Toyota's journey with Bayport Financial Services

TOYOTA

Toyota South Africa Motors (SAM) partnered with Bayport Financial Services for its employer-led financial wellness programme for employees in 2021. Since then, the company has faced tremendous headwinds but succeeded, with Bayport's support, in shielding its economically most vulnerable staff members from some of the worst impacts.

In 2022, following the devastating floods in KwaZulu-Natal that brought the Toyota SAM plant to a standstill for three months, Bayport allowed a blanket activation of its credit life cover and supported **620** employees who had been put on unpaid leave with a total amount of **R3.943 million.**

In 2024, market demand on key vehicle models is expected to be down due to economic factors such as interest rates, inflation etc. In response, Bayport approved a one-month payment holiday for 78 hourly paid Toyota SAM employees and a two-month payment holiday for 362 hourly paid employees, again invoking the insurance policy that is part and parcel of all Bayport loan agreements.

Had Toyota SAM been a less caring employer, these employees might have been at the mercy of unscrupulous credit providers, instead of in the fold of a socially responsible, employer-led programme.

Through this programme, Toyota SAM and Bayport pursue social impact in four main areas:

1. Reduce employees' monthly debt instalments and overall debt credit burden by negotiating settlement discounts with credit providers.
2. Improve employees' credit profile and, over time, credit score.
3. Give employees access to financial literacy resources and material.
4. Enable employees to access secured credit, notably home and vehicle financing, to build wealth.

Results in the four areas in the 3 years of Toyota SAM's partnership with Bayport

Debt solution in action:

- **1 742** employees have applied to join the programme; **44%** of these – **772** employees – accessed the debt solution.
- **94%** of the debt consolidation loans Bayport issued remain active, highlighting employees' commitment to their financial wellbeing and Bayport's focus on retaining customers.
- To date (31 March 2024), employees have collectively saved almost R1 million in monthly instalment payments, calculated as the difference between payments due before and after Bayport's intervention.

Credit profile impact:

- **64%** of employees have improved their credit scores. Credit scores improve gradually with little or no movement in the first three months after consolidation due to previous arrears. However, as soon as the legacy runs off and as employees meet their current obligations, their scores steadily improve.
- Individual employees' credit scores have improved by as much as **52** points.

Strides in financial literacy:

- The core of Bayport's financial literacy offering is our online information centre and the Bayport Academy e-learning platform, both open to employees at no cost. The Academy offers structured modules and tracks employees' engagement with the content.
- The academy currently has 52 registered users from Toyota that have begun their financial literacy learning journey.
- In addition, Bayport participates in Toyota SAM wellness days promoting physical, mental and financial health as well as financial safety and awareness.

Keys to building wealth:

- Once they have received a consolidation loan, Bayport tracks employees' credit activity.
- Toyota SAM employees have opened **90** secured credit accounts, to the value of almost **R34.74 million.** This asset and wealth building is a direct result of the improved financial stability and creditworthiness enabled by Exxaro's employer-led financial wellness programme.

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