



# Momentum Corporate

*Impact strategy progress*

*Dumo Mbethe*

## Overview

1 Impact strategy recap

2 Strategy progress update

3 Closing



## FundsAtWork Umbrella Funds

Group Insurance

Structured Investments and Annuities

## Consulting and Actuarial solutions

Stand-Alone Retirement Fund Administration

Member Solutions

### Our planning units

#### FAW umbrella funds (FAW)

Our FundsAtWork umbrella fund is significant and well established in the market, supported by market-leading digital solutions

#### Group Insurance (GI)

Our Group Insurance solutions cover a wide range of risks, including death, disability and critical illness

#### Structured Investments and Annuities (SIA)

Our scope of investment and income solutions is vast, and provides significant choice for both employers and members

#### Direct Client Engagement (DCE)

Our DCE arm houses our direct distribution capability and provides asset, healthcare, employee benefits, member advisory, actuarial and legal consulting

#### Momentum Retirement Administrators (MRA)

Our MRA business is a specialist administrator for stand-alone retirement funds

#### Member Solutions

Our Member Solutions business educates and supports members through our benefit counselling capability whilst delivering on retailisation objectives

*LONG-TERM*

## WINNING ASPIRATION

To become the *leading, digitally-led employee benefits* business in SA in terms of *sustainable profit growth*; and to make employee benefits *accessible to all employed in South Africa.*

**IMPACT STRATEGY  
AMBITION**

To become a **digitally-led** business that thinks **“Human First”**, and grows our market share profitably and sustainably through **superior** distribution capabilities, **innovative** product offerings, and operational and service **excellence**, while positioning ourselves as the brand of choice for clients, members and advisers alike.

**OUR KEY STRATEGIC FOCUS AREAS IN EXECUTING OUR AMBITION ARE:**



**Growth and  
distribution**

- Omni-channel distribution strategy
- Digital transformation focus to enhance growth, efficiencies and client experience
- Expanding addressable market segments
- Broaden alternative revenue streams



**Operational and  
service efficiency**

- Prioritising client experience
- Operational and service excellence through digital transformation and LEAN
- Reducing cost to serve through adequate risk and control measures and continuously attain operational excellence



**Product  
excellence**

- Product simplicity, accessibility and ease of use
- Explore fully digital products with a digital client experience
- Offer financial and non-financial solutions at member level



**Collaboration and partnerships**

- Leverage Group collaboration for greater market access and proposition strengthening
- Selective partnerships to complement organic growth and create value proposition enhancements

## Overview

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2 **Strategy progress update**

3 Closing



Focus areas	Objectives – what we are aiming for	Measures of success
<p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Execution of <b>omni-channel distribution strategy</b></li> <li>Profitably <b>grow SME market share</b> through Momentum Grow</li> </ul>	<p><b>Earnings</b> → R800m – R1bn</p>
<p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Achieve operational and service excellence <b>through digital transformation &amp; LEAN baked-in methodologies</b></li> <li>To <b>embed ESG</b> into our strategic ambition and business outcomes</li> </ul>	<p><b>VNB margin</b> → 0.5%</p>
<p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li><b>Product differentiation</b> that enables revenue growth and diversification</li> </ul>	<p><b>Cost-to-income ratio</b> → 65%</p>
<p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li><b>Internal collaboration</b> for greater market access and proposition strengthening</li> <li><b>Selective partnerships</b> to accelerate organic growth</li> </ul>	<p><b>NPS</b> → &gt;65</p>

Unlock full potential of our businesses

Harness synergies of collaboration

Optimise our cost base

Invest aggressively in advice

Selectively expand our addressable market

Design simplified and impactful client experiences

## Focus areas

## What we achieved so far



**Growth and distribution**

- **Omni-channel distribution and internal collaboration** gaining strong traction
- **Steady growth in SME client acquisition** – majority new to EB clients



**Operational and service efficiency**

- **Two-pot well executed:** 259k claims paid (R4.3bn); 84% digitally processed
- **NPS turnaround** and recovery after two-pot impact
- **Strong progress in digital transformation** and **LEAN integration** into BAU
- **ESG outcomes successfully embedded** in strategic initiatives



