
Bonitos


Bonitas
Medical Aid for South Africa
2026
VIRTUAL
Annual
GENERAL
MEETING
of Bonitas Medical Fund


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AGENDA

1. **Chairperson’s Report to members**
2. **Board of Trustees’ Report:**
   - An overview of 2025 highlights and current scheme status
   - An update on the administration and managed care transition
3. **2025 Audited Financial Statements**
4. **Independent Auditor’s report**
5. **Resolution 1: Appointment of Auditor for 2026**
6. **Q&A**
7. **Closing**

Chairperson's Report to members

Leadership of Board of Trustees

ADV RT MONENE
(Chairperson)

Adv RT Monene completed her diploma in Law, LLB, and an additional module in Public International Law at the University of South Africa (UNISA). She joined the Johannesburg Bar in December 2018 after her studies at UNISA and serving on student representative bodies. In 2017, she chaired the Student Representative Council at UNISA. Adv Monene is a general litigator with experience and interest in administrative and public law, medical negligence, constitutional law, human rights law, family law, labour law and regulatory law.

Elected as Trustee: September 2022

Appointed as Chairperson: June 2026

MR A EDWARDS
(Vice-chairperson)

Mr A Edwards has over 25 years' experience in financial services and private healthcare funding, with expertise spanning corporate wellness strategy, managed healthcare, clinical risk management, and commercial leadership. He holds a BSc [Zoology/Human Physiology] and a Postgraduate Higher Diploma in Education.

He previously served for a decade as Chief Executive of Liberty Medical Scheme, overseeing healthcare provision for more than 100,000 members annually and gaining extensive experience in healthcare economics, governance, and strategic scheme management. His broader executive involvement in large medical schemes and healthcare mergers reflects strong strategic and operational capability. He currently leads a coaching and consulting practice focused on executive resilience, leadership performance, and corporate wellbeing, particularly addressing clinical burnout.

Re-appointed by the Board: 1 June 2026

Why medical aid matters

Supports healthcare to enhance productivity

Access to comprehensive care in emergencies for speedier recoveries

Easy access to primary care improved convenience to lower absenteeism

Supports the management of growing disease burden through managed care initiatives

Comprehensive support for mental health and maternity

Duties of the Board of Trustees

Section 57(6) of the Medical Schemes Act requires the Board of Trustees to:

- Take all ***reasonable steps*** to ensure that the ***interests of beneficiaries*** in terms of the rules of the medical scheme and the provisions of the Medical Schemes Act ***are protected at all times***

- Act with ***due care***, ***diligence***, ***skill*** and ***good faith***

- Take all reasonable steps to ***avoid conflicts of interest***, and ***act with impartiality*** in respect of all beneficiaries

Governance structure and framework

Board of Trustees

The Board is responsible for the proper and sound management of Bonitas, in the best interest of members, while safeguarding our long-term sustainability. It does this by providing direction, monitoring strategy implementation, guiding decision-making and adhering to the governing legislation and regulation of a medical scheme, including corporate governance principles.

Board Committees

The Board is supported by five Board Committees to effectively fulfil its duties and responsibilities. Each Committee has a work plan and charter. Members consist of Trustees and Independent Members.

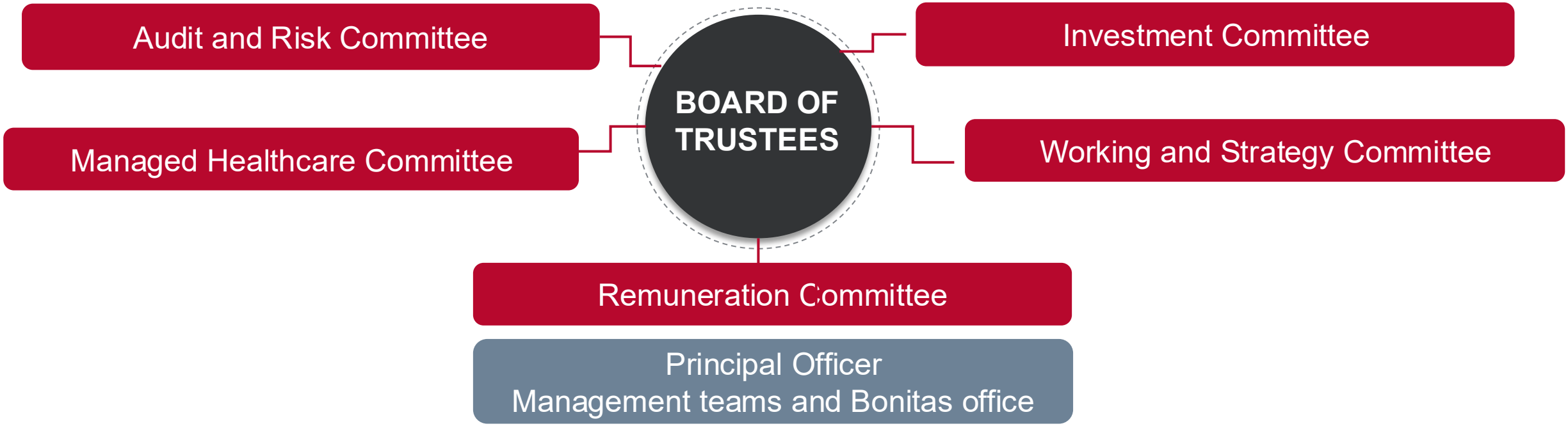
Principal Officer

The Principal Officer is appointed by the Board and must be fit and proper. The Principal Officer is responsible for Bonitas's day-to-day management and is accountable for implementing strategy and any other decisions made by the Board.

Management teams and Bonitas office

The Principal Officer is supported by:

- Other members of the Executive Management team, namely the CFO, COO and the Clinical and Managed Care Executive
- Senior management team
- Other employees working at the Bonitas office



Honouring our commitment

Making quality healthcare more affordable and more accessible for all South Africans by offering a wide range of plans that are easy to use and understand

Adopting a value creation model and ensuring that the Scheme remains financially stable and sustainable

We care about our members so we always acting in their best interests

We keep people healthy, assist when they are ill. We also make corporates healthier, so they are more productive and engaged.

Partnering with the best service providers to deliver an enhanced experience

Key responsibilities of the Board of Trustees

Governance

- Compliance to Scheme Rules, legislation and directives from the Regulator
- Approves the Board and Committee work plans, charters and revised policies

Financial

- Evaluates and tracks financial performance and approves financial statements and forecasts
- Approves investment strategy and policy

Stakeholder management

- Annual General Meeting reporting
- Monitors key service providers and contracts

Key responsibilities of the Board of Trustees

Operational

- Management of contracts and output for admin and managed care services
- Approve pricing and benefit options
- Tracks membership trends

Strategy, people and performance

- Reviews strategy and action plans
- Tracks the Organisational Performance Matrix

Risk and compliance

- Provide oversight of key risks
- Review the effectiveness of compliance management
- Consider updates on legal proceedings

Value creation model

1 Inputs

WHAT WE USE TO CREATE VALUE

- Financial capital
- Manufactured capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital

We **DESIGN HEALTHCARE PLANS** that suit everyone with a variety of options, different types of cover, more value and rich benefits

We **SELECT AND NEGOTIATE SERVICE PROVIDER CONTRACTS** and rates to ensure affordable, quality healthcare

We **FACILITATE THE COLLECTION OF MONTHLY RISK PREMIUMS** according to healthcare plan contributions for individuals, families and employees

We ensure that **MEMBER ADMINISTRATION** is effective and efficient and that the necessary fraud prevention and risk management measures are in place

2 Business activities

WHAT WE DO

We provide ongoing **MEMBER EDUCATION AND AWARENESS**

We **MONITOR THE QUALITY OF CARE** and the treatment plans designed by healthcare service providers

We **INVEST MEMBER FUNDS** and maintain appropriate reserves

We **FACILITATE CLAIMS PAYMENTS** to members according to their plan conditions and benefits

3 Outputs

KEY PRODUCTS AND SERVICES

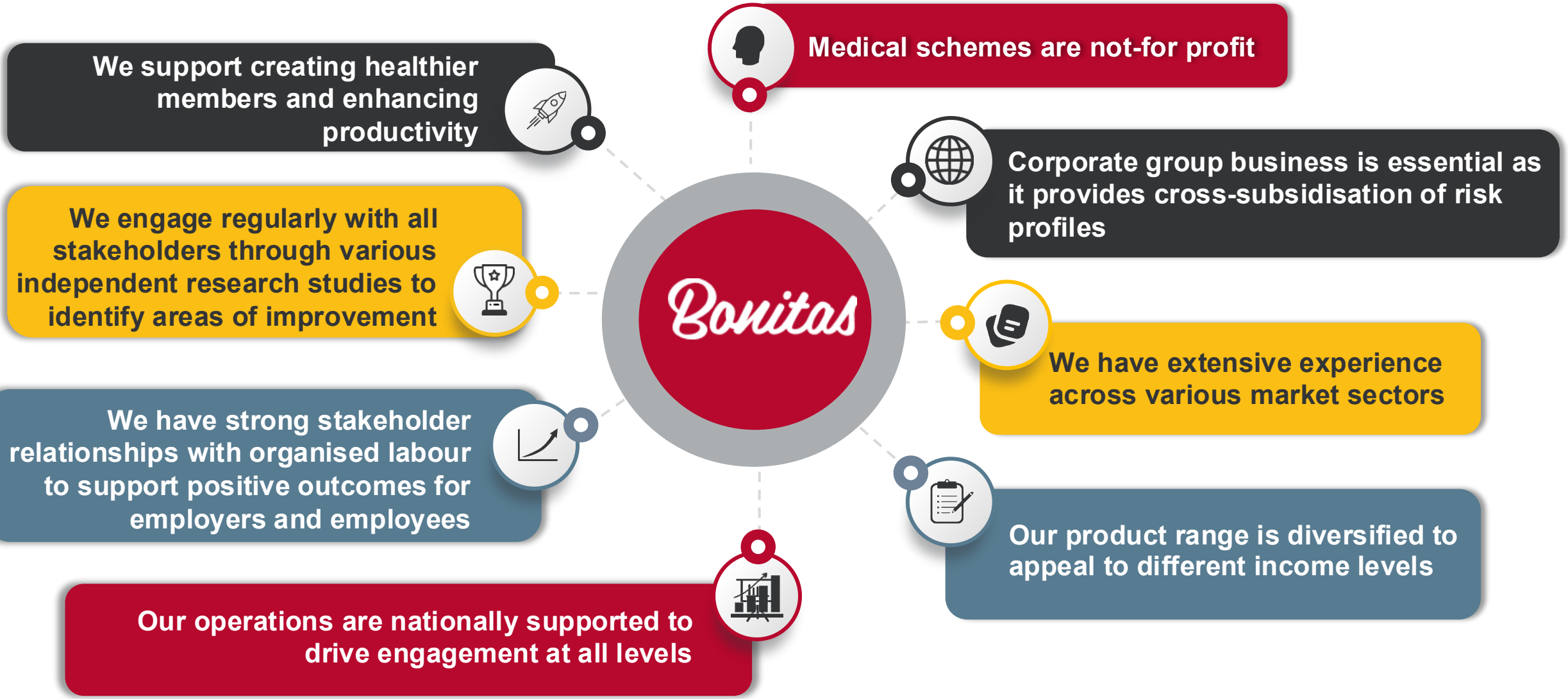
- For 2025 we offered 16 (14 registered benefit options and 2 efficiency discounted options) healthcare plans to suit a range of member needs.
- Members also have access to discounted financial services products such as gap cover and lifestyle vouchers with our health insurance partners.
- Members can use various tools and services for clinical support, easier claims processing and access to information.

