Namibia Medical Care
(Registration number "005")
Consolidated and Separate Annual Financial Statements
for the year ended 31 December 2025

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The following supplementary information does not form part of the consolidated and separate annual financial statements and is unaudited:

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Statement of Responsibility and Approval by the Board of Trustees

The Board of Trustees is required in terms of the Medical Aid Fund Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the fund and group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the IASB and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and fund and all employees are required to maintain the highest ethical standards in ensuring the group and fund’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and fund is on identifying, assessing, managing and monitoring all known forms of risk across the group and fund. While operating risk cannot be fully eliminated, the group and fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the group and fund’s cash flow forecast for the year to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the group and fund has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 4 to 5.

The consolidated and separate annual financial statements set out on pages 18 to 70, which have been prepared on the going concern basis, were approved by the trustees on 26 June 2026 and were signed on their behalf by:

Ms A Emvula (Chairperson)	**Trustee**
Trustee	

26 June 2026

Statement of Corporate Governance by the Board of Trustees

Namibia Medical Care is committed to the principles and practices of fairness, openness, integrity and accountability in all dealings with its stakeholders. The trustees are proposed and elected by the members of the fund in terms of the rules of the fund.

1. Board of Trustees

The Board of Trustees meets regularly and monitors the performance of the group and fund, administrators and other service providers. It addresses a range of key issues and ensures that discussion on items of policy, strategy and performance is critical, informed and constructive.

All board members have access to the advice and services of the principal officer and, where appropriate, may seek independent professional advice at the expense of the group and fund.

2. Risk management and internal controls

The Board of Trustees is accountable for risk management and internal controls. Risks are identified, regularly reviewed and appropriate resultant strategies implemented.

The administrators of the group and fund maintain internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the consolidated and separate annual financial statements and to safeguard, verify and maintain accountability for its assets adequately. Such controls are based on the rules of the group and fund and established policies and procedures and are implemented by trained personnel with the appropriate segregation of duties.

No event 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.

Ms A Emvula (Chairperson)

Trustee

Trustee

26 June 2026

Ernst & Young Namibia
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAMIBIA MEDICAL CARE AND ITS SUBSIDIARY

Opinion

We have audited the consolidated and separate annual financial statements of Namibia Medical Care and its subsidiary ('the Group") , set out on pages 18 to 70 which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statement of surplus and deficit and other comprehensive income, the consolidated and separate statements of changes in funds and reserves and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of material accounting policy information and the report of the board of trustees.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Fund as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year ended in accordance with IFRS® Accounting Standards as issued by the IASB and the requirements of the Medical Aid Funds Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements"* section of our report. We are independent of the Group and Fund in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements of public interest entities in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the contents, the statement of responsibility and approval by the board of trustees, the statement of corporate governance by the board of trustees and the supplementary information which we obtained prior to the date of the auditor's report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

In connection with the audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements, or our knowledge obtained in the audit, otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Consolidated and Separate Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Medical Aid Fund Act of Namibia, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

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

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

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

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

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Danica van Wyk
Partner

Windhoek, Namibia

26 June 2026

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 FUND

1.1 Terms of registration

The Namibia Medical Care ("NMC") fund is a "not for profit" open medical aid fund registered in Namibia in terms of the Medical Aid Funds Act 23 of 1995. In terms of the registration, a guarantee has been issued for N$ 750,000 by First National Bank of Namibia Limited in favour of Namibia Medical Care and lodged with Namibia Financial Institutions Supervisory Authority ("NAMFISA") (refer to note 28).

1.2 Benefit options within Namibia Medical Care

The medical aid fund offers eleven benefit options to employer groups and members of the public. These are:

Traditional options:	Opal Jade Ruby Sapphire Diamond
New Generation options:	Emerald Emerald Plus Amber Amber Plus
Low Cost options:	Topaz Topaz Plus

1.3 International travel arrangement

International travel arrangements are entered into with Hollard Insurance Company. Refer to note 16 for more information.

2. MANAGEMENT

2.1 Board of Trustees in office during the year under review

Trustees	Company	Changes
Mr M Späth	IJG	Not re-elected at AGM 20 June 2025
Ms A Emvula (Chairperson)	Development Bank of Namibia	Re-elected at AGM - 20 June 2025
Ms A van Wyk	Namibia Oncology Center	Resigned 31 December 2025
Ms C Katjiukua	Ministry of Health and Social services (CDC)	
Ms K Nghishitende	Erongo Red	
Dr H du Toit	Retired cardiac surgeon	Appointed 30 April 2025
Ms J Iiyambula	Bank of Namibia	Appointed 30 April 2025
Dr Lea Namoloh	Bank of Namibia	Elected at AGM - 20 June 2025

There was an election of new trustees during the current year under review at the annual general meeting ("AGM") and the changes are listed above. Two trustees were appointed by the trustees based on specific skills that were required on 30 April 2025.

Report of the Board of Trustees

2.2 Principal Officer

Mrs. J Crossman, was the Principal officer for the year under review until 30 November 2025. Mr. B Nandago was acting as principal officer till 31 December 2025.

Business address:
8 Newton Street
Windhoek
Namibia
Tel: +264 (0)61 233 575

2.3 Registered office address and postal address

Business address:
8 Newton Street
Windhoek
Namibia

Postal address:
P.O. Box 24792
Windhoek
Namibia

2.4 Medical scheme administrators during the year

Methealth Namibia Administrators (Pty) Ltd

Business address:
Methealth Office Park
Maerua Park
Windhoek
Namibia
Tel: +264 (0)61 287 6000

Report of the Board of Trustees

2.5 Investment managers during the year

Business address:

Namibia Asset Management Ltd
1st Floor, Millennium House
C/o Robert Mugabe Avenue and Dr AB May Street
Windhoek
Namibia
Tel: +264 (0)61 275 700

Sanlam Investment Management Namibia
49 Rehobother Road
Ausspannplatz
Windhoek
Namibia
Tel: +264 (0)61 294 7500

Old Mutual Corporate
9th Floor, Mutual Tower
223 Independence Avenue
Windhoek
Namibia
Tel: +264 (0)61 299 3557

M&G Investments Unit Trusts (Namibia) Ltd
Maerua Mall, Office Tower 2nd Floor
C/o Robert Mugabe Avenue and Jan Jonker Road
Windhoek
Namibia
Tel: +264 (0)61 256 166

Capricorn Asset Management
3rd Floor, Capricorn Corner
c/o Nelson Mandela and Hofmeyer Street
Klein Windhoek
Windhoek
Namibia
Tel: +264 (0)61 299 1950

2.6 Actuaries and Investment Advisors during the year

i3 Actuaries & Consultants

Business address:
Unit 7, The Village
Liliencron Street
Windhoek
Namibia
Tel: +264 (0)61 300358

2.7 Auditors during the year

Ernst & Young Namibia

Business address:
C/o Otto Nitzsche and Maritz Streets
Windhoek
Namibia
Tel: +264 61 289 1100

Report of the Board of Trustees

3. INVESTMENT STRATEGY OF THE MEDICAL FUND

The fund's investment objectives are to maximise the return on its investments on a long-term basis at acceptable risk. The investment strategy takes into consideration any constraints imposed by legislation or the Board of Trustees.

The Board of Trustees reviews the investment performance on a regular basis at Trustee and Investment committee meetings with the assistance of i3 Actuaries and Consultants.

4. MANAGEMENT OF INSURANCE RISK

The primary insurance activity carried out by the fund assumes the risk of loss from members and their dependants that are directly subject to risk. The risk relates to the health of fund members. As such the fund is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The fund manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements and the monitoring of emerging issues.

The fund uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity analysis, scenarios analysis and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims are greater than expected.

Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure insurance assets and liabilities that have a material effect on the financial statements and there are no terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the fund's cash flow. Refer to note 29 of these financial statements for more information on insurance risk management.

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics per benefit option

	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	2025											
Average number of principal members during the period	4,609	804	1,145	232	11,355	10,781	187	981	656	1,032	3,642	35,424
Number of principal members at 31 Dec	4,758	785	1,146	244	11,306	10,818	184	1,002	703	1,148	4,042	36,136
Average number of beneficiaries during the period	8,225	1,367	2,576	514	25,393	26,990	408	1,948	1,300	1,444	5,702	75,867
Total number of beneficiaries at 31 Dec	8,492	1,334	2,591	534	25,317	27,075	400	1,984	1,399	1,618	6,333	77,077
Dependent ratio at 31 Dec	1:0.78	1:0.7	1:1.26	1:1.19	1:1.24	1:1.5	1:1.17	1:0.98	1:0.99	1:0.41	1:0.57	1:1.13
Insurance revenue per average beneficiary per month	1,873	1,705	1,830	2,379	2,427	3,287	6,822	1,345	1,629	345	592	2,444
Insurance expenditure per average beneficiary per month	2,231	1,619	2,235	2,440	2,413	3,411	7,241	1,721	2,256	517	728	2,571
Other expenses per average beneficiary per month	299	314	237	241	239	213	245	269	269	382	337	249
Other expenses as a percentage of net contribution	16%	18%	13%	10%	10%	6%	4%	20%	17%	110%	57%	10%
Average age	36.32	46.81	54.38	48.74	42.95	47.05	60.48	46.77	40.71	37.58	30.23	44.73
Pensioner ratio at 31 Dec	1:0.02	1:0.06	1:0.26	1:0.11	1:0.06	1:0.1	1:0.39	1:0.13	1:0.06	1:0.01	1:0.02	1:0.07
Average future member liability per principal member at year-end	26,261	26,261	26,261	26,261	26,261	26,261	26,261	26,261	26,261	26,261	26,261	26,261

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics per benefit option

	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	2024											
Average number of principal members during the period	4,134	847	1,133	182	11,356	10,760	201	919	521	842	2,766	33,660
Number of principal members at 31 Dec	4,300	851	1,142	190	11,373	10,787	195	940	558	869	2,983	34,188
Average number of beneficiaries during the period	7,479	1,475	2,580	415	25,665	27,278	449	1,847	1,019	1,166	4,284	73,656
Total number of beneficiaries at 31 Dec	3,452	608	1,439	248	14,343	16,510	239	942	529	352	1,650	40,312
Dependent ratio at 31 Dec	1:0.8	1:0.71	1:1.26	1:1.31	1:1.26	1:1.53	1:1.23	1:1	1:0.95	1:0.41	1:0.55	1:1.18
Insurance revenue per average beneficiary per month	1,813	1,628	1,765	2,256	2,337	3,167	6,399	1,293	1,579	334	569	2,410
Insurance expenditure per average beneficiary per month	2,140	1,517	1,841	3,286	2,330	3,160	7,436	1,799	1,701	614	779	2,482
Other expenses per average beneficiary per month	271	281	215	214	217	193	221	244	251	354	311	224
Other expenses as a percentage of net contribution	15%	17%	11%	10%	9%	6%	3%	19%	16%	105%	55%	9%
Average age	35.98	46.40	54.02	48.85	42.67	46.67	59.59	46.34	40.61	37.96	31.12	43.44
Pensioner ratio at 31 Dec	1:0.02	1:0.06	1:0.24	1:0.11	1:0.05	1:0.1	1:0.37	1:0.14	1:0.06	1:0.01	1:0.02	1:0.07
Average future member liability per principal member at year-end	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989	21,989

Report of the Board of Trustees

5.2 Operational statistics for the fund

GROUP & FUND	2025	2024
Average member fund liability (mutual fund) per member (N$'000)	26.26	21.99
Breakdown of total amount paid to administrator:		
- Administration fees (N$'000)	145,353	134,770
- Managed care: management services (N$'000)	11,122	7,046
Investment income as percentage of investments at year-end	8.22%	7.02%
Realised gains as percentage of investments at year-end	1.55%	0.56%
Unrealised gains as percentage of investments at year-end	3.30%	1.88%

5.3 Results of operations

The results of the medical fund and its subsidiary are set out in the consolidated and separate annual financial statements, and the trustees believe that no further clarification is required.

