



Bayport Money Solutions

Financial Wellbeing For Corporate Employees

your future now

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BAYPORT
FINANCIAL SERVICES

Landscape

Financial wellbeing of employees is an increasing focal point within the corporate environment, with ~60% of employees under financial distress.

Negative impacts extend beyond an employees' financial and emotional wellbeing, with a direct impact on employers (social responsibility with business implications):

- Low staff morale leads to a lack of productivity and increased safety incidents: ~6% manufacturing production drop in 2018;
- Excessive absenteeism and sick leave: Cost to employers ~17% of payroll in each financial year;
- Salary advancement requests, unrealistic wage demands and striking: 1.95 million work days lost in wage negotiation strikes in 2018; and
- Increased staff turnover to access pension, provident and unemployed insurance funds: Incremental human capital costs.



Household debt =
~75% of employees'
monthly income debt



~49% of consumers
with accounts are >
one month in arrears



< 14% of employees
have the ability to
retire

Source: PwC Employee Financial Wellness Survey 2019 | Trans Union SA Consumer Credit Index, Q2 2019 | World Bank South Africa
Economic update April 2018

Bayport Money Solutions

Bayport has the solution to address the financial wellbeing needs of employees.

Developed over the past 20 years, through extensive experience in global markets, Bayport's niche business model and intellectual property have a proven track record in solving financial distress through offering a fully inclusive wellbeing program, which works on the following parameters.

Collaborative 3-way partnership (employees, employer and Bayport): Mutually beneficial, resulting in employees financial wellbeing, increased productivity and retention

Mutually inclusive fundamental principles:

- **Employee-centric approach (assistance):** Customised-solution following a detailed analysis of an individual's needs for sustainable financial assistance (extending beyond awareness),
- **All-encompassing wellbeing program (awareness):**
 - › Financial awareness, literacy, budgeting, saving and living within one's means, and
 - › Skills development, and
- **Voluntary payroll facilitation (catalyst):** Non-recourse to the employer

Bayport Money Solutions embodies **HELP** as opposed to **HYPE**:

HELP = concrete financial assistance | **HYPE** = financial awareness, with no direct change to the financial situation

The solution is underpinned by 2 governing and integrated principles:

How to solve financial distress - "Maths"



1. KNOW

Your financial position so you are able to make better financial decisions

- Get a credit report that explains your financial wellness status.
- Create a financial roadmap suited to your situation and needs.
- Monthly credit health reports to monitor progress.



2. SOLVE

Your current situation with tailor made financial solutions, putting you in a better financial situation

- Debt consolidation (we refinance your debt at lower rates and/or better terms).
- Get access to loans at preferential rates.
- Judgement rescindment (EAOs, admin orders and debt review).
- Fix your credit status.
- Removal of prescribed debt.
- Debt restructuring (we negotiate discounts and refinancing with creditors).



3. GROW

Your personal wealth by making the right investment decisions

- Build your wealth.
- Increase the number of your assets.
- Create a financial roadmap suited to your situation and needs.
- Invest in yourself and your family e.g. education.



4. PROTECT

Protect yourself, your family and the assets you are accumulating

- Insurance.
- Tax solutions.
- Will and estate planning.
- Income protector.

How to ensure sustainability and ongoing benefits - “Mentality”

- To avoid employee’s falling back into financial distress, developing and improving financial awareness and literacy is required;
- Process commences from the outset through wellbeing forums, the delivery thereof tailored to suit the corporate’s requirements (awareness and financial health assessments); and
- The learning approach has the capability to be further enhanced through:
 - › Financial coaches, group / on-site coaching, call centre support;
 - › Accessible digital learning content; and
 - › Tailored to enhance BEE Codes Scorecard for the corporate.

Corporate’s Role	Bayport’s Role
• Payroll facilitation	• Holistic wellbeing program (tailor-made);
• Payroll insights	• Provision of a consolidated loan solution replacing existing loans at a lower cost with all benefits passed directly on to the employee (reduced cost);
• On-sight access	• Assume all credit and related risk (no security, no recourse to the employer, no recourse to pension or terminal benefits);
	• Negotiate settlement discounts with existing financiers, with all settlement discounts passed directly on to the employee (Reduced quantum); and
	• Program progress reports (quarterly reports delivered to the employer detailing employees assisted, debt savings through write offs and reduced costs, employees wellness score and savings abilities created).

