

2024/2025

ANNUAL REPORT

THE FUTURE OF WELLBEING



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **2025 Annual General Meeting (AGM)** of PULAMED will be held at **0900 Hours on Friday 28th November 2025** Virtually (meeting link will be provided in due course), and at **Protea By Marriott Hotel Gaborone Masa Square** for the purpose of transacting and considering the following business and if deemed fit, passing, with or without modification, the following resolutions:

AGENDA:

- ORDINARY BUSINESS**
- To read the Notice convening the meeting and ascertain the quorum required in terms of the Rules of the Fund.
 - ORDINARY RESOLUTION NO.1**
To receive and confirm the Minutes of the previous Annual General Meeting held on 29th November 2024.
 - To receive, consider and adopt the Trustees' Report for the year ended 30th June 2025.
 - ORDINARY RESOLUTION NO.2**
Presentation of Annual Financial Statements and report
RESOLVED THAT, the Audited Annual Financial Statements for the year ended 30th June 2025 together with Trustees' and External Auditor's reports thereon be adopted.
 - ORDINARY RESOLUTION NO.3**
Retirement of Trustees of the Fund
RESOLVED THAT the retirement of the following Trustee is hereby noted:
a) Mr. Anthony Masunga (Co-opted Trustee) – (Resolution 3)
 - ORDINARY RESOLUTION NO.4-6**
Appointment of Trustees of the Fund
RESOLVED THAT the appointment of the following new Trustess as recommended by the board of Trustees is hereby approved:
6.1 Mr. Mmoloki Ramaeaba – (Resolution 4)
6.2 Ms. Ihuoma Benedicta Abosi – (Resolution 5)
6.3 Mr. Sekongo Aldrin Sivako – (Resolution 6)
 - ORDINARY RESOLUTION NO.7**
Remuneration of Trustees
RESOLVED THAT the remuneration paid to Trustees in line with the approved Trustees' fee structure for the year ended 30th June 2025 is hereby approved. (Resolution 7)
- The biographical information of the Trustees to be appointed is included in the Annual General Meeting Report.
- ORDINARY RESOLUTION NO.8-9**
External Auditors
a) RESOLVED THAT the remuneration paid to the independent External Auditors, of the Fund Deloitte & Touche, for the year ended 30th June 2025 is hereby ratified. (Resolution 8)
b) RESOLVED THAT external auditors of the Fund for the ensuing year are hereby appointed. (Resolution 9)
 - ANY OTHER BUSINESS**
To answer any questions put by members in respect of the affairs and the business of the Fund and to transact any other business which may be transacted at an AGM.
 - PROXIES**
A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy, if not completed online, must be emailed to secretary@pulamed.co.bw or deposited at the registered office of the Fund at:
Pulamed Head Office
Plot 74358, Unit 1 (Acacia)
Prime Plaza, Western Commercial Road
New CBD
Gaborone
Proxies must be deposited no later than 1000Hours on Wednesday 26th November 2025. Proxies so not received shall not be accepted on the day of the AGM.
 - ONLINE VOTING FOR RESOLUTIONS**
Online voting will be conducted via a digital platform, and only Members of the Fund who are in good standing may participate and vote. Members will be able to cast their votes via the digital voting platform on the day of the AGM. The link and details to access the digital platforms will be sent to Members in accordance with the AGM procedures.
 - NOTE TO MEMBERS**
A copy of the Annual General Meeting Report together with Proxy Forms will be availed to Members by email and will be accessible at www.pulamed.co.bw.

BY ORDER OF THE BOARD OF TRUSTEES

PROXY 2025

If you cannot attend the **2025 Annual General Meeting (AGM)** of PULA MEDICAL AID FUND to be held at **0900 Hours on Friday 28th November 2025** Virtually via Zoom (link to be provided in due course) and physically at **Protea by Marriott Hotel Gaborone Masa Square** in **Gaborone**, and you are entitled to vote at the Annual General Meeting, you may appoint a proxy to vote on your behalf. This proxy only applies to the Annual General Meeting, and any adjournment of that meeting.

A.YOUR DETAILS

FULL NAMES

MEMBERSHIP NO.

POSTAL ADDRESS

EMAIL

B. WHO DO YOU WANT TO APPOINT AS YOUR PROXY

I appoint as my proxy (tick one box only):

The following person, who is a member of the Fund:

If you want to appoint someone else, give their details. If you do not provide a name, you will be taken to have appointed the Chairman as your proxy.

FULL NAMES

MEMBERSHIP NO.

POSTAL ADDRESS

EMAIL

Chairman of the Annual General Meeting

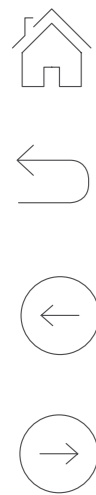
If you appoint the Chairman as your proxy, and direct the Chairman on how to vote, the Chairman must call a poll on that vote and must vote the way you direct.

as my proxy to act for me at the General Meeting which will be held, in addition to considering the ordinary business, for the purpose of considering and if deemed fit, passing with or without modification, the resolutions to be proposed under the special business vote thereat and at each adjournment thereof, and to vote for or against the resolutions and/or abstain from voting in accordance with the following instruction:

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. ORDINARY RESOLUTION 1: Minutes (Approval of the Minutes of the 2024 Pulamed Annual General Meeting held on 29 th November 2024).			



IN CONVERSATION WITH THE CHAIRMAN
THE PRINCIPAL OFFICER'S REFLECTIONS
OUR PERFORMANCE
BUSINESS INNOVATION & PERFORMANCE
STAKEHOLDER GROUPS & ENGAGEMENT
OPERATING LANDSCAPE & OUTLOOK
GOVERNANCE REPORT
FINANCIAL STATEMENTS



	FOR	AGAINST	ABSTAIN
2. ORDINARY RESOLUTION 2: Annual Financial Statements (Approval of the Audited Annual Financial Statements for the year ended 30 th June 2025 together auditor's reports thereon be adopted).			
3. ORDINARY RESOLUTION 3: Retirement of Trustees of the Fund RESOLVED THAT the retirement of the following Trustee is hereby noted: a) Mr. Anthony Masunga (Co-opted Trustee) – (Resolution 3)			
4. ORDINARY RESOLUTION 4-6: Appointment of Trustees of the Fund RESOLVED THAT the appointment of the following new Trustess as recommended by the board of Trustees is hereby approved: NB: Biographical information of the Trustees to be appointed is included in the Annual General Meeting Report.			
4.1 Mr. Mmoloki Ramaeba (Resolution 4)			
4.2 Ms. Ihuoma Benedicta Abosi (Resolution 5)			
4.3 Mr. Sekongo Aldrin Sivako (Resolution 6)			
5. ORDINARY RESOLUTION 7: Trustees' Remuneration RESOLVED THAT the remuneration paid to Trustees in line with the approved Trustees' fee structure for the year ended 30 th June 2025 is hereby approved. (Resolution 7)			
6. ORDINARY RESOLUTION 8: External Auditors RESOLVED THAT the remuneration paid to the independent External Auditors, Deloitte & Touche, of the Fund for the year ended 30 th June 2025 is hereby ratified. (Resolution 8)			
7. ORDINARY RESOLUTION 9: External Auditors RESOLVED THAT Deloitte is hereby appointed as external auditors of the Fund for the ensuing year. (Resolution 9)			

DATE: _____ SIGNATURE: _____

* A proxy nomination shall only be given to a member of the Fund.
 * The instrument appointing such a proxy, if not completed online, must be emailed to secretary@pulamed.co.bw or deposited at the registered office of the Fund no later than **1000 Hours** on **Wednesday 26th November 2025**. Proxies so not received shall not be accepted on the day of the AGM.

Pulamed Head Office
Plot 74358, Unit 1 (Acacia)
Prime Plaza, Western Commercial Road
New CBD
Gaborone

Notes

1. A Member* must insert the names of a proxy of their choice in the space provided, with or without deleting "Chairperson of the AGM". The person so appointed as a proxy must be a Member of the Fund.
 2. A Member's instructions to the proxy must be indicated by the insertion of a tick in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the AGM as they may deem fit in respect of the Member's vote exercisable thereat. However, where the proxy is the Chairperson, failure to comply will be deemed to authorise the proxy to vote in favour of the Resolution.
 3. The instrument appointing such a proxy, if not completed online, must be scanned and emailed to secretary@pulamed.co.bw or deposited at the office of the Fund, no later than 1000Hours on Wednesday 26th November 2024. Proxies so not received shall not be accepted on the day of the AGM.
 4. The completion and lodging of this proxy form will not preclude the relevant Member from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such Member wish to do so.
 5. The Corporate Secretary may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that she is satisfied as to the manner in which the Member concerned wishes to vote.
 6. An instrument of proxy shall be valid for the AGM as well as for any adjournment thereof, unless the contrary is stated thereon.
- *A Member shall bear the same meaning as that given in the Fund Rules (Rule 6.25) to mean a Principal Member.

CLICK HERE
TO NAVIGATE

IN CONVERSATION
WITH THE CHAIRMAN

THE PRINCIPAL
OFFICER'S
REFLECTIONS

OUR
PERFORMANCE

BUSINESS
INNOVATION &
PERFORMANCE

STAKEHOLDER
GROUPS &
ENGAGEMENT

OPERATING
LANDSCAPE &
OUTLOOK

GOVERNANCE
REPORT

FINANCIAL
STATEMENTS

IN CONVERSATION
WITH THE CHAIRMAN

14

THE PRINCIPAL
OFFICER'S
REFLECTIONS

20

OUR
PERFORMANCE

32

BUSINESS
INNOVATION &
PERFORMANCE

32

STAKEHOLDER
GROUPS &
ENGAGEMENT

50

OPERATING
LANDSCAPE &
OUTLOOK

48

GOVERNANCE
REPORT

60

FINANCIAL
STATEMENTS

92

IN THIS REPORT



THE PULAMED JOURNEY

Pula Medical Aid Fund established

Pula Medical Aid Fund is established by a group of mining and private companies to offer medical aid services to their employees.

Bokamoso Private Hospital Joint-Venture with BPOMAS Launches

Bokamoso Private Hospital Joint-Venture with BPOMAS

BPOMAS and Pula Medical Aid Fund agree to build a highly advanced private hospital to provide Batswana with access to quality and accessible private healthcare. The hospital would later be opened to the public by His Excellency President Pohamba of Namibia.

Web-Access (Self Service Tool)

Pula Medical Aid Fund introduces a web portal for all its stakeholders to facilitate self-service. The portal allows members, employer groups and service providers to submit queries, get statements, change contact details, view benefit balances etc. Web access allows the Fund, through its Administrator, to improve client satisfaction, communication and make business seamless and easier.

Introduction of Principal Officer

The position of Principal Officer, as described in rule 6.34, is introduced in November 2014 in conformity with industry best practice.

Preventive Care Benefit

The Fund introduces a preventive screening benefit for members on the Executive and Deluxe options in an effort to move towards preventive approach to healthcare. Screenings available to members and their dependants.

Premium Waiver Benefit

The benefit is introduced to help alleviate the financial cost of medical aid following the passing on of a Principal Member. The cover is for 12 months at no cost to the remaining beneficiaries.

COVID-19 Benefits

On the backdrop of the Covid-19 pandemic, the Fund takes an early lead to providing comprehensive 100% Covid-19 covers including, testing, medication, hospitalisation, Care@Home and other interventions to assist members. Throughout the Covid-19 pandemic, the Fund provides the cover outside of the medical aid benefits.

Covered Members

Fund surpasses 25,000 principal members & 60,000 total lives covered

Chairperson & Trustees

Major changes to the Board of Trustees, First-ever female, takes the chairmanship of the Fund.

Head Office Relocation

Capacitation of the Fund Head Office for better management of the Fund.

1991

2010

2014

2016

2019

2020-2021

2023

2001

2012

2015

2017

2021

2022

2024-2025

HIV /AIDS Disease Management Programme

HIV/AIDS Disease/Benefit Management Program (DMP) in Botswana for Pula Medical Aid Fund. Facilitates Service Provider training on HIV/AIDS treatment and development of the 1st Botswana Treatment Guidelines.

Electronic Data Interchange (EDI)

The Fund introduces a revolutionary technology that enables paperless claims submission transactions to the Fund. EDI has changed the way medical aid administration is carried out in Botswana. To date over 85% of claims are received through EDI, with over 90% of claims paid within 10 days.

PulaBaby Maternity Programme

The Fund introduces a maternity programme for its members to support safe births and to educate mothers and fathers on pregnancy, delivery & childcare.

International Travel Insurance

Pula Medical Aid Fund international travel insurance benefit is introduced for all Executive and Deluxe members.

VISA Funeral Payments

The Fund partnered with Botswana Life Insurance to extend funeral claim payments to Members on a VISA secured platform, through Liferewards card.

Enhancement of Benefits

Pula Medical Aid Fund reviews its Deluxe benefit and enhances the cover from P800,000 to P1.2 million per annum and introduces the Executive Benefit option of P2M.

Introduction of Galaxy and Flexi (Out-patient) options to meet the needs of a younger generation of Batswana.

WhatsApp Business API

This self help chat bot-based solution is introduced to enable access to information online. Members have 24hrs access to services.

Vaccination Site

Pula Medical Aid Fund sets up the biggest Covid-19 vaccination site to assist Government vaccination efforts. The site is free to all members of the public.

Rebranding

The Fund embarks on a rebranding exercise aimed at repositioning Pulamed in the 4th Industrial Revolution.

Pulamed App

Launch of Pulamed mobile, with following features:

- Membership card
- Personal wellness management
- Wellness resources

Membership Communications

Launch of Fund newsletter "Pulamed Pulse"

Growing Social media presence: 24,000 followers on Facebook

Ongoing enhancements of Pulamed App

- Benefit Checker
- Check premium contributions status on account
- Submit claims on app
- Check claims statement



ABOUT THIS REPORT

This Annual Report presents an overview of the performance, activities, and key developments of Pulamed for the financial year ended 30th June 2025. It reflects our continued commitment to transparency, accountability, and the creation of sustainable value for our Members, partners and stakeholders.

The report provides a comprehensive account of our financial performance, operational achievements, and strategic initiatives undertaken during the year.

It also outlines how we have continued to deliver on our mandate of providing affordable, quality healthcare cover to our Members, while ensuring the long-term sustainability of the Fund.

In preparing this report, we have incorporated integrated thinking to demonstrate the interconnectedness of the various operative and functional tenets of the organisation in creating value over the short-, medium- and long-term.

This report is derived from the regulatory universe listed below:

- Non-Bank Financial Institutions Regulatory Authority (NBFIRA) Act
- Trust Property Control Act
- Financial Intelligence Agency (FIA)
- Competition and Consumer Authority Act
- Data Protection Act (DPA)
- Botswana Accountancy Oversight Authority (BAOA)
- Financial Reporting Act of 2020 through the Botswana Accountancy Oversight Authority
- Botswana Medicines Regulatory Authority (BOMRA)
- Corporate Governance Guidelines for Insurers and Reinsurers in Botswana
- King IV™ report on Corporate Governance
- Board Governance Framework
- Pula Medical Aid Fund Rules
- Ministry of Health

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IN THIS REPORT



BACK



PREVIOUS PAGE



NEXT PAGE

Materiality

This report considers material issues, opportunities, achievements and challenges affecting value creation for our stakeholders as we continue to strengthen our systems, enhance service delivery, and innovate to meet the evolving healthcare needs of our Members. The Board of Trustees and management wish to confirm that all the information enclosed in this report was disclosed to the best of their knowledge and in compliance with Botswana laws and best practices.

Forward-looking statements

This report contains certain statements that are forward-looking in nature, including statements regarding the future performance, strategic objectives, plans, initiatives, and outlook of Pulamed. These statements are based

on current expectations, assumptions, and projections about future events that are, by their nature, subject to risks and uncertainties.

Actual results, outcomes, and developments may differ materially from those expressed or implied in such forward-looking statements due to a range of factors, including changes in economic conditions, regulatory developments, healthcare cost trends, and other risks beyond the Fund's control. Readers are therefore cautioned not to place undue reliance on these forward-looking statements, as they are not guarantees of future performance or outcomes.

The Fund undertakes no obligation to update or revise any forward-looking statements, resulting from new information, future

events, or otherwise, except as may be required by applicable law or regulation.

This report is provided for informational purposes only and should not be construed as financial, investment, legal, or other professional advice.

Approval of the annual report

This report was developed, reviewed, compiled and approved by several stakeholders. Following the external audit of the annual financial statements by Deloitte, the Board's Finance, Audit & Risk Committee submitted the annual financial statements to the Board for approval. After careful assessment, the Board verified that this report offers a fair and balanced representation of the Fund's performance.



ABOUT PULAMED

Pula Medical Aid Fund (Pulamed) is a not-for-profit, open medical aid scheme established in 1991 and registered as a Trust. The Fund is owned by its Members and is regulated by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

Today, Pulamed stands as Botswana's fastest-growing and second-largest open medical aid fund, with 64,521 covered lives in total.

Through our appointed Administrator, we are dedicated to providing accessible and high-quality healthcare solutions to individuals and organisations across Botswana.

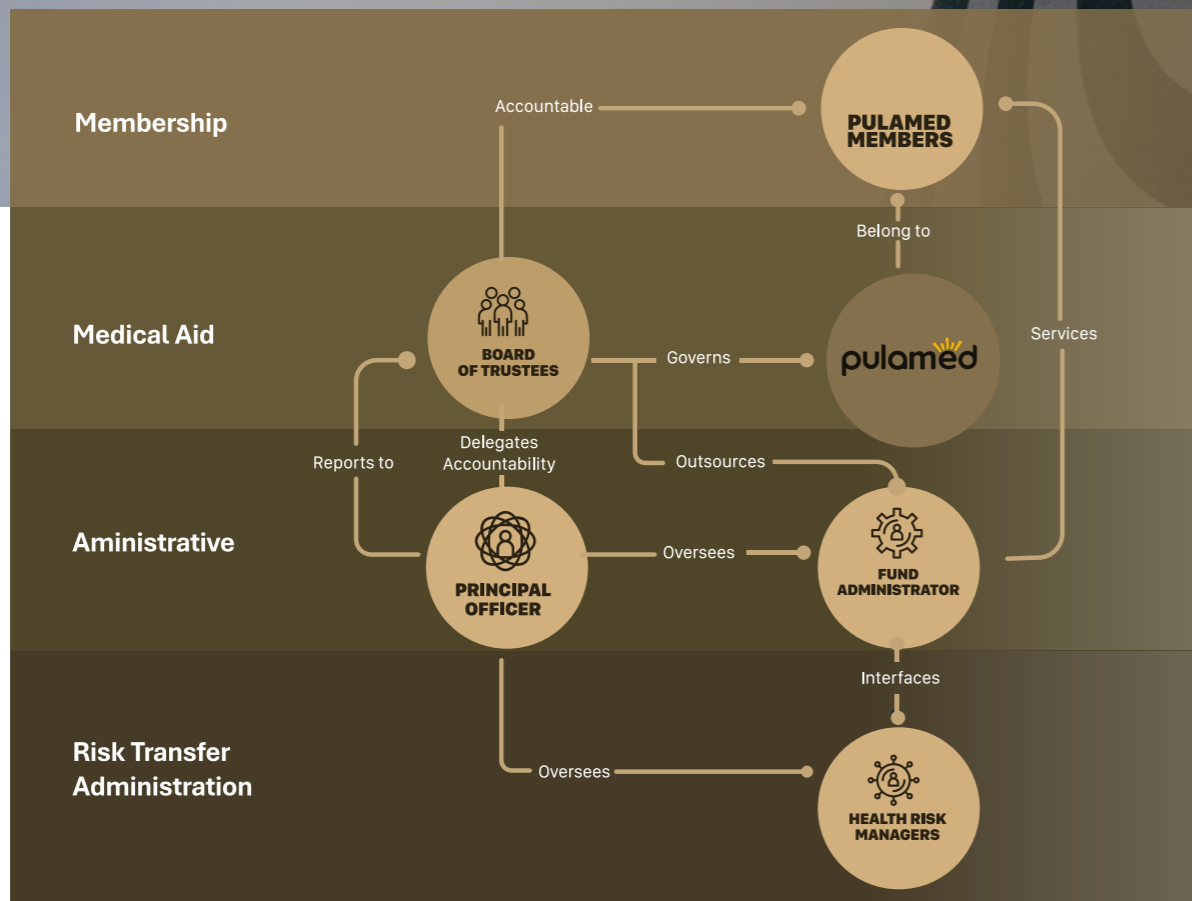
Our people-centred approach ensures that we enable access to healthier living through a wide range of services, including hospitalisation, disease management, outpatient care, and emergency medical services.

Guided by our five core values:

Integrity, Innovation, Transparency, Compassion & Agility

We continuously strive to improve the well-being of our Members and the communities we serve across various sectors, including Mining, Finance, Telecommunications, Tourism, and Parastatals, among others.

OUR STRUCTURE



OUR VALUES

INTEGRITY

We promote and uphold ethical practices in all we do. Every interaction with Members, healthcare partners, and employees is guided by honesty, fairness, and accountability.

INNOVATION

We are driven by the pursuit of continuous improvement. Through modern technology, new benefit structures, and efficient service delivery, we seek better ways to serve our Members and streamline our operations.

TRANSPARENCY

We believe in open and honest communication. Our Members are kept informed about how their medical aid works, how funds are managed, and how decisions are made, ensuring trust at every step.

COMPASSION

We care deeply about our Members' health journeys. Our team takes the time to listen, empathise, and act with kindness, ensuring that Members and staff alike feel supported and valued.

AGILITY

We adapt quickly to changing healthcare needs and market conditions. Our flexible systems and responsive teams ensure that Members experience timely, effective service every time.

Pulamed offers a comprehensive range of health benefit options designed to meet the varied needs of our Members and their families.

Executive

The Executive Health Plan is a top-tier plan that offers the highest level of cover at P 2,300,000 per family per annum. This plan covers a diverse range of benefits from outpatient and inpatient services to value-added benefits such as travel insurance, funeral benefit and preventative care benefit.

Deluxe

The Pulamed Deluxe Health Plan offers a bouquet of benefits with an annual cover of up to P1,400,000 for individual Members and families per annum. This Pulamed flagship option offers comprehensive benefits, ensuring secure cover for you and your loved ones.

Galaxy:

Galaxy offers coverage up to P125,000 for both outpatient and inpatient services. This medium-level option is ideal for small families and younger individuals looking for a basic and affordable health plan option.

Standard:

Our Standard Health plan offers entry-level cover and caters for young people, low -and middle-income earners, and graduates, amongst others. With up to P50,000 in annual benefits for you and your family, you can be assured of basic health care coverage.

Flexi:

Our Flexi health plan is an outpatient plan that offers cover for out-of-hospital services. This flexible plan is suited for students, fresh graduates, interns and other low-income cadres. Members enjoy an annual cover of up to P60,000 per family.

Our Core Purpose

"Enabling access to healthier living."

At Pulamed, we believe that good health is the cornerstone of a fulfilling life. Our purpose is to eliminate barriers to healthcare by offering affordable, reliable, and comprehensive medical cover that empowers individuals and families to live well.

Our Vision

"To be your premier health and wellbeing partner."

We aspire to move beyond the traditional role of a medical aid fund and become a trusted partner in our Members' health and wellness journeys. Through preventive care, wellness education, and collaboration with healthcare providers, we enable Members to make informed decisions and thrive physically, mentally, and financially.



IN CONVERSATION WITH THE CHAIRMAN



MATSHIDISO MATOME

Board Chairman



Our Strategic Initiatives, Areas of Focus and Strategic Outlook & Transition

Pulamed's strategy remains rooted in member-centricity and digital transformation. The Fund is approaching the final trimester of the 2022- 2027 strategy cycle, which is focused on long-term sustainability, ensuring that members contribute today to secure future benefits, espoused by our continued efforts to attract younger members to support this objective.

We believe that healthcare should serve our members as the core value of Pulamed is to care for members who all own an equal share of Pulamed's success.

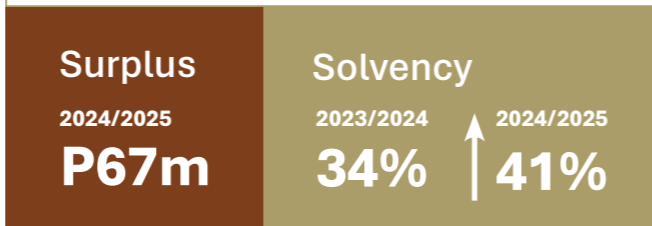
While medical inflation has come in higher than projected, Pulamed's annual contribution increases in the last financial year FY2024/25, remain the lowest in the industry. The ability

On behalf of the Board of Trustees, I am honoured to present the Pulamed report for the financial year ended 30th June 2025. This year marked a pivotal chapter in Pulamed's transformative journey, defined by strategic progress, operational resilience, and a steadfast commitment to excellence, innovation, and improved customer experience.

Performance Overview

The Fund's strong performance surpassed our expectations, and this was largely attributable to robust membership growth - which exceeded industry trends, solid investment returns, and prudent management of operational costs.

Further contributing to the Fund's strong performance, a Fraud, Waste, Abuse and Error (FWAE) programme was implemented to enhance cost containment and ensure funds were used appropriately, resulting in additional savings. These combined efforts have led to a surplus of P67 million, which will bolster reserves. The solvency margin has also improved, rising from 34% last year to 41% this year.



to offer our members value for their contributions and be responsive to their changing needs is essential hence, the Pulamed product offering is under constant review, with enhancements to all benefit options. Improving the quality of healthcare access remains a priority.

Digital transformation is another key area of focus for the Fund. It is aimed at enhancing efficiency and accessibility, thus bringing convenience to the member.

However, recognising the challenges of digitalisation, the Fund has, under the current reporting period, commenced a project to develop an IT Governance Framework to align its IT strategy with broader organisational goals and address cybersecurity risks. The project is expected to complete in Q4 of F2026.

To support strategic execution, the Fund is investing in capacity and capability building, ensuring delivery is ethical and aligned with governance standards. Smart Product Design is also a strategic pillar - an inclusive approach that uses data to refine benefits, develop new products, and explore alternative models to address issues such as excessive out-of-pocket expenses and benefit limits.

As we approach the conclusion of our current strategic period which ends in June 2027, effective from July 2027, a new strategic cycle will commence.

However, the Board's approach to strategy is not static. Each year, we undertake a comprehensive review and recalibration process, assessing our progress against original objectives and adjusting our targets in response to the prevailing environment.

This dynamic approach ensures that we remain cognisant of where we started, where we aim to be, and how external factors - such as pandemics and the macroeconomic environment - may influence our trajectory.

By refining our strategy, we maintain relevance and resilience, ensuring that our long-term goals remain achievable and aligned with member needs.

Looking ahead to the current year and beyond, we anticipate that the Fund's next strategic plan will build on existing foundations rather than represent a significant departure. Because we review and refine our strategy

annually, the transition will be evolutionary and informed by lessons learned and emerging trends.

Our soon-to-end strategy focused on digital transformation, and that remains central to our future direction. We continue to invest in agile systems and innovative tools that empower members to access information and services seamlessly. This includes mobile apps, online portals, wellness monitoring platforms, and loyalty programmes - all designed to enhance member experience and engagement.

As we enter this last phase of the Fund's 2022-2027 strategy and commence preparations for the strategy review in March 2026, we do so, mindful of some major shifts in the environment in which we operate.

The new Government has commenced consultations to reform the Botswana health sector and accelerate the implementation of their promise to the polity - Universal Health Coverage (UHC).

In preparation for UHC, pertinent changes in the primary healthcare system have commenced with the decentralisation of primary health facilities by transferring their functions from the Ministry of Health to the Ministry of Local Government and Traditional Affairs, a change that officially occurred in April 2025.

The Fund remains vigilant to assess the impact the proposed UHC would have on our business model and how we can ensure long-term sustainability of the Fund for the benefit of our members.

There have been legislative changes through the promulgation of the Data Protection Act of 2024, which the Fund is in full motion to implement. There are also much anticipated legislative changes that will come in the form of the Medical Aid Funds Bill 2025 and the Employment & Labour Relations Bill 2025 which were both approved by Parliament in June 2025 and are currently awaiting Presidential Assent. The Fund has proactively started adapting its operations, processes, and systems in anticipation of the legislation. Following a detailed analysis of

necessary Rule amendments, statutory obligations and expected operational changes, the Fund has commenced an in-depth overhaul of the Fund Rules to ensure alignment with various legislative changes.

At Pulamed, we support this move as it improves healthcare through accessible, continuous, and integrated care, while also reducing the burden on more expensive specialist and hospital care.





IN CONVERSATION WITH THE CHAIRMAN
CONTINUED

How We Promote Healthier Living

Member feedback has played a direct role in shaping product development to deliver on our strategic goal of “*Enabling Access to Healthier Living*” at Pulamed. Research indicates that some of the societal drivers that will impact healthcare are a longer-living population and the emergence of transformative technologies with applications across the spectrum.

On the technology side, artificial intelligence (AI) promises to dramatically change everything from the way we develop medicine and treat patients to the business and commercial side of healthcare. Its emergence is the driving force behind many trends from personalised health plans to more accurate early diagnosis of dread diseases. These powerful changes will

shift the focus from reactive to preventive care in the hope of improving healthy living whilst living longer.

The Fund’s benefit design continues to introduce benefits that address current trends and shift from reactive to proactive strategic priorities.

To this end, the Fund’s wellness and preventative care programme has seen a revamp of the preventative care benefit designed to improve accessibility and generate data for future initiatives aimed at promoting healthier living.

Pulamed continues to make health risk assessments and preventative care screenings a core enabler to help care for our members. With the digitalisation journey we have undertaken, we intend to continuously expand our members’ access to

programmes aimed at improving or maintaining their health and wellness by utilising technology and data, powered by AI, to build personalised health pathways. In the next phase of our wellness and preventative care programme, the Fund will focus on meeting individual member needs and promoting the Fund’s screening and prevention benefit.

We believe that a personalised approach to healthcare leads to better patient outcomes and more efficient use of medical resources which will also play an increasingly important role in addressing the healthcare challenges of the future.

How We Ensure Member Growth and Value

Member growth and value at Pulamed are intrinsically linked – we believe that delivering high perceived value drives member satisfaction and retention, which in turn fosters our Fund’s sustainable organic growth and financial stability.

Pulamed’s growth beyond industry averages can be attributed to several key factors. First, the Fund’s benefit structure is designed to deliver full value without restrictive sub-limits, ensuring members can access the services promised.

