AMS | ANGLO MEDICAL SCHEME

MEDIBRIEF

ANNUAL FINANCIAL RESULTS FOR 2025 | **SECOND QUARTER** | APRIL 2026

2025: The big picture

Average contribution increase for 2025

AMS **6.5%**

Stats SA survey industry average

10.5%

Total medical savings account balance

2024 **R266.3m** | 2025 **R277.6m**

Liability for future members (previously accumulated funds)

2024 **R3.8bn** | 2025 **R4.2bn**

Average liability for future members (previously accumulated funds) per member

2024 **R451 506** | 2025 **R529 368**

Interest earned on medical savings account

2024 **R21.5m** | 2025 **R20.4m**

Total claims paid

2024 **R693.1m** | 2025 **R725.4m**

Average beneficiary age

2024 **41.30** | 2025 **42.14**

Solvency ratio

2024 **491.5%** | 2025 **520.7%**

Total number of members

2024 **8 519** | 2025 **8 003**

Total number of beneficiaries

2024 **17 413** | 2025 **15 874**

Beneficiary pensioner ratio

2024 **23.20%** | 2025 **24.48%**

Executive summary

2025 was an outstanding year for South African asset classes, with equities delivering particularly strong performances, supported in large part by gains in precious metals. Against this positive investment backdrop, the healthcare policy environment remained complex and closely watched. The National Health Insurance (NHI), signed into law in May 2024, continued to face multiple legal challenges. Following engagement between the President, the Minister of Health, and the various applicants, it was agreed that these matters would be held in abeyance pending the outcome of two Constitutional Court applications, which are expected to be heard in May 2026.

The Scheme performed well and reported a net result (before mutualisation) of R390.2 million for the year, R117.8 million up on the 2024 surplus of R272.4 million, which was largely due to investment income and movements in unrealised gains. The 2025 asset value was reported to be R4.5 billion, up on the 2024 asset value of R4.1 billion. Under IFRS17, accumulated funds are referred to as *liability to members for future benefits*.

We realised a positive annual return on our investments of 13.5%, comfortably outperforming inflation by 9.9%. We are ahead of the targeted benchmark of CPI + 3.5% over the 3-, 5- and 7-year period with a net real return of 4.5% or higher. However, there is a slight lag of 0.6% per annum of the targeted benchmark over the 10-year period. This is largely due to global equities delivering the highest real returns in the 10-year period and the Scheme being precluded from investing in this asset class until 2020.

The Long-Term Funding (LTF) ratio has decreased from 138.7% to 125.6%. The two main drivers impacting this ratio are long-term contribution increases and investment returns. Even a small percentage variation in either component has a sizable impact on the ratio when extended over the full 15- to 20-year period. Despite the slight reduction in the LTF ratio, the long-term obligations remain comfortably funded, coupled with an expectation of improving value-for-money for members versus market norms, into the future.

Membership movements in 2025

▼ **516** fewer active memberships | Beneficiary age ▲ **42.14** | Managed Care Plan (MCP) membership ▼ **8.5%**
Standard Care Plan (SCP) membership ▼ **7.3%** | Value Care Plan (VCP) membership ▲ **3.9%**

The Scheme's growth potential, as a restricted membership scheme, is linked to the ebb and flow of the employees of Anglo Corporate Services South Africa, Mondi South Africa and Mpact. Overall membership declined by 6.06% due to corporate activity. There was an increase in the average beneficiary age to 42.1 years (2024: 41.3) and an increase in the pensioner ratio to 24.5% (23.2% in 2024). While contributions were increased by 6.5% in 2025, the average risk contribution income per beneficiary per month increased by 6.0%, partly due to membership Plan changes, with a growth in membership of 3.9% on the Value Care Plan.

We conducted an evaluation of our 2025 Plans to ensure they remain relevant and competitive when benchmarked against equivalent offerings in the market. We are pleased to confirm that, when compared to eight competitor schemes, our Plans consistently outperformed the industry average. Each of our three Plans delivered superior benefits at lower-than-average contribution rates. Specifically, the MCP delivered 23% greater benefit value per Rand spent compared to average industry alternatives. Similarly, the SCP provided an 8% higher value compared to competing options, while the VCP offered 13% more value than the lowest income-band options available from competitors.

