

AGM 2026



**NOTICE OF THE ANNUAL GENERAL
MEETING TO BE HELD ON
25 JUNE 2026**

Includes the 2025 Summarised
Financial Statements



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Notice of the Annual General Meeting of Bankmed

Notice is hereby given that the 112th Annual General Meeting of Bankmed will be held virtually on Thursday, 25 June 2026 at 16:00.

Agenda

1. To read the notice convening the meeting
2. To approve the minutes of the 111th virtual Annual General Meeting held on Thursday, 26 June 2025
3. Feedback on matters arising and general update
4. To receive and adopt the audited Financial Statements and the Annual Report of the Board of Trustees for the year ended 31 December 2025
5. To note the Bankmed Trustee Fee Policy, and approve the proposed Trustee Fee increase for 2026/2027
6. To appoint the auditor for the ensuing year
7. To transact any other business of which notice was given by 30 April 2026
8. Announcement of the newly-elected members of the Board of Trustees
9. Closure

By order of the Board



Dr L Rametsi
Chairperson

Minutes of the 111th Annual General Meeting of Bankmed

Date and time: Thursday, 26 June 2025 at 16h00

Venue: Virtual Meeting held via MS Teams

Attendees:	Bankmed Board of Trustees Present:	Dr L Rametsi Mr J Cresswell Mr D Armstrong Mr G Betela Mr D Bolt Ms F Butler-Emmett Mr R Gush Mr D Le Grange Mr W Mac Farlane Ms D Mantle Ms L Nkosi Ms G Noemdoe	Chairperson Vice-Chairperson
	Audit Committee	Ms R Gani	Independent Chairperson
	Officials in Attendance:	Mr T Mosomothane Dr N Naidoo Mr N Coghlan Ms M Bam Ms N Schubach	Principal Officer Clinical and Operations Executive Finance Executive Head: Client Management Head: Communications
	Bankmed Members:	At Start: 72 Principal members Total: 229 Principal members	
	Observers:	20 Non-voting attendees	
	Apologies Received:	None	

Items Minuted

1. OPENING, WELCOME AND ATTENDANCE

ACTION

The Chairperson, Dr L Rametsi, welcomed all present to the 111th Annual General Meeting (“AGM”) of Bankmed (“the Scheme”). She thanked and welcomed Ms Neo Mnzilwa, from the Council for Medical Schemes (“CMS”) for her attendance.

The Chairperson announced that BDO Advisory Services (Pty) Ltd (BDO), the Scheme's Independent Electoral Body (IEB), would be assisting with the proceedings.

In terms of Rule 28.4 of the Bankmed Scheme Rules, a minimum of 30 principal members must be present at the AGM for the meeting to be deemed quorate. The Chairperson confirmed that more than 30 principal members were present at 16:02, constituting a quorum.

The Chairperson informed attendees that the Scheme Management panel would not be addressing claims or benefit queries during the meeting. Members were advised to contact the Bankmed call centre at 0800 BANKMED (0800 226 5633) or email enquiries@bankmed.co.za for any queries. She further confirmed that the website (www.bankmed.co.za) and the mobile app remain available for members’ use and convenience. In addition, she noted that the AGM presentation would be uploaded to the Bankmed website following the conclusion of the meeting.

The Chairperson further briefed attendees on the Virtual AGM (“VAGM”) House Rules:

- Any questions or comments must be submitted via the Q&A Chat function. All submissions will first be moderated before being published to the live event;
- Attendees must submit any questions to the presenters by clicking on the "Chat" button on the left of the AGM screen on the "Access the VAGM" page. Questions raised, to the extent that they relate to the specific agenda items for the AGM, will be addressed at the AGM. All other general or personal questions that do not relate to the AGM agenda, and are best responded to in writing, will be addressed in writing. Both the questions and responses thereto will be published within seven (7) days following the AGM;
- Attendees will not be permitted to speak during the live event;
- Voting attendees can cast their votes on motions through the VAGM portal. Voting opened at the commencement of the AGM. Members must select the appropriate voting button on the left of the AGM screen on the "Access the VAGM" page. A pop-up window will appear to review the motions and cast votes. After voting, the pop-up must be closed;
- Once a member has submitted a vote, it cannot be amended, and no additional votes may be cast;
- The Chairperson acknowledged the issues experienced by Standard Bank members with the Q&A Chat function and confirmed that the technical division was actively working to resolve them. She encouraged members to make use of the Chat functionality via their mobile devices.

The Chairperson requested that members vote on the recommendations at the appropriate times during the meeting and informed attendees that BDO would provide unaudited voting results towards the end of the AGM.

2. TO READ THE NOTICE CONVENING THE MEETING

ACTION

The Chairperson confirmed the following regarding the Notice convening the meeting:

In terms of Rule 28.2.1 of the Registered Rules of Bankmed, the Notice convening the AGM must be sent to members at least fourteen (14) days before the meeting day.

The Chairperson confirmed that Bankmed had distributed the Notice convening the AGM on 10 June 2025. Members with email addresses received the Notice via email on 10 June 2025. For members without email addresses, Bankmed sent an SMS containing a link to the website and the Notice on 10 June 2025. Additionally, postal communication was sent to members without email addresses or cell phone numbers on 10 June 2025.

The official AGM documentation was also made available on the Bankmed website on 10 June 2025.

3. MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024

ACTION

The draft minutes of the 110th AGM held, on Thursday, 27 June 2024, were included in the booklet (and made available to members online) for review and approval and were taken as read.

The minutes were approved and will be signed by the Chairperson as a true reflection of the proceedings of the previous meeting. The approval was proposed by Mr Rod Gush and seconded by Mr Dirk Le Grange.

4. MATTERS ARISING FROM THE MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024, AND GENERAL UPDATE

ACTION

The Chairperson invited the Principal Officer, Mr. Teddy Mosomothane, to present on matters arising from the previous year's minutes and to provide a general update on Bankmed. The Principal Officer highlighted the following key points in his presentation:

4.1. Matters Arising

The Principal Officer confirmed that the following matters arising from the previous year's minutes had been addressed:

①	②
TRUSTEE FEE INCREASES	VOTING OUTCOME AT AGM
The Chairperson will review the Scheme Rules to address any potential conflicts of interest arising from Trustees and Audit Committee members voting on increases to their own fees under the Trustee Fee Policy.	The Chairperson confirmed that once all voting outcomes had been audited by the IEB, the results would be published on the Scheme's website.
SCHEME RESPONSE	SCHEME RESPONSE
Rule 29.1 states: "Every principal member who is in good standing with the Scheme, and who is present at a general meeting of the Scheme, has the right to vote, or may, subject to this Rule, appoint another principal member of the Scheme, who is also in good standing, as proxy to attend, speak and vote on their behalf." The IEB will audit the voting process and manually exclude any votes cast by Trustees and/or Audit Committee members on this specific motion at the AGM. Trustees retain the right to vote on all other motions.	The results were published on the Scheme's website approximately a week after the AGM in 2024.
Complete	Complete

4. MATTERS ARISING FROM THE MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024, AND GENERAL UPDATE

ACTION

- Trustee fee increase:** Legal advice was obtained, confirming that Trustees should abstain from voting due to a conflict of interest. While no changes to the Rules were required, this had been addressed in the Bankmed Code of Conduct, and measures had been implemented to ensure such votes are excluded going forward.
- Voting outcome at AGM:** The results announced during the AGM are provisional, pending an audit within seven days. Once finalised, the results, together with written responses to member questions, are published on the Bankmed website. It was confirmed that this was done for 2024.

4.2. General Update

4.2.1. 111 Years of Success

The Principal Officer highlighted that Bankmed’s long-standing legacy of over 111 years is rooted in strong partnerships with its members and employer group clients.

He acknowledged the original founders from 1914 and emphasised the Scheme’s evolution alongside the banking industry over the past century. A significant development noted was the 2023 approval to expand Bankmed’s membership to the broader Financial Services sector, which benefits both the Scheme and its members.

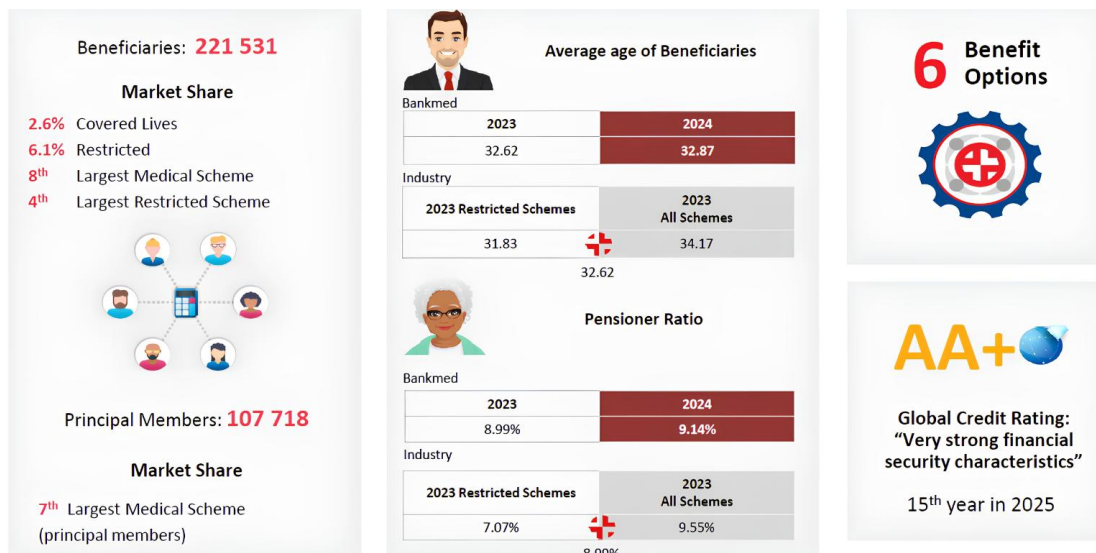
Furthermore, the Scheme’s value proposition includes 35% better value and a wellness programme called “Balance”, offered at no cost to Bankmed members.

4.2.2. You are in Good Company

The Principal Officer highlighted that Bankmed is in partnership with 31 employer group clients, noting the recent addition of “Bank of Communications”.

He further indicated that two additional financial services providers would join on 1 July 2025, emphasising that growth is being pursued responsibly to ensure Bankmed’s long-term sustainability.

4.2.3. In Good Health for your Good Health



4. MATTERS ARISING FROM THE MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024, AND GENERAL UPDATE

ACTION

4.2.3.1. Bankmed's Profile

The Principal Officer provided a high-level overview of Bankmed's profile, highlighting key features and comparing them to industry indicators. As at the end of 2024, Bankmed had 221 531 beneficiaries, representing 2.6% of the total lives covered by all medical schemes in South Africa. Among restricted medical schemes, to which Bankmed belongs, it accounts for 6.1% of covered lives, a proportion influenced by the presence of much larger medical schemes within the industry.

As at the end of 2024, Bankmed was ranked as the 8th largest medical scheme out of 71 in the country and the 4th largest among restricted schemes. With a total of 107 718 principal members, Bankmed was the 7th largest medical scheme by principal members. The Principal Officer emphasised that the Scheme remains committed to delivering exceptional value to its members and will continue to take all necessary steps to ensure the sustainability of this value into the foreseeable future.

In terms of average age, Bankmed's beneficiaries were 32.62 years old in 2023 and 32.87 years old in 2024. The proportion of pensioners within the member base increased slightly, from 8.99% in 2023 to 9.14% in 2024.

The Scheme remains confident in its six benefit options, designed to cater to a diverse range of members: from younger, healthier individuals and those with affordability considerations to those requiring more comprehensive coverage through higher-tier Plans. Actuaries and Trustees ensure that even the lower cost Plans adequately support members with greater healthcare needs, balancing affordability with access to care.

Bankmed has sustained its AA+ Global Credit Rating for the 15th consecutive year, reflecting the Scheme's strong financial security.

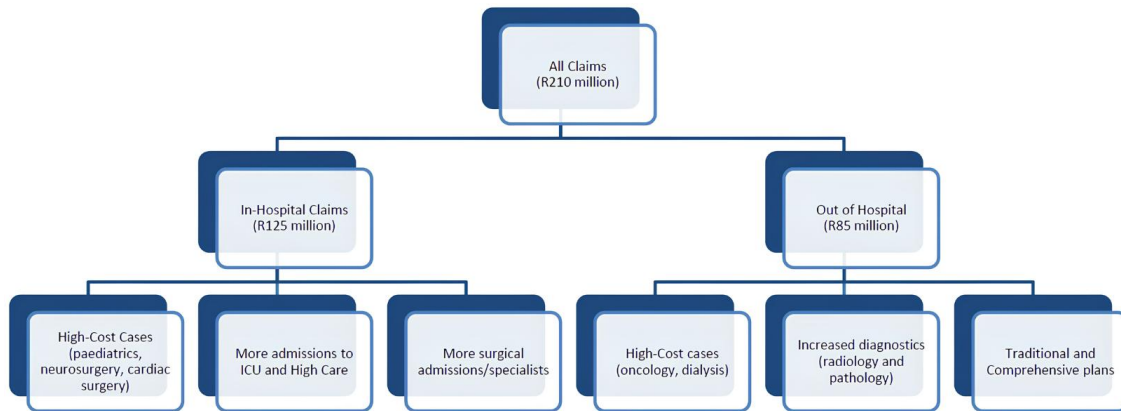
4.2.3.2. Financial Indicators

The Principal Officer noted that in 2023, Bankmed recorded an annual gross contribution income of R6.29 billion and a net surplus of R6.30 million. However, in 2024, while contributions increased to R6.78 billion, the Scheme reported a net deficit of R96.39 million, reflecting the impact of increasing claims trends affecting the broader industry.