This approach reflects a philosophy of genuine benefit provision rather than nominal limits. Second, the Fund maintains a transparent and straightforward benefit design, which is particularly appealing to both individuals and corporates.

Our strategies for member growth include:

Strategic Partnerships



we continuously collaborate with healthcare providers and other partners to offer comprehensive and discounted services, bringing affordability to our members with little to no out-of-pocket payment.

to our product offering, including the introduction of:

Preventative Care -
Extend the cover to all benefit options.

Other Medical Services-
Provide greater coverage for mental health and child development

Child Immunisations
- Provide cover for child immunisations for members at private facilities in line with government guidelines.

Effective Communication



our transparent, frequent and clear communication helps members understand and utilise their benefits, reducing confusion and attrition.

Strong Financial Performance:



Long term sustainability is important for the Fund, to maintain a healthy financial status and stable solvency to ensure that the scheme can consistently offer competitive benefits and manage costs. The Fund perpetually strikes a balancing act to ensure that member claims are paid, benefits are enhanced and there are savings for a rainy day.

Maternity Benefit -
Restructure the benefit to cover the cost of disciplines involved during the delivery.

Refractive Eye Surgery

Infertility Benefit

In the current year, benefit limits for chronic and acute medicines were increased, informed by data-driven insights into members’ pain points.

Enhanced engagement with members and employer groups has also played a critical role, allowing the Fund to identify service gaps and collaborate with the administrator to address them effectively.

Improved Member Service:



we continuously aim to provide personal, responsive, and efficient customer service that builds trust and loyalty, encouraging organic growth through positive word-of-mouth.

Targeted Offerings: our diverse product development and benefit enhancement appeal to different demographics ensuring competitive and relevant options.



The Fund’s strengthened financial position has enabled meaningful enhancements to member benefits, guided by a philosophy that recognises evolving healthcare needs and values agility. Over the past two years, surplus gains have supported significant enhancements



IN CONVERSATION WITH THE CHAIRMAN CONTINUED

Governance and Risk Management

Pulamed's Risk Management framework is anchored in compliance with key governance standards, including the King IV Report on Corporate Governance, the Botswana Accountancy Oversight Authority (BAOA), and the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

Operationally, the Finance, Audit and Risk Committee oversees the Fund's risk register, ensuring regular monitoring and the implementation of mitigation strategies, under the accountability of the Board. Economic uncertainty - particularly exchange rate volatility and rising import costs for medicines - has been factored into strategic planning,

given its potential impact on claims and membership growth.

The Board of Trustees continuously respond to shifts in public healthcare policy, such as the Ministry of Health's declared health emergency status and their focus on emergency and non-elective services. These may ultimately increase the risk of misuse and fraudulent practices from members and service providers trying to assist uncovered or ineligible friends and relatives at the expense of the Fund.

In response and in order to safeguard the Fund's sustainability, the Fund has intensified its Fraud, Waste & Abuse or Error (FWAE) programme.

Despite these challenges, the Fund recognises that uncertainty may also present strategic opportunities.

During the year under review, the Fund has had to build in a lot more flexibility into our operations and provided waivers for some employer groups to allow members to shift to lower-tier benefit options during financial hardship - a practice that is otherwise only allowed once per annum in May-June for implementation in July.

Your Fund's Financial Performance and Resilience

Pulamed's surplus increased by 28% year-on-year driven by a combination of robust membership growth, lower than budgeted claims cost due to effective FWAE controls & interventions - and strong investment returns. The

Board's Investment Committee provides oversight of the Fund's investment policy, supported by actuarial scenario modeling that informs strategic decision-making and reinforces long-term resilience.

Pulamed's financial performance has been far better than industry average for a few years now.

Surplus Increase **28%** 2024/2025

Embracing Innovation As We Look Ahead

Pulamed's innovation strategy is evolving as part of its broader digital transformation journey.

Safeguards are being prioritised through the development of an IT Governance Framework, which encompasses cybersecurity, data protection, and strategic alignment - ensuring member information remains secure and in compliance with the Data Protection Act as digital capabilities expand.

Big data analytics already play a central role in informing

benefit design, identifying member pain points, and guiding strategic decisions. For example, data insights are being used to refine the primary care benefit and improve responsiveness to member needs. Oversight of data use and compliance is managed through the Finance, Audit and Risk Committee, the Governance Committee, and a newly appointed Data Protection Officer.

In product development, "smart" design will be defined by relevance, data-driven insights, responsiveness to member needs, and market leadership.

Success will continue to be measured through member feedback, annual customer satisfaction surveys, and input from service providers - who serve as key stakeholders and ambassadors.

Operational efficiency has seen its greatest gains in electronic claims submission, which has steadily improved over time. Increasing member engagement through the App and other digital platforms remains a strategic priority for the coming year, intending to unlock further efficiencies and enhance the overall member experience.

Moving Forward Together

Looking ahead, we remain committed to delivering on our strategic intent while staying responsive to shifts within the healthcare industry.

The anticipated enactment of the Medical Aid Fund Bill is a welcome development and we believe it will elevate service quality for our members and strengthen overall industry performance.

Member experience remains central to our journey, and we will continue refining our approach to bring it closer to the standards our members deserve.

While economic uncertainty poses real challenges, we see it as an opportunity to innovate and evolve. Often, it is in difficult times that the most meaningful progress is made. We are prepared to dig deep, adapt, and continue serving our members with integrity and value.

I would like to extend my heartfelt appreciation to everyone who played a role in Pulamed's progress this past year.

The Board of Trustees served with dedication and expertise, making our governance more efficient and focused. I am especially grateful to the management team, despite the administrative challenges we faced, they went above and beyond to ensure members continued receiving the experience and care they need and deserve.

To our members, thank you for entrusting us with your health and wellbeing. Even when we falter, your patience and support mean everything, and we never take that for granted. Our service providers remain our biggest ambassadors; without them, there would be no medical aid.

They continue to offer valuable feedback, helping us improve and evolve. I also want to acknowledge the time members take to engage with us - whether through interviews, member engagements or surveys. We know it is easy to dismiss another email request, so we truly appreciate every response. Lastly, while our administrator faced challenges, they stepped up when it mattered most, and we commend their renewed commitment to the Fund's success.

As we look to the future, our goal is to deliver the convenience you need and the benefit design you deserve so that you can breathe a sigh of relief and confidently say, Hello Life!

CLICK HERE TO NAVIGATE

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS

THE PRINCIPAL OFFICER'S REFLECTIONS



DR. KHUMOETSILE MAPITSE



Principal Officer

It is my privilege to present this year's Principal Officer's Report, which reflects our ongoing commitment to the Fund's purpose: *enabling access to healthier living through affordable, accessible, and high-quality healthcare services.*

Over the past year, our strategic focus has remained on digital transformation, membership growth, smart product design, sustainability, and stakeholder engagement. These priorities have been guided by our vision to deliver member-centric benefit design that evolves in line with the needs and expectations of our members.

Strategy Performance



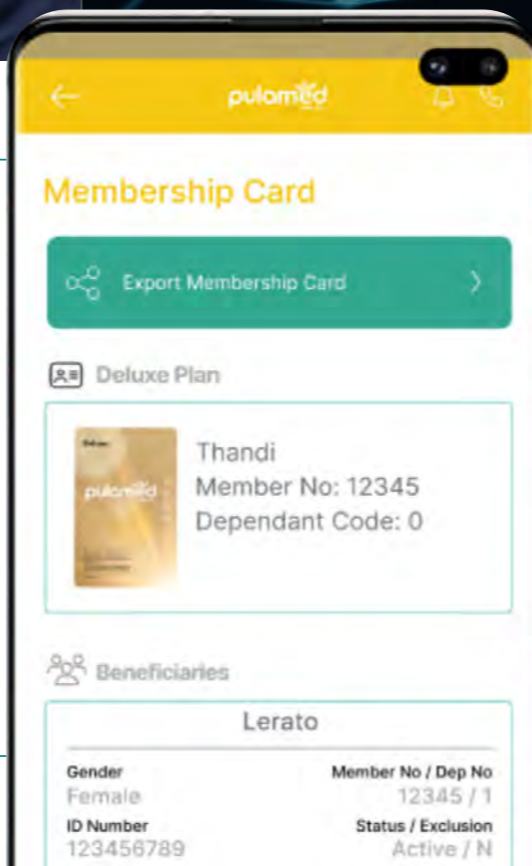
Reflecting on the Past Year

The Fund's strategic direction over the past year was anchored on five key themes: *wellness and preventative care, digital transformation, product leadership, strategic marketing, and a consistent commitment to member-first service delivery.* These pillars guided our operational decisions and shaped our engagement with stakeholders.

In the previous year we successfully launched a Wellness App designed to empower members with tools for proactive health management.

This year we have made targeted enhancements to the App and plan to bolster its uptake through marketing campaigns, ensuring all members are aware of the tools available to them.

Across our service provider network, we achieved greater operational efficiency, particularly through increased electronic data interchange (EDI) claims processing. This not only streamlined administrative workflows but also improved turnaround times for providers and members alike.



Strategy Performance continued

Our marketing and stakeholder engagement initiatives contributed to a notable increase in membership, reflecting the effectiveness of our outreach and the relevance of our value proposition.

We also undertook regular reviews of our benefit offerings, resulting in

enhancements across several areas including increased annual overall limits, increased medicines limits and numerous improvements to the dentistry benefits, to name but a few. These improvements demonstrate our commitment to adapting and refining our benefits in response to the evolving needs of our members.

Throughout the year, we remained focused on delivering strategic value while maintaining agility in our operations. Our approach has consistently prioritised member wellbeing, financial sustainability, and service excellence.



Compliance and Regulations



Compliance remains the cornerstone of our governance framework. Over the years, Evolution of regulations has necessitated the creation of new specialised roles (such as Anti-Money Laundering (AML) Officer and a Data Protection Officer), the upskilling of existing staff, and the adjustment of staffing models to avoid legal penalties and operational disruptions. The Fund believes that proactive workforce planning that considers the evolving regulatory landscape is essential for maintaining compliance, avoiding legal issues, and ensuring a safe and fair workplace.

Looking ahead, we anticipate further regulatory developments that will require additional expertise, including data scientists and business analysts. These roles will be instrumental

in enabling agile responses to member concerns and enhancing our analytical capabilities.

Medical Aid Funds Bill

Among the anticipated regulatory developments is the much-anticipated Medical Aid Funds Bill which was approved by Parliament on 14th July 2025. Medical Aid funds (MAFs) in Botswana have been operating on a waiver letter issued in 2013 by NBFIRA. The Bill provides for the regulation and administration of medical aid funds, and some of the key stakeholder who have not been regulated by NBFIRA including medical aid fund administrators and managed care organisations. However, the general ethos of the Bill is to ensure the protection of members of medical aid funds and enhance financial soundness for the long-term

sustainability of medical aid funds. Key highlights of the Bill include:

Legal Form: Medical Aid Funds will exist only as not-for-profit entities.

Investments: NBFIRA have regulatory oversight over the investments of MAFs including investment classes and general investment models of MAFs.

Medical Aid Brokers: The Bill introduces medical aid brokers in the market - a move that may attract mixed views due to the potential cost implications for members, especially from a cost perspective.

Community Rating: Contributions to the medical aid will not be differentiated on risk factors but rather on income level and family size.

THE PRINCIPAL OFFICER'S REFLECTIONS

C O N T I N U E D

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS

Compliance and Regulations continued

Open Enrolment – The act stipulates that medical aid funds shall not decline cover to a prospective member based on of the risk that they represent (risk is normally determined based on age and disease burden). However, it must be noted that MAFs will continue having rules which may impose waiting periods for cover.

Late Joiner Penalties – to encourage early enrolment for younger lives, members above 35 who have never belonged to an MAF or have not participated in an MAF for an extended period of time will have an additional premium charged as a late joiner penalty. Pulamed's current late joiner penalty starts from the age of 40 years, a position that will change by operation of law to 35 years.

Waiting Periods – medical aid funds may use risk management tools like waiting periods to exclude conditions at the time of joining. However, these waiting periods cannot result in indefinite coverage and there must be a provision for emergency medical treatment for benefits that are insured for.

Essential Health Services Package (EHSP) – medical aid funds will be compelled to provide cover for illnesses or conditions that are prescribed under the EHSP which is determined by the Ministry of Health.

Co-payments – medical aid funds will be allowed to require for their members to pay a co-payment towards the costs of their benefits.

Medical Savings Accounts – Members will have an option for an allocation of up to 25% of their

contributions towards a medical savings account that must be in a separate bank account and can be used exclusively by that member and their dependents for specified day-to-day medical expenses and other medical expenses not covered by their chosen option.

Trustees' tenure – the Bill limits the tenure of trustees to three (3) years up to a maximum of two terms i.e., six (6) years.

Additionally, while the Bill reduces the current trustees' tenure, it also introduces mandatory rotation of trustees to ensure the retention of the right skills, avoid disruption to strategic plans and loss of institutional memory.

The Fund is well-positioned to manage this change and will ensure a smooth succession process.

Employment & Labour Relations Bill

The Employment and Labour Relations Bill No. 10 of 2025 (The Bill) was published in the Government Gazette in early June 2025 and is amongst the bills that were passed by Parliament and are currently awaiting Presidential assent.

The Bill consolidates all three existing employment laws (the Employment Act for contracts and conditions of service; the Trade Unions and Employers' Organisation Act for collective rights; and the Trade Disputes Act for dispute resolution) into a single comprehensive statute with an aim to modernise Botswana's labour law framework. The legislation covers employment status, fixed-term contracts and probation,

discrimination and harassment, leave entitlements, termination and dismissal, dispute resolution, collective bargaining and industrial action, and the powers of the Director of Labour. The Bill will see employers having one central point of reference, which simplifies navigation of the law.

Key highlights of The Bill are:

Employment Status: The legislation focuses on standard employer-employee relationships and introduces a presumption of employment. Specifically, individuals who meet the criteria of control and dependency, even if labelled as 'contractors', are to be treated as employees. Businesses that engage consultants, direct sales agents, or other individuals classified as independent contractors will need to reassess their arrangements. If these individuals meet the control and dependency tests, they may now be deemed employees under the law, requiring reclassification and compliance with employment obligations.

Fixed-term and Probation: Probation is capped at six months and may only be extended in limited circumstances. Termination during probation is valid only if the employee has been informed of their shortcomings and given training or support to improve. Fixed-term contracts are limited to twelve months unless objectively justified. Employees on fixed-term contracts will be entitled to equal treatment with permanent staff. In the event these rules are breached, the contract will be deemed indefinite.

Discrimination and Harassment: The Bill establishes broad anti-discrimination grounds: sex, disability, health status, sexual orientation, pregnancy, political opinion, etc. It also explicitly bans harassment (including sexual harassment). Employers are expected to adopt anti-harassment and diversity policies, train managers and set up complaint mechanisms.

Leave Entitlements: The Bill expands statutory leave entitlements. Maternity leave has been extended to 14 weeks (six weeks before confinement and eight weeks after), with employers required to pay at least 70% of basic pay. The Bill introduces five days of paternity leave; in the unfortunate event that the mother dies or is incapacitated, the father is entitled to the remaining maternity leave. Ten weeks of adoption leave for adopting children under two years of age is also being introduced under the

Bill. Further, the Bill introduces a new entitlement of 20 days of hospitalisation leave, separate from sick leave.

Termination and Dismissal: The Bill broadly defines unfair dismissal, covering dismissal on grounds such as maternity, trade union activity and discrimination. Retrenchments under the Bill will require consultation with employees or their representatives, while constructive dismissal is expressly recognised. The Bill directs employers to follow a fair disciplinary process before dismissal for misconduct or incapacity.

Dispute Resolution: The Bill establishes a single Mediation and Arbitration Commission with enhanced enforcement powers.

Collective Bargaining and Industrial Action: The Bill provides a structured framework by incorporating rights to union recognition, collective bargaining,

and clear rules governing strikes and lockouts directly within the statute.

Powers of the Director of Labour: Labour officers may enter workplaces, inspect records and question both employers and employees. Employers are required to produce wage books, leave registers, contracts and other employment documents upon request. Failure to comply constitutes an offence.

In anticipation of these legislative changes, the Fund has proactively commenced adapting its operations, processes, and systems for compliance with these reforms. Following a detailed analysis of statutory obligations and expected operational changes, the Fund has commenced an in-depth overhaul of the Fund Rules to ensure alignment with various legislative changes.

Access to Healthcare and Enhancing Member Experience



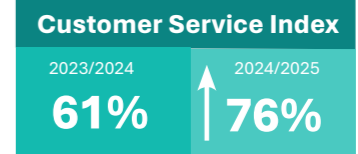
The Fund's purpose - to enable access to healthier living - continues to guide our operations and strategic decisions. In the previous year, we observed a significant increase in the number of members accessing healthcare services, as well as an exponential rise in the number of registered service providers. The introduction of our Wellness App further supported our goal of promoting proactive health management. Membership numbers also increased, and when compared to industry benchmarks, the Fund's growth trajectory was particularly encouraging.

This year, we recorded a 5.3% increase in membership, which

significantly outperforming the industry average of 1.9% over the same period, thus notably outpacing the industry in annualised membership growth over the past five years, which underscores the strength and appeal of our offering. Our weekly claims payment model has also contributed to our success, making us a preferred partner for service providers who value timely and reliable reimbursement.

Despite these achievements, we faced operational challenges that impacted member experience. Administrative crucibles led to delays in member registration and a high volume of escalations to the Principal Officer's office,

resulting in a decline in our Customer Satisfaction Index (CSI) score from 81% to 61% in the last year. In response, we worked closely with our administrators to address these concerns during the current reporting period. These interventions resulted in an improved CSI of 76% as a result of the interventions.



While improvements were made over the course of the year, we acknowledge that pockets of dissatisfaction remain, particularly in areas



THE PRINCIPAL OFFICER'S REFLECTIONS
CONTINUED

Access to Healthcare and Enhancing Member Experience



such as credit control and allocations. We have since launched several initiatives to enhance member experience, including a rejuvenated website, iterative App development, introduction of virtual membership cards, and a newsletter to communicate current issues. We remain committed to improving member experience.

Overall, member experience has declined compared to three years ago. However, we recognise the importance of restoring and

enhancing this experience, and we remain committed to listening to our members and stakeholders alike - learning from their feedback and taking decisive action to ensure that every interaction reflects the values and standards of the Fund.

It is the Fund's intention to ensure that our service continues to improve with each year.

Political and Economic Environment



The broader economic environment remains challenging, particularly due to the downturn in the diamond industry. Diamond mining accounts for approximately 25% of Pulamed's membership portfolio, and the sector's contraction has had a direct impact on the Fund's membership base.

As mining companies rationalise their workforce, we have already seen voluntary separations from the industry and we have mitigation plans in place to retain as many members as possible.

The mining sector plays a critical role in our claims experience and overall sustainability. Its decline is therefore a concern, not only for Pulamed but for the wider economy, which is heavily reliant on diamond revenues.

We are already witnessing delayed contribution payments and organisational downsizing across sectors as a direct effect of the diamond mining sector's current challenges.

The growth of the non-diamond mining sector bodes well for the future, especially the battery-metals mining sector (copper, nickel, manganese, etc) as their products will likely face rapidly

increasing global demand for the foreseeable future, driven by the transition to electric vehicles and green energy technologies across the globe.

Despite these pressures, our surpluses and reserves provide a buffer that enables us to weather economic shocks without compromising member benefits.

We continue to monitor the economic environment closely and are prepared to respond appropriately to emerging risks.



Let us be your partner in achieving your health goals.

For more info visit: www.pulamed.co.bw



PREMIUM WAIVER

15



The Fund assisted **15 families** by continuing to provide their medical aid cover when the principal member passed on during the financial year

PULA BABY

68%



68% of our expectant mothers registered on the PulaBaby maternity program and benefited from all the goodies that come with it.



TRAVEL INSURANCE

3022

policies were issued out during the period under review



FUNERAL BENEFITS

84

claims were paid during the period under review



AVERAGE AGE

28 YEARS

HOSPITAL CLAIMS

11.2%
Y-O-Y increase in Hospital related claims per beneficiary

MEMBERSHIP GROWTH

5%
2025 Y-O-Y membership growth



Your premier health & wellbeing partner



THE PRINCIPAL OFFICER'S REFLECTIONS

CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS



Sustainability

Sustainability remains a core strategic pillar of the Fund. Last year, the Fund exceeded its financial targets due to higher-than-expected contributions, strong membership growth, and lower-than-anticipated claims. As a not-for-profit entity, we reinvest surpluses to provide a buffer for future uncertainties and to strengthen the Fund's solvency ratio.

We recognise that access and sustainability require a careful balance between affordability for members and fair compensation for providers.

Inflation and utilisation have risen faster than contribution increases, resulting in higher out-of-pocket payments for members. We are actively working to mitigate these pressures, including through our Fraud, Waste, Abuse and Error (FWAE) initiatives. Our surplus gives us the flexibility to improve benefits while reducing member costs, always ensuring that reinvestments are made in the interest of members and within solvency limits.

This year, we continued to prioritise sustainability. While COVID-19 initially helped

build reserves, the Fund entered a deficit period post-pandemic.

We have since restored our reserves, which remain critical for covering member claims during periods of uncertainty.

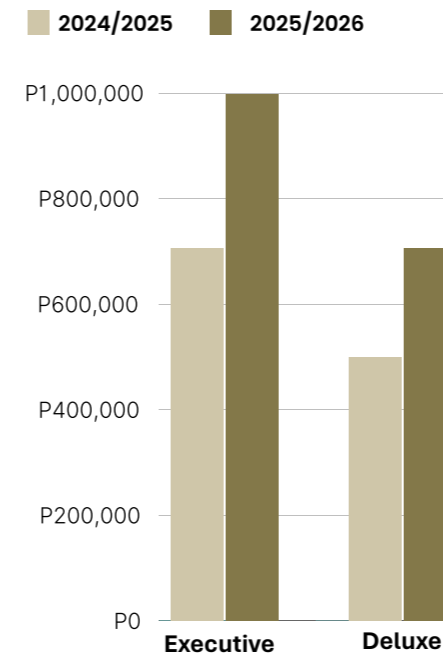
We continuously assess the sources of surplus and adjust benefit limits to ensure that members benefit directly, avoiding excessive surpluses whilst members bear healthcare costs.

For the year under review and to ensure that the member ultimately derives value from surpluses, benefits and limits were revised as follows:

a Annual overall limits have been increased as follows:

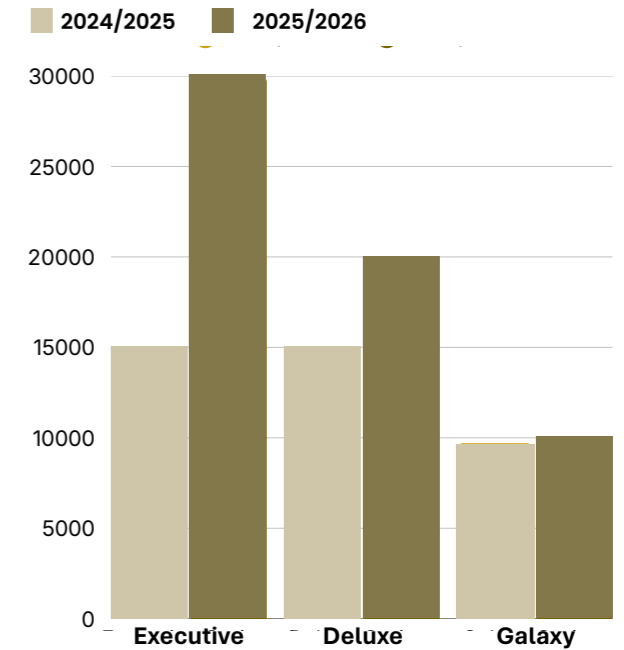
Benefit Option	Current	Revised (1 July 2025)
Executive	BWP 2 million	BWP 2,3 million
Deluxe	BWP 1,2 million	BWP 1,4 million
Galaxy	BWP 100,000	BWP 125,000
Standard	BWP 40,000	BWP 50,000

b **Dread Disease (DD)** - Under Executive, DD has been increased from P700,000 to P1,000,000, whilst Deluxe DD has been increased from P500,000 to P700,000.



c **Psychiatry medicines** - In recognition of the increasing awareness of mental health, the Fund has bolstered its mental health offering. The benefit has been increased to cater for the chronic nature of the treatment as follows:

Executive Option: P15,000 to P30,000
Deluxe Option: P15,000 to P20,000
Galaxy Option: P9,700 to P10,000



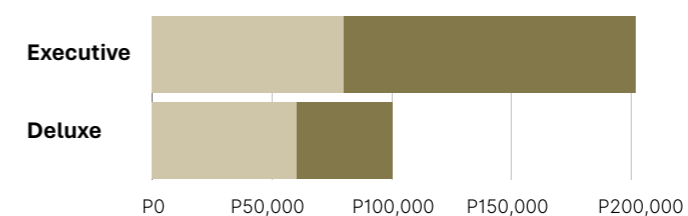
d **Medicine limits** were increased by up to 50% across the different Benefit Options.



e **Specialist Dentistry -** Orthodontics treatment has been removed from specialised dentistry benefit, and launched as a standalone benefit and has been allocated an annual benefit of P30,000 and P20,000 under the Executive and Deluxe benefit options respectively. Furthermore, Specialised dentistry for Executive and Deluxe options have been increased to P20,000 each.

ORTHODONTICS TREATMENT	
EXECUTIVE	P30,000
DELUXE	P20,000

f **Prosthesis benefits** have been increased from P80,000 to P200,000 and from P60,000 to P100,000 for the Executive and Deluxe Options respectively.



g **Hospitalisation benefit** for the Galaxy Benefit Option has been increased from P50,000 to P75,000 per annum.

THE PRINCIPAL OFFICER'S REFLECTIONS

CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS

Sustainability continued

h

100% cover for deliveries (Maternity)

Hello life! As a way of ensuring that members live our slogan and ensuring that Members celebrate the arrival of their babies with no stress of co-payment, expectant mothers are covered 100% for deliveries and are not expected to make any co-payments at the following hospital facilities across the country:

- Bokamoso Private Hospital
- Francistown Academic Hospital
- Riverside Hospital (Francistown)
- Debswana Jwaneng Mine Hospital
- Debswana Orapa Mine Hospital
- Doctors Inn (Maun)
- Maun Private Hospital



Mitigating Rising Healthcare Costs

Rising healthcare costs remain a global challenge, often outpacing contribution growth and placing pressure on both the Fund and its members. These cost pressures threaten access,

affordability, and long-term sustainability across the industry. To address this, we have adopted a multi-pronged strategy which encompasses the following:

Smart Benefit Design

We continue to package benefits in ways that promote cost-efficiency without compromising quality. Last year, we introduced value-based care and global fees in a phased manner, negotiating fixed rates with providers to ensure high-quality care while reducing out-of-pocket payments. This model promotes cost predictability and supports long-term sustainability.

This year, we have remained responsive to member needs and forward-looking in our approach. We are designing benefits that leverage emerging technologies, such as robotics in spinal surgery, which are accessible through international partnerships. For example, members can now access advanced procedures in India at significantly lower costs than locally. We have also redesigned maternity

benefits to eliminate co-payments, ensuring mothers can deliver without financial stress.

Our core objective remains to package benefits in ways that remove hassle for the end user while aligning with industry trends.

Mitigating Risk continued

Preventative Care and Chronic Disease Management

Prevention is a key aspect of controlling long-term healthcare costs. Our Wellness App enables members to input data, track trends, and access resources that support healthy lifestyles. The Wellness App was developed as part of a broader digital toolkit aimed at supporting members on their wellness journey. The App enables members to capture their vital signs and results and tracks trends over time, providing insights and information on how to live a healthy and fulfilling lifestyle. In the coming months, members will see a lot more promotions on healthy living and activity on the App.

Since its rollout, the uptake has been lower than anticipated - partly due to limited features that were available at the time of launch. Recognising that having an App is not enough without meaningful engagement, the Fund accelerated the development and release of other features

to realise the fullness of the Fund's "medical aid in your pocket". **Hello Life!** The Fund's focus is now to shift towards promotion and positioning to drive member awareness and utilisation. In F2026, there are targeted efforts to relaunch and promote the App and its associated tools, ensuring members understand its value and use it as intended.

Chronic diseases remain the leading cause of morbidity across the country, and our members are no exception. Hence we have invested in active screening, surveillance, and early detection programmes to improve health outcomes and reduce financial burden on them.

Our disease management programme remains active, with preventative care benefits embedded across all options.

The Fund's chronicity has remained stable at 9% over the past few years and we continue to encourage members with chronic conditions to register for enhanced management and support.

CLICK HERE 

- 1 Download the Chronic Medication form from https://pulamed.co.bw/sites/default/files/documents/AFA_Chronic_Disease.pdf
- 2 Complete the form with your doctor
- 3 Read the privacy notice to understand the purpose of processing your personal data
- 4 Email the completed form to managedcaredepartment@afa.co.bw

Fraud, Waste, Abuse or Error (FWAE)

Fraud, waste and abuse undermine the sustainability of healthcare funding. It has been established that globally fraud, waste, abuse or error (FWAE) costs constitute 10 – 20% of all healthcare costs, it is therefore important that FWAE is minimised to reduce the burden of healthcare funding on the member. To mitigate against rising healthcare costs, Pulamed has to ensure that only legitimate healthcare costs are reimbursed. To this end, we have a dedicated FWAE unit to detect, monitor,

investigate, and recommend sanctions. Unfortunately, FWAE is sometimes committed by members and practitioners, occasionally in collusion. It is a serious offence that can result in termination of membership or criminal charges. To date, the Fund has issued sanctions and made recoveries from perpetrators and continues to encourage members to report FWAE through the established anonymous whistleblower channels.

Report Fraud, Waste & Abuse

+267 8004 800 129

(Toll free for BTC Landline and Mobile Network)

+27 31 308 4668

(International Call Rates Apply)

Report online at www.whistleblowing.co.za

Email to fraud@whistleblowing.co.bw

Download "Whistle Blower" APP

+27 81 55 55 201 or

Chatbot **+27 31 308 4664**



THE PRINCIPAL OFFICER'S REFLECTIONS

CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

Mitigating Risk continued

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS



Fraud, Waste, Abuse or Error (FWAE) continued

We have enhanced our FWAE capabilities by equipping the unit with software and algorithms that identify suspicious payment patterns. This has enabled us to detect and recover funds from abusive or possibly fraudulent claims, particularly among service providers. These efforts have helped to mitigate the rising level of claims and protect member resources. Furthermore, the Fund continues to, through its FWAE

unit, educate law enforcement officers about medical aid and the patterns and effects of FWAE on public funds.

