456	54,094	-	-	54,094
Non-cash flows								
Recoveries from reinsurance	-	(48,589)	-	(48,589)	-	(62,034)	-	(62,034)
Net closing balance	(414)	-	-	(414)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

6. OTHER FINANCIAL LIABILITIES AT AMORTISED COST

Accounting policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Unallocated funds

Unallocated funds arise on the receipt of unidentified deposits in favour of the Scheme. Unallocated funds that have legally prescribed, that is funds older than three years, are written back and included under Sundry income on the face of the Statement of Comprehensive Income.

A liability for unallocated funds that have not legally prescribed is recognised below. The liability is measured at amortised cost using the effective interest method.

Note

	2025	2024
	R'000	R'000
Financial liabilities		
Accruals	1,030	1,083
Unallocated funds	-	85
Current liability	<u>1,030</u>	<u>1,168</u>

At 31 December 2025 the carrying amounts of other financial liabilities at amortised cost approximate their fair values due to the short-term maturities of these liabilities.

7. INSURANCE REVENUE AND SERVICE EXPENSES

Insurance revenue from contracts measured under the PAA		582,770	589,045
Gross contributions		656,764	664,099
Personal Medical Savings Account contributions		(73,994)	(75,054)
Insurance service expense		(725,402)	(693,093)
Net claims incurred		(691,509)	(658,746)
Claims incurred		(692,325)	(659,381)
Third party claims recoveries		816	635
Accredited managed healthcare services	7.1	(12,435)	(12,644)
Directly attributable insurance services expenses		(21,458)	(21,703)
Accredited administration services	7.2	(21,458)	(21,703)
Net income from risk transfer arrangements/reinsurance		2,719	7,940
Premiums paid	7.3	(45,870)	(54,094)
Amounts recovered from risk transfer arrangements	7.3	48,589	62,034
Total insurance service result		<u>(139,913)</u>	<u>(96,108)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

7. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

Detail of accredited administration services, accredited managed healthcare services and net income/(expense) from reinsurance contracts held has been provided below:

	2025	2024
	R'000	R'000
7.1 Accredited managed healthcare services (no risk transfer)		
Chronic medicine management services	1,312	1,335
Disease management services	3,558	3,618
Hospital management services	3,448	3,506
Pharmaceutical benefit management services	1,113	1,131
Provider network management services	3,004	3,054
	<u>12,435</u>	<u>12,644</u>
7.2 Accredited administration services		
Member record management	2,213	2,238
Contribution management	1,945	1,967
Claims management	2,447	2,475
Financial management	78	79
Information management and data control	3,968	4,013
Customer services	10,807	10,931
	<u>21,458</u>	<u>21,703</u>
7.3 Net income from risk transfer arrangements/reinsurance		

Accounting policy

Risk transfer arrangements/reinsurance contracts held are contractual arrangements entered into by the Scheme and third parties who undertake to indemnify the Scheme against all or part of the loss that the Scheme may incur as a result of carrying on the business of a medical scheme. Risk transfer arrangements do not reduce the Scheme's primary obligations to its members and their dependants. The arrangements only decrease the loss the Scheme may incur as a result of carrying on the business of a medical scheme.

Risk transfer arrangement fees are recognised as an expense over the indemnity period on a straight-line basis.

The claims incurred under member insurance contracts and the equivalent claims recoveries are presented in the Statement of Comprehensive Income on a gross basis. Amounts recoverable under such contracts are therefore recognised in the same year as the related claims. The claims incurred liability under risk transfer arrangements and the equivalent receivable are also presented in the Statement of Financial Position on a gross basis.

Assets relating to risk transfer arrangements include balances due under risk transfer arrangements for outstanding claims provisions, and claims reported not yet paid. Amounts recoverable under risk transfer arrangements are estimated in a manner consistent with the outstanding claims provision, claims reported not yet paid, and settled claims associated with the risk transfer arrangement.

Amounts recoverable under risk transfer arrangements are assessed for impairment at each reporting date. These assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Scheme may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Scheme will receive under the risk transfer arrangement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

7. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

7.3 Net income from risk transfer arrangements/reinsurance

Risk transfer arrangements/reinsurance contracts

	2025 R'000	2024 R'000
Centre for Diabetes and Endocrinology	1,377	3,989
Reinsurance expense	(7,618)	(22,875)
Claims recovered	8,995	26,864
Risk transfer arrangement covering treatment for members registered on the Managed Care and Standard Care Plans, diagnosed with diabetes including diabetic related hospital admissions. The contract ended 30 April 2025.		
Dental Risk Company	454	339
Reinsurance expense	(5,021)	(4,859)
Claims recovered	5,475	5,198
Risk transfer arrangement for protection against and transfer of all risks relating to dental benefits for members registered on the Standard Care Plan.		
Discovery Health (Pty) Ltd	(1,041)	-
Reinsurance expense	(4,233)	-
Claims recovered	3,192	-
Risk transfer arrangement covering treatment for members registered on the Managed Care and Standard Care Plans, diagnosed with diabetes including diabetic related hospital admissions. The contract commenced 1 May 2025.		
Kaelo Prime Cure (Pty) Ltd	60	2,104
Reinsurance expense	(26,017)	(23,373)
Claims recovered	26,077	25,477
Risk transfer arrangement providing an agreed structure of day-to-day benefits, including treatment of chronic conditions, for members registered on the Value Care Plan. The contract excludes the provision of treatment, per event, for any hospital admissions above R173,000 in private facilities.		
Netcare 911 (Pty) Ltd	1,869	1,508
Reinsurance expense	(2,981)	(2,987)
Claims recovered	4,850	4,495
Risk transfer arrangement providing ambulance services (air and land) for members registered on the Managed Care and Standard Care Plans.		
TOTAL	2,719	7,940
Reinsurance expense	(45,870)	(54,094)
Claims recovered	48,589	62,034

The Scheme has entered into selective risk transfer arrangements with these third party providers in order to reduce its exposure to claims risk and receive specialist case management. These arrangements form a relatively small component of the total claims cost of the Scheme.

The cost of providing the capitated services was estimated by calculating Per Life Per Month (PLPM) estimates for services covered under these risk transfer arrangements and multiplying them by the number of members exposed for the period to the respective programmes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

8. INVESTMENT INCOME

Accounting policy

Investment income comprises dividends and interest received and accrued on Financial assets at fair value through profit or loss and interest on Financial assets not measured at fair value through profit or loss.

Interest income is recognised using the effective interest method, taking into account the principal amount outstanding and the effective interest over the period to maturity, when it is determined that such income will accrue to the Scheme.

Dividend income from investments is recognised when the right to receive payment is established - this is on the “last day to trade” for listed shares and on the “date of declaration” for unlisted shares.

Realised gains and losses represent amounts realised when investments at fair value through profit or loss have been derecognised through disposal. Unrealised gains or losses represent changes in fair value of these investments.

Note	2025	2024
	R'000	R'000
Interest income from financial assets not measured at fair value through profit or loss	2,717	3,112
Investment income from investments held at fair value through profit or loss	118,651	135,541
- Dividend revenue	43,258	42,907
- Interest revenue	75,393	92,634
Net gains on investments at fair value through profit or loss	458,350	281,717
- Net realised gains on fair value adjustments	223,784	234,265
- Movement in fair value adjustments	234,566	47,452
Net investment income	579,718	420,370

9. INSURANCE FINANCE EXPENSES

Accounting policy

Interest payable on members' Personal Medical Savings Accounts is expensed when incurred.

Note

Interest allocated on Personal Medical Savings Accounts	20,357	21,502
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

10. SUNDRY INCOME

Accounting policy

Amounts due by the Scheme that have legally prescribed, that is funds older than three years, are reversed and included under Sundry income as Prescribed amounts written back.