In 2024, Bankmed's reserves declined from R3.34 billion in 2023 to R3.25 billion, attributable to the R96.39 million net deficit. The reserve ratio dropped from 48.98% to 43.23%, largely due to an increase in the claim's ratio from 100.94% in 2023 to 102.41% in 2024.

Compared to industry benchmarks for 2023, Bankmed's reserve ratio (48.98%) remains below that of restricted schemes (56.64%) but higher than the overall industry average (43.45%). Bankmed's 2023 claims ratio (100.94%) exceeded both the restricted schemes (98.71%) and the overall industry average (95.88%), highlighting the value delivered to members, but also the financial pressures imposed by the unfavourable claims experience on Scheme sustainability. The Principal Officer assured members that the Trustees, supported by actuaries and Bankmed Scheme Management, remain focused on addressing these trends to ensure long-term viability.

4.2.4. Drivers of the Claims Experience



The Principal Officer provided an overview of the Scheme’s claims experience for 2024, which exceeded expectations by over R200 million, approximately 3% higher than budgeted contributions. He confirmed that this primarily affected the Traditional, Comprehensive, and Plus Plans.

The overspend was split between approximately 60% in-hospital and 40% out-of-hospital. In-hospital drivers included high-cost cases, more Intensive Care Unit (ICU) and high-care admissions, and an increase in surgical procedures. Out-of-hospital overspend was linked to an increase in respiratory infections, increased utilisation, and higher claim costs on the Traditional and Comprehensive Plans. The Principal Officer emphasised that these factors had a significant impact on the Scheme’s overall financial performance.

4.2.5. Claims Ratio

The Principal Officer confirmed that in 2024, Bankmed's claims ratio varied significantly across beneficiary groups: children recorded a claims ratio of 107.75%, adults 75.84%, and pensioners a notably high 234.40%. This highlighted the disproportionate cost impact associated with pensioner claims and reinforced the Scheme’s position that introducing a pensioner-only benefit option would be unsustainable.

He further noted that regulatory constraints prohibit the design of benefit options based solely on age or similar criteria, supporting the importance of maintaining a balanced and inclusive approach across all member groups within the Scheme.

4. MATTERS ARISING FROM THE MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024, AND GENERAL UPDATE

ACTION

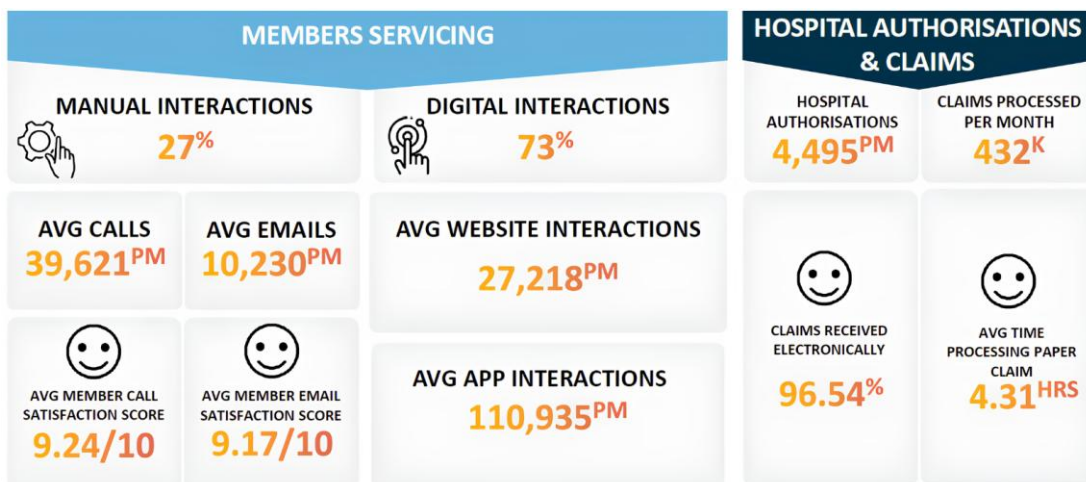
4.2.6. Membership Administration



The Principal Officer highlighted several key indicators related to the Scheme's operations and service environment. In 2024, Bankmed continued to deliver value to its 221 000 beneficiaries across 31 employer group clients through strong partnerships and focused service delivery. The Scheme processed an average of 1 631 new applications per month, with an activation turnaround time of approximately 16 hours. This efficiency contributed to a high average new member satisfaction score of 9.12 out of 10, reflecting a positive onboarding experience.

The Corporate Services division conducted 1 957 visits to employer group clients during 2024, reinforcing strong employer relationships. These visits were supported by an average employer satisfaction score of 9.93 out of 10. These indicators underline Bankmed's commitment to delivering a best-in-class member and client experience, while recognising that continuous improvement remains a priority.

Regarding member servicing, the Principal Officer reported a continued shift toward digital engagement in 2024, with 73% of total interactions occurring via digital platforms and 27% via manual channels. On average, the Scheme handled 39 621 calls and 10 230 emails per month, achieving high satisfaction scores of 9.24 (calls) and 9.17 (emails) out of 10.



4. MATTERS ARISING FROM THE MINUTES OF THE 110TH AGM HELD ON THURSDAY, 27 JUNE 2024, AND GENERAL UPDATE

ACTION

Digital engagement was further evidenced by an average of 110 935 app interactions and 27 218 website interactions per month. Hospital authorisations averaged 4 495 per month, while approximately 432 000 claims were processed monthly, with 96.54% received electronically. Paper claims were processed within an average of 4.31 hours.

Bankmed recorded approximately 61.7-million-member touchpoints in 2024, reflecting extensive engagement. Survey feedback indicated that 76% of members rated their experience 10 out of 10, with a further 11% rating it 9 out of 10. These results emphasise the Scheme’s strong focus on maintaining a high-quality, responsive, and efficient member service experience.



4.3. Conclusion

In conclusion, the Principal Officer highlighted Bankmed’s 111-year legacy of resilience and success, emphasising the Scheme’s strong partnerships with key pillars in the South African economy. Despite navigating industry-wide pressures, including a challenging claims environment, Bankmed remains sustainable, financially sound, and committed to delivering better value for its members' health.

The presentation also demonstrated that the longstanding partnership between Bankmed and its administrator continues to support the Scheme and its members effectively.

5. TO RECEIVE AND APPROVE THE AUDITED FINANCIAL STATEMENTS AND THE ANNUAL REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

ACTION

The Chairperson confirmed that the Summarised Financial Statements were included in the AGM booklet, while the complete Audited Financial Statements (AFS) were available on the Bankmed website.

The Chairperson provided an overview of the Scheme’s investment governance and oversight through a presentation. The Chairperson confirmed that the Investment Committee regularly reviews the Scheme’s performance, with major decisions made by the Board of Trustees (“BOT”). The Investment Committee comprises five appointed Trustees, and five investment managers are entrusted with the Scheme’s investable funds. These managers’ report monthly to Scheme Management, and the Scheme's investment performance is reviewed quarterly by the Investment Committee, and subsequently by the BOT.

5. TO RECEIVE AND APPROVE THE AUDITED FINANCIAL STATEMENTS AND THE ANNUAL REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

ACTION

The Investment Committee meets quarterly for strategy and oversight purposes, with meetings attended by Scheme Management and Bankmed’s independent Investment Advisor. The Committee’s responsibilities include reviewing the performance of investment managers, assessing the impact of recent political and economic developments, scrutinising investment decisions, and addressing other relevant matters.

The Chairperson also highlighted the portfolio limitations imposed by Regulation 30 of the Medical Schemes Act, including:

- Prohibition on investing in offshore equities;
- Maximum of 40% investment ratio in South African equities;
- Maximum exposure to any bank not to exceed 35%;
- Maximum exposure of 10% to other private entities and 20% to public entities;
- Minimum requirement of 20% in cash and/or liquid instruments.

Before proceeding to the adoption of the audited Annual Financial Statements and the Annual Report of the BOT, the Chairperson introduced Mr Dave Flint from Willis Towers Watson, the Scheme’s independent investment advisor.

Mr Flint provided an investment update, outlining the Scheme's risk versus return over the past 10 years up to 30 April 2025, with data including totals up to 31 December 2024, consistent with the summarised AFS in the AGM booklet. He highlighted that Bankmed’s portfolio demonstrated significantly lower volatility compared to similar off-the-shelf products. Despite this conservative approach, Bankmed delivered competitive returns, outperforming many market offerings over time. He also highlighted the asset allocations and portfolio performance of the individual investment managers.

Mr Flint highlighted the Scheme’s performance over one, three, five, and ten-year periods. He noted that Bankmed’s returns exceeded the CPI+3.5% target over one and three years, and performed strongly over five years, particularly due to robust returns in 2024. However, the 10-year return of 7.4%, remained below the CPI+3.5% benchmark of 8.4%, reflecting softer market conditions and the lingering impact of elevated liquidity levels in 2020. The underperformance during the five-year period was partly attributable to the postponement of elective surgeries in 2020, which led to an accumulation of funds. As markets rebounded, the portfolio’s returns lagged competitors with higher risk exposure. This conservative strategy was intentional, designed to protect capital during downturns.

Mr Flint concluded by reaffirming that:

- Bankmed’s investment returns have been significantly less volatile than those of comparable schemes, reflecting strong relative performance;
- Bankmed’s active asset managers have consistently outperformed passive benchmarks over the long term, while the Scheme continues to incur investment fees of less than 0.5%;
- The investment strategy is actively monitored and reviewed, with quarterly engagements and oversight of asset managers, including ongoing consideration of passive alternatives;
- The CPI + 3.5% target has been met over most periods, supported by stronger market performance, but remains slightly below the target over the full ten-year period.

The Chairperson thanked Mr Flint for his presentation on behalf of Bankmed.

5. TO RECEIVE AND APPROVE THE AUDITED FINANCIAL STATEMENTS AND THE ANNUAL REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

ACTION

She reported that the Principal Officer and Scheme Management had been monitoring questions submitted via the Chat platform to assist in providing feedback to members. A summary of the questions raised, comments made, and the corresponding responses is provided below:

#	Question/Comment	Response
5.1	When last was rule 28.4 revised. Find it strange that 30 out of more than 100 000 members is a quorum, i.e. 0.03% [M Kock]	The quorum for the Annual General Meeting was reviewed and amended in 2018, increasing the requirement from 25 to 30 principal members, in line with the recommendation of the CMS.
5.2	When Bankmed issues a claim acknowledgment, even for just a single line item, a nine-page encrypted PDF is generated. The document contains almost no useful information in that procedure or drug names / codes are not included. This seems bizarre and well below industry best practice. [R Band]	The Scheme has initiated a comprehensive review of the member claims statement. This review is expected to be finalised by year-end, with any resulting changes to be implemented as soon as practically possible thereafter.
5.3	The current claim rate for pensioners should not be the only factor that helps us decide on a discounted rate for pensioners. We must appreciate their tenure as well. [N Gaffoor]	Pensioner contributions may not be discounted. In terms of the Medical Schemes Act 131 of 1998 (“the Act”), the Scheme is prohibited from offering contribution discounts based on a member’s age. The Act explicitly prohibits any form of contribution or benefit differentiation on the grounds of age, gender, and health status. In accordance with section 29(1)(n) of the Act, contributions may only be determined with reference to the benefit option selected, the member’s income, the number of dependants, and the extent of benefits provided.
5.4	Should one not rather target medical inflation rather than CPI plus (3.5%) as expenses are related to medical inflation. [M Kock]	CPI plus 3.5% is generally accepted as the long-term proxy for medical inflation and hence adopted by the Scheme as the investment return target.
5.5	Was there a peak in the claims paid out last year when the NHI was approved, causing the high amount paid out? [P Chick]	No. There was no significant change to the annual seasonal claims pattern during 2024.
5.6	This may not be the appropriate avenue, but I would like to thank Teddy the Trustees and all the excellent Bankmed staff for looking after our health during our pensionable years. [M Van Rooyen]	We fully appreciate this feedback and are committed to our members.

The Chairperson reminded attendees that the AFS are subject to review by the Audit Committee. The Chairperson confirmed that no events or issues had been brought to the Trustees attention that indicated any material breakdown in the functioning of key internal controls and systems during the reporting period. Based on this assurance, the BOT unanimously accepted and approved the Audit Committee’s recommendation.

5. TO RECEIVE AND APPROVE THE AUDITED FINANCIAL STATEMENTS AND THE ANNUAL REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

ACTION

The Chairperson reminded members that voting was open and requested attendees to cast their votes on the approval of the Audited Financial Statements and the Annual Report of the BOT for the year ended 31 December 2024. She emphasised that only one vote may be cast per motion.

6. TO NOTE THE BANKMED TRUSTEE FEE POLICY AND APPROVE THE PROPOSED TRUSTEE FEE INCREASE FOR 2025/2026

ACTION

The Chairperson confirmed that the Trustee Fee Policy was included in the AGM booklet and that the total Trustee remuneration was disclosed in the summarised Annual Financial Statements, specifically in note five on page sixty-two.

She invited the Principal Officer to provide context on the proposed Trustee Fee increase for the 2025/2026 cycle. He explained that the proposed increase followed a recommendation from an independent consulting firm, Remchannel (Pty) Ltd, which analyses national remuneration trends. The trends showed a 5.5% mean and a 5.1% median as the basis on which a recommendation could be made to the members at the AGM. However, the Board had resolved, at the previous day's Board meeting on 25 June 2025, to recommend a lower increase of 4.9% on Trustee fees for the 2025/2026 cycle.

The Chairperson requested attendees to vote on the proposed increase for Trustee fees for the 2025/2026 cycle.

7. APPOINTMENT OF THE AUDITOR

ACTION

The Chairperson informed members that, following a recommendation from the Audit Committee, the Trustees proposed the reappointment of PwC as the Scheme's external auditor for the 2025 annual financial audit.