Healthcare is complex and specialised and as such the administration of pre-authorisation and claims processing require specialised skills. In such instances, Pulamed engages specialised health risk managers to manage specialised disciplines, e.g., dental,

pathology and radiology, and emergency medical services.

These partnerships form part of a broader strategy to safeguard benefit integrity and promote sustainable healthcare delivery for the long-term benefit of our members.

Talent Acquisition & Retention

To support and enhance our digital solutions and support our digital transformation strategy, we require suitably skilled and engaged employees together with a robust succession pipeline. Over the past year, the Fund has continued to strengthen its internal capacity. A key component of our strategy has been the expansion of our marketing and sales functions, which has directly contributed to our growth in membership and brand visibility.

We have also expanded our business development team, ensuring that we continue to innovate and revamp

our product offering for the benefit of our members. This investment in human capital reflects our commitment to operational excellence and long-term sustainability.

We continue to provide learning and development opportunities to all employees to ensure that their skill sets remain relevant and up to date. However, this also means that our employees are in high demand among competitors. Losing employees in critical positions remains a key risk, and there is a market shortage in overall experienced medical aid staff. A threat to staffing remains in areas of data, cybersecurity, risk and

compliance skills, in particular. In response, we continuously engage with the Board on how best to review and revise our employee value proposition.

A significant number of our workforce are young people, so we continuously aim to create a work environment conducive to the youth and those starting families, thus putting our people first and empowering solutionist thinking.

We remain committed to staying ahead of industry trends and developing new strategies that deliver maximum value to our members. We do this by engaging with stakeholders, monitoring global and regional healthcare developments, and leveraging data analytics and artificial intelligence. Our current strategic cycle runs until 30 June 2027, with digital transformation as its anchor. We intend to increase brand presence and make Pulamed a household name through member education drives, enhanced marketing, and engagement via newsletters and social media. Our future strategy will be centred on simplicity and customer experience, making a positive impact through everything we do.

In Conclusion

I wish to express my sincere gratitude to the Board, the Pulamed team, our partners, and service providers for their contributions to another year of progress. These achievements are a testament to our collective efforts and dedication to ensuring that Pulamed remains a leader in accessible, high-quality healthcare in Botswana.

Above all, I thank our members, who remain at the centre of everything we do. We reaffirm our commitment to delivering benefits and services of the highest quality, with empathy, integrity, and strategic foresight.





OUR PERFORMANCE

The past financial year has marked significant strides for Pulamed, reflecting our commitment to prudent financial management, membership growth, and cost containment amidst a challenging economic environment. Our performance underscores the effectiveness of our strategies in claims management, membership expansion, and disciplined investment.

FINANCIAL PERFORMANCE OVERVIEW

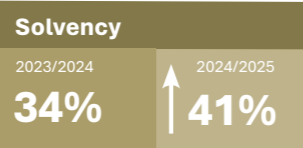
As a not-for-profit organisation, our primary objective is not the accumulation of surpluses, but rather to generate sufficient revenue to support our members, while prudently saving for unforeseen circumstances, as exemplified during the COVID-19 years.

A financial year like this one presents an opportunity to strengthen the Fund's reserves and ensure continued sustainability. Pulamed achieved substantial financial gains this year, with a surplus (transfer to liability to future members) of BWP 67 million. The performance was driven by exceptional average growth in membership. Further, this excellent financial performance has been underpinned by improved efficiencies in claims management, cost management and fraud, waste and abuse management.

The Fund closed the year at a solvency of 41%, up from 34% the prior year. The investments performed significantly well, contributing 31% to the surplus.

The Fund's revised investment mandate continues to deliver exceptional returns driven mostly by our investments in offshore markets. We continue to sustain a strong liquidity position,

endowed with substantial resources to fulfil our obligations as and when they arise.



MEMBERSHIP GROWTH AND REVENUE EXPANSION

Pulamed recorded a year-on-year contribution income increase of 14%. The increase was largely driven by membership growth and the member demographics per benefit option.

COST CONTAINMENT INITIATIVES

In the prior year, the Fund renegotiated numerous service contracts, leveraging long-term partnerships to improve terms that maximise member value. These adjustments continue to not only reduce operational costs but also enhance the quality of member services without imposing additional expenses. Our operating cost-to-income ratio was maintained at 5% year on year. The total non-healthcare costs were 11.5% of revenue.

CLAIMS COST MANAGEMENT

The containment of claims costs remains a focal point in order to ensure the Fund's sustainability, and our strategy includes exploring partnerships with other funders to collaboratively address fraud, wastage and inefficiencies.

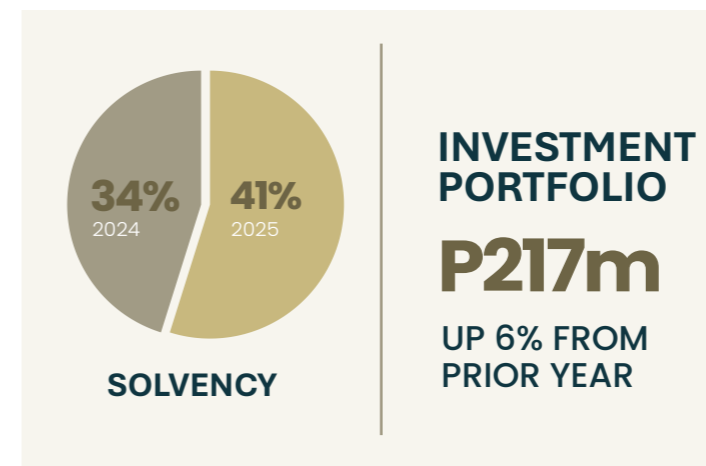
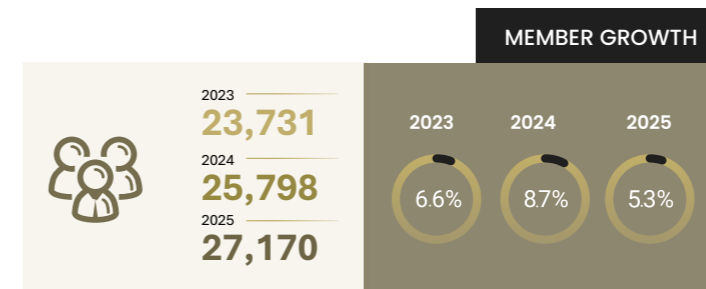
This industry-wide approach and collaboration through the Health Funders Association of Botswana (HFAB) will help us manage healthcare inflation and support overall Fund sustainability.

The Fund's health risk managers continue to engage with service providers to ensure best outcomes for members and mitigate against FWAE.

The contained claims costs are a result of these efforts. Our claims ratio closed the financial year at 81%, which is within our strategic range.

FINANCIAL HIGHLIGHTS

	2023	2024	2025
CLAIMS RATIO	91%	81%	81%
ADMINISTRATION & MANAGED CARE COSTS	5%	7%	7%
MEMBER RELATED EXPENSES	2%	2%	1%
NET SURPLUS RATIO	0.2%	9%	10%
NON-HEALTHCARE COSTS TO INCOME RATIO	10%	12%	12%



IFRS 17

The Fund is presenting its Financial Statements in alignment with IFRS 17 – Insurance Contracts, an International Financial Reporting Standard for insurance contracts. The standard was adopted for the first time in the prior year, introducing changes to how the Fund reports its financial results, with a primary goal of enhancing transparency and consistency in financial reporting. The financials present a more structured approach to reporting insurance-related revenues, expenses, and liabilities, allowing stakeholders, especially the Members to gain a clearer understanding of the performance and financial position of the Fund.

Looking Forward- Goals For F2026 and Beyond

The Fund is in a healthy position as evidenced by the financial results. Pulamed's goals for the upcoming year and beyond focus on sustainability and access to high-quality care through prudent financial management to building on our financial successes, further enhancing member experience, and deepening our digital transformation.

Our long-term financial strategy is forward-looking, with a vision extending up to 10 years into the future. This approach enables us to project our financial position beyond two strategic periods, ensuring that the investment decisions made today contribute to our sustained financial stability a decade from now. Given the balance of reserves, availability of liquid and quality investments (credit wise), the Fund will be able to meet its obligations as they fall due.



BUSINESS INNOVATION AND PERFORMANCE

Overview

Pulamed achieved above-average membership growth through strategic initiatives and expanded into new industries. The Fund strengthened stakeholder relationships and improved satisfaction by enhancing products and services, investing in digital transformation, and addressing operational challenges. Continued focus on innovation and digital adoption positions Pulamed for sustained growth and improved healthcare delivery.

Membership Growth and Strategic Expansion

Pulamed recorded a steady 5.3% increase in membership this year, with Principal members and beneficiaries standing at 27,170 and 64,521, respectively. While the growth was not as significant as the 8.7% in the previous year, it was above the industry average of 1.9%.



5.3%
MEMBERSHIP INCREASE

27,170
PRINCIPAL MEMBERS

64,521
BENEFICIARIES

The Fund continued to enjoy the dividend of its multipronged growth strategy of enhanced membership education, consistent and proactive employer group engagement, along with innovative brand-building initiatives, driven in the main by our exceptional team of specialised member-centric sales executives.

Consequently, Pulamed experienced growth in various industries, including banking, mining and professional services; spaces that were previously dominated by our core competitors. Additionally, the Fund registered organic growth within its existing employer groups.

Strengthening the Tripartite Model: Provider, Member, and Fund

Pulamed employs a tripartite model for delivering seamless experiences for its stakeholders. The Fund, in concert with the service providers and members, ensures that there are sufficient resources for improved healthcare outcomes through both preventative and curative approaches, with extensive information dissemination, knowledge sharing, and collaborative relations among stakeholders as foundational principles.

Service providers, as the first point of wellness contact for members, function as an extension of the brand. As such, tireless efforts have been made to ensure that their service delivery is in lockstep with our strategic aims and aligned with our benefit offering to

guarantee world-class outcomes for our members.

To this end, the notable improvements in both the service provider satisfaction index (76%) and the customer satisfaction index (76%) over the reporting period serve as testament to the tireless efforts that the Fund has made to improve relations with its core stakeholders, resulting in a 16.9% improvement in the Loyalty index. While the results were positive, the Fund continues to engage with members and to gain a granular appreciation of the challenges that they are experiencing and translate those into opportunities for improved products and service suites that lead to greater retention and growth.

Product Development and Service Enhancements

Our members have needs and desires that are constantly changing, and it is incumbent on us as a wellness partner to recognise these needs and evolve our value proposition to respond accordingly. Over the reporting period, the Fund introduced and enhanced the following products aimed at addressing specific healthcare concerns and improving the overall member experience:

- **Annual overall limits increase across all benefit options**
- **Increases in Dread Disease limits for the Executive & Deluxe benefit options**
- **Repackaged and increased limits on prescribed medicines**

- **Removal of prescription requirement for over-the-counter medicines**
- **Increased limits for chronic medicines across benefit options**
- **Increased limits for psychiatric medicines**
- **Standalone benefits of orthodontic treatment & specialised dentistry, and increased limits for both**
- **Increased limits for internal prosthesis**
- **Increased hospitalisation limit for the Galaxy option**
- **100% cover for maternity, etc.**

Details of these enhancements and new introductions are contained in the product brochures and other communication media.

Work is ongoing on the design of a new, potentially budget-friendly, benefit option, intended to offer flexibility to members by expanding choices, including the use of designated service provider (DSP) networks.

Digital Transformation and Technological Innovation

The Fund has an unwavering commitment to innovation, and we are confident that we are transitioning well into a fully digital medical aid provider. Considerable investments in advanced digital platforms and tools meant to enhance service accessibility, optimise operational processes, and significantly reduce reliance on conventional infrastructure have been made over the reporting period. We invite all stakeholders to actively engage

with these new digital solutions and embrace the opportunities they present, as we work together to deliver exceptional value and improved healthcare outcomes for our members.

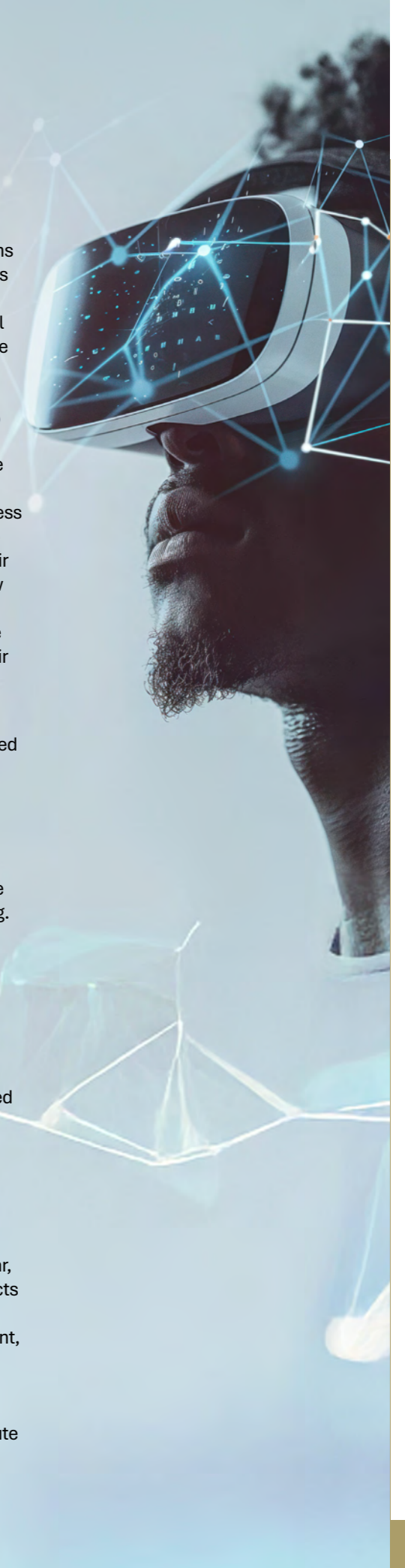
Pulamed Wellness App

The cornerstone feature of the Fund's digital transformation journey is the Pulamed Wellness App. The app was designed to allow members to access their virtual membership card, view their benefits, track claims, view statements, and manage their profiles directly from their mobile devices.

Several new features and enhancements were introduced over the reporting period. The app now provides a complete Medical Aid In Your Pocket (MAIYP) experience! We encourage members to download the app and explore our new and improved offering.

Webinars and Online Education

To support the ongoing education of both members and service providers, Pulamed has embraced a digital-first approach to engagement, primarily through webinars. These sessions are carefully curated to address topics of immediate relevance and importance. Over the past year, webinars have covered subjects such as ICD coding, fraud prevention, waste management, and the evolution of medical aid. By participating in these sessions, stakeholders gain valuable insights that contribute to more effective service interactions and improved overall engagement.



BUSINESS INNOVATION AND PERFORMANCE

C O N T I N U E D

Addressing Operational Challenges and Learning from Pain Points

Over the reporting period, several operational challenges were identified through stakeholder feedback assessments. Key issues include slow turnaround times for query resolution, difficulties accessing the call centre, non-responsiveness to communications, late and inaccurate billing, poor communication regarding membership termination, and the absence of dedicated relationship managers for employer groups.

The Fund has responded to these concerns by engaging with its administrator (AFA), increasing call centre capacity, hiring additional finance staff, and implementing new processes for member

engagement prior to termination.

These efforts have already led to measurable improvements in service delivery and reduced complaints in several areas.

Expanding Digital Adoption

Pulamed is resolute in its mission to become the leading medical aid provider through the optimisation of digitalisation. We will ensure that members actively engage with our digital platforms, delivering a streamlined, efficient, and modern healthcare experience that fully meets the demands of today's digital landscape.

Maintaining Steady Membership Growth

As we endeavour to establish Pulamed as the premier medical

aid provider, we recognise that sustainable growth is fundamental to reinforcing our market position. Such growth enables us to invest strategically in new services, advanced technologies, and innovative product offerings, while ensuring that we remain agile and responsive to evolving needs.

We are committed to improving member experience, addressing any disruptions, and enhancing service delivery across all touchpoints, by among others, refining our call centre operations, optimising our digital platforms, and expanding member education.

This is an intentional strategic imperative aimed at restoring and elevating the member experience.



CREATING STAKEHOLDER VALUE

Overview

Pulamed's success in fulfilling its mission depends on active, transparent, and meaningful engagements with stakeholders. Our stakeholders include a diverse array of individuals and organisations - Members, employees, regulatory bodies, service providers, Government agencies, industry partners, and the communities we serve. Their impact on our operations, product offerings, and service delivery is profound, and we are committed to building relationships that generate mutual value and drive positive outcomes.

Our stakeholder engagements are built upon guiding principles that reflect a responsive and locally sensitive approach.

Guidelines have been developed for stakeholder engagements to facilitate structured, meaningful conversations. We endeavour to engage constructively, ensuring that all interactions reflect our commitment to transparency, ethical standards, and accountability

The Value of Proactive Engagement

Active engagements with stakeholders enable Pulamed to gather essential insights that influence our strategic direction, identify priority concerns, and develop responses that enhance service delivery.

In FY 2024/25, stakeholder feedback informed key discussions at executive and board levels, addressing topics such as:

- Regulatory developments, including compliance with the Data Protection Act
- The drive towards improving Universal Health Coverage (UHC) through the introduction of the National Health Insurance (NHI)
- The shrinking economy
- Our commitment to supporting Members amid challenging economic conditions, characterised by job losses

- Adaptability in a rapidly evolving marketplace with shifting client expectations
- Increased cyber threats and the importance of robust digital security
- Health, safety, and wellness priorities for Pulamed's Members
- Digital transformation to enhance client experience and strengthen digital transaction reliability.

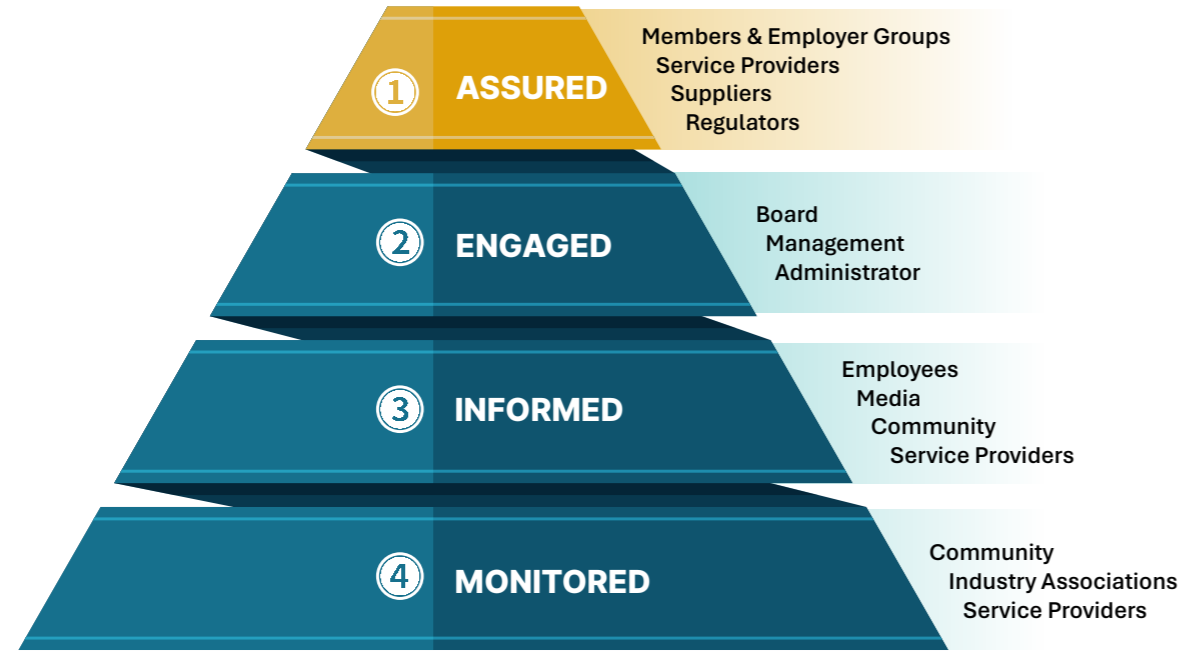
Through this multifaceted engagement framework, Pulamed addresses stakeholder expectations sustainably, reinforcing our commitment to responsible and responsive operations.

Travel Insurance

Get covered up to 25 million Pula, wherever you go, for peace of mind.

- IN CONVERSATION WITH THE CHAIRMAN
- THE PRINCIPAL OFFICER'S REFLECTIONS
- OUR PERFORMANCE
- BUSINESS INNOVATION & PERFORMANCE
- STAKEHOLDER GROUPS & ENGAGEMENT
- OPERATING LANDSCAPE & OUTLOOK
- GOVERNANCE REPORT
- FINANCIAL STATEMENTS

STAKEHOLDER GROUPS AND ENGAGEMENT



Members

Expectations, Needs & Concerns

1. Members need consistent, convenient and accessible healthcare services.
2. Members require reliability on the part of the scheme to honour and pay claims
3. Members expect the scheme to have relevant and sufficient benefits to match their healthcare needs
4. Members want to stay informed of developments within their scheme.

Engagement

Members need consistent, convenient and accessible healthcare services.

During the year under review, members were able to interact with the Fund through the numerous channels including via the call centre, social media and the mobile app and through participation in member surveys.

The Fund also interacts with members at planned wellness days and stakeholder engagement seminars. During the year, the

Principal Officer hosted town hall meetings in Maun, Letlhakane, Palapye, Gaborone and Jwaneng. These interactions were further intensified when the Fund turned to virtual and electronic means to supplement communications of pertinent updates to its members.

These included the introduction of:

a) A monthly newsletter (Pulamed Pulse) that communicates information ranging from product knowledge, processes and other appropriate information.

b) 12-week-long radio campaign on Gabz FM & RB2, focused on unpacking Pulamed's products and processes (each session was recorded and availed on Facebook for wider access).



Government Regulators – NBFIRA & MoH

Expectations, Needs & Concerns

1. Regulators expect compliance and proactive collaboration in matters of healthcare
2. Regulators also require good Corporate Governance and adherence to regulatory requirements

Engagement

Pulamed engages Regulators on an ongoing basis for dialogue and guidance of compliance. The Fund also participate in conversations of national importance aimed at improving policies of the healthcare sector.

During the year under review, Pulamed has continued to engage extensively with various functionaries of government such as NBFIRA, the Ministry of Health and the Data Protection Commissioner. The focus of engagements was compliance with the Data Protection Act, and also on consultative meetings with the

Ministry of Health on the National Health Insurance (NHI). On the latter, Pulamed, through the Health Funders Association of Botswana (HFAB), and the Healthcare sector of Business Botswana, submitted a position paper on the ensuing national conversation on NHI.



STAKEHOLDER GROUPS AND ENGAGEMENT
CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS



Employees

Expectations, Needs & Concerns

1. Employees expect alignment with the Fund strategy
2. Employees also expect job security, appropriate reward and recognition
3. Employees also expect development and growth opportunities.

Engagement

Employees are continuously engaged to ensure alignment with the Fund's strategic objectives. The Fund reviews its employee value proposition on an ongoing basis to ensure it is current and relevant to the evolving employee needs

The Fund engages with employees through a range of platforms, both formal and informal. The formal platforms include regular staff meetings, regular performance management discussions and employee engagements surveys. On the other hand, informally, employees get time out of office to bond

during team building exercises and wellness days, which promote celebration of diversity & inclusion and wellness respectively.

During the year under review, most employees have undergone some specific developmental training, as deemed appropriate. Moreover,

some have gone through the Stellenbosch Management Development programme, as part of talent management and succession planning roadmaps. The Fund continues to update the employee value proposition to ensure it evolves with the employee needs.



Expectations, Needs & Concerns

Suppliers want ethical procurement practices, with equal opportunities. They also expect clear contractual terms, whilst the Fund expects compliance to SLAs

Engagement

We engage to ensure the Fund gets delivery of high quality service underpinned by robust contract management and compliance with SLAs



Suppliers

Engagement with our suppliers ensures the seamless delivery of high-quality services for the Fund. Some of the key suppliers or contractors of the Fund include the following:

Associated Fund Administrators (AFA) – AFA is an independent administrator and managed care provider for medical aid schemes in Botswana. Administrator provides scheme administration and managed care services to the Fund and their performance is monitored through a Service Level Agreement. There are regular monthly operational meetings between AFA and the Fund office and quarterly meetings with the Board of Trustees and its Sub-Committees. AFA provides the Fund with a Pharmaceutical Benefit Management (PBM) service, where they negotiate better tariffs for medicines to attain the Fund's aim of managing long-term affordability of contributions for our members in the face of high healthcare inflation.

BIFM (Asset Managers and Investment Consultants) – Botswana Insurance Fund Management (BIFM) is the Fund's asset manager and AlexForbes Consulting is the investment consultant. The Board of Trustees approved an investment strategy that optimises return on investments and targets a real return of CPI + 3%. The revised investment portfolio is appropriately diversified, in line with the Pulamed Investment Policy Document whilst ensuring that there is sufficient liquidity within the asset allocation to meet claims and other liabilities as they fall due.

Insight Actuarial Solutions – are engaged to provide actuarial services to the Fund. The actuaries interact with the administrator and the Fund office on an ongoing basis and attend all scheduled quarterly Board meetings. Insight has been instrumental in providing modelling and insights to the Fund to allow it to better plan and improve its benefit offerings.

Health Risk Managers - in certain specialised clinical disciplines, the Fund and the Administrator may not have the necessary skills to adjudicate claims and monitor potential fraud, waste and abuse to the extent that specialised health risk managers are able to adjudicate such claims. In such instances, the Fund opts to transfer the risk to such independent organisations with a view to protect the scheme's funds. The following health risk managers have been appointed by the Fund to provide various health risk management services:

Supplementary Health Services Botswana(SHSB) – provides dental risk management

Verimed Health Group – provides radiology and pathology benefit management

Emergency Assist991 – provides emergency medical services



STAKEHOLDER GROUPS AND ENGAGEMENT

CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS



Industry Bodies

Expectations, Needs & Concerns

Pulamed is expected to participate and make inputs into the affairs of the industry and help in the formulation of policies and best practices

Engagement

We engage through participation at industry meetings, workshops, conferences and other industry forums.

Engagement with bodies like the Board of Healthcare Funders (BHF) and the Health Funders Association of Botswana (HFAB) helps Pulamed stay aligned with industry best practices, regulations, and emerging trends. The Fund participates in the affairs of these organisations with its peers through meetings, conferences

and workshops. These engagements help Pulamed to keep up to date with global healthcare developments and innovation. The Fund also gets to make inputs into advocacy initiatives for healthcare law and policy, that shape the medical aid space.

For instance, during the year, Pulamed, through HFAB, made

submissions towards the Medical Aid Funds Bill through engagements with NBFIRA, Ministry of Health and Ministry of Finance.

Furthermore, Pulamed has, during the year, participated at the BHF's 23rd annual conference and other BHF-organised workshops.



Healthcare Providers

Expectations, Needs & Concerns

Service providers expect fair, timely reimbursements. They expect candid and respectful engagements.

Engagement

We continue to engage on fair tariff adjustments and timeous payment runs.

Healthcare service providers, including hospitals, clinics, doctors, pharmacies, and specialists, are essential to our service delivery. Collaborating with them ensures quality care and continuity of services for Pulamed Members. These are our members' first point of contact, and as such they must be given extensive education on

the product suite and relevant processes. The Fund continues to engage with healthcare providers and their respective professional associations to ensure their participation that improves outcomes for all parties.

During this period, the PO, equally held townhall service providers engagements at various locations including Maun, Letlhakane,

Palapye, Gaborone and Jwaneng. These engagements provided a mutually beneficial platform of dialogue and exchange of ideas ranging from clinical billing & invoicing; equitable compensation; FWAE; cost management; frequent and predictable claims payments to safeguard Providers' cashflows, to mention but a few.



Communities & Civil Society

Pulamed's engagement with communities and civil society organisations aims to foster sustainable change in communities. We embark on enhanced community engagement by supporting Employer Groups in executing their community upliftment initiatives. These are mostly geared at improving quality of healthcare, education, community development, and social equity. Pulamed, tends to emphasise promotion of wellness within communities through various community-engaging initiatives such as marathons, cycling, walks, etc and also on CSI initiatives aimed at uplifting at-risk communities and promoting better living conditions

Social impact: During the year under review, the Fund supported and actively participated in community events and activities that align with health and social impact on society, including community wellness days and marathons:



- IN CONVERSATION WITH THE CHAIRMAN
- THE PRINCIPAL OFFICER'S REFLECTIONS
- OUR PERFORMANCE
- BUSINESS INNOVATION & PERFORMANCE
- STAKEHOLDER GROUPS & ENGAGEMENT
- OPERATING LANDSCAPE & OUTLOOK
- GOVERNANCE REPORT
- FINANCIAL STATEMENTS



Future of Mining Summit 2025

The sponsorship afforded Pulamed a distinguished platform to engage directly with the leadership of its mining employer groups. It provided the Principal Officer with the opportunity to impart thought leadership and strategic insights, while simultaneously enhancing the Fund's visibility through the cultivation of strategic partnerships. Furthermore, this initiative reinforced Pulamed's brand presence and firmly established its position as the preferred health funder within the mining sector.



Son of the Soil

The Fund invited select members and employer group representatives to be hosted by the Fund Board members & management in a community event showcasing culture. The event created an atmosphere of casual engagement that helped solidify our relationships with members and employer groups.



Gaborone Striders Running Club (GSRC) 10x10 Challenge

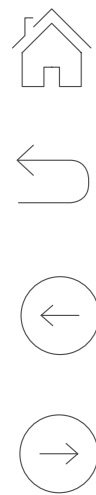
The Fund generously supported members eager to participate, offering subsidies and hosting an exciting post-event prize draw. These initiatives sparked enthusiasm and boosted member involvement. Pulamed's unwavering dedication to community wellness and the promotion of active lifestyles made a lasting impact on both the 10 x 10 challenge participants and the wider running community.



Botswana Dental Association (BODEA) World Oral Health Day commemoration and sponsorship

Pulamed, in partnership with BODEA, proudly marked a globally recognised day dedicated to raising awareness about oral health and the importance of good oral hygiene.

As part of this initiative, dental packs including toothbrush and toothpaste were generously distributed to the children of Tloaneng Primary School, helping to promote healthy habits and brighten young smiles.