5.4 Reserve levels

GROUP	2025	2024
Member fund liability - Mutual fund (N$'000)	930,376	741,649
Net contribution per statement of surplus or deficit and other comprehensive income (N$'000)	2,225,165	2,130,157
Group statutory reserve level (based on the funds members)	**41.8%**	**34.8%**

FUND	2025	2024
Member fund liability - Mutual fund (N$'000)	930,274	740,161
Net contribution per statement of surplus or deficit and other comprehensive income (N$'000)	2,225,165	2,130,157
Fund statutory reserve level (based on the funds members)	**41.8%**	**34.7%**

GROUP	2025	2024
Total assets (N$'000)	1,168,473	948,379
Total liabilities (N$'000)	1,168,473	948,379
	1	**1**

FUND	2025	2024
Total assets (N$'000)	1,168,042	946,025
Total liabilities (N$'000)	1,168,042	946,025
	1	**1**

Report of the Board of Trustees

5.5 FUNDS DUE TO MEMBERS

Based on the requirements of IFRS 17, the scheme was identified as a mutual entity which is different to the accounting under IFRS 4. It is expected that the remaining assets of the scheme will be used to defray medical costs for current and future policyholders. This liability will only be distributed for costs allowed as per the Medical Aid Fund Act of Namibia and in terms of the fund rules of the fund. As the scheme is in a surplus position, it recognised a liability in its statement of financial position to provide coverage to members in terms of the Medical Aid Fund Act as well as the fund rules approved by the Regulator.

Funds due to members are set out in the statement of financial position. Funds due to members increased during the current year with 25% compared to the prior year. Refer to note 11 for further detail.

5.6 LIABILITY FOR INCURRED CLAIMS

The basis of calculation of the liability for incurred claims is discussed in the accounting policies paragraph 1.7 and note 13 and this is consistent the requirements of IFRS17. Movements on the liability for incurred claims are set out in note 13 to the consolidated and separate annual financial statements. There have been no unusual movements that the trustees believe should be brought to the attention of the members of the medical aid fund.

6. ACTUARIAL SERVICES

The fund's actuaries were consulted in 2025 in the determination of the contribution and benefit levels for the 2026 year-end. The actuaries are also appointed to assist with the calculations of the estimates relating to the insurance liabilities calculations for the IFRS 17 risk adjustments.

7. GUARANTEES RECEIVED BY THE FUND FROM A THIRD PARTY

In terms of section 4 of the Medical Aid Fund Act, First National Bank of Namibia Limited has provided a guarantee of N$750,000 (2024: N$750,000) to the fund.

8. INDUSTRY UPDATE

The medical aid industry has experienced a period of heightened claims volatility in recent years, resulting in sustained pressure on contribution adjustments and reserve levels across the sector. Between 2021 and 2023, claims were significantly elevated industry-wide, including for NMC, which impacted solvency margins and reserves. In response, the Trustees implemented targeted cost-containment and efficiency measures, enabling the Fund to stabilise its financial position and restore reserves to sustainable levels.

Claims experience during 2025 aligned with actuarial expectations and is projected to remain consistent with actuarial estimates for the 2026 financial year. Membership increased to 36,136 principal members as at 31 December 2025, reflecting growth of approximately 6%. This growth strengthens the Fund’s risk pool and supports its long-term sustainability objectives.

NMC was awarded the 2025 PMR Diamond award for the category of medical aid funds in Namibia. This is a true reflection of the service delivery, growth and continuous innovation and improvement the fund is striving towards.

With reserves stabilised and membership expanding, the Trustees undertook a comprehensive review of the benefit structure to ensure continued relevance, competitiveness, and value to members. The Fund is expected to maintain a strong reserve position in 2026 while pursuing growth in line with its long-term strategic objectives.

To mitigate market and investment risk, the Fund maintains a diversified investment strategy through the appointment of multiple investment managers. Investment performance during the 2025 financial year was robust, contributing positively to reserve strengthening, asset growth, and the prudent funding of member liabilities. This ensures the Fund remains adequately capitalised to meet future medical claims in accordance with the requirements of the Medical Aid Funds Act of Namibia.

Looking ahead, NMC remains financially sustainable for 2026. The Trustees continue to refine benefit design and contribution structures to enhance long-term stability, strengthen the Fund’s competitive position within the industry, and improve overall member experience and value.

Report of the Board of Trustees

9. EVENTS AFTER REPORTING DATE

The Board of Trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

The global economic outlook for 2026 remains uncertain, largely due to heightened geopolitical tensions, particularly in the Middle East. Recent developments have led to significant disruptions in global energy markets, with oil prices increasing sharply following supply constraints and trade route disruptions. This has contributed to renewed inflationary pressures and increased volatility in global financial markets.

For Namibia, as a net importer of fuel and medical supplies, these developments are expected to result in elevated input costs, including higher fuel, transportation, and healthcare-related expenses. Increased inflation may also place pressure on healthcare providers' tariffs, pharmaceutical costs, and overall claims expenditure within the medical aid industry.

In addition, weaker global growth prospects and financial market uncertainty may impact investment returns on the Fund's asset portfolio, while economic strain on members could lead to affordability challenges, potentially affecting contribution income and membership growth.

While the full extent of the impact remains uncertain, the Fund continues to monitor developments closely and assess the potential implications on its financial sustainability, pricing strategies, and risk management framework going forward.

10. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL FUND

The medical fund does not hold investments in or provide loans to participating employers of medical fund members.

11. RELATED PARTY TRANSACTIONS

Refer to related party disclosure in note 27 to the consolidated and separate annual financial statements.

12. INVESTMENT IN SUBSIDIARY COMPANIES

The fund owns 100% of the share capital in NMC House (Pty) Ltd since 17 November 2015 as part of their investment strategy.

The fund also acquired 100% of the shares in a company in South Africa (Namibia Medical Care (Pty) Ltd) which will be responsible for the administration of foreign payments in South Africa only. This company was dormant up till year-end.

13. BOARD OF TRUSTEES AND OTHER AD HOC MEETING ATTENDANCE

The following schedule sets out Board of Trustees and sub-committee meeting attendance.

The trustees remuneration is disclosed in note 27 to the consolidated and separate annual financial statements.

Refer to the table below for the detail of the trustees meeting attendance of all the board of trustee meetings as well as any other special or ad hoc committee meetings not listed elsewhere in the report.

A - Total possible number of meetings could have attended.
B - Actual number of meetings attended.

Trustee name	Trustee Meetings: A	Trustee Meetings: B	Other meetings: A	Other meetings: B
Mr. M Späth	3	3	2	2
Ms. A Emvula	7	6	6	6
Ms. A van Wyk	7	4	6	2
Ms. C Katjiukua	7	4	5	2
Ms. K Nghishitende	7	5	5	5
Dr. H du Toit	5	4	4	3
Ms. J Iiyambula	5	4	4	2
Dr. L Namoloh	4	4	4	4

Report of the Board of Trustees

14. AUDIT COMMITTEE

An audit committee was established in accordance with the guidelines on good corporate governance. The committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The committee consists of 3 members (2024: 2 members), all of which are members of the Board of Trustees. All the members, including the chairperson, are not officers of the medical fund or its third party administrator. The committee met on three occasions during the course of the year.

The primary responsibility of the committee is to assist the Board of Trustees in carrying out its duties relating to the medical fund's accounting policies, internal control systems and financial reporting practices. The external auditor formally reports to the committee on critical findings arising from audit activities.

The Principal Officer of the Scheme, the chief financial officer of the administrator and the external auditor are invited to all Audit Committee meetings and have unrestricted access to the Chairperson of the committee.

The committee in office for the year under review had some changes due to the elections that took place in June 2025 at the annual general meeting. Below is the detail of the members of the committee and the movements during the year.

Trustee	Qualification	Company	Committee period	Possible meetings to be attended	Meetings attended
Mr. M Späth	Bachelors: Business Science (Honours Finance)	IJG	1 January to 20 June 2025	2	2
Ms. A Emvula	Masters of Commerce in Development Finance	Development Bank of Namibia	1 January to 30 June 2025	2	1
Ms. K Ngshitende	LLM: Masters of Law	Erongo Red	1 July to 31 December 2025	1	0
Dr Lea Namoloh	PhD in Business management	Bank of Namibia	1 July to 31 December 2025	1	1
Ms J Iiyambula (Chairperson)	Chartered Accountant (Nam)/(SA)	Bank of Namibia	1 July to 31 December 2025	1	1

Report of the Board of Trustees

15. INVESTMENT COMMITTEE

An investment committee was established in accordance with the guidelines on good corporate governance. The committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The committee consists of 3 members (2024: 3 members), all of which are members of the Board of Trustees. All the members, including the chairperson, are not officers of the medical fund or its third party administrator. The committee met on two occasions during the course of the year.

The primary responsibility of the committee is to assist the Board of Trustees in carrying out its duties relating to the medical fund's investment management and strategy. The investment managers formally reports to the committee on the annual performance of the investments as well as the strategy of the investment managers to optimize the returns.

Trustee	**Qualification**	**Company**	**Committee period**	**Possible meetings to be attended**	**Meetings attended**
Mr. M Späth	Bachelors: Business Science (Honours Finance)	IJG	1 January to 20 June 2025	1	1
Ms. A Emvula (Chairperson)	Masters of Commerce in Development Finance	Development Bank of Namibia	1 January to 31 December 2025	2	2
Dr H du Toit	Master of Medicine	Retired Cardiac Surgeon	1 July to 31 December 2025	1	0
Ms J Iiyambula	Chartered Accountant (Nam)/(SA)	Bank of Namibia	1 July to 31 December 2025	1	1

16. REMUNERATION COMMITTEE

A remuneration committee was established in 2025 in accordance with the guidelines on good corporate governance. The committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The committee consists of 3 members (2024: 0 members), all of which are members of the Board of Trustees. All the members, including the chairperson, are not officers of the medical fund or its third party administrator. The committee met on 4 occasions during the course of the year.

The primary responsibility of the committee is to assist the Board of Trustees in carrying out its duties relating to the medical fund's staff and trustees remunerations and the employee structure of the fund. The committee is also responsible for the development and maintenance of all policies that relates to the human capital of the fund.

Trustee	**Qualification**	**Company**	**Committee period**	**Possible meetings to be attended**	**Meetings attended**
Ms K Ngshitende	LLM: Master of Law	Erongo Red	1 January to 31 December 2025	4	2
Dr L Namoloh (Chairperson)	PhD in Business management	Bank of Namibia	1 July to 31 December 2025	2	2
Ms C Kajiukua	Masters of Public Health	CDC	1 January to 31 December 2025	4	4
Ms A van Wyk	Bachelors of Nursing	Namibia Oncology Center	1 July to 31 December 2025	2	1
Mr M Späth	Bachelors: Business Science (Honours Finance)	IJG	1 January to 20 June 2025	2	2

17. NON-COMPLIANCE MATTERS

On 7 November 2024 the fund entered into a Memorandum of Understanding (MoU) with Dome Academies CC to provide certain wellness services to the fund. It is based on various Tiers of which Tier 1 was free of charge to the fund, but Tier 2 was at a cost of N$25 per member per month.

The aim of this project was to attract more members to the fund as well as assisting members with their lifestyles. Therefore, this expense was allocated to marketing, since it was mainly supposed to be used as a marketing tool for the fund with the added benefit of healthy members.

In June 2025, the board requested that the contract must be evaluated and that legal advice should be obtained to confirm that the fund is not in breach of the Medical Aid Funds Act of Namibia.

The legal advice confirmed that this will not be considered as marketing, but rather as a wellness agreement and that members funds are now being used to pay for wellness and not for the defraying of medical costs as per the requirements of the Medical Aid Funds Act of Namibia.

The contract was then immediately terminated and the regulator, Namfisa was informed of the breach.

The total value paid to the supplier was N$6,984,640. The amount was expensed in the current year as a marketing expense.

Namfisa advised the fund to recoup the funds paid over to the Dome Academies and to ensure that the funds of the members are returned to the fund. No penalties are raised.