The Chairperson requested attendees to vote on the recommendation to reappoint PwC as Bankmed's external auditor for the 2025 annual financial audit. She reminded members that voting remained open and requested that votes on all three motions be cast before submission, as votes could not be amended once submitted.

A five-minute voting window was announced to allow the electoral officers sufficient time to count the votes.

8. TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE WAS GIVEN BY 30 APRIL 2025

ACTION

The Chairperson invited the Principal Officer to address the Notices of Motion agenda item, which he did through a brief presentation.

He reminded attendees of what constitutes a Motion, as explicitly defined in the Scheme Rules and highlighted in the communication sent to members on 13 March 2025:

- **Rule 4.39:** A "Motion" shall mean a written proposal formally submitted to the Scheme for discussion and possible adoption as a recommendation at a general meeting of the Scheme;

8. TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE WAS GIVEN BY 30 APRIL 2025

ACTION

- **Rule 28.3.1:** Notices of motions to be placed before the Annual General Meeting must reach the Principal Officer not later than midnight on the last day of April preceding the Annual General Meeting;
- **Rule 28.3.2:** A motion may not deal with matters that affect the operation of the Scheme or matters that fall outside of the ambit of the Annual General Meeting;
- **Rule 28.3.3:** Motions must be for the benefit of all members and/or be in the best interest of the Scheme and its members;
- **Rule 28.3.4:** Motions must be concise, defined and free from ambiguity, accompanied by a detailed motivation. Should a motion be submitted without the required detailed motivation or not meet all the requirements as set out in Rules 28.3.1 – 28.3.4, the motion may be deemed to be invalid.

The Principal Officer reported that 15 members had responded, submitting a total of 18 queries or suggestions. However, with reference to the provisions outlined in the Rules defining what constitutes a Motion, none of these submissions met the necessary requirements. Consequently, although all submissions were addressed prior to the AGM, none could be voted on during the meeting as they primarily related to general administration queries, benefit queries, regulatory amendment requests, and benefit-enhancement suggestions. Bankmed contacted all members individually to resolve their claims and benefits queries prior to 26 June 2025.

The Principal Officer provided a summary of the member queries and suggestions received, together with the Scheme's responses, through a presentation:

- **Benefit Enhancements:** Submissions were acknowledged and will be referred to the Benefit Design Committee for formal consideration. However, implementation cannot be guaranteed as it depends on actuarial review, pricing implications, affordability, and the long-term sustainability of the Scheme.
- **Network Contracting:** A member requested that a specific healthcare provider be included in the Bankmed network. It was clarified that Healthcare Professionals join voluntarily, and the Scheme cannot compel participation. Members are not penalised for using non-network providers if no Designated Service Provider is available within a 50-kilometre radius.
- **Trustee Nomination Process:** A concern was raised about limited participation. It was confirmed that the process had been designed to be highly accessible, with principal members also able to participate through mobile and SMS options.
- **Voting on Trustee Fee increases and Principal Officer Remuneration:** The concerned member had been contacted directly to provide clarification on the voting process related to the Trustee Fee increases, and to address the query regarding the Principal Officer's remuneration.
- **Regulatory Amendment Request (Pensioner Contribution Discounts):** This was noted and addressed under section 4.2.5. above.
- **Tariffs for Healthcare Professionals:** A suggestion was made for Bankmed to set tariffs. It was clarified that the Scheme does not have legislative authority to regulate industry-wide tariffs. While the Health Market Inquiry had raised expectations of reform, no significant changes had followed. However, both the Department of Health and the Department of Trade and Industry are reviewing the recommendations.
- **Medical Savings Accounts (MSA) Withdrawals:** It was reiterated that the Medical Schemes Act prohibits the direct transfer of MSA funds to members unless linked to a valid healthcare claim.

8. TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE WAS GIVEN BY 30 APRIL 2025

ACTION

8.1. Update on NHI

The Principal Officer emphasised that Bankmed continues to support the goal of universal health coverage but strongly opposes the NHI Act in its current form. He reassured members that the key message remains that there is no cause for panic.

Bankmed expressed disappointment that the Act had been signed into law, especially given that private healthcare stakeholders had been willing to collaborate with government on alternative models. Following the signing of the Bill into law, legal action was initiated by a collective of stakeholders, including Bankmed through the Health Funders Association (HFA), as limited avenues for engagement remained.

The Principal Officer reported that the Minister of Health himself (under oath) had indicated that implementation of NHI could take between 10 and 15 years. While litigation was under way, efforts were also being made to explore non-litigious, collaborative approaches. The Principal Officer reported that the other avenue where, he believed, engagement on this matter was continuing is in the Government of National Unity (GNU).

The Principal Officer reaffirmed that Bankmed would continue to act through collective industry bodies such as the HFA and Business Unity South Africa (BUSA), as this is considered more effective than acting in isolation. Although government's responsiveness to collaborative proposals had been discouraging, Bankmed remains committed to advocating for a practical, sustainable, and inclusive healthcare system in the interests of its members and South Africans more broadly.

9. ANNOUNCEMENT OF THE NEWLY-ELECTED MEMBERS OF THE BOARD OF TRUSTEES

ACTION

The Chairperson invited BDO to present the outcome of the Trustee elections and to provide assurance that the election process had complied with the provisions of the Scheme Rules. BDO, acting as the IEB, facilitated the presentation on the Trustee nomination and voting process.

BDO confirmed that the Call for Nominations had been issued to members by Bankmed on 21 January 2025, with a deadline for submissions of 28 February 2025. All nominations were required to be submitted electronically to the IEB. Each nomination was vetted for compliance with the Scheme Rules, and criminal, credit, and other verifications were conducted on all qualifying nominees.

On 15 April 2025, BDO presented the vetted and verified candidates to the Bankmed Nominations Committee. The BOT subsequently reviewed and approved the final list of nominees on 24 April 2025.

Voting was conducted electronically through both an online voting portal and a text-based system. The voting period ran from 7 May 2025 to 6 June 2025. A total of 3 523 votes were received, representing a 14% decrease compared to the 2024 election.

BDO then announced the election results, confirming the two successful candidates elected to the BOT, listed alphabetically by surname:

- Mr Doug Bolt
- Mr Henk Swanepoel

BDO concluded its report by confirming that the Trustee election process had been conducted fully in line with the Scheme Rules and that it provided for comprehensive member participation.

10. VOTING ON THE STANDARD RECOMMENDATIONS/PROPOSALS	ACTION
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10.1. Voting Outcome

The Chairperson announced the outcomes of the voting on the agenda items, based on the results tallied and verified by BDO. The results were presented in summary form as follows:

Minute item	Proposal	Approved	Abstained	Not Approved
5	Motion 1 Approve the audited annual financial statements and the auditor's report to members as of 31 December 2024	85	11	0
6	Motion 2 Approve the proposal of a 4.9% increase in the Trustee and Independent Audit Committee member remuneration for the 2025/2026 cycle	60	18	15
7	Motion 3 Approve the recommendation that PwC continues as the Scheme's external auditor for the 2025 financial year	89	6	1

The Chairperson confirmed that all three (3) proposals were approved by the members who attended the meeting and cast their votes. She noted that the results remain subject to audit and confirmation by BDO, after which the final verified outcomes will be published on the Scheme's website.

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11. CLOSURE	ACTION
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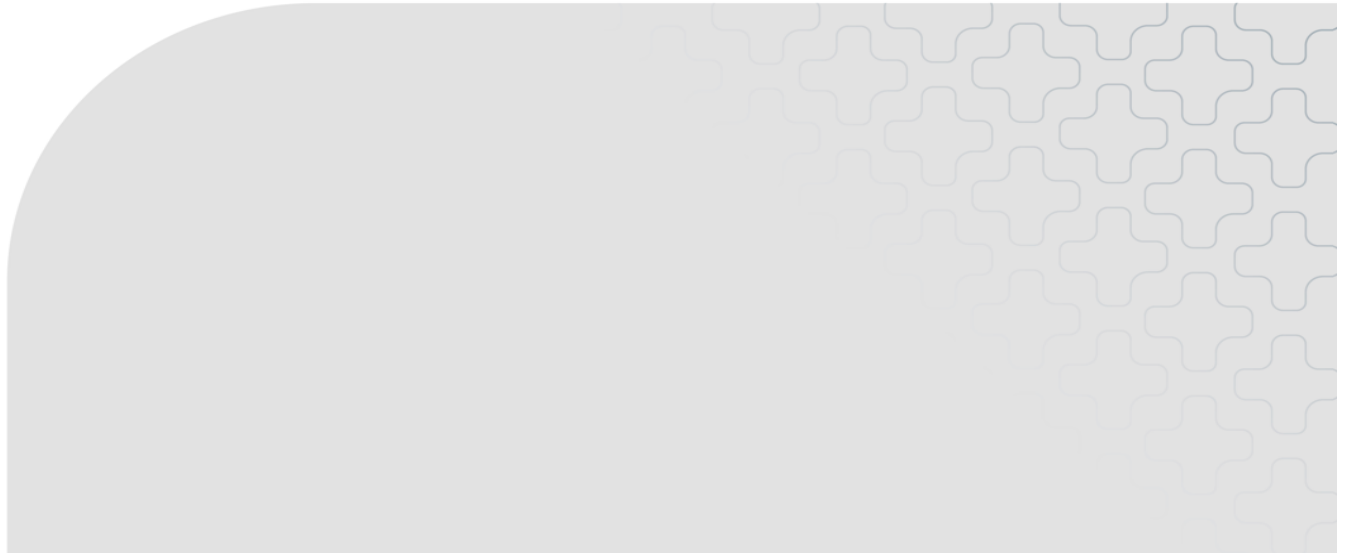
With no further business to attend to, the Chairperson thanked the members, the representative from the CMS, partners, and guests for their attendance. She acknowledged the strong level of participation, noting that peak attendance exceeded 200 members, reflecting the continued commitment and engagement of the membership with the Scheme.

The Chairperson declared the meeting closed at 18:00.

Signed as an accurate record of proceedings.

Chairperson's Signature

Date



BANKMED

SUMMARISED FINANCIAL STATEMENTS

31 December 2025

The full Annual Financial Statements are available for download at
www.bankmed.co.za

SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2025

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

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REPORT OF THE BOARD OF TRUSTEES

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

1 DESCRIPTION OF THE MEDICAL SCHEME

1.1 Terms of registration

Bankmed (the Scheme) is a restricted membership medical scheme registered in terms of the Medical Schemes Act No. 131 of 1998 (the Act) and the Regulations thereto, as amended.

1.2 Benefit options within the Scheme

In terms of its rules, the Scheme offered six benefit options during 2025:

Bankmed Essential Plan
Bankmed Basic Plan
Bankmed Core Saver Plan
Bankmed Traditional Plan
Bankmed Comprehensive Plan
Bankmed Plus Plan

1.3 Personal Medical Savings Accounts

In order to provide a facility for members to set funds aside to meet future healthcare costs not covered in the benefit options, the Trustees have made the option of a savings plan available to meet this objective. The savings plan is available on the Bankmed Core Saver Plan, Bankmed Comprehensive Plan and Bankmed Plus Plan.

Unexpended savings amounts are accumulated for the long-term benefit of members and 50% of the interest earned on these funds is allocated to members.

The liability to the members in respect of the Personal Medical Savings Accounts is reflected in the Insurance contract liabilities in the Summarised Financial Statements, repayable in terms of Regulation 10 of the Act.

1.4 Reinsurance contracts (risk transfer arrangements)

The Scheme had the following reinsurance contracts in place during 2025:

- Discovery Health (Pty) Ltd - To cover primary healthcare for members on the Bankmed Essential Plan and Bankmed Basic Plan. Effective 1 January 2025, specialised diabetes and cardiometabolic management services to members on all benefit options were also provided.
- Centre for Diabetes and Endocrinology (Pty) Ltd - To cover diabetes claims for members on the Bankmed Core Saver Plan, Bankmed Traditional Plan, Bankmed Comprehensive Plan and Bankmed Plus Plan. This contract ended on 30 April 2025.

REPORT OF THE BOARD OF TRUSTEES (continued)

2 MANAGEMENT

2.1 Board of Trustees in office during the year under review

The Board of Trustees comprises 12 members constituted as follows:

- Six members are appointed by the three largest employer groups.
- Six members are elected by the members on a rotation basis at the Annual General Meeting. Two of the elected Board members retire at each Annual General Meeting and the vacancies thus created are filled.