An insurance service result of R139.9 million deficit was reported for the year, reflecting the difference between the insurance revenue (contribution income), insurance service expenses (claims incurred and directly attributable expenses) and net income from reinsurance contracts (risk transfer arrangements).

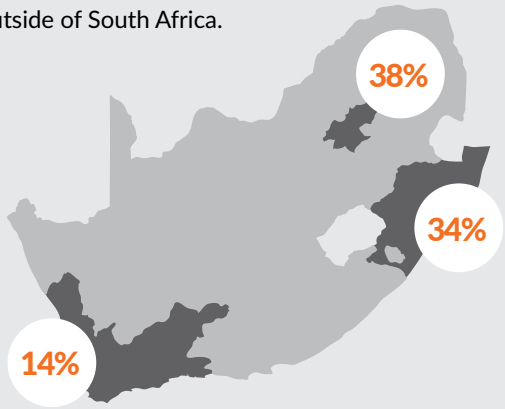
The Scheme continued to maintain sound risk management and internal control systems throughout 2025. The two most significant risks which are closely monitored are legislative risk relating to the National Health Insurance (NHI) and risks associated with corporate activity.

We remain committed to delivering service excellence to our members, achieving an outstanding average score of 9.5 across all agreed service level measurements, with members reporting similarly high levels of satisfaction. This exceptional performance is made possible by the dedicated efforts of the AMS administration team, AMS Call Centre, our Client Liaison Officers, and the Office of the Principal Officer.

What our membership looked like in 2025

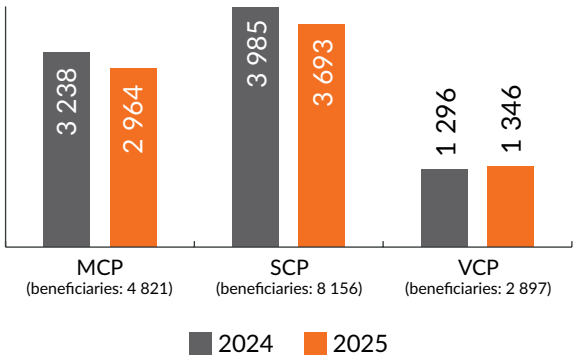
Location

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.



Members: **8 003** Dependants: **7 871**

Change in membership per plan



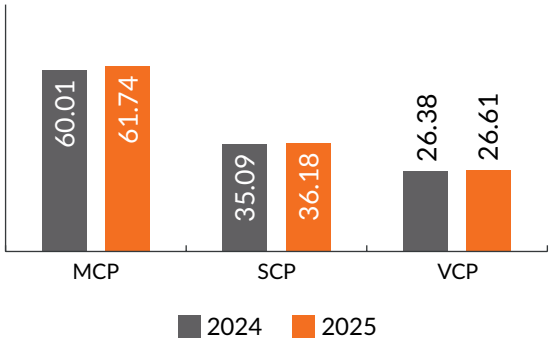
Key performance indicators for Plans administered by Discovery Health

30 845 calls handled	**43 532** emails answered	**96.96%** service level
502 214 claims processed	**9.58/10** average service rating by members	

