


Développement international Desjardins,
for the development of financial cooperatives
around the world

*National Federation's Structure
in a Unified Credit Union Network*

2014 Asian Credit Union Forum, Bali, Indonesia

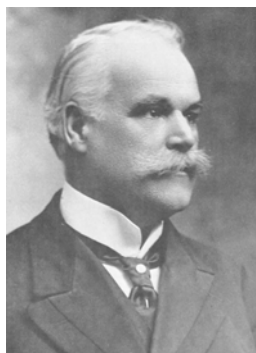


September 2014

National Federation structure

- Desjardins Group and its organizational structure evolution
- DID's perspective on functional systems
- Typical Integrated Federation organizational structure (support systems)
- Tracking and optimizing performance (TOP 123)
- DID's specialized solutions





Alphonse Desjardins
1854-1920



December 6, 1900
Opening of the first *caisse populaire* financial cooperative in Lévis

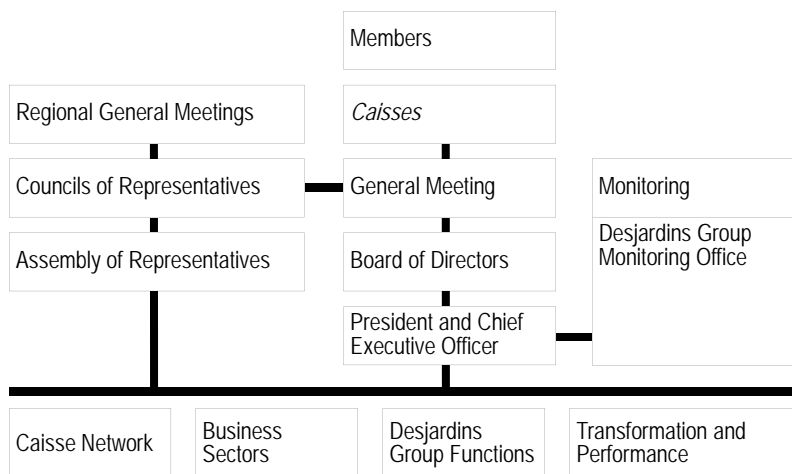


- 5.6 millions of members
- 897 service outlets (MFI) and 2 508 ATMs
- US \$196 billion in assets
- 45,000 employees
- 43 business centres
- Network of subsidiaries associated to the financial cooperatives network and where the Caisses* are the owners
- **Most important cooperative financial group in Canada offering a vast selection of financial products and services to individuals and businesses**