Note	2025	2024
	R'000	R'000
Long-term funding	1,236	1,177
Prescribed amounts written back	774	765
	2,010	1,942

11. OTHER OPERATING EXPENSES

Accounting policy

Other operating expenses are expensed as incurred.

Note

Administration fees	1,819	1,842
Other services		
Actuarial services	189	191
Forensic investigations and recoveries	394	399
Governance and compliance	65	66
Internal audit services	328	332
Additional services		
Advanced data analytics	258	261
Digital service offering	96	97
Enhanced service offering	52	53
Enterprise risk management services	52	53
Legal services	15	15
Product innovation	62	63
Quality management and monitoring services	308	312
Audit Committee fees	138	129
Communication expenses	719	663
Consulting fees	2,253	2,384
Claims processing fees	1,401	1,419
External audit fees*	1,490	1,680
Head office rental and management fees	80	227
Levies - Council for Medical Schemes	446	418
Other expenses	736	677
Principal Officer remuneration and related expenses	2,771	2,645
Staff costs	1,028	2,879
Travel and entertainment	156	188
Trustee election expenses	11	300
Trustee remuneration (note 12)	687	654
	13,735	16,105

*This fee relates to the opinions on the annual financial statements, annual statutory returns audit and compliance report in accordance with the requirements of Sections 36(1), 36(5) and 36(8) of the Medical Schemes Act as required by CMS.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

12. TRUSTEE REMUNERATION AND CONSIDERATIONS

Trustees	Fees for meeting attendance		Disbursements		Accommodation, travelling and meals		Conference fees		Total	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Barrett C	-	-	-	-	6	4	18	-	24	4
Coetzer JP	107	104	19	19	-	7	-	-	126	130
Elliott CC	76	100	19	19	3	4	-	-	98	123
Farrell MR	-	27	-	8	-	-	-	-	-	35
Fox Dr FH	149	150	19	19	4	2	-	-	172	171
Hosking S	101	-	19	-	4	3	-	-	124	3
Liston JB	-	-	-	-	3	11	-	16	3	27
Mason-Gordon NJ	88	101	19	19	5	6	-	-	112	126
Mbekeni Dr C	-	-	-	-	8	2	18	-	26	2
Moodley R	-	-	-	-	2	8	-	-	2	8
Van der Bijl BD	-	-	-	-	-	9	-	16	-	25
TOTAL	521	482	95	84	35	56	36	32	687	654

13. RELATED PARTY TRANSACTIONS

The Scheme is controlled by the Board of Trustees who are appointed by the participating employers or elected by the members of the Scheme.

Key management personnel and their close family members

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme. Key management personnel include the non-executive Board of Trustees and the Executive Officer of the Scheme. The disclosure deals with full-time Executive Officers who are compensated on a salary basis, and non-executive Board of Trustees who are compensated on a fee basis.

Close family members include close family members of the Board of Trustees and Executive Officers of the Scheme.

Parties with significant influence over the Scheme

Discovery Health (Pty) Ltd has significant influence over the Scheme, as it provides administration and managed care services as well as financial and operational information on which policy decisions are based. The Scheme furthermore has a reinsurance contract with Discovery Health (Pty) Ltd for the treatment of members diagnosed with diabetes including diabetic related hospital admissions.

The Scheme contracted with Discovery Third Party Recovery Services (Pty) Ltd (DTPRS), a wholly owned subsidiary of Discovery Health (Pty) Ltd, to manage the identification and collection of third-party recoveries from the Road Accident Fund.

The Scheme has a reinsurance contract in place with Kaelo Prime Cure (Pty) Ltd making provision for an agreed structure of day-to-day benefits, including treatment of chronic conditions, for members registered on the Value Care Plan.

Medikredit (Pty) Ltd has significant influence over the Scheme, as it provides managed care services to the Scheme.

Anglo Corporate Services South Africa (Pty) Ltd receives from the Scheme market related reimbursement for head office rental and management services provided.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

13. RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties

The following provides the total amount in respect of transactions, which have been entered into with related parties for the relevant financial year. All amounts are disclosed as absolute numbers.

Transactions with key management personnel and their close family members which includes Trustees and Executive Officers:

	2025	2024
	R'000	R'000
<i>Statement of Comprehensive Income</i>		
Compensation		
Short-term employee benefits	3,799	5,524
Trustee remuneration (note 12)	687	654
Contributions and claims		
Insurance revenue	2,348	1,925
Incurred claims	2,969	2,451
Interest paid on Medical Savings Accounts	34	24
<i>Statement of Financial Position</i>		
Medical Savings Accounts	536	410

The terms and conditions of the related party transactions were as follows:

Transactions	Nature of transactions and their terms and conditions
Compensation	This constitutes remuneration and consideration paid to Trustees and Executive Officers in respect of short-term employee benefits.
Insurance revenue	This constitutes the contributions paid by the related party as a member of the Scheme, in their individual capacity. All contributions were on the same terms as applicable to other members.
Incurred claims	This constitutes amounts claimed by the related parties, in their individual capacity as members of the Scheme. All claims were paid out in terms of the rules of the Scheme, as applicable to other members.
Interest paid on Medical Savings Accounts	Interest is earned on positive MSA balances at an interest rate equal to the Repo Rate. At 31 December 2025 this rate was 6,75% (2024: 7,75%) per annum.
Medical Savings Accounts	The amounts owing to the related parties relate to MSA balances. In line with the terms applied to all members, the balances earn interest monthly at predetermined interest rates, on an accrual basis. The amounts are all current and are payable on demand if an appropriate claim is received, or if the member resigns from the Scheme, as applicable to all members.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

13. RELATED PARTY TRANSACTIONS (continued)

Transactions with entities that have significant influence over the Scheme

	2025	2024
	R'000	R'000
Statement of Comprehensive Income		
Discovery Health (Pty) Ltd		
Administration fees	23,277	23,545
- insurance service expense	21,458	21,703
- other operating expenses	1,819	1,842
Accredited managed healthcare services	12,435	12,644
Reinsurance expense	4,233	-
Medikredit (Pty) Ltd		
Electronic checking fees	1,401	1,419
Kaelo Prime Cure (Pty) Ltd		
Reinsurance expense	26,017	23,373
Anglo Corporate Services South Africa (Pty) Ltd		
Head office rental and management fees	80	227
Statement of Financial Position		
Balances due to Discovery Health (Pty) Ltd	2,748	2,831
Balances due to Medikredit (Pty) Ltd	219	227
Indirect investment in employers	82,317	66,042

The terms and conditions of the transactions with entities with significant influence over the Scheme were as follows:

Terms and conditions of the administration, managed care, reinsurance and third-party collection service agreements with Discovery Health (Pty) Ltd

These agreements are in accordance with instructions given by the Trustees of the Scheme. The agreements are reviewed annually and is renewable depending on fee negotiations. The Scheme has the right to terminate the agreements on 6 months' notice. The outstanding balance bears no interest.

Terms and conditions of the managed care agreement with Medikredit (Pty) Ltd

These agreements are in accordance with instructions given by the Trustees of the Scheme. The agreements are reviewed annually and is renewable depending on fee negotiations. The Scheme has the right to terminate the agreements on 6 months' notice. The outstanding balance bears no interest.

Terms and conditions of the reinsurance contract with Kaelo Prime Cure (Pty) Ltd

The reinsurance contract is in accordance with instructions given by the Trustees of the Scheme. The contract is reviewed annually and renewable depending on fee negotiations.