STAKEHOLDER GROUPS AND ENGAGEMENT
CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS



CSR/CSI engagements

During the year under review, Pulamed participated in and supported a range of community, health, and charity-driven events, aligning with its strategic goal of improving wellness, brand presence, and fostering sustainable partnerships across Botswana. These included:

Lucara GM's Cycling Challenge

The primary goal of the event was to raise funds for sustainable development projects, with a special focus on building a primary school in Makgaba Village. The cycling activity, held under the inspiring theme "Paddling to transform our tomorrow," brought together participants and supporters united by a shared vision for positive change and community upliftment.



Pulamed 3-year sponsorship for Swift Cycling Club

The Fund has entered into a three-year partnership with Swift, a prominent youth cycling club, to promote a culture of cycling and overall wellness. As part of this collaboration, Swift cyclists wear Pulamed-branded apparel, thereby enhancing both the visibility and growth of the Pulamed brand.



Morupule Coal Mine CEO's Charity Cycle Challenge

The objective of the event was to raise funds for underprivileged communities and employee wellness initiatives.



STAKEHOLDER GROUPS AND ENGAGEMENT
CONTINUED

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS

Orapa Letlhakane Damtsha Mine (OLDM) General Manager's Annual Charity Walk

The funds for charity to support Boteti District's development.



BPC CEO Cycling Challenge

The cycling challenge participants raised funds for underprivileged communities in Mogobane Village.



BOTSWANA POWER CORPORATION



MMG Khoemacau GM's Lake Ngami Cycle Classic

The objective of the event was to raise funds for charity to support development projects around Toteng village.



Absa Kids Summer Marathon

Children participating in the marathon were inculcated with the spirit of giving at a young age while contributing towards the development of sports at grass roots level.





OPERATING LANDSCAPE AND OUTLOOK

Political and Economic Environment

Context

Pulamed operates within a complex and evolving economic landscape. Botswana's economy in FY 2024/25 was faced with heightened fiscal constraints, declining diamond revenues, and subdued consumer demand, despite efforts to stimulate growth and diversify the economic base. According to the IMF, real GDP was projected to contract by 0.4% in 2025, reversing the modest growth seen in prior years. This downturn was largely attributed to weak global diamond demand, tight monetary conditions, and slower-than-expected recovery in non-mining sectors

While inflation moderated, consumer prices were expected to rise by 4.5% in 2025, down from 6.2% in FY 2023/24, offering some relief to household budgets. However, unemployment remained structurally high, with estimates hovering above 30%, reflecting persistent barriers to job creation and private sector expansion. Fuel prices stabilised somewhat but remained sensitive to global supply dynamics. The Bank of Botswana maintained the policy rate at 5.5%, balancing inflation control with the need to support domestic demand. The 2025/26 fiscal year has proven turbulent, fraught with rising levels of inflation, reduced diamond demand worldwide and a declining GDP growth rate. Against this backdrop, Botswana continues reeling from the economic challenges it continues

to face, forcing Pulamed to adapt its strategic direction to ensure continued solvency and continuity of healthcare for members.

The start of the year saw an imposition by the Trump administration of tariffs on exports from the trade partners of the US. An initial 37% tariff was imposed on Botswana, which was later reduced to 15%. This resulted in market volatility and marred the diamond industry as some of the country's trading partners were charged with significantly higher tariffs.

The GDP growth rate as at Q2, 2025 stands at -1.7%, the Ministry of Finance and the IMF having forecast a -0.4% growth for 2025. In its Global Ratings dated September 2025, S&P has demoted Botswana from a credit rating of 'BBB+' to 'BBB', changing its status from 'stable' to 'negative'.

The revision of this rating is attributable to the decline in diamond revenues and the collateral weakening of Botswana's fiscal revenue and export performance. That stated, S&P reported that Botswana's credit rating is bolstered by the country's strong institutional framework, relatively strong balance sheet, and comparatively low government debt burden. With respect to diamond sales, there may be hope on the horizon as the government recently signed a deal with DeBeers, extending mining rights to 2054, and an ongoing negotiation to increase the government of Botswana's stake in DeBeers thus reviving the local diamond market.

Key Economic Indicators for FY 2025/26



24.4%
UNEMPLOYMENT RATE

1.7%
GDP GROWTH RATE

FUEL PRICE
P15.69/L

3.5%
MONETARY POLICY RATE

Unemployment rate: 24.4%

GDP growth rate: the Ministry of Finance and the IMF projected a -0.4% growth, however, as at Q2, 2025, the GDP growth rate is reported to be at -1.7%

Fuel prices: P15.69/litre with moderate volatility

Inflation rate: inflation rose from 1.9% as at June 2025 to a staggering 3.7% by September 2025. Inflation is expected to rise rapidly, breaching the 6% upper bound of the Bank of Botswana's objective range of 3-6%

Monetary Policy Rate increased from 1.9% to 3.5%. commercial banks have, however, been advised not to increase their prime lending rates.

Impact on Pulamed

The impact of inflation on the cost of living has led to an increase in household indebtedness, which was estimated at P68.6B in December 2024, a 12% increase from P61B estimated in the 2023/24 survey by the Bank of Botswana. Consequently, the average household in Botswana has less disposable income for discretionary spending, such as medical aid. Further, the months of June to July 2025 had mass terminations of memberships due to retrenchments by large corporations, adversely affecting Pulamed's contributions.

Our Response

Risk Assessment and Contingency Planning: Pulamed keeps abreast of the political and economic landscape and cautiously anticipates risks, developing strategies to ensure business continuity. We limit risk exposure through our investments to maintain financial stability.

Adaptive Pricing Models: We review and optimise benefit structures, offering tiered options to Members to enable them to select more affordable benefit packages as opposed to resorting to the discontinuation of their medical cover entirely.

Engagement with Policymakers: Pulamed coexists in a healthy and open ecosystem with regulators, legislators and policymakers where the needs of Members are represented. This enables Pulamed and other stakeholders to advocate for health policy

reforms that support efficiency and sustainability in the health sector.

Long-Term Sustainability Mindset: We strive to balance short-term financial decisions with the long-term goal of preserving Member health, trust and the solvency of the Fund. This requires us to constantly monitor member satisfaction and retention trends, risk factors amongst Member demographics, and economic indicators that may pose various financial challenges.

Prioritisation of Preventative Care: Preventative care is key in reducing expenditure on future medical costs. Pulamed proactively identifies and supports high-risk groups, pre-empting the development of non-communicable illnesses. We also partner with wellness providers for screening, chronic disease management and mental health support.

Transparency and Communication: We aim to keep Members informed about the economic challenges we face while assuring them of the security of their benefits. We communicate benefit adjustments in advance to Members, allowing them time to adjust to our price revisions.

Digital Transformation: We aim to streamline our processes and digitise our processes to reduce our carbon footprint and promote efficiency. We have automated certain functions and have digitised claims processing. There is steady uptake of our mobile wellness programme app amongst members.

Global and Local Partnerships: We operate with an understanding that Pulamed does not exist in isolation. Based on this, the Fund has established robust relationships with various service providers to negotiate affordable services for our Members while maintaining the strength of our balance sheet.

Regulatory Environment

Context

Several legislative changes were introduced throughout FY 2024/25, particularly the commencement of the Data Protection Act, 2024 (DPA), and the publication of the Medical Aid Funds Bill, 2025 (MAF Bill). The MAF Bill is undergoing Parliamentary review and proposes to formalise the rules on licensing, governance, and solvency of medical aid funds (MAFs) and enforce accountability.

The DPA commenced on 13th January 2025 and establishes the Information and Data Protection Commission, outlining its powers and duties. The DPA was also enacted to ensure the protection of personal data by every entity in Botswana using personal data to pursue its commercial interests, protect the rights of data subjects, and set out principles to be adhered to in dealing with the same.

Impact on Pulamed

The MAF Bill has prompted pre-emptive governance reviews, with Pulamed actively preparing for potential statutory



obligations, including licensing protocols, capital adequacy assessments, and board governance enhancements.

The DPA mandates Pulamed as a data controller to ensure the protection of all data, including sensitive personal data of stakeholders, especially Members. The DPA also mandates all third parties appointed by the Fund to process personal data on its behalf (data processors) to ensure that they have sufficient organisational and technical safeguards to protect Members' personal data against risks such as unauthorised access, disclosure, accidental loss, destruction, or alteration.

Our Response

Amendment of Fund Rules: We are in the process of revising the Pulamed Fund Rules to anticipate the requirements of the MAF Bill and align with the evolving needs of our Members. We are working tirelessly towards establishing absolute congruency between the Fund Rules and our benefit packages, maintaining transparency with Members and assuring them of the security of the medical benefits they contribute towards.

Stakeholder Engagement: In our continued commitment to ensuring compliance with the DPA, the Fund is intentional about fostering alignment and collaboration with key stakeholders including the Information and Data Protection Commission, our Administrator, Service Providers and Members.

Transparent Communication: One of the core principles of data protection core to our

business is accountability, which requires for us to not only comply with the DPA, but to be able to demonstrate such compliance. To ensure this, we are required to be transparent with members, dependants and other beneficiaries about the kind of personal data we collect from them, the purposes for which we use it, their rights in relation to their personal data and the lawful justification for processing it.

Internal Training: Personnel receive training on the MAF and DPA to maintain operational preparedness. Staff handling personal data are equipped to handle it securely.

Risk Management Integration: Regulatory compliance is embedded within Pulamed's enterprise risk framework, ensuring that governance, financial integrity, and Member protection remain central to strategic decision-making.

Digitisation and Disruptive Technologies

Context

The Internet of Things (IoT) refers to a collection of physical objects and devices that are equipped with technology enabling them to connect to and transmit information over a network and communicate with other connected devices and servers. This creates a seamless interaction between devices for a more convenient user experience. The sensors in these interconnected devices and wearables collect information relating to identifiable individuals such as heart rates, oxygen levels and steps, amongst other things, for health purposes.

Impact on Pulamed

The IoT poses several challenges, some of which include privacy considerations. In its endeavour to promote digital transformation initiatives, Pulamed is no stranger to these challenges. The IoT poses risks such as personal data breaches or the unlawful sale of personal data by companies whose commercial interests are met through the collection and use of personal data. Large quantities of sensitive personal data including health data are being processed, which require an additional layer of protection by data controllers.

Another challenge posed by the IoT is the question of control and ownership. The lines demarcating responsibility for the security of personal data may be blurred on account of the interconnectedness of devices owned and controlled by various developers and companies. Transparency towards Members may pose particular challenges in the context of digitised data collection by objects that involve no human action.

Our Response

Privacy Policies: We are establishing privacy policies on our application and website, respectively to provide transparent information on the nature of the personal data collected, reasons for its collection, and who it is shared with.

Stakeholder Engagement: We engage with our application developers to ensure that data protection by design and by default is embedded into the architecture of our digital platforms from the outset.

Data Minimisation: We ensure that only the minimum personal data necessary is collected to deliver our products and services.

Data Protection Impact Assessments (DPIAs): Conducting data protection impact assessments to identify and mitigate privacy risks early.

Testing: Penetration testing and vulnerability assessments are performed regularly on our systems to ensure consistent functionality and business continuity.

Mental Healthcare

Context

In our current era of technological developments, groundbreaking healthcare innovations, mental healthcare remains alarmingly behind in terms of treatment and destigmatisation. According to the World Health Organization, one in every seven people in the world, which translates to over one billion people, are living with mental health disorders, with anxiety and depression being the most prevalent. Socio-economic factors such as poverty, violence, inequality, and environmental deprivation contribute greatly to the prevalence of mental health issues across the world.

Impact on Pulamed

Pulamed has seen increasing numbers in mental health-related claims, which necessitate raising awareness and making mental healthcare more accessible to Members.

Our Response

Pulamed has extended the psychiatry benefit to dependents to promote child

and adolescent mental health.

The Fund, in collaboration with Lyra Botswana, has introduced a staff mental health welfare benefit accessible to spouses and dependents of Members.

Pulamed has increased its benefit ceiling to P15,000 for clinical psychology and related services, ensuring broader access to therapy, counselling, and psychiatric support.

Exploration of app-based therapy and virtual counselling platforms is ongoing to support remote and discreet access.

Mental health screening is being embedded into wellness programmes, promoting holistic Member wellbeing.

Pulamed internal programmes equip staff to handle mental health queries sensitively and guide Members to appropriate resources.

Artificial Intelligence and Machine Learning Integration

As the healthcare landscape becomes increasingly data-driven, Pulamed is embracing artificial intelligence (AI) and machine learning (ML) to enhance efficiency, improve decision-making, and create better value for our Members. These technologies allow us to analyse complex patterns in healthcare utilisation, identify emerging risks, and optimise how we serve our Members while upholding the highest standards of ethics and data protection.

Impact on Pulamed

Pulamed is alive to the evolution of technological trends in medical healthcare and is on a journey of digital transformation to increase

convenience in claims processing, benefits tracking, and automated service delivery. Pulamed is also aware of the data protection and ethical considerations in the use of AI, particularly with respect to sensitive personal data.

Our Response

As a custodian of sensitive health data, Pulamed is deeply aware of the ethical implications of AI.

We have committed to:

Using AI in ways that respect privacy, fairness, and transparency.

Ensuring that AI-driven decisions are supported by human oversight, especially in claims, risk assessment, and Member engagement.

Aligning all data-driven innovations with the Data Protection Act and global best practices on responsible AI governance.



CORE CAPITAL INPUTS AND VALUE CREATED

Our purpose at Pulamed is to enable access to healthier living and we fulfil that need by ensuring the Fund's wellbeing, financially and operationally. We do this through innovation and service excellence

to our members which is reflected in our core capital inputs and value outcomes. Our core capital inputs create sustainable value outcomes for our members, employer groups and the society in general.



Human and Intellectual Capital

Pulamed's strength is anchored in our core values and strict adherence to our Fund Code of Conduct. Our commitment to a secure, dynamic, and fulfilling workplace environment reflects these values, aiming to support each team Member's personal and professional growth. Pulamed's commitment to corporate citizenship transcends compliance, embodying our dedication to meaningful growth and societal contribution. We recognise that our sustained success depends on strong stakeholder relationships and our active contributions to broader societal well-being.

Core Capital Inputs

- A dedicated, employee-centred approach to management.
- Strong, skilled, management team, adaptable with on-going professional development.
- Investment in human capital technology.
- Structured policies and procedures supporting ethical practices.
- Skilled, knowledgeable, independent Board accountable for effective oversight

and delivery of the Scheme's mandate.

- Mature governance frameworks, processes and structures.
- Employee Assistance Programme

Outcomes Achieved

- Pulamed's workforce exhibited resilience, cohesion, and efficiency, adapting well post-COVID-19.
- Our skilled and diverse teams effectively supported the Fund's strategic goals and upheld a performance-focused culture
- Stable and constructive industrial relationships were maintained, by regularly assessing the culture and level of employee engagement.
- Employees continued to embody Pulamed's values, representing the brand with integrity and ethical standards.
- Pulamed maintained a health-conscious, safe environment for its workforce.
- Pulamed had Regular training and development for all employees.

SC



Social and Relationship Capital

Pulamed's commitment to corporate citizenship transcends compliance, embodying our dedication to meaningful growth and societal contribution. We recognise that our sustained success depends on strong stakeholder relationships and our active contributions to broader societal well-being.

Core Capital Inputs

- Cultivating trust and maintaining our social licence to operate a medical aid fund in the best interest of our members.
- Engaging with Communities, Customers, Regulatory Bodies, Service Providers, Members and Key Stakeholders and maintaining collaborative relations.
- Maintaining our status as a responsible corporate citizen and supporting healthcare reforms towards national health insurance and access to universal healthcare.
- Establishing guidelines, protocols, and governance mechanisms.
- Focusing on responsible corporate stewardship

Outcomes Achieved

- Commitment to diversity and inclusivity within the Pulamed Board and workforce.
- Execution of an organisation-wide ethics and compliance programme.
- Introduction to value-based care through the global fee maternity programme.
- Solid Benefit Options offering with a 98% retention within benefit and an above industry-average membership growth of 5.3% in F2025 showing the strength of the Pulamed Benefit offering.
- Investments to enhance healthcare delivery within communities.
- Affordable benefits that provide the best value for money in the market
- Support for small enterprises through procurement and supplier development.
- Member satisfaction levels went up to 76% in F2025, up from 61%
- Ongoing stakeholder engagement and expectation management.
- Participation in global health initiatives and community development
- Improving access to digital tools, members are now able to transact more through the Pulamed App and the Website portal to check most of the important information about their medical aid account.

CORE CAPITAL INPUTS AND VALUE CREATED

CONTINUED

FC

Financial capital

Pulamed's commitment to financial management focuses on creating value and driving strategic growth, ensuring a robust economic foundation that benefits all stakeholders.

Core Capital Inputs

- Funding pool through Member contributions and investment returns.
- Contribution Income: P661M
- Investment Income: P21.5m
- Strong cash flow and reserves.
- Financial controls and reporting systems.

Outcomes Achieved

- Delivered consistent economic value to stakeholders.
- Strong operating cash flow management for sustained day to day operational needs
- Transparent and reporting practices.



REGULATORY AND COMPLIANCE UPDATE

During the year under review, Botswana advanced several legislative and regulatory reforms that directly influence the operating and governance environment for Pulamed. These developments underscore the importance of proactive compliance planning, and ongoing engagement with regulators to ensure sustainable delivery of value to Members.

Financial Intelligence Act

The Know-Your-Customer (KYC) check remains an important regulatory tool for identifying and verifying members and service providers and ensuring that we are able to "follow the money". KYC compliance and transaction monitoring remain an effective mechanism to combat financial crime. The Fund continues to experience challenges in the space from Members, Service Providers and Employer Groups. The most significant challenge is compliance among Healthcare Providers, particularly in relation to Ministry of Health licensing and adherence to our KYC protocols as required by the Act. The growing trend of non-compliance is contributing to reputational risks for Pulamed, as certain providers have begun portraying the Fund as a "stressful" Medical Aid Provider to both the general public and our members. The Fund is therefore engaging with all concerned Regulators to see how best these issues can be resolved without halting or interrupting service to Pulamed members.

Medical Aid Funds Bill, 2025 (Bill No. 5 of 2025)

Parliament enacted the Medical Aid Funds Bill on 15th July 2025, introducing a comprehensive regulatory framework for medical aid funds, medical aid fund administrators, medical aid fund brokers, and managed-care organisations under the oversight of the Non-Bank Financial

Institutions Regulatory Authority (NBFIRA).

The Bill represents a significant evolution from the waiver-based environment that has governed the industry since 2013. Once effective, the Act will introduce:

- Licensing requirements for funds and administrators.
- Enhanced governance and reporting standards to promote transparency and financial soundness.
- Defined obligations for Member protection, disclosure, and complaint resolution.
- Regulatory supervision to strengthen prudential and conduct compliance across the medical-aid value chain.
- Pulamed's response has been to initiate a comprehensive readiness programme, which includes:
 - Conducting a gap analysis against the proposed regime.
 - Updating Board and policy frameworks to align with expected NBFIRA standards.
 - Enhancing the complaints-management process and member-communication channels.
 - Collaborating with AFA to assess licensing pathways, compliance reporting systems, and data-governance improvements.

These actions are designed to ensure that Pulamed remains fully compliant and operationally resilient when the new regime comes into force.

Data Protection Act, 2024 (commenced 14th January 2025)

Data Protection: Member Expectations

The growing dependence on personal data for commercial purposes whether lawful or unlawful has made personal data extremely valuable. As a result, lawmakers around the world have acted urgently to regulate how personal data is used and to safeguard the rights of individuals, known as data subjects. The Data Protection Act, 2024 (DPA), which took effect on January 13, 2025, closely follows the principles and best practices established by the European Union's General Data Protection Regulation (GDPR), 2016/679.

The DPA covers a wide range of data protection-related subjects, such as:

- Principles of data protection
- Legal basis for processing personal data
- Rights of data subjects
- Data protection by design and default
- Personal data breach and organisational technical safeguards for personal data.

The DPA also establishes the office of the Regulator, with respect to personal data, as well as the Information and Data Protection Commission (the Commission), granting it supervisory authority over the processing of personal data in Botswana.

To maintain Member trust and ensure the confidentiality and responsible use of personal data, Pulamed is fully committed to meeting all requirements of the DPA. Pulamed follows strict data protection principles, upholds the rights of data subjects, and





REGULATORY AND COMPLIANCE UPDATE

C O N T I N U E D

implements effective measures to safeguard Members' personal data.

Data Protection Principles

Pulamed is committed to adhering to the following principles when processing Members' personal data:

Lawfulness, Fairness and Transparency – Pulamed is committed to ensuring that we have a justification in law to process personal data. Further, we ensure that personal data is processed in a non-discriminatory manner, offering Members autonomy over their personal data. The Fund maintains open lines of communication with Members regarding the use of their personal data.

Purpose Limitation – Pulamed collects personal and sensitive personal data for specified and legitimate purposes. The Fund ensures that personal data is not processed in a manner incompatible with stated purposes.

Data Minimisation – Pulamed uses adequate, relevant personal data and limits such use to the stated purposes.

Accuracy – When collecting personal data, Pulamed maintains open communication with Members to ensure that the personal data on record is accurate, and where necessary, updated. The Fund has routine Know-Your-Customer data updates requests, calling on Members to update their personal details.

Storage Limitation – Pulamed adheres to statutory time limits imposed by the laws of Botswana and has policies governing the retention of personal data, ensuring that Member information is not

kept by the Fund longer than is necessary for legitimate purposes.

Integrity and Confidentiality

– Pulamed and the Administrator, Associated Fund Administrators Botswana (AFA), have secure IT systems and access controls that safeguard personal data from risks such as unauthorised access, disclosure, accidental loss, destruction, or alteration of personal data. The Fund recognises the inherent sensitivity of Member health data and personal data relating to minors. As such, AFA's Client Care team comprises qualified medical practitioners who are bound by a professional obligation of secrecy when dealing with health data.

Key Stakeholders Collaboration

Pulamed engages proactively with the regulator, maintaining open lines of communication to seek guidance and ensure practices remain aligned with regulatory expectations. Simultaneously, the Fund is working closely with AFA and other contracted service providers to have a mutual understanding of concurrent data protection obligations. This includes reviewing and updating service level agreements, as well as data processing agreements and procedures, with the core mandate of protecting the data subjects' personal data.

Privacy by Design

In recognition of the importance of Member privacy, Pulamed ensures that data protection considerations are systematically incorporated into the design and implementation of all new systems and processes. Comprehensive

organisational and technical safeguards are established to protect personal data, thereby fostering trust between the Fund and its Members.

Capacity Building and Awareness

The Fund promotes a culture of data protection internally and capacitates and trains staff on the obligations of Pulamed under the DPA. There is organisation-wide recognition that data protection is the responsibility of not only Executive Management and the Data Protection Officer, but that of every Pulamed employee.

Respect For The Rights Of Data Subjects

The Fund respects the rights of all Members and is committed to facilitating the exercise of said rights in relation to personal data. Members have the following rights:

- **Access** – You have a right to access your personal data and may exercise this right at any time by contacting the Fund office or sending the Data Protection Officer an email.
- **Rectification** – You have a right to amend your personal data in the event of changes to your personal details, such as your residential address or marital status, or to correct personal data which you believe is inaccurate, incomplete or not up-to-date.
- **Erasure** – You have a right to the erasure of your personal data. However, you cannot exercise this right while your contract with Pulamed is active or when the law requires the Fund to keep your personal

data for a certain period.

- **Data Portability** – You have the right to ask for your personal data to be sent directly to another service provider only if the processing was based on your consent or the Fund's contract with you. This right is not absolute and may not be exercised with respect to KYC information and any personal data Pulamed collects from you to pursue legitimate business interests.
- **Objection** – You may object to the processing of your personal data only when the Fund uses your personal data for legitimate interests and/or in the public interest. You may not object to the processing of your personal data if Pulamed requires it to fulfil its contractual obligations to you.
- **Restriction** – You have a right to ask that we restrict or 'pause' from processing your personal data. This can be done if you discover that the personal data is inaccurate or if you are of the view that the processing is unlawful. Pending the rectification of such information, you may request that the Fund temporarily discontinue processing your personal data.
- **Automation** – You have a right not to be subjected to decisions made solely based on automated processing of personal data, except if the automated processing is necessary for entering into a contract with Pulamed, or if you consented to the automated processing. You may request human intervention in the decision made about you.

Appointment of a Data Protection Officer

Pulamed processes personal data revealing health status, which is categorised by the DPA as sensitive personal data, on a large scale. Our 27,000+ membership means that we collect and use on a large scale, information

that identifies Members and reveals certain personal data that may prejudice Members if any person gains unauthorised access to such information. Due to the sensitive nature of our core business activities, Pulamed is required by the DPA to appoint a Data Protection Officer, whose key responsibility is to ensure our continued adherence to obligations under the DPA. In July 2025, we appointed a certified information privacy professional of the International Association of Privacy Professionals as the Fund's Data Protection Officer.

Transparency and Communication

In compliance with the DPA, Pulamed strives for a transparent relationship with Members to put them at ease knowing that their personal data is being processed lawfully and securely. To this end, the Fund has introduced a privacy notice, which provides sufficient information on the activities undertaken with Members' personal data.

Looking Forward: Continuous Improvement

Pulamed wishes to emphasise that data protection is an ongoing commitment, not a once-off exercise. The Fund is committed to protecting the rights and freedoms of Members with respect to their personal data. Pulamed will conduct periodic reviews and updates to privacy policies and procedures, implement system upgrades to improve cybersecurity, and expand digital tools to give Members more autonomy and control over their personal data.

Employment & Labour Relations Bill, 2025 (Bill No. 10 of 2025)

The Employment and Labour Relations Bill, was advanced in Parliament during 2025. The Bill consolidates Botswana's employment-law framework and introduces a modernised approach to employment relationships. Key features include clearer definitions of employment status, enhanced protections for fixed-term workers, expanded parental-leave

provisions, and formalised dispute-resolution mechanisms.

While the effective date is yet to be announced, the Fund has begun preparations for its implementation through:

- Reviewing staff contracts for compliance.
- Updating human resource policies and grievance procedures.
- Conducting awareness sessions for staff, Management and the Board.

These initiatives are designed to strengthen Pulamed's compliance posture and reinforce its commitment to ethical employment practices.

Regulatory Outlook for FY 2025/26

Looking ahead, Pulamed will continue to align its operations with Botswana's evolving governance landscape by:

- Finalising readiness for the Medical Aid Funds Act once subsidiary regulations are issued.
- Monitoring compliance with the Data Protection Act.
- Ensuring full compliance with the Employment and Labour Relations Act upon commencement.
- Maintaining a regulatory risk register to track new legislative developments and their impact on Fund operations.

Pulamed remains committed to maintaining the highest standards of governance, transparency, and compliance. Through active engagement with regulators and continuous improvement of internal frameworks, the Fund ensures that its operations remain aligned with national policy direction and best-practice standards in the healthcare funding sector.

CLICK HERE TO NAVIGATE

IN CONVERSATION WITH THE CHAIRMAN

THE PRINCIPAL OFFICER'S REFLECTIONS

OUR PERFORMANCE

BUSINESS INNOVATION & PERFORMANCE

STAKEHOLDER GROUPS & ENGAGEMENT

OPERATING LANDSCAPE & OUTLOOK

GOVERNANCE REPORT

FINANCIAL STATEMENTS

GOVERNANCE REPORT

BOARD OF TRUSTEES



Matshidiso Matome is the Chairman of the Board of Trustees of Pulamed. Her career spans over 30 years in various areas of healthcare, including patient care, policy, healthcare financing, health risk management, and academia. Ms Matome started her career as a pharmacist in the Ministry of Health, first at Princess Marina Hospital and progressed to become Principal Pharmacist at the Botswana Essential Drug Action Programme (BEDAP). She then went on to join Associated Fund Administrators (AFA) in 2003, where she served in various capacities, including Claims Manager and later Health Risk Manager, until 2019. She is currently a lecturer in the Faculty of Health Sciences at the University of Botswana.



59 YRS

BOARD CHAIRMAN

MATSHIDISO MATOME

DATE OF FIRST APPOINTMENT – NOVEMBER 2023



Matshidiso has served in various Boards and Committees, including as President of the Pharmaceutical Society of Botswana, and was a member of the Nursing and Midwifery Council of Botswana. She is currently the chairperson for the Pharmacovigilance Advisory Committee. She is also a member of the Board of Directors for Botswana Medicines Regulatory Authority (BoMRA).

Matshidiso completed a Bachelor of Pharmacy at Albany College of Pharmacy (USA). She obtained an

M.A. in Pharmacology and Toxicology from the State University of New York at Buffalo (USA), building a strong foundation in pharmaceutical sciences. She participated in the Management Development Programme (MDP) at Stellenbosch University Business School (South Africa), and earned a Postgraduate Certificate in Enterprise Risk Management from the Botswana Accountancy College. Matshidiso completed the Strategy Management programme with the Palladium Group.

Anthony Masunga is an accomplished executive with over 29 years of experience spanning telecommunications, ICT strategy, and corporate transformation. He is the Managing Director of Peolwane Dimensions, a Botswana-based investment company focused on ICT consulting, real estate, and financial investments. Prior to joining Peolwane, he was the Managing Director of Botswana Telecommunications Corporation (BTC).

Mr Masunga has board experience across the ICT, healthcare, and investment management sectors.

He has played a strategic advisory role in shaping Botswana's telecommunications regulatory landscape, including policy formulation in e-governance, universal access, and national ICT development.

Anthony holds an MBA from De Montfort University (UK), a BSc in Computer Science from McGill University (Canada), and has completed executive programmes in governance and leadership at the University of Stellenbosch (South Africa).



54 YRS

TRUSTEE

ANTHONY MASUNGA

DATE OF FIRST APPOINTMENT - AUGUST 2015



47 YRS

TRUSTEE

KUSHATHA MOSWELA

DATE OF FIRST APPOINTMENT - JULY 2019



Kushatha Moswela has extensive experience and skill in insurance, risk management, and consulting. She is the Group Director of Operations for Equity Insurance and has held various executive and senior roles, including Managing Director of Old Mutual Short-Term Insurance Botswana and Chief Operations Officer for Old Mutual Botswana. She has worked in various countries, including Kenya, South Africa, the UK, and Botswana.

Ms Moswela is the former chairperson of the Botswana Short Term Insurers and Underwriters Association (BSTIUA). She also serves as an Independent Non-Executive Director for Seed Co International Limited.

Kushatha is an actuarial professional who holds an MSc and BSc (Hons) in Actuarial Science from the University of Kent at Canterbury (UK) and is a level 1 Chartered Financial Analyst.