4 Outcomes

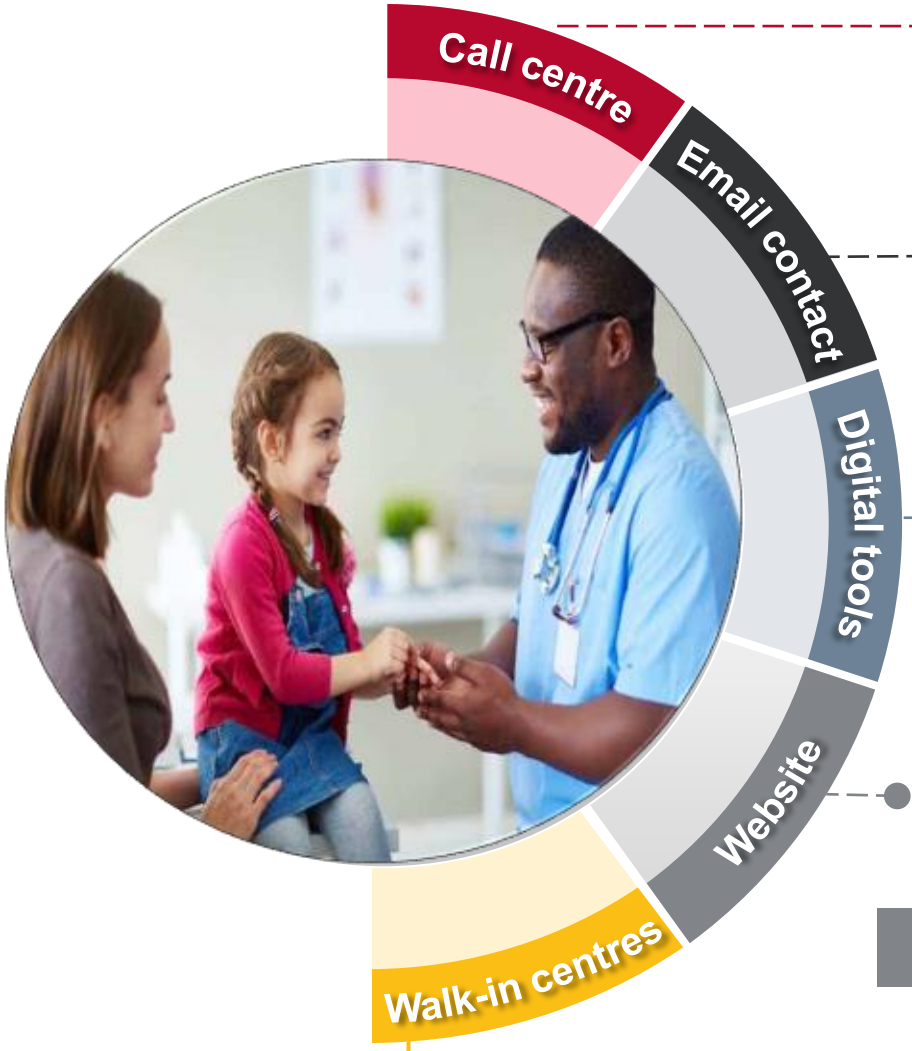
IMPACT OF OUR BUSINESS ACTIVITIES AND OUTPUTS

- Financial capital
- Manufactured capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital

Our value proposition



Customer touch points



Call centre number stays the same

0860 002 108

Member, broker and providers will be seamlessly routed to appropriate business area

Email contact details

@bonitas.co.za

Key Bonitas email addresses remain as is eg queries@bonitas.co.za and hospital@bonitas.co.za

Digital tools

WhatsApp — One number 076 172 3151

Mobile App — New app from 1 June: must re-download & register

Website

Bonitas.co.za — Hub will be added to front of web - all info in one place

Member Zone — New logged in Member Zone from 1 June: must re-register

20 walk-in centres available

Membership trends

PRINCIPAL MEMBERS

369 186

(2024: 358 717)

TOTAL BENEFICIARIES

792 330

(2024: 731 576)

AVERAGE BENEFICIARY AGE

36.7

(2024: 35.9)

DEPENDANTS PER PRINCIPAL MEMBER

1.05

(2024: 1.04)

PENSIONER RATIO

11.7%

(2024: 11.5%)

CHRONIC PROFILE

18.8%

(2024: 19.1%)

Long-term objectives

Be a strategic purchaser

- Define and optimise purchasing power with hospital groups
- Build more efficient networks
- Ensure primary and preventative services are available
- Drive care coordination

Boost business development

- Enhance distribution channels
- Improve retention (groups and DPMs)
- Grow corporate membership and the integration of value-added products
- Continue pursing amalgamations

Optimise investment returns

- Preserve capital over a rolling 12-18-month period
- Be proactive and reposition Bonitas when there are opportunities to maximise returns while adhering to the set strategic asset allocation parameters
- Manage investment risk to be within tolerable levels

Connect with the customer

- Educate and engage patients to take responsibility for their health and conditions
- Form partnerships with doctors, healthcare practitioners and patients
- Actively promote openness and approachability

Integrate the value chain

- Provide wallet-free experience for all members
- Integrate our product offering to improve retention
- Brand Bonitas as the future of healthcare in South Africa

Create value through innovation

- Educate role players to balance the triangle of affordability, quality and cost-efficiencies
- Use disruptive strategies to make healthcare technology more readily available to more people

Apply best practice governance

- Continue to adhere to industry best practices, comply with legislation and regulations, and manage risks to Bonitas' sustainability

Bonitas WALL OF EXCELLENCE

2023 - 2024
2025 - 2026
2019 - 2020
2021 - 2022
NUMBER ONE MEDICAL AID

2023
BEST MEDICAL AID

2024 • 2025
LEADING MEDICAL AID

2023
BEST LEAD
GENERATION CAMPAIGN

2025
BEST CRM
STRATEGY CAMPAIGN

2024 • 2025
GOLD READER'S CHOICE

2024 • 2025 • 2026
BEST INTERGRATED
ANNUAL REPORT

2022 • 2023
2024 • 2025 • 2026
BEST OPERATIONAL
PERFORMANCE

2026
AI-DRIVEN CREATIVE
CREATIVE EXCELLENCE

2026
INNOVATIVE USE OF
AI IN ADVERTISING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Board of Trustees' Report

An overview of 2025 highlights and current Scheme status

Bonitas

Our strategic objectives

Making it easy for members to look after their health

Thought leadership in functional, clinical and specialist areas

Leveraging our bargaining power, footprint and networks

Protecting our financial sustainability

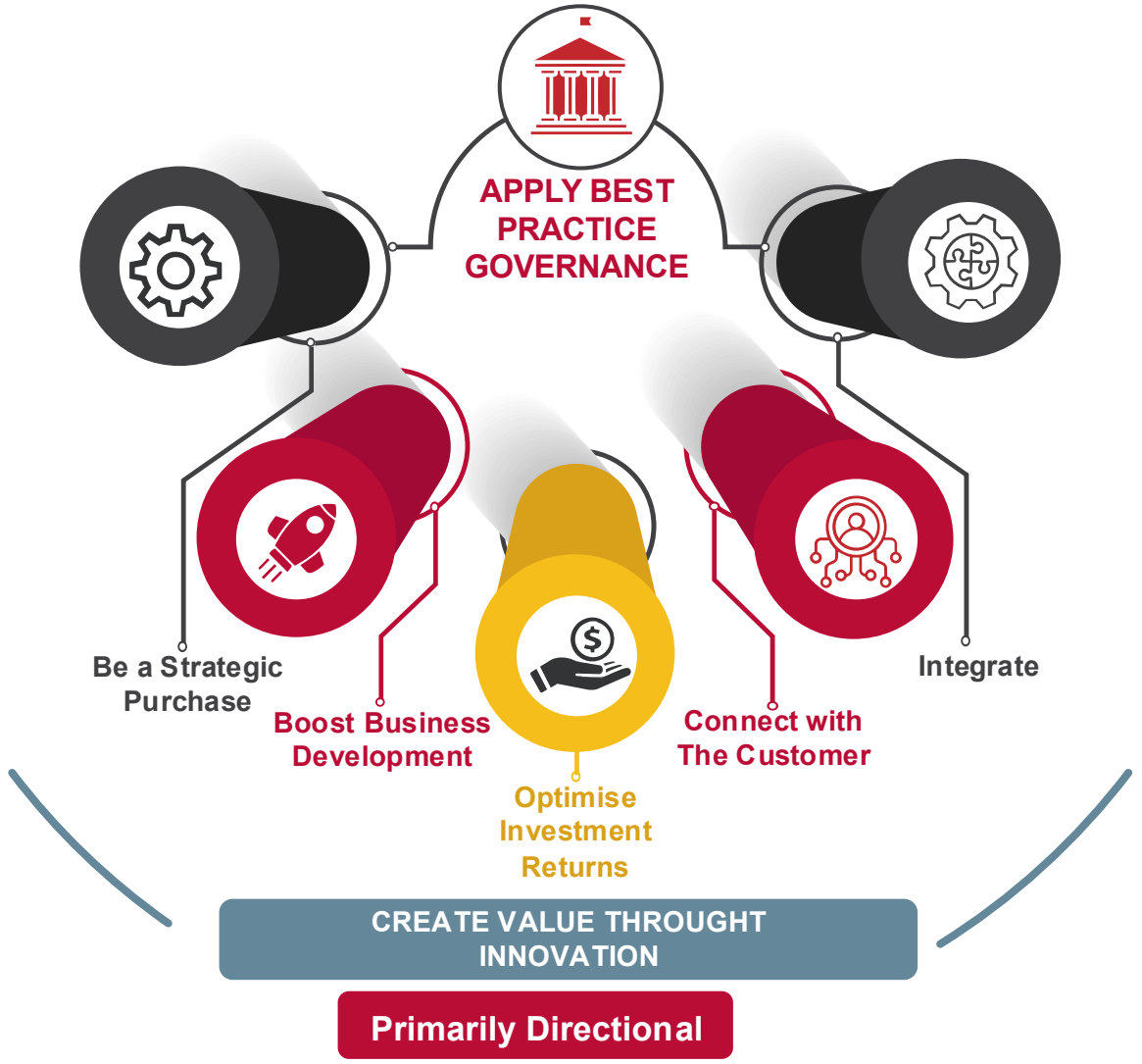
Trust and confidence in our ability to protect stakeholders interests