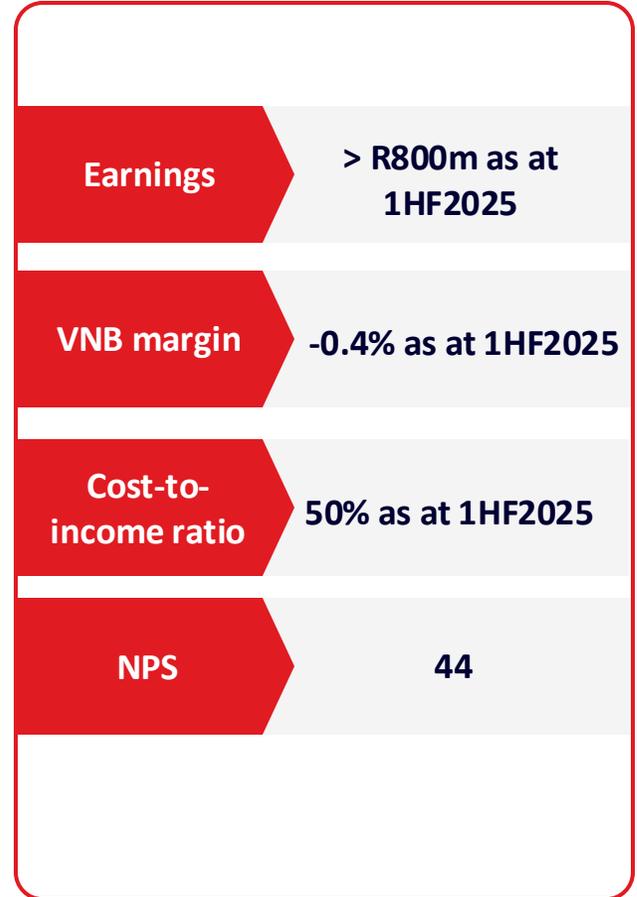
**Product excellence**

- **Momentum Grow** well received and seeing steady sales growth
- **Dragonfly advancing;** launch of Momentum Emergency Savings for FAW
- **Product rationalisation** of our annuity series, benefitting pensioners while reducing cost to serve



**Collaboration and partnerships**

- **Good progress made on collaboration** with Investments and Health
- **Retirement income solutions channel launched** in collaboration with MFP
- Strategic partnerships **contributing significantly to PVP**



Focus areas

Objectives – what we are aiming for

Progress towards F2027 objectives

**Growth and distribution**

- Execution of **omni-channel distribution strategy**
- Profitably **grow SME market share** through Momentum Grow

- Fully confident
- Fully confident

**Operational and service efficiency**

- Achieve operational and service excellence **through digital transformation and LEAN baked-in methodologies**
- To **embed ESG** into our strategic ambition and business outcomes

- Highly confident
- Highly confident

**Product excellence**

- Product differentiation** that enables revenue growth and diversification

- Highly confident

**Collaboration and partnerships**

- Internal collaboration** for greater market access and proposition strengthening
- Selective partnerships** to accelerate organic growth

- Highly confident
- Highly confident

## FundsAtWork

Focus areas	Objectives – what we are aiming for	Measures of success
<p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Remain a <b>top 4 player</b> in terms of assets in the <b>umbrella fund market</b></li> <li>Become a <b>significant player in the SME market</b></li> </ul>	<p><b>FAW AUM</b> &gt;R110bn</p>
<p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence through <b>LEAN methodologies and digitalisation</b></li> </ul>	<p><b>No. of SME employers</b> +250 employers per annum</p>
<p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li>Provide clients with <b>holistic value propositions</b></li> </ul>	<p><b>Integrated value proposition</b> Completion of our integrated Health and Employee Benefits value proposition</p>
<p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li><b>Drive value for the Momentum Group</b> through internal partnerships and collaboration</li> </ul>	

## FundsAtWork

Focus areas	What we achieved so far
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**Growth and distribution**

- **Top 4 in umbrella fund assets**; leader in total membership number
- **Strong SME client acquisition** in FAW, rising Momentum Grow sales



**Operational and service efficiency**

- **Two-pot well executed**: 118k claims paid (R1.4bn); 72% digitally processed
- **86% increase in digital engagements (3.3m YTD)**
- **21% increase in self-service transactions y-o-y**
- Launch of **FAW Integrated CVP and Smart Quotes** well received



**Product excellence**

- **Momentum Grow** growth in line with plan; **Health4Me integration** underway
- **FAW and Dragonfly partnership** expanding access to the voluntary market



**Collaboration and partnerships**

- **Good progress made on collaboration** with Health and Investments
- **Partnership with various sales channels within the Group** resulting in good flows

<b>FAW AUM</b>	<b>&gt;R94bn as at 1HF2025</b>
<b>No. of SME employers</b>	<b>+154 employers as at 1HF2025</b>
<b>Integrated value proposition</b>	<b>Good progress made and on track for delivery on our integrated Health and Employee Benefits value proposition</b>