Ishmael Dipholo is a well-rounded business executive with over 25 years' experience in human resources management, business development, operations management, and business strategy. He is currently employed by the Botswana Accountancy College as Head of Human Resources.

Mr Dipholo's career spans senior leadership roles at Boitekanelo College, Botswana National Sports Commission, G4S Botswana, and Air Botswana, with expertise in strategic workforce planning, HR policy development, industrial relations, and

stakeholder engagement at board and national policy levels. He combines deep knowledge of labour legislation with a proven record of aligning HR strategy to business objectives.

Ishmael earned a Bachelor of Arts in Social Sciences from the University of Botswana. He pursued a Master of Business Administration at the University of Botswana and recently completed an online Strategic Human Resources Leadership programme with Cornell University, New York (USA).



50 YRS

TRUSTEE

ISHMAEL DIPHOLO

DATE OF FIRST APPOINTMENT - JULY 2019



**GOVERNANCE REPORT
CONTINUED**

IN CONVERSATION
WITH THE CHAIRMAN

THE PRINCIPAL
OFFICER'S
REFLECTIONS

OUR
PERFORMANCE

BUSINESS
INNOVATION &
PERFORMANCE

STAKEHOLDER
GROUPS &
ENGAGEMENT

OPERATING
LANDSCAPE &
OUTLOOK

GOVERNANCE
REPORT

FINANCIAL
STATEMENTS



70
YRS

TRUSTEE
PRIYALAL DE SILVA
DATE OF FIRST APPOINTMENT - JULY 2019



Priyalal De Silva, now retired, has spent 36 years with PricewaterhouseCoopers (PwC) in several countries; mainly at PwC Botswana, where he was a partner for 19 years and Chief Operating Officer for 9 years. While at PwC Botswana, he served a large portfolio of Audit/Tax Clients and provided business advisory services to many large privately-owned corporates in Botswana.

Mr De Silva is an Independent Non-Executive Director for three Old Mutual Insurance subsidiaries in Botswana. He also serves on the boards of BTC Limited, FAR Property Company Limited, Choppies

Enterprises Limited, and Debt Participation Capital Funding Limited.

Priyalal is a Chartered Accountant whose expertise covers auditing, accounting, tax planning, financial investigations, and financial management. He is a member of numerous professional bodies, including an Associate Member of the Chartered Institute of Management Accountants (CIMA) of the UK, a Fellow Member of the Botswana Institute of Chartered Accountants (BICA), and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.



Gomolemo Tangane is a Botswana-based clinical and radiation oncologist with extensive experience in oncology care, health systems management, and occupational health. She currently practices at Sir Ketumile Masire Teaching Hospital, providing comprehensive care to oncology patients across inpatient and outpatient settings. Her clinical expertise spans radiotherapy, chemotherapy, and multidisciplinary treatment planning.

Dr Tangane's career includes leadership roles in cancer prevention, infection control, and clinical quality

assurance. She is also committed to advancing healthcare education and has contributed to national training programmes and community outreach initiatives. She is a Fellow of the College of Radiation Oncologists of South Africa.

Gomolemo holds a Bachelor of Medicine and Bachelor of Surgery from the University of Adelaide (Australia), a Master of Medicine in Radiation Oncology from the University of Cape Town (South Africa), and a Master of Occupational Safety and Health from the University of Turin (Italy) and the International Labour Organization.



45
YRS

TRUSTEE
DR GOMOLEMO TANGANE
DATE OF FIRST APPOINTMENT - NOVEMBER 2023



37
YRS

TRUSTEE
LESEGO KEITSILE
DATE OF FIRST APPOINTMENT - NOVEMBER 2023



Ms. Keitsile is a highly accomplished Executive Investment Professional with extensive experience in investment and portfolio management.

With an MSc in Finance and Investments, a certificate in Executive Leadership, and a BA in Finance, Accounting, and Management, she has a track record of successful portfolio management, investment analysis, and business development.

She has worked as a Business Consultant at Grant Thornton Botswana and as the Head of Investments at Motor Vehicle Accident Fund where she was responsible for active

portfolio management of MVA's P4.3 billion portfolio and for investment strategy formulation, implementation, and monitoring.

As the Head of Investments at Letlole La Rona Limited, Ms Keitsile is responsible for growing the property portfolio through mergers and acquisitions in Botswana and Africa.

Wanatsha Moakufi is the Head of Strategy and Corporate Affairs at Debswana. He previously led Debswana's Citizen Economic Empowerment Programme and Sesiro Insurance Company.

Mr Moakufi has served as a corporate attorney with various companies in Botswana including Letshego Guard, Botswana Public Officers Pension Fund (BPOPF) and Tati Nickel Mining Company.

Wanatsha holds a Bachelor of Laws from the University of Botswana and has completed various leadership trainings including a Management Development

Program with UNISA School of Business Leadership, Board Leadership Program with Gordon Institute of Business Science, Game Changers at Anglo Leadership Academy and a Certificate of Management Excellence with Harvard Business School.



49
YRS

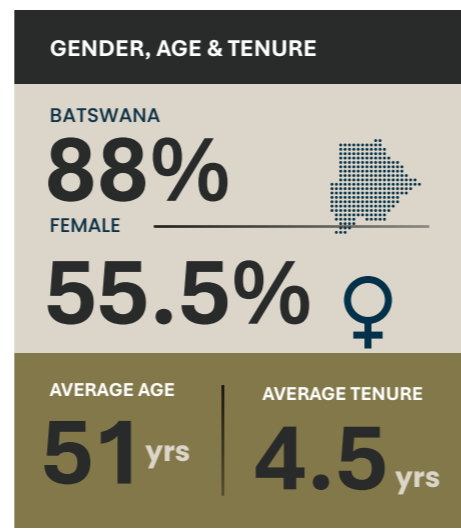
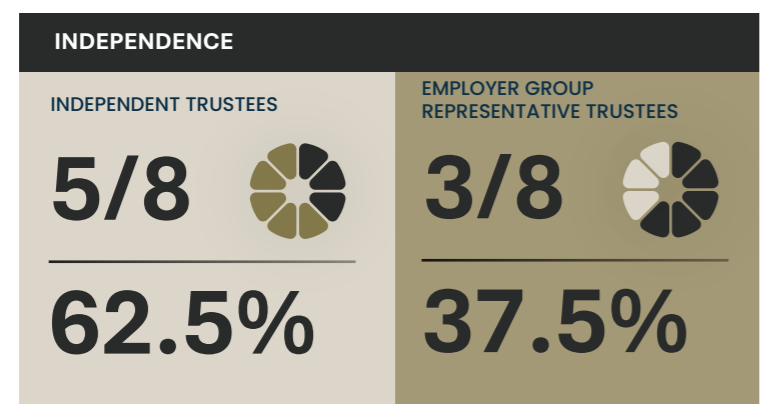
TRUSTEE
WANATSHA MOAKUFI
DATE OF FIRST APPOINTMENT - NOVEMBER 2024



- IN CONVERSATION WITH THE CHAIRMAN
- THE PRINCIPAL OFFICER'S REFLECTIONS
- OUR PERFORMANCE
- BUSINESS INNOVATION & PERFORMANCE
- STAKEHOLDER GROUPS & ENGAGEMENT
- OPERATING LANDSCAPE & OUTLOOK
- GOVERNANCE REPORT**
- FINANCIAL STATEMENTS

GOVERNANCE REPORT CONTINUED

Board Composition & Tenure



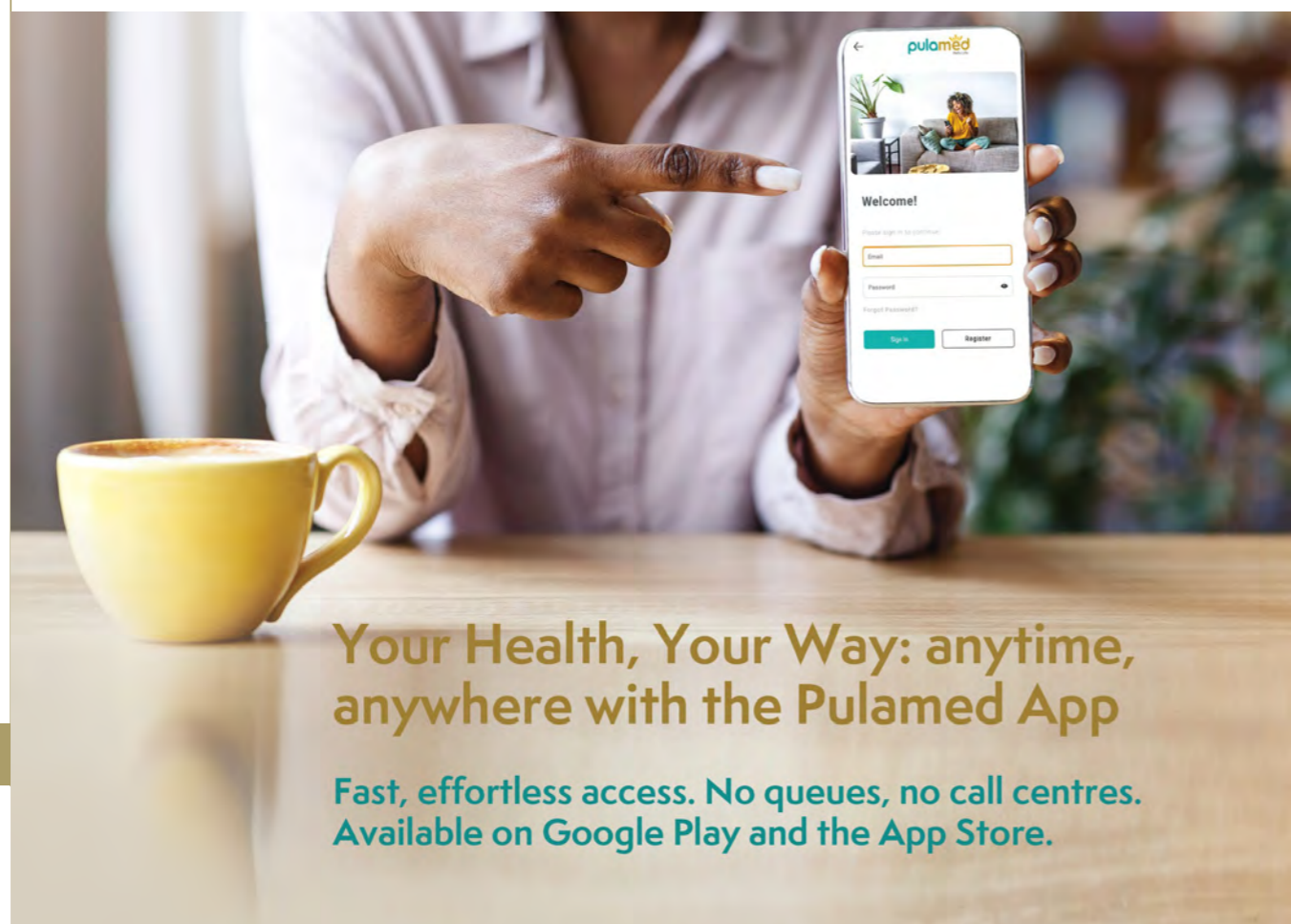
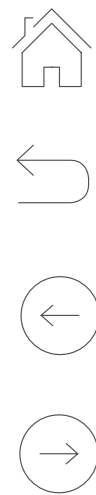
The Board has undertaken a skills assessment exercise as part of its evaluation exercise. For the period under review, the Board was able to satisfy itself that it has the collective capacity and the right mix of skills, experience, and perspectives to govern effectively, achieve its strategic goals, and address current and future challenges.

Governance Objectives

The Board of Trustees is responsible for:

- Steering and setting Pulamed's strategic direction, considering the macroenvironment, key stakeholder needs and the Fund's business model.

- Enabling strategy delivery by approving policies, benefit designs, frameworks, budgets, plans, structures and procedures.
- Overseeing strategy implementation.
- Demonstrating accountability and transparency through appropriate disclosure.



Your Health, Your Way: anytime, anywhere with the Pulamed App

Fast, effortless access. No queues, no call centres. Available on Google Play and the App Store.

Governance Principles at Pulamed

Governance Principle	Description as per Pulamed's Governance Framework
Ethical And Effective Leadership	Effective leadership is demonstrated by responsibility, accountability, fairness and transparency. Ethical leadership and effective leadership should reinforce one another.
Corporate Citizenship & Sustainable Development	As a corporate citizen, Pulamed is an integral part of society and has obligations and responsibilities towards society.
Strategy Oversight	<p>The Board of Trustees leads value creation and protection by appreciating that strategy, risk and opportunity, performance and sustainable development are inseparable. When considering strategy, the Board of Trustees considers:</p> <ul style="list-style-type: none"> Risks and opportunities in our operating context. The legitimate and reasonable needs, interests and expectations of all stakeholders. Our ability to support strategy through business structures and processes. The impact of our operations on resources and relationships. The interconnectivity and interdependence of all the factors that make up our operating environment.
Risk Oversight	The Board must embed a strong risk management culture and oversee frameworks, policies and processes to identify and manage risks. The Board actively monitors our risk profile relative to risk appetite and seeks to ensure an appropriate balance of return and consistent member & stakeholder value.
Independence	All members of the Board have a duty to act with independence of mind and in the best interests of the Fund.
Accountability	The Board of Trustees is accountable for its decisions and actions. The Fund's Governance structures and arrangements connect responsibility and accountability.

Pulababy Maternity Programme

At Pulamed, we understand that being pregnant is a very important time in a woman's life and that having a baby is a life-changing experience, and can be rather overwhelming to the family. This is why we have PulaBaby, a tailored maternity care programme that offers the best care to you and your partner throughout the stages of pregnancy. We walk this most exciting period with you by offering:

Advice And Educational Material

Throughout the various stages of pregnancy, we provide you with a learning opportunity so that you and your partner are prepared to participate in your own medical care and even make informed choices relating to delivery, mother, and baby's health. We give both the expectant mother and father advice and educational materials.

Hamper Bag

What is pregnancy without goodies or a smile on your face? During the last trimester of the pregnancy, our expectant members receive a hamper bag with goodies and educational materials on the mother and the baby's health as well as a guide to the father.

Early Identification Of High Risk Pregnancy

Not all pregnancies are the same; some are healthy while others can be a bit risky where you and the baby have an increased chance of health complications. At Pulamed we are committed to helping you deliver that bundle of joy safely and healthily. Our programme is geared towards early identification of high-risk pregnancy for referral to the relevant service provider.

Email Service To Expectant Father

Pregnancy is a transformational process for a man as such we do not leave our expectant fathers behind. We ensure that as a father you are fully involved from the first trimester to the last by providing you with an email service on what to expect when expecting to assist you to better understand the demands of expecting and be better placed to guide your partner.

On-going Telephone Advice And Support

Our advice and tips do not end with the first trimester of our members' pregnancy. During the second and third trimester, we also provide on-going advice and support through the telephone. This allows our members to seek timely clarification and further information. The opportunity also gives you the necessary contact required during pregnancy.

How to register on the programme

- Expectant moms may register from 12 weeks of pregnancy online at www.pulamed.co.bw
- You will receive a confirmation email and phone call.
- Kindly note only registered members are eligible to receive a hamper bag.

T's & C's Apply.



GOVERNANCE REPORT CONTINUED

Statement of Corporate Governance by the Board of Trustees

The Board of Trustee's overall governance objective is to ensure that an adequate and effective process of Corporate Governance is established and maintained, consistent with the nature, size, complexity and risk inherent in the Fund's activities, and which is responsive to changes in our operating environment. The Board of Trustees is committed to the principles and practice of fairness, openness, integrity, equity and accountability in all dealings with its stakeholders. The Pulamed Board of Trustees Charter requires each Trustee to sign an undertaking in accordance with the Pulamed Code of Conduct, and this requirement has been consistently followed. Additionally, the Board adheres to the principles outlined in the Code of Corporate Practices and Conduct from the King IV™ Report on Corporate Governance.

The Board of Trustees meets regularly to monitor the Fund's performance. They address a range of key issues and ensure that discussions on policy, strategy, and performance are critical, informed, and constructive.

The Fund Rules stipulate that the affairs of the Fund shall be managed according to the Fund Rules by a Board of Trustees consisting of a maximum of ten (10) and a minimum of five (5) Trustees – this is still in line with the Medical Aid Funds Bill. The Fund adopted the King IV™ Code of Governance in 2019.

The Board comprises highly skilled professionals with diverse skills and experience to ensure robust oversight for the Fund. Pulamed Trustees have expertise in human resource management, actuarial science, finance, medicine, pharmaceuticals, investment, ICT and governance. All Trustees appointed to the Board are vetted by NBFIRA and should pass

the fit and proper test before assuming office – to this end, all Pulamed Trustees have been found to be fit and proper.

Trustees are elected and appointed for a five-year period and may be re-elected, provided that no Trustee serves more than two consecutive terms (under the Medical Aid Funds Bill, Trustees shall hold office for a period of three years and may be eligible for re-election for a further period not exceeding three years). All Trustees have access to the advice and services of the Corporate Secretary and the Management team. They may also seek independent professional advice at the expense of the Fund to support them in their duties, where appropriate. In terms of the Board of Trustees Charter, Trustees should ensure that an annual performance evaluation is completed to identify their training needs.

The Board Charter also determines that the performance of all Committees is assessed annually to ensure the credibility of the Committees. Through the Executive Management of the Fund, the Board ensures that the performance of service providers is monitored in line with applicable service level agreements.

As Corporate Governance custodians of a duly registered medical aid fund under the laws of Botswana, the Board of Trustees of Pulamed has legal and regulatory obligations aimed at ensuring its effectiveness. The Non-Bank Financial Institutions Regulatory Authority (NBFIRA), the Trust Property Control Act, the Botswana Accountancy Oversight Authority (BAOA), the Financial Intelligence Act (FIA) and related guidelines such as the King IV™ Report on Corporate Governance all form part of a governance framework that guides the Board in the discharge of its duties.



GOVERNANCE REPORT

CONTINUED

The Board remains committed to supporting good governance and ethical leadership, recognising that these increase stakeholder confidence and enable better decision-making for the benefit of stakeholders, particularly the Members of the Fund.

The Board of Trustees is satisfied that it has fulfilled its responsibilities to manage the Fund's assets with due skill and care, in accordance with its governing documents, for the period under review.

Board of Trustees

The Board of Trustees operates in terms of a Board Charter, which is reviewed annually or whenever there are regulatory or legislative changes. The Charter regulates the conduct of the business in accordance with sound corporate governance principles adopted by the Board. The Board Charter stipulates the responsibilities to be discharged by Trustees collectively and individually, ensuring that sound corporate governance principles are applied in all dealings undertaken by the Fund's Trustees.

The Board takes overall responsibility and accountability for the success and sustainability of Pulamed as mandated by the Fund's membership in terms of the Rules of the Fund. The role of the Board of Trustees is focused primarily on exercising sound leadership and independent judgment when considering the Fund's strategic direction and overall performance, while always considering the best interests of the Fund and its Members.

As part of its duties, the Board is responsible for establishing strategic objectives, goals, and key policies, identifying and monitoring key risk areas and key performance indicators of the business, approving strategy and budgets, and

regularly reviewing progress against strategic objectives. Trustees are expected to act with due care, diligence, skill, good faith, and in the best interests of Pulamed and its Members. Processes are in place to ensure that the Trustees declare any conflict of interest that may arise in the discharge of their duties. The Board believes that effective governance is the cornerstone of the Fund's success and sustainability.

Role and Independence of the Board Chairman

In line with King IV™ the Pulamed Board Chairman is an independent non-executive Trustee separate from the CEO. The Board Chairman, Ms Matshidiso Matome, was elected by her peers in December 2023. The role of Board Chairman is separate from that of the CEO. Ms Matome leads the Board, ensuring effective governance processes and balanced oversight of Management. The Chairman's performance is evaluated during the Board evaluation exercise, and her independence is reviewed against King IV™ principles. The Chairman has fostered a constructive, conciliatory engagement in meetings between the Board and Management. Additionally, she is responsible for:

- Participating in the selection of Trustees
- Ensuring proper induction, training, and continuous development of the Board
- Ensuring there is a formal succession plan for Board positions and the role of Chairman of the Board
- Ensuring that the decision-making process is in accordance with the law and caters to the interests of various stakeholders.

Outcome and metrics

- The Chairman's independence has been confirmed during the Board evaluation exercise.
- The Chairman's performance has been measured, and her performance has been rated as suitable to lead the Board of Trustees.

Induction

All Pulamed Trustees have undergone induction, with Mr Wanatsha Moakufi being inducted during the period under review, following successful approval by the 2024 AGM. The Board induction covers the following topics:

- **Board Governance** – Fund Rules, the Delegation of Authority matrix, the Governance Framework, and the Board and Board Committee Charters
- **Ethics** – Pulamed Code of Conduct & Ethics and related policies
- **Financial Information**
- **Risk Management** – Risk Management Framework, regulatory risk & compliance framework.
- **Operational Dynamics** – The Fund's business environment and significant matters relevant to the business.

Board Composition and Attendance

The Board has four (4) substantive committees to support the effective discharge of

Name of Committee	Finance Audit and Risk Committee (FARC)	Investment Committee (IC)	Governance Committee (GC)	Benefits Management Committee (BMC)	Steering Committee (SteerCom)
Frequency of meeting	Quarterly	Quarterly	Quarterly	Ad hoc, but at least twice a year.	Ad hoc

governance responsibilities. These are the Finance, Audit & Risk Committee (FARC), Investment Committee (IC), Governance Committee (GC), and Benefits Management Committee (BMC). However, during the year under review, the Board set up an *ad hoc* Committee, the Steering Committee (SteerCom), to fast-track the Fund's digitalisation strategy and to conduct a best-practice audit with comparable medical aid funds to improve Pulamed's offering and customer service. Delegation to committees is conducted without abdicating accountability. The Committees have approved Terms of Reference which define their mandate and responsibilities. The Board ensures that the committees are properly capacitated with the right balance of skills and expertise, conducting mid-year committee reshuffles to ensure the effective running of Committees. Committees were reshuffled on 13th September 2024 and 6th March 2025, triggered by Trustee retirements and resignations.

All the Committees met as scheduled, in accordance with their terms of reference, and provided reports to the Board of Trustees quarterly. The Committees report to the Board following each meeting on standing agenda items and extraordinary matters considered thereat. The Committees' effectiveness was evaluated during the period under review. All Committees achieved 100% compliance with delegation protocols.



GOVERNANCE REPORT

CONTINUED

Finance, Audit and Risk Committee (FARC)

#	Name	Role
1	Priyalal De Silva	FARC Chairman
2	Naiko C. Ralebala*	Member
3	Gomolemo Tangane**	Member
4	Lesego Keitsile***	Member
5	Kushatha Moswela***	Member

* Resigned at the 2024 AGM on 29th November 2024.

** Reassigned to the Investment Committee following the Committee restructuring after the 2024 AGM.

*** Joined the Committee following the Committee restructuring after the 2024 AGM.

Chaired by an independent Trustee, Mr Priyalal De Silva, the Finance, Audit and Risk Committee provides oversight over financial reporting, internal control, assurance process, risk governance, and legal & compliance. The Committee meets quarterly, with additional special meetings to consider the budget and approve the audited financial statements. Further details regarding the various aspects under the FARC's purview are detailed below.

The Committee is responsible for the following:

a. Finance Function & Financial Reporting

In so far as this function is concerned, the Committee is responsible for reviewing the expertise, resources and experience of the Fund's finance function and disclose the results of the review in this report to Members. The Committee is further in charge of:

- Reviewing the Fund's management accounts at least on a quarterly basis.
- Recommending policies and strategies that would maintain and improve the financial health and integrity of the Fund to the Board.
- Recommending an annual operating budget to the Board and monitoring the financial performance of the Fund against approved budgets, long-term trends and

industry benchmarks.

- Reviewing the annual financial statements and determining whether they are complete and consistent with the information known to Committee members.
- Considering, alongside internal and external auditors, any fraud, illegal acts, deficiencies in internal financial controls or other similar issues as they relate to financial reporting.

b. Internal Control

The Finance, Audit & Risk Committee is responsible for ensuring the effectiveness of the Fund's internal control system and assessing whether management has controls in place for any transactions that may be unusual or involve an unacceptable degree of risk. The Committee is also responsible for gaining an understanding of whether internal control recommendations made by internal and external auditors have been implemented by Management.

c. Internal Audit

The Finance, Audit & Risk Committee is responsible for recommending the appointment of internal auditors to the Board of Trustees. It is responsible for overseeing

internal audit and for assessment of the performance of the Fund's internal audit function. The Committee approves the Fund's internal audit plan and reviews the extent of control testing, understanding the degree to which it can be relied on to detect internal control problems or fraud. The Committee reviews the effectiveness of the internal audit function by ensuring that the internal audit function is subject to an independent quality review. The Committee meets separately, without Management, once a year with the internal auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Once internal audit is conducted, the Committee ensures that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis in order to consider the response of the Administrators, the Principal Officer and Trustees (as appropriate) to any internal audit recommendations.

d. External Audit

The Committee is responsible for recommending the appointment and the terms of engagement and remuneration of the external auditor to the Board. The Committee reviews the findings of the audit with the external auditor. The Committee also meets the external auditors once every year, in the absence of Management, to discuss any issues arising from the audit.

e. Legal & Compliance

The Committee reviews compliance with regulatory requirements and all applicable laws governing the Fund. It further reviews the effectiveness of the system for monitoring compliance with laws, regulations

and voluntary codes and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.

f. Risk Management

The Finance, Audit & Risk Committee oversees Pulamed's risk management and recommends to the Board on how risk should be approached and addressed by the Fund. The Committee recommends the nature and extent of the risks that Pulamed should be willing to take in pursuit of its strategic objectives, including the Fund's risk appetite, and the limit of the potential loss that the Fund has the capacity to tolerate. The Committee is responsible for reviewing the Pulamed risk management framework and policies. Furthermore, the Committee reviews the implementation and maintenance of the Enterprise-wide Risk Management (ERM) Framework and internal control system in the Fund and ensures that all significant risks are identified, evaluated, mitigated, monitored and communicated to the Board.

Activities of the Committee during the year under review:

- Reviewed FY 2025/26 Budget and recommended the same for approval in concert with the Benefits Management Committee.
- Reviewed the annual financial statements and ensured that the same are approved within the regulatory timelines.
- Monitored the implementation of existing and emerging financial reporting standards (i.e. IFRS 17 and IFRS 18).
- Recommended the appointment of Deloitte as the Fund's external auditors following a determination of the Fund's



GOVERNANCE REPORT

CONTINUED

- external audit requirements.
- Ensured that the Fund's internal audit function is capacitated, establishing an internal audit scope that addresses risks identified through the risk management process.
- Ascertained that the Fund's finance function and that of its Administrator are sufficiently resourced and skilled to carry out its obligations.
- Considered the Fund's risk management activities.
- Considered reports of the Fraud, Waste and Abuse function.
- Interrogated compliance matters facing the Fund, in particular the successful implementation of the Data Protection Act.

Investment Committee (IC)

#	Name	Role
1	Naiko Ralebala*	IC Chairman
2	Kushatha Moswela**	IC Chairman
3	Lesego Keitsile	Member
4	Gomolemo Tangane***	Member

- * Retired at the 2024 AGM.
- ** Elected Committee Chairman following Ms Ralebala's resignation.
- *** Joined the Investment Committee on the restructuring after the 2024 AGM.

The Investment Committee meets quarterly and is mandated to review and oversee the Fund's investments and their performance. The Committee has a standing invitation extended to the Fund's Investment Consultant and Asset Manager. The Fund's Investment Consultant and Asset Managers were Alex Forbes Asset Consultants and BIFM, respectively.

The Committee is responsible for ensuring implementation of the Fund's Investment Policy Document (IPD) and, with the guidance of the Investment Consultant, ensures that responsible investment is practised by the Fund in line with King IV™.

Other duties of the Investment Committee include:

- **Development and Implementation of Investment Strategies** – Developing and implementing, upon approval by the Board, investment objectives, policies, strategies, and procedures, including an Asset Allocation Strategy or Plan.
- **Risk Management** – Identifying, managing, and monitoring risks associated with investments.
- **Appointment and Oversight of External Advisors** – Appointing, managing relationships with, and monitoring asset managers, investment consultants, and investment advisors as required.
- **Investment Proposal Review** – Reviewing proposals for investments from asset managers and others to determine appropriate investment options for the Fund.
- **Monitoring Investment Performance** – Monitoring and reviewing all areas of the investment strategy, including the performance of the investment portfolio, and recommending necessary interventions to the Board.
- **Research and Analysis** – Researching new or existing investment products to facilitate appropriate and timely investment decisions by the Board.

Activities of the Committee during the year under review:

- Reviewed the Fund's Investment Policy Statement.
- Conducted a performance assessment of the Asset Managers and Investment Consultants
- Recommended the retention of the Asset Managers and Investment Consultant
- Quarterly review of the performance of the Fund's investments.

Governance Committee (GC)

#	Name	Role
1	Anthony Masunga*	GC Chairman
2	Ishmael Dipholo**	GC Chairman
3	Matshidiso Matome	Member
4	Kushatha Moswela***	Member
5	Wanatsha Moakufi****	Member

- * Ceased to be Committee Chairman following retirement as an Employer representative in August 2024. Subsequently co-opted as a Trustee on approval of the 2024 AGM on 29th November 2024.
- ** Chaired the Committee during Mr Masunga's absence.
- *** Joined the Committee during Mr Masunga's absence.
- **** Joined the Committee after the restructuring of the 2024 AGM to allow for continuity post Mr Masunga's absence.

During the reporting period, the Committee was initially chaired by Mr Anthony Masunga before his retirement as an Employer Representative. Mr Ishmael Dipholo became the interim chair prior to the co-opting of Mr Masunga as an independent Trustee. Mr Masunga was elected as the substantive chair following the November 2024 AGM. The GC has maintained a balance between the Independent Trustees and the Employer Representative Trustees in line with King IV™.

The Committee is responsible for:

- Nominations and Remunerations
- IT Governance
- Procurement and Asset Disposal
- Social & Corporate Investment
- Disputes and Ethics

The Governance Committee meets quarterly to:

- **Review Remuneration and Human Resource Issues** – Evaluate and make recommendations on remuneration and human resource matters concerning both

Pulamed staff and the Board of Trustees.

- **Recommend Nominations** – Propose candidates to the Board for vacancies on the Board and its Committees.
- **Oversee IT and Cybersecurity Issues** – Ensure the development and continuous monitoring of the Fund's IT governance framework.
- **Supervise Procurement and Asset Disposal** – Provide oversight on all procurement and asset disposal activities and recommend third-party entities for service engagements with the Fund.
- **Monitor Social and Corporate Investment** – Oversee the Fund's contributions to the development of communities where its activities are primarily conducted or where its products or services are predominantly marketed.