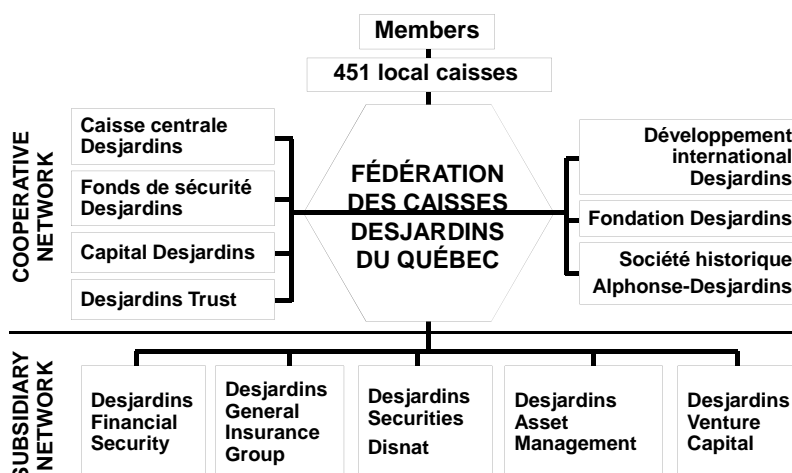


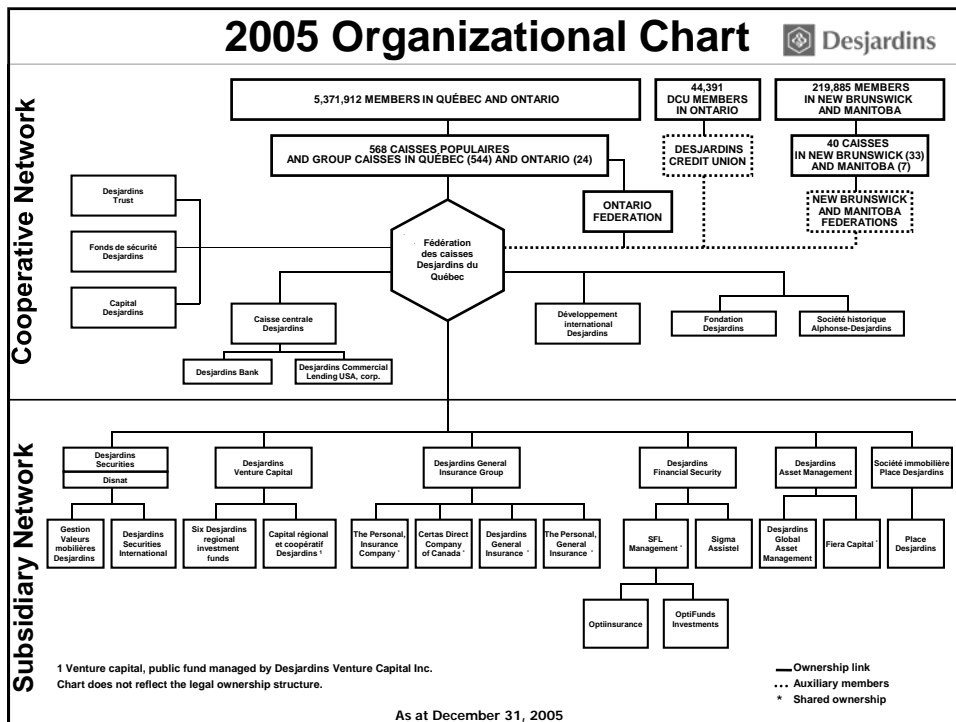
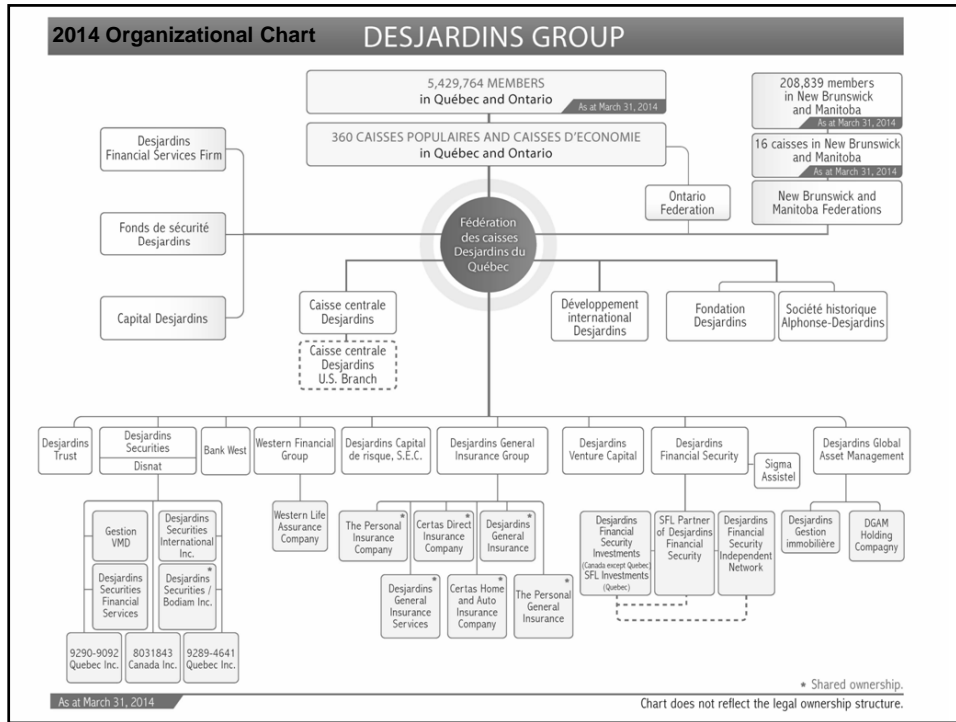
Complexe Desjardins, Montréal, Québec