Terms and conditions of transactions with and investments in participating employers

The agreement is in terms of the rules of the Scheme and in accordance with instructions given by the Board of Trustees. The agreement period is a fixed period, and the agreement shall endure until the end of the fixed period. The Scheme shall be entitled to renew the agreement on written notice. The outstanding balance bears no interest.

All investments in participating employers are made and managed via external investment managers and are managed in terms of the agreed mandates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

14. NET RESULT PER BENEFIT OPTION

2025	Managed Care Plan R'000	Standard Care Plan R'000	Value Care Plan R'000	TOTAL R'000
Insurance revenue	278,454	274,333	29,984	582,770
Insurance service expense	(419,968)	(274,514)	(30,920)	(725,402)
Net claims incurred	(405,214)	(256,320)	(29,975)	(691,509)
Accredited managed healthcare services	(5,575)	(6,860)	-	(12,435)
Directly attributable insurance services expenses	(9,179)	(11,334)	(945)	(21,458)
Net expense from risk transfer arrangements/ reinsurance	1,099	1,561	60	2,719
Insurance service result	(140,417)	1,380	(876)	(139,913)
Other income	219,537	270,058	92,133	581,728
Other expenditure	(19,495)	(23,981)	(8,181)	(51,657)
Amounts attributable to members	59,625	247,457	83,076	390,158
Number of members	2,964	3,693	1,346	8,003
Number of beneficiaries	4,821	8,156	2,897	15,874
Average age	61.74	36.18	26.61	42.14
Pensioner ratio	57.34%	12.97%	2.73%	24.48%

2024	Managed Care Plan R'000	Standard Care Plan R'000	Value Care Plan R'000	TOTAL R'000
Insurance revenue	285,251	276,038	27,756	589,045
Insurance service expense	(401,489)	(262,632)	(28,972)	(693,093)
Net claims incurred	(386,364)	(244,262)	(28,120)	(658,746)
Accredited managed healthcare services	(5,713)	(6,931)	-	(12,644)
Directly attributable insurance services expenses	(9,412)	(11,439)	(852)	(21,703)
Net expense from risk transfer arrangements/ reinsurance	2,550	3,286	2,104	7,940
Insurance service result	(113,688)	16,692	888	(96,108)
Other income	179,177	194,146	48,988	422,311
Other expenditure	(35,351)	(15,928)	(2,509)	(53,788)
Amounts attributable to members	30,139	194,910	47,366	272,416
Number of members	3,238	3,985	1,296	8,519
Number of beneficiaries	5,391	9,037	2,937	17,365
Average age	60.01	35.09	26.38	41.30
Pensioner ratio	54.20%	11.60%	2.30%	23.20%

15. EVENTS AFTER THE REPORTING PERIOD

There have been no other events that have occurred subsequent to the end of the accounting period that materially effect the Financial Statements, and that the Trustees consider should be brought to the attention of the members of the Scheme.

16. FIDELITY COVER

Anglo Medical Scheme, its Trustees, committee members and employees are covered by the insurer of the sponsoring employer company, Anglo American plc and Subsidiaries and Corporate Trustee Company (ies), for professional indemnity to an aggregated limit of USD 35,000,000 for the period ended 31 December 2025. (2024: USD 35,000,000)

17. COMMITMENTS AND CONTINGENT LIABILITIES

The Scheme does not have any commitments or contingent liabilities outstanding at 31 December 2025 (2024: Nil).

18. INSURANCE RISK MANAGEMENT REPORT

Nature and extent of risks arising from insurance contracts

The Scheme issues contracts that transfer insurance risk. The primary insurance activity carried out by the Scheme indemnifies covered members and their dependants against the risk of loss arising as a result of the occurrence of a health event, in accordance with the Scheme Rules and legislative requirements.

This note summarises these risks and the way in which they are managed.

Insurance risk

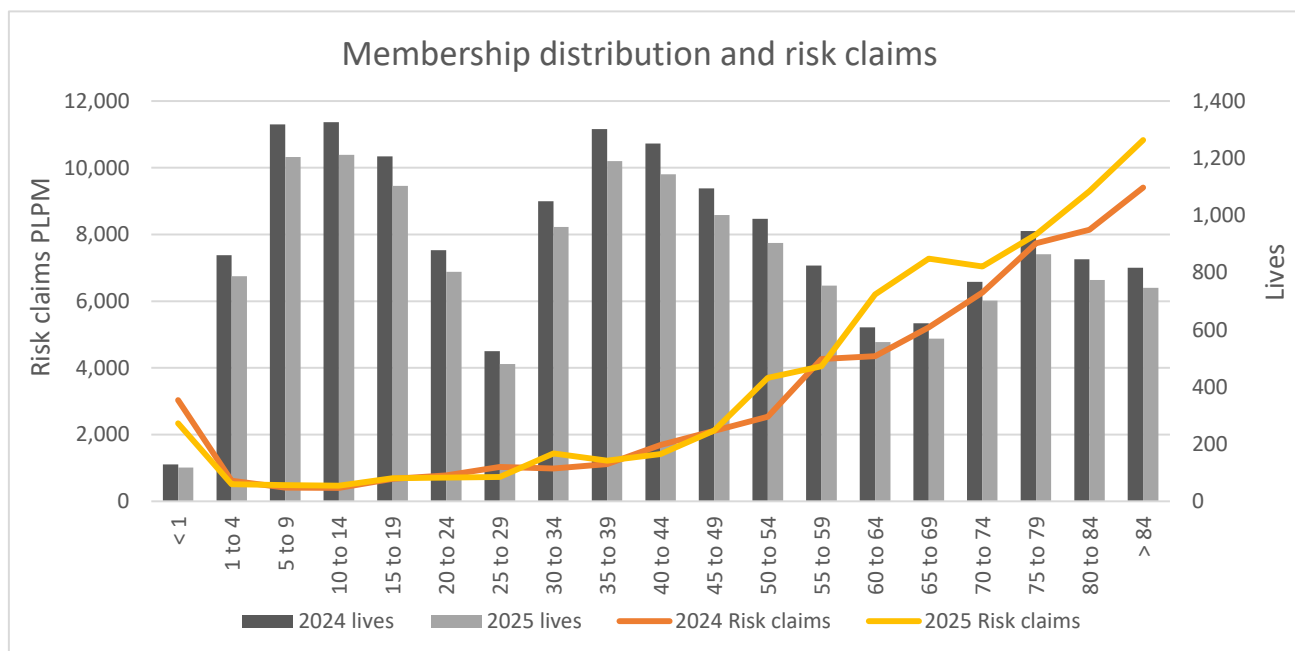
The risk under any insurance contract can be expressed as the probability that an insured event occurs multiplied by the expected amount of the resulting claim. Insurance events are random and therefore the actual number and size of events during any year are unknown and vary from those estimated. The principal risk that the Scheme faces under its insurance contracts is that the actual claim payments exceed the projected amount of the insurance liabilities. This could occur because the frequency and severity of claims are greater than estimated. A larger number of members will result in smaller variability of the actual claims experience relative to expected levels. This is because an adverse experience is diluted by a larger group of members whose claims are stable and thus predictable.

Factors that aggravate insurance risk include unanticipated demographic movements, adverse experience due to an unexpected epidemic, changes in members' disease profiles, unexpected price increases, prevalence of fraud, supplier induced demand and the cost of new technologies or drugs.

18. INSURANCE RISK MANAGEMENT REPORT (continued)

Insurance risk (continued)

The following graph indicates the distribution of beneficiaries by age band for 2024 and 2025, as well as the risk claims paid.



The risks that the Scheme faces can be discussed for the different benefits offered. The three main types of benefits offered by the Scheme in return for monthly contributions are indicated below:

Hospital benefits

The hospital benefits cover medical expenses incurred arising from admission to hospital. This includes accommodation, theatre, professional fees, medication, equipment and consumables.