Statement of Financial Position as at 31 December 2025

		Group		Fund	
	Note(s)	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000
Assets					
Non-Current Assets					
Property, plant and equipment	4	3,383	3,455	3,383	3,455
Investment property	5	7,000	6,755	-	-
Investments in subsidiaries	6	-	-	7,450	7,450
		10,383	**10,210**	**10,833**	**10,905**
Current Assets					
Trade and other receivables	7	502	296	433	288
Investments at fair value through surplus / (deficit)	8	1,064,363	845,008	1,064,363	845,008
Current tax receivable		166	121	-	-
Cash and cash equivalents	9	93,059	92,744	92,413	89,824
		1,158,090	**938,169**	**1,157,209**	**935,120**
Total Assets		**1,168,473**	**948,379**	**1,168,042**	**946,025**
Equity and Liabilities					
Liabilities					
Non-Current Liabilities					
Deferred tax	10	246	348	-	-
Insurance liability to future members *	11	930,376	-	930,274	-
		930,622	**348**	**930,274**	**-**
Current Liabilities					
Trade and other payables	12	5,516	5,419	5,433	4,901
Insurance contract liabilities	13	232,335	200,963	232,335	200,963
Insurance liability to future members *	11	-	741,649	-	740,161
		237,851	**948,031**	**237,768**	**946,025**
Total Liabilities		**1,168,473**	**948,379**	**1,168,042**	**946,025**

* The liability to future members was reclassified in the current year from current liabilities to non-current liabilities. |

Refer to note 11 for the explanation and the details thereof.

The fund is, as explained in paragraph 1.7 of the accounting policies, a mutual entity and is therefore required in terms of IFRS 17: Insurance contracts, to disclose its accumulated surplus as a liability to current and future members. In terms of the fund rules, members have no right to these funds except in the event of liquidation or wind-up and accordingly the Insurance liability due to the members is treated as the Fund's reserves. Also refer to note 32 for the legislative disclosure note.

This is in line with Sections 26, 30(1)(d) and 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995).

Statement of Surplus and Deficit and Other Comprehensive Income

		Group		Fund	
	Note(s)	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000
Insurance revenue	14	2,225,165	2,130,157	2,225,165	2,130,157
Insurance service expense	15	(2,339,073)	(2,194,087)	(2,340,434)	(2,193,599)
Insurance service result		**(113,908)**	**(63,930)**	**(115,269)**	**(63,442)**
Other income / (expenses)					
Expenses on other insured benefits	16	(2,223)	(2,205)	(2,223)	(2,205)
Other operating expenses	17	(17,742)	(11,023)	(16,673)	(10,830)
Investment income	18	86,267	59,296	87,518	59,290
Rental income	19	676	672	-	-
Asset management fee	20	(4,921)	(3,448)	(4,921)	(3,448)
Fair value adjustment - Investment property	5	181	135	-	-
Net realised gain on financial assets	21	16,453	4,767	16,453	4,767
Unrealised gains on financial assets	22	35,115	15,868	35,115	15,868
(Deficit) /Surplus before taxation		**(102)**	**132**	**-**	**-**
Taxation	23	102	(132)	-	-
Total comprehensive surplus / (deficit)		**-**	**-**	**-**	**-**

Refer to note 32 for the surplus / (deficit) of the fund for the year in accordance with the requirements of Section 33(4)(b) of the Medical Aid Funds Act (No 23 of 1995).

Statement of Changes in Funds and Reserves

Group

	Retained income	Total equity
Opening balance	-	-
Balance at 1 January 2024	**-**	**-**
Total comprehensive surplus	**-**	**-**
Balance at 1 January 2025	**-**	**-**
Total comprehensive surplus	**-**	**-**
Balance at 31 December 2025	**-**	**-**

Fund

	Retained income	Total equity
Opening balance	-	-
Balance at 1 January 2024	**-**	**-**
Total comprehensive surplus	**-**	**-**
Balance at 1 January 2025	**-**	**-**
Total comprehensive surplus	**-**	**-**
Balance at 31 December 2025	**-**	**-**

All fund reserves are classified as a liability to members because the fund is classified as a mutual entity. This liability to members is the funds available for the future payment of medical cost for members as per the medical aids fund act of Namibia.
All fund reserves are now classified as a liability there are no reserves.

Statement of Cash Flows

		Group		Fund	
	Note(s)	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000
Cash flows from operating activities					
Cash flows generated from operations	24	86,898	242,594	87,812	242,541
Interest income received	18	4,864	5,920	4,810	5,914
Dividends received	18	-	-	1,305	-
Tax paid	25	(45)	(104)	-	-
Net cash flows generated from operating activities:		**91,717**	**248,410**	**93,927**	**248,455**
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(33)	(101)	(33)	(101)
Proceeds from sale of property, plant and equipment		-	5	-	5
Improvements to investment property	5	(64)	-	-	-
Purchase of investments	8	(156,305)	(451,690)	(156,305)	(451,690)
Proceeds from sale of investments	8	65,000	236,000	65,000	236,000
Net cash utilised in investing activities		**(91,402)**	**(215,786)**	**(91,338)**	**(215,786)**
Total cash movement for the year		**315**	**32,624**	**2,589**	**32,669**
Cash and cash equivalents at the beginning of the year		92,744	60,120	89,824	57,155
Cash and cash equivalents at the end of the year	9	**93,059**	**92,744**	**92,413**	**89,824**

Accounting Policies

1. Material accounting policies

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the IASB, including IFRIC® Interpretations as issued by the IFRS Interpretations Committee of the IASB and effective at the time of preparing these consolidated and separate annual financial statements and the Medical Aid Fund Act of Namibia.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the group and fund's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2, New standards and Interpretations.

1.2 Consolidation

Basis of consolidation

The group annual financial statements comprise the consolidated annual financial statements of the fund and its subsidiaries as at 31 December 2025.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date when such control ceases. The annual financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. All intra group transactions are eliminated in full.

Control is achieved when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the investor controls an investee if and only if the investor has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect returns.

When necessary, adjustments are made when necessary to the consolidated and separate annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in surplus or deficit; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to surplus or deficit or retained earnings, as appropriate.

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment are reflected at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance's are charged to surplus or deficit during the financial period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, after taking into consideration the asset's residual value, over their estimated useful lives, as followed:

Item		Average useful life
Buildings	Straight line	50 years
Motor vehicles and office equipment	Straight line	3 - 8 years
Leasehold improvements	Straight line	5 years

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of surplus or deficit and other comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view of sale.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Accounting Policies

1.5 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through surplus or deficit; or

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:
- Amortised cost; or

Note 29 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in surplus or deficit.

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Accounting Policies

1.5 Financial instruments (continued)

Investments in equity instruments

Classification

Investments in equity instruments are classified as mandatorily at fair value through surplus or deficit. The Fund invests in liquid and short-term assets which can be withdrawn anytime and be fully terminated within 30 days, to manage its claims and expenses as part of its normal operating activities. The strategy is not to keep investments long-term and thus the investments meet the definition of 'as held for trading' and are classified as current assets.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. All other transaction costs are recognised in surplus or deficit.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in surplus or deficit. Details of the valuation policies and processes are presented in note 3.

Dividends received on equity investments are recognised in surplus or deficit when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income (note 18).

Investments denominated in foreign currencies

When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Namibian Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in surplus or deficit and other comprehensive income as part of the fair value adjustment for investments which are classified as at fair value through surplus or deficit.

Impairment

Investments in equity instruments are not subject to impairment provisions.

Accounting Policies

1.5 Financial instruments (continued)

Investments in debt instruments at fair value through surplus or deficit

Classification

Certain investments in debt instruments are classified as mandatorily at fair value through surplus or deficit. These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, or the objectives of the group business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

The Fund invests in liquid and short-term assets which can be withdrawn anytime and be fully terminated within 30 days, to manage its claims and expenses as part of its normal operating activities. The strategy is not to keep investments long-term and thus the investments meet the definition of 'as held for trading' and are classified as current assets.

The group hold investments in debentures and corporate bonds which are mandatorily at fair value through surplus or deficit.

Recognition and measurement

Investments in debt instruments at fair value through surplus or deficit are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in surplus or deficit.

Interest received on debt instruments at fair value through surplus or deficit are included in investment income (note 18).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through surplus or deficit is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the Namibian Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in surplus or deficit.

Impairment

Investments in debt instruments at fair value through surplus or deficit are not subject to impairment provisions.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalents are subsequently measured at amortised cost using the effective interest method. Cash and cash equivalents are defined as cash, or instruments that can be converted into cash immediately. Refer to note 9 for the detail.

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Accounting Policies

1.7 Insurance contracts

Assessment as to whether the Fund is a mutual entity

A Fund is not legally defined as mutual entity and the assessment as to whether the Fund is a mutual entity was done based on the principles set out in IFRS.

IFRS 3 defined 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. policy holders) hold a residual interest or are entitled to the residual interest upon the liquidation of the Fund. Section 64 of the Act requires the fund rules to be followed in the event of liquidation.

The rules of the Fund do not contain specific guidance on how assets of the Fund should be distributed on liquidation. The Act prohibits the disposal of assets of a medical aid fund, except in the limited listed circumstances, one of them being the liquidation of the Fund. Members can opt for voluntary liquidation and can distribute the Fund's remaining assets amongst themselves.

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 of the economics of the contract). Implied terms in a contract include those imposed by law or regulation. Therefore based on on customary business practices, the remaining assets of the fund should be distributed to the members on liquidation if there are any and if the fund does not amalgamate with another Fund. Even if the assets are distributed by a regulator or by the policy holders to an independent third party e.g. another medical aid fund, 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.

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

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

As the scheme is in a surplus position, it recognised as a non-current liability for future members in its statement of financial position to provide coverage to future members.

Identification of insurance contracts

The contracts issued by the fund indemnify covered members (the policyholder) and their covered dependants against the risk of loss arising from the occurrence of a health event (insured event). The timing, frequency and severity of the health event covered is uncertain. These contracts fall under the scope of IFRS 17.

Whilst the timing, frequency, severity and type of health events are uncertain, the ultimate insurance risk covered by the fund can be defined as a single risk – that of providing cover for a health event that the member may incur. The risk under the insurance contracts issued by the fund can be expressed as the probability that an insured event (“health event”) occurs, multiplied by the expected amount of the resulting claim.

Accounting Policies

1.7 Insurance contracts (continued)

Level of aggregation

The fund as a whole was identified as a portfolio. All contracts issued by the fund are subject to similar risks and managed together. As the fund rules required by the Act constrains the entity's practical ability to set a different price or level of benefits for members with different characteristics the fund as a whole was also identified as the group. The fund assesses if the group as whole is onerous or profitable.

If the group is onerous, no further liability is recognised as a liability to future members is recognised (as the scheme is regarded as a mutual entity for accounting purposes). Due to the above the fund determined that all the options will be seen as one single insurance contract and if the group is seen as onerous, it will all be aggregated as a single onerous contract.

Recognition and derecognition

Insurance contracts issued shall be recognised from the earliest of the following:

(a) The beginning of the coverage period;
(b) The date when the first payment from a policyholder becomes due; and
(c) For onerous contracts, when the contracts become 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).

Premium allocation approach (PAA)

The contract boundary for the contracts issued does not exceed 12 months and consequently the fund elected to apply the PAA.

The classification of the fund as a mutual entity does not impact the extent of insurance cover / insurance contract services to be provided by the medical aid fund in terms of the member contracts and therefore the PAA is still applicable.

The fund measures the liability for incurred claims for as the fulfilment cash flows relating to incurred claims. The future cash flows are not adjusted for the time value of money and the effect of financial risk as these cash flows are expected to be paid in one year or less from the date the claims are incurred.

Liability for remaining coverage (LRC)

As the coverage period and the financial year for the fund is the same, there would be no liability for remaining coverage at the year-end reporting date, assuming that the actual cash collected for contributions equals the contributions recognised.

The liability for remaining coverage will therefore include all premiums received in advance less the amounts still outstanding at year-end and adding the portion of the loss component of any onerous contracts. The back-up benefit liability is also included in the LRC because it relates to funds paid by members for future coverage of claims, limited to the amount paid to the fund.

The group does not discount its liability for remaining coverage, since the effect of time value of money is not considered material, as the contracts are all limited to a maximum of twelve months.