Activities of the Committee during the financial year:

- Nominated Trustees to replace the following skillset: IT/Cybersecurity, Accounting, and Risk



GOVERNANCE REPORT

CONTINUED

- Oversaw the conversion of staff to permanent and pensionable
- Ensured the development of the Fund's IT Governance framework, Information Security Management System
- Received cybersecurity-related reports, such as penetration testing results
- Conducted biennial Board performance evaluation.

Benefits Management Committee (BMC)

#	Name	Role
1	Gomolemo Tangane	Chairman
2	Ishmael Dipholo	Member
3	Wanatsha Moakufi*	Member

* Joined the Committee following the restructuring after the 2024 AGM.

The Benefits Management Committee meets on an ad hoc basis, but at least twice a year, and is entrusted with advising the Board on issues related to Members and their benefits. The Committee plays a crucial role in ensuring that the Fund's benefit structures remain responsive to the needs of its Members.

Key Committee responsibilities include:

- **Advising on Member-Related Issues and Benefits** – The Committee evaluates current benefit offerings and Member services, providing recommendations to the Board for enhancements or modifications. This involves assessing the effectiveness of existing benefits, identifying gaps or areas for improvement, and ensuring that the benefits align with the Fund's strategic objectives and Members' expectations.

- **Assessment of Ex Gratia Payment Requests** – One of the Committee's primary functions is to review and assess requests from Members for high-value/cost ex gratia payments that fall outside the powers delegated to the Principal Officer. Ex gratia payments are discretionary payments made by the Fund in exceptional circumstances where Members may not be entitled to a benefit under the standard terms but are faced with unique situations. Ex gratia payments are considered in line with the Delegation of Authority matrix.

Activities for the period under review:

- Assessed the benefit enhancements proposed for FY 2025/26.
- Reviewed the Fund's wellness programme.

Steering Committee (SteerCom)

#	Name	Role
1	Ishmael Dipholo	Chairman
2	Matshidiso Matome	Member
3	Wanatsha Moakufi	Member
4	Gomolemo Tangane	Member
5	Lesego Keitsile	Member

The Steering Committee is an ad hoc committee of the Board that was established to fast-track the Fund's digitalisation strategy and to carry out a best practice audit with comparable medical aid funds to improve the product and service offering. The Committee is also tasked with ensuring that the Fund's strategic projects are completed on time and within budget, with the Board having a

full view throughout the project lifecycle. The Committee ensures that the right decisions are made timeously with the Board's oversight.

Activities for the period under review:

The appointment of project management consultants to assist management with the delivery of strategic projects.

Board Meeting Attendance

Name	Designation	Board	Special Board	Annual General Meeting	Finance, Audit and Risk	Special Finance, Audit and Risk	Governance	Benefits	Special Benefits Management	Investment	Steering Committee	Strategy Review Session
Matshidiso Matome	Chairman	4/4	2/2	2/2			4/4				3/3	3/3
Anthony Masunga	Trustee	2/4	1/2	1/2		1/2	2/4					3/3
Naiko Ralebala ¹	Trustee	2/4	1/2	2/2	1/4	2/2				2/4		
Kushatha Moswela	Trustee	4/4	2/2	2/2	1/4		1/4			4/4		3/3
Priyalal De Silva	Trustee	4/4	2/2	2/2	4/4	1/2					3/3	3/3
Ishmael Dipholo	Trustee	2/4	2/2	2/2			4/4	1/1	1/1		3/3	3/3
Lesego Keitsile	Trustee	4/4	2/2	2/2	1/4	1/2				3/4	3/3	3/3
Gomolemo Tangane	Trustee	4/4	2/2	2/2	3/4	1/2		1/1	1/1	1/4	3/3	3/3
Wanatsha Moakufi ²	Trustee	2/4	1/2				1/4	1/1	1/1			

Notes:

- **Special Board of Trustees meetings** – There were four (4) scheduled Board meetings. Two (2) additional meetings were held for the approval of the Annual Financial Statements and the approval of the budget.
- **Special Finance, Audit, and Risk Committee meetings** – There were four (4) scheduled quarterly reporting meetings.

Additionally, there were two (2) special meetings of the Committee, for the close of the external audit and approval of the annual financial statements and the budget.

- **Special Benefits Management Committee meeting** – The Benefits Management Committee was invited to the FARC Budget meeting to discuss benefits enhancements.

¹ Retired at the 2024 AGM.

² Appointed on approval at the 2024 AGM.



GOVERNANCE REPORT

CONTINUED

Trustees' Fee Structure

The Board of Trustees reviewed the Trustees' fee structure in 2023 (a review carried out every three (3) years), which was approved by the Annual General Meeting held that year. According to the Board's remuneration policy, Trustees' annual retainer fees are to be paid on a biannual basis. The fee structure was unchanged in FY 2024/25 as follows:

Annual Retainer Fee

	Fees as at FY 2024/25 (Pula)
Chairman Annual Retainer (paid in 2 halves biannually)	65,000
Trustee Annual Retainer (paid in 2 halves biannually)	50,000

Table 1- Annual Retainer Fee

Board Sitting Fees

	Fees as at FY 2024/25 (Pula)
Chairman of the Board (per sitting)	16,500
Trustees (per sitting)	9,500

Table 2 - Board Sitting Fees

Committee Sitting Fees

	Fees as at FY 2024/25 (Pula)
Chairman of the Committee (per sitting)	10,000
Trustees (per sitting)	7,500

Table 3 - Committee Sitting Fees

Board Remuneration FY 2024/25

Trustees are remunerated for attendance at scheduled quarterly and special meetings of the Board and its Committees. Trustees are compensated for additional activities such as attendance at training sessions and conferences. Trustees are reimbursed for expenses related to travel, accommodation, and meals incurred while fulfilling their duties.

During the fiscal year under review, total Trustee remuneration and expenses amounted to P1.7 million. This includes P390,000 allocated to Board retainer fees and P1.33 million designated for Board sitting fees. This represented a marginal reduction attributed to a reduction in the number of meetings. A breakdown of the spend on remuneration is detailed:

Board Member	Retainer Fee (Tax exclusive)	Sitting Allowance (Tax exclusive)	Total
Matshidiso Matome	65,000	226,500	291,500
Anthony Masunga	50,000	96,000	146,000
Naiko Ralebala	-	96,500	96,500
Ishmael Dipholo	50,000	165,500	215,500
Kushatha Moswela	50,000	164,500	214,500
Priyalal De Silva	50,000	169,500	219,500
Lesego Keitsile	50,000	157,000	207,000
Gomolemo Tangane	50,000	167,000	217,000
Wanatsha Moakufi	25,000	89,000	114,000
Total	390,000	1,331,500	1,721,500

Table 4 - Remuneration of Trustees FY 2024/25

Board Evaluation

The Board successfully implemented the action plan emanating from the evaluation conducted in FY 2023/24. As scheduled, the Board conducted an externally facilitated review of its effectiveness during FY 2024/25, undertaken by Nasdaq Board Solutions. The process, spearheaded by the Board Chairman and the Corporate Secretary, involved a self-assessment questionnaire with the Trustees. The results of the evaluation were considered by the Board following the close of the reporting period and were distilled into an action plan to address identified areas of improvement.

The evaluation covered:

- **Governance, performance and effectiveness of the Board and its Committees** – The Board scored well on its performance and committee structures.
- **Independence assessment of Trustees who have served on the Board for more than five years** – The evaluation indicated that all eligible Trustees maintained their independence.
- **Performance and effectiveness of individual Trustees** – Trustees scored a

high average of 87% in the individualised peer-review.

- **Performance and effectiveness of the Board Chairman and the Chairpersons of various Board Committees** – Each Chairperson scored well in their competence. Areas for improvement are being addressed through individualised leadership coaching driven by the Board Chairman.
- **Performance and effectiveness of the Corporate Secretary** – The Corporate Secretary achieved a high score on competency and overall effectiveness.
- **Judgement, skills, competence, contribution and participation in meetings by the Trustees** – All Trustees were found to actively participate in meetings. Trustees' skills are relevant to the Fund's strategic vision.

The evaluation suggested the following objectives:

- Review the current committee structure for efficiency
- Improve oversight of Human Capital issues
- Improve the Trustees' competencies in relation to digitalisation and innovation matters.



GOVERNANCE REPORT

CONTINUED

- Review the Fund's enterprise-wide risk management framework towards improving reporting and identification of non-financial risks.

The Board of Trustees monitors implementation of the recommendations from the Board Evaluation through the Governance Committee.

Delegation of Authority

The Board of Trustees, as the custodian of corporate governance, uses a Delegation Matrix to outline the delegation of authority, falling within the Board's jurisdiction and those entrusted to Board Committees. This framework, supported by policies and processes, ensures consistent governance, facilitates strategic execution, and fosters role clarity and sound decision-making. The Board relies on Board Charters for guidance and to delineate composition, meeting frequency and roles. These Charters are subject to an annual review to uphold their relevance. The Board is satisfied that the delegation of authority in place contributes to role clarity and the effective exercise of authority.

The authority for managing the Fund's day-to-day activities is delegated to Pulamed's Executive Management through the Principal Officer. The Board is comfortable that the delegation of authority framework in place ensures a clear division of responsibilities between Management and the Board and that no member of the Executive Management has unfettered authority. The Board is comfortable that this delegation of authority fosters accountability and ensures effective exercise of authority without any member of the Executive Management having unfettered power.

Outcomes:

- Achieved 100% adherence to the Delegation of Authority matrix.
- Resolved all role clarity issues reported within two weeks.
- Management met or exceeded performance targets in most delegated duties.

The Principal Officer / Chief Executive Officer

The Principal Officer, Dr Khumoetsile Mapitse, is employed under a standard contract consistent with the terms applicable to all other Executives. His contract commenced in 2023 and spans a period of five (5) years, including a termination notice period of two (2) months. The Principal Officer is accountable to the Board for the implementation and execution of the approved strategy. Although not a member of the Board, he has a standing invitation to all meetings of the Board of Trustees save for matters requiring his recusal due to conflict. Dr Mapitse has a single membership of a governing body outside the organisation: as Chairperson of the Botswana Gender-Based Violence Prevention and Support Centre.

The Principal Officer's performance is reviewed by the Board on a quarterly basis, culminating in the annual performance review. The Principal Officer's performance review for F2025 was conducted at the end of the Financial Year.

Succession Planning

Board of Trustees

A Board Succession Policy was approved by the Board of Trustees, and implementation of the policy is ongoing. Positions for the

vacant positions were advertised, and suitable candidates were recommended for appointment by the 2025 AGM in line with the Policy. The Fund's Board Succession Policy seeks to ensure that there is Board continuity and that a balance of the right knowledge, skills, and experience needed by the Fund at any point is attained. All Fund Trustees have gone through Board induction; new Trustees have undergone an induction programme as well. There is an annual Trustee training budget and plan aimed at developing and capacitating Trustees to discharge their duties. All current Pulamed Trustees and new ones being recommended for appointment (**Resolutions 4-6**) have been found to be fit and proper by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) to execute their duties as Trustees.

Principal Officer

The approved succession strategy for the position of Principal Officer was implemented during the period under review. In accordance with industry standards, the Governance Committee has ascertained:

- Emergency/ready-now candidate** – Someone prepared to take over immediately if necessary.
- Medium-term candidate** – Ready in one to three years.
- Long-term candidate** – Ready in three to five years.

The Governance Committee manages the Executive Management's and Non-Executive key roles' succession planning as part of its annual agenda. The implementation of the plan, along with initiatives, is spearheaded by the Principal Officer to develop identified candidates and is monitored by the Committee in a structured manner.

Corporate Secretary

The Corporate Secretary is appointed by the Board of Trustees in accordance with the Fund's founding document. The Corporate Secretary is accountable to the Board, and the Board is responsible for the conditions of her service to the Fund. Ms Nomsa L. Otsogile was the Fund's Corporate Secretary during the period under review.

The Corporate Secretary plays a key role in the promotion of good governance and has supported adherence to Board procedures. Additionally, she ensures that the Board have free access to her advice and that of consultants at the Fund's expense. The Corporate Secretary was subjected to the Board's annual performance evaluation, and the Board is satisfied that she has maintained her independence and is competent and qualified to discharge her duties as Secretary to the Board of Trustees. The evaluation confirmed her effectiveness in executing her role, including:

- Demonstrating effective discharge of responsibilities.
- Maintaining a professional and unbiased relationship with the Board and its Trustees.
- Possessing the necessary skills, knowledge and experience to provide the Board with sound governance guidance.

Trustees are entitled to procure independent advice at the Fund's cost while carrying out their fiduciary obligations. Additionally, they possess the privilege of direct communication and unrestricted access to external auditors and Executive Management.

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Student Cover

Pulamed through its South African based medical aid partners, offers comprehensive medical aid cover at discounted rates for members. This cover also facilitates for Visa applications. T's & C's Apply.

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 3650555 for more information



Figure 1: Pulamed risk management governance structure

The Fund's risk management framework was approved by the Board in 2019. The risk management framework details the governing body's responsibility in governance of the identification of both opportunities and risks facing the Fund. The Board, during its strategic review, considered risks and threats to the Fund's strategy and its daily operations. On a quarterly basis, the Board considers management's proposed risk responses facing the Fund, through the Finance, Audit, and Risk Committee.

The Board is responsible for establishing and managing both manual and automated internal controls and systems. These controls and systems are designed to provide reasonable but not absolute assurance about the integrity and reliability of the financial statements and to safeguard the Fund's assets through its combined assurance model. The Fund's internal controls are based on established policies and procedures, exercised by trained personnel with the appropriate segregation of duties. No event or matter has come to the attention of the Board of Trustees that would indicate a material breakdown in the functioning of the key internal controls and systems that were in operation during the year under review.

Technology and Information Governance

The Governance Committee has been tasked with technology and information governance. Following the award of the IT Governance Framework tender, the GC has monitored the project implementation and obtained approval of key IT-related governance policies.

At the time of the issuance of the report, the project was nearing completion with a view to establishing a strong data governance framework for the Fund's activities to be measured against.

The Board receives independent assurance regarding the Fund's current IT environment from the internal auditors and the external auditors. Additionally, the Finance, Audit and Risk Committee, has overseen the completion of key activities in the Fund's Data Protection compliance journey. The Fund has recruited and appointed a Data Protection Officer, Ms Phenyo Kedititse, with the Data Protection Commissioner's approval.

Future planned areas of focus:

- Conclusion of the development of the Fund's IT Governance framework
- Establishment of a detailed digitalisation roadmap for the Fund.

Commitment to King IV™ Governance Principles

The King IV™ Code on Corporate Governance is the corporate governance standard which Pulamed has practised in F2025. The Board confirms that Pulamed complied with the provisions set out in the King Code for the period under review, in the spirit of continuous improvement. Details on how the Code's principles were applied, and how governance operates at Pulamed, have been summarised throughout this Governance section and elsewhere in the Annual Report, are highlighted below.



GOVERNANCE REPORT

CONTINUED

King IV™ Focus Area	PRINCIPLE	STATUS	ALIGNMENT & ADOPTION
Ethical Leadership	<p>PRINCIPLE 1</p> <p>The Governing Body should set the tone and lead ethically and effectively</p>	Applied	<p>The Board leads ethically and effectively, setting the tone for governance that reflects integrity, responsibility, fairness, and transparency. The Board has adopted the Pulamed Rules, the Code of Ethics & Conduct, the Employee Conditions of Service, the Board Charter (Declaration of conflict of interests) and the Whistleblowing Policy.</p> <p>Trustees are assessed on ethics and integrity as part of the Board evaluation. The Trustees periodically attest to the Fund's Code of Ethics, and declare their interests as a standing governance practice and as per conflict of management principles.</p>
Organisational Ethics	<p>PRINCIPLE 2</p> <p>The Governing Body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	Applied	<p>The Board, through the Governance Committee, has tested the effectiveness of Pulamed's ethical culture. The Fund focuses on embedding an ethical culture by ensuring operationalisation of policies and enhancing ethical values amongst employees.</p>
Responsible Corporate Citizenship	<p>PRINCIPLE 3</p> <p>The Governing Body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	Applied	<p>The Board oversees Management's implementation of the Fund's Citizen Economic Empowerment Initiative and Corporate Social Investment (CSI), through quarterly reports on initiatives undertaken.</p>

Strategy And Performance	<p>PRINCIPLE 4</p> <p>The Governing Body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process.</p>	Applied	<p>The Board integrates the organisation's purpose, strategy, risks, opportunities, performance, and sustainability into its decision-making process and considerations. The Board recognises that long-term sustainable value creation depends on the alignment of strategy, performance, risk, and reporting.</p>
Reporting	<p>PRINCIPLE 5</p> <p>The Governing Body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium, and long-term prospects.</p>	Applied	<p>The Board is responsible for ensuring the integrity and completeness of this report. With the support of the Finance, Audit & Risk Committee, the Board collectively assessed the report's content and believes that it provides a fair and balanced representation of the Fund's performance and prospects. The report is prepared in line with recognised local and international guidelines, including the International Financial Reporting Standards (IFRS). The Board is confident that this report aligns with the relevant reporting standards as prescribed to ensure that stakeholders make an informed assessment of the performance of the Fund with no room for ambiguity.</p>
Roles And Responsibilities Of The Governing Body	<p>PRINCIPLE 6</p> <p>The Governing Body should serve as the focal point and custodian of corporate governance in the organisation.</p>	Applied	<p>The Board accepts ultimate responsibility for the governance of the organisation and serves as the focal point for governance. It ensures that the structures, processes, and practices in place enable sound oversight, effective leadership, and sustainable value creation. The Board operates in a manner that is transparent, accountable, and aligned with the principles of fairness and responsibility.</p>



**GOVERNANCE
REPORT**
CONTINUED

Composition of The Governing Body	<p>PRINCIPLE 7</p> <p>The Governing Body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	Applied	<p>The Board ensures that its composition reflects a balance of knowledge, skills, experience, diversity, and independence necessary to provide effective oversight and strategic guidance.</p>
Committees of The Governing Body	<p>PRINCIPLE 8</p> <p>The Governing Body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p>	Applied	<p>The Board ensures that functions are delegated to Committees without absolving Board accountability.</p> <p>The Committees are mandated to make recommendations of their final decisions to the Board of Trustees for approval.</p> <p>The Chairperson of the Board is not a member of the Finance, Audit & Risk Committee.</p>
Evaluations of The Performance of The Governing Body	<p>PRINCIPLE 9</p> <p>The Governing Body should ensure that the evaluation of its own performance and that of its committees, its chair, and its individual members supports continued improvement in its performance and effectiveness.</p>	Applied	<p>The Board conducted its evaluation during the financial year under review.</p> <p>The Board evaluation includes the evaluation of the Board, the Chairperson, the individual Trustees, and the Corporate Secretary. The evaluation also takes into consideration independence assessments, peer assessments, and skill assessments.</p>

Appointment and Delegation To Management	<p>PRINCIPLE 10</p> <p>The Governing Body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	Applied	<p>There is a Delegation of Authority matrix which provides different levels of authority to the Fund's Executive team, with the Principal Officer being the overall accountable officer for the Fund's day-to-day activities as per the Board's delegation.</p>
Risk	<p>PRINCIPLE 11</p> <p>The Governing Body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	Applied	<p>The Board consistently monitored risks through the Risk Register, with the Finance, Audit & Risk Committee ensuring appropriate risk mitigation measures are in place.</p>
Technology and Information	<p>PRINCIPLE 12</p> <p>The Governing Body should govern technology and information in a manner that supports the organisation in setting and achieving its strategic objectives.</p>	Applied	<p>The Board managed IT risk as part of operational risk. It also initiated the digital transformation (2022-2027 strategy), starting with rebranding and IT Governance Framework development.</p>
Governance	<p>PRINCIPLE 13</p> <p>The Governing Body should govern compliance with applicable laws and adopted, non-binding rules, codes, and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	Applied	<p>Compliance with applicable laws is a key risk that is managed through the Finance, Audit & Risk Committee.</p> <p>The Finance, Audit & Risk Committee assists the Board in monitoring and evaluating the adequacy and efficiency of the Fund's internal controls in compliance with applicable legal requirements, regulatory requirements, and accounting standards.</p>



GOVERNANCE REPORT

CONTINUED

Remuneration	<p>PRINCIPLE 14</p> <p>The Governing Body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	Applied	<p>A Remuneration Policy guides fair and market-aligned compensation. The Governance Committee recommends Human Resource policies to attract and retain talent, with salary structures reviewed for market competitiveness.</p>
Assurance	<p>PRINCIPLE 15</p> <p>The Governing Body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and external reporting purposes.</p>	Applied	<p>Pulamed's assurance is provided through the internal and external audit functions. The Finance, Audit & Risk Committee oversees the Fund's interaction with Internal and External Auditors and oversees the selection process of these assurance bodies and recommends their appointment to the Board of Trustees and ultimately the AGM.</p> <p>The external audit function provides reasonable assurance on the accuracy of financial disclosures within the approved thresholds of materiality. The external auditors' plan is reviewed by the Finance, Audit & Risk Committee and approved by the Board of Trustees to ensure all significant areas of concern are covered without compromising the external auditor's independence and right to the audit.</p>

Stakeholders	<p>PRINCIPLE 16</p> <p>In the execution of its governance roles and responsibilities, the Governing Body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.</p>	Applied	<p>The Board encourages proactive engagement with Members and stakeholders, including engagement at the AGM where Trustees are present to respond to queries on how the Board has executed its governance duties.</p> <p>On a day-to-day basis, the Benefits Management Committee assists the Board in engaging with Members through various requests, adequacy of benefits, proposed benefits, and ex gratia considerations, which help the Fund serve Members better.</p>
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GOVERNANCE REPORT

CONTINUED

Organisational Ethics

Pulamed is committed to conducting business with integrity, fairness, accountability, and transparency. These ethics are well integrated with our corporate values and strategy and supported through the following governance documents: the Pulamed Rules, the Code of Ethics & Conduct, the Employee Conditions of Service, the Board Charter (Declaration of conflict of interests), and

the Whistleblowing Policy. The externally managed whistleblowing hotline was maintained during the financial year under review. All reports received through these platforms are investigated, and the outcomes are communicated to the Board, with remedial actions implemented through the office of the Principal Officer. Through these platforms, we provide safe channels for stakeholders to raise concerns without fear

of retaliation. Additionally, the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) offers a whistleblowing platform that enables stakeholders to report unethical activities within the industry.

REQUESTED RESOLUTIONS FOR THE 2025 ANNUAL GENERAL MEETING

1. ORDINARY RESOLUTION NO. 1

Approval of the Minutes of the Pulamed Annual General Meeting held on 29TH NOVEMBER 2024 (ORDINARY RESOLUTION NO.1)

The Minutes of the Fund's 2024 Annual General Meeting (AGM) were duly circulated to members of the Fund. Only members that were present at the previous AGM may approve the minutes.

REQUESTED RESOLUTION

The Annual General Meeting hereby **APPROVES** the minutes of the Fund's Annual General Meeting held on 29th November 2024 as a true reflection of proceedings held on that day.

2. ORDINARY RESOLUTION NO. 2

Approval of the Audited Annual Financial Statements for the year ended 30 June 2025 together with THE EXTERNAL auditor's reports thereon be adopted (ORDINARY RESOLUTION NO.2)

The Fund's Audited Annual Financial Statements for the year ended 30th June 2024 together with the External Auditor's report are presented for adoption.

REQUESTED RESOLUTION

The Annual General Meeting hereby **ADOPTS** the Financial Statements for the year ended 30th June 2024 together with the External Auditor's report.

3. ORDINARY RESOLUTION NO. 3

RETIREMENT OR RESIGNATION OF TRUSTEES - To consider and note Trustees

that resigned in terms of the Fund Rules. During the year under review, the following Trustee retired from the Board: Mr. Anthony Masunga (co-opted Trustee) – (Resolution 3)

REQUESTED RESOLUTION

The Annual General Meeting hereby **NOTES** the retirement of: Mr. Anthony Masunga

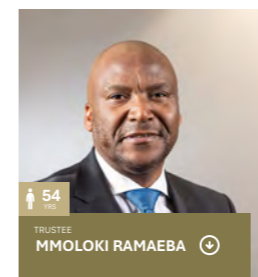
4. ORDINARY RESOLUTION NO. 4-6

APPOINTMENT OF TRUSTEES -

Appointment of Trustees of the Fund

In line with the Fund's Board Succession Plan and vacancies that exist on the Board, the Board of Trustees commenced a vigorous process to fill Board vacancies, found ideal candidates and duly submitted the names of the candidates to the Regulator, NBFIRA for vetting. A favourable vetting outcome was received for the candidates. The following three (3) new Trustee nominees are being tabled to the 2025 Annual General Meeting for their appointment to be endorsed by the general membership as per the Board of Trustees' recommendation:

4.1 Mmoloki Ramaeba – (Resolution 4)



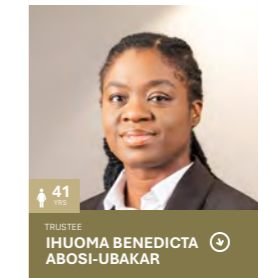
Mr. Mmoloki Ramaeba is a seasoned Banking, Finance and Investment executive with over 28 years of Pan-Middle East and African leadership experience across Botswana, Mozambique and the UAE. He has led high-impact portfolios in Corporate & Investment Banking, Treasury Management, Private Equity and Governance. Mr. Ramaeba is the Founder & CEO of Lambda Capital, a private equity

institution based in Botswana. He has served as Vice President & COO at Dura Capital, Regional COO – Corporate & Investment Banking and Chief of Staff to the Group CEO at Atlas Mara (Dubai), as well as Head of Corporate & Investment Banking in Botswana and Head of Treasury in Mozambique for BancABC.

He has also the nation in diverse boards and chaired the Botswana Railways' Board of Directors and has served as Director at the Botswana Development Corporation chairing the investment committee. His strengths include strategic leadership, governance, investment management, liquidity and balance sheet optimisation, regulatory compliance and stakeholder influence. He holds a BA Economics from the University of Botswana, an Executive and Management Leadership Development Programme (ELDP and MLDP) from GIBS, University of Pretoria and has completed an International Development Program from Dublin & London, Banking & Finance Institution.

He currently serves as Vice-President & Chief Operating Officer at Dura Capital (Pty) Limited and is the Board Chairman of Ba Isago University.

4.2 Ihuoma Benedicta Abosi-Ubakar (Resolution 5)



Ms. Benedicta Abosi-Ubakar is a highly accomplished finance executive and board-level advisor with over 17 years of post-qualification experience across Botswana, South Africa and the USA, spanning corporate finance, auditing, governance and executive leadership.



GOVERNANCE REPORT

CONTINUED

As Chief Financial Officer of the Botswana Development Corporation (BDC), she has driven balance sheet growth, institutional transformation, treasury optimisation and innovative funding structures, including leading a team that successfully raised over P4 billion to strengthen BDC's capital position. She oversees financial strategy, forecasting, treasury, deal analysis, investor relations, financing structures, partnership compliance, procurement governance and enterprise-wide risk management.

Her distinguished career includes over a decade at KPMG, where she rose to Associate Director and spearheaded global audit methodology deployment, including a US secondment training teams across three continents. She holds a Bachelor of Accountancy (University of Botswana), is an ICAEW Associate Member, an ACCA Fellow, a BICA Fellow, and has completed executive programmes at the University of Witwatersrand and Stellenbosch.

She currently serves as Chief Financial Officer at Botswana Development Corporation and holds independent non-executive director positions on several boards on behalf of BDC as well as in her own personal capacity.

4.3 Aldrin Sekongo Sivako (Resolution 6)



Mr. Aldrin S. Sivako is a transformational ICT executive with over 20 years of industry experience, including 12 years in senior leadership roles within the

telecommunications sector. Having made substantial contributions to the growth and modernisation of the telecommunications sector in Botswana and the region. He is recognised for driving large-scale digital transformation initiatives, optimising operations, and pioneering innovative solutions in fixed broadband telephony, mobile, and cloud computing. As Chief Operations Officer at Botswana Telecommunications Corporation (BTC), a position he held until October 2025, Aldrin led the technology organisation and digital transformation efforts, launched Botswana's first local cloud services, and secured significant strategic partnerships, notably introducing Starlink services to BTC. He also established BTC's first certified data centre and innovation ecosystem, delivered strong security governance and cyber resilience for the organisation. His leadership philosophy emphasises people-centred change, operational efficiency, and sustainable value creation. Aldrin holds a BEng (Hons) in Telecommunication Systems, an MBA, and numerous executive development certifications, and is currently pursuing his Doctor of Business Administration with the IIBM Institute of Business Management, specialising in Data and Cybersecurity.

REQUESTED RESOLUTION

The Annual General Meeting hereby **APPROVES** the appointment of the following Trustees in line with the recommendation of the Board of Trustees and Regulatory approval: Mr. Mmoloki Ramaeba (**Resolution 4**) Ms. Ihuoma Benedicta Abosi-Ubakar (**Resolution 5**) Mr. Aldrin Sekongo Sivako (**Resolution 6**)

5. ORDINARY RESOLUTION NO. 7

Trustees Fees - To Consider and Approve the remuneration paid to Trustees of the Fund for the year ended 30th June 2025

The fees payable to Trustees as approved at the 2023 Annual General Meeting are as follows:

Annual Retainer	50,000
Chairman Annual Retainer	65,000
Trustees (per sitting) – at Board level	9,500
Trustees (per sitting) – at Committee level	7,500
Committee Chairperson	10,000
Chairperson of the Board (per sitting)	16,500

The fees paid to Trustees for the FY2024/2025 amount to **P1,721,500** and a breakdown appears under in the Annual Report under the Governance Report.

REQUESTED RESOLUTION

It is resolved that the Annual General Meeting hereby **APPROVES** the fees paid to Trustees for the FY 2024/2025.

6. ORDINARY RESOLUTION NO. 8 REMUNERATION OF EXTERNAL AUDITORS - Ratification of the External Auditor's fees for the year ended 30th June 2025

During the period under review, the Fund's external auditors, Deloitte & Touche were paid **P873,012** for the FY 2024/2025 audit.

REQUESTED RESOLUTION

It is hereby resolved that fees paid to the Fund's external auditors amounting to **P873,012** (VAT inclusive) for the FY 2024/2025 external audit are hereby **RATIFIED**.