Chronic benefits

The Chronic Illness Benefit (CIB) covers approved medication and treatment for up to 74 listed conditions (Plan dependent), which includes the 27 Prescribed Minimum Benefit (PMB) chronic conditions. These include conditions such as HIV / AIDS, high blood pressure, cholesterol and asthma.

Day-to-day benefits

Day-to-day benefits cover the cost of out-of-hospital healthcare services, such as visits to general practitioners and dentists as well as prescribed non-chronic medicines. The day-to-day benefits include both the Medical Savings Account (MSA) and an insurance risk element. The Scheme does not carry risk for PMSA benefits.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

18. INSURANCE RISK MANAGEMENT REPORT (continued)

Insurance risk (continued)

The risks associated to the Scheme with the types of benefits offered to members are addressed below:

Hospital benefit risk

The main factors impacting the frequency and severity of hospital claims are the number of admissions and the cost per event. An increase in the frequency and severity of claims result in an increase in the cost of claims.

An increase in the admission rate is often linked to increases in the number of beneficiaries at older ages or with chronic conditions. The increase in cost per event is driven by annual tariff and other cost increases. An increased cost per event can also be caused by an increased case-mix, severity of admissions and the introduction of new hospital-based technologies.

The following table shows various factors that impact hospital claims:

Key indicators	2025	2024	% increase / (decrease)
Length of stay (days)	4.60	4.21	9.26%
Average hospital cost per admission (R)	52,098	45,406	14.74%
Total cost per event (R)	88,092	76,021	15.88%
Total cost per life per month (R)	1,260	1,061	18.76%
Admissions per 1 000 lives	189	276	(31.52%)

Chronic benefits risk

The main factors impacting the frequency and severity of chronic claims are the number of claimants and the cost per claimant. An increase/decrease in the number of claimants results in an increase/decrease in the frequency of claims. Higher increases in claimants and severity of claims may be attributed to increases in the number of claimants at older ages or beneficiaries who are more sickly. Conversely, lower prevalence rates may be indicative of a healthier membership.

The mix between the various chronic conditions impacts the frequency and severity of claims. Certain factors that impact chronic cost are shown below:

Key indicators	2025	2024	% increase / (decrease)
Claimants per 1 000 lives	29.05	27.91	4.08%
Amount paid per life per month (R)	189	161	17.39%

18. INSURANCE RISK MANAGEMENT REPORT (continued)

Day-to-day benefits risk

The main factors impacting the frequency and severity of day-to-day claims are the number of claimants and the cost per claimant. An increase in the cost of claims results from an increase in the frequency and/or severity of claims. The mix of members between the different benefit options will also have an impact on the claims.

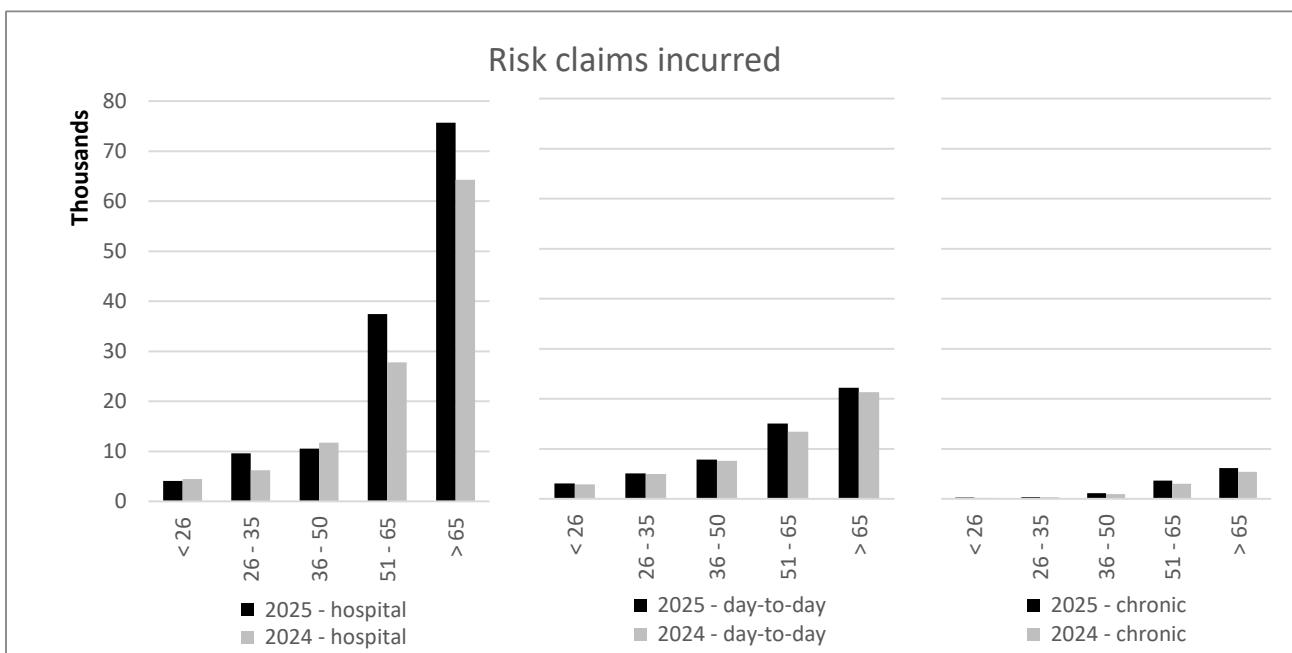
Risk management

The Scheme has various initiatives that are used to manage the risk associated with claims experience. These include:

- All hospital admissions have to be authorised. There have also been amendments to the pre-authorisation length of stay benchmarks;
- Case managers monitor members with hospital stays that are longer than expected to ensure that members are discharged at appropriate times;
- Out-of-hospital programs addressing risk and preventing re-admissions; and
- Protocols guiding access to expensive technologies and medication.

Concentration of insurance risk

The following graph indicates the concentration of insurance risk per beneficiary per annum, with reference to the carrying amount, net of adjustments, of the insurance claims incurred by age group and in relation to the type of risk covered/benefits provided:



18. INSURANCE RISK MANAGEMENT REPORT (continued)

Reinsurance contracts held

The Scheme has reinsurance contracts in which suppliers are paid to provide certain minimum benefits to Scheme members, as and when it is required by the members. These arrangements are also known as capitation arrangements and fix the cost to the Scheme of providing these benefits.

The Scheme does, however, remain liable to its members to provide the benefits. If any supplier fails to meet the obligations of the reinsurance contract, the Scheme will cover the cost of the benefit.

When selecting a supplier, the Scheme assesses their ability to provide the relevant service. This is to mitigate against the reputational and operational risks that the Scheme faces should a supplier not meet its obligations. The Scheme also monitors the performance of the suppliers, checks the quality of care provided and has access to data on the underlying fee-for-service claims which are included in the arrangement.

Claims development

Detailed claims development tables are not presented as the uncertainty regarding the amount and timing of claim payments is typically resolved within one year and in the majority of cases within four months. At year end, a probability weighted best estimate is made for those claims outstanding that are not yet reported at that date.

The methodology followed in determining the probability weighted best estimate is the actuarial methodology of chain ladder estimation. This methodology is the most objective, but the accuracy of the estimate is sensitive to changes in the average time from treatment to payment of claims. For hospital claims in the latest service month, another method using the estimated cost per event and pre-authorised admissions is also utilised/applied.