1.7 Insurance contracts (continued)

Liability for incurred claims (LIC)

Claims outstanding at year end comprise provisions for the group's and fund's estimated cost of settling all claims incurred but not yet reported or reported but not yet processed at the reporting date. Claims outstanding are determined as accurately as possible based on the actual claims relating to the financial year received in the first month after year end plus an estimation for expected claims relating to the financial year that will be paid out during the following three month period. This estimate was calculated using the basic chain-ladder approach and it is based on the historical claims payment patterns. (The chain ladder method calculates incurred but not reported claim estimates, using run-off triangles which is populated with historical paid claims and incurred claims. The chain ladder method operates under the assumption that patterns in claims activities in the past will continue to be seen in the future. In order for this assumption to hold, data from past loss experiences must be accurate.) Claim handling expenses have been added to the liability based on the estimated cost of making these payments. The estimate was determined by considering the proportion of the total administration fee that is allocated towards the payment of claims, and then by allocating these costs to the value of outstanding claims compared to the value of claims paid during the financial year. The allowance for the expenses amounts to 0.81% (2024: 0.77%) of the total outstanding claims provision, including the risk adjustment.

In addition, a non financial risk adjustment is added to the estimated part of the claims to allow for the risk that the estimated claims would be less than the eventual paid claims.

The margins for adverse deviation method was used whereby the risk adjustment will be equal to the difference between value of the projected cashflows on the best estimate assumptions and the projected cashflows after the margin has been added. A margin of 1% (2024: 1%) will be added to the claims projection to determine the risk adjustment. The confidence level was calculated by applying a bootstrap method to the development factors for each month and then selecting the factor that corresponds with the 60% (2024: 60%) confidence level.

The risk adjustment is equal to 8.1% (2024: 13.50%) of the estimated outstanding claims, which excludes the actual claims already paid in the first month after the reporting date. The estimated portion of the outstanding claims amounts to 19.75% (2024: 19.2%) of the total provision.

Estimated co-payments and payments from the backup benefit are deducted in calculating the liability for incurred claims. The group does not discount its liability for incurred claims, since the effect of time value of money is not considered material, as claims must be settled within four months of the medical event.

In addition, a non financial risk adjustment is added to the estimated part of the claims to allow for the risk that the estimated claims would be less than the eventual paid claims. The risk adjustment is equal to 8.1% (2024: 13.50%) of the estimated outstanding claims, which excludes the actual claims already paid in the first month after the reporting date. The estimated portion of the outstanding claims amounts to 19.75% (2024: 19.2%) of the total provision. The 1% (2024: 1%) margin was calculated to correspond to a 60% confidence level.

Estimated co-payments and payments from the backup benefit are deducted in calculating the liability for incurred claims. The group does not discount its liability for incurred claims, since the effect of time value of money is not considered material, as claims must be settled within four months of the medical event.

The main non-financial risk of the fund is the morbidity risk. Morbidity risk refers to the statistical chance that an individual will develop a condition or disease given certain factors such as age and gender. The fund will use the margin of adverse deviations method to value the non-financial risk. Therefore the risk adjustment is equal to the difference between the value of the projected cashflows on the best assumptions and the projected cashflows after the margin had been added. A margin of 1% was added to the claims projection to determine the risk adjustment. The 1% (2024: 1%)% margin was calculated to correspond to a 60% confidence level.

The confidence level is calculated as follow:

- The average variance between the projected outstanding claims and the actual outstanding claims was determined over a period of 10 years from 2015 to 2025.
- It was assumed that the deviation is normally distributed, and a normal curve was fitted using the average and the standard deviation of this variance.
- A risk adjustment of 8.1% (2024: 13.5%) of the estimated outstanding claims at the reporting date was determined to correspond to a cumulative probability of 60% using the distribution determined above.

Accounting Policies

1.7 Insurance contracts (continued)

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

Due to the fact that the fund is evaluated as fund and not on option level (as determined in the level of aggregation), an assessment is done with the benefit review of the following year to determine whether the contracts will be onerous or not. This assessment is reviewed on a quarterly basis by the actuaries to determine whether the contracts became onerous or not during the financial year.

As per the requirements of IFRS17, onerous contracts are recognized when the contract becomes onerous. For contributions received in December which are due in January, this would result in such cash flows relating to the following financial year /coverage period, being required to be recognised in the current reporting period as a liability for remaining coverage and the loss component of the onerous contract will then also be recognized in the current year for the following year losses that is expected to be incurred.

No additional liability for onerous contracts is recognized because the fund as a whole is aggregated as a single insurance contract. The onerous loss component was recognized as part of the LRC. Refer to note 13 for the detail of the movement in the liability.

1.8 Expense on other insured benefits

Expenses on other insured benefits are recognised as an expense when incurred. These benefits includes the premium waiver benefit and international travel benefit.

Expenses on other insured benefits are recognized in the statement of surplus or deficit and other comprehensive income.

Any claims exceeding the excess amount is directly paid by the travel insurer to the member and no amount is receivable from or payable to the travel insurer.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.9 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is provided, for all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred income tax asset and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of surplus or deficit and other comprehensive income.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Accounting Policies

1.10 Leases (continued)

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The group is using part of the building for own use and the rest of the property is rented out. The leases are managed with fixed lease agreements determining all the terms and conditions relating to rental payments and all other risks that arise with the rental of the building.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in rental income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Rental income

Rental income received under operating leases is charged to the surplus or deficit on a straight-line basis over the lease period of the lease. Lease incentives received are recognised in the surplus or deficit as an integral part of total lease expense.

1.11 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining the fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions are identified, an appropriate valuation model is used.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversals of impairment, each reporting date.

Accounting Policies

1.12 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In the process of applying the group's accounting policies, management has made the following estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

a*) Impairment of financial assets*

The group follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires judgment in determining the credit risk of the financial asset. (Refer to note 7).

b*) Fair value of financial assets*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group and fund uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. (Refer to note 8).

c*) Fair value of investment property*

The fair value of the investment property is determined by using the observable market data as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 5.

d*) Insurance liabilities*

For the Liability for Incurred Claims, the incurred claims were estimated using the basic chain ladder method. The chain ladder method use historical claims data and claims trends to forecast what the total liability for incurred claims should be.

The Liability for Remaining Coverage - loss component for the onerous contracts was calculated by projecting the premiums, claims and attributable expenses for a period of 12 months for the fund as a whole. These cashflows were not discounted due to the short projection period. If the expected net result of the projected cashflows is negative, then a loss component is calculated as the net result of these cashflows. If the net result of these cashflows is positive, then no liability is created.

Refer to note 13.

e) Mutual entity consideration

The fund will be classified as a mutual entity because it is expected that the remaining assets of the scheme will be used to pay current and future policyholders. Once the members sign the membership application the fund has a contractual commitment to adhere to it.

The fund is considered to be a mutual entity because it is obliged to:

- provide coverage to every member;
- pay incurred claims of every member; or
- provide coverage to all future members.

Refer to note 11.

Accounting Policies

1.13 Insurance revenue

Insurance revenue for the period is the amount of expected premium receipts allocated to the period adjusted for the premiums outstanding that is expected not to be recovered. Net insurance income represent gross contributions after deduction of the backup benefit. The insurance revenue also includes the roll-over income from the back up benefit which is the 5% administration fees on the total benefit carried over to the next financial year. The scheme allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

1.14 Insurance service expenses

The scheme presents insurance service expense in surplus or deficit comprising of incurred claims (excluding repayments of investment components) and other incurred insurance service expenses.

Insurance service expenses includes all costs relating to delivery of the insurance product such as claims, managed care cost, administration fees, actuarial fees and all other fees directly attributable to insurance revenue.

Net Claims incurred

Gross claims incurred comprise of the total estimated cost of all claims arising from healthcare events that have occurred in the year and for which the group and fund is responsible, whether or not reported at year end. Net claims incurred represents claims incurred net of discounts received, recoveries from members for co-payments and the backup benefit account after taking into account recoveries from third parties.

Net claims incurred comprise of:

- Movement in the provision for outstanding claims;
- Claims settled;
- Ex-gratia claims.

Managed care: management services cost.

These expenses represent the cost of managing healthcare expenditure and the amounts paid or payable to third party administrators, related parties and other third parties for managing the utilisation, cost and quality of healthcare services to the group.

***Attributable expense*s**

Attributable expenses are all the expenses incurred in the delivering the insurance service to the members such as administration fees, actuarial fees etc.

(Deficit) / Surplus component on onerous contracts

This relate to the expected loss or reversal of such a loss that is expected to be incurred on the onerous contracts in the fund.

Surplus / (Deficit) attributable to future members

This is the funds that are allocated to the members for the payment of future expenses as allowed in terms of the medical aids funds act of Namibia. (Previously always reported as the surplus or deficit of the fund.)

1.15 Insurance revenue

Insurance revenue for the period is the amount of expected premium receipts allocated to the period. The scheme allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Accounting Policies

1.16 Investment income

Investment income mainly comprise of dividends, interest and rent income.

Dividend income:
Dividend income is recognised when the right to receive payment is established.

Interest income:
Interest income is recognised using the effective interest rate method. When a loan or receivable is impaired, the group and fund reduces the carrying amount to its receivable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues to unwind the discount as interest income. Interest income from impaired loans and receivables is recognised using the effective interest rate.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

The standards that were issued and effective for the current reporting period had no impact on the group's financial statements.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Impact is currently being assessed
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	1 January 2026	Unlikely there will be a material impact
• Annual improvements to IFRS Accounting standards Volume 11	1 January 2026	Unlikely there will be a material impact
• Contracts referencing - Nature dependent contracts - Amendment to IFRS 9 and IFRS 7	1 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026	Unlikely there will be a material impact
• Amendments to IAS 7 Statement of Cash Flows	1 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	Unlikely there will be a material impact

3. Fair value information

Valuation techniques and assumptions are applied for the purpose of measuring fair value measurements recognised in the statement of financial position (fair value hierarchy).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The carrying amount less impairment provision for trade receivables and the carrying amount of trade payables is assumed to approximate the fair value due to short-term nature. The same applies to the outstanding claims provision, as claims should be settled within four months after year end according to the terms of the fund. Cash and cash equivalents have by definition a maturity of less than three months and therefore their value is also approximated by the carrying amount.

As at 31 December 2025, the group recognised financial instruments based on the following fair value hierarchy:

Notes to the Consolidated And Separate Annual Financial Statements

3. Fair value information (continued)

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 1

Recurring fair value measurements		**Group 2025 N$'000**	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
Assets	Note(s)				
Equity investments at fair value through surplus / (deficit)	8				
Investments at fair value (listed equity, property, smoothed bonus funds and other securities)		477,528	350,553	477,528	350,553
Total		**477,528**	**350,553**	**477,528**	**350,553**

The significant inputs for the items in level 1 is quoted market prices in active markets.

Level 2

Recurring fair value measurements					
Assets	Note(s)				
Equity investments at fair value through surplus /(deficit)	8				
Investments at fair value (debt instruments and cash and deposits and other investments)		586,835	494,455	586,835	494,455
Total		**586,835**	**494,455**	**586,835**	**494,455**

The valuation technique for the items in level 2 is based on discounted future estimated cashflows. Investments in money market funds are valued according to the price per unit quoted by the money market funds based on underlying investments. Bonds are valued at discounted future estimated cashflows based on the quoted interest rate. Cash and deposits' fair value is equal to the carrying value thereof.

Notes to the Consolidated And Separate Annual Financial Statements

		Group		Fund	
		2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000
3. Fair value information (continued)					
Level 3					
Recurring fair value measurements					
Assets	Note(s)				
Investment property	5				
Investment property		7,000	6,755	-	-
Total		**7,000**	**6,755**	**-**	**-**

Refer to note 5 for the detail of the valuation technique and inputs applied.

There were no transfers between level 1 and level 2 fair value measurements during the period, and no transfers into or out of level 3 fair value measurements for the financial years ended 31 December 2025 or 2024.