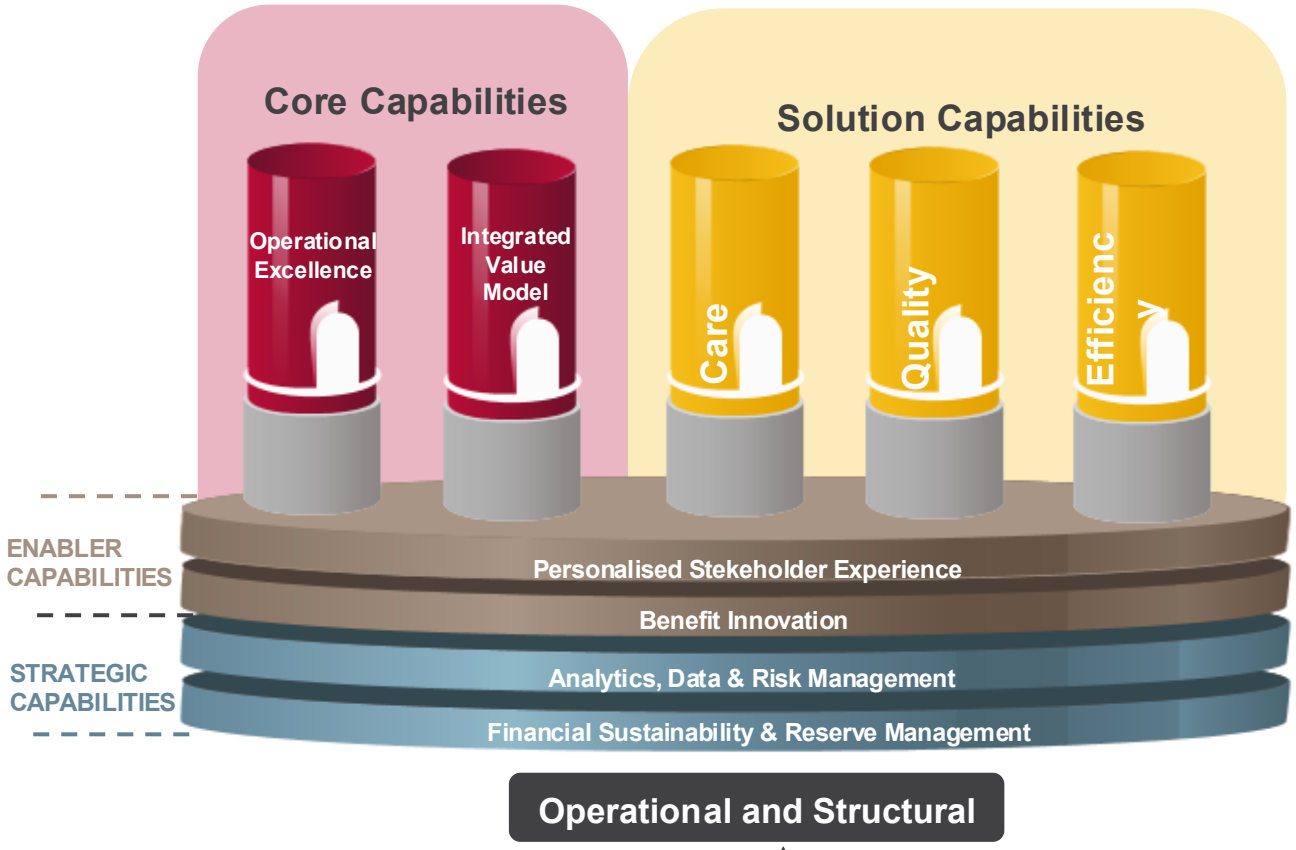
Preventing fraud, waste and abuse

Successful healthcare reform

Cyber information and resilience

A shift in strategic approach





What We Must Do

What We Must Be Good at to Win

Membership across all sectors and provinces

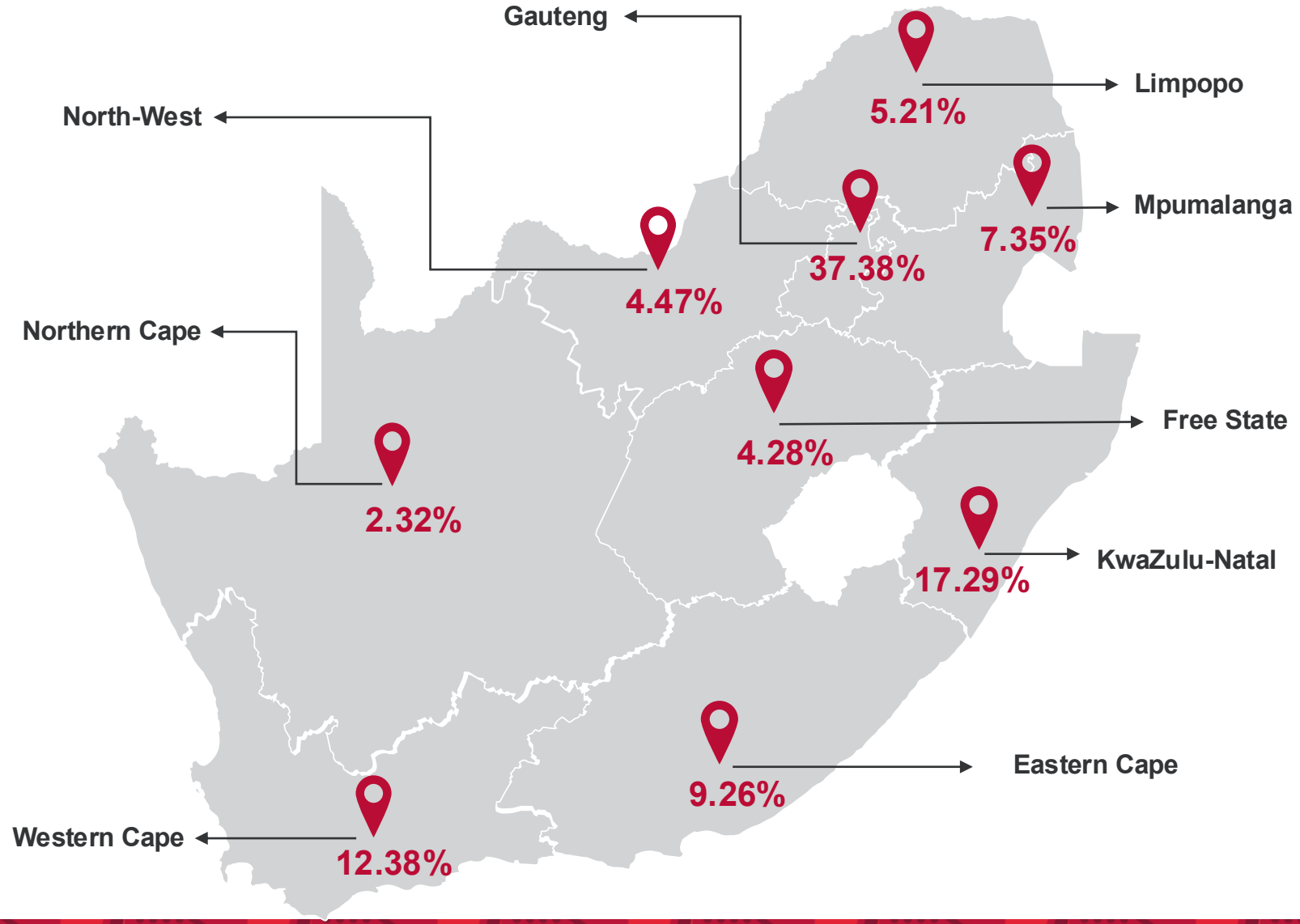
Bonitas
Medical Aid for South Africa

ALL SECTORS

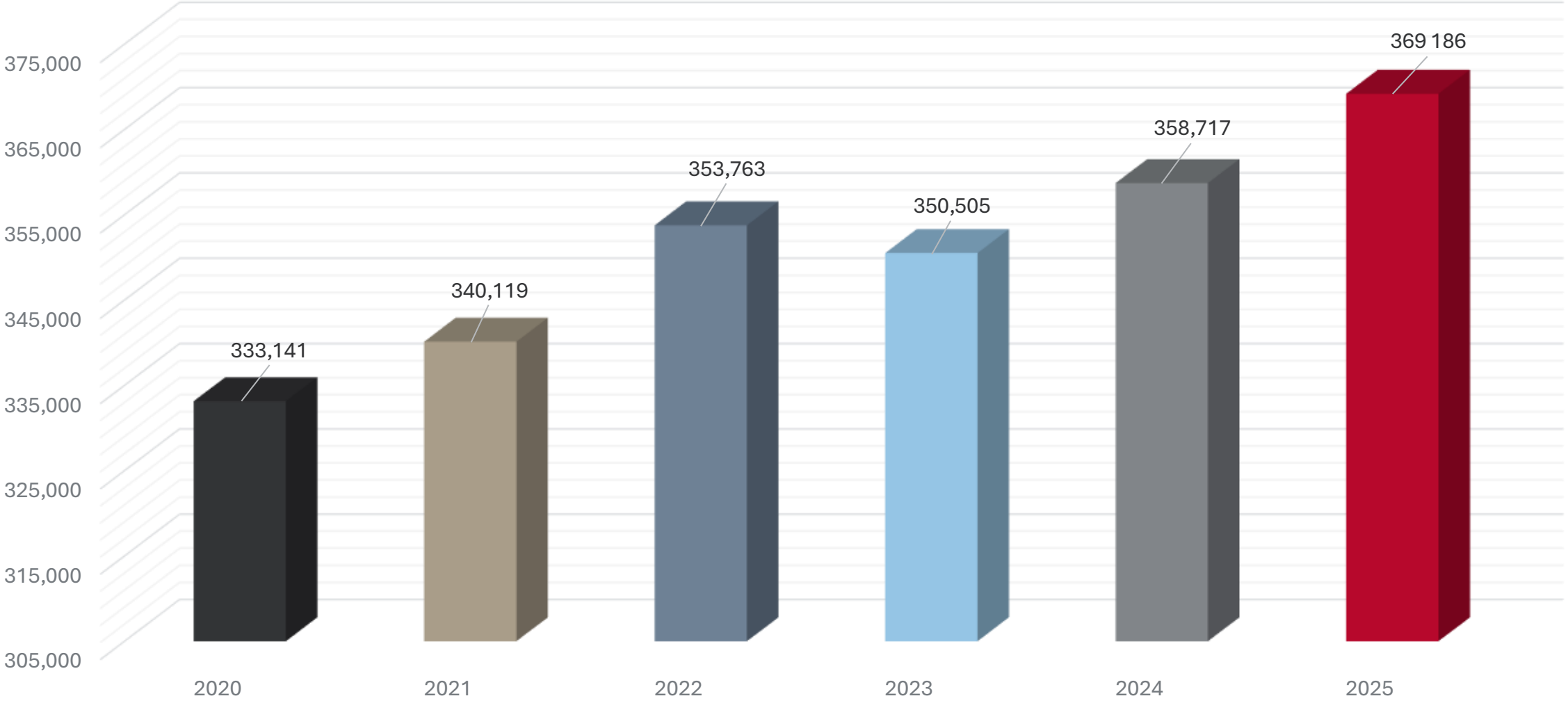
DIRECT
MANUFACTURING
GOVERNMENT

CORPORATE
PARASTATAL
SME
SMEs

INDIVIDUALS
MINING
SALGA



Membership growth trend



Our Performance

Member acquisition

70 393

new principal members added in 2025

Over

70 480

new *beneficiaries* added for 2026

Increase in new members in:

- Corporates
- Local government
- Mining
- Manufacturing

Popular plans

BonSave | BonFit | BonStart | BonStart Plus | BonCap

Data as at 28 July 2026

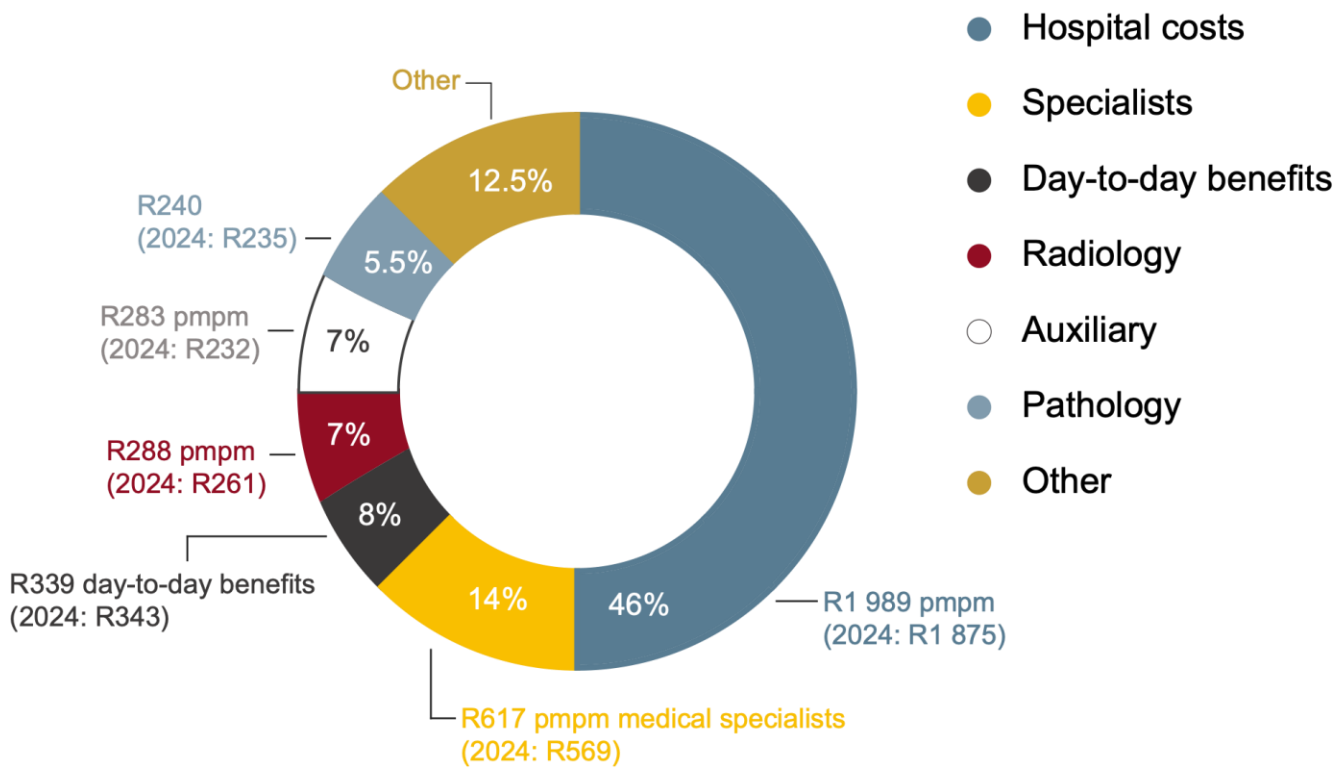
Bonitas

Managed care value optimisation and largest claims categories

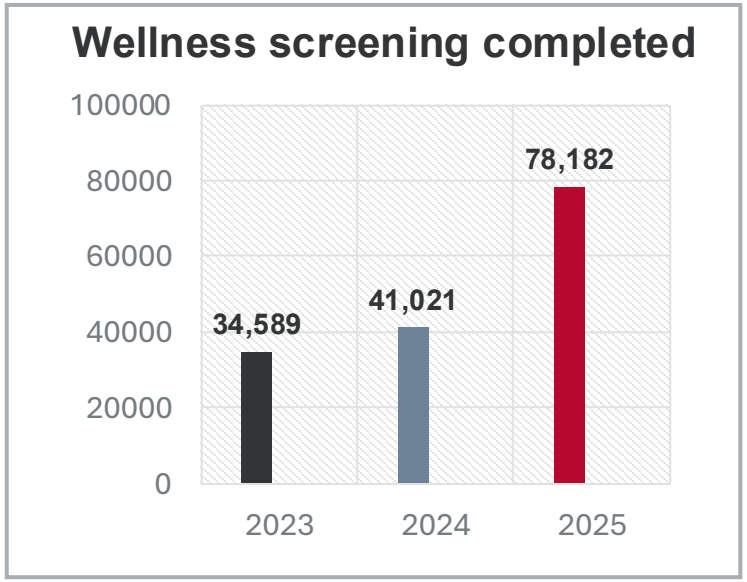
Managed care

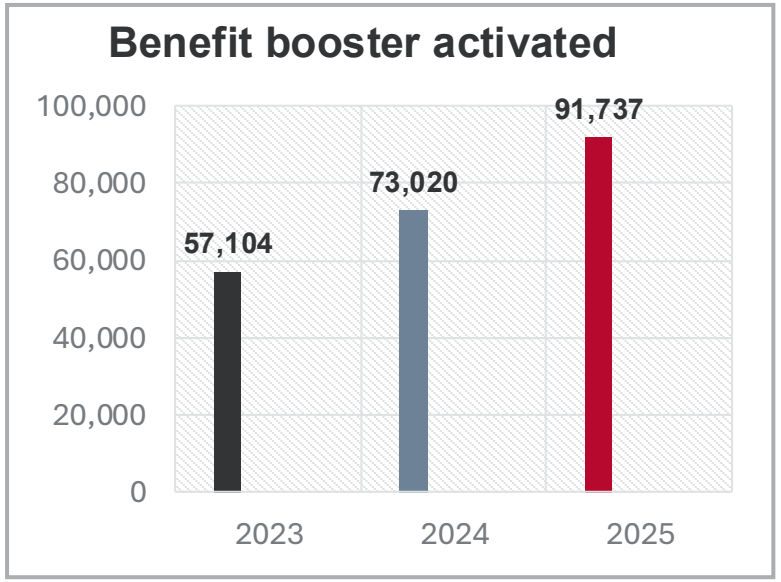
Hospital negotiations	**R566 million**
Alternatives to hospitalisation	**R26.7 million**
Renal dialysis and networks	**R79.2 million**
High Risk Beneficiary programme	**R48.4 million**
Pathology Management programme	**R38.2 million**
Specialist Outlier Engagement programme	**R20 million**
Emerging Risk Beneficiary programme	**R10.2 million**
Arthroplasty programme	**R20 million**
Chronic medicine - Risk Management	**R36 million**
Integrated chronic care network	**R13.1 million**
Specialist network	**R49.8 million**
Oncology medicine and consumables	**R16 million**
Computed tomography (CT) angiogram	**R8.3 million**
Radiology discounts	**R3.5 million**
In-room procedures	**R44 million**
Oncology management programme - Active Oncology treatment	**R47 million**
Oncology PET/CT network	**R11.3 million**
Anaesthetic network	**R28.3 million**
TOTAL	**R1.066 billion**

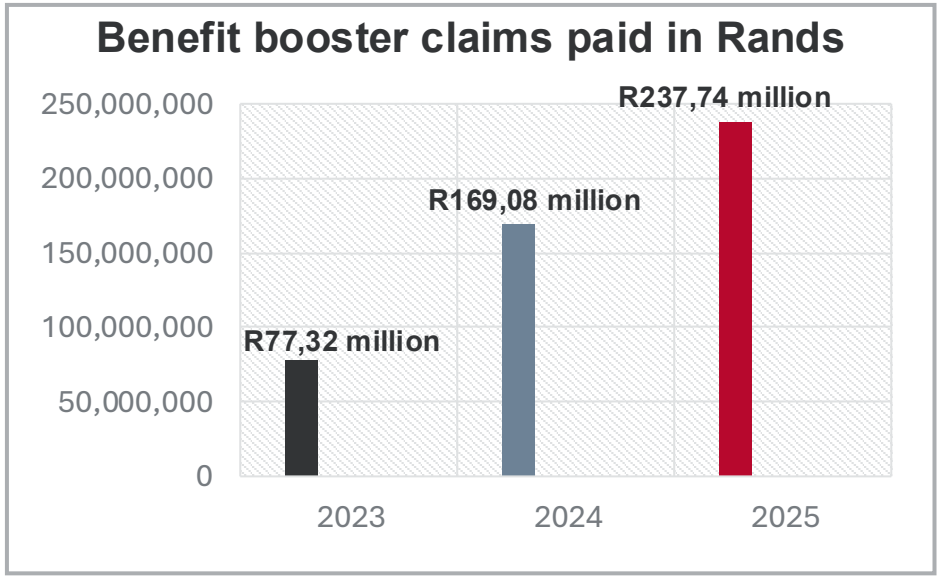
Largest claims categories



Focus on wellness and screening







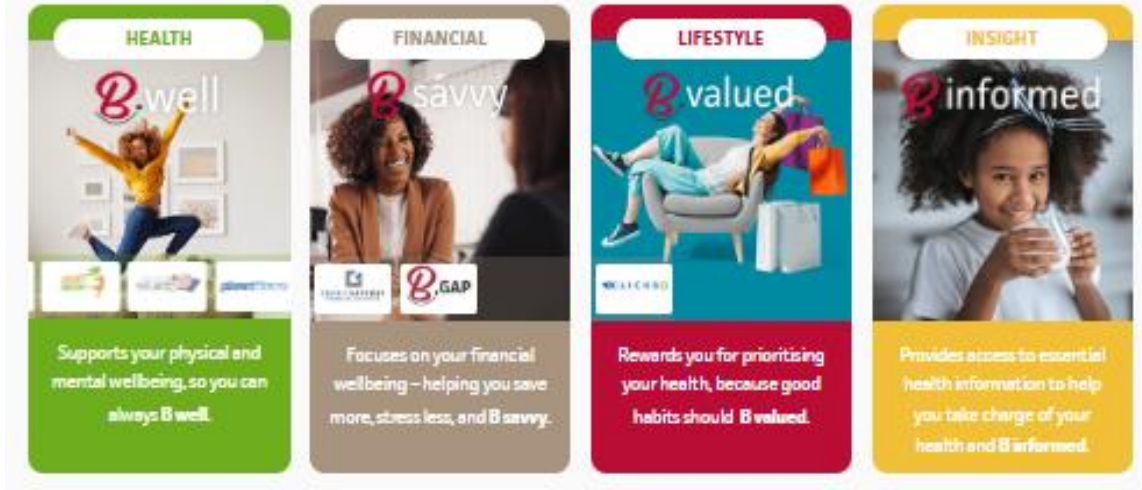
We are currently seeing an increase in wellness screenings in comparison to 2025 with the correct data passed on through our network for meaningful intervention