The December 2025 probability weighted best estimate of future cash flows for claims incurred but not yet reported and risk adjustment was made in accordance with Advisory Practice Note 304 of the Actuarial Society. In accordance with this practice note, the following factors are considered to determine whether they would have any impact on the probability weighted best estimate of the claims incurred but not yet reported and risk adjustment estimates:

- The homogeneity of claims data.
- The credibility of claims data.
- Changes in emergence and settlement patterns.
- The impact of seasonality.
- The impact of re-opened or adjusted claims.
- The impact of benefit limits and changes.
- External influences.
- The demographic profile of the Scheme.

Based on the processing patterns and claims development up to the end of December 2025 in respect of treatment dates during 2025, the recommended probability weighted best estimate of the claims incurred but not yet reported as at December 2025 is R23.6 million (2024: R23.7 million).

The recommended risk adjustment for non-financial risk, the compensation required for bearing uncertainty about the amount and timing of the cash flows that arise from non-financial risk as the Scheme fulfils insurance contracts, as at 31 December 2025 is R2.4 million (2024: R1.1 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

18. INSURANCE RISK MANAGEMENT REPORT (continued)

Claims development (continued)

The following table provides a sensitivity on the insurance contract liabilities. As the Scheme is a mutual entity, the impact of any changes in the Liability attributable to current members would impact the Liability attributable to future members. The table presents information on how reasonably possible changes in risk confidence level made by the Scheme will impact the risk adjustment.

	2025 R'000		2024 R'000	
	LIC as at 31 December	Impact on SOCl*	LIC as at 31 December	Impact on SOCl*
Insurance contract liability	305,328	-	292,846	-
Change in LIC provision - 10% movement #	-	2,598	-	2,474

*Statement of Comprehensive Income

the impact increases the LIC by the same value

Sensitivity of risk adjustment

	2025 R'000	2024 R'000
Risk adjustment with a 75% confidence level - as reported	2,367	1,088
Risk adjustment with a 90% confidence level	4,239	2,699

Liquidity risk

One of the main components of the Scheme's insurance contract liabilities is the probability weighted best estimate of the claims incurred but not yet reported. These are generally settled in a short period of time, approximately 95% of this balance is settled within three months after the claim was incurred and the balance is expected to be settled within six months. The remaining insurance liabilities are generally settled within 30 days from year-end.

The members' MSA contain a demand feature. In terms of Regulation 10 of the Act, any credit balance on a member's MSA must be taken as a cash benefit when the member terminates his or her membership of the Scheme or benefit plan and enrolls in another benefit plan or medical scheme without a savings account or does not enrol in another medical scheme. Therefore, the carrying values of the members' MSA are deemed to be equal to their fair values, which is the amount payable on demand.

Liquidity risk can also arise when the Scheme's investment mix does not match the nature of the liabilities. However, investments are managed by professional asset managers and finance professionals who ensure that investments, including cash and cash equivalents, are always sufficiently liquid to meet current liabilities while excess reserves are invested to maximise investment return within the scope of the Regulations to the Act.

Assumption risk

The Liability attributable to future members and therefore the Scheme's solvency is sensitive to changes in claims development patterns. Another relevant assumption is medical inflation. Other assumptions that are considered include utilisation trends, the impact of new technology and the expected demographic profile of the Scheme membership.

19. FINANCIAL RISK MANAGEMENT REPORT

Overview

The Scheme is exposed to financial risk through its financial assets, financial liabilities and insurance contract liabilities. In particular the financial risk is that the proceeds, for any reason, from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of financial risk include market risk, interest rate risk, credit risk and liquidity risk.

The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the financial performance of the investments that the Scheme holds to meet its obligations to its members.

The Board of Trustees has overall responsibility for the establishment and oversight of the Scheme's risk management framework.

The Scheme manages these risks through various risk management processes. These processes have been developed to ensure that the long-term investment return on assets supporting the insurance liabilities is sufficient to contribute towards funding members' reasonable benefit expectations.

The Scheme manages the financial risks as follows:

- The Investment Committee, a committee (the Committee) of the Board of Trustees, determines, recommends, implements and maintains investment policies and procedures. The Committee advises the Board of Trustees on the strategic and operating matters in respect of the investment of Scheme funds and meets at least quarterly;
- The Scheme has appointed reputable external asset managers to manage its investments and their performance is monitored regularly;
- An external asset consulting company has been appointed to assist in formulating the investment strategy and to provide ongoing reporting and monitoring of the asset managers; and
- The Scheme ensures compliance with Regulation 30, Annexure B of the Act.

Market risk

Market risk is the risk that changes in market variables, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Scheme's insurance liabilities are settled within one year and the Scheme does not discount insurance liabilities. Consequently, changes in market interest rates would not affect the Scheme's net result arising from changes in the insurance liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Market risk (continued)

The table below summarised the primary risks affecting the Scheme's financial assets at fair value through profit or loss exposure to market risk.

As at 31 December 2025	Currency risk R'000	Price risk R'000	Interest rate risk R'000	Total R'000
Financial assets at fair value through profit or loss				
Listed equities				
Local		✓		1,166,855
Foreign	✓	✓		224,194
Commodity linked instruments		✓		85,152
Collective investment schemes				
Local			✓	223,269
Foreign	✓		✓	415,041
Money market instruments				
Local			✓	62,112
Foreign	✓		✓	41,830
Bonds				
Local			✓	1,394,677
Foreign	✓		✓	72,584
Linked Insurance Policies			✓	699,189
Total				4,384,904

As at 31 December 2024	Currency risk R'000	Price risk R'000	Interest rate risk R'000	Total R'000
Financial assets at fair value through profit or loss				
Listed equities				
Local		✓		937,498
Foreign	✓	✓		218,924
Commodity linked instruments		✓		63,876
Collective investment schemes				
Local			✓	283,912
Foreign	✓		✓	418,736
Money market instruments				
Local			✓	136,147
Foreign	✓		✓	32,689
Bonds				
Local			✓	1,286,851
Foreign	✓		✓	101,627
Linked Insurance Policies			✓	529,342
Total				4,009,601

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Market risk (continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Scheme operates in South Africa and therefore its cash flows are denominated in South African Rand (ZAR). In terms of the diversified investment strategy operated by the investment committee and the restrictions imposed by the Medical Schemes Act, the Scheme has a relatively small number of investments offshore.

The Scheme is exposed to foreign exchange risk arising from its offshore investments.

At 31 December 2025 R765.3 million was invested in offshore investments (2024: R780.8 million) which accounted for 17.5% (2024: 19.5%) of total investments and cash.

The sensitivity of the Rand depreciating against the US Dollar is presented below.

	2025	2024
	R'000	R'000
<i>Market risk sensitivity analysis</i>		
Financial assets at fair value through profit or loss	753,649	771,976
Cash and cash equivalents	11,688	8,858
	<u>765,337</u>	<u>780,834</u>
Change in Liability attributable to future members due to 10% change in the Rand	<u>76,534</u>	<u>78,083</u>

Price risk

The Scheme is exposed to equity price risk as it invests funds in South African and foreign equities, managed by the Scheme's asset managers. The Scheme's equity portfolio is a long-term investment, and the funds invested in this portfolio are not needed in the short or medium-term. This mitigates the risk associated with short-term fluctuations in the equity market. The Scheme has appointed reputable asset managers with good track records in terms of performance.

At 31 December 2025 R1,476.2 million was invested in listed equities (2024: R1,220.3 million) which accounted for 33.57% (2023: 30.4%) of total investments.

The sensitivity of equity prices is presented below.

	2025	2024
	R'000	R'000
<i>Price risk sensitivity analysis</i>		
Financial assets at fair value through profit or loss	1,476,201	1,156,421
Change in Liability attributable to future members due to 10% change in the Johannesburg Stock Exchange All Share Index	<u>147,620</u>	<u>115,642</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the exposure that the Scheme has to changes in interest rates. As the Scheme holds no debt with the exception of the members' saving liability on which interest is paid, the main exposure to the Scheme would be a reduction in interest income on investments if interest rates were to decrease. In order to reduce the impact of any potential interest rate changes, the Scheme holds a diversified portfolio of both long and short term investments.