4. Property, plant and equipment

Group and fund	2025			2024		
	Cost or revaluation N$'000	Accumulated depreciation N$'000	Carrying value N$'000	Cost or revaluation N$'000	Accumulated depreciation N$'000	Carrying value N$'000
Land	1,680	-	1,680	1,680	-	1,680
Buildings	2,433	(840)	1,593	2,434	(791)	1,643
Motor vehicles	169	(169)	-	169	(169)	-
Office equipment	450	(345)	105	486	(363)	123
Leasehold improvements	17	(12)	5	20	(11)	9
Total	**4,749**	**(1,366)**	**3,383**	**4,789**	**(1,334)**	**3,455**

Notes to the Consolidated And Separate Annual Financial Statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group and Fund - 2025

	Opening balance N$'000	Additions N$'000	Disposals / Scrappings (Cost) N$'000	Disposals / Scrappings (Accumulated depreciation) N$'000	Depreciation N$'000	Total N$'000
Land	1,680	-	-	-	-	1,680
Buildings	1,643	-	-	-	(50)	1,593
Office equipment	123	33	(70)	70	(51)	105
Leasehold improvements	9	-	(3)	3	(4)	5
	3,455	**33**	**(73)**	**73**	**(105)**	**3,383**

Reconciliation of property, plant and equipment - Group & Fund - 2024

	Opening balance N$'000	Additions N$'000	Disposals N$'000	Depreciation N$'000	Total N$'000
Land	1,680	-	-	-	1,680
Buildings	1,692	-	-	(49)	1,643
Office equipment	66	101	(3)	(41)	123
Leasehold improvements	13	-	-	(4)	9
	3,451	**101**	**(3)**	**(94)**	**3,455**

5. Investment property

Group	2025		2024	
	Cost / Valuation N$'000	Carrying value N$'000	Cost / Valuation N$'000	Carrying value N$'000
Investment property	7,000	7,000	6,755	6,755

Reconciliation of investment property - Group - 2025

	Opening balance N$'000	Improvements to Investment property N$'000	Fair value adjustments N$'000	Total N$'000
Investment property	6,755	64	181	7,000

Reconciliation of investment property - Group - 2024

	Opening balance N$'000	Fair value adjustments N$'000	Total N$'000
Investment property	6,620	135	6,755

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

5. Investment property (continued)

Details of property

Erf 1791, 8 Newton Street, Windhoek, Sectional Title No. 39/2007(1).	**Group 2025 N$'000**	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
- Purchase price: 2007	1,847	1,847	-	-
- Valuations since acquisition	5,010	4,829	-	-
- Improvements to the investment property	143	79	-	-
	7,000	**6,755**	**-**	**-**

Details of valuation

The valuation was performed by Pierewiet Wilders Valuations on 5 December 2025. He is an independent valuator who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The next valuation is due to be performed for the year ended 31 December 2026.

The valuator assessed the current property market and considered if there were any indicators that will impact the value of the property significantly since the last valuation was performed earlier during the financial year. No indicators were identified and the valuator and trustees consider the fair value of the property to be accurate.

The valuation was performed using the income capitalisation method.

Significant unobservable valuation input:	
Price per square metre office	N$ 195
Price per unit parking	N$ 475
Expenses	N$11,164
Net income	N$49,616
Vacancy rate	2 %
Capitalisation rate	8.50 %
Lettable area (This area is fixed and cannot change)	301m^2

A 10% change in the following would have the following effect on the fair value:

	Increase N$'000	Decrease N$'000
Price per square metre office and parking	859	(859)
Net income	894	(894)
Capitalisation	702	(702)
Expenses	14	(14)
Vacancy rate	1	(1)

Amounts recognised in surplus and deficit for the year

	Group 2025 N$'000	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
Rental income from investment property	676	672	-	-
Direct operating expenses from rental generating property	(971)	(144)	-	-
	(295)	**528**	**-**	**-**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

6. Investments in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
NMC House (Pty) Ltd	100.00 %	100.00 %	7,450	7,450
Namibia Medical Care (Pty) Ltd	100.00 %	100.00 %	-	-
			7,450	7,450

Restrictions relating to subsidiaries

There are no significant restrictions in place that relates to the subsidiary.

7. Trade and other receivables

	Group 2025	Group 2024	Fund 2025	Fund 2024
Financial instruments:				
Other receivables	336	283	376	275
Non-financial instruments:				
VAT	109	-	-	-
Prepayments	57	13	57	13
Total trade and other receivables	**502**	**296**	**433**	**288**

Split between non-current and current portions

	Group 2025	Group 2024	Fund 2025	Fund 2024
Current assets	502	296	433	288

Other receivables consist of sundry debtors and the operating lease asset.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2025	2025	2024	2024
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	336	-	283	-

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

7. Trade and other receivables (continued)

Fund	2025	2025	2024	2024
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	376	-	275	-

The fund will consider a debtor to default once the payment is 120 days and older and no payment was received. None of the debtors are older than 30 days and therefore no credit impairment had to be calculated.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

8. Investments at fair value through surplus / (deficit)

Reconciliation of the investments

	Group 2025	Group 2024	Fund 2025	Fund 2024
Fair value at the beginning of the year	845,009	558,756	845,009	558,756
Additional investments	156,305	451,689	156,305	451,689
Disinvestments	(65,000)	(236,000)	(65,000)	(236,000)
Dividends received	3,633	2,808	3,633	2,808
Interest received	77,770	50,568	77,770	50,568
Realised gains	16,453	4,767	16,453	4,767
Unrealised gains	35,115	15,868	35,115	15,868
Asset management fees	(4,921)	(3,448)	(4,921)	(3,448)
	1,064,363	**845,008**	**1,064,363**	**845,008**

All dividends and interest received are immediately reinvested and never forms part of the cash flow of the fund.

Distribution of investments

GROUP AND FUND 2025	**Foreign N$'000**	**Local N$'000**	**Total N$'000**
Cash and deposits	24,561	86,175	110,736
Listed equity	131,484	24,469	155,953
Debt instruments	212,747	263,351	476,098
Property	7,291	10,605	17,896
Smoothed bonus fund and other investments	206,502	97,178	303,680
	582,585	**481,778**	**1,064,363**

GROUP AND FUND 2024	**Foreign N$'000**	**Local N$'000**	**Total N$'000**
Cash and deposits	59,451	98,291	157,742
Listed equity	89,304	19,554	108,858
Debt instruments	162,341	174,372	336,713
Property	3,140	6,536	9,676
Smoothed bonus fund and other investments	150,812	81,207	232,019
	465,048	**379,960**	**845,008**

Mandatorily at fair value through profit or loss:	**Group 2025 N$'000**	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
Financial instruments	1,064,363	845,008	1,064,363	845,008

Split between non-current and current portions

Current assets	1,064,363	845,008	1,064,363	845,008

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

8. Investments at fair value through surplus / (deficit) (continued)

Fair value information

The fund complies with Regulation 9 of the Medical Aid Fund act Regulations, which requires that a minimum of 45% of the total asset value of the fund is invested in Namibia.

For financial assets traded in active markets (listed equity, property, smoothed balanced funds and commodities), the fair value is based on their current bid prices in an active market. The fair values of listed or quoted investments are based on the quoted market price. The fair values on investments not listed or quoted are estimated using the market price for instruments with similar characteristics or based on cash flows discounted using a rate based on the market interest rate and the risk premium specific to the investment.

A bonus fund is a vehicle whereby an investment reserve is maintained to smooth out returns over the longer term and as a result negate market volatility. This particular vehicle the Fund is invested in are further overlaid by a 80% capital protection guarantee underwritten by Old Mutual Corporate which is a division of Old Mutual Life Assurance Company (Namibia) Ltd.

Changes in fair value of financial assets are recorded, depending on whether they are realised or unrealised, in net realised gains on financial assets or net unrealised gains / (losses) on financial assets in the statement of surplus or deficit and other comprehensive income, respectively.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2025 N$ '000	Group 2024 N$ '000	Fund 2025 N$ '000	Fund 2024 N$ '000
Cash on hand	-	2	-	2
Short-term deposits	93,059	92,742	92,413	89,822
	93,059	**92,744**	**92,413**	**89,824**

The current funds in the 48 hours and call account are available at request. The effective interest rate on the 48 hours account is dependent on the amount held in the bank (not fixed) and therefore changes regularly. The carrying amounts of cash and cash equivalents approximate fair values due to the short-term maturities of these assets.

Also refer to contingent liabilities as per note 28 for the guarantee issued to Namfisa.

The fund has the following facilities at the bank:
- Settlement facility of N$301,100,000;
- Wesbank revolving facility of N$500,000;
- Fleet card facility of N$2,000; and
- First card facility of N$20,000.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

10. Deferred tax

Deferred tax liability

Investment property	(534)	(506)	-	-
Operating lease asset	(2)	(9)	-	-
Total deferred tax liability	**(536)**	**(515)**	**-**	**-**

Deferred tax asset

Income received in advance	16	153	-	-
Tax losses available for set off against future tax	274	14	-	-
Deferred tax balance from temporary differences other than unused tax losses	290	167	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(536)	(515)	-	-
Deferred tax asset	290	167	-	-
Total net deferred tax liability	**(246)**	**(348)**	**-**	**-**

Reconciliation of deferred tax liability

At beginning of year	(348)	(216)	-	-
Reduction due to rate change	-	(18)	-	-
Increases in tax loss available for set off against future taxable income	260	-	-	-
Timing differences	(158)	(114)	-	-
	(246)	**(348)**	**-**	**-**

The taxation expense relates to the subsidiary, NMC House (Pty) Ltd.

The medical aid fund is exempted to pay any income tax in terms of Section 16 (1)(i)(bb) of the Income tax Act of Namibia.

On 16 September 2024, the Office of the Prime Minister published Government Gazette No. 8442, announcing a reduction in tax rates. For financial years beginning on or after 1 January 2024, the tax rate has been lowered from 32% to 31%. Additionally, for years commencing on or after 1 January 2025, the rate was further reduced to 30%.

Notes to the Consolidated And Separate Annual Financial Statements

11. Insurance liability to future members *

Reconciliation of liability for members - mutual fund - Group - 2025

	Opening balance	Additions	Total
Liability for members - Mutual fund	741,649	188,727	930,376

Reconciliation of liability for members - mutual fund - Group - 2024

	Opening balance	Additions	Total
Liability for members - Mutual fund	446,370	295,279	741,649

This liability is the funds available for all members (current and future) for the payment of benefits and management of the fund in terms of the medical aid fund act of Namibia.

Reconciliation of liability for members - mutual fund - Fund - 2025

	Opening balance	Additions	Total
Liability for members - Mutual fund	740,161	190,113	930,274

Reconciliation of liability for members - mutual fund - Fund - 2024

	Opening balance	Additions	Total
Liability for members - Mutual fund	445,370	294,791	740,161

The fund is, as explained in accounting policy paragraph 1.7, a mutual entity and is therefore required in terms of IFRS 17: Insurance contracts, to disclose its accumulated surplus as a liability to current and future members. In terms of the fund rules, members have no right to these funds except in the event of liquidation or wind-up and accordingly the Insurance liability due to the members is treated as the Fund’s reserves.

This is in line with Sections 26, 30(1)(d) and 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995).

*This liability was reclassified to non-current liabilities in the current year. In the prior year, the classification of the liability to future members as a current liability was considered appropriate based on the guidance and interpretation available at the time, as well as the application of IAS 1, which resulted in the liability being presented as current.