Introduction and rollout of

B. VALUE AND WELLBEING

with over

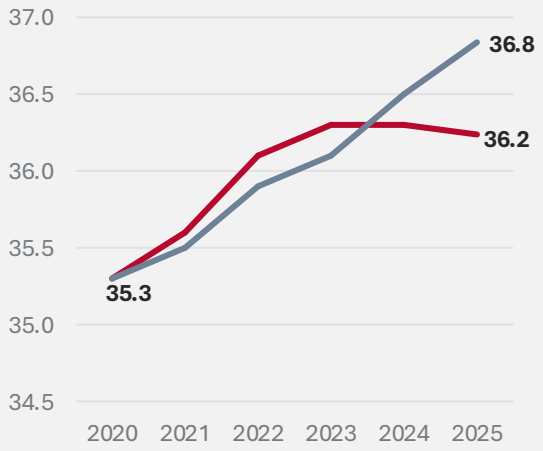
220 000 interactions



Membership demographics supporting Bonitas' financial position

Younger demographic profile

Average beneficiary age

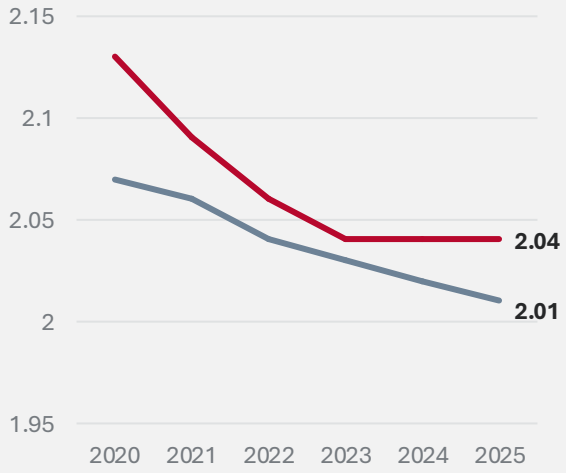


A worsening profile affects both claims and the cost of managing those claims.

3% Claims increase with age
Claims increase by between 2 – 4% for every year increase in age

Larger family sizes

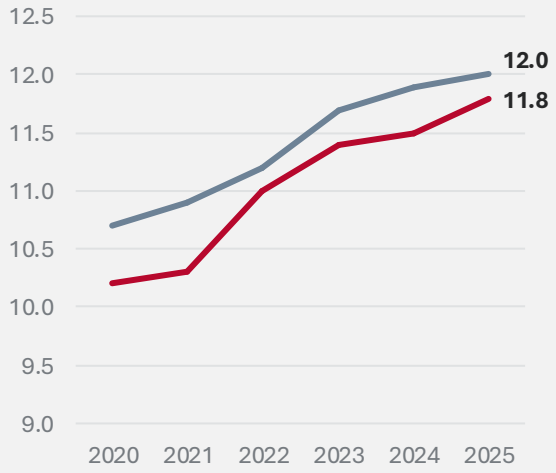
Average family size



Attractive to families
Larger family sizes mean Bonitas extends healthcare protection to more dependants through each principal membership.

Lower pensioner ratio

Pensioner ratio



Pensioner ratio is a meaningful forward-looking indicator of claims pressure.

4.5 X Older members drive costs
An average pensioner has 4.5 times higher claims costs relative to a young member

Corporate-led membership mix

63% Corporate membership
Reinforcing Bonitas' position as the scheme of choice for employers

Legend: Open Schemes — Bonitas

Hospital cover provides crucial protection against high-cost hospital claims when members need it most

TOP 10 HIGHEST HOSPITAL CLAIMS

Amounts reflect total paid across all admissions for each beneficiary.

1. **R6.09m** — BonSave
   Age 67 | 5 admissions | 190 days
   Major chest procedures and prolonged ventilator support
2. **R5.41m** — Primary
   Age 91 | 6 admissions | 218 days
   Prolonged ventilator support and cerebral infarction
3. **R5.21m** — Primary Select
   Age 41 | 4 admissions | 176 days
   Craniotomy and intracranial procedures
4. **R4.85m** — Standard
   Age 80 | 3 admissions | 177 days
   Prolonged ventilator support and seizure care
5. **R4.82m** — Standard
   Age 87 | 3 admissions | 198 days
   Cerebral infarction
6. **R4.79m** — Standard
   Age 66 | 8 admissions | 112 days
   Cardiac surgery and acute myocardial infarction
7. **R4.67m** — Standard
   Age 54 | 3 admissions | 157 days
   Ventilator support and wound debridement
8. **R4.63m** — Standard
   Age 75 | 4 admissions | 134 days
   Ventilator support and major digestive procedures
9. **R4.58m** — Standard
   Age 79 | 11 admissions | 217 days
   Major chest and bladder procedures with heart failure
10. **R4.53m** — Standard
    Age 51 | 7 admissions | 66 days
    Postoperative infection treatment and pacemaker implant

125 years

The highest claim equalled 125 years of principal-member contributions

ACROSS THE TOP 10 CASES:

R50.9m claimed

R49.6m paid

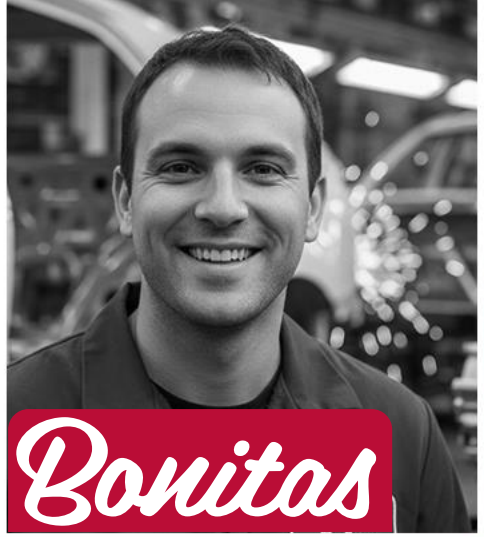
98% of claimed costs covered

1 643 total days in hospital

Administration& Managed Care Transition Update

Bonitas




Bonitas



The care remains the same: the systems behind it are being strengthened





Setting the scene

New brand position requires new strategies

Historically…

40 years of evolution

Today ….

New marketing strategy

Enhanced product range

Broadened distribution channel

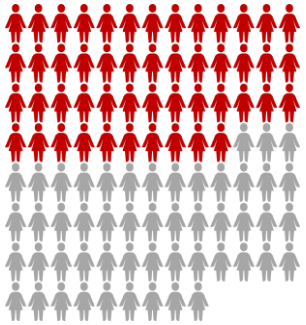
Compete on price point

This led to a new strategic drive for enhanced output

And enhanced servicing for a new profile of member

92%

of Bonitas client base replaced with a **different profile member requiring:**

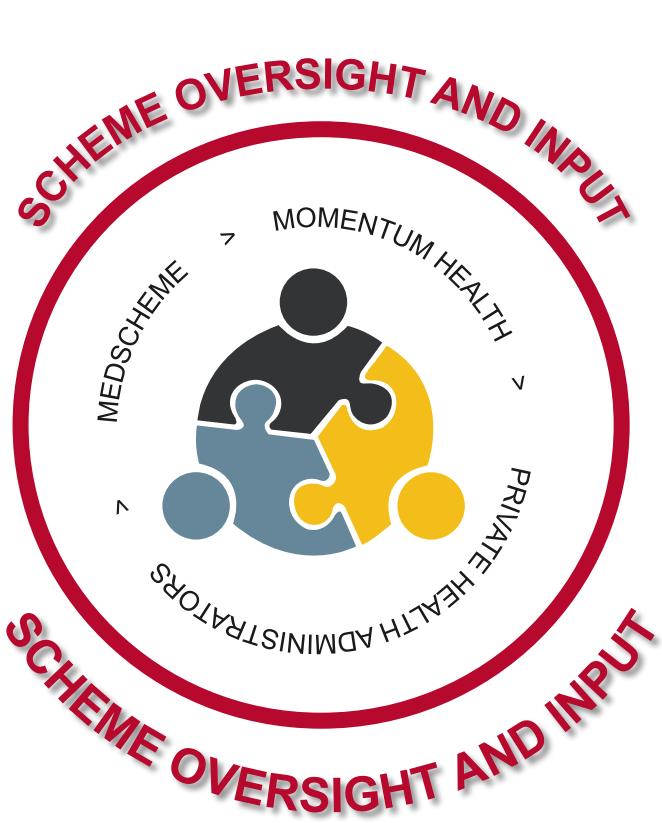


- Technology
- Emotional connection
- Personalised communication
- Improved ease-of-doing business
- Value
- Solutions driven by innovation
- Insights through data analytics
- Specific skills like query resolution
- Online self-service solutions
- Flexibility, such as saving accounts
- Choice
- Rewards

Highlighted a need for consolidated focus and alignment between service providers

A consolidated project approach

An integrated approach



Project governance structure

Dedicated workstreams

Transition context

The transition of Bonitas administration and managed care services went live on 1 June 2026

The first month confirms that core operating capability was established, but stabilisation remains an active executive priority

Transition update

342 419 calls
received

12 million
website visits

77 849
members registered on the Member Zone

448 009 emails
received and managed

104 215
WhatsApp and LiveChat resolved

R19 million
paid in savings refunds

R2,9 billion
paid in claims

166 791
members receiving chronic meds

45 450
hospital authorisations

211 915
members registered on managed care programmes

Statistics as at 1 June to 31 July 2026

Key concerns and Scheme response position

Unpacking challenges

Stakeholder queries and sentiment analysis pointed to unresolved authorisations, savings refunds, claims queries and other transition-related operational challenges.

Concerns raised

Media queries included call centre delays, dropped calls, pre-authorisation backlogs, claims delays and hospital admission challenges.

Strategic approach

The Scheme's response and approach including this report back sessions and further to communication issued to stakeholders are framed around transparency, operational accountability and evidence of recovery actions.