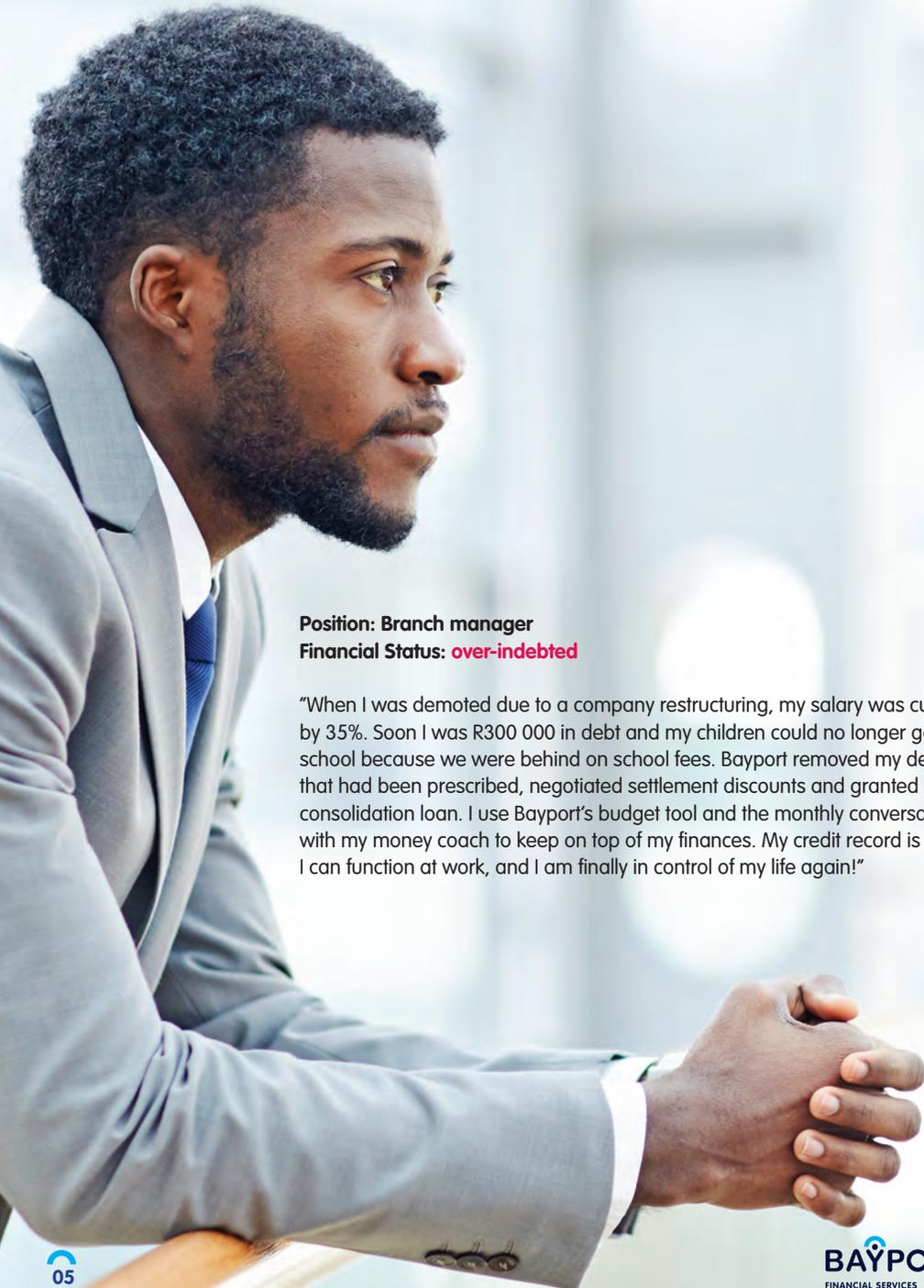
Benefits to employees (voluntary) and employers and designed to be non-obtrusive, non-recourse and delivered with minimal administrative requirements to HR (facilitation role)

Bayport as the preferred partner in employee financial wellbeing:

- Bayport Group is the leading payroll-based unsecured credit provider in Emerging markets, who adheres to the highest international standards of customer care. Bayport Botswana was the first payroll lender in the world to achieve certification from the Smart Campaign (global movement that champions the rights of consumers when accessing financial services);
- Through 600 branches, in nine developing markets on three continents, Bayport has the tools, expertise and proven track record to facilitate sustainable, long-term shifts in consumers’ financial habits and behaviour; and
- Given the uniqueness and individuality of employers and employees (nature of the industry, industry demands, geographic spread and voluntary appetite), such factors are applied in the design of each employee and employer program.