7. ORDINARY RESOLUTION NO. 9

APPOINTMENT OF EXTERNAL AUDITORS

In terms of the Fund Rules, an external auditor shall be appointed, subject to the approval of the members, at each Annual General Meeting, to hold office from the conclusion of that Annual

General Meeting, until the conclusion of the next Annual General Meeting. The Fund went out to tender for external audit services in F2024 and recommended for the appointment of Deloitte & Touche as the Fund's external auditors for a period of five (5) years. The appointment is in line with Regulation 9 (3) of the Financial Reporting Regulations, 2021, which provides that, "... a certified auditor registered in accordance with Regulation 12 shall be appointed for a term not exceeding five years and may be re-appointed for another term not exceeding five years. Regulation 12 provides for registration of certified auditors, certified auditors of Public Interest Entities (PIEs), audit firms and audit firms of PIEs..."

The Board of Trustees recommends that Deloitte & Touche be appointed as external auditors of the Fund for the ensuing year, F2026 at fees to be negotiated and agreed.

REQUESTED RESOLUTION

It is resolved that Deloitte & Touche be and are hereby appointed as external auditors of the Fund for the ensuing year, at fees to be negotiated and agreed upon.

ABRIDGED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

Pula Medical Aid Fund Trust
(Registration number TUHGB-000071-20)
Abridged financial statements for the year ended 30 June 2025

GENERAL INFORMATION

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Pula Medical Aid Fund Trust (the “Fund”) raises funds from and provides assistance to its members and their dependents to defray medical and related services expenses.
Board of Trustees	Matshidiso Matome (Chairperson) Kushatha Moswela Naiko Carol Ralebala Resigned 29 November 2024 Ishmael Dipholo Priyatal De Silva Gomolemo Tangane Lesego Keitsile Wanatsha Moakufi Appointed 29 November 2024 Anthony Masunga*
	*Mr. A Masunga initially served on the Board as a representative of an employer group. Upon the cessation of that representation on 5 August 2024, he was subsequently co-opted on 29 November 2024 to continue serving as a trustee.
Principal Officer	Khumoetsile Mapitse
Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358 4th Western Commercial Road, New CBD Gaborone Botswana
Postal address	P O Box AAD 891 Gaborone Botswana
Bankers	First National Bank Botswana Limited Access Bank Botswana Limited ABSA Bank Botswana Limited BBS Bank Limited Stanbic Bank Botswana Limited Bank Gaborone Limited First Capital Bank Limited
Independent auditors	Deloitte & Touche Plot 2883 Fairgrounds Office Park Gaborone Botswana
Administrators	Associated Fund Administrators Botswana Proprietary Limited
Investment manager	Botswana Insurance Fund Management Limited
Legal advisors	Armstrongs Collins Chilisa Consultants Bookbinder Business Law
Registration	The Fund is registered under the Trust Property Control Act of Botswana (registration number TUHGB-000071-20).
Functional currency	Botswana Pula (P)

CONTENTS

Board of Trustees' Responsibility Statement and Approval of the Abridged Financial Statements	95
Board of Trustees	96
Statement by Management on the Abridged Financial Statements	97
Statement of Financial Position	98
Statement of Profit or Loss and Other Comprehensive Income	99
Statement of Cash Flows	100
Material Accounting Policies	101-118
Notes to the Abridged Financial Statements	118-135

Board of Trustees' Responsibility Statement and Approval of the Abridged Financial Statements

The Board of Trustees ("the Board" or "the Trustees") is responsible for the preparation and fair presentation of the abridged financial statements of Pula Medical Aid Fund Trust ("the Fund"), comprising the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended, and notes to the abridged financial statements including material accounting policy information, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The Board is required to maintain adequate accounting records and are responsible for the content and integrity of the abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the abridged financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards.

The Board's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these abridged financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


The abridged financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Board's responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these abridged financial statements. The Board members acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board 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 Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the 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 Board has made an assessment of the ability of the Fund to continue as a going concern and has no reason to believe the Fund will not be a going concern in the year ahead. Consequently, these abridged financial statements have been prepared on a going concern basis.

Approval of the abridged financial statements of the Fund

The abridged financial statements set out on pages 98 to 135, which have been prepared on the going concern basis, were approved by the Board of Trustees on 10 October 2025 and were signed on their behalf by:



 Chairperson



 Trustee

Board of Trustees' Report

The Trustees have pleasure in submitting their report on the abridged financial statements of Pula Medical Aid Fund Trust for the year ended 30 June 2025.

1. Nature of business

Pula Medical Aid Fund Trust (the "Fund") is registered under the Trust Property Control Act of Botswana to collect subscriptions from and provide assistance to members of the Fund and their dependents to defray medical and related services expenditure. The Fund is domiciled in Botswana.

There have been no material changes to the nature of the Fund's business from the prior year.

2. Review of financial results and activities

The abridged financial statements have been prepared in accordance with IFRS Accounting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Fund are set out in these abridged financial statements.

3. Contact information

Registered office	Unit 1 (Acacia), Prime Plaza Plot 74358 4th Western Commercial Road, New CBD Gaborone Botswana
Postal address	P O Box 891 AAD Gaborone Botswana

4. Events after the reporting period

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

5. Going concern

The Board performed an assessment of the Fund's ability to continue operating as a going concern. On the basis of this assessment, the Board believes that the Fund will have sufficient financial resources to continue operating as a going concern in the foreseeable future. Consequently, these abridged financial statements have been prepared on a going concern basis.

6. Auditors

Deloitte & Touche were appointed as the Fund's auditors for the 2025 financial year.

Statement by Management on the Abridged Financial Statements

The financial statements are summarised from a complete set of the Financial Statements on which the Independent Auditors, Deloitte & Touche, have expressed an unqualified audit opinion, which is available for inspection at the Fund's registered office.

This report is extracted from audited information, but is not itself audited. The Auditor's Report does not necessarily report on all of the information contained in this report. Members are therefore advised that in order to obtain a full understanding of the nature of the Auditors engagement they should obtain a copy of the Auditor's Report together with the accompanying financial information from the Fund's registered office. The Trustees of Pula Medical Aid Fund take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements. A copy of the Annual Financial Statements that have been summarised in this report can be obtained from the Fund's registered office.

Statement of Financial Position

As at 30 June 2025

Figures in Pula	Note(s)	2025	2024
Assets			
Equipment	2	657,074	1,094,437
Right-of-use assets	3	1,057,474	542,763
Intangible assets	4	-	22,548
Investments at fair value	5	145,532,195	133,351,999
Investments at amortised cost	6	148,126,178	70,718,026
Other receivables	7	267,764	242,265
Cash and cash equivalents	8	71,187,398	76,669,800
Total Assets		366,828,083	282,641,838
Liabilities			
Lease liabilities	3	1,151,861	661,104
Liability to future members	9	262,476,858	195,204,432
Insurance contract liabilities	10	66,064,169	61,675,817
Re-insurance contract liabilities	11	1,069,513	356,899
Other payables	12	29,518,349	22,336,263
Subscriptions received in advance	13	6,547,333	2,407,323
Total Liabilities		366,828,083	282,641,838

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

Figures in Pula	Note(s)	2025	2024
Insurance revenue	14	661,698,324	578,328,842
Insurance service expenses	15	(577,139,656)	(514,823,437)
Net expenses from reinsurance contracts	16	(5,214,296)	(4,188,945)
Insurance service result		79,344,372	59,316,460
Fair value gain on investments at fair value through profit or loss	20	7,499,028	12,163,892
Other operating expenses	15	(33,497,322)	(29,506,119)
Investment income	18	13,969,108	10,618,342
Finance costs	19	(42,760)	(55,724)
Net surplus for the year		67,272,426	52,536,851
Other comprehensive income		-	-
Transfer to liability to future members		(67,272,426)	(52,536,851)
Total comprehensive income for the year		-	-

Statement of Cash Flows

For the year ended 30 June 2025

Figures in Pula	Note(s)	2025	2024
Cash flows from operating activities			
Net surplus for the year		67,272,426	52,536,851
Adjustments for non cash items:			
Depreciation - equipment		538,079	486,845
Depreciation - right of use assets		591,291	426,288
Amortisation of intangible assets		22,548	40,455
Unrealised forex differences on bank balances		9,800	10,092
Fair value gain on financial assets at fair value through profit or loss		(7,499,028)	(12,163,892)
Impairment of insurance contract assets		(1,672,552)	5,452,999
Adjust for items which are presented separately:			
Interest income		(10,124,659)	(6,257,732)
Dividends received		(3,844,449)	(4,360,610)
Finance costs		42,760	55,724
Changes in working capital:			
Subscription in advance		4,140,010	1,255,192
Insurance contract liabilities		6,060,904	7,802,727
Re-insurance contract liabilities		712,614	(361,033)
Other receivables		(25,499)	(42,413)
Other payables		7,182,086	7,571,792
Net cash generated from operating activities		63,406,331	52,453,285
Cash flows from investing activities			
Purchase of equipment	2	(100,716)	(542,179)
Net purchases of investments	22	(79,359,730)	(30,700,709)
Finance income received	22	7,395,069	5,721,709
Dividends received	18	3,844,449	4,360,610
Net cash used in investing activities		(68,220,928)	(21,160,569)
Cash flows from financing activities			
Payment on lease liabilities	3	(615,245)	(456,848)
Finance costs paid	3	(42,760)	(55,724)
Net cash used in financing activities		(658,005)	(512,572)
Total cash and cash equivalents movement for the year		(5,472,602)	30,780,144
Cash and cash equivalents at the beginning of the year		76,669,800	45,899,748
Effect of foreign exchange on cash and cash equivalents		(9,800)	(10,092)
Total cash and cash equivalents at the end of the year	8	71,187,398	76,669,800

Material Accounting Policies

General information

Pula Medical Aid Fund Trust (the "Fund") is registered under the Trust Property Control Act of Botswana to collect subscriptions from and provide assistance to members of the Fund and their dependents to defray medical and related services expenses. The Fund is domiciled in Botswana.

1. Material accounting policies

1.1 Basis of preparation

The abridged financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards issued and effective at the time of preparing these abridged financial statements.

The abridged financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value and incorporate the principal accounting policies set out below. The abridged financial statements are presented in and rounded to the nearest Pula, which is the Fund's functional and presentation currency.

These accounting policies are consistent with the previous period.

1.2 Statement of compliance

The abridged financial statements have been prepared, in all material respects, in accordance with IFRS Accounting Standards.

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation

The preparation of abridged financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies.

The following are the critical judgements, apart from those involving estimations, that the Trustees have made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in the abridged financial statements:

IFRS 17 - Insurance contracts

(a) Classification

The Fund applies IFRS 17 to insurance contracts it issues, and reinsurance contracts held. The Fund applied judgement in determining whether insurance contracts issued by the Fund and reinsurance contracts held transfer significant insurance risk. The Fund uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which there is a possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

The Fund applied judgement in determining whether one or more components embedded within the insurance contracts are distinct. In making this assessment, the Fund evaluated contractual terms and conditions. The Fund concluded that there are no distinct components that would be within the scope of another Standard.

Material Accounting Policies

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation uncertainty (continued)

(b) Level of aggregation (unit of account)

Judgement is applied to determine IFRS 17 insurance contracts, these groups are split between profitable contracts, those with no significant possibility and those with a possibility of becoming onerous. Contracts measured applying the premium allocation approach (PAA) are assumed not to be onerous unless facts and circumstances indicating otherwise have been identified. The Fund determined that it meets the definition of a mutual entity (as defined in IFRS 3) and concluded that there are adequate reserves available to offset the losses should there be any loss-making contracts, and therefore, during the year, no contracts were deemed to be onerous.

Judgement is applied in determining whether the contracts have similar risks and are managed together for identification of portfolios. The Fund concluded that the insurance contracts benefit options transfer the same risks and are monitored for profitability and performance together on a Fund level; therefore, contracts issued will form part of the same portfolio at a Fund level.

The Fund concluded that reinsurance contracts held do not transfer similar risks and are managed individually; therefore, each reinsurance contract held forms a portfolio on its own.

(c) Measurement

Other directly attributable expenses:

The Fund performs regular expense analysis and applies judgement to determine the extent to which overheads are directly attributable to fulfilling insurance contracts. These directly attributable expenses are included in the measurement of insurance contracts.

Contract boundaries:

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract in the scope of IFRS 17. The Fund applied judgement to assess if the Fund has the practical ability to reprice the entire contract to reflect the reassessed risks. In making this assessment, the Fund evaluated all contractual substantive rights and obligations. The Fund has determined that contract boundaries are ranging from one year to more than one year.

Initial and subsequent measurement:

The Fund determined that the premium waiver benefit embedded within the contracts extends the contract boundaries and coverage period to more than 12 months. The Fund concluded that the liability for remaining coverage (LRC) measured applying general measurement model (GMM) principles would not materially differ from the one produced applying the premium allocation approach (PAA) principles; and therefore measures the insurance contracts issued applying the premium allocation approach (PAA).

(d) Risk adjustment for non-financial risk

The insurance liability (asset) carrying amount includes an explicit component called the risk adjustment for non-financial risk that allows for the compensation required for being exposed to the insurance risks (catastrophe and expense risks) contained within the Fund's insurance contracts. The confidence level has been set at the 75th percentile. The risk adjustment for financial risk methods and assumptions did not change between the year ended 2024 and year ended 2025.

The approach used to determine the risk adjustment for non-financial risk

The Fund determines the risk adjustment for non-financial risk in respect of insurance contracts issued and reinsurance contracts held using the Value-at-Risk (VaR) method for liability for Incurred claims (LIC).

Material Accounting Policies

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation uncertainty (continued)

(e) Mutual entity considerations

IFRS 17 does not define a mutual entity, however, IFRS 3 defines "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.

The Fund has determined that it provides economic benefits directly to its members. Surpluses generated by the Fund are reserved for servicing insurance contracts obligations in the form of claims, any other expenses relating to insurance contracts and future insurance contracts. As such, the accumulated surpluses or deficits generated by the Fund are due to the policyholders as these are intended to service current and future insurance contracts. The Fund concluded that it meets the definition of a mutual entity (as defined in IFRS 3). As such, where facts and circumstances indicating that a group of insurance contracts may be onerous have been identified, losses identified are offset against liability to future members.

Critical accounting estimates

(a) Discount rates

The Fund concluded that cashflows related to the premium waiver benefit are not significant and significant cashflows are expected to be resolved within 12 months. The Fund elected not to discount insurance contracts and reinsurance contracts measured applying the premium allocation approach (PAA), due to the short term nature of the significant contractual cashflows of these contracts.

(b) Estimate of fulfilment cashflows

Included in the measurement of each group of insurance contracts in the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows.

Expenses directly attributable to insurance contracts are identified and allocated to groups of insurance contracts. The Fund has adopted a method to identify directly attributable expenses by the nature of these expenses.

The Fund recognises insurance acquisition cash flows as expense when they are incurred.

(c) Liability for Incurred claims (LIC) provision:

The liability for incurred claims (LIC) is determined through a rigorous methodology that incorporates several established actuarial techniques. To arrive at a reliable estimate, the Fund engages actuaries to perform an estimate of the liability for Incurred claims (LIC). The actuaries utilise traditional chain ladder techniques, the Bornhuetter-Ferguson (BF) method, and comparisons between these methods to ensure accuracy. The chain ladder method analyses claims development patterns over a 24-month period preceding the calculation date. It assumes that claims are fully settled within 20 months. This approach allows for the consideration of late-reported claims that may emerge after the service date, providing a historical perspective on claims development. No inflation adjustment is applied for this analysis, as the historical data reflects stable conditions.

The Bornhuetter-Ferguson (BF) method offers a hybrid approach by combining the results of the chain ladder technique with projections of total claims to be paid for the month. This method utilises historical claims data alongside an estimated total based on observed trends. By incorporating both past claims processing history and future expectations, the Bornhuetter-Ferguson (BF) method enhances the reliability of the liability for Incurred claims (LIC) estimation.

The liability for Incurred claims (LIC) provision is ultimately derived from a combination of the aforementioned methodologies. The actuaries assess the outputs from both the chain ladder and Bornhuetter-Ferguson (BF) methods to determine the best estimate for the liability as of the reporting date. This methodology is consistent with the prior year's estimation process and aligns with IFRS 17 requirements by excluding post-year-end data in the liability for Incurred claims (LIC) provision calculation.

Material Accounting Policies

1.3 Critical judgements in applying accounting policies and significant judgements and sources of estimation uncertainty (continued)

(d) Liability for remaining coverage (LRC)

The liability for remaining coverage comprises of premiums receivable from members for coverage that has already been provided as at the reporting date. These receivables are adjusted for an impairment allowance to reflect the best estimate of the amounts expected to be collected. Significant judgement is applied in selecting the method used to compute the expected credit loss on these premiums receivable.

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on premiums 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.

1.4 Equipment

Equipment represents tangible assets which the Fund holds for its own use, and which are expected to be used for more than one year.

An item of equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Fund, and the cost of the item can be measured reliably.

Equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Expenditure incurred subsequently for major services, additions to or major replacements of parts of equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Fund. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of 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 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.

Material Accounting Policies

1.4 Equipment (continued)

Capital work in progress expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the fixed assets, and are included under capital work in progress. These expenses are apportioned to fixed assets on commencement of commercial production. Capital work in progress is stated at the amount incurred up to the date of reporting.

1.5 Intangible assets

Intangible assets are recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Fund; and
- the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost and subsequently are carried at cost less any accumulated amortisation and any impairment losses.

The estimated useful lives of the intangible assets are reviewed, and adjusted if appropriate, at each financial reporting date.

Intangible assets are tested for impairment and their carrying amounts are written down to recoverable amounts if the intangible assets are impaired. The remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Accounting Software	Straight line	5 years

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset and is included in profit or loss.

1.6 Financial instruments

Financial instruments held by the Fund are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Fund, are as follows:

Financial assets which are equity instruments:

- At fair value through profit or loss; 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

- At fair value through profit or loss.

Financial liabilities:

- Amortised cost.

Financial instruments and risk management presents the financial instruments held by the Fund 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 Fund are presented below:

Material Accounting Policies

Investments at amortised cost

Classification

Investments at amortised cost comprise of short term deposit with reputable financial institutions. These short term deposits are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Fund's business model is to collect the contractual cash flows on these deposits.

Recognition and measurement

Short term deposits are recognised when the Fund becomes a party to the contractual provisions of the loan. The short term deposits 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 short term deposits 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.

Application of the effective interest rate method

Finance income is calculated using the effective interest rate method, and is included in profit or loss in investment income (note 18).

Other receivables

Classification

Other receivables comprises other sundry receivables, excluding prepayments, and are classified as financial assets (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 Fund's business model is to collect the contractual cash flows on other receivables.

Recognition and measurement

Other receivables are recognised when the Fund 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 Fund recognises a loss allowance for expected credit losses on other receivables, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The Fund measures the loss allowance for 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.

Write off policy

Defaulting members are suspended, with the member retaining eligibility for medical coverage while cutting off medical aid benefits during the period of default. Medical aid benefits are reinstated upon settlement of the outstanding arrears otherwise the defaulter's membership is terminated. Any outstanding receivables recognised prior to termination of these defaulted members are written off in profit or loss.

Material Accounting Policies

Subscriptions are generally due in advance, in line with the Fund's policy. However, for corporate clients who settle subscriptions through payroll systems, the Fund allows a grace period of up to 30 days for payment. While technically any arrears could be considered a default under IFRS 9, the Fund does not consider corporate clients to be in default until after this 30-day grace period. After 30 days, any unpaid subscriptions are considered in default, and the member is subject to follow-up for suspension of coverage.

Credit risk

Details of credit risk are included in the other receivables note (note 7) and the financial instruments and risk management note

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments at fair value through profit or loss

The Fund, at initial recognition, has designated financial assets that do not meet the criteria for being measured at amortised cost to be measured at fair value through profit or loss. In particular, the designation relates to its investments designated at fair value which are managed as a group and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Fund's key management.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 5. They are classified as being at fair value through profit or loss (irrevocably designated at initial recognition).

Recognition and measurement

Investments in equity instruments are recognised when the Fund becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are recognised in profit or loss.

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

Fair value gains or losses on investments at fair value through profit or loss are recognised in profit or loss.

Dividends received on equity investments are recognised in profit or loss when the Fund's right to receive 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 Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss as part of the fair value adjustment for investments which are classified as at fair value through profit or loss

Impairment

If the fair value of a debt instrument is less than its carrying value, the investment is considered impaired. The amount of the impairment is the difference between the carrying value and the fair value. The impairment loss is recognised in profit or loss in the period in which the impairment is identified.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Material Accounting Policies

1.6 Financial instruments (continued)

Investments in debt instruments at fair value through profit or loss

Classification

Debt instruments which do not qualify for classification at amortised cost are at initial recognition irrevocably designated as financial assets measured at fair value through profit or loss.

The Fund holds investments in debentures and corporate bonds (note 5) which are measured at fair value through profit or loss.

Recognition and measurement

Investments in debt instruments at fair value through profit or loss are recognised when the Fund 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 profit or loss.

Fair value gains or losses are recognised in profit or loss (note 20). Details of the valuation policies and processes are presented in note .

Finance income on debt instruments at fair value through profit or loss are included in investment income (note 18).

Investments denominated in foreign currencies

When an investment in a debt instrument at fair value through profit or loss 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 Pula 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 profit or loss.

Impairment

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

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Other payables

Classification

Other payables (note 12), excluding amounts received in advance, payroll accruals and value added tax payable, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Fund 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 rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Material Accounting Policies

1.6 Financial instruments (continued)

Subscriptions refundable represent overpayments made by members or corporate clients, typically arising when payments continue after a dependent is no longer covered or due to other administrative errors. These overpayments are not considered part of the insurance contract boundary and are classified as financial liabilities under IFRS 9. The Fund recognises these amounts at amortized cost and holds them as liabilities until they are refunded to the respective members or clients. Subscriptions refundable are settled upon request or upon identification of the overpayment.

Other payables expose the Fund to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating expense.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note).

Derecognition

Refer to the “derecognition” section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Derecognition

Financial assets

The Fund 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 Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund 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 profit or loss.

Reclassification

Financial assets

The Fund 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.

Material Accounting Policies

1.6 Financial instruments (continued)

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.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund is the last closing price reported by the stock exchange. Money market funds are valued at the closing price reported by the investment managers from an actively traded exchange. Term deposits are valued at amortised cost, which approximates their fair values.

The carrying value less impairment provision of other receivables and other payables are assumed to approximate their fair values due to their short term nature.

1.7 Tax

No provision for income tax was recognised in these abridged financial statements as the Fund is registered under a Notarial Deed of Trust and according to part 1, paragraph (v) of the second schedule of the Income Tax Act Chapter 52.01 (2006) of Botswana, the Fund is exempt from income tax.

1.8 Leases

The Fund 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 Fund 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.

Fund as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Fund is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Fund recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the Fund is a lessee are presented in note 3 - Right of use asset and lease liabilities.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Fund uses its incremental borrowing rate.

Material Accounting Policies

1.8 Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed contractual lease payments;
- lease payments in an optional renewal period if the Fund is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 19).

The Fund remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Fund will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Right-of-use assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Fund expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.9 Impairment of non-financial assets

The Fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Fund estimates the recoverable amount of the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An impairment loss is recognised immediately in profit or loss. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

Material Accounting Policies

1.10 Employee benefits

Employee entitlements to annual leave, bonuses and medical aid are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date and are not discounted. Employees who are not members of these approved pension funds and are not entitled to gratuities per their employment contracts, are entitled to severance benefits as regulated by the Employment Act Chapter 47.01 (2010) of Botswana.

1.11 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Botswana Pula, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous abridged financial statements are recognised in profit or loss in the period in which they arise.

1.12 Finance income

Finance income is recognised in the statement of profit or loss using the effective interest rate method, and taking into account the expected timing and amount of cash flows. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Dividend income is recognised in the statement of profit or loss when the right to receive payment is established.

1.13 IFRS 17 - Insurance Contracts

(a) Definition, scope and separation of components

Products sold by the Fund are classified as insurance contracts when the Fund accepts significant insurance risk from a policyholder (member) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Fund determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Fund to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. Products and services provided by the Fund and reinsurance agreements held were assessed on a contract by contract basis to determine whether they meet the requirements to be considered insurance contracts under IFRS 17. In making this assessment, the Fund assessed all substantive rights and obligations, including those arising from laws and/or regulations. It was determined that all products issued by the Fund and related reinsurance agreements held meet the IFRS 17 definition of insurance contracts.

Through the contracts issued, the Fund undertakes to compensate the member for medical and/or funeral costs should an uncertain event specified by the contracts occur. The Fund, therefore, accepts morbidity and mortality risks. In the normal course of business, the Fund uses reinsurance to mitigate its risk exposures. A reinsurance contract held transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, the related reinsurance contracts held transfer morbidity and mortality risks.

When the contract has met the requirements of IFRS 17 - Insurance Contracts and is classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, unless the contractual terms are significantly modified.

Material Accounting Policies

1.13 IFRS 17 - Insurance Contracts (Continued)

An insurance contract may contain one or more components that would be within the scope of another Standard if they were separate contracts. These components could relate to distinct investment components, embedded derivatives not closely related to host insurance contract, or distinct goods and services. An investment component is distinct if, the investment component and the insurance component are not highly interrelated; and a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties. In some instances, the Fund compensates the member by providing some of the medical services through a facility the Fund owns instead of covering medical costs provided by a third party. However; the Fund does not compensate the member for all the risks embedded within the contracts by providing services. As such, this cannot be regarded as provision of distinct goods and services. The Fund determined that there are no distinct components that would be within the scope of another Standard.

Material Accounting Policies

Presentation and disclosure

In the Statement of Financial Position, the Fund presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. IFRS 17 requires the separate presentation of the following items in the Statement of Profit or Loss:

- Insurance revenue;
- Insurance service expenses;
- Insurance finance income or expenses (Due to the short-term nature of the Fund's products, the Fund currently does not have any insurance finance income or expenses.); and
- Income or expenses from reinsurance contracts held.

As the Fund is a mutual entity (as defined in IFRS 3);

- The Statement of Profit or Loss does not reflect any surplus/(deficit) for the year. These profits or losses are transferred to insurance liability to future members.
- Total comprehensive income for the year is transferred to and recognised as part of changes to the the liability to future members.
- The Fund does not present the accumulated funds in the Statement of Changes in Reserves.

(b) Level of aggregation (unit of account)

A portfolio of insurance contracts issued comprise of contracts subject to similar risks and managed together. Contracts issued by the Fund provide the following benefit options:

- Premium benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit)
- High benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit)
- Standard benefit option (including: medical aid benefits, premium waiver benefit, funeral benefit, critical illness benefit, travel insurance benefit and emergency medical service benefit)

These benefit options are monitored for profitability and performance together on a Fund level, making use of the same management reports. Contracts issued (in accordance with benefit options) transfer the same risks (mortality and morbidity). As such, contracts issued will form part of the same portfolio at a Fund level (i.e., the Fund is a portfolio).

The Fund holds four reinsurance contracts, transferring risks in respect of different types of benefits offered by the Fund's insurance contracts (i.e., premium waiver benefit, travel insurance benefit, funeral benefit and emergency medical service benefit). These reinsurance contracts are managed individually. The Fund concluded that each reinsurance contract forms a portfolio on its own.

The portfolio of insurance contracts is divided into a minimum of three groups: contracts identified as onerous at initial recognition, contracts that do not have a significant possibility of becoming onerous subsequently, and any remaining contracts. In the context of the Fund as a mutual entity, the classification of contracts as onerous is influenced by the overall performance of the Fund, reflecting the potential for cross-subsidisation among contracts.

The Fund is a mutual entity as defined in IFRS 3, it has determined that there are adequate reserves available to offset the losses should there be any loss-making contracts. During the year, no contracts were deemed to be onerous.

The Fund's cohort is determined to be 01 July - 30 June. These groups represent the level of aggregation at which insurance revenue is measured. Such groups are not subsequently reconsidered.

Material Accounting Policies

(c) Recognition, modification and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the beginning of the coverage period; the date when the first payment from the policyholder is due or actually received, if there is no due date; and when it is determined that a group of contracts has become onerous. The Fund recognises the group of profitable insurance contracts at the beginning of the coverage period as this is the earlier date; and a group of onerous contracts when facts and circumstances indicating that the group has become onerous have been identified.

The Fund recognises a group of reinsurance contracts in a net gain position at the beginning of the coverage period; and recognises a group of reinsurance contracts in a net cost position at the date that the Fund recognises an onerous group of underlying insurance contracts.

The Fund derecognises a contract when the contract's coverage period has come to an end or when the policy has been cancelled. There were no contracts identified to be significantly modified as at 30 June 2025.

(d) Measurement

(i) Fulfillment cash flows within contract boundary

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Fund has a substantive obligation to provide the policyholder with insurance coverage. In assessing contract boundaries for insurance contracts issued and reinsurance contracts held, the Fund assessed substantive contractual rights and obligations. The Fund determined the contract boundaries for insurance contracts issued and reinsurance contracts held to range from less than one year to more than a year. Fulfillment cash flows are determined separately for insurance contracts issued and reinsurance contracts held. Fulfillment cash flows are allocated to groups of insurance contracts for measurement purposes.

On initial recognition, a group of insurance contracts is measured as the total of fulfillment cash flows (estimates of future cash flows and a risk adjustment for non-financial risk).

When estimating future cash flows, the Fund includes all cash flows within the contract boundary including:

Insurance contracts issued:

- Premiums due and received/paid
- Claims paid, including the claims paid as a result of a premium waiver benefit
- Claims incurred but not reported
- Claims reported but not yet settled
- Insurance acquisition cash flows
- Other directly attributable expenses

Reinsurance contracts held:

- Reinsurance recoverable due and received
- Reinsurance payable and paid
- Other directly attributable expenses

(ii) Initial and subsequent measurement

The IFRS 17 default measurement approach is the general measurement model (GMM); this applies to insurance contracts issued as well as reinsurance contracts held. The Fund simplifies the measurement of a group of insurance contracts using the premium allocation approach (PAA) if it reasonably expects that the simplification would not produce a materially different measurement of the liability for remaining coverage (LRC) compared to what would be produced by applying the general measurement model (GMM) principles.

The Fund's insurance contracts have a premium waiver benefit embedded within them; where when a principal member dies, the remaining dependents will continue receiving medical benefits at no additional costs for a period of 12 months. The Fund holds reinsurance contracts with a coverage period of 12 months or less.