Administration services: Performance and stabilisation

Admin capabilities

Momentum Health mobilised administration capability across:

- ✓ People
- ✓ Premises
- ✓ Technology
- ✓ Service channels
- ✓ Partner integrations
- ✓ Governance structures

342 419 calls
handled across
8 weeks

Resource optimisation

- ✓ Over 600 employees were recruited, onboarded and trained
- ✓ Additional capacity deployed post go-live in relation to proficiency and resources
- ✓ Continuous quality monitoring and coaching continues to be embedded with staff

Over 10,3 million
claims lines
processed

Critical cycle delivery

Critical June and July cycles were completed, including:

- ✓ Service channel stabilisation
- ✓ Claims processing
- ✓ Billing
- ✓ Broker commissions

Over R2,9 billion
paid in claims

R39 million
paid in broker
commission

Administration risks and recovery actions

R19 million
paid in savings refunds

Workflow backlogs were prioritised and completed by end June

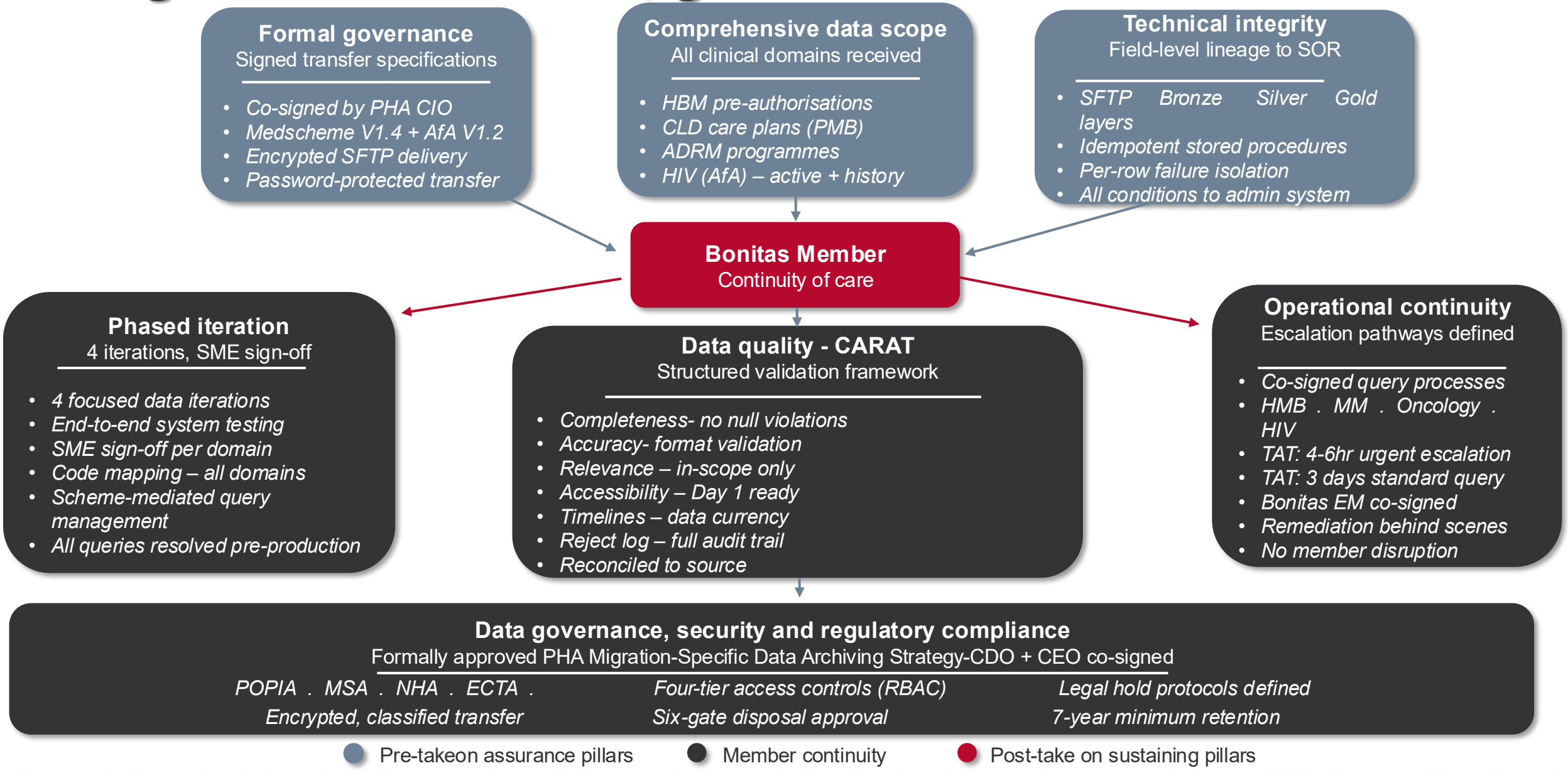
More claims assessors added from 1 July, to support the recovery plan and enhance processes

Claims and member statements optimised to empower members

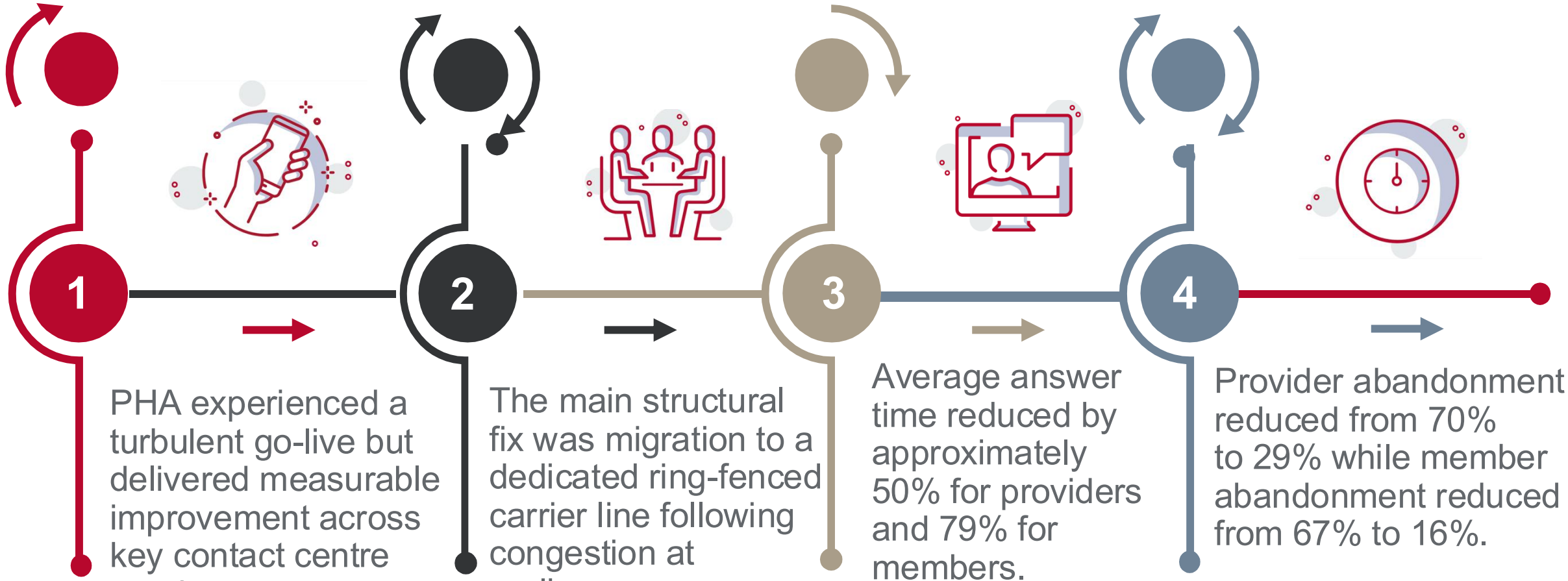
Additional capacity and processes put in place to address financial processes incl billing

30 back-office staff added to focus on claims, member maintenance, suspensions and related functions

Managed care assurance, governance and data take-on



Managed Care Services Trajectory



Managed Care cases, escalations and member impact

PHA received inherited volumes immediately before and at go-live, including 7 616 open operational queries, 4 179 open re-authorisation queries and 2 882 in-flight authorisation cases.

Various engagement have taken place with healthcare provider groups to address challenges anticipated with regards to networks, tariffs etc.

82 escalations were received from the Principal Officer's Office and 11 Council for Medical Schemes complaints were received.

Medicine co-payment noise was linked to historical formulary overrides not received in sufficient detail during migration.

Hospital Benefit Management accounted for 65.6% of internal escalations, making it the dominant managed care pressure point.

The staggered introduction of Business 2 Business applications with Hospital Groups also contributed positively.

Board and Executive Focus

Maintain sustainability

Keep the Scheme financially sustainable and able to deliver its duties towards members.

Value chain integration

Continue strengthening coordination between Bonitas, Momentum Health, PHA and key service partners.

Enhance escalation process

Reduce queries older than 5 days and sustain escalation turnaround discipline.

Optimise claims and workflow

Drive aged claims and workflow items back within agreed service levels.

Address savings refunds

Conclude savings refund processing and reduce related service demand.

Align payment protocols

Maintain weekly monitoring of claims payment runs, contribution collections, broker commissions and managed care authorisations.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2025 Audited Financial Statements

Ensuring Scheme stability

Liability to members for future benefits (reserves)
R10.8 billion
(2024: R9.0 billion)

Investment income
R2.6 billion
(2024: R1.4 billion)

Solvency ratio
(Minimum legislative requirement is 25%)
36.9%
(2024: 38.6%)

Amounts attributable to future members for future benefits (surplus)
R1.8 billion
(2024: R133.9 million)

Total investment portfolio value excluding cash
R12.54 billion
(2024: R10.69 billion)

AA+ credit rating
(2024: AA+)

Insurance service result
R382 Million deficit*
(2024: R966 million deficit)
(2024 restated: R832 million deficit)

Return on investment
20.8%
(2024: 13.4%)

Gross recoveries from fraud, waste and abuse (FWA)
R55.3 million
(2024: R46.2 million)

Statement of comprehensive income

AS AT 31 DECEMBER 2025

Description	2025 R'000	2024 R'000
INSURANCE REVENUE	22 568 292	20 888 306
INSURANCE SERVICE EXPENSE	(23 404 280)	(22 153 413)
NET INCOME FROM RISK TRANSFER ARRANGEMENTS/REINSURANCE	453 826	433 320
INSURANCE SERVICE RESULT	(382 162)	(831 787))
OTHER INCOME	2 667 060	1 416 216
NET INSURANCE FINANCE EXPENSES	(84 732)	(84 852)
OTHER EXPENDITURE	(404 691)	(365 686)
SURPLUS OR DEFICIT FOR THE YEAR BEFORE AMOUNTS ATTRIBUTABLE TO MEMBERS FOR FURTURE BENEFITS	1 795 475	133 891

Statement of Financial Position

AS AT 31 DECEMBER 2025

Description	2025 R'000	2024 R'000
ASSETS		
Non-current assets	**6 270 160**	5 936 005
Current assets	**7 369 941**	5 712 064
Total assets	**13 640 101**	11 648 069
LIABILITIES		
Non-current liabilities	**10 833 566**	9 032 020
Current liabilities	**2 806 535**	2 616 049
Total liabilities	**13 640 101**	11 648 069