Corporate Payroll Facilitation Process

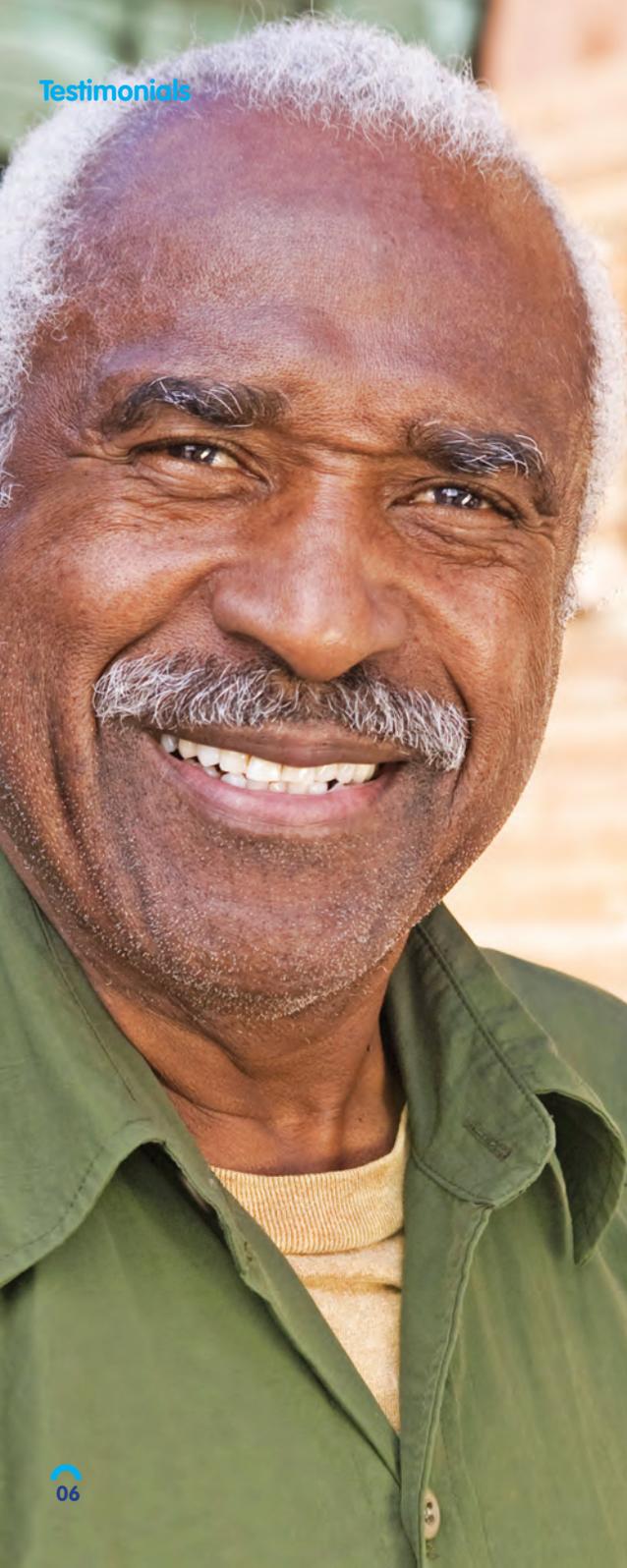
Phase	Process	Responsibility
Pre-activation	1. Signature of payroll deduction agreement and completion of company profile document.	Corporate
Activation	<p>1. Enrolment⁽¹⁾ (3-5 days):</p> <ul style="list-style-type: none"> • Wellbeing forum (structured in accordance with the corporate's parameters); and • Voluntary election by employee to approach Bayport, <p>2. Employee credit health reports (at no cost) accessed face to face; digitally; via cell phone or e-mail (24-48 hours).</p> <p>3. Bayport call centre to contact enrolled employees to ensure they understand their credit health reports and provide information on how to improve their financial status.</p> <p>4. Additional services to be offered in line with employees' financial situation.</p> <p>5. Consolidated activation report provided to the corporate (POPI compliant):</p> <ul style="list-style-type: none"> • Level of employee indebtedness; and • Debt to income ratios. <p>Note 1: Enrolments could be done through:</p> <ul style="list-style-type: none"> • On Site visitation - Enrol at a Bayport Money Solutions consultant to provide credit health feedback • Digital enrolment - Internal communication creating Bayport Money Solutions awareness in order to enrol via USSD, short code, web and phone call to access credit health report and apply for assistance 	<p>Bayport</p> <p>Employee Bayport</p> <p>Bayport</p> <p>Bayport</p> <p>Bayport</p>
Payroll facilitation	<p>1. Provision of information request schedule;</p> <p>2. Population of information request schedule;</p> <p>3. Monthly instalment deductions; and</p> <p>4. Reconciliation and exception management.</p>	<p>Bayport</p> <p>Corporate</p> <p>Corporate</p> <p>Bayport</p>
Ongoing services	<p>1. Employees credit health status reports (quarterly via SMS)</p> <p>2. Support enrolled employees</p> <p>3. Financial wellbeing forums (on request or as per agreed schedule)</p> <p>4. Corporate report on employee financial wellbeing status (quarterly)</p>	<p>Bayport</p> <p>Bayport</p> <p>Bayport/ Corporate</p> <p>Bayport</p>