## FundsAtWork

Focus areas	Objectives – what we are aiming for	Progress towards F2027 objectives
 <p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Remain a <b>top 4 player</b> in terms of assets in the <b>umbrella fund market</b></li> <li>Become a <b>significant player in the SME market</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Fully confident</b></li> <li><b>Fully confident</b></li> </ul>
 <p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence through <b>LEAN methodologies and digitalisation</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Highly confident</b></li> </ul>
 <p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li>Provide clients with <b>holistic value propositions</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Highly confident</b></li> </ul>
 <p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li><b>Drive value for the Momentum Group</b> through internal partnerships and collaboration</li> </ul>	<ul style="list-style-type: none"> <li><b>Highly confident</b></li> </ul>

## Group Insurance

Focus areas	Objectives – what we are aiming for	Measures of success
<p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Remain one of the <b>top 3 group insurance providers</b> in SA</li> <li><b>Improve disability outcomes</b></li> </ul>	<div data-bbox="1745 554 2364 753"> <p><b>Margin</b> → Maintain margin within the 5% – 7% net of tax long-term average margin</p> </div> <div data-bbox="1745 796 2364 996"> <p><b>Integrated value proposition</b> → Completion of our integrated Health and EB value proposition</p> </div>
<p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence through <b>LEAN methodologies and digitalisation</b></li> <li>Enhance our <b>market-leading disability management capability</b></li> </ul>	
<p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li><b>Decommoditise product offering</b> to increase sales and retention</li> <li>Continue to <b>leverage data analytics</b> and insights for pricing and benefit design</li> </ul>	
<p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li><b>Drive value for the Momentum Group</b> through internal partnerships and collaboration</li> </ul>	

## Group Insurance

Focus areas	What we achieved so far
 <p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>• <b>Group risk market position</b> improved from <b>3rd to 2nd*</b></li> <li>• <b>Focused UW initiatives</b> to improve risk management and enhance <b>disability outcomes</b></li> <li>• <b>Profitable growth</b> and reinsurance strategy delivery continues</li> </ul>
 <p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>• Good progress towards <b>digital solutions for clients</b></li> <li>• <b>Improved rehab and case management</b> to improve intervention and reduce claim duration</li> </ul>
 <p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li>• Defined <b>roadmap for decommo-ditised product offering</b> to boost sales and retention</li> <li>• Ongoing <b>use of data and analytics</b> to refine pricing strategies and <b>guide digital solution development</b></li> </ul>
 <p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li>• <b>Partnership between Dragonfly and Momentum Health</b> progressing well</li> <li>• Good progress made <b>on internal collaboration between Momentum Health and Momentum Grow</b></li> </ul>

Margin

**Margin above target of 5 – 7 % net of tax long-term average margin**

Integrated value proposition

**Good progress made and on track for delivery on our integrated Health and Employee Benefits value proposition**

## Group Insurance

Focus areas	Objectives – what we are aiming for	Progress towards F2027 objectives
 <p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Remain one of the <b>top 3 group insurance providers</b> in SA</li> <li><b>Improve disability outcomes</b></li> </ul>	<ul style="list-style-type: none"> <li>Fully confident</li> <li>Fully confident</li> </ul>
 <p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence through <b>LEAN methodologies and digitalisation</b></li> <li>Enhance our <b>market-leading disability management capability</b></li> </ul>	<ul style="list-style-type: none"> <li>Highly confident</li> <li>Fully confident</li> </ul>
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 <p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li><b>Drive value for the Momentum Group</b> through internal partnerships and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Highly confident</li> </ul>

## Structured Investments and Annuities

Focus areas	Objectives – what we are aiming for	Measures of success
 <p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Grow deal-making and structuring capability</li> <li>Launch new client-appropriate solutions into existing and new segments</li> </ul>	
 <p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence through <b>LEAN methodologies and digitalisation</b></li> <li>Help to build the <b>low carbon economy</b> through investments in green assets</li> </ul>	<p><b>SIA AUM</b> &gt;R65bn</p>
 <p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li>Drive <b>product awareness</b> through marketing, PR and Thought Leadership and leveraging the Group's purpose</li> <li>Drive <b>product rationalisation</b> to simplify and consolidate SIA products</li> </ul>	<p><b>NHE contribution</b> Contribute 25% to Momentum Corporate NHE</p>
 <p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li>Cement <b>internal and external strategic partnerships to increase market access</b> including the use of white-labelling capability and product upsell</li> </ul>	

## Structured Investments and Annuities

Focus areas	What we achieved so far
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**Growth and distribution**

- **Strong flows into smoothed bonus** in FAW and good **Retirement Navigator flows**
- Continued **growth of the Index Guaranteed solutions**



**Operational and service efficiency**

- **F2025 optimisation targets met**; digital transformation initiatives on track
- Progress made on **baselining and setting targets for green assets and black-owned asset managers** to support building a **low-carbon economy**