Statement of cash flows

Description	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from members and providers	**23 961 169**	**22 112 157**
Cash paid to providers, employees and members	**(24 471 425)**	**(22 800 082)**
Cash utilised in operating activities	**(510 256)**	**(687 925)**
Interest paid	**(84 732)**	**(84 852)**
Interest received	**10 860**	**19 942**
NET CASH OUTFLOW FROM OPERATING ACTIVIITES	**(584 128)**	**(752 835)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**(730)**	**(696)**
Proceeds on disposal of investment property	**–**	**61 500**
Acquisition of financial assets held at fair value through profit or loss	**(2 282 731)**	**(2 414 357)**
Disposal of financial assets held at fair value through profit or loss	**2 515 743**	**2 733 252**
Interest received	**293 938**	**290 231**
Dividends received	**218 327**	**192 703**
Asset management fees paid	**(39 903)**	**(35 359)**
Rentals received	**–**	**9 324**
NET CASH INFLOW FROM INVESTING ACTIVITIES	**704 643**	**836 598**
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	**(2 765)**	**(2 649)**
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(2 765)**	**(2 469)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**117 751**	**81 114**
Cash and cash equivalents at beginning of the year	**848 715**	**767 601**
CASH AND CASH EQUIVALENTS FOR THE YEAR	**966 466**	**848 715**

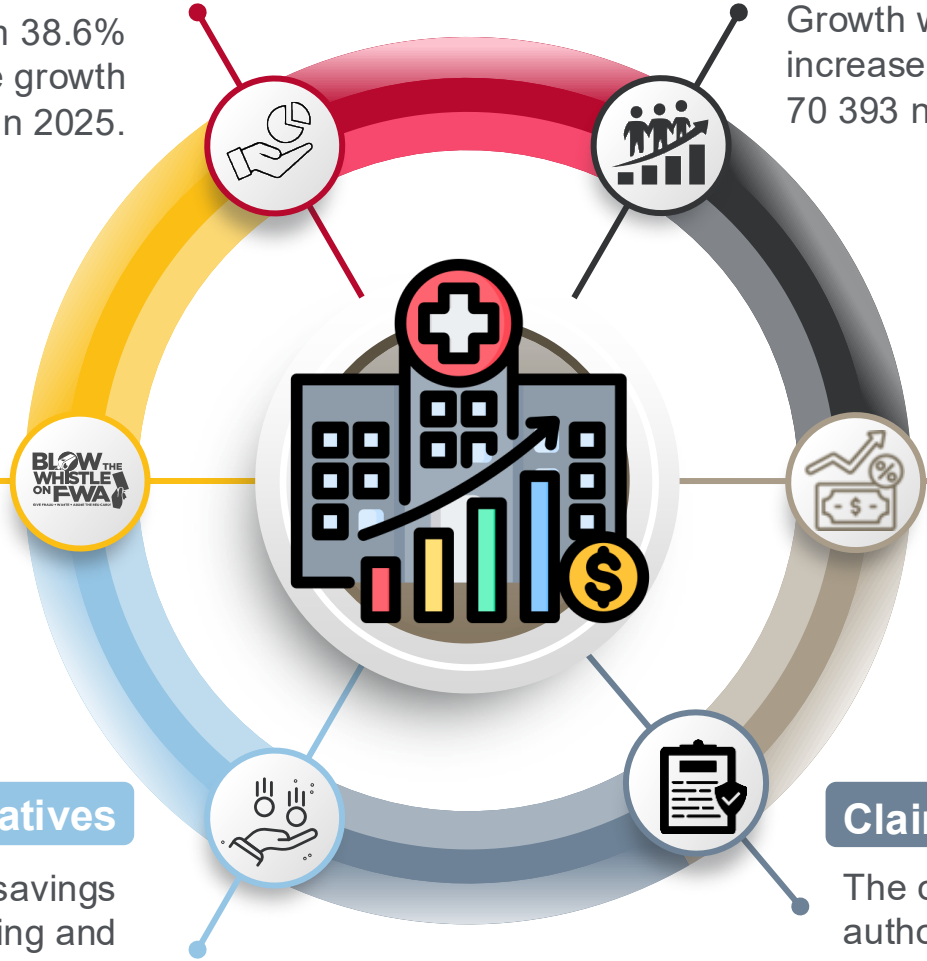
Drivers of financial health

Reserves and contributions

Solvency decreased to 36.9% from 38.6% largely due to the large growth in members experienced in 2025.

Membership growth and contributions

Growth was primarily organic showing steady increases from April through December 2025 with 70 393 new members enrolled.



Fraud, waste and abuse

FWA initiatives resulted in R55.3 million in reversals, recoveries, and claim interventions. These have started slowing compared to previous years.

Investment performance

Excellent returns on investment delivered 20.8%, well above the strategic target of CPI +3,5%.

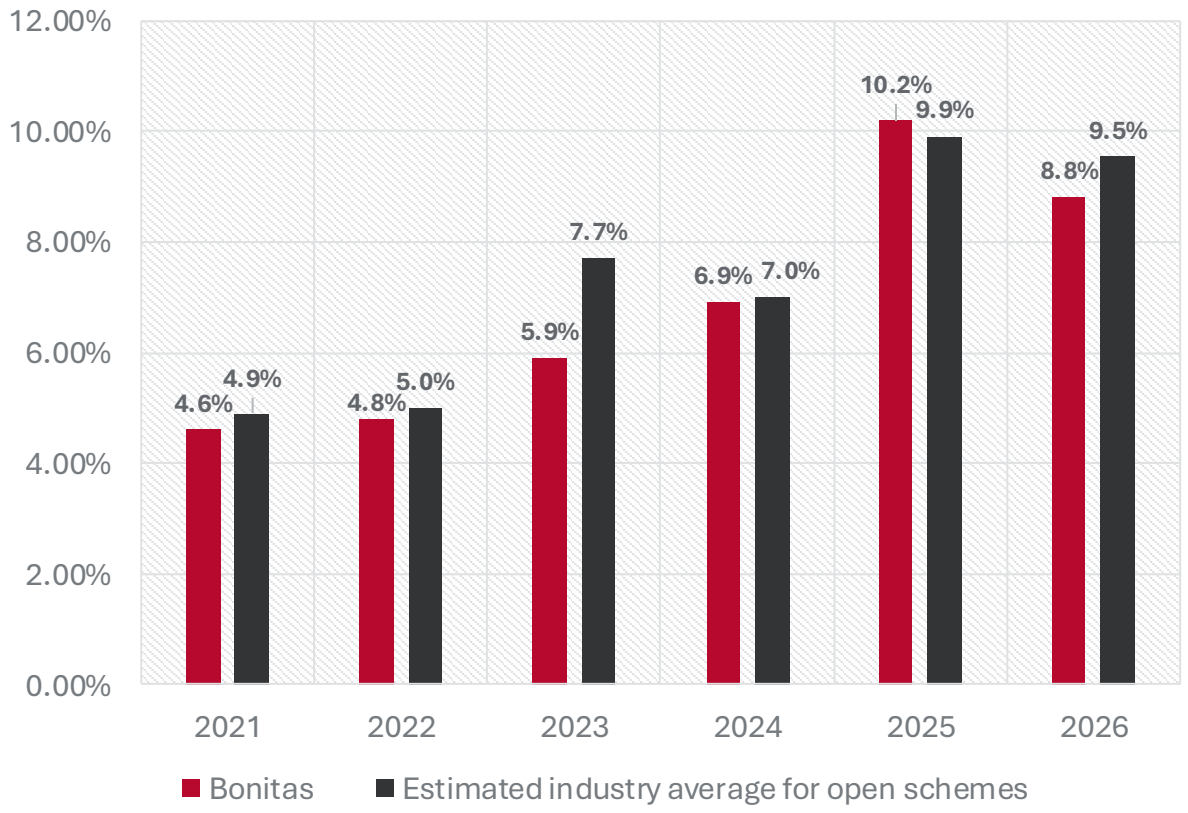
Cost-savings initiatives

We increased estimated savings through strategic purchasing and managed care initiatives to R1.6 billion.

Claims trends

The overall hospital admission authorisation rate for 2025 was 0.4% lower than in 2024.

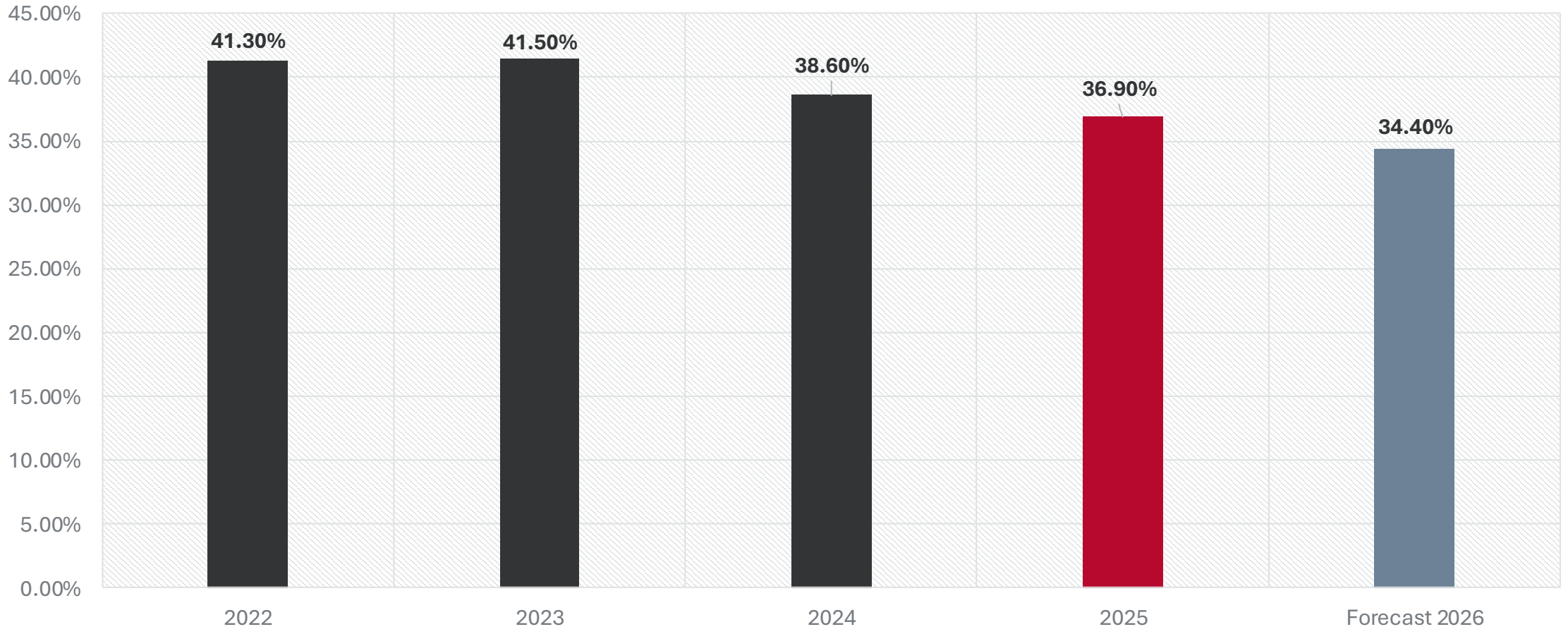
Industry comparison of contribution increases over 5 years