Position: Branch manager

Financial Status: over-indebted

“When I was demoted due to a company restructuring, my salary was cut by 35%. Soon I was R300 000 in debt and my children could no longer go to school because we were behind on school fees. Bayport removed my debts that had been prescribed, negotiated settlement discounts and granted me a consolidation loan. I use Bayport’s budget tool and the monthly conversations with my money coach to keep on top of my finances. My credit record is clean, I can function at work, and I am finally in control of my life again!”



Position: Production team leader

Financial Status: **over-indebted**

"I was in big trouble. I couldn't pay maintenance for my two children, I lived on expensive payday loans and the bank wanted to take my car back. Bayport consolidated all my loans and negotiated with my creditors. Now my instalment is R6 000 a month instead of R11 000. I manage my debt and I have some money in my pocket. Most importantly, I can now be a father to my kids."



Position: Human capital manager

Financial Status: **distressed**

"I had more than R400 000 debt and was behind on all my loans and accounts. Bayport negotiated 30% settlement discounts on my behalf, gave me a loan to pay off my four largest debts, unlocked R4 000 in monthly cash flow, and taught me how to manage my finances. My life is changed! My credit score is improving, I will retire debt free, and I'm no longer scared to answer my phone."



Position: Factory worker

Financial Status: room for improvement

“When my house got damaged in the Umlazi floods, I had R94 000 in debts, but my credit score was good because I never missed a payment. Bayport consolidated my debts and negotiated settlement discounts of more than R49 000. They also gave me a R25 000 loan at a discounted interest rate to fix my house. My house is fixed and I have more cash every month because of lower instalments.”

1. **How does Bayport mitigate employees from reverting to over-indebtedness post improvement in their credit health?**
 - Individual consultation (need analysis), debt evaluation, budgeting support and tools, and coaching sessions (upon commencement and ongoing (voluntary)) is the foundation and integral part of the Bayport Money Solutions program;
 - Credit health consultation sessions, where employees receive individual feedback on their credit bureau profile and tips on how to improve creditworthiness;
 - Money Talk workshops empowering employees to budget and ways to manage finances; and
 - Awareness maintained through regular communication to enhance improved financial habits and money control.
2. **What are the categories of employees is Bayport able to assist?**

Over-indebted:

 - Unable to settle existing credit (compounding effect);
 - Unable to obtain credit (traditional sources); and
 - Unable to get through the month (negative disposable income).

Distressed:

 - Severe financial pressure to get through the month (little/no disposable income);
 - Unable to apply and manage credit appropriately; and
 - Challenging to improve financial wellbeing (intervention required to prevent over indebtedness).