**Product excellence**

- **Active thought leadership efforts** resulting in increased product awareness
- Merged 2 annuity series resulting in **product rationalisation that benefits pensioners while reducing managing costs**



**Collaboration and partnerships**

- **Collaboration with Momentum Investments** resulted in significant flows into our Index Guaranteed Solutions
- **Strategic partnerships** contributing over **80% of SIA PVP**

SIA AUM

**>R58bn as at 1HF2025**

NHE contribution

**Contribute 21% to Momentum Corporate NHE (1HF2025)**

## Structured Investments and Annuities

Focus areas	Objectives – what we are aiming for	Progress towards F2027 objectives
 <p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li> <b>Grow deal-making and structuring capability</b></li> <li> <b>Launch new client-appropriate solutions</b> into existing and new segments</li> </ul>	<ul style="list-style-type: none"> <li> Fully confident</li> <li> Highly confident</li> </ul>
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## DCE, MRA and Member Solutions

Focus areas	Objectives – what we are aiming for	Measures of success
<p><b>Growth and distribution</b></p>	<ul style="list-style-type: none"> <li>Improve <b>market access</b>, grow <b>new business</b> and drive <b>client retention</b></li> <li>Unlock <b>new streams of revenue</b> and <b>access to new members</b></li> </ul>	<p><b>Direct new business</b> → Grow new business from direct business development to <b>35% of total sales</b></p>
<p><b>Operational and service efficiency</b></p>	<ul style="list-style-type: none"> <li>Drive operational and service excellence in MRA through <b>LEAN methodologies and digitalisation</b></li> <li>Transform and <b>enhance client experience</b> through digital and human interaction</li> </ul>	<p><b>MRA membership</b> → <b>500 000</b></p>
<p><b>Product excellence</b></p>	<ul style="list-style-type: none"> <li>Build a <b>distinctive member and client value proposition</b></li> <li>Build a <b>trademark retirement consulting and advisory capability</b> through MCA and Member Solutions</li> </ul>	<p><b>Market share</b> → Increase market share of annuities and preservation outflows to <b>45%</b></p>
<p><b>Collaboration and partnerships</b></p>	<ul style="list-style-type: none"> <li>Foster <b>key client relationships</b> through <b>strategic collaboration</b></li> <li><b>Drive value creation for the group</b></li> </ul>	

## DCE, MRA and Member Solutions

Focus areas	What we achieved so far
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**Growth and distribution**

- **New business appointments** across all businesses
- **100% client retention** in Key Client Management unit
- **Internal collaboration** between Direct Client Engagement and other areas of the business driving growth



**Operational and service efficiency**

- **Two-Pot well executed:** 141k claims paid (R2.9bn); 95% digitally processed
- **NPS turnaround and recovery** after two-pot impact
- **Expense growth remains below inflation**



**Product excellence**

- **Launched Retirement Benefit Counselling as a service** to support revenue growth
- **Targeted efforts to drive Pension-backed Home Loans sales** and improve client experience



**Collaboration and partnerships**

- **Launched Retirement Income Solutions channel** in collaboration with MFP
- **Internal collaboration within the Group** remains a strong focus

<b>Direct new business</b>	<b>Growth in new business from direct business development at 10% (1HF2025)</b>
<b>MRA membership</b>	<b>&gt;380 000 as at 1HF2025</b>
<b>Market share</b>	<b>Market share of annuities at 55% market share of preservation outflows at 52% (1HF2025)</b>

## DCE, MRA and Member Solutions

Focus areas	Objectives – what we are aiming for	Progress towards F2027 objectives
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AMBITION**

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- Prioritising client experience
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- Reducing cost to serve through adequate risk and control measures and continuously attain operational excellence



**Product excellence**

- Product simplicity, accessibility and ease of use
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**Collaboration and partnerships**

- Leverage Group collaboration for greater market access and proposition strengthening
- Selective partnerships to complement organic growth and create value proposition enhancements

**TO ACHIEVE OUR F2027 IMPACT TARGETS OF:**



**R800 million - R1 billion**



**0.5%**



**65%**

We are a business with scale, strong market position, and a significant contributor to the Group

We have achieved profitable growth over the last 5 years and consistently delivered on strategic objectives

**Our RIGHT to win**

We will continue to build and leverage digital capabilities and solutions to deliver on growth, operational efficiencies and client experience

We will further drive effective and efficient distribution through our omni-channel distribution ecosystem

Through this we aim to deliver ±R800m – R1bn earnings by 30 June 2027

# Thank you



*The information in this presentation, including the financial information on which the outlook is based and any non-IFRS financial measures (which are presented for additional information purposes only), is the responsibility of the directors of Momentum Group and has not been reviewed and reported on by Momentum Group's external auditors.*