During the current financial year, further industry guidance clarified the appropriate presentation, indicating that where there is no expectation of settlement within twelve months, the liability should be classified as non-current. Accordingly, the liability to future members has been reclassified in the current year to non-current liabilities.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

12. Trade and other payables

Financial instruments:	**Group 2025 N$'000**	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
Trade payables	499	498	416	437
Payroll accruals	141	85	141	85
Accruals	4,812	4,379	4,812	4,379
Other payables	64	-	64	-
Non-financial instruments:				
Amounts received in advance	-	456	-	-
VAT	-	1	-	-
	5,516	**5,419**	**5,433**	**4,901**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	5,516	4,962	5,433	4,901
Non-financial instruments	-	457	-	-
	5,516	**5,419**	**5,433**	**4,901**

Exposure to liquidity risk

Trade payables are normally settled on 30 day terms. Other payables consist of sundry creditors and rental deposits.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

13. Insurance contract liabilities

Summary of contract liabilities

	2025	2024	2025	2024
Liability for remaining coverage (LRC)	55,813	47,820	55,813	47,820
Liability for incurred claims (LIC)	176,522	153,143	176,522	153,143
	232,335	**200,963**	**232,335**	**200,963**

Reconciliation of the insurance contract liabilities - 2025 (Group and Fund)	**LRC - Excluding loss component N$'000**	**LRC - Loss component N$'000**	**LIC - Estimate of future cash flows N$'000**	**LIC - Risk adjustment N$'000**	**Total N$'000**
Insurance contract liabilities as at 1 Jan 2025	47,820	-	149,492	3,651	200,963
Insurance revenue	(2,225,165)	-	-	-	(2,225,165)
Incurred claims and other expenses	-	-	2,126,914	-	2,126,914
Changes to the liability for incurred claims	-	-	24,196	-	24,196
Risk adjustment - LIC	-	-	-	(861)	(861)
LIC - Expense allowance	-	-	255	-	255
Cash flows: Contributions received	2,233,158	-	-	-	2,233,158
Cash flows: Claims paid	-	-	(2,127,125)	-	(2,127,125)
Net insurance contract liabilities as at 31 Dec 2025	**55,813**	**-**	**173,732**	**2,790**	**232,335**

Reconciliation of the insurance contract liabilities - 2024 (Group and Fund)	**LRC - Excluding loss component N$'000**	**LRC - Loss component N$'000**	**LIC - Estimate of future cash flows N$'000**	**LIC - Risk adjustment N$'000**	**Total N$'000**
Insurance contract liabilities as at 1 Jan 2024	34,900	-	140,135	3,395	178,430
Insurance revenue	(2,130,158)	-	-	-	(2,130,158)
Incurred claims and other expenses	-	-	1,888,729	-	1,888,729
Changes to the liability for incurred claims	-	-	9,692	-	9,692
Risk adjustment - LIC	-	-	-	256	256
LIC - Expense allowance	-	-	51	-	51
Cash flows: Contributions received	2,143,078	-	-	-	2,143,078
Cash flows: Claims paid	-	-	(1,889,115)	-	(1,889,115)
Net insurance contract liabilities as at 31 Dec 2024	**47,820**	**-**	**149,492**	**3,651**	**200,963**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

14. Insurance revenue

Insurance revenue	2,225,165	2,130,157	2,225,165	2,130,157

ANALYSIS OF THE INSURANCE REVENUE:

	Group		Fund	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
Gross Contibutions	2,235,137	2,134,804	2,235,137	2,134,804
Back-up benefit roll over income	1,257	1,018	1,257	1,018
Less: Back-up Benefit contributions	(10,885)	(6,545)	(10,885)	(6,545)
Net Contributions	2,225,509	2,129,277	2,225,509	2,129,277
Less premiums not recoverable	(1,177)	202	(1,177)	202
Add recovery of premiums written off	833	678	833	678
	2,225,165	**2,130,157**	**2,225,165**	**2,130,157**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

15. Insurance service expense

Net claims incurred	1,978,664	1,742,508	1,978,664	1,742,508
Attributable expenses incurred	160,535	149,255	160,535	149,255
Managed care: management services	11,122	7,046	11,122	7,046
Surplus attributable to future members	188,752	295,278	190,113	294,790
	2,339,073	**2,194,087**	**2,340,434**	**2,193,599**

	Group		Fund	
NET CLAIMS INCURRED CONSIST OF:	2025 N$'000	2024 N$'000	2025 N$'000	2024 N$'000
Current claims	1,972,948	1,738,132	1,972,948	1,738,132
Ex-gratia claims	6,322	4,069	6,322	4,069
LIC - Risk adjustment	(861)	256	(861)	256
LIC - expense allowance	255	51	255	51
	1,978,664	**1,742,508**	**1,978,664**	**1,742,508**

	Group		Fund	
ATTRIBUTABLE EXPENSES CONSIST OF:	2025 N$'000	2024 N$'000	2025 N$'000	2024 N$'000
Actuarial fees	1,544	1,476	1,544	1,476
Consulting fees - Oncology	7	560	7	560
Administration fees	145,353	134,770	145,353	134,770
Salaries and trustee fees	4,630	4,107	4,630	4,107
Subscription fees and levies	9,001	8,342	9,001	8,342
	160,535	**149,255**	**160,535**	**149,255**

MANAGED CARE COST

The managed care cost paid to the Administrator, Methealth Namibia Administrators (Pty) Ltd, covers all managed care aspects such as HIV / AIDS Disease Management, Lifestyle Management Program, Additional Hospital Benefit (AHB) Management, Ex-gratia Management, Hospital Benefit Management (Pre-authorisation, Clinical Audit, Case Management), Medical Management (Chronic Medication, Major Illness Medication Pharmaceutical Audit), Dental Management (Dental Audit, Dental Pre-authorisation), Practice Analysis/Profiling, Employer Group Claims Profiling and Individual Member Risk Rating.

	Group		Fund	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
Managed care cost	11,122	7,046	11,122	7,046

SURPLUS / (DEFICIT) ATTRIBUTABLE TO MEMBERS

The surplus / (deficit) attributable to members is the surplus funds available to members for the current year. This surplus can only be utlized as per the terms of the Medical aid funds act of Namibia.

	Group		Fund	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
Surplus attributable to future members	188,727	295,278	190,113	294,790

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

16. Expense on other insured benefits

The group operated the following benefits for members during the year which does not directly relate to claims and the insured events as per the fund rules.

Premium waiver: In terms of this benefit the fund insure 3 months of premiums to the family of a principal member in the case of the death of that principal member until the membership could be transferred to a new principal member. This was self-insured for 2025 and 2024. This does not relate to claims but to premiums and is limited to a fixed amount and therefore does not relate to the insurance liability.

Travel outside the border of Namibia: In terms of this benefit, members travelling outside the borders of Namibia, are covered for medical expenses in excess of N$ 20,000 (2024: N$ 20,000) to a limit of N$ 10,000,000 and for a maximum period of 90 days per trip by Hollard Insurance Company of Namibia Ltd. Any claims in excess of N$20,000 (2024: N$20,000) is handled directly by Hollard Insurance Company of Namibia Ltd and no amount is receivable by the Fund. Any claims less than N$20,000 (2024: N$20,000) will be paid by the Fund to the member. The group paid a fixed fee of N$ 3.15 (2024: N$ 3.15) per principal member per month for the year under review for this service to ensure that all members have access to this benefit whether they are utilizing it or not.

	Group		Fund	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
- Premium waiver claims	999	963	999	963
- Travel insurance	1,159	1,134	1,159	1,134
- International travel claims paid	65	108	65	108
Total expenses on other insured benefits	**2,223**	**2,205**	**2,223**	**2,205**

17. Operating surplus / (deficit)

Net healthcare result for the year is stated after charging (crediting) the following, amongst others:

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Annual general meeting expenses	340	192	340	192
Auditors remuneration - External auditors	2,518	2,394	2,460	2,346
Bank charges	1,158	1,154	1,155	1,152
Consulting and professional fees	788	390	749	390
Depreciation, amortisation and impairment	105	94	105	94
Entertainment	24	30	24	30
Insurance	162	157	142	137
Marketing	10,471	5,497	10,471	5,497
Membership cards	52	44	52	44
Municipal expenses	199	174	120	110
Office expenses	278	160	278	160
Printing and stationery	2	12	2	12
Property expenses	58	35	-	-
Repairs and maintenance	823	27	11	3
Secretarial fees	11	2	11	2
Telephone and fax	544	512	544	512
Training	31	89	31	89
Travel - local	178	60	178	60
	17,742	**11,023**	**16,673**	**10,830**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000
18. Investment income				
Dividend income				
Group entities:				
Dividend from Subsidiary - NMC House (Pty) Ltd	-	-	1,305	-
Equity instruments at fair value through profit or loss:				
Dividend income	3,633	2,808	3,633	2,808
Total dividend income	**3,633**	**2,808**	**4,938**	**2,808**
Interest income				
Interest on cash and cash equivalents	4,864	5,920	4,810	5,914
Interest from financial assets at fair value	77,770	50,568	77,770	50,568
Total interest income	**82,634**	**56,488**	**82,580**	**56,482**
Total investment income	**86,267**	**59,296**	**87,518**	**59,290**
19. Rental income				
Rental income	676	672	-	-
20. Asset management fees				
Asset management fees	4,921	3,448	4,921	3,448
21. Net realised gains on financial assets				
Net realised gains on financial assets	16,453	4,767	16,453	4,767
22. Unrealised gains on financial assets				
Unrealised gains on financial assets	35,115	15,868	35,115	15,868

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

23. Taxation

Major components of the tax (income) expense

Deferred				
Originating and reversing temporary differences	(102)	132	-	-

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting (deficit) / surplus	(157)	132	-	-
Tax at the applicable tax rate of 30% (2024: 31%)	(47)	41	-	-
Tax effect of adjustments on taxable income				
Non taxable income	-	151	-	-
Fair value adjustment	(55)	(42)	-	-
Tax rate change	-	(18)	-	-
	(102)	**132**	**-**	**-**

The taxation expense relates to the subsidiary, NMC House (Pty) Ltd.

The medical aid fund is exempted to pay any income tax in terms of Section 16 (1)(i)(bb) of the Income tax Act of Namibia. The fund is a mutual entity in terms of IFRS 17 and therefore do not have any surplus or deficit.

On 16 September 2024, the Office of the Prime Minister published Government Gazette No. 8442, announcing a reduction in tax rates. For financial years beginning on or after 1 January 2024, the tax rate has been lowered from 32% to 31%. Additionally, for years commencing on or after 1 January 2025, the rate was further reduced to 30%.

24. Cash generated / (used in) from operations

(Deficit) / Surplus before taxation	(102)	132	-	-
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	105	94	105	94
Asset management fees	4,921	3,448	4,921	3,448
Fair value adjustments on investment property	(181)	(135)	-	-
Realised gains on financial assets	(16,453)	(4,767)	(16,453)	(4,767)
Net unrealised (gains) / losses on financial assets	(35,115)	(15,868)	(35,115)	(15,868)
Insurance liability movement	31,372	22,533	31,372	22,533
Liability to future members movement	188,727	295,247	190,112	294,791
Adjust for items which are presented separately:				
Investment income	(86,267)	(59,296)	(87,518)	(59,290)
Changes in working capital:				
(Increase) / decrease in trade and other receivables	(193)	7	(140)	9
Increase in trade and other payables	84	1,199	528	1,591
	86,898	**242,594**	**87,812**	**242,541**

25. Tax paid

Balance at beginning of the year	121	17	-	-
Balance at end of the year	(166)	(121)	-	-
	(45)	**(104)**	**-**	**-**

Notes to the Consolidated And Separate Annual Financial Statements

26. Lease commitments

Operating leases – as lessor (income)

	Group 2025 N$ '000	Group 2024 N$ '000	Fund 2025 N$ '000	Fund 2024 N$ '000
Minimum lease payments due				
- first year	160	696	-	-
- second year	-	160	-	-
	160	**856**	**-**	**-**

NMC has entered into an operating lease agreement whereby surplus office space (classified as investment property for financial statement purposes) is leased out to various third parties. All leases have a 24 month lease term. There are no restrictions placed on the group by entering into these leases.

No significant risks were identified by management with regards to the commitments due.

27. Related parties

Relationships

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 group. Key management personnel include the Board of Trustees and Principal Officer.
Close family members include close family members of the Board of Trustees and Principal Officer.

Transactions with related parties

Key management personnel:

Details of the trustees and sub-committee members remuneration (as disclosed in note 2 in the Report of the Board of Trustees) are provided in the table below. The Board of Trustees and sub-committee members are compensated on a fee basis. All remuneration paid to key management are short-term.