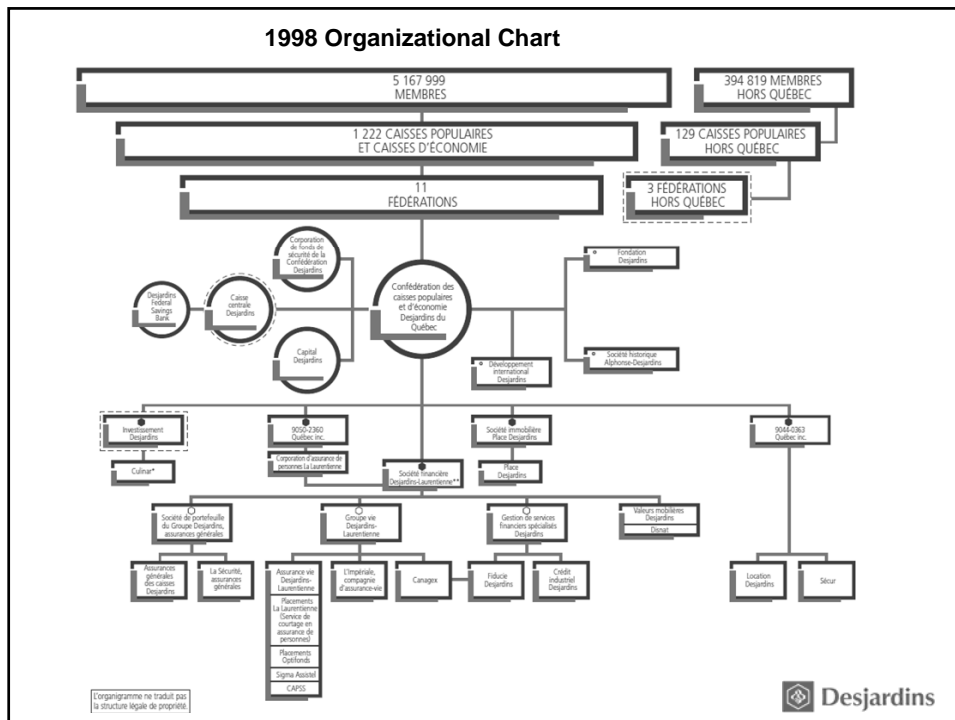
Desjardins Group's organizational structure



Desjardins Group's legal structure



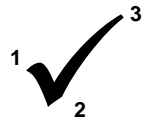




- 1 ✓³

2

TOP SYSTEM 1-2-3
- ✓¹ **Business Performance:**
¹ Capacity of the institution to generate sufficient incomes to ensure its survival and its growth in its market, and to use in an efficient way the funds which are entrusted with the network.
 - ✓² **Organizational performance:**
² Level of formalization and degree of control of the various **organizational systems**.
 - ✓³ **Institutional performance:**
³ Level of integration of the entities of the institution (network integration).



TOP SYSTEM 1-2-3

Organizational performance:

Level of formalization and degree of control of the various **organizational systems**.