Room for improvement:

 - Using credit relatively wisely and able to pay credit monthly; and
 - Financial wellbeing enhanced through improved monthly cash flow, savings plans and needs analysis benefit.
3. **Is Bayport able to assist employees with a bad credit score (over-indebted)?**
 - Yes, Bayport’s offering assists all employee categories;
 - Addressing the financial reality of clients is required to provide a sustainable employment and business solution;
 - Bayport Money Solutions provides the entire value chain in order to achieve a sustainable financial wellbeing solution; and
 - Bayport Money Solution facilitates and invests in service providers and value-added services to provide a comprehensive solution.
4. **Why should an employer be involved in employees’ personal finances?**
 - Financial wellbeing of employees has a direct impact on productivity, absenteeism, stock losses, safety incidents, uneconomic wage demands and general performance in the workplace as well as employee’s overall health and emotional state; and
 - Traditional employee wellness schemes generally do not focus on employee’s financial wellbeing, but more on generic employee wellness, and don’t offer solutions to solve employee’s financial difficulties.
5. **What are the payroll facilitation benefits to the employer?**
 - Social responsibility;
 - Scope for reduced wage demands (top line) achieved through increased take home pay (bottom line); and
 - Enhanced employee productivity and retention (financial wellbeing).
6. **Please clarify the limited corporate payroll administration requirements?**
 - Bayport will send a monthly instalment upload file, in line with the corporate’s system requirements to ensure an easy upload and minimum administration burden on payroll resources;
 - HR merely needs to populate the information and return to Bayport;
 - Bayport facilitates payroll maintenance partners to manage the process on the corporate’s behalf at no extra cost to employee or employer;

- Reduced transactions and burden on existing payroll administration (removal of existing garnishee orders, administration orders and debt counselling payments); and
 - Reduced demand on HR department to confirm employment for multiple credit providers.
- 7. Is payroll facilitation imperative to the Bayport Money Solution, notwithstanding that the corporate is amenable to providing you with access to the employees?**
- Payroll deduction is a fundamental component of the offering, failing which the loan consolidation would fall within the “retail” category, with the resultant loss of the reduction in risk adjusted terms (quantum and cost);
 - Bayport’s ability to deduct at source enables a reduced cost of credit to the employee compared to a standard debit-order based retail loan. This is due to the lower cost of risk to Bayport which is passed through to the employee; and
 - To facilitate the corporate’s payroll deduction, Bayport Money Solutions has been designed on a non-obtrusive, minimal administration, non-recourse and no cost basis.
- 8. What happens if an employee leaves the corporate’s service? Will the corporate be held liable for the outstanding debt?**
- The only responsibility the corporate has, is to deduct installments while the employee is employed and provide feedback on resignations or non-payments; and
 - For the avoidance of doubt, there is a no recourse to the corporate post termination.
- 9. What happens if an employee dies, goes on short time or is disabled?**
- When an employee obtains a Bayport personal loan, they are required to have a credit insurance policy for the term of the loan;
 - The policy will repay outstanding debt should the employee pass away, become disabled, lose their source of income or be diagnosed with a dreaded disease before the loan is paid up; and
 - If your corporate puts the employee on short time, the policy will pay the loan instalment for up to six months. If short time is of an ongoing nature Bayport will review the affordability model in line with business requirements.
- 10. How can the corporate be assured that this is not just another way to get our employees in more debt?**
- We offer a holistic approach to employees’ finances. We always consider all debt and do a personalized consultation. This ensures an accurate and comprehensive reflection of their financial situation.
 - We are committed to changing employee financial health
 - We will continue to engage with employees and have ongoing financial wellbeing initiatives, ensuring that employees are supported and educated.
 - Through quarterly reporting to the employer, there is complete transparency into Bayport’s engagement with the employee base, enabling an employer to very quickly identify if Bayport is operating outside of the agreed mandate
- 11. What happens should an employee refuse payroll deduction after a loan was disbursed? Are there any implications to the corporate?**
- Should an employee refuse payroll deduction, Bayport will consult with them to assess the reasoning behind the decision;
 - The corporate has to honor the employee request and stop the deduction, however this would be on a non-recourse / cost basis; and
 - Bayport will make alternative arrangements to collect loan instalments from the employee without involving the employer.
- 12. How much time is Bayport going to require from my employees during their working hours?**
- Bayport is very conscious of not impacting employee productivity and will work within an agreed schedule to engage with the employee base; and
 - Consultation and loan application processes can occur outside of standard working hours through both digital and/or face-to-face engagements.



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For more information, or to book an appointment contact us today:

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