Trustee fees (Group & Fund)	Fees for meeting attendance 2025 N$'000	Fees for holding of office 2025 N$'000	Total consideration 2025 N$'000	Fees for meeting attendance 2024 N$'000	Fees for holding of office 2024 N$'000	Total consideration 2024 N$'000
P Mutota	-	-	-	22	10	32
E Mansfeld	-	-	-	15	10	25
B Seibes-Bock	-	-	-	18	10	28
M Späth	50	10	60	57	20	77
A Emvula	83	21	104	26	10	36
C Kavezuva	-	-	-	14	-	14
I Hamulungu	-	-	-	22	-	22
C Bazuin	-	-	-	21	-	21
B Auala	-	-	-	11	-	11
Z Nambahu	-	-	-	18	-	18
A van Wyk	35	21	56	10	10	20
C Katjiukua	39	-	39	14	-	14
K Nghishitende	60	-	60	14	-	14
Dr H du Toit	33	11	44	-	-	-
Dr L Namoloh	47	-	47	-	-	-
J Iiyambula	36	-	36	-	-	-
	383	**63**	**446**	**262**	**70**	**332**

The salary paid to the Principal Officer, J Crossman, for the year is included in salaries and wages (Refer to note 15).

Claims paid to the following medical professionals who are also members of the board of trustees are as follows (Dr. Mansfeld was only a trustee up to 21 June 24).

Claims paid (Group & Fund)	2025 N$'000	2024 N$'000
E Mansfeld	-	596

Material business partner to the group and the fund:
Methealth Namibia Administrators (Pty) Ltd

Statement of comprehensive income	2025 N$'000	2024 N$'000
Administration fee	145,353	134,770
Managed care service fees	11,122	7,046
	156,475	**141,816**

Notes to the Consolidated And Separate Annual Financial Statements

27. Related parties (continued)

Statement of financial position

No amounts are outstanding as at the end of the financial year.

The management and managed care agreement is in terms of the rules of the fund and in accordance with instructions given by the trustees of the fund. The agreement is for three years, after which the fund and the administrator has the right to terminate or renew the agreement. Outstanding balances bear no interest and are due within 30 days.

The investment management contracts are in accordance with instructions given by the trustee of the fund. The agreement is automatically renewed each year unless notification of termination is received. The fund has the right to terminate the agreement on 24 hour's notice. Any outstanding balances are payable within 30 days.

Investment in subsidiary	Quantity of shares	Shareholding Percentage	2025 N$'000	2024 N$'000
Investment in NMC House (Pty) Ltd	1	100%	7,450	7,450
Investment in Namibia Medical Care (Pty) Ltd	1,000	100%	-	-
	1,001		**7,450**	**7,450**

28. Contingencies

Contingent asset

An agreement with Dome Academies CC was terminated during the year due to the nature of services contracted being in contradiction with the Medical Aid funds Act of Namibia.

The fund is in the process of assessing the best possible avenue to recoup the funds paid to the value of N$6,984,640 to this supplier with either the insurers or entering into legal processes from which economic benefits may arise.

At the reporting date, the outcome of these matters remains uncertain and is dependent on the resolution of insurance assessments, legal proceedings, and other external processes that are not wholly within the control of the entity.

Based on information currently available, management believes that an inflow of economic benefits is possible; however, the amount that may be recovered and the timing of any potential recovery cannot be determined with sufficient reliability at this stage.

Accordingly, no asset has been recognised, in the financial statements in respect of these matters, in line with the requirements of the International Accounting Standards Board standards on contingent assets. The estimated value value of this contingent asset is N$6,984,640.

Management continues to monitor the progress of these matters and will recognise any related asset only when the realisation of economic benefits becomes virtually certain.

No reimbursement has been recognised as the recognition criteria for assets have not yet been met. The entity is actively pursuing recovery through available contractual and legal channels.

Financial guarantee

An amount of N$ 750,000 (2024: N$ 750,000) was placed as guarantee for Namibia Financial Institution Supervisory Authority ("NAMFISA") on the First National Bank of Namibia Limited current account. NAMFISA requires this as financial guarantee from all medical aid funds upon registration of the fund, to ensure the financial stability of the fund. These funds are considered to be restricted cash and is not available for use.

Notes to the Consolidated And Separate Annual Financial Statements

29. Financial instruments and risk management

Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the group assumes the risk of loss from members and their dependants that are directly subject to the risk. These risks relate to the health of the fund members. As such the group is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The board of trustees has developed and approved a policy for the acceptance and management of insurance risk to which the group is exposed. This policy is reviewed annually and the benefit options provided to members are structured accordingly.

The group manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service providing profiling, as well as the monitoring of emerging issues.

The group uses several methods to assess and monitor insurance risk exposure both for individual types of risks insured and overall risk. These methods include internal risk measurement models, sensitivity analysis, scenario analysis and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts.

The principal risk is that the frequency and severity of claims is greater than expected. Insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The following table summarises the concentration of insurance risk, with reference to the carrying amount of the insurance claims incurred and in relation to the type of risk covered / benefits provided. Namibia currently does not have prescribed minimum benefits (PMB).

Notes to the Consolidated And Separate Annual Financial Statements

29. Financial instruments and risk management (continued)

Fund - 2025 **Age Grouping (in years)**	**In-hospital** **N$'000**	**Chronic** **N$'000**	**HIV Meds** **N$'000**	**Day-to-day** **N$'000**	**Total** **N$'000**
< 26	189,956	5,780	208	203,282	399,226
26 - 35	95,621	5,382	546	118,261	219,810
36 - 50	240,339	23,369	3,193	274,138	541,039
51 - 65	225,346	33,632	3,854	203,372	466,204
> 65	213,037	26,702	361	112,891	352,991
	964,299	**94,865**	**8,162**	**911,944**	**1,979,270**

Fund - 2024 **Age Grouping (in years)**	**In-hospital** **N$'000**	**Chronic** **N$'000**	**HIV Meds** **N$'000**	**Day-to-day** **N$'000**	**Total** **N$'000**
< 26	185,048	4,822	200	179,038	369,108
26 - 35	87,068	4,831	601	104,570	197,070
36 - 50	208,723	21,295	3,303	237,067	470,388
51 - 65	202,989	31,471	3,886	174,204	412,550
> 65	172,195	24,321	311	96,565	293,392
	856,023	**86,740**	**8,301**	**791,444**	**1,742,508**

- In-hospital benefits cover all costs incurred by members whilst they are in hospital to receive treatment for medical conditions.
- Chronic benefits cover the cost of certain prescribed medicines consumed by members for chronic conditions/diseases, such as high blood pressure, cholesterol and asthma.
- Day-to-day benefits cover the cost (up to 100% of the Namibian Association of Medical Aid Fund tariffs) of all out-of hospital medical attention, such as visits to general practitioners and dentists as well as prescribed acute medicines.
- HIV medicine covers the cost of medicine provided to members who are infected with HIV.

The group's strategy seeks diversity to ensure a balanced portfolio and, as such, it is believed that the variability of theoutcome is reduced. The strategy specifies the benefits to be provided by each option and the preferred target market.

For the impact on the surplus and deficit reported please refer to the table with the sensitivity analysis below for the following:

Claims increase / (decrease) **Group and Fund**	**Change in variable**	**Change in LIC** **2025** **N$'000**	**Change in LIC** **2024** **N$'000**
Increase in claims	1 %	1,740	1,504
Decrease in claims	(1)%	(1,740)	(1,504)

Confidence level increase or decrease (base is 65%) **Group and Fund**	**Change in variable**	**Change in LIC** **2025** **N$'000**	**Change in LIC** **2024** **N$'000**
Increase in confidence level to 75%	10 %	718	1,131
Decrease in confidence level to 55%	(10)%	(1,173)	(1,037)

Expense allowance (base is 0.77%) **Group and Fund**	**Change in variable**	**Change in LIC** **2025** **N$'000**	**Change in LIC** **2024** **N$'000**
Increase in expense allowance	1 %	141	115
Decrease in expense allowance	(1)%	(141)	(115)

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Group - 2025

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	1,064,363	-	1,064,363	1,064,363
Trade and other receivables	7	-	336	336	336
Cash and cash equivalents	9	-	93,059	93,059	93,059
		1,064,363	**93,395**	**1,157,758**	**1,157,758**

Group - 2024

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	845,008	-	845,008	845,008
Trade and other receivables	7	-	283	283	283
Cash and cash equivalents	9	-	92,744	92,744	92,744
		845,008	**93,027**	**938,035**	**938,035**

Fund- 2025

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	1,064,363	-	1,064,363	1,064,363
Trade and other receivables	7	-	376	376	376
Cash and cash equivalents	9	-	92,413	92,413	92,413
		1,064,363	**92,789**	**1,157,152**	**1,157,152**

Fund - 2024

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Investments at fair value	8	845,008	-	845,008	845,008
Trade and other receivables	7	-	275	275	275
Cash and cash equivalents	9	-	89,824	89,824	89,824
		845,008	**90,099**	**935,107**	**935,107**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	5,516	5,516	5,516

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	4,962	4,962	4,962

Fund - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	5,433	5,433	5,433

Fund - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	4,901	4,901	4,901

Capital risk management

The group's objectives when managing capital, are to safeguard the group's and fund's ability to continue as a going concern in order to provide benefits for its stakeholders.

Consistent with others in the industry, the group and fund monitors capital on the basis of the reserve level. The reserve level is calculated as Liability to members divided by net contributions. At year-end the group had a reserve level of 42.9% (2024: 34.8%) and the fund had a reserve level of 42.8% (2024: 34.7%).

		Group 2025 N$'000	**Group 2024 N$'000**	**Fund 2025 N$'000**	**Fund 2024 N$'000**
Trade and other payables	12	5,516	5,419	5,433	4,901
Insurance contract liability	13	232,335	200,963	232,335	200,963
Total borrowings		**237,851**	**206,382**	**237,768**	**205,864**
Cash and cash equivalents	9	(93,059)	(92,744)	(92,413)	(89,824)
Net borrowings		**144,792**	**113,638**	**145,355**	**116,040**
Equity	11	930,376	741,649	930,274	740,161
Gearing ratio		16 %	15 %	16 %	16 %

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance and statutory solvency requirements.

The board of trustees has overall responsibility for the establishment and oversight of the group's risk management framework.

The group manages these risks through various risk management processes. These processes have been developed to ensure that the long term investment return on assets supporting the insurance liability is sufficient to fund members' reasonable benefit expectations.

The audit committee has been established by the board of trustees to assist in the implementation and monitoring of these risk management processes.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade and other receivables

Trade and other receivables comprise of other financial receivables. The main component of other receivables is:
- receivables from overpayments to health practitioners due to reversed claims.

The group manages credit risk by:
- deducting the outstanding amounts from claims due to the health practitioner from future claims submitted to the fund.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The group's management does not expect any losses from non-performance by these counter-parties.

Investments:

Counter-parties and cash transactions are limited to high credit quality financial institutions. The group has a policy of limiting the amount of credit exposure to any one financial institution. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk is presented in the table below:

	Group		Fund	
Figures in Namibia Dollar (thousand)	2025	2024	2025	2024
Investments at fair value	1,064,363	845,008	1,063,363	845,008
Cash and cash equivalents	93,059	92,744	92,413	89,824
Trade receivables	336	283	376	275
	1,157,758	**938,035**	**1,156,152**	**935,107**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Cash and cash equivalents:

Cash and cash equivalents are neither past due nor impaired.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counter-party default rate. There have been no instances of counter-party default in the past, therefore the credit quality is assessed as good.

	Group		Fund	
Figures in Namibia Dollar thousand	2025	2024	2025	2024
First National Bank of Namibia Limited (A1+)	93,059	92,744	92,413	89,824

Financial assets measured at fair value through profit and loss is neither past due nor impaired.

The group limits its exposure to credit risk by investing in high quality credit worthy counter-parties. Given these credit ratings, the trustees do not expect any counter-party to fail to meet its obligations. The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about counter-party default rate. There have been no instances of counter-party default in the past, and therefore the credit quality is assessed as good.

Liquidity risk

Liquidity risk is the risk that the fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Trustees, which has built an appropriate liquidity risk management framework for the management of the fund’s short, medium- and long-term funding and liquidity management requirements.