Ensuring affordability through consistency in contribution adjustments

	2022	2023	2024	2025	2026	5-year compounded
Bonitas	4,8%	6,6%	7%	10,2%	8,8%	43,3%
Medshield	6,3%	6,7%	8,90%	8,80%	7,50%	44,5%
Discovery	7,9%	8,2%	7,50%	9,30%	7,20%	47,1%
KeyHealth	4,6%	6,6%	8,80%	11,90%	8,40%	47,2%
BestMed	3,9%	8,5%	9,60%	12,75%	6,80%	48,8%
Medihelp	-0,5%	7,5%	15,97%	10,80%	8,46%	49,2%
Momentum	6,0%	8,5%	9,60%	9,40%	9,90%	51,6%
Fedhealth	7,4%	8,8%	10,80%	12,40%	9,60%	59,5%
Sizwe-Hosmed	7,6%	11,9%	10,02%	13,73%	19,15%	79,5%

5-year solvency trend analysis and forecast



Market leading non-healthcare expenditure

Non-healthcare expenditure as a percentage of risk contributions

9.2%

(2024: 9.4%)

	YTD 2025	YTD 2024
Insurance Revenue	**22 568 291 926**	**20 888 306 057**
Non-Healthcare Expenses		
Insurance acquisition costs	429 144 767	420 405 594
Administration Fees Insurance related	1 033 074 569	1 010 511 764
Administration fees & other operating activities	122 957 230	116 646 290
Scheme overheads	484 243 145	405 815 651
Total Non-Healthcare Expenditure	**2 069 419 711**	**1 953 379 299**
Non-Healthcare as a % of Insurance Revenue	**9.17%**	**9.35%**

Value created for members and stakeholders

VALUE-ADDED STATEMENT

Description	2025 R'000	2024 R'000
VALUE CREATED		
Insurance revenue	22 888 306	20 888 306
Investment Income & Other Revenue	2 627 057	1 380 546
Total Value Created	25 649 175	22 702 172
VALUE DISTRIBUTED		
Claims and Benefits (to members & providers)	(22 877 518)	(20 078 903)
Insurance acquisition costs (Broker Commissions)	(429 145)	(420 406)
Administration and Managed Care	(1 858 040)	(1 791 159)
Remuneration for Employees and Trustees	(41 756)	(39 765)
CSI Contributions	(3 300)	(4 960)
Government	(18 110)	(16 805)
Total Value Distributed	(25 649 175)	(22 702 172)

Percentage of hospital claims paid within 10 days
97.3% *(2024: 89.9%)*

Hospital claims processed per day
1 171 *(2024: 1 472)*

Hospital authorisations per day
1 532 *(2024: 1 491)*

Hospital tariff savings
R566 million
(2024: R532 million)

Independent Auditor's Report

Overview of external audit

Deloitte.

Scope of audit

- Audit of the annual financial statements for the year ended 31 December 2025.
- Audit and review of certain parts of the annual statutory return.
- Limited assurance engagement on compliance with the Medical Schemes Act.
- Agreed-upon procedures on South African Local Government Association (SALGA) membership.

Independence

- We confirm that the engagement team and others within Deloitte and its network firm comply with all relevant ethical requirements regarding independence, including compliance with the following: The IESBA Code of Ethics for Professional Accountants; The Independent Regulatory Board for Auditors (IRBA) Code of Professional Conduct for Registered Auditors; The South African Institute of Chartered Accountants (SAICA) Code of Professional Conduct for Chartered Accountants; and the Medical Schemes Act 131 of 1998.

Key audit matter (KAM)

- Best Estimate Liability – Incurred But Not Reported (IBNR) and Risk Adjustment (RA) components of the Liability for Incurred Claims (LIC).

Audit opinions

- Annual financial statements: Unmodified audit opinion.
- Annual statutory return:
  - Audit: Unmodified audit opinion on Parts 4 to 6.1 and 6.3 to 10 of the return except for Part 9, which contains an industry-standard qualification.
  - Review: Limited assurance review conclusion on Part 6.2 of the return.
- Limited assurance: No non-compliance matters noted in addition to those that were self-disclosed in the annual financial statements.
- SALGA membership: Procedures completed.

Independent auditors' report

Deloitte.

TO THE MEMBERS OF BONITAS MEDICAL FUND

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality:	**R225 million (2024: R209 million)**
How we determined it:	1% of total insurance revenue for the year
Rationale for the materiality benchmark applied:	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of the members of Bonitas Medical Fund, the users of the financial statements. We chose total insurance revenue as the primary benchmark as it is the benchmark against which the performance of the Scheme is measured by users.

Audit opinion

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bonitas Medical Fund (the Scheme), set out on pages 104 to 167, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

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

Key audit matter

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Key Audit Matter	How The Matter Was Addressed In The Audit
Incurred But Not Reported (IBNR) and Risk Adjustment (RA) components of the Liability for Incurred Claims (LIC) **Change in accounting estimate** During the financial year ended 31 December 2025, the Scheme refined its actuarial methodology for measuring the LIC under IFRS 17: Insurance Contracts (IFRS 17). The refinement relates to the technique and confidence level applied in determining the RA for non-financial risk. The revised methodology reflects new developments in actuarial practice and enhances alignment with the Scheme's risk objectives following the appointment of new external actuaries and related governance discussions. Previously, the LIC relied on the Chain Ladder and Adapted Bornhuetter Ferguson methods, with a 15% slower run off sensitivity and a 90% confidence level for the RA. Under the revised approach, the Scheme continues using these projection methods but now calculates the RA using a Weibull distribution and Monte Carlo simulations for best estimate liability – incurred but not reported claims. The confidence level has also been revised to 75%, providing a more appropriate reflection of the Scheme's risk appetite and diversification benefits. This is regarded as a change in accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8). **IBNR** As disclosed in Note 11.1, the carrying amount of the best estimate liability – incurred but not reported claims at year end is R1 142 903 000 (2024: R1 102 360 000) of which R1 055 648 834 (2024: R1 049 193 619) relates to the Scheme's computed IBNR, which is the focus of the key audit matter. The determination of the IBNR requires the Scheme's trustees to make assumptions in the valuation thereof, which is determined with reference to an estimation of the ultimate cost of settling all claims incurred but not yet reported at the Statement of Financial Position date and related external claims handling expenses. The Basic Chain Ladder (BCL) method, in combination with the Bornhuetter-Ferguson (BF) method, has been used to determine the IBNR as at 31 December 2025. The IBNR calculation is based on several factors, which include: • The level of homogeneity of the data; • Changes in patterns of claims and claims processing; • Changes in the composition of the Scheme i.e. distribution of members and their beneficiaries across various options; • Changes in benefit limits; and • Changes in prescribed minimum benefits.	In evaluating the valuation of the IBNR and RA components of the LIC, we evaluated the calculations approved by the board of trustees and performed procedures which included: • Considered the design and implementation of the Scheme's controls relating to the preparation of the IBNR and RA. Calculation though gaining an understanding of the end-to-end claims and LIC calculation business process • Evaluated the competence, capabilities and objectivity of the Scheme's actuary. • Obtained an understanding of the methodology and assumptions used in estimating the LIC. With the assistance of our actuarial specialists, assessed the appropriateness of the methodology and assumptions used in determining the IBNR and RA components of the LIC in terms of acceptable methodologies, industry standards, and the measurement objectives of IFRS 17. • Reviewed the changes in methodology applied to the IBNR and RA components of the LIC, including the rationale for these changes and their alignment with actuarial best practice, IFRS 17 and the Scheme's risk objectives. Assessed whether these changes constitute a change in an accounting estimate as opposed to a prior period error and concluded that they do, based on the refinement of the methodology and related confidence level. • Evaluated the integrity of the information used in the calculation of the LIC by performing substantive procedures to test the accuracy and completeness of data used in the valuation of the IBNR and RA components of the LIC. • Our actuarial specialists performed an independent calculation of the estimated LIC by utilising historical claims data and trends. We used this estimate as a basis of assessing the reasonableness of the board of trustees' estimate of the LIC. • Assessed the presentation and disclosure in respect of the LIC, including the change in accounting estimate disclosure, and considered the adequacy of these disclosures against the requirements of IFRS 17, IAS 8 and relevant industry guidance.

Key audit matter (continued)

Deloitte.

Key Audit Matter	How The Matter Was Addressed In The Audit
Incurred But Not Reported (IBNR) and Risk Adjustment (RA) components of the Liability for Incurred Claims (LIC) (continued) **RA** As disclosed in Note 11.1, the carrying amount of the risk adjustment relating to insurance contract claims at year end is R91 746 000 (2024: R150 500 000) of which R86 903 400 (2024: R146 288 171) relates to the Scheme's computed RA, which is the focus of the key audit matter. In terms of IFRS 17, the risk adjustment reflects the compensation that the entity requires for bearing the uncertainty related to the amount and the timing of the cash flows that arise from non-financial risk. The risk adjustment was determined by using a two-parameter Weibull distribution and simulated run-off factors generated through Monte Carlo Simulations. The confidence level has been set at the 75th percentile reflecting the Scheme's risk attitude towards the level of conservatism considered in its liability reserving, solvency management and pricing practices. We considered the LIC as a key audit matter due to: • The materiality of the liability; and • Significant judgement and estimation uncertainties in determining the future cash flow projections and the risk adjustment.	Back testing: Considered the Scheme's assessment of the actual claims processed in 2026 in respect of services provided in the 2025 financial year to determine the need for any subsequent events disclosure. This assessment indicated no material differences between the claims incurred and the IBNR and therefore no subsequent events disclosure is required. Based on the procedures performed, we are satisfied that the valuation of the IBNR and RA components of the LIC is appropriate.

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Resolution 1: Appointment of Auditor for 2026

The Council for Medical Schemes' (CMS) has implemented Audit Quality Indicators, which should be applied by the Audit and Risk Committee in recommending the appointment of external auditors for audits of financial statements for the year ended 31 December 2026.

The Audit and Risk Committee has applied Audit Quality Indicators and made considerations which include the Independence of the firm and partner, tenure as well as audit quality and technical competence.

The Board has concurred with this recommendation so in terms of Resolution 1, the Audit and Risk Committee would like the members to vote to indicate their position on the appointment of Deloitte as the Auditors of the Scheme for the 2025 financial year.

Resolution 1:

Appointment of Deloitte as the Auditor for 2026

Deloitte.


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