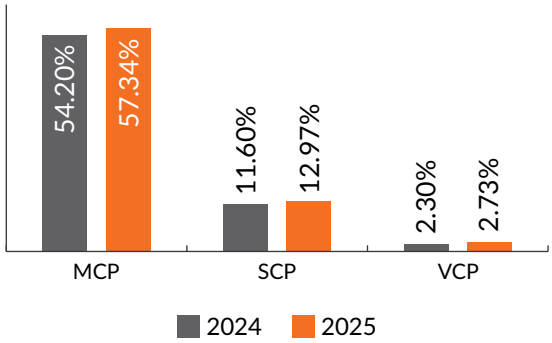
How we measured our performance

- **Sufficient reserves** ensure we can cover member healthcare costs. Our liability to members for future benefits at the end of 2025 was R4.2 billion, leading to a long-term funding ratio of 125.6% (2024: 138.7%).
- Our aim is to align **contribution increases and benefits** with the industry average and the medical inflation rate of CPI plus 3%. In 2025, we achieved this with an average annual contribution increase per member of 6.5%.
- We aim to offer better **value for money** than our competitors. In 2025, independent evaluations showed that all three of our plans offered more benefit value back per Rand spent in contributions than their average competing industry options.
- We gauge **service excellence** by measuring first-call resolution, same-day task completion, service levels, claim processing times, and member satisfaction. In 2025, our administrator, Discovery Health, maintained excellent service levels above the required 90%.
- We aim to keep our **non-healthcare costs** below 10%, as required by the Council for Medical Schemes. In 2025, these costs were at 5.4%.

Average age of beneficiaries per plan



Pensioner ratio per plan (beneficiaries > 65)



Performance per plan

Insurance service expenses vs Insurance revenue: Managed Care Plan

Insurance service expenses, per member per month
2024 R10 102 | **2025** R11 361

Insurance service expenses, per beneficiary per month
2024 R6 048 | **2025** R6 944

Insurance revenue, per member per month
2024 R7 177 | **2025** R7 533

Insurance revenue, per beneficiary per month
2024 R4 297 | **2025** R4 604

Insurance service expenses vs Insurance revenue: Standard Care Plan

Insurance service expenses, per member per month
2024 R5 448 | **2025** R6 035

Insurance service expenses, per beneficiary per month
2024 R2 407 | **2025** R2 714

Insurance revenue, per member per month
2024 R5 726 | **2025** R6 031

Insurance revenue, per beneficiary per month
2024 R2 530 | **2025** R2 712

Insurance service expenses vs Insurance revenue: Value Care Plan

Insurance service expenses, per member per month
2024 R1 976 | **2025** R1 992

Insurance service expenses, per beneficiary per month
2024 R865 | **2025** R926

Insurance revenue, per member per month
2024 R1 893 | **2025** R1 932

Insurance revenue, per beneficiary per month
2024 R829 | **2025** R898

Statement of Comprehensive Income

for the year ended 31 December 2025

	2025 R'000	2024 R'000
Insurance revenue	582,770	589,045
Insurance service expense	(725,402)	(693,093)
Net claims incurred*	(691,509)	(658,746)
Accredited managed healthcare services*	(12,435)	(12,644)
Directly attributable insurance services expenses	(21,458)	(21,703)
Net income from risk transfer arrangements/reinsurance*	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	121,368	138,653
Net gains on investments at fair value through profit or loss	458,350	281,717
Sundry income	2,010	1,942
Other expenditure	**(51,657)**	**(53,788)**
Other operating expenses	(13,735)	(16,105)
Asset management fees	(17,565)	(16,181)
Finance expense from insurance contracts	(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	(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.

Statement of Financial Position

as at 31 December 2025

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

Liability for incurred claims (previously outstanding claims provision)

The outstanding risk claims provision is an estimate of healthcare costs that have occurred but haven't been reported to the Scheme by the reporting date. We regularly review and adjust our assumptions to determine this provision. In 2025, provision was made for R23.6 million (2024: R23.7m).

Principal participating employers:
Anglo Corporate Services South Africa (Pty) Ltd | Mondi South Africa (Pty) Limited | Mpact Limited

AMS's investments and capital management

Our 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.

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.

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%

Total investments held at year end

How our investments performed

The investments held represent investments in:

	2025 R'000	2024 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**

How we managed our capital

According to Regulation 29(2) of the Act, the Scheme must keep a minimum amount of money saved up, equal to 25% of all the money it gets from members, known as the minimum solvency ratio, to ensure it can cover its costs. This is how this required amount is calculated:

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

	2025 R'000	2024 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	3,419,880	3,264,288
Gross annual contributions	656,764	664,099
Insurance revenue	582,770	589,045
MSA contributions received	73,994	75,054
Solvency margin	520.72%	491.54%

Risk transfer arrangements (reinsurance)

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
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
Discovery Health (Pty) Ltd	Provides diabetes related medical services including related hospitalisation expenses. (contract commenced 1 May 2025)	Managed Care Standard Care

Important reminders for members

- Kindly RSVP for the virtual or in-person attendance of the Annual General Meeting by 20 May.
- Proxy forms must be submitted by close of business on 25 May.
- Notices of motion should be submitted by 20 May.
- Please note that the Annual Financial Statements will be available on https://www.angloms.co.za/portal/ams/home from 13 May.