Appointed by employer groups

Dr L Rametsi (Chairperson)	Absa Bank Limited
Mr G Betela	Absa Bank Limited
Ms F Butler-Emmett (Vice-Chairperson from 23 July 2025)	FirstRand Limited
Mr P Lachman (Appointed 25 November 2025)	FirstRand Limited
Ms L Nkosi (Resigned 30 September 2025)	FirstRand Limited
Ms Z Boota (Appointed 01 September 2025)	The Standard Bank of South Africa Limited
Mr W MacFarlane (Resigned 31 August 2025)	The Standard Bank of South Africa Limited
Ms G Noemdoe	The Standard Bank of South Africa Limited

Elected by members

Mr J Cresswell (Resigned 26 June 2025)
 Mr DW Bolt (Re-elected 26 June 2025)
 Mr D Armstrong
 Mr RP Gush
 Ms D Mantle
 Mr D le Grange
 Mr H Swanepoel (Elected 26 June 2025)

The Board of Trustees met seven times during 2025 on the following dates:

26 February to 01 March 2025 (Annual Strategic Planning Session)
 24 April 2025
 25 June 2025
 23 July 2025
 08 August 2025 (Special Board of Trustees Meeting)
 02 October 2025
 25 November 2025

REPORT OF THE BOARD OF TRUSTEES (continued)

2 MANAGEMENT (continued)

2.2 Principal Officer

Mr T Mosomothane	
WeWork Rosebank (The Link), 5F	Private Bag X2
173 Oxford Road	Rivonia
Rosebank	2128
2196	

2.3 Registered office address and postal address

WeWork Rosebank (The Link), 1F	Private Bag X2
173 Oxford Road	Rivonia
Rosebank	2128
2196	

2.4 Medical scheme administrator

Discovery Health (Pty) Ltd	
1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2146

2.5 Managed care and wellness providers

Discovery Health (Pty) Ltd	
1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2146

MediKredit Integrated Healthcare Solutions (Pty) Ltd	
10 Kikuyu Road	PO Box 521058
Sunninghill	Saxonwold
Sandton	2132
2157	

2.6 Reinsurance contract providers (Risk transfer arrangement providers)

Discovery Health (Pty) Ltd	
1 Discovery Place	PO Box 786722
Sandton	Sandton
2196	2146

Centre for Diabetes and Endocrinology (Pty) Ltd	
81 Central Street	P.O. Box 2900
Houghton	Saxonwold
2198	2132

REPORT OF THE BOARD OF TRUSTEES (continued)

2 MANAGEMENT (continued)

2.7 Investment managers

Ninety One SA (Pty) Ltd 14 Dock Rd, Victoria & Alfred Waterfront Cape Town 8001	P.O. Box 1655 Cape Town 8000
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Taquanta Asset Managers (Pty) Ltd 7th Floor Newlands Terraces 8 Boundary Road Newlands 7700	P.O. Box 23540 Claremont Cape Town 7708
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M&G Investment Managers (Pty) Ltd 7th Floor Protea Place 30 Dreyer Street Claremont 7735	P.O. Box 44813 Claremont Cape Town 7708
---	--

Allan Gray South Africa (Pty) Ltd 1 Silo Square V&A Waterfront Cape Town 8001	P.O. Box 51318 V&A Waterfront Cape Town 8002
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Abax Investments (Pty) Ltd The Oval 1 Oakdale Road Newlands 7700	P.O. Box 23851 Claremont Cape Town 7708
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2.8 Investment consultant

Willis Towers Watson 1st Floor Illovo Edge 1 Harries Road Illovo 2196	Postnet Suite 154 Private Bag X1 Melrose Arch 2076
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REPORT OF THE BOARD OF TRUSTEES (continued)

2 MANAGEMENT (continued)

2.9 Actuary

NMG Consultants and Actuaries (Pty) Ltd	
9th Floor	P.O. Box 3075
19 Ameshoff Street	Randburg
Braamfontein	2194
2001	

2.10 External auditor

PricewaterhouseCoopers Inc.	
4 Lisbon Lane	Private Bag X36
Waterfall City	Sunninghill
Jukskei View	2157
2090	

2.11 Internal auditor

BDO South Africa	
Wanderers Office Park	Private Bag X60500
52 Corlett Drive	Houghton
Illovo	2041
2196	

2.12 Attorney

Edward Nathan Sonnenbergs Inc.	
150 West Street	PO Box 783347
Sandton	Sandton
2196	2146

REPORT OF THE BOARD OF TRUSTEES (continued)

3 INVESTMENT STRATEGY OF THE SCHEME

The overall objective is that the return on the assets should be such that:

- the highest rate of return is achieved within the determined risk tolerance level;
- assets are broadly selected to obtain real growth relative to the Consumer Price Index (CPI);
- the negative effect of equity volatility is mitigated by diversifying investment holdings over various types of asset classes, and by employing multiple investment managers to administer these holdings; and
- risk mitigation provisions are applied.

This means that the multi-asset portfolios are expected to provide real rates of return over a three-year rolling period at the lowest possible rates of volatility, whilst the money market portfolio aims to ensure capital preservation and will be limited to investing in cash and fixed-interest instruments.

An investment consultant has been appointed to assist with design and implementation of the Investment Policy, appointment, and termination of asset managers, periodic review of each asset manager's performance against an agreed benchmark and assistance with all other investment consulting matters. Professional asset managers have been appointed to manage the assets of the Scheme. The Trustees will not undertake investment decisions in respect of the allocated assets without consulting the professional investment consultant.

The Trustees will not encumber asset managers with restrictions or pre-determinations, other than limitations documented in the Statement of Investment Policy or required by the Regulations of the Act. The asset managers will be free to invest assets under their control according to a specified mandate on the understanding that their performance will be assessed according to the benchmarks set by the Scheme.

The Scheme utilises a current account and a liquid money market portfolio to manage its cash requirements. Unused cash funds are kept in the higher interest yielding liquid money market portfolio to maximise investment returns. When funds are required for monthly operational purposes, they are transferred to the Scheme's transactional current account.

The Trustees have appointed an Investment Committee to recommend an appropriate Investment Policy, and strategy, to the Board of Trustees, and to oversee the implementation thereof.

REPORT OF THE BOARD OF TRUSTEES (continued)

4 ENVIRONMENTAL, SOCIAL AND GOVERNANCE INITIATIVES AND MEASURES

The importance of the impact that the operations of an organisation has on Environmental, Social and Governance (ESG) factors, is appreciated by the Scheme. The effect of an organisation's operations on the environment is an ever increasing point of focus, mainly due to the rapidly increasing number of climate change events. Along with this, the impact an organisation has on the social aspects of the community in which it operates, are direct indicators of the long-term sustainability and overall success of the organisation. Bankmed complies with the provisions of the Medical Schemes Act and the Regulations thereto. Bankmed insists on the highest standards of Governance practices within the Scheme, as well as within the Scheme's various service providers.

The Scheme's major sphere of influence on ESG factors is via the investment of its reserves. The Scheme's Investment Committee devotes substantial time to interrogating the Scheme's investment managers' ESG analysis and assessment methodologies. All of the Scheme's appointed investment managers subscribe to the principles of the Code of Responsible Investing in the Republic of South Africa, of which the first principle addresses ESG requirements. The investment managers are required to report to the Investment Committee annually on various aspects of their investment performance and processes, one of the aspects being their consideration of an organisation's ESG factors, and any initiatives in this regard that the organisation has adopted.

As mentioned in section 3, part of the Scheme's investment strategy is that the investment managers are mandated to decide which organisations they invest in. The Investment Committee does not dictate asset choice within investment managers' portfolios. The Scheme's investment managers undergo extensive scrutiny and due diligence before being appointed. But once appointed, their expertise in investing is not interfered with. Therefore, the regular analysis of their application of ESG considerations is carried-out instead of instructing the investment managers to invest or disinvest in any particular organisation. This includes the analysis of the investment managers' BBB-EE activities, where the Committee has adopted a greater focus than simply verifying the asset managers' B-BBEE credentials, and looks beyond just the compliance aspect.

The Scheme previously conducted an official assessment of the Scheme office carbon footprint, which yielded very favourable results. The Scheme will continue to monitor its carbon footprint by conducting such assessments on a periodic basis.

REPORT OF THE BOARD OF TRUSTEES (continued)

5 REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics

	Essential Plan		Basic Plan		Core Saver Plan		Traditional Plan		Comprehensive Plan		Plus Plan		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of members at year end	6,651	6,006	26,472	24,225	33,591	33,107	11,082	11,292	29,214	30,506	2,440	2,582	109,450	107,718
Number of beneficiaries at year end	9,094	8,256	52,551	47,745	72,106	70,312	23,872	24,582	62,929	66,112	4,213	4,524	224,765	221,531
Average number of members for the year	6,229	5,652	25,937	23,920	33,490	33,236	11,145	11,419	29,471	30,843	2,484	2,629	108,756	107,699
Average number of beneficiaries for the year	8,502	7,737	51,433	47,112	71,603	70,248	24,057	24,912	63,561	66,901	4,308	4,634	223,464	221,544
Dependant-to-member-ratio at year end	0.37	0.37	0.99	0.97	1.15	1.12	1.15	1.18	1.15	1.17	0.73	0.75	1.05	1.06
Pensioner ratio (65 Years +)	1.01%	0.98%	2.23%	2.29%	3.70%	3.47%	12.91%	12.32%	18.22%	17.29%	50.75%	48.10%	9.17%	9.14%
Average age of beneficiaries	29.75	29.36	27.03	26.81	28.21	27.70	37.36	36.68	40.82	40.02	59.38	58.42	33.08	32.87
Avg Insurance revenue per member per month (pmpm)(R)	1,929	1,841	3,485	3,268	4,104	3,741	6,809	6,279	6,666	6,090	9,867	9,067	4,935	4,608
Avg Insurance revenue per beneficiary per month (pbpm)(R)	1,414	1,345	1,757	1,659	1,920	1,770	3,154	2,878	3,091	2,808	5,690	5,144	2,402	2,240
Avg Insurance service expense pmpm (R)	984	1,031	3,111	2,866	3,516	3,061	7,959	7,272	8,518	7,694	12,607	12,639	5,293	4,918
Avg Insurance service expense pbpm (R)	721	753	1,569	1,455	1,645	1,448	3,687	3,334	3,949	3,547	7,269	7,170	2,576	2,391
Relevant healthcare expenditure incurred pbpm (R)	617	650	1,462	1,333	1,553	1,359	3,597	3,247	3,860	3,459	7,158	7,062	2,481	2,211
Directly attributable insurance service expenses pbpm (R)	258	244	177	170	152	146	152	142	150	143	187	176	162	154
Insurance service expense as a percentage of insurance revenue	51.00%	56.01%	89.26%	87.68%	85.68%	81.84%	116.89%	115.83%	127.78%	126.34%	127.77%	139.40%	107.25%	106.74%
Relevant healthcare expenditure as a percentage of insurance revenue	43.62%	45.32%	83.20%	59.88%	80.89%	76.46%	114.04%	112.26%	124.88%	122.54%	125.81%	136.87%	103.28%	98.71%
Directly attributable insurance service expenses as a percentage of insurance revenue	18.23%	18.18%	10.09%	10.24%	7.90%	8.28%	4.83%	4.93%	4.84%	5.08%	3.29%	3.41%	6.74%	6.87%
Attributable and non-attributable expenses as a percentage of net contributions	21.66%	22.76%	12.25%	12.70%	10.02%	10.39%	6.05%	6.18%	6.18%	6.37%	4.18%	4.27%	8.42%	8.59%
Amounts paid to administrator (R'000)	17,217	14,875	71,688	62,946	85,666	80,907	28,508	27,798	75,382	75,083	6,353	6,400	284,814	268,009
Liability attributable to future members per member at 31 December (R)													29,783	30,135
Average Healthcare management expense pmpm (R)	137	130	137	130	126	121	126	121	126	121	126	121	129	123
Average Healthcare management expense pbpm (R)	101	95	69	66	59	57	60	55	58	56	73	68	63	60
Return on investments as per an independent review by the Scheme's investment consultants													15.60%	11.03%

REPORT OF THE BOARD OF TRUSTEES (continued)

5 REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES (continued)

5.2 Results of operations

The financial results of the Scheme are clearly set out in the Financial Statements accompanying this report.

5.3 Solvency ratio

	2025	2024
	R'000	R'000
Liability to members for future benefits per the Statement of Financial Position	3,259,802	3,246,117
Less: Cumulative unrealised net gain on remeasurement of investments to fair value	(534,734)	(315,003)
Accumulated funds per Regulation 29 of the Act	<u>2,725,068</u>	<u>2,931,114</u>
Gross annual contributions	7,291,471	6,780,002
Insurance revenue (Note 3)	6,440,414	5,955,387
PMSA contributions received (Note 3)	851,057	824,615
Solvency ratio	37.37%	43.23%

The Scheme's solvency ratio exceeds the statutory reserve requirement of 25% of gross annual contribution income.

5.4 Provision for outstanding claims

At year-end, a provision is made for those claims outstanding that have been incurred but not yet reported. Movements in this provision is included in the Insurance contract liabilities and are set out in Note 2 to the Summarised Financial Statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.

6 ACTUARIAL SERVICES

The Scheme's actuary has been consulted in determining the contribution increases, the provision for outstanding claims, the risk adjustment and the viability of benefit levels.

7 INVESTMENTS IN PARTICIPATING EMPLOYERS OF MEMBERS OF THE SCHEME

The Scheme holds the following investments in employer groups:

	2025	2024
	R'000	R'000
Financial assets at fair value through profit or loss	718,789	898,206
Cash and cash equivalents	526,666	589,887
Total	<u>1,245,455</u>	<u>1,488,093</u>

Refer to Note 6 for detailed disclosure in terms of related parties. The Scheme obtained an exemption from Section 35(8)(a) of the Act and is therefore permitted to hold investments in the participating employers of members.

REPORT OF THE BOARD OF TRUSTEES (continued)

8 AUDIT COMMITTEE

The Audit Committee (the Committee) operated 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, IT governance and financial reporting practices. The internal and external auditors formally report to the Committee on significant findings arising from their audit activities.

The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties, which have been complied with during the year under review. At all times the majority of the Committee is independent.

The Committee has adopted a Combined Assurance Model to facilitate a coordinated approach to all assurance activities. The Combined Assurance Model aims to optimise the assurance coverage obtained from Scheme management, auditors, service providers and other assurance providers.

The Committee comprised of:

Ms R Gani - Chairperson (Independent)
Ms F Levy-Hassen (Independent)
Mr B Phillips (Independent)
Mr G Betela (Trustee)
Ms F Butler-Emmett (Trustee)

The Committee met five times during 2025 on the following dates:

20 February 2025
28 March 2025 - Pre-Audit Committee Meeting
11 April 2025
31 July 2025
03 November 2025

The Chairperson of the Board of Trustees, the Principal Officer, the Finance Executive of the Scheme, the administrator, the internal auditor as well as the external auditor are invited to attend all Audit Committee meetings and have unrestricted access to the Chairperson of the Committee. The Chairperson of the Audit Committee is also a member of the Risk Management Committee.

REPORT OF THE BOARD OF TRUSTEES (continued)

9 REMUNERATION COMMITTEE

The Remuneration Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Remuneration Committee meetings are attended by an independent advisor to provide expert advice and guidance to the Committee.