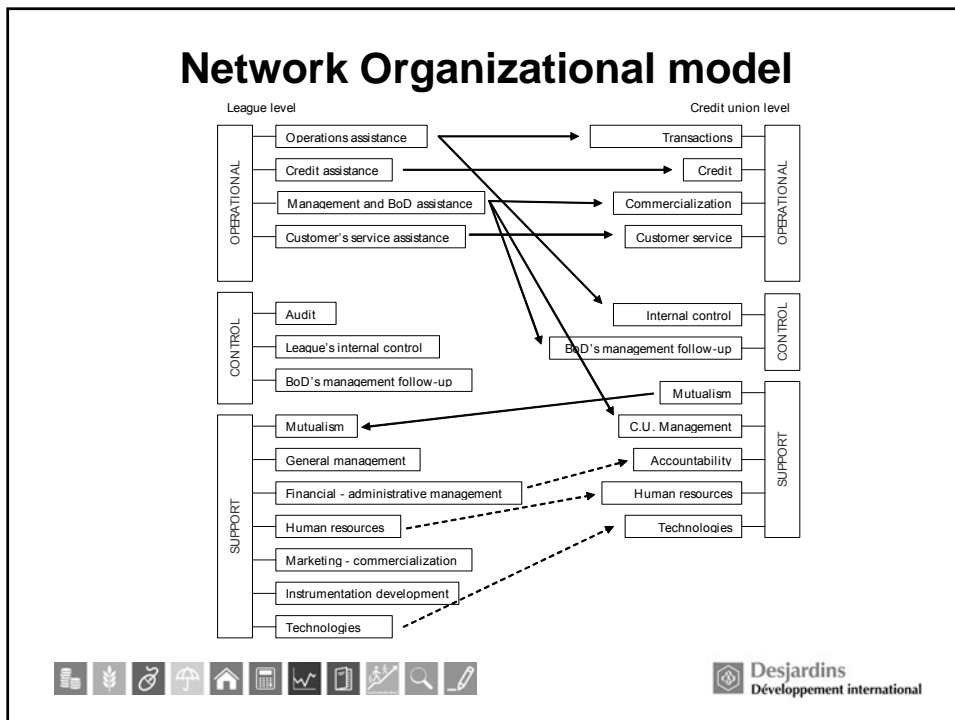
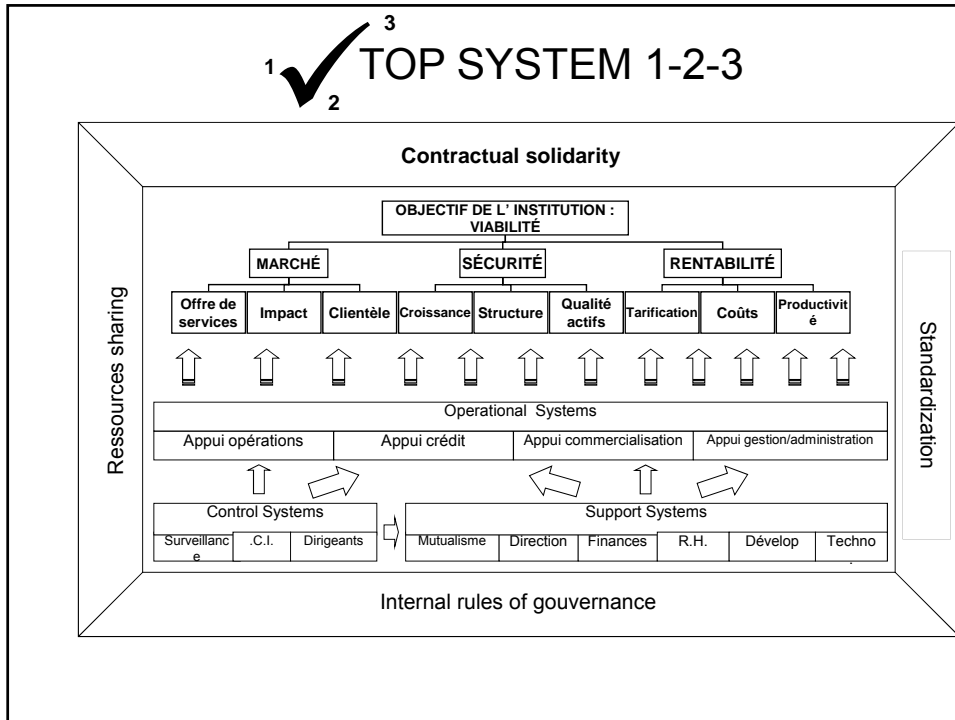
- Operational systems
- Control systems
- Support systems