Material Accounting Policies

Reinsurance contracts held by the Fund (with the exception of the reinsurance contract for premium waiver) qualify to be measured applying the premium allocation approach (PAA) by virtue of having a coverage period of 12 months or less. In respect of insurance contracts issued and the reinsurance contract for premium waiver, while the contract boundary extends to 24 months due to the application of the premium waiver, the additional cash flows from the waiver are historically immaterial and are not expected to be material. Therefore, the Fund has determined that the liability for remaining coverage (LRC) measured applying general measurement model (GMM) principles would not materially differ from the one produced applying the premium allocation approach (PAA) principles. On this basis, the Fund measures insurance contracts issued and the related reinsurance contracts held applying the premium allocation approach (PAA).

The Fund holds reinsurance contracts to manage its exposure to a variety of risks that arise from providing healthcare coverage and related member benefits. These reinsurance arrangements include travel insurance, medical evacuation, funeral benefit, and premium waiver reinsurance. All reinsurance contracts are assessed at the Fund level and are managed as part of the Fund's overall risk management strategy to protect the financial stability of the Fund and its members.

While some reinsurance contracts, such as travel insurance and medical evacuation, directly mitigate risks associated with healthcare events, other contracts, like the premium waiver and funeral benefit, are designed to address the financial consequences of life events that could impact the continuity of healthcare coverage or financial obligations related to the Fund. These contracts collectively ensure that the Fund and its members are safeguarded against a range of risks, including those that extend beyond immediate health-related events.

Given the integrated nature of these reinsurance arrangements and their shared objective of mitigating member and Fund liabilities, the Fund aggregates the reinsurance contracts into a single portfolio for financial reporting purposes. Reinsurance recoverables and liabilities are presented on a net basis in the abridged financial statements, in accordance with IFRS 17.

Reinsurance contract assets or liabilities are recognised when premiums due to reinsurers are paid, or when claims from insurance contracts are ceded to the reinsurer. Reinsurance recoverables are recognised when the corresponding claims are recognised under insurance contracts.

(iii) Liability for remaining coverage and liability for incurred claims

Liability for remaining coverage (LRC) - measured applying the premium allocation approach (PAA):

On initial recognition the liability for remaining coverage (LRC) is the premiums received at initial recognition, minus any insurance acquisition cash flows not recognised as expense when incurred, plus or minus any amount arising from the derecognition of insurance acquisition cash flows and any other asset or liability previously recognised for cash flows related to the group of contracts.

At the end of the period the liability for remaining coverage (LRC) is determined by the premiums received during the period, minus insurance acquisition cash flows not recognised as expense, plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, minus the amount recognised as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

The Fund makes use of a provision matrix as a practical expedient to the determination of expected credit losses on premiums 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.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The impairment allowance is calculated on a collective basis for all premiums receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of LRC, through use of a loss allowance account. The impairment loss is included in insurance service expenses. Defaulting members are suspended, with the member retaining eligibility for medical coverage while cutting off medical aid benefits during the period of default. Medical aid benefits are reinstated upon settlement of the outstanding arrears otherwise the defaulter's membership is terminated. Any outstanding premiums recognised prior to termination of these defaulted members are written off in profit or loss.

Insurance revenue recognised during the period reduces the liability for remaining coverage (LRC) the Fund recognises. The amount of insurance revenue recognised during the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Fund expects to be entitled to in exchange for those services. The Fund recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Material Accounting Policies

Liability for Incurred claims (LIC) - measured applying the premium allocation approach ("PAA"):

The liability for Incurred claims (LIC) is determined by fulfillment cash flows relating to past service allocated to the group of insurance contracts. The liability for Incurred claims (LIC) is changed by recognition of insurance service expenses in respect of claims and expenses incurred during the period.

(iv) Insurance acquisition cashflows

In respect of insurance contracts measured applying the premium allocation approach (PAA), the Fund has an accounting policy choice of whether to expense the insurance acquisition cash flows when incurred or amortise them over the coverage period. The Fund has elected to recognise insurance acquisition cashflows under the premium allocation approach (PAA) as expenses when they are incurred. The Fund does not have any insurance contracts measured applying the general measurement model (GMM).

(v) Other directly attributable expenses

All policy administration and maintenance expenses determined to be directly attributable to insurance contracts are assumed to be due to current service provision. No liability is raised in advance of these types of expenses incurring. As each month's expenses are incurred, these amounts are raised within the liability for Incurred claims (LIC) and released from the liability for Incurred claims (LIC) to insurance service expense.

(vi) Risk adjustment for non-financial risk

The Fund applies the risk adjustment for non-financial risk to the liability for Incurred claims (LIC) for the groups of insurance contracts measured applying the premium allocation approach (PAA). The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Non-financial risks imbedded in the Fund's insurance contracts include catastrophe risks and expense risks.

(vii) Discount rates

The Fund's cashflows, except for those cashflows related to the premium waiver benefit are expected to be resolved within 12 months. The cashflows related to the premium waiver benefit have been determined to be insignificant to the overall measurement of the insurance contracts. The Fund has elected not to discount insurance contracts and reinsurance contracts measured applying the premium allocation approach (PAA) due to the short term nature of the significant contractual cashflows of these contracts.

(viii) Insurance finance income or expenses

Due to the short term nature of the Fund's contracts, the Fund does not apply discounting to the net carrying amount of insurance contracts. As a result, there is no impact of the time value of money on insurance contracts.

Onerous contract

The Fund applies the premium allocation approach (PAA) under IFRS 17 for assessing onerous contracts. As a mutual entity, The Fund operates with cross-subsidisation, where surpluses from profitable contracts offset losses from unprofitable ones. Onerous contracts are assessed at the scheme level, considering the overall profitability and the ability of cross-subsidisation to cover potential deficits.

If, after considering cross-subsidisation, the Fund's total fulfillment cash flows are expected to exceed the liability for remaining coverage, a loss is recognised and classified as a current portion of the liability to future members. This recognition reflects the Fund's commitment to its members. The Fund continuously monitors its contracts at each reporting date, making necessary adjustments to account for any changes in expected cash flows or claims experience.

Material Accounting Policies

Insurance service expenses

Insurance Service Expenses comprise claims incurred, attributable insurance expenses, and the risk adjustment directly related to the provision of insurance coverage. Claims expenses include all payments made to members for covered healthcare services, along with any adjustments for outstanding claims liabilities. Attributable insurance expenses encompass expenditures directly associated with the management and delivery of insurance services. The Fund recognises these expenses in profit or loss in the period in which the insurance services are provided.

Insurance revenue

Insurance Revenue comprises premiums earned from members applying the premium allocation approach (PAA). Premiums are recognised as revenue in the period in which the insurance coverage is provided, reflecting the period over which the associated insurance services are rendered. The Fund determines the contract boundary for insurance contracts, ensuring that revenue is recognised only for coverage that extends to the reporting date, while any premiums received for future periods are deferred and recognised as a liability on the statement of financial position under the description of subscriptions in advance.

1.14 Related parties

Related parties are defined as those parties that:

(a) directly, or indirectly through one or more intermediaries:

- control or are controlled by, or under common control with, the Fund (this includes parents, subsidiaries and fellow subsidiaries).
- have an interest in the Fund that gives them significant influence over the Fund; or

(b) are members of the key management personnel of the Fund or its parents including close members of the family.

All dealings with related parties are transacted at prices approved by the Trustees.

Notes to the Abridged Financial Statements

2. Equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Motor vehicles	451,215	(106,537)	344,678	451,215	(31,334)	419,881
Office equipment	3,091,522	(2,779,126)	312,396	2,769,879	(2,167,697)	602,182
IT equipment	-	-	-	201,200	(128,826)	72,374
Total	3,542,737	(2,885,663)	657,074	3,422,294	(2,327,857)	1,094,437

Reconciliation of equipment - 2025

Figures in Pula	Opening carrying amount	Additions	Transfers	Depreciation	Closing carrying amount
Motor vehicles	419,881	-	-	(75,203)	344,678
Office equipment	602,182	-	102,317	(392,103)	312,396
IT equipment	72,374	100,716	(102,317)	(70,773)	-
	1,094,437	100,716	-	(538,079)	657,074

Reconciliation of equipment - 2024

Figures in Pula	Opening carrying amount	Additions	Depreciation	Closing carrying amount
Motor vehicles	-	451,215	(31,334)	419,881
Office equipment	973,896	20,177	(391,891)	602,182
IT equipment	65,207	70,787	(63,620)	72,374
	1,039,103	542,179	(486,845)	1,094,437

3. Right-of-use assets and lease liabilities

The Fund held three (3) lease contracts at reporting date for its motor vehicle and operating premises in Gaborone. The current lease contracts comprise two (2) building leases and one (1) motor vehicle lease. The terms for the motor vehicle and operating premises leases are three years and five years, respectively. An incremental borrowing rate of 6.5% (2024: 6.5%) was applied in the calculation of the discounted present value of the building lease liability and right-of-use asset. An interest rate implicit in the motor vehicle lease of 6.76% (2024: 6.76%) was applied in the calculation of the discounted present value of the motor vehicle lease liability and right-of-use asset.

Notes to the Abridged Financial Statements

3. Right-of-use assets and lease liabilities (continued)

Cost	Buildings	Motor vehicles	Total
Balance at 1 July 2023	1,581,693	465,519	2,047,212
Reassessment	1,481	-	1,481
Balance at 30 June 2024	1,583,174	465,519	2,048,693
Additions	667,366	-	667,366
Reassessment*	441,101	(2,465)	438,636
Balance at 30 June 2025	2,691,641	463,054	3,154,695

Accumulated depreciation	Buildings	Motor vehicles	Total
Balance at 1 July 2023	(951,503)	(128,139)	(1,079,642)
Depreciation for the year	(270,575)	(155,713)	(426,288)
Balance at 30 June 2024	(1,222,078)	(283,852)	(1,505,930)
Depreciation for the year	(437,663)	(153,628)	(591,291)
Balance at 30 June 2025	(1,659,741)	(437,480)	(2,097,221)

Net carrying amount as at:	Buildings	Motor vehicles	Total
30 June 2024	361,096	181,667	542,763
30 June 2025	1,031,900	25,574	1,057,474

* The Fund re-assessed the lease term of an existing lease following a change in the lease period for one of its buildings. Consequently, the lease liability was remeasured using a revised discount rate determined at the date of re-assessment, with a corresponding adjustment made to the right-of-use asset. The resulting changes in depreciation and interest expense arising from this remeasurement are recognised prospectively from the date of re-assessment.

Notes to the Abridged Financial Statements

Figure in Pula	2025	2024
3. Right-of-use assets and lease liabilities (continued)		
Lease liabilities		
Minimum lease payments due		
Within one year	797,107	534,742
Two to five years	394,697	152,183
	1,191,804	686,925
Less future finance charges component	(39,943)	(25,821)
Present value of minimum lease payments	1,151,861	661,104
Present value of minimum lease payments due		
Within one year	762,076	509,958
Two to five years	389,785	151,146
	1,151,861	661,104
Current liabilities	762,076	509,958
Non-current liabilities	389,785	151,146
	1,151,861	661,104
Other disclosures		
Interest expense on lease liabilities	42,760	55,724
Lease principal repayment	615,254	456,848
Total cashflows from leases	658,014	512,572

At the reporting date, the Fund had no short-term leases or leases of low-value assets. Therefore, there were no lease expenses related to short-term leases or leases of low-value assets recognised in profit or loss.

4. Intangible assets

Figures in Pula	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Accounting software	202,274	(202,274)	-	202,274	(179,726)	22,548

Reconciliation of intangible assets - 2025

	Opening Balance	Amortisation	Carrying balance
Accounting software	22,548	(22,548)	-

Reconciliation of intangible assets - 2024

	Opening Balance	Amortisation	Carrying balance
Accounting software	63,003	(40,455)	22,548

Notes to the Abridged Financial Statements

Figure in Pula	2025	2024
5. Investments at fair value		
Equity investments at fair value through profit or loss	41,126,375	36,680,882
Other investments at fair value through profit or loss	104,405,820	96,671,117
	145,532,195	133,351,999
Summary of investments held by Fund Manager (BIFM)		
Non-current assets		
Listed shares	41,126,375	36,680,882
Listed bonds	29,155,779	27,826,002
Mutual funds	57,506,787	52,211,723
Money markets investments	6,106,624	5,589,916
	133,895,565	122,308,523
Current assets		
Listed bonds	618,068	1,357,536
Money markets investments	11,018,562	9,685,940
	11,636,630	11,043,476
Total investments		
Listed shares	41,126,375	36,680,882
Listed bonds	29,773,847	29,183,538
Mutual funds	57,506,787	52,211,723
Money markets investments	17,125,186	15,275,856
	145,532,195	133,351,999

Investment above comprises of segregated and pooled funds. The disclosures on the allocation of pooled and segregated funds are based on the investment manager's reports as at the financial reporting date.

Risk exposure

Financial assets inherently exposes the Fund to credit risk, being the risk that the Fund will incur financial loss if counterparties fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the Fund only deals with reputable counterparties with consistent payment histories. As at the reporting date, the investments in money markets are considered to have a low credit risk and can be assessed by reference to historical information about counterparty default rates. Refer to note Financial instruments and risk management for details of risk exposure.

Notes to the Abridged Financial Statements

Figure in Pula	2025	2024
6. Investments at amortised cost		
Short term deposit with financial institutions	148,126,178	70,718,026
Short-term deposits as at the reporting date have an average maturity term of 12 months (2024:10 months) and earn an average interest of 7.67% (2024:7.04%) per annum.		
In order to mitigate the risk of financial loss from defaults, the Fund only deals with reputable counterparties with consistent payment histories.		
No expected credit loss has been recognised on investments at amortised cost as the probability of default is remote.		
7. Other receivables		
Financial instruments		
Other receivables	110,288	73,667
Non-financial instruments:		
Prepayments	157,476	168,598
Total trade and other receivables	267,764	242,265

Exposure to credit risk

As at the reporting date, the Fund's "Other receivables" comprise the following items:

- Sundry debtors - Various receivables arising from normal business transactions.
- Refundable deposits - Security deposits that are refundable upon completion of contractual obligations.

These receivables are classified as financial assets measured at amortised cost in accordance with IFRS 9, Financial Instruments. As such, they are subject to impairment assessment under the Expected Credit Loss (ECL) model.

Expected Credit Loss Model under IFRS 9

IFRS 9 requires entities to recognise an allowance for ECLs on financial assets measured at amortised cost, which includes receivables. The ECL model takes into account not just historical credit loss experience but also forward-looking information that may affect the creditworthiness of a debtor. The Fund has assessed that the credit risk associated with other receivables is negligible, and no expected credit loss has been recognised against these balances.

Assessment of Credit Risk and Conclusion

The Fund has assessed the credit risk associated with each component of "Other Receivables" as follows:

- Sundry debtors: These receivables are immaterial in amount and arise from routine operational transactions where counterparties have a low risk of default. The Fund has no history of significant credit losses related to these balances, and current economic conditions and forward-looking factors suggest no substantial increase in credit risk.
- Refundable deposits: These are security deposits refundable upon completion of contractual terms, such as lease or service agreements. The risk of non-recovery is minimal as these are with counterparties with high credit standing, and the underlying contracts provide sufficient security to mitigate any potential credit risk.

Notes to the Abridged Financial Statements

Figure in Pula	2025	2024
7. Other receivables (continued)		
Given the nature of the receivables, historical data, forward-looking information, and a thorough review of the specific circumstances surrounding these items, management has concluded that the credit risk for all categories under "Other Receivables" is immaterial. Therefore, there is no reasonable expectation of credit losses. Accordingly, no Expected Credit Loss (ECL) allowance has been recognised for the year ended 30 June 2025 (2024 : Pnil).		
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	4,135	2,758
Bank balances	71,183,263	76,667,042
	71,187,398	76,669,800
Surplus funds are retained in the current, call or short term deposit accounts. The call accounts bear interest at current commercial bank rates. For the purposes of the statement of cash flows, cash and cash equivalents comprise current account balances, call account balances and cash on hand.		
9. Liability to future member		
Opening balance	195,204,432	142,667,581
Transfer of surplus for the period to liability to future members	67,272,426	52,536,851
Closing balance	262,476,858	195,204,432
Non current		
Liability to future members	262,476,858	195,204,432
Due to the nature of the Fund as a mutual entity with cross-subsidisation and the absence of onerous contracts at Fund level, the entire liability to future members is classified as non-current		
10. Insurance contract liabilities		
Liability for remaining coverage		
Subscriptions receivable	9,401,276	11,754,366
Impairment allowance	(3,893,557)	(5,566,109)
	5,507,719	6,188,257

Notes to the Abridged Financial Statements

10. Insurance contract liabilities (continued)

Expected credit loss (ECL) allowance ageing analysis:

Given the nature of the receivables, historical data, forward-looking information, and a thorough review of the specific circumstances surrounding these items, management has concluded that the credit risk for all categories under "Other Receivables" is immaterial. Therefore, there is no reasonable expectation of credit losses. Accordingly, no Expected Credit Loss (ECL) allowance has been recognised for the year ended 30 June 2025 (2024 : Pnil).

	2025	2025	2024	2024
	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due: 3.2% (2024: 2.75%)	3,576,177	(114,900)	3,097,672	(85,210)
Less than 30 days past due: 9.8% (2024: 8.79%)	1,128,668	(110,644)	1,498,359	(131,821)
31 - 60 days past due: 16.95% (2024: 15.93%)	604,294	(102,399)	1,268,342	(202,090)
61 - 90 days past due: 24.09% (2024: 25.15%)	693,576	(167,053)	954,432	(211,427)
91 - 120 days past due: 100% (2024: 100%)	3,398,561	(3,398,561)	4,935,561	(4,935,561)
Total	9,401,276	(3,893,557)	11,754,366	(5,566,109)

Reconciliation of expected credit loss allowance:

Opening balance	(5,566,109)	(113,110)
Release/(additional provisions) to statement of profit or loss	1,672,552	(5,452,999)
Closing balance	(3,893,557)	(5,566,109)

10. Insurance contract liabilities (continued)

Liability for incurred claims components:

Creditors for claims	(32,837,846)	(28,231,133)
Provision for incurred but not reported claims	(37,000,000)	(37,700,000)
Risk adjustment	(1,734,042)	(1,932,941)
	(71,571,888)	(67,864,074)
Total insurance contract liabilities	(66,064,169)	(61,675,817)

Notes to the Abridged Financial Statements

2025 - In Pula	Liability for Remaining Coverage		Liability for incurred claims	
	Excluding loss component	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Reconciliation of insurance contracts				
Opening balance - insurance contracts liabilities	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)
Opening balance - insurance contracts assets	-	-	-	-
Net balance as at 1 July 2024	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)
<i>Amounts per statement of profit or loss:</i>				
-Insurance revenue	661,698,324	-	-	661,698,324
-Incurred claims	-	(530,081,921)	-	(530,081,921)
-Other directly attributable expenses (maintenance costs)	-	(44,352,011)	-	(44,352,011)
-Changes that relate to past service - adjustments to LIC	-	(2,904,623)	-	(2,904,623)
-Changes in the risk adjustment for non financial risk	-	-	198,899	198,899
Insurance service result	661,698,324	(577,338,555)	198,899	84,558,668
<i>Cash flows:</i>				
-Premiums received	(662,378,862)	-	-	(662,378,862)
-Claims and other directly attributable expenses paid	-	573,431,842	-	573,431,842
Total cash flows	(662,378,862)	573,431,842	-	(88,947,020)
Closing balance - Insurance contract liabilities	5,507,719	(662,378,862)	(1,734,042)	(66,064,169)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2025	5,507,719	(69,837,846)	(1,734,042)	(66,064,169)

Notes to the Abridged Financial Statements

10. Insurance contract liabilities (continued)

2024 - In Pula	Liability for Remaining Coverage		Liability for incurred claims	
	Excluding loss component	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Reconciliation of insurance contracts				
Opening balance - insurance contracts liabilities	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)
Opening balance - insurance contracts assets	-	-	-	-
Net balance as at 1 July 2023	3,221,758	(49,764,380)	(1,877,469)	(48,420,091)
<i>Amounts per statement of profit or loss:</i>				
-Insurance revenue	578,328,842	-	-	578,328,842
-Incurred claims	-	(467,889,779)	-	(467,889,779)
-Other directly attributable expenses (maintenance costs)	-	(46,878,186)	-	(46,878,186)
-Changes in the risk adjustment for non financial risk	-	-	(55,472)	(55,472)
Insurance service result	578,328,842	(514,767,965)	(55,472)	63,505,405
<i>Cash flows:</i>				
-Premiums received	(575,362,343)	-	-	(575,362,343)
-Claims and other directly attributable expenses paid	-	498,601,212	-	498,601,212
Total cash flows	(575,362,343)	498,601,212	-	(88,947,020)
Closing balance - Insurance contract liabilities	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2025	6,188,257	(65,931,133)	(1,932,941)	(61,675,817)

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
11. Insurance contract liabilities (continued)		
Asset for remaining coverage		
Reinsurance premiums payable	1,096,667	427,363
Asset for incurred claims		
Outstanding premium waiver recoveries	(27,154)	(70,464)
Risk adjustment	-	-
	<u>(27,154)</u>	<u>(70,464)</u>
Total insurance contract liabilities	1,069,513	356,899

2025 - In Pula	Asset for Remaining Coverage		Asset for Incurred Claims	
	Excluding loss-recovery component	Present value of future cash flows	Risk adjustment for nonfinancial risk	Total
Reconciliation of insurance contracts held				
Opening balance - insurance contracts liabilities	(427,363)	70,464	-	(356,899)
Net balance as at 1 July 2024	(427,363)	70,464	-	(356,899)
Amounts per statement of profit or loss:				
-Reinsurance premium expenses	(9,831,771)	-	-	(9,831,771)
-Reinsurance recoveries	-	4,617,475	-	4,617,475
Insurance service result	(9,831,771)	4,617,475	-	(5,214,296)
Cash flows:				
-Premiums paid	9,162,467	-	-	9,162,467
-Reinsurance recoveries	-	(4,660,785)	-	(4,660,785)
Total cash flows	9,162,467	(4,660,785)	-	4,501,682
Closing balance - reinsurance contract liabilities	(1,096,667)	27,154	(1,734,042)	(1,069,513)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2024	(1,096,667)	27,154	(1,734,042)	(1,069,513)

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024		
11. Insurance contract liabilities (continued)				
2024 - In Pula				
Reconciliation of insurance contracts held				
	Asset for Remaining Coverage	Asset for Incurred Claims	Total	
	Excluding loss-recovery component	Present value of future cash flows	Risk adjustment for nonfinancial risk	
Opening balance - insurance contracts liabilities	(717,932)	-	-	(717,932)
Net balance as at 1 July 2023	(717,932)	-	-	(717,932)
Amounts per statement of profit or loss:				
-Reinsurance premium expenses	(9,378,239)	-	-	(9,378,239)
-Reinsurance recoveries	-	5,189,294	-	5,189,294
Insurance service result	(9,378,239)	5,189,294	-	(4,188,945)
Cash flows:				
-Premiums paid	9,668,808	-	-	9,668,808
-Reinsurance recoveries	-	(5,118,830)	-	(5,118,830)
Total cash flows	9,668,808	(5,118,830)	-	4,549,978
Closing balance - reinsurance contract liabilities	(427,363)	70,464	-	(356,899)
Closing balance - Insurance contract assets	-	-	-	-
Net balance as at 30 June 2024	(427,363)	70,464	-	(356,899)

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
12. Other payables		
Financial instruments:		
Member subscriptions refundable	15,702,563	8,914,776
Other accounts payable	2,781,474	2,527,433
Non-financial instruments:		
Payroll accruals	6,846,826	11,442,209
VAT	4,187,486	10,894,054
	29,518,349	22,336,263
Financial instrument and non-financial instrument components of other payables		
At amortised cost	8,484,037	11,442,209
Non-financial instruments	11,034,312	10,894,054
	29,518,349	22,336,263
The fair value of other payables approximates their carrying amounts.		
13. Subscriptions received in advance		
Subscriptions received in advance	6,547,333	2,407,323
Subscriptions received in advance represent amounts collected from members for future coverage periods before the related services are provided. These amounts are deferred until the respective period of coverage lapses, at which point they are released into insurance revenue as the Fund fulfills its insurance obligations.		
14. Subscriptions received in advance		
Insurance revenue from contracts measured under premium allocation approach (PAA)	661,698,324	578,328,842
15. Insurance service and administration expenses		
15.1 Insurance service expense		
Claims	530,081,921	467,889,779
Other directly attributable expenses - maintenance	44,352,011	46,878,186
Changes in risk adjustment for non financial risk	(198,899)	55,472
Changes that relate to past service - adjustments to LIC	2,904,623	-
	577,139,656	514,823,437

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
15. Insurance service and administration expenses (continued)		
15.1.1 Claims		
Primary health cover claims	524,602,885	462,251,196
Maternity program	679,119	772,821
Medical evacuation	4,015,606	3,732,109
Funeral policy	746,984	977,000
Travel insurance	37,327	156,653
	530,081,921	467,889,779
15.1.2 Other directly attributable expenses - maintenance		
Administration fees	41,477,850	36,906,936
Consultancy	1,326,704	1,449,740
Movement in impairment premiums receivable allowance	(1,672,552)	5,452,999
Communication	119,224	228,689
Claims processing costs	3,100,785	2,839,822
	44,352,011	46,878,186
15.1.3 Changes in risk adjustment for non financial risk		
Risk adjustment	(198,899)	55,472
15.1.4 Changes that relate to past service - adjustments to LIC		
Adjustments to LIC	2,904,623	-
Total insurance service expenses	577,139,656	514,823,437

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
15.2 Other operating expenses		
Amortisation of intangible assets	22,548	40,455
Board and management strategy retreat	329,962	368,751
Consultancy fees	687,496	255,866
Depreciation of right of use assets	591,291	426,288
Depreciation on equipment	538,079	486,845
Employee costs*	15,010,386	13,203,055
External auditor's fees - current year	855,000	1,157,200
External auditor's fees - prior year under provision	17,556	-
Internal auditor's fees	532,759	438,033
Investment portfolio management costs	783,109	785,010
Leases expenses	22,392	33,307
Legal fees	1,947,740	1,658,578
Realised foreign exchange losses	205,571	41,934
Repairs and maintenance	4,811	19,769
Training	787,387	407,017
Travel	302,126	542,201
Trustees' sitting allowances and trustees' fees	1,838,973	2,151,925
Trustees' training	175,943	78,552
Promotions and advertising	3,956,604	3,518,551
Other operating expenses	4,887,589	3,892,782
	33,497,322	29,506,119

* Employee costs consists of:

Salaries and other short term benefits	12,329,395	10,323,219
Gratuity	2,445,626	2,260,837
Leave	176,746	559,446
Group life cover	58,619	59,553
	15,010,386	13,203,055

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
16. Net expense from the reinsurance contracts held		
Reinsurance premium expenses	(9,831,771)	(9,378,239)
Reinsurance recoveries	4,617,475	5,189,294
	(5,214,296)	(4,188,945)
Reinsurance recoveries components:		
Funeral benefit	746,984	977,000
Medical evacuation	4,015,606	3,732,109
Premium waiver	(182,442)	323,532
Severe illness	37,327	156,653
	4,617,475	5,189,294
Reinsurance premium expenses		
Funeral cover policy expenses	(1,182,373)	(1,033,924)
Medical evacuation policy expenses	(5,508,189)	(5,429,747)
Premium waiver policy expense	(1,092,782)	(1,185,404)
Travel cover policy expenses	(2,048,427)	(1,729,164)
	(9,831,771)	(9,378,239)
Total net expense from the reinsurance contracts held	(5,214,296)	(4,188,945)

17. Analysis of insurance and reinsurance contracts assets and liabilities

Figures in Pula	Note	2025			2024		
		Liabilities	Assets	Net Amount	Liabilities	Assets	Net Amount
Liability to future members	9	262,476,858	-	262,476,858	195,204,432	-	195,204,432
Insurance contracts issued	10	66,064,169	-	66,064,169	61,675,817	-	61,675,817
Reinsurance contracts held	11	1,069,513	-	1,069,513	356,899	-	356,899
		329,610,540	-	329,610,540	257,237,148	-	257,237,148
Non-current and current portions:							
Non current							
Liability to future members		262,476,858	-	262,476,858	195,204,432	-	195,204,432
Current							
Insurance contracts issued		66,064,169	-	66,064,169	61,675,817	-	61,675,817
Reinsurance contracts held		1,069,513	-	1,069,513	356,899	-	356,899
		67,133,682	-	67,133,682	62,032,716	-	62,032,716
		329,610,540	-	329,610,540	257,237,148	-	257,237,148

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
18. Investment Income		
Finance income on investments at amortised cost	8,504,832	4,962,278
Dividend income on investments	3,844,449	4,360,610
Finance income on investments	1,619,827	1,295,454
Total interest income	13,969,108	10,618,342
19. Finance costs calculated using the effective interest method		
Lease liabilities	42,760	55,724
20. Fair value gain		
Financial assets mandatorily at fair value through profit or loss	7,499,028	12,163,892
21. Taxation		
No income tax was recognised in these financial statements as the Fund is exempt from income tax according to part 1, paragraph (v) of the second schedule of the Income Tax Act, 2006.		
22. Net purchases of investments		
Investments at fair value		
Opening balance - investments at fair value (excluding accrued interest)	133,024,790	114,678,680
Fair value gains for the period	7,499,028	12,163,892
Net cash purchases/sales of investments	4,692,564	6,182,218
Closing balance - investments at fair value (excluding accrued interest)	145,216,382	133,024,790
Interest (on investments at fair value)		
Opening accrued interest	327,209	336,734
Interest earning during the period	1,619,827	1,295,454
Closing interest balance	(315,813)	(327,209)
Actual interest received during the year	1,631,223	1,304,979
Investments at amortised costs		
Opening balance	67,799,631	43,281,140
Maturity of deposits from prior year	(68,130,059)	(43,281,140)
Reinvestments	143,127,653	67,799,631
Closing balance	142,797,225	67,799,631
Net investment/disinvestment in investments at amortised cost	74,667,166	24,518,491

Notes to the Abridged Financial Statements

Figures in Pula	2025	2024
Interest on investments in amortised costs		
Opening balance	2,918,395	2,372,847
Interest earned for the year	8,504,832	4,962,278
Closing accrued interest	(5,659,381)	(2,918,395)
Actual interest received during the year	5,763,846	4,416,730
Total cash interest received	7,395,069	5,721,709
Total net investments purchases	(79,359,730)	(30,700,709)



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