The Committee comprised of:

Mr DW Bolt (Chairperson)
Mr D Armstrong (Chairperson of the Investment Committee)
Mr J Cresswell (Resigned 26 June 2025)
Dr L Rametsi (Chairperson of the Board of Trustees)
Ms G Noemdoe (Chairperson of the Risk Management Committee)

The Committee met three times during 2025 on the following dates:

04 February 2025
09 September 2025
11 November 2025

10 RISK MANAGEMENT COMMITTEE

The Risk Management Committee enabled the Board to oversee the risks against which the Scheme should be protected. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties, which have been complied with during the year under review.

The Committee comprised of:

Ms G Noemdoe (Chairperson)(Trustee)
Ms R Gani - (Independent)(Chairperson: Audit Committee)
Ms D Mantle (Trustee)
Ms L Nkosi (Trustee)(Resigned 30 September 2025)
Mr W MacFarlane (Trustee)(Resigned 31 August 2025)
Ms Z Boota (Trustee)(Appointed 01 September 2025)
Mr D le Grange (Trustee)
Mr T Mosomothane (Principal Officer)
Mr N Coghlan (Executive: Finance and Risk)
Dr N Naidoo (Executive: Clinical and Operations)

The Committee met four times during 2025 on the following dates:

20 March 2025
15 May 2025
21 August 2025
16 October 2025

REPORT OF THE BOARD OF TRUSTEES (continued)

11 INVESTMENT COMMITTEE

The Investment Committee ensures that the investment process is operated within the parameters of the Scheme's investment strategy. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties, which have been complied with during the year under review.

The Committee comprised of:

Mr D Armstrong (Chairperson)(Trustee)
Mr RP Gush (Trustee)
Mr G Betela (Trustee)
Mr J Cresswell (Trustee)(Resigned 26 June 2025)
Ms F Butler-Emmett (Trustee)
Mr H Swanepoel (Trustee)(Elected 26 June 2025)

The Committee met four times during 2025 on the following dates:

12 March 2025
23 May 2025
01 September 2025
20 November 2025

12 NOMINATIONS COMMITTEE

The Nominations Committee ensures that the process of assessing the suitability of potential Trustee candidates is thorough, fair and complete. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties, which have been complied with during the year under review.

The Committee comprised of:

Dr L Rametsi (Chairperson)
Mr D Armstrong (Trustee)
Mr W MacFarlane (Trustee)(Resigned 31 August 2025)
Ms G Noemdoe (Trustee)

The Committee met once during 2025 on the following date:

15 April 2025

REPORT OF THE BOARD OF TRUSTEES (continued)

13 MEETING ATTENDANCE

The following schedule sets out Trustee meeting attendances where column A indicates the total number of meetings that could have been attended and B the actual number of meetings attended.

Trustee	Board of Trustees meetings		Remuneration Committee meetings		Audit Committee meetings		Risk Management Committee meetings		Nominations Committee meeting		Investment Committee meetings	
	A	B	A	B	A	B	A	B	A	B	A	B
Dr L Rametsi	7	7	3	3	-	-	-	-	1	1	-	-
Mr D Armstrong	7	7	3	3	-	-	-	-	1	1	4	4
Mr D le Grange	7	7	-	-	-	-	4	4	-	-	-	-
Mr DW Bolt	7	7	3	3	-	-	-	-	-	-	-	-
Mr G Betela	7	6	-	-	5	3	-	-	-	-	4	4
Mr H Swanepoel	4	4	-	-	-	-	-	-	-	-	2	2
Mr J Cresswell	3	3	1	1	-	-	-	-	-	-	2	2
Mr P Lachman	1	1	-	-	-	-	-	-	-	-	-	-
Mr RP Gush	7	7	-	-	-	-	-	-	-	-	4	4
Mr W MacFarlane	5	5	-	-	-	-	3	2	1	1	-	-
Ms D Mantle	7	7	-	-	-	-	4	4	-	-	-	-
Ms F Butler-Emmett	7	7	-	-	5	4	-	-	-	-	4	4
Ms G Noemdoe	7	6	3	3	-	-	4	4	1	-	-	-
Ms L Nkosi	5	5	-	-	-	-	3	3	-	-	-	-
Ms Z Boota	2	2	-	-	-	-	1	1	-	-	-	-

14 NON-COMPLIANCE MATTERS

14.1 Non-compliance with Section 33(2)(b) and Section 33(2)(c) - Financial performance and soundness of the Bankmed benefit options

Nature and impact

In terms of Sections 33(2)(b) and 33(2)(c) of the Act, each benefit option shall be self-supporting in terms of membership and financial performance and be financially sound. The Bankmed Traditional Plan, Comprehensive Plan and Plus Plan incurred insurance service result deficits for the year ended 31 December 2025, thereby contravening Section 33(2)(b) and Section 33(2)(c) of the Act.

Causes for the failure

The Scheme offers multiple benefit options in order to provide benefits suited to the specific healthcare needs of the varying demographic groups within the Scheme's overall membership. The benefit design process, however, must also consider the overall financial impact on the Scheme of providing such benefits. This takes into account the Scheme's financial stability, reserve levels and ultimate sustainability. In order to achieve both objectives it may be necessary to incur losses on certain options, which are then offset by surpluses on other options. These losses are anticipated in the annual budget, which is approved by the Council for Medical Schemes (CMS).

Corrective action

The benefits and contributions proposal approved by the CMS for 2025 included a budgeted loss. As required by the CMS, the Scheme continues to submit monthly management accounts reflecting the performance of the benefit options.

REPORT OF THE BOARD OF TRUSTEES (continued)

14 NON-COMPLIANCE MATTERS (continued)

14.2 Non-compliance with Section 26(7) – Late payment of contributions

Nature and impact

Contributions due from a number of participating employers were received more than three days after becoming due in certain months during 2025, which is in contravention of Section 26(7) of the Act.

Causes for the failure

Due to internal process delays by some participating employers, the contributions paid on behalf of members were not paid within three days of becoming due. As a result the Scheme is in contravention of Section 26(7) of the Act.

Corrective action

Scheme management continues to engage any employer group that pays late, and appropriate action is taken as and when necessary. Continuous improvements have been instrumental in the timeous payment of contributions by employer groups.

14.3 Non-compliance with Section 35(8)(a) – Investments in participating employers

Nature and impact

The Scheme holds investments, via various instruments, with Absa Bank Limited, FirstRand Limited, Landbank SOC Limited and The Standard Bank of South Africa Limited, all of whom are participating employers of the Scheme. The Scheme also banks with FirstRand Limited and therefore has various current accounts with this participating employer. This is in contravention of Section 35(8)(a) of the Act, as the Scheme is not allowed to hold investments in any participating employer.

Causes for the failure

As these institutions are major banks, an investment portfolio excluding these participating employers would fail to diversify optimally in the South African investment markets. Funds are therefore invested in various instruments issued by these participating employers. Investments in publicly-traded instruments of participating employers are made and managed via external investment managers and are managed in terms of the agreed mandates.

Corrective action

The Scheme applied to the CMS and received an exemption from this section of the Act. The exemption granted is effective from 31 July 2025 to 30 November 2028.

REPORT OF THE BOARD OF TRUSTEES (continued)

14 NON-COMPLIANCE MATTERS (continued)

14.4 Non-compliance with Section 35(8)(c) – Investments in any administrator

Nature and impact

The Scheme has investments in other administrators via unitised fund holdings within the Ninety One Absolute Opportunity and M&G Global Real Return portfolios.

Causes for the failure

The Scheme invests in pooled investment products with independent third-party asset managers who have full discretionary mandates in terms of asset purchases. All such investment decisions are made by these third-party asset managers based on their own investment theses. The Scheme is not involved in this investment decision-making process as the asset manager is solely responsible for the asset selection and investment performance of the portfolio.

Corrective action

The Scheme applied to the CMS and received an exemption from this section of the Act. The exemption granted is effective from 1 December 2025 to 30 November 2028.

14.5 Non-compliance with Section 59(2) – Payment of claims within 30 days

Nature and impact

A medical scheme shall, in the case where an account has been rendered, subject to the provisions of the Act and the rules of the medical scheme concerned, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the medical scheme.

Causes for the failure

A small number of claims were paid later than 30 days of the date of receipt. Delays 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 continues to comply 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.

REPORT OF THE BOARD OF TRUSTEES (continued)

14 NON-COMPLIANCE MATTERS (continued)

14.6 Disclosure of personal information

Nature and impact

Regulation 15J(2)(b) requires the Scheme to ensure that there are provisions in place for ensuring confidentiality of clinical and proprietary information, including the diagnosis and treatment pertaining to any beneficiary. Condition 7 of the Protection of Personal Information Act (POPIA) requires that personal information be kept secure against the risk of loss, unauthorised access, interference, modification, destruction or disclosure.

Causes of failure

During the year under review there were incidents where minor amounts of personal information were unintentionally shared, by the Scheme's administrator, with third parties.

Corrective action

These incidents were reported to the Information Registrar as required. Remedial action taken included additional training and the strengthening of control systems.

14.7 Non-compliance with Section 29(1)(o) – Prescribed minimum benefits

Nature and impact

Section 29(1)(o) and Regulation 8 provide the scope and level of minimum benefits that the Scheme must provide to members and dependants.

Causes of failure

During the year under review there were isolated instances where the Scheme did not pay claims in accordance with the scope and level of minimum benefits.

Corrective action

These identified claims are reprocessed and paid.

15 MEMBERSHIP

The membership of the Scheme increased by 1.61% to 109,450 at the end of 2025 when compared to the total membership at the end of 2024 of 107,718. The Board of Trustees continues to monitor membership movements and the matter is receiving the necessary attention in terms of both risk management and future strategic options. In an effort to increase membership, the Board of Trustees has entrusted Scheme Management with specific strategic initiatives. At the end of 2025, the Scheme's average beneficiary age was 33.08 years (2024: 32.87 years). The pensioner ratio increased from 9.14% at the end of 2024 to 9.17% at the end of 2025.

16 BENEFIT OPTIONS

Benefit design is a dynamic process and aimed at fulfilling the needs and healthcare benefit requirements of the Bankmed member and employer base. For this reason, the Scheme offers six benefit options which are reviewed on an ongoing basis in terms of affordability, financial viability, membership choice and legislative compliance.

REPORT OF THE BOARD OF TRUSTEES (continued)

17 SERVICE AND ADMINISTRATION

The Scheme's administration is outsourced to Discovery Health (Pty) Ltd. The Scheme regularly reviews its service level agreements. The Scheme also ensures that effective service delivery and service levels are monitored and evaluated on an ongoing basis.

18 FINANCIAL OVERVIEW

The financial position of the Scheme and its robust risk management approach resulted in a reaffirmation of the AA+ rating from the Global Credit Ratings Agency in 2025, indicating its strong ability to pay claims.

18.1 Review of financial results

The overall claims for 2025 were 4.34% higher than that budgeted for the year.

Incurred claims expenditure, expressed as a percentage of insurance revenue, was 100.51% for 2025 (2024: 99.74%).

Due to very positive investment returns during 2025, the Scheme generated a net surplus for the year amounting to R13.7m. This compares very favourably against a budgeted deficit of R39.8m for 2025, and an actual deficit of R96.4m in 2024.

18.2 Administration expenditure

Administration expenditure (attributable and non-attributable to insurance contracts) remained stable at 4.95% of gross insurance revenue in 2025 (2024: 5.01%). The overall administration expenditure figure compares favourably with that of other medical schemes (as obtained from the latest available CMS annual report) in the healthcare industry.

18.3 Investments

The Scheme has a clearly documented Investment Policy and employs the services of independent investment managers in order to manage its various investment portfolios. Net investment income (including fair value gains after deducting asset management fees and finance expenses) during 2025 amounted to R597.2 million, which is 51.06% better than the R395.3 million generated in 2024. The performance of the Scheme's managers was in line with market performance. All of the Scheme's investment managers operate in terms of strict mandates that have been delegated to them by the Board of Trustees, which comply with the requirements of the Act and Regulations, and which are closely monitored.

The Board of Trustees has appointed an Investment Committee that in turn utilises the services of an independent investment consultant with the objective of advising the Board of Trustees regarding the implementation, benchmarking and monitoring of appropriate investment mandates. The investment mandates incorporate strategies which aim to outperform real growth relative to Consumer Price Inflation.

REPORT OF THE BOARD OF TRUSTEES (continued)

19 COMMUNICATION

Scheme communications continue to be aimed at the education and empowerment of members and elevating the profile of the Bankmed brand in order to retain the current membership and attract new members. Ongoing evaluation of communication tools and channels has ensured continuous improvement of the impact of the marketing and communication messages and strategies.

20 ROAD ACCIDENT FUND (RAF) CLAIMS

The Scheme has the right to recover medical expenditure incurred by 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 a claimant by the RAF is compensating for medical expenditure incurred. Bankmed 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 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 R149.7 million.

The RAF has frequently (notably since August 2022) refused to pay past medical expenses for accident victims whose costs were covered by medical schemes, arguing that no actual loss was suffered by the member. The RAF effected its refusal to pay past medical expenses through directives that it had issued. This was legally challenged by Discovery Health (Pty) Ltd. In December 2024, the Pretoria High Court handed down judgment in the matter between Discovery Health (Pty) Ltd and the RAF. The High Court ruled 2:1 in favour of the RAF, declaring the directives lawful. However, one judge dissented, arguing that the RAF was obligated to pay these expenses regardless of medical scheme coverage. Discovery Health (Pty) Ltd appealed the judgment to the Supreme Court of Appeal, agreeing with the dissenting judge's opinion. Subsequent High Court rulings, throughout 2025, have highlighted difficulties with the Pretoria High Court ruling. During 2025, the RAF continued to refuse payment, notwithstanding the courts consistently ruling that the RAF's rejection of these claims is unlawful. These subsequent rulings include a full Bench of the Western Cape High Court rejecting the RAF's reliance on internal directives to deny liability for past medical expenses. Although the rulings subsequent to the December 2024 judgement have been generally in favour of Discovery Health (Pty) Ltd's legal challenge, and the medical scheme industry as a whole, there is still no absolute finality on this matter. Legal battles in this regard are ongoing, and this will be resolved in superior courts.