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 are those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme. Key management personnel include the Board of Trustees and the Principal Officer. 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 – administration, managed care services, financial and operational information arrangements in place as well as the management and treatment of members with diabetes.
- Discovery Third Party Recovery Services (Pty) Ltd (DTPRS) manages administration related to the Road Accident Fund.
- Kaelo Prime Cure (Pty) Ltd – reinsurance contract in place for day-to-day benefits, including treatment of chronic conditions, for Value Care Plan beneficiaries.
- MediKredit (Pty) Ltd – provides managed care services to the Scheme.
- Anglo Corporate Services South Africa (Pty) Ltd – provides management services and head office rental space.

	2025 R'000	2024 R'000
Statement of Comprehensive Income		
Compensation		
Short-term employee benefits	3,799	5,524
Trustee remuneration	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
Statement of Financial Position		
Medical Savings Accounts	536	410

Non-compliance with the Medical Schemes Act – exemptions

1. **Outstanding contributions** should be received within three days of their due date as per the Scheme's rules. Late payments are sometimes caused by discrepancies between employers and the Scheme. However, the risk of default is low due to the limited nature of the Scheme and employer base. Suspension policies are in place for members with outstanding contributions beyond their employer's obligations.
2. The Scheme had **investments in participating employer groups** through pooled investment vehicles, which are permitted under an exemption from Section 35(8)(a) of the Act. This exemption is valid until 31 December 2028.
3. The Scheme had **investments in administrators** through pooled investment vehicles, which is permitted under an exemption from Section 35(8)(c) of the Act. This exemption is valid until 31 December 2028.
4. **Each benefit option must support itself financially** and in terms of membership. As of 31 December 2025, the Managed Care and Value Care Plans had deficits before investment income. The Scheme uses reserves to cover expected claim costs exceeding contributions, ensuring members' needs are met. The Trustees regularly review investment returns to ensure sustainability. The Registrar of Medical Schemes approves the Scheme's strategy annually without requiring corrective action.
5. **Member or provider claims should be settled within 30 days of submission**, but some settlements took longer. Delays can happen when accounts need clinical audits or other investigations, but these are exceptions. The Scheme tries to comply with the requirements, but some complex claims may take longer to process, which is common in the industry.
6. **Investments are prohibited in equities outside South Africa**. However, the Scheme has investments in territories outside South Africa through its investment portfolio. The Scheme applied for and received an exemption from this regulation from the Council for Medical Schemes, valid until 30 April 2027.

Board of Trustees

Member Elected	Member Elected – Alternate trustee	Employer Appointed	Employer Appointed – Alternate trustee
Dr Fox FH (Chairman) Coetzer JP (Vice-chairman) Elliott CC Hosking S Mason-Gordon NJ Dr Mbekeni CWS	Dlamini Z Farrell MR Mhlongo QP (resigned) Khumalo X	Barrett CM Liston JB Mamabolo NM (resigned) Mateme MN Moodley R Naicker V Thompson HM van der Bijl BD (resigned)	Naicker R Ngidi K

Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), 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.

Statement of responsibility

The Trustees are responsible for the preparation and fair presentation of the annual financial statements of the Anglo Medical Scheme (the Scheme), 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 significant 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 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:

Dr FH Fox
Chairman

Mr JP Coetzer
Vice-Chairman

Ms JC le Roux
Principal Officer

Do you have membership or Scheme questions? Contact us on the numbers and addresses listed here:

Value Care Plan: 0861 665 665 | support@kaelo.co.za | **Standard and Managed Care Plans:** 0860 222 633 | member@angloms.co.za and claims@angloms.co.za

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