Network Governance Four Integration dimensions

1. Pooling or sharing resources	<ul style="list-style-type: none"> ❖ Grouping of services (sharing of expertise, purchasing) ❖ Access to support services (liquidity management, exchange rates, payroll, training, staffing) ❖ Collective ownership (insurance company, ATMs)
2. Standardization of operations	<ul style="list-style-type: none"> ❖ Standardization of operating systems: accounting, information technology, control, MIS ❖ Standardization of policies and standards: credit, financial. ❖ Standardization of products: rates, term, collateral, fees ❖ Institutional image: logo, advertising, representation
3. Contractual solidarity	<ul style="list-style-type: none"> ❖ Control of the opening of points of service ❖ Balancing the size of the first-tier MFIs ❖ Fair membership fees paid to the network ❖ System of interconnecting vessels ❖ In-house security mechanisms: insurance, contingency funds ❖ Central Liquidity Facility: external funds, risk sharing
4. Governance and self-discipline	<ul style="list-style-type: none"> ❖ Structure of democratic representation and centralization of power ❖ Principle of subsidiarity: 2nd tier ≠ substitution of the MFI ❖ Supervision, sanctions ❖ Affiliation and disaffiliation mechanisms

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Governance and Performance



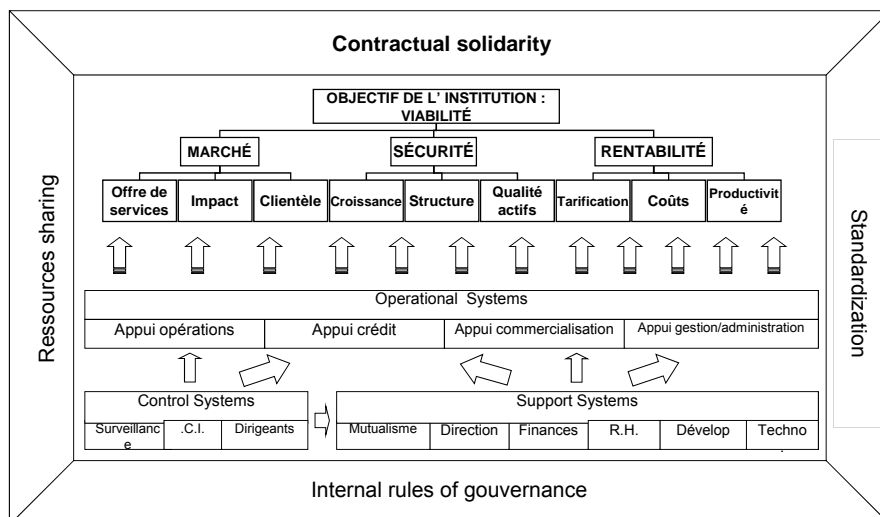
1 ✓ 2 3
TOP SYSTEM 1-2-3

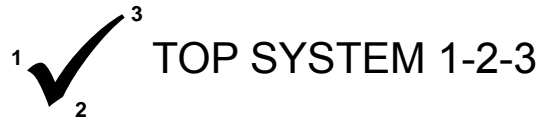
Organizational Structure:

Developed to ensure that the **organizational systems** are functional:

- Formalized elements: Policies, procedures, norms and standards
- User's level of mastery
- Accountable management