REPORT OF THE BOARD OF TRUSTEES (continued)

21 MANAGED CARE

The Scheme constantly reviews the manner in which it mitigates its clinical and financial risks while at the same time ensuring the provision of the highest quality of care to members. The Managed Care programmes will continue to undergo improvement and development in order to cater for the prevailing conditions in the industry, and the interest of the members.

22 EVENTS AFTER THE 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.

23 GOING CONCERN

The Trustees have no reason to believe that the Scheme will not be a going concern in the year ahead.

24 VOTE OF APPRECIATION

On behalf of Bankmed, the Board would like to express its thanks to:

- All members of Bankmed and their employers.
- Independent members of the Board Committees for their support.
- The Executive team and staff of Bankmed for the diligent manner in which they have managed the affairs of the Scheme.
- The Registrar of Medical Schemes and his staff for their co-operation and assistance.
- Our contracted service partners, industry associations and healthcare service providers.

25 CONCLUSION

The Scheme is well positioned to meet the current industry challenges, as well as future changes in the legislative framework. The Scheme continues to be financially strong and its products are competitive in terms of pricing, benefits and service levels.



L RAMETSI
CHAIRPERSON

23 April 2026
DATE



F BUTLER-EMMETT
VICE CHAIRPERSON



T MOSOTHANE
PRINCIPAL OFFICER

SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2025

TRUSTEES' RESPONSIBILITY AND APPROVAL

The Trustees are responsible for the preparation of the Summarised Financial Statements, which fairly present the state of affairs of Bankmed, comprising the Statement of Financial Position at 31 December 2025, and the Statements of Comprehensive Income and Cash Flows for the year then ended, and the notes to the Summarised Financial Statements. These include a summary of material accounting policies and other explanatory notes in accordance with International Financial Reporting Standards, and in the manner required by the Medical Schemes Act of South Africa as amended, and the Regulations thereto. In addition, the Trustees are responsible for preparing the Board of Trustees' report and the Statement of Corporate Governance.

The Trustees are responsible for such internal controls as they deem necessary to enable the preparation of the Summarised Financial Statements that are free from material misstatement, whether due to fraud or error. The Trustees ensure the use of appropriate accounting policies and prudent judgements and estimates. The Trustees are also responsible for maintaining adequate accounting records and an effective system of risk management.

The Trustees have made an assessment of the ability of the Scheme to continue as a going concern and have no reason to believe that the Scheme 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 Summarised Financial Statements

The Summarised Financial Statements, as identified in the first paragraph, were approved by the Board of Trustees on 23 April 2026 and are signed on its behalf by:



L RAMETSI
CHAIRPERSON



F BUTLER-EMMETT
VICE CHAIRPERSON



T MOSOMOTHANE
PRINCIPAL OFFICER

23 April 2026
DATE

SUMMARISED FINANCIAL STATEMENTS

for the year ended 31 December 2025

STATEMENT OF CORPORATE GOVERNANCE BY THE BOARD OF TRUSTEES

Bankmed is committed to the principles and practice of responsibility, fairness, transparency, integrity and accountability in all dealings with its stakeholders. The Scheme conducts its affairs according to ethical values, and in compliance with a governance framework based on the principles published by the King Commission.

BOARD OF TRUSTEES

The Trustees meet regularly and monitor the performance of the Scheme. They address a range of key issues and ensure that the discussion of items of policy, strategy and performance are critical, informed and constructive. The performance of third-party service providers is monitored against contracted service level agreements. The Trustees have adopted, and maintain, a process of risk identification, assessment and management.

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

The Board of Trustees has appointed an Audit Committee, a Remuneration Committee, a Risk Management Committee, an Investment Committee and a Nominations Committee to assist it in executing its duties. The performance of the Board of Trustees, and the appointed sub-committees, is assessed annually against agreed upon terms of reference for each Committee.

INTERNAL CONTROL

The Scheme maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the Summarised Financial Statements and to safeguard, verify and adequately 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. The adequacy and effectiveness of the systems are assessed by the Scheme's Internal and External Auditors.

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.



L RAMETSI
CHAIRPERSON



F BUTLER-EMMETT
VICE CHAIRPERSON



T MOSOMOTHANE
PRINCIPAL OFFICER

23 April 2026

DATE

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

	Notes	2025 R'000	2024 R'000
ASSETS			
Equipment		956	553
Financial assets at fair value through profit or loss	1	4,567,206	4,464,032
Other financial assets at amortised cost		2,371	3,484
Cash and cash equivalents		68,795	54,164
Reinsurance contract assets		-	624
TOTAL ASSETS		4,639,328	4,522,857
LIABILITIES			
Liability to members for future benefits	2.2	3,259,802	3,246,117
Post-retirement medical aid benefit liability		5,492	5,432
Liability to members for current benefits	2.1	1,357,557	1,256,955
Reinsurance contract liabilities		2,604	-
Other financial liabilities at amortised cost		13,873	14,353
TOTAL LIABILITIES		4,639,328	4,522,857

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	2025 R'000	2024 R'000
Insurance revenue	3	6,440,414	5,955,387
Insurance service expenses**		(6,907,261)	(6,356,553)
Net claims incurred*	3	(6,473,449)	(5,947,575)
Accredited managed healthcare services*	3	(168,798)	(159,238)
Directly attributable insurance services expenses	3	(265,014)	(249,740)
Net (expense)/income from reinsurance contracts*	3	(9,670)	7,391
Premiums paid		(243,522)	(210,455)
Amounts recovered from reinsurance contracts		233,852	217,846
Insurance service result		(476,517)	(393,775)
Other income		684,935	466,180
Investment income		303,453	323,524
Net gains on investments at fair value through profit or loss	4	379,751	137,993
Sundry income		1,731	4,663
Other expenditure		(194,733)	(168,790)
Other operating expenditure	5	(108,704)	(102,591)
Asset management fees		(34,078)	(19,768)
Finance expense from insurance contracts		(51,951)	(46,431)
Net surplus/(deficit) for the year before amounts attributable to members for future benefits		13,685	(96,385)
Amounts attributable to members for future benefits	2.2	(13,685)	96,385
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-
Relevant healthcare expenditure*		(6,651,917)	(6,099,422)

*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 the breakdown of relevant healthcare expenditure and align with the medical schemes accounting guide issued by the South African Institute of Chartered Accountants.

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		7,291,672	6,779,386
Cash receipts from members - contributions	2.1	7,291,672	6,779,056
Cash receipts from members and providers - other		-	330
Cash paid to members and providers		(7,822,732)	(7,292,947)
Cash paid to members and providers - claims and other directly attributable expenses paid	2.1	(7,422,747)	(6,933,290)
Cash paid to reinsurer		(240,294)	(211,079)
Cash paid to providers - non-healthcare expenditure		(106,422)	(97,325)
Cash paid to members - savings plan refunds	2.1	(53,269)	(51,253)
Asset management fees paid		(34,078)	(19,768)
Dividends received	4	49,717	51,724
Interest received		254,074	271,792
Net cash utilised in operating activities		(261,347)	(209,813)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		(599)	(99)
Purchase of investments	1	(6,028,797)	(6,969,598)
Proceeds on disposal of investments	1	6,305,374	7,173,880
Net cash generated from investing activities		275,978	204,183
Net decrease in cash and cash equivalents		14,631	(5,630)
Cash and cash equivalents at beginning of the year		54,164	59,794
Cash and cash equivalents at end of the year		68,795	54,164

ACCOUNTING POLICIES

for the year ended 31 December 2025

GENERAL INFORMATION

Bankmed (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 Summarised 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 Summarised 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 Summarised Financial Statements, with the general accounting policies applied in the preparation of these Summarised 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 summarised 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 Summarised Financial Statements are prepared in accordance with the going concern principle using the historical cost basis except for certain financial 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 Scheme's financial assets and liabilities, all values are shown as current unless otherwise stated.

All monetary information and figures presented in these Summarised Financial Statements are stated in South African Rand thousand (R'000), which is the Scheme's functional currency, unless otherwise indicated.

ACCOUNTING POLICIES (continued)

for the year ended 31 December 2025

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 early adopted them and it is not expected that they will have any material impact on the Scheme's assets, liabilities and results, but may result in additional disclosure in the Summarised 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
Annual improvements to IFRS Accounting Standards – Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; IAS 7 Statement of Cash Flows	These amendments, published in Annual Improvements to IFRS Accounting Standards – Volume 11, introduce clarifications and minor revisions to five IFRS standards, effective for annual reporting periods beginning on or after 1 January 2026. The changes address inconsistencies and potential confusion in the application of IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. Key amendments include clarifications on hedge accounting for first-time adopters, derecognition of lease liabilities, disclosure of deferred differences in fair value, determination of a 'de facto agent' in consolidated Financial Statements, and the use of the term 'cost method' in cash flow statements. These updates ensure consistency and improve the usability of the standards without introducing major policy changes. The Scheme will assess the additional disclosure requirements.	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

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

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.

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 Summarised 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.

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

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.

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

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 90%.

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.

Recoveries from reinsurance

Judgement has been applied to how the Scheme calculates the recoveries from reinsurance contracts. These recoveries represent the value of claims the Scheme would potentially have incurred should the reinsurance agreements not have been in place.

An estimate of the expected similar costs is obtained using other scheme lives not subject to these reinsurance contracts and then multiplied by the lives exposure to these contracts. This amount results in the recoveries from reinsurance.

Significant estimates

The preparation of Summarised 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 Summarised 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.

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Significant estimates (continued)

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.

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 chain ladder method.

The chain ladder method involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each period (in the Scheme's case, for the four months post year-end) that is not yet fully developed to produce an estimated ultimate claims cost for each reporting period. The chain ladder method is the most appropriate for this claim pattern.

Run-off triangles are used in situations where it takes time after the treatment date for the full extent of the claims to become known. It is assumed that payments will emerge in a similar way in each service month. The proportional increase in known cumulative payments from one development month to the next can then be used to calculate payments for future development months.

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.

ACCOUNTING POLICIES (continued)

for the year ended 31 December 2025

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 within insurance contracts

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 of the 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.

ACCOUNTING POLICIES (continued) **for the year ended 31 December 2025**

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.

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

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 cashflows 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.

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.

ACCOUNTING POLICIES (continued) for the year ended 31 December 2025

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 cashflows 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.

Other incurred directly attributable insurance service expenses include:

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.

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.

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.

ACCOUNTING POLICIES (continued)
for the year ended 31 December 2025

INSURANCE CONTRACTS (continued)

Insurance interest income and expenses

The non-distinct investment component (PMSA) accrues interest. This is disclosed as the finance expense on Personal Medical Savings Accounts.

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

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.

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS for the year ended 31 December 2025

1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting policy

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.

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 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 SUMMARISED 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
Listed equities	1,277,324	1,099,242
Commodity linked instruments	42,895	51,213
Local collective investment schemes	545,668	554,593
Offshore collective investment schemes	91,958	113,320
Money market instruments	351,739	407,095
Bonds	1,419,583	1,475,950
Linked Insurance Policies	838,039	762,619
	4,567,206	4,464,032

Reconciliation

Fair value at the beginning of the year	4,464,032	4,530,321
Purchase of investments	6,028,797	6,969,598
Dividends recapitalised	49,717	51,724
Interest recapitalised	246,006	264,498
Acquisition of Financial assets at fair value through profit or loss	5,733,074	6,653,376
Proceeds on disposal of investments	(6,305,374)	(7,173,880)
Asset management fees	(34,078)	(19,768)
Proceeds on disposal of Financial assets at fair value through profit or loss	(6,271,296)	(7,154,112)
Net movement on revaluation of Financial assets at fair value through profit or loss	219,731	53,831
Realised gains on disposal	160,020	84,162
Fair value at the end of the year	4,567,206	4,464,032
Current assets	1,600,885	1,631,064
Non-current assets	2,966,321	2,832,968

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

The weighted average effective interest rate on bonds for the year was 24.24% (2024: 17.20%).