The Scheme holds 67.50% (2024: 67.07%) of its cash and cash equivalents and Financial assets at fair value through profit or loss in interest bearing instruments. This constitutes a significant portion of the Scheme's investments being exposed to changes in market interest rates, as the majority of the Scheme's interest-bearing assets are held at variable rates.

The table below summarises the Scheme's exposure to interest rate risks. Included in the table are the Scheme's investments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates:

	0 - 3 months	> 3 - 12 months	> 12 months	Total
	R'000	R'000	R'000	R'000
<i>As at 31 December 2025</i>				
Financial assets at fair value through profit or loss	1,384,505	54,014	1,470,184	2,908,703
Cash and cash equivalents	156,793	-	-	156,793
	<u>1,541,298</u>	<u>54,014</u>	<u>1,470,184</u>	<u>3,065,496</u>
<i>As at 31 December 2024</i>				
Financial assets at fair value through profit or loss	1,562,845	89,929	1,213,203	2,865,977
Cash and cash equivalents	128,302	-	-	128,302
	<u>1,691,147</u>	<u>89,929</u>	<u>1,213,203</u>	<u>2,994,279</u>

The sensitivity of interest rate change is presented below.

	2025	2024
	R'000	R'000
<i>Interest rate risk sensitivity analysis</i>		
Change in Liability attributable to future members due to 1% change in prime lending interest rate	<u>10,415</u>	<u>11,264</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Legal risk

Legal risk is the risk that the Scheme will be exposed to contractual obligations which have not been provided for. At 31 December 2025, the Scheme did not consider there to be any significant concentration of legal risk and no provision has been raised.

Investment risk

Investment risk is the risk that the investment returns on accumulated assets will not be sufficient to cover future liabilities. Continuous monitoring takes place to ensure that appropriate assets are held where the Scheme's liabilities are dependent upon the performance of the investment portfolio and that a suitable match of assets exists for all liabilities.

The Scheme's investment objectives are to maximise the return on its investments on a long-term basis at appropriate risk, subject to any constraints imposed by legislation or the Board of Trustees. The Scheme diversifies its investment portfolio by investing in short-term deposits via pooled investment vehicles, bond, money market and equity portfolios managed by reputable asset managers.

The Investment Committee monitors the performance of the Scheme's asset managers to ensure performance in accordance with the agreed mandates.

The following table compares the fair value and carrying amounts of assets and liabilities per class of assets and liabilities. The carrying amounts approximate the fair value amounts.

	Financial assets at fair value R'000	Financial assets at amortised cost R'000	Insurance contract liability R'000	Financial liabilities at amortised cost R'000
31 December 2025				
Investments	4,384,904	-	-	-
Other financial assets at amortised cost	-	1,609	-	-
Cash and cash equivalents	-	156,793	-	-
Liability to members for future benefits	-	-	(4,236,534)	-
Insurance contract liabilities	-	-	(305,328)	-
Reinsurance contract liabilities	-	-	(414)	-
Financial liabilities at amortised cost	-	-	-	(1,030)
	4,384,904	158,402	(4,542,276)	(1,030)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Investment risk (continued)

	Financial assets at fair value R'000	Financial assets at amortised cost R'000	Insurance contract liability R'000	Financial liabilities at amortised cost R'000
31 December 2024				
Investments	4,009,601	-	-	-
Other financial assets at amortised cost	-	2,486	-	-
Cash and cash equivalents	-	128,303	-	-
Liability to members for future benefits	-	-	(3,846,376)	-
Insurance contract liabilities	-	-	(292,846)	-
Reinsurance contract liabilities	-	-	-	-
Financial liabilities at amortised cost	-	-	-	(1,168)
	4,009,601	130,789	(4,139,222)	(1,168)

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to meet their contractual obligations. The Scheme does not have significant credit risk arising from reinsurance contract assets or insurance assets. The capitation agreements are used to manage insurance risk. This does not, however, discharge the Scheme's liability as the primary insurer. If a reinsurer fails to pay a claim for any reason, the Scheme remains liable for the payment to the members. Exposures to individual members are managed by adhering to the requirements of Section 26(7) of the MSA i.e actively pursuing all contributions not received within three days of becoming due, suspending benefits for all members where contributions have not been received for 30 days and terminating benefits for all all members where contributions have not been received for 60 days. The credit risk is taken into account when the expected contribution is calculated.

Key areas where the Scheme is exposed to credit risk are:

- Insurance contract assets and trade and other receivables. The main components of insurance contract receivables are in respect of contributions due from members and amounts recoverable from members and suppliers in respect of claims debt. The Scheme has exposure from its Other financial assets at amortised cost;
- Financial assets are valued at fair value through profit or loss. These assets comprise bond instruments, commodities, equities, collective investment schemes, policies of insurance and money market instruments. The Scheme is exposed to the issuer's credit standing on these instruments. Exposure to credit risk is monitored and minimum credit ratings for these investments are set. Reputable asset managers have been appointed to manage these instruments; and
- Cash and cash equivalents comprise of fixed deposits, deposits held on call with banks and other short term liquid investments. The risks associated with these deposits are managed by monitoring the Scheme's exposure to external financial institutions against approved deposit limits per institution.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Credit risk (continued)

The Scheme's receivables at 31 December comprise:

	2025	2024
	R'000	R'000
Insurance contract assets	16,661	14,470
Contributions receivable (a)	15,554	13,595
Member and service provider claims receivables (b)	652	788
Forensic receivables	455	87
Other receivables at amortised cost	1,609	2,486
Interest receivable	224	288
Prepaid expenditure	12	1,913
Sundry accounts receivable	1,373	285

- a. Exposures to individual members are managed by adhering to the requirements of Section 26(7) of the Medical Schemes Act i.e actively pursuing all contributions not received within three days of becoming due, suspending benefits for all members where contributions have not been received for 30 days and terminating benefits for all all members where contributions have not been received for 60 days. The credit risk is taken into account when the expected contribution is calculated.
- b. Member and service provider claims receivable are amounts recoverable in respect of claims debt. They are not credit rated by the Scheme as exposure to any single party is insignificant. Member receivables are separated between active and withdrawn members.

Exposure to credit risk

The carrying amount of Insurance contract assets, as included in the Insurance contract liabilities, and Financial assets at amortised cost represents the maximum credit exposure.

The Scheme ages and pursues unpaid accounts in terms of the Scheme's approved debt policy. The tables below highlight Insurance contract assets which are due, past due (by number of days) and are used to project the insurance contract cash flows that are not recoverable.

	2025	2024
	Gross	Gross
	R'000	R'000
Insurance contract asset		
Not past due	15,946	14,026
Past due 1 - 30 days	114	243
Past due 31 - 60 days	94	82
Past due 61 - 150 days	367	288
151 days to more than 1 year	1,357	770
	17,878	15,409

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Credit risk (continued)

Credit quality

The credit quality of insurance contract assets as presented above can be assessed by reference to historical information about counterparty default.

Insurance revenue outstanding

The Scheme collects over 99% of outstanding contributions in the month following the contributions being due. Therefore, the Scheme can establish that the credit quality of contribution debtors is high and no additional disclosure of the credit quality is provided.

Active member claims debtors

These debtors are active members of the Scheme. No further provision for impairment is therefore necessary.

Withdrawn member claims debtors

These amounts are due from members that have withdrawn from the Scheme. The Scheme estimates that 93% (2024: 87%) of these receivables are not recoverable. This has been taken into account in the insurance contracts fulfilment cash flows.