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the group's reputation. Prudent liquidity management implies maintaining sufficient cash and marketable securities, reflected in the table below, the availability of funding through liquid holding cash positions with various financial institutions ensure that the group has the ability to finance its day to day operations.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Group - 2025

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	5,516	5,516	5,516
Insurance contract liability	13	232,335	232,335	232,335
Current assets				
Trade and other receivables	7	336	336	336
Investments at fair value	8	1,064,363	1,064,363	1,064,363
Cash and cash equivalents	9	93,059	93,059	93,059
		1,157,758	**1,157,758**	**1,157,758**
		1,395,609	**1,395,609**	**1,395,609**

Group - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	4,962	4,962	4,962
Insurance contract liability	13	200,963	200,963	200,963
Current assets				
Trade and other receivables	7	283	283	283
Investments at fair value	8	845,008	845,008	845,008
Cash and cash equivalents	9	92,744	92,744	92,744
		938,035	**938,035**	**938,035**
		1,143,960	**1,143,960**	**1,143,960**

Fund - 2025

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	5,433	5,433	5,433
Insurance contract liabilities	13	232,335	232,335	232,335
Current assets				
Trade and other receivables	7	376	376	376
Investments at fair value	8	1,064,363	1,064,363	1,064,363
Cash and cash equivalents	9	92,413	92,413	92,413
		1,157,152	**1,157,152**	**1,157,152**
		1,394,920	**1,394,920**	**1,394,920**

2025 N$ '000
2024 N$ '000

29. Financial instruments and risk management (continued)

Fund - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	4,901	4,901	4,901
Insurance contract liability	13	200,963	200,963	200,963
Current assets				
Trade and other receivables	7	275	275	275
Investments at fair value	8	845,008	845,008	845,008
Cash and cash equivalents	9	89,824	89,824	89,824
		935,107	**935,107**	**935,107**
		1,140,971	**1,140,971**	**1,140,971**

Foreign currency risk

The group operates in Namibia and therefore its cash flows are denominated in Namibian dollar (N$). The exposure to foreign currency movement is not significant as less than 25% of investments are held in a currency other than Namibian Dollar or South African Rand. As the South African Rand and the Namibian Dollar currencies are pegged, investments held in South African Rand do not pose a currency risk.

Interest rate risk

The group's investment policy is to hold a large portion of its investments in interest bearing instruments. The group's income and operating cash flows are therefore substantially influenced by the change in market interest rates. Investments in interest bearing instruments issued at variable rates expose the group to cash flows interest rate risk (i.e. loss of income if the rates decrease and increase in income if they increase). Investments in interest bearing instruments issued at fixed rate expose the scheme to fair value interest rate risk (i.e. movements in interest rates would have a direct effect on the fair value of instruments).

The group is exposed to interest rate risks as it places funds at fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate investments within the group's investment portfolio. The group's insurance and other liabilities are settled within one year and therefore the group does not discount its liabilities and consequently changes in market interest rates would not have a significant effect on the group's surplus or deficit. The same applies to trade and other receivables.

The table summarises the group's exposure to interest rate risk. Included in the table are the group's investments at carrying amounts, categorised by earlier of contractual reprising or maturity dates.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Note	Average effective interest rate 2025	Average effective interest rate 2024	Carrying amount 2025 N$'000	Carrying amount 2024 N$'000
Assets					
Investments at fair value	8	7.26 %	5.98 %	586,834	494,455
Assets					
Cash and cash equivalents	9	4.65 %	5.89 %	93,059	92,744

Fund	Note	Average effective interest rate 2025	Average effective interest rate 2024	Carrying amount 2025 N$'000	Carrying amount 2024 N$'000
Assets					
Investments at fair value	8	7.26 %	5.98 %	586,834	494,455
Assets					
Cash and cash equivalents	9	4.65 %	5.89 %	92,413	89,822

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate of 1%, which is used when reporting on interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period but the calculation has been amended for both the current and prior year.

29. Financial instruments and risk management (continued)

Group & Fund	2025	2025	2024	2024
Increase or decrease in of 100 basis points in the rate	Increase	Decrease	Increase	Decrease
Impact on surplus or deficit: (N$'000):				
Cash and cash equivalents	924	(924)	898	(898)
Financial assets measured at fair value: cash	1,107	(1,107)	1,577	(1,577)
Financial assets measured at fair value: bonds	4,761	(4,761)	3,367	(3,367)
	6,792	**(6,792)**	**5,842**	**(5,842)**

The sensitivity analysis for the Fund is the same as the Group numbers presented above except for the cash and cash equivalents category. An increase/decrease of 100 basis points would have an impact on cash and cash equivalents for the group of N$930,590 (2024: N$927,400).

Price risk

The group is exposed to equity securities price risk because of financial assets held by the group and classified as financial assets at fair value through surplus or deficit. The group's exposure to commodity risk is not considered significant. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio.

Diversification of the portfolio is done by the asset managers in accordance with the mandate set by the group. The majority of the group's equity investments is publicly traded on the JSE (Johannesburg Stock Exchange) and NSX (Namibian Stock Exchange).

The effect of changes in the market on the equity portfolio at the reporting date is shown in the sensitivity analysis below, with all other variables held constant. Accumulated funds would be affected as all financial assets are classified as financial assets at fair value through surplus or deficit.

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group & Fund	2025	2025	2024	2024
Increase or decrease of 10% in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Equity portfolio (N$'000)	15,595	(15,595)	10,886	(10,886)

Investment risk

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

The group's investment objective is to maximise the return on its investment on a long-term basis at minimal risk, subject to any constraints imposed by legislation or the board of trustees, therefore the portfolio of financial assets is managed and its performance evaluated on a fair value basis. The group continues to diversify its investment portfolio by investing in short term deposits, money market instruments, debt securities and equity.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

29. Financial instruments and risk management (continued)

Legal risk

Legal risk is the risk that the group will be exposed to contractual obligations which have not been provided for. At 31 December 2025, the group did not consider there to be any significant concentration of legal risk that had not been provided for in the current or prior year.

30. Going concern

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The trustees believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The trustees are satisfied that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the group. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

31. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that directly affects the fund.

The global economic outlook for 2026 remains uncertain, largely due to heightened geopolitical tensions, particularly in the Middle East. Recent developments have led to significant disruptions in global energy markets, with oil prices increasing sharply following supply constraints and trade route disruptions. This has contributed to renewed inflationary pressures and increased volatility in global financial markets.

For Namibia, as a net importer of fuel and medical supplies, these developments are expected to result in elevated input costs, including higher fuel, transportation, and healthcare-related expenses. Increased inflation may also place pressure on healthcare providers' tariffs, pharmaceutical costs, and overall claims expenditure within the medical aid industry.

In addition, weaker global growth prospects and financial market uncertainty may impact investment returns on the Fund's asset portfolio, while economic strain on members could lead to affordability challenges, potentially affecting contribution income and membership growth.

While the full extent of the impact remains uncertain, the Fund continues to monitor developments closely and assess the potential implications on its financial sustainability, pricing strategies, and risk management framework going forward.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Fund	
	2025 N$ '000	2024 N$ '000	2025 N$ '000	2024 N$ '000

32. Legislative disclosure: Accumulated Surplus / (Deficit)

Included within Insurance Contract Liabilities as presented on the face of the Statement of Financial Position, there is an amount of N$930,376,000 (2024: N$741,649,000) for the group and N$930,274,000 (2024: N$740,161,000) for the fund, relating to the accumulated surplus/ deficit within the fund.

The fund is, as explained in the accounting policy, paragraph 1.7, a mutual entity and is therefore required in terms of IFRS 17: Insurance contracts, to disclose its accumulated surplus as a liability to current and future members. In terms of the fund rules, members have no right to these funds except in the event of liquidation or wind-up and accordingly the Insurance liability due to the members is treated as the Fund's reserves.

This is in line with Sections 26, 30(1)(d) and 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995).

Reconciliation of the surplus / (deficit) of the fund for the year ended		Group		Fund	
Figures in Namibia Dollar thousand	**Note(s)**	2025	2024	2025	2024
Insurance revenue	14	2,225,165	2,130,157	2,225,165	2,130,157
Insruance service expense - Net claims incurred	15	(1,978,664)	(1,742,508)	(1,978,664)	(1,742,508)
Insurance service expense - Attributable expenses incurred	15	(160,535)	(149,255)	(160,535)	(149,255)
Insurance service expense - Managed healthcare services	15	(11,122)	(7,046)	(11,122)	(7,046)
Insurance service result		74,844	231,348	74,844	231,348
Other income - Investment income	18	86,267	59,296	87,518	59,290
Other income - Unrealised gains/ (losses) on financial assets	22	35,115	15,868	35,115	15,868
Other income - Realised gains/ (losses) on financial assets	21	16,453	4,767	16,453	4,767
Other income - Fair value adjustment investment property	5	181	135	-	-
Other income - rental income	19	676	672	-	-
Other expenses - Expenses on other insured benefits	16	(2,223)	(2,205)	(2,223)	(2,205)
Other expenses - Other operating expenses	17	(17,767)	(11,022)	(16,673)	(10,829)
Other expenses - Asset management fees	20	(4,921)	(3,448)	(4,921)	(3,448)
Taxation on subsidiaries	23	102	(132)	-	-
Net Surplus/ (Deficit) for the year in terms of section 33(4)(b) of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995)		**188,727**	**295,279**	**190,113**	**294,791**
IFRS 17 Adjustment: -Amounts attributable to members	15	(188,727)	(295,279)	(190,113)	(294,791)
Net Surplus/ (Deficit) for the year		-	-	-	-

Reconciliation of the accumulated surplus / (deficit) within the fund:

Movement in the regulatory surplus in the fund and movement in liabilities to members	**Group** **N$'000**	**Fund** **N$'000**
Opening balance – 1 January 2024	446,370	445,370
Surplus/(Deficit) and movement in liability to members	295,279	294,791
Closing Balance – 31 December 2024	741,649	740,161
Surplus/(Deficit) for the year and movement in liability to members	188,727	190,113
Closing Balance - 31 December 2025	**930,376**	**930,274**

Supplementary information

	Suplus/(Deficit) per benefit option											
	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
	2025											
Net insurance revenue	184,871	27,974	56,586	14,687	739,675	1,064,626	33,395	31,448	25,404	5,985	40,515	2,225,165
Insurance service expenses	(220,233)	(26,559)	(69,093)	(15,061)	(735,232)	(1,104,619)	(35,446)	(40,234)	(35,183)	(8,955)	(49,820)	(2,340,434)
Insurance services result	(35,362)	1,416	(12,507)	(373)	4,443	(39,993)	(2,051)	(8,785)	(9,779)	(2,971)	(9,306)	(115,270)
Other income	17,477	3,050	4,340	878	43,060	40,882	709	3,719	2,486	3,914	13,651	134,166
Other expenses	(2,461)	(430)	(611)	(124)	(6,064)	(5,758)	(100)	(524)	(350)	(551)	(1,923)	(18,896)
Net surplus / deficit	(20,346)	4,036	(8,778)	381	41,439	(4,869)	(1,442)	(5,590)	(7,643)	392	2,422	0

The supplementary information presented does not form part of the consolidated and separate financial statements and is unaudited

Supplementary information

	Suplus/(Deficit) per benefit option											
	NMC Jade	NMC Opal	NMC Amber	NMC Amber Plus	NMC Ruby	NMC Sapphire	NMC Diamond	NMC Emerald	NMC Emerald Plus	NMC Topaz	NMC Topaz plus	Total
	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000	N$'000
	2024											
Net insurance revenue	162,738	28,806	54,648	11,236	719,775	1,036,601	34,441	28,674	19,294	4,678	29,266	2,130,157
Insurance service expenses	(192,038)	(26,851)	(57,009)	(16,364)	(717,654)	(1,034,348)	(40,019)	(39,888)	(20,789)	(8,591)	(40,048)	(2,193,599)
Insurance services result	(29,300)	1,954	(2,361)	(5,128)	2,122	2,253	(5,578)	(11,214)	(1,496)	(3,912)	(10,782)	(63,442)
Other income	9,831	2,015	2,693	433	27,001	25,583	478	2,184	1,240	2,001	6,466	79,925
Other expenses	(2,027)	(415)	(555)	(89)	(5,569)	(5,276)	(99)	(450)	(256)	(413)	(1,334)	(16,483)
Net surplus / deficit	(21,496)	3,554	(223)	(4,784)	23,554	22,560	(5,199)	(9,480)	(512)	(2,324)	(5,650)	(0)

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