1 ✓ 2 3
TOP SYSTEM 1-2-3



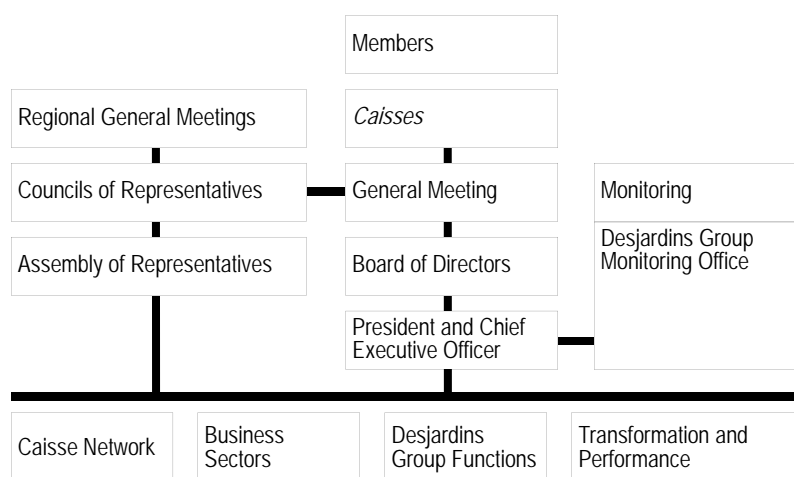


Federation Organizational Structure within an integrated model:

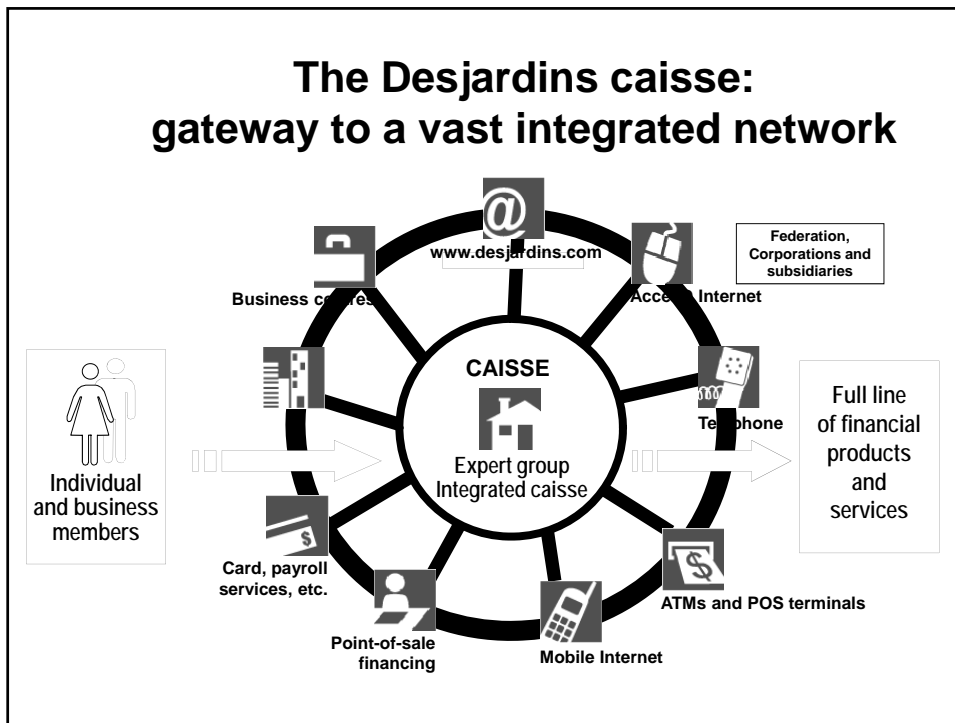
Ensure that the **main support systems** are in place and functional:

- Human resources;
- Information technology;
- Lending function support;
- Financial management;
- Marketing.

Desjardins Group's organizational structure



The Desjardins caisse: gateway to a vast integrated network



DID's specialized solutions