Service provider claims debtors

These debtors are the healthcare providers of the Scheme. The amounts due to the Scheme are offset against future payments to be made to these providers. The Scheme estimates that 63% (2023: 57%) of these receivables are not recoverable. This has been taken into account in the insurance contracts fulfilment cash flows.

Forensic receivables

Forensic debt recovery mechanisms primarily include Acknowledgement of Debt (AOD), reversals, and cost adjustments. AOD amounts are recovered through various means such as debit orders, Electronic Fund Transfers (EFTs) or direct deposits into the bank account, which undergo continuous monitoring.

Financial assets held at fair value through profit or loss and cash and cash equivalents

The Scheme manages credit risk on its investment portfolios through the appointment of reputable and appropriate asset managers, extensive diversification and ongoing monitoring and management of credit risk exposures and portfolio holdings.

These investments are included in Financial assets at fair value through profit or loss in the Statement of Financial Position and no other material risks relating to these investments have been identified other than those already disclosed.

Cash and cash equivalents are only placed with reputable financial institutions with a high credit quality. The Scheme has a policy of limiting the amount of credit exposure to any one financial institution.

For a breakdown of the Scheme's asset credit ratings, refer to Note 22.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Unconsolidated investment structures

The Scheme has involvement with investment funds in which it invests but it does not consolidate. The investment funds meet the definition of structured entities because:

- The voting rights in the funds are not dominant rights in deciding who controls them because they relate to the administrative tasks only;
- each fund's activities are restricted by prospectus; and
- the funds have narrow and well-defined objectives to provide investment opportunities.

The asset managers invest the Scheme's monies in reputable funds which generate returns for the Scheme. The Scheme views these funds as unconsolidated structured entities. The Scheme monitors the performance of the funds closely to ensure the Scheme earns high returns without unnecessary exposure to risk. The Scheme does not control these funds as it has no voting rights, is not able to call meetings and in addition, has no ability to direct the relevant activities of these funds. As the Scheme does not control these funds, its investments in these structured entities are not consolidated in the Scheme's financial statements.

The Scheme has investments in certain pooled portfolios and collective investment schemes (the Funds) and exposure to these Funds as listed in the table below. The Scheme's maximum exposure is limited to the total fair value of its investments in the Funds.

Fund	2025		2024	
	Fair value of fund assets held R'000	% Fund exposure attributable to Scheme	Fair value of fund assets held R'000	% Fund exposure attributable to Scheme
Abax SA Income Prescient Fund	-	-	4,640	1.20%
Allan Gray Foreign Equity Fund	93,766	0.57%	103,475	0.70%
Allan Gray Foreign Fixed Interest Fund	84,271	2.24%	65,908	1.40%
Coronation Absolute Bond Fund	83,241	1.81%	109,597	2.60%
Nedgroup Corporate Money Market Fund	18,629	0.05%	23,989	0.10%
Ninety One GSF US Dollar Money Fund D USD	53,675	0.23%	62,234	0.20%
Ninety One GSF Global Franchise Fund	183,329	0.12%	187,119	0.10%
Ninety One Ial Internal Money Upf Z	106,072	2.83%	131,560	0.40%
Ninety One Stable Money Fund	699,189	29.59%	529,342	26.90%
Ninety One Ial Money Market Fund	-	-	65	0.00%
Ninety One Stefi Plus Fund Z	15,327	0.09%	14,061	0.10%

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Liquidity risk

Liquidity risk is the risk that the Scheme will not have sufficient liquid funds available to settle financial obligations as they fall due.

The Scheme's approach to managing liquidity is to ensure, with significant conservative margin, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation. In order to meet the objectives of enhancing returns while also providing high liquidity, the combined Scheme portfolios have explicit constraints that guarantee liquidity of at least 20% of the Scheme assets within a period of one week.

The Scheme has complied with the requirements regarding the nature and categories of assets as prescribed by Section 35 and Regulation 30 of the Act.

Members of the Scheme are required to submit their claims within 4 months of the service date.

An expected maturity analysis for all assets and liabilities is provided below:

31 December 2025	Up to 3 R'000	>3 - 12 months R'000	> 12 months R'000	Total R'000
Assets	3,019,108	54,014	1,470,184	4,543,306
Financial assets at fair value through profit or loss	2,860,706	54,014	1,470,184	4,384,904
Other financial assets at amortised cost	1,609	-	-	1,609
Cash and cash equivalents	156,793	-	-	156,793
Liabilities	33,622	1,169	271,981	306,772
Insurance contract liability	32,178	1,169	271,981	305,328
Reinsurance contract liability	414	-	-	414
Financial liabilities at amortised cost	1,030	-	-	1,030
Net assets	2,985,486	52,845	1,198,203	4,236,534

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Liquidity risk (continued)

31 December 2024*	Up to 3 R'000	>3 - 12 months R'000	> 12 months R'000	Total R'000
Assets	2,837,258	89,929	1,213,203	4,140,390
Financial assets at fair value through profit or loss	2,706,469	89,929	1,213,203	4,009,601
Other financial assets at amortised cost	2,486	-	-	2,486
Cash and cash equivalents	128,303	-	-	128,303
Liabilities	27,251	4,099	262,664	294,014
Insurance contract liability	26,083	4,099	262,664	292,846
Reinsurance contract liability	-	-	-	-
Financial liabilities at amortised cost	1,168	-	-	1,168
Net assets	2,810,007	85,830	950,539	3,846,376

*Comparative information for 2024 has been included to reflect the introduction of a maturity analysis of financial assets as part of liquidity risk disclosures, in line with IFRS 7 and the SAICA Medical Schemes Guide (2025). This represents an enhancement of disclosure and does not constitute a restatement in terms of IAS 8, as there is no impact on previously reported amounts.

Fair value estimation

Financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Scheme is the current closing price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

The carrying value of Financial assets at amortised cost are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Fair value estimation (continued)

Valuation of financial instruments by hierarchy level

The Scheme measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities. These are readily available in the market and normally obtainable from multiple sources.

Level 2:

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between instruments.

	Level 1	Level 2	Total
2025	R'000	R'000	R'000
Financial assets at fair value through profit or loss			
Listed equities	1,391,049	-	1,391,049
Commodity linked instruments	85,152	-	85,152
Collective investment schemes	-	638,311	638,311
Money market instruments	-	103,942	103,942
Bonds	1,467,261	-	1,467,261
Linked Insurance Policies	-	699,189	699,189
	2,943,462	1,441,442	4,384,904

	Level 1	Level 2	Total
2024	R'000	R'000	R'000
Financial assets at fair value through profit or loss			
Listed equities	1,156,421	-	1,156,421
Commodity linked instruments	63,876	-	63,876
Collective investment schemes	-	702,648	702,648
Money market instruments	-	168,836	168,836
Bonds	1,388,478	-	1,388,478
Linked Insurance Policies	-	529,342	529,342
	2,608,775	1,400,826	4,009,601

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

19. FINANCIAL RISK MANAGEMENT REPORT (continued)

Fair value estimation (continued)

Valuation of financial instruments by hierarchy level (continued)

Level 2 investments are valued using market-based techniques that maximise observable inputs while limiting entity specific assumptions. Interest bearing stocks are valued using the JSE pricing file, which incorporates observable market data such as market yield curves and credit spreads rather than directly observed trade prices, resulting in Level 2 classification. Money market instruments are valued using a discounted cash flow approach that applies observable market interest rate curves; however, because these valuations are not based on directly quoted trading prices of the underlying instruments, they are classified as Level 2. Instrument details and curve yields are used to determine the instrument fair value.