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

2. INSURANCE CONTRACT LIABILITIES

2.1 LIABILITY TO MEMBERS FOR CURRENT BENEFITS

Insurance contracts issued	2025				2024			
	Liability for remaining coverage (LFRC)	Liability for incurred claims (LIC)		Total	Liability for remaining coverage (LFRC)	Liability for incurred claims (LIC)		Total
		Present value of future cash	Risk adjustment			Present value of future cash	Risk adjustment	
Net opening balance	(48,493)	1,292,468	12,980	1,256,955	(43,530)	1,257,891	18,330	1,232,691
Insurance service result	(6,440,414)	6,906,741	520	466,847	(5,955,387)	6,361,903	(5,350)	401,166
Insurance revenue	(6,440,414)			(6,440,414)	(5,955,387)	-	-	(5,955,387)
Insurance service expense	-	6,906,741	520	6,907,261	-	6,361,903	(5,350)	6,356,553
Incurred claims and directly attributable expenses	-	6,681,191	-	6,681,191	-	6,159,510	-	6,159,510
Changes in fulfilment cash flows relating to the liability for incurred claims - past service	-	(2,490)	(12,980)	(15,470)	-	(9,415)	(18,330)	(27,745)
Changes in fulfilment cash flows relating to the liability for incurred claims - current service	-	228,040	13,500	241,540	-	211,808	12,980	224,788
Finance income from insurance contracts issued	-	51,951	-	51,951	-	46,431	-	46,431
Total amounts recognised in the Statement of Comprehensive Income	(6,440,414)	6,958,692	520	518,798	(5,955,387)	6,408,334	(5,350)	447,597
Investment component - PMSA	(855,184)	855,184	-	-	(828,632)	828,632	-	-
PMSA contributions received	(851,057)	851,057	-	-	(824,615)	824,615	-	-
Transfers received from other schemes	(4,127)	4,127	-	-	(4,017)	4,017	-	-
Total movement	(7,295,598)	7,813,876	520	518,798	(6,784,019)	7,236,966	(5,350)	447,597
<i>Cash flows</i>								
Contributions received	7,291,672	-	-	7,291,672	6,779,056	-	-	6,779,056
Claims and other directly attributable expenses paid	-	(7,422,747)	-	(7,422,747)	-	(6,933,290)	-	(6,933,290)
Refunds on death or resignation - PMSA	-	(53,269)	-	(53,269)	-	(51,253)	-	(51,253)
Claims related to recoveries from reinsurance	-	(233,852)	-	(233,852)	-	(217,846)	-	(217,846)
Total cash flows	7,291,672	(7,709,868)	-	(418,196)	6,779,056	(7,202,389)	-	(423,333)
Net closing balance	(52,419)	1,396,476	13,500	1,357,557	(48,493)	1,292,468	12,980	1,256,955

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

2. INSURANCE CONTRACT LIABILITIES (continued)

2.1 LIABILITY TO MEMBERS FOR CURRENT BENEFITS (continued)	Note	2025 R'000	2024 R'000
<i>Breakdown of cashflows</i>			
Contributions received		7,291,672	6,779,056
Risk contributions		6,436,488	5,950,424
PMSA contributions		851,057	824,615
Transfers from other schemes		4,127	4,017
Claims and directly attributable expenses paid		(7,422,747)	(6,933,290)
Risk claims		(6,140,151)	(5,728,234)
PMSA claims		(795,515)	(770,976)
Other directly attributable expenses		(433,812)	(382,827)
PMSA refunds		(53,269)	(51,253)
<i>Included in Liability to members for current benefits</i>			
Personal Medical Savings Account monies	2.3	1,070,967	1,012,616
Reported claims not yet paid		72,349	44,839
Amounts due to administrator		31,473	30,480
Amounts due to managed care organisation		714	-
Liability for claims incurred but not yet reported		241,540	224,788
Unallocated funds		747	-
Less:			
Insurance revenue outstanding		(52,419)	(48,493)
Member and service provider claims debt		(35,533)	(35,243)
Provision for impairment		32,799	31,500
Forensic receivables		(5,080)	(3,532)
		1,357,557	1,256,955

2.2 LIABILITY TO MEMBERS FOR FUTURE BENEFITS

Balance at the beginning of the year	3,246,117	3,342,502
Amounts attributable to members for future benefits	13,685	(96,385)
Balance at the end of the year relating to Liability to members for future benefits	3,259,802	3,246,117
Current liability	-	39,842
Non-current liability	3,259,802	3,206,275

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

2. INSURANCE CONTRACT LIABILITIES (continued)

2.3 PERSONAL MEDICAL SAVINGS ACCOUNT MONIES

The personal medical savings account monies, 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.

Reconciliation of personal medical savings account monies	2025	2024
	R'000	R'000
Balance at the beginning of the year	1,012,616	959,782
Plus:		
PMSA contributions received	851,057	824,615
Transfers received from other schemes	4,127	4,017
Interest on PMSA monies	51,951	46,431
Less:		
PMSA claims	(795,515)	(770,976)
Refunds on death or resignation	(53,269)	(51,253)
Balance at the end of the year	<u>1,070,967</u>	<u>1,012,616</u>

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 R4,137m (2024: R5,176m).

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

3. INSURANCE REVENUE AND SERVICE EXPENSES

Insurance revenue from contracts measured under the PAA	6,440,414	5,955,387
Gross contributions	7,291,471	6,780,002
Personal Medical Savings Account contributions	(851,057)	(824,615)
Insurance service expenses	(6,907,261)	(6,356,553)
Net claims incurred	(6,473,449)	(5,947,575)
Incurred claims	(6,476,999)	(5,952,588)
Third-party recoveries	3,550	5,013
Directly attributable expenses	(433,812)	(408,978)
Accredited managed healthcare services (no risk transfer)	(168,798)	(159,238)
Accredited administration services	(252,217)	(237,256)
Other directly attributable expenses	(12,797)	(12,484)
Net (expense)/income from reinsurance contracts held	(9,670)	7,391
Reinsurance expense	(243,522)	(210,455)
Reinsurance income	233,852	217,846
Total insurance service result	(476,517)	(393,775)

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
Accredited administration services		
Member record management	25,933	24,466
Contribution management	22,777	21,488
Claims management	28,694	27,071
Financial management	920	868
Information management and data control	46,506	43,875
Customer services	127,387	119,488
	252,217	237,256
Accredited managed healthcare services (no risk transfer)		
Clinical risk management	52,491	49,444
Hospital referrals and pre-authorisations	47,499	44,726
Medical provider network management	44,163	41,585
Pharmacy benefit management	24,645	23,483
	168,798	159,238

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

3. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

Net income/(expense) from reinsurance contracts held

Accounting policy

Reinsurance contracts (risk transfer arrangements) 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.

Note	2025	2024
	R'000	R'000
Made up as follows:		
Discovery Health (Pty) Ltd	(11,402)	2,460
Reinsurance expense	(240,990)	(202,833)
Claims recovered	229,588	205,293
Centre for Diabetes and Endocrinology (Pty) Ltd	1,732	4,931
Reinsurance expense	(2,532)	(7,622)
Claims recovered	4,264	12,553
	(9,670)	7,391

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 SUMMARISED FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2025

4. 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.

Investment income received is disclosed as cash flows from operating activities in the Statement of Cash Flows because they enter into the determination of profit or loss. The income from investments are considered operating activities as it generates cash flows to maintain the operating capability of the Scheme.

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	7,730	7,302
Investment income from investments held at fair value through profit or loss	295,723	316,222
- Dividend revenue from investments at fair value through profit or loss	49,717	51,724
- Interest revenue from investments at fair value through profit or loss	246,006	264,498
Net gains on investments at fair value through profit or loss	379,751	137,993
- Net realised gains on fair value adjustments	160,020	84,162
- Movement in fair value adjustments	219,731	53,831
Net investment income	683,204	461,517

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

5. OTHER OPERATING EXPENSES

Accounting policy

Other operating expenses are expensed as incurred.

Note	2025 R'000	2024 R'000
Administration fees	32,597	30,752
Other services		
Internal audit services	3,855	3,637
Marketing services	13,261	12,511
Forensic investigations and recoveries	4,822	4,549
Governance and compliance	761	718
Additional services		
Quality management and monitoring services	3,633	3,427
Advanced data analytics	3,029	2,858
Digital service offering	1,126	1,062
Enhanced service offering	603	569
Enterprise risk management services	603	569
Legal services	174	164
Product innovation	730	688
Actuarial fees	3,600	3,444
Association fees	1,095	817
Communication expenses	8,271	12,293
Consulting fees	2,281	2,050
Depreciation	196	98
External audit fees*	2,345	3,440
Fidelity guarantee and professional indemnity insurance premium	259	247
Internal audit fees	1,000	961
Legal fees	2,110	748
Levies - Council for Medical Schemes	5,574	5,226
Office lease and other rental charges	721	934
Other expenses	10,779	9,733
Principal Officer's remuneration	5,302	4,871
Staff costs	29,246	23,835
Trustee remuneration	3,329	3,142
	108,704	102,591

*Included in this amount is the fee of R191,304 (2024: R169,565) relating to the engagements for the 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 the CMS.

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

6. RELATED PARTY TRANSACTIONS

The Scheme is governed by the Board of Trustees which is constituted of twelve Trustees, six whom are employer appointed and six being member elected.

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 Officers 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

Absa Bank Limited, FirstRand Limited and The Standard Bank of South Africa Limited have significant influence over the Scheme, as they participate in the Scheme's financial and operating policy decisions through representation on the Board of Trustees, but do not control the Scheme.

NMG Consultants and Actuaries (Pty) Ltd has significant influence over the Scheme, as it consults and advises on various strategic issues which guide the Scheme's operations, but do not control the Scheme.

Discovery Health (Pty) Ltd has significant influence over the Scheme, as Discovery Health (Pty) Ltd participates in the Scheme's financial and operating policy decisions, but does not control the Scheme. Discovery Health (Pty) Ltd provides administration and managed care services. The Scheme furthermore has reinsurance contracts with Discovery Health (Pty) Ltd. As Discovery Health (Pty) Ltd is a related party, its subsidiaries and fellow subsidiaries within the Discovery Ltd group are related parties to the Scheme. Discovery Ltd's Annual Report provides detail of its group structure.

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.

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

6. 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
Statement of Comprehensive Income		
Compensation		
Short-term employee benefits	16,911	16,382
Trustee remuneration (note 5)	3,329	3,142
Contributions and claims		
Insurance revenue	1,240	1,251
Incurred claims	1,693	1,108
Interest paid on Personal Medical Savings Accounts	5	5
Statement of Financial Position		
Liability attributable to current members (PMSA balances)	87	99

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 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.
Personal Medical Savings Accounts	The amounts owing to the related parties relate to Personal Medical Savings Account balances to which the parties have a right. In line with the terms applied to other members, the balances earn monthly interest on an accrual basis, at interest rates determined by the Scheme from time to time at its discretion. The amounts are all current and would need to be payable on demand as applicable to other members.

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

6. RELATED PARTY TRANSACTIONS (continued)

Transactions with entities that have significant influence over the Scheme

	2025	2024
	R'000	R'000
Statement of Comprehensive Income		
Actuarial fees	3,600	3,444
Total administration fees	284,814	268,008
- Accredited administration services (Note 3)	252,217	237,256
- Administration fees (Note 5)	32,597	30,752
Reinsurance contract premiums paid	240,990	202,833
Managed care: management services	160,199	150,863
Statement of Financial Position		
Financial assets at fair value through profit or loss: Participating employers	718,789	898,206
Cash and cash equivalents: Participating employers	526,666	589,887
Liability attributable to current members	31,473	30,480

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

Terms and conditions of the actuarial contract

The actuarial agreement is in accordance with instructions given by the Trustees of the Scheme. The agreement is reviewed annually and is renewable depending on fee negotiations, unless notification of termination is received. The Scheme has the right to terminate the agreement on 90 days notice.

Terms and conditions of the administration agreement

The administration agreement is in accordance with instructions given by the Trustees of the Scheme. The agreement is reviewed annually and is renewable depending on fee negotiations. The Scheme has the right to terminate the agreement on six months' notice.

Terms and conditions of the reinsurance contracts

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

Terms and conditions of the managed care agreements

The managed care agreements are in accordance with instructions given by the Trustees of the Scheme. The agreements are reviewed annually and are renewable depending on fee negotiations. The Scheme has the right to terminate the agreement on six months' notice.

Terms and conditions of the third-party collection services

The third-party collection service agreement is in accordance with instructions given by the Trustees of the Scheme. The agreements are reviewed annually and are renewable depending on fee negotiations. The Scheme has the right to terminate the agreement on six months' notice.

Terms and conditions of investments in participating employers

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 SUMMARISED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

7 NET RESULT PER BENEFIT OPTION

2025

	Bankmed Essential Plan R'000	Bankmed Basic Plan R'000	Bankmed Core Saver Plan R'000	Bankmed Traditional Plan R'000	Bankmed Comprehen- sive Plan R'000	Bankmed Plus Plan R'000	Consolidated R'000
Insurance revenue	144,218	1,084,646	1,649,353	910,624	2,357,447	294,126	6,440,414
Insurance service expense	(73,544)	(968,125)	(1,413,088)	(1,064,389)	(3,012,320)	(375,795)	(6,907,261)
Claims incurred*	(47,258)	(858,720)	(1,282,736)	(1,020,413)	(2,898,191)	(366,131)	(6,473,449)
Accredited managed healthcare services*	(10,265)	(42,700)	(50,643)	(17,450)	(43,988)	(3,752)	(168,798)
Other directly attributable insurance services expenses	(16,021)	(66,705)	(79,709)	(26,526)	(70,141)	(5,912)	(265,014)
Net (expense)/income from reinsurance contracts held*	(5,390)	(959)	(758)	(651)	(1,763)	(149)	(9,670)
Insurance service result	65,284	115,562	235,507	(154,416)	(656,636)	(81,818)	(476,517)
Other income	39,230	163,349	210,917	70,190	185,605	15,644	684,935
Other expenses	(11,153)	(46,441)	(59,965)	(19,956)	(52,769)	(4,448)	(194,733)
Amounts attributable to members	93,361	232,470	386,459	(104,182)	(523,800)	(70,622)	13,685
Number of members	6,651	26,472	33,591	11,082	29,214	2,440	109,450
Number of beneficiaries	9,094	52,551	72,106	23,872	62,929	4,213	224,765
Average age	29.75	27.03	28.21	37.36	40.82	59.38	33.08
Pensioner ratio	1.01%	2.23%	3.70%	12.91%	18.22%	50.75%	9.17%
Relevant healthcare expenditure*	(62,913)	(902,379)	(1,334,137)	(1,038,514)	(2,943,942)	(370,032)	(6,651,917)
	3829	21224	30263	11810	34175		

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2025

7 NET RESULT PER BENEFIT OPTION (continued)

2024

	Bankmed Essential Plan R'000	Bankmed Basic Plan R'000	Bankmed Core Saver Plan R'000	Bankmed Traditional Plan R'000	Bankmed Comprehen- sive Plan R'000	Bankmed Plus Plan R'000	Consolidated R'000
Insurance revenue	124,847	938,137	1,491,852	860,372	2,254,140	286,039	5,955,387
Insurance service expense	(69,925)	(822,558)	(1,220,976)	(996,534)	(2,847,836)	(398,724)	(6,356,553)
Claims incurred*	(47,181)	(726,308)	(1,097,624)	(954,150)	(2,733,348)	(388,964)	(5,947,575)
Accredited managed healthcare services*	(8,884)	(37,595)	(47,960)	(16,481)	(44,522)	(3,796)	(159,238)
Other directly attributable insurance services expenses	(13,860)	(58,655)	(75,392)	(25,903)	(69,966)	(5,964)	(249,740)
Net income/(expense) from reinsurance contracts held*	(4,245)	10,400	(19)	99	1,105	51	7,391
Insurance service result	50,676	125,979	270,857	(136,063)	(592,590)	(112,634)	(393,775)
Other income	25,993	104,841	143,279	48,869	132,023	11,175	466,180
Other expenses	(6,822)	(27,518)	(57,618)	(12,827)	(58,918)	(5,087)	(168,790)
Amounts attributable to members	69,847	203,302	356,518	(100,021)	(519,485)	(106,546)	(96,385)
Number of members	6,006	24,225	33,107	11,292	30,506	2,582	107,718
Number of beneficiaries	8,256	47,745	70,312	24,582	66,112	4,524	221,531
Average age	29.36	26.81	27.70	36.68	40.02	58.42	32.87
Pensioner ratio	0.98%	2.29%	3.47%	12.32%	17.29%	48.10%	9.14%
Relevant healthcare expenditure*	(60,310)	(753,503)	(1,145,603)	(970,532)	(2,776,765)	(392,709)	(6,099,423)

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

8. 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.

Non-compliance with Section 33(2)(b) and Section 33(2)(c) - Financial performance and soundness of the Bankmed benefit options

Nature and impact

In terms of Sections 33(2)(b) and 33(2)(c) of the Act, each benefit option shall be self-supporting in terms of membership and financial performance and be financially sound. The Bankmed Traditional Plan, Comprehensive Plan and Plus Plan incurred insurance service result deficits for the year ended 31 December 2025, thereby contravening Section 33(2)(b) and Section 33(2)(c) of the Act.

Causes of failure

The Scheme offers multiple benefit options in order to provide benefits suited to the specific healthcare needs of the varying demographic groups within the Scheme's overall membership. The benefit design process, however, must also consider the overall financial impact on the Scheme of providing such benefits. This takes into account the Scheme's financial stability, reserve levels and ultimate sustainability. In order to achieve both objectives it may be necessary to incur losses on certain options, which are then offset by surpluses on other options. These losses are anticipated in the annual budget, which is approved by the Council for Medical Schemes (CMS).

Corrective action

The benefits and contributions proposal approved by the CMS for 2025 included a budgeted loss. As required by the CMS, the Scheme continues to submit monthly management accounts reflecting the performance of the benefit options.

Non-compliance with Section 26(7) – Late payment of contributions

Nature and impact

Contributions due from a number of participating employers were received more than three days after becoming due in certain months during 2025, which is in contravention of Section 26(7) of the Act.

Causes of failure

Due to internal process delays by some participating employers, the contributions paid on behalf of members were not paid within three days of becoming due. As a result the Scheme is in contravention of Section 26(7) of the Act.

Corrective action

Scheme management continues to engage any employer group that pays late, and appropriate action is taken as and when necessary. Continuous improvements have been instrumental in the timeous payment of contributions by employer groups.

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

8. NON-COMPLIANCE MATTERS (continued)

Non-compliance with Section 35(8)(a) – Investments in participating employers

Nature and impact

The Scheme holds investments, via various instruments, with Absa Bank Limited, FirstRand Limited, Landbank SOC Limited and The Standard Bank of South Africa Limited, all of whom are participating employers of the Scheme. The Scheme also banks with FirstRand Limited and therefore has various current accounts with this participating employer. This is in contravention of Section 35(8)(a) of the Act, as the Scheme is not allowed to hold investments in any participating employer.

Causes of failure

As these institutions are major banks, an investment portfolio excluding these participating employers would fail to diversify optimally in the South African investment markets. Funds are therefore invested in various instruments issued by these participating employers. Investments in publicly-traded instruments of participating employers are made and managed via external investment managers and are managed in terms of the agreed mandates.

Corrective action

The Scheme applied to the CMS and received an exemption from this section of the Act. The exemption granted is effective from 31 July 2025 to 30 November 2028.

Non-compliance with Section 35(8)(c) – Investments in any administrator

Nature and impact

The Scheme has investments in other administrators via unitised fund holdings within the Ninety One Absolute Opportunity and M&G Global Real Return portfolios.

Causes of failure

The Scheme invests in pooled investment products with independent third-party asset managers who have full discretionary mandates in terms of asset purchases. All such investment decisions are made by these third-party asset managers based on their own investment theses. The Scheme is not involved in this investment decision-making process as the asset manager is solely responsible for the asset selection and investment performance of the portfolio.

Corrective action

The Scheme applied to the CMS and received an exemption from this section of the Act. The exemption granted is effective from 1 December 2025 to 30 November 2028.

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

8. NON-COMPLIANCE MATTERS (continued)

Non-compliance with Section 59(2) – Payment of claims within 30 days

Nature and impact

A medical scheme shall, in the case where an account has been rendered, subject to the provisions of the Act and the rules of the medical scheme concerned, pay to a member or a supplier of service, any benefit owing to that member or supplier of service within 30 days after the day on which the claim in respect of such benefit was received by the medical scheme.

Causes of failure

A small number of claims were paid later than 30 days of the date of receipt. Delays 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 continues to comply 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.

Disclosure of personal information

Nature and impact

Regulation 15J(2)(b) requires the Scheme to ensure that there are provisions in place for ensuring confidentiality of clinical and proprietary information, including the diagnosis and treatment pertaining to any beneficiary. Condition 7 of the Protection of Personal Information Act (POPIA) requires that personal information be kept secure against the risk of loss, unauthorised access, interference, modification, destruction or disclosure.

Causes of failure

During the year under review there were incidents where minor amounts of personal information were unintentionally shared, by the Scheme's administrator, with third parties.

Corrective action

These incidents were reported to the Information Registrar as required. Remedial action taken included additional training and the strengthening of control systems.

Non-compliance with Section 29(1)(o) – Prescribed minimum benefits

Nature and impact

Section 29(1)(o) and Regulation 8 provide the scope and level of minimum benefits that the Scheme must provide to members and dependants.

Causes of failure

During the year under review there were isolated instances where the Scheme did not pay claims in accordance with the scope and level of minimum benefits.

Corrective action

These identified claims are reprocessed and paid.

Bankmed Trustee Fee Policy 2025/2026:

Incorporating Independent Committee Members

1. OBJECTIVES OF THE POLICY

The purpose of this policy is to document Bankmed’s approach for fees paid to Trustees for services rendered in their capacity as a Trustee of the Board and of the Board’s Committees.

2. SCOPE

Once approved, this policy is applicable to all current Trustees formally appointed to Bankmed’s Board and Committees.

3. PRINCIPLES

The following principles underpin Bankmed’s approach to Trustee and Independent Committee Member fees:

- 3.1 **Remuneration stance.** Bankmed wishes to remunerate its member-elected and employer-appointed Trustees for their contribution to the Board and its various committees. This will include Independent Committee Members serving on any committee of the Board.
Employer-appointed Trustees may elect not to receive the fee in their personal capacity. In this event, the fee shall either be waived in writing or paid to the respective employer organisation, as directed by the Trustee.
- 3.2 **The quantum of the fee.** In setting the quantum of the fee Bankmed acknowledges:
 - That the role of the Trustee is akin to that of a non-executive director. This means that the role of the Trustee is primarily one of strategic oversight dealing with long-term sustainability issues. The normal role of the Trustee is therefore to provide a creative and informed contribution and to act as a constructive critic in looking at the objectives and plans devised by the executive team. Trustees should not be treated as employees with a ‘portfolio’ of day-to-day responsibilities for the Scheme;
 - Trustees carry personal liability for the oversight role of the Scheme;
 - That, as a medical scheme, Bankmed has a non-profit motive; and
 - The public interest of providing affordable healthcare.
- 3.3 **Differentiating the fee.** Fees will typically vary according to the responsibility of the Trustee or Committee member. Fees for the Board Chair and the Committee Chair will therefore carry a premium over an ordinary member’s fee.

4. THE FEE STRUCTURE

- 4.1 The fee will comprise an attendance fee per scheduled meeting attended as per the sign-on register or via confirmation of attendance by the Principal Officer.
- 4.2 Persistent late-coming and tardiness shall, at the discretion of the chair, result in non-payment, or pro-rata payment of the meeting fee. Disqualification of attendance fees shall be based on the holistic performance of the Trustee as determined by the Chair from time to time.
- 4.3 A fee will not be paid for non-attendance.
- 4.4 The fee shall be payable within 10 days of the meeting, subject to the timely receipt of evidence of attendance (signed attendance register or confirmation of attendance by the Principal Officer).
- 4.5 The proposed fees for the forthcoming year/cycle are set out in Appendix A.



5. SCHEDULED MEETINGS

- 5.1 Core meetings shall be scheduled in advance each year.
- 5.2 The number of core meetings that are expected to be held each year are indicated in Appendix B.

6. EXPENSES

- 6.1 Trustees and Independent Committee Members shall be reimbursed for all reasonable expenses incurred by them for attendance at the meetings, the annual strategy session, and the AGM.
- 6.2 Travel and accommodation requirements for attendance at these meetings shall be co-ordinated by Bankmed, in terms of Bankmed's Travel Policy.
- 6.3 It is acknowledged that most meetings are now being held virtually. For in-person meetings, Trustees shall be reimbursed for all reasonable and properly-documented travel, meal and accommodation expenses that were incurred for attendance at these meetings. Where Trustees and Independent Committee Members may be travelling from outside the borders of South Africa, reimbursements will be capped at the lesser of the actual expenses, and what would be paid for a trip from a location furthest from the meeting venue, but within the borders of South Africa, as determined by the Principal Officer. The receipts and documentation associated with these expenses must be submitted to Bankmed's finance department.

7. TAXATION

Consistent with the Income Tax Act, of 1962, as amended, fees paid to Trustees shall be subject to applicable withholding tax (if any), in compliance with the latest regulations in this regard.

8. CONSULTING SERVICES

Fees shall not be paid for consulting services performed by any Trustee to the Board or the Scheme as this impinges on their independence and increases the risk of a conflict of interest, between their independent role as a Trustee and their role as consultant.

9. CONFERENCES, WORKSHOPS AND TRAINING EVENTS

Fees shall not be payable for attendance at conferences, over and above the conference cost as well as accommodation, where applicable.

Trustees would be paid up to a maximum of three (3) days for the Annual Strategic Planning Workshop. For other workshops and/or training, Trustees would be paid at the latest hourly flat rate, for a maximum of two (2) workshops per annum, for a maximum of six (6) hours per workshop.

10. ANNUAL GENERAL MEETING

- 10.1 The notice of meeting of the AGM shall be distributed to the members and the CMS at least 14 days before the AGM.
- 10.2 Trustee fees and all expense reimbursements shall be disclosed in the annual financial statements on an individual Trustee basis, rather than on a 'globular' basis, in order to promote transparency.
- 10.3 The Annual Financial Statements are available to all members.

11. REVIEW OF FEES

Market trends will normally guide the remuneration committee in proposing any increases to the Trustee fees. In addition, the fees shall be benchmarked to similar size restricted schemes, from time to time.

12. MONITORING AND REVIEW OF THE POLICY

- 12.1 Adherence to this policy shall be monitored by the CEO's office. Any party found in non-compliance with Trustee Fee Policy will be dealt with in accordance with Bankmed's Disciplinary Policy.
- 12.2 Changes to this policy shall be recommended by the Remuneration Committee.

Appendix A: Bankmed Trustee Remuneration for 2025/2026

Bankmed Board of Trustee fees per meeting:

Board of Trustees	Fee per Meeting 2024/2025	Fee per Meeting 2025/2026 <small>(Based on a 4.9% increase, rounded)</small>
Chairman	R 37 520	R 39 350
Vice Chairman	R 28 190	R 29 560
Other Members	R 18 860	R 19 780

Bankmed Committee fees for Trustees and Independent Committee Members (for example - the Audit Committee Members), but excluding independent Audit Committee Members:

Board of Trustees	Fee per Meeting 2024/2025	Fee per Meeting 2025/2026 <small>(Based on a 4.9% increase, rounded)</small>
Chairman	R 23 370	R 24 510
Other Members	R 11 740	R 12 310

Independent Audit Committee Members:

Board of Trustees	Fee per Meeting 2024/2025	Fee per Meeting 2025/2026 <small>(Based on a 4.9% increase, rounded)</small>
Chairman	R 23 580	R 24 730
Other Members	R 11 840	R 12 420

Only Committee and Board meetings, formally constituted with the Board's approval or subsequently ratified by the Board, shall attract fees. Trustees / Independent Committee Members are only remunerated for attendance at meetings. Payment for meeting attendance includes payment for preparation time.

Fees payable for ad-hoc tasks:

For ad hoc tasks or deliverables that require attendance by Board or Committee Members, a fee shall be paid at a flat rate of **R3 270** per hour across the board, with a maximum cap of six (6) hours. The **R3 270** is based on the previous rate, increased by the latest approved increase, and is equivalent to the current fixed fee per meeting, for an ordinary Board member, of **R19 780**, divided by six (6) hours (and adjusted slightly down to **R3 270** to contain it within the approved increase).

Any Independent Committee Member, requested to attend the AGM, shall be paid at the ad-hoc rate.

Appendix B: Bankmed Core Meetings per Annum

Committee	Number of Core Meetings
Board of Trustees	7 **
Audit Committee	4
Remuneration Committee	3
Risk Management Committee	4
Investment Committee	4

**Board = 4

Strategy = 1

Benefit Design = 2 maximum



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