Capital risk management

Capital adequacy risk is the risk that there may be insufficient reserves to provide for adverse variations on actual or expected future experience.

The Scheme is subject to the capital requirement imposed by Regulation 29 (2) of the Act, which requires a minimum solvency ratio of accumulated funds expressed as a percentage of gross contributions to be 25%.

The Scheme's objectives when managing capital are to maintain the capital requirements of the Act, and to safeguard the Scheme's ability to continue as a going concern in order to provide benefits for its stakeholders.

The calculation of the regulatory capital requirement is set out below.

	2025	2024
	R'000	R'000
Liability attributable to future members per the Statement of Financial Position	4,236,534	3,846,376
Less: cumulative unrealised net gain on remeasurement of investments to fair value	(816,654)	(582,088)
Accumulated funds per Regulation 29 of the Act	<u>3,419,880</u>	<u>3,264,288</u>
Gross annual contributions	656,764	664,099
Insurance revenue (Note 4)	582,770	589,045
MSA contributions received (Note 4)	73,994	75,054
Solvency margin	520.72%	491.54%

The accumulated funds ratio above compares favourably to the minimum prescribed accumulated funds ratio of 25%.

20. NON-COMPLIANCE MATTERS

Circular 11 of 2006 (the Circular) issued by the Council for Medical Schemes (the CMS) deals with issues to be addressed in the audited Financial Statements of medical schemes. This includes the requirement that all instances of non-compliance be disclosed in the audited Financial Statements, irrespective of whether the auditor considers them to be material or not.

During 2025, the Scheme did not comply with the following Sections and Regulations of the Act.

20.1 Outstanding contributions

Nature and impact

In terms of Section 26(7) of the Act, contributions should be received in accordance with the rules of the Scheme. Per the Scheme rules, contributions are required to be received within three days after their due date. Instances were noted where contributions were received late.

Causes of failure

Balances after three days are due to reconciling discrepancies between the participating employers and the Scheme. The risk of default on payments due to the Scheme is small because of the restricted nature of the Scheme and employer base. The Trustees consider this to be immaterial.

Corrective action

Suspension policies are in place and applied where contributions are outstanding for individual paying members outside the participating employers' obligation.

20.2 Investment in participating employer and administrators

Nature and impact

Sections 35(8)(a) and 35(8)(c) of the Act states that a medical scheme shall not invest any of its assets in a participating employer or any administrator. During the year the Scheme had exposure to such investments in participating employer groups and administrators through pooled investment vehicles.

Causes of failure

The Scheme invests in pooled investment vehicles which allow investment managers discretion to invest in a combination of shares and bonds that will best achieve their stipulated benchmark. Given this approach, the Scheme was exposed to participating employer shares and administrator shares.

Corrective action

The Scheme applies annually to the Council for Medical Schemes and received an exemption from this section of the Act. This exemption is valid until 31 December 2028.

20. NON-COMPLIANCE MATTERS (continued)

20.3 Sustainability of benefit options

Nature and impact

In terms of section 33(2) of the Act, each benefit option shall be self-supporting in terms of membership and financial performance. At 31 December 2025, the Managed Care and Value Care plans incurred deficits before investment income as set out in Note 14 to the financial statements.

Causes of failure

The Board of Trustees annually maintain market related benefit offerings and competitive contribution increases. Due to the Scheme demographics, this gives rise to the non-compliance.

Corrective action

Anglo American South Africa sold numerous subsidiaries over a period of time resulting in the loss of active employees and retention of pensioners. To compensate the Scheme for the resultant high pensioner ratio and expected deterioration of the claiming profile, the participating employers pre-funded the additional liability to the extent that the Scheme could maintain market related benefits and contribution increases into the future. The Scheme meets its responsibility to the members by subsidising the expected claims excess over contributions from the reserves. The Trustees will continue to review the investment returns to align with the strategy ensuring sustainability.

The Council for Medical Schemes is aware of the Scheme's strategy and approves the benefits and contributions annually without any requirement to take further corrective action.

20.4 Payment of claims within 30 days

Nature and impact

In terms of section 59(2) of the Act a member or provider claim should be settled within 30 days of submission. Instances were noted where settlements took more than 30 days.

Causes of failure

Delays can occur when accounts are referred for clinical audit or other investigations. These are however exceptions and claims are generally paid within the prescribed time.

Corrective action

The Scheme is aware of the requirements and complies as far as possible. It is however an inherent part of the industry that a limited number of problematic claims may exceed the payment requirement of 30 days.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

21. RECONCILIATION OF MOVEMENTS IN THE STATEMENT OF CASH FLOWS

	Note	2025 R'000	2024 R'000
Cash receipts from members and providers - other		812	22
Movements in prepaid expenditure		1,901	22
Movements in sundry accounts receivable		(1,089)	-
Cash paid to providers - reinsurers		(45,456)	(54,094)
Premiums paid		(45,870)	(54,094)
Movement in reinsurance contract liability		414	-
Cash paid to providers - other operating expenses		(13,099)	(17,031)
Other operating expenditure		(13,735)	(16,105)
Prescribed income		774	765
Movement in accruals		(53)	(1,002)
Movement in unallocated funds		(85)	(689)
Additions to investments		1,845,594	2,156,131
Dividend income		43,258	42,907
Interest income		75,393	92,634
Interest capitalised		-	(5,865)
Acquisition of investments		1,726,943	2,026,455
Proceeds on disposal of investments		(1,928,641)	(2,136,996)
Expenses for asset management services rendered		(17,565)	(16,181)
Proceeds on disposal of investments		(1,687,292)	(1,886,550)
Net realised gains		(223,784)	(234,265)
Interest received		78,175	89,907
Interest income from financial assets not at fair value through profit or loss		2,717	3,112
Interest income from financial assets at fair value through profit or loss		75,393	92,634
Movement in accrued interest		65	26
Interest capitalised		-	(5,865)

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

22. CREDIT RISK RATINGS

The following table discloses the Scheme's asset credit ratings using official long-term credit ratings where available:

31 December 2025	Total R'000	Government	AAA R'000	AA+ to AA- R'000	A+ to A- R'000	B+ to B- R'000	BB+ to BB- R'000	Not rated R'000
Financial assets at fair value through profit or loss	2,908,703	1,146,423	62,513	1,474,018	8,211	37,058	2,442	178,037
Bonds	1,467,261	1,146,423	20,683	252,444	8,211	37,058	2,442	-
Collective investment schemes	638,311	-	-	460,273	-	-	-	178,037
Linked Insurance Policies	699,189	-	-	699,189	-	-	-	-
Money market instruments	103,942	-	41,830	62,112	-	-	-	-
Cash and cash equivalents	156,793	-	-	148,703	-	-	-	8,090
Other financial assets at amortised cost	1,609	-	-	-	-	-	-	1,609
TOTAL	3,067,105	1,146,423	62,513	1,622,721	8,211	37,058	2,442	187,736

31 December 2024 (restated)*

Financial assets at fair value through profit or loss	2,789,303	1,049,493	9,995	1,531,106	15,914	868	12,545	169,383
Bonds	1,388,478	1,049,493	9,995	299,663	15,914	868	12,545	-
Collective investment schemes	702,648	-	-	533,265	-	-	-	169,383
Linked Insurance Policies	529,342	-	-	529,342	-	-	-	-
Money market instruments	168,836	-	-	168,836	-	-	-	-
Cash and cash equivalents	128,303	-	-	128,303	-	-	-	-
Other financial assets at amortised cost	2,486	-	-	-	-	-	-	2,486
TOTAL	2,920,092	1,049,493	9,995	1,659,408	15,914	868	12,545	171,869

*Comparative figures have been restated to align with the current year disclosure requirements of IFRS 7.35M.