



133 233	F CFA	5200,00
5 000	F CFA	349,00
(3 900)	F CFA	(545,00)
(2 000)	F CFA	338,00
180 233	F CFA	625,00
4 500	F CFA	332,00
(2 900)	F CFA	(50,00)
(1 487)	F CFA	758,00
2 256	F CFA	200,00
3 484	F CFA	748,00
(16 953)	F CFA	(125,00)
(7 576)	F CFA	1855,00
77 138	F CFA	325,00
3 785	F CFA	7957,00
(1 48)	F CFA	(72,00)
(1 17)	F CFA	6589,00

## Savings Mobilization

## A Financial Cooperative's Perspective



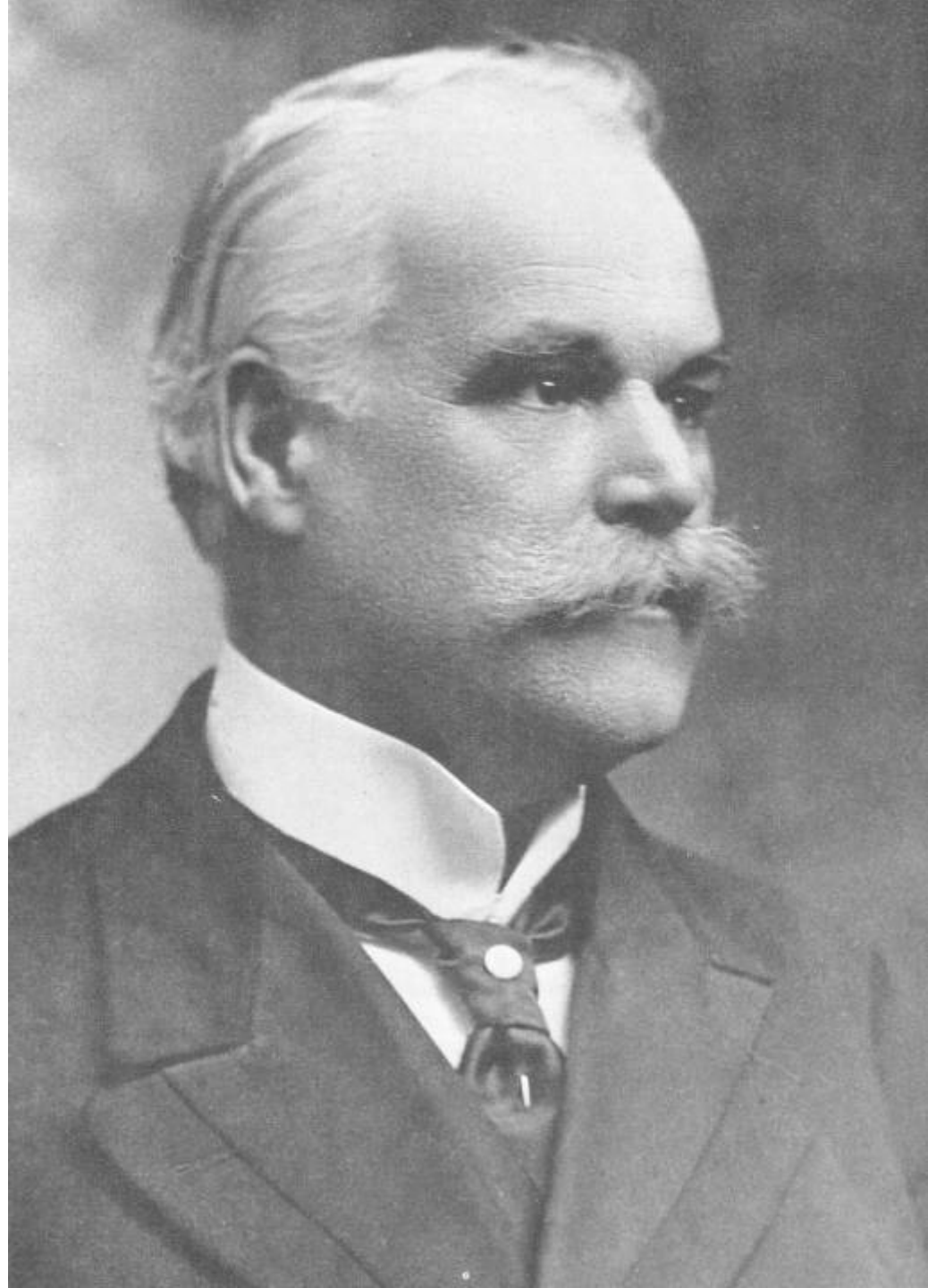
**Desjardins**

**Développement international**



Alphonse Desjardins  
1854-1920

- Access to financial services to fight poverty
- Social and financial empowerment
- Local resources from the community and for the community



First financial cooperative  
(*caisse populaire*)

First deposit:  
5 cents



- 5.8 million members
- \$163 billion in assets
- 42,000 employees and 6,300 board members
- The largest integrated cooperative financial group in Canada, 9th largest in the world
- 6th largest financial institution in Canada





- Component of the Desjardins Group
- Technical expertise in the setup, consolidation and specialization of community finance institutions





# Our Convictions

- Finance can be a tool for empowerment.
- Access to financial services is a necessary condition for the development of individuals and communities.
- Locally owned community finance institutions provide essential leverage for increased access to financial services.
- Community finance growth strategies must make it possible to develop local assets.



# Savings: Building the Future

- Savings mean financial independence for the people and the economy of a country
- DID promotes prioritizing savings deposits as a source of funding without however eliminating recourse to external financing
- DID promotes the establishment of prudential norms to supervise deposits among its partners to ensure security for depositor savings.
  - Liquidity, matching terms and diversification

# Prerequisites

- DID believes that the mobilization of savings deposits is based on prerequisites for the institution both in terms of the economic environment as well as the institutional environment in order to ensure sustainability and profitability
  - Environment: stability of the macroeconomic environment, existence of a suitable regulatory framework, supervision
  - MFI: confidence, transparency, infrastructure, operating system, internal control



# DID and Its Partners

<i>As of June 2009</i>	Worldwide	Africa
Partners	17	12
Financially self-sufficient	10	7
Clients	6.1 millions	3.7 millions
Loan portfolio (US\$)	1,685 millions	388 millions
Volume of deposits (US\$)	1,611 millions	469 millions
Total assets (US\$)	2,242 millions	628 millions
Average deposit per client (US\$)	263	127
Average loan size (per borrower) (US\$)	693	825



# A Few Observations

- DID recognizes savings deposits as a primary need expressed by a vulnerable clientele
- Savings are part of a diversified and relevant offer of products and services
- More people need savings than credit
- People need savings at every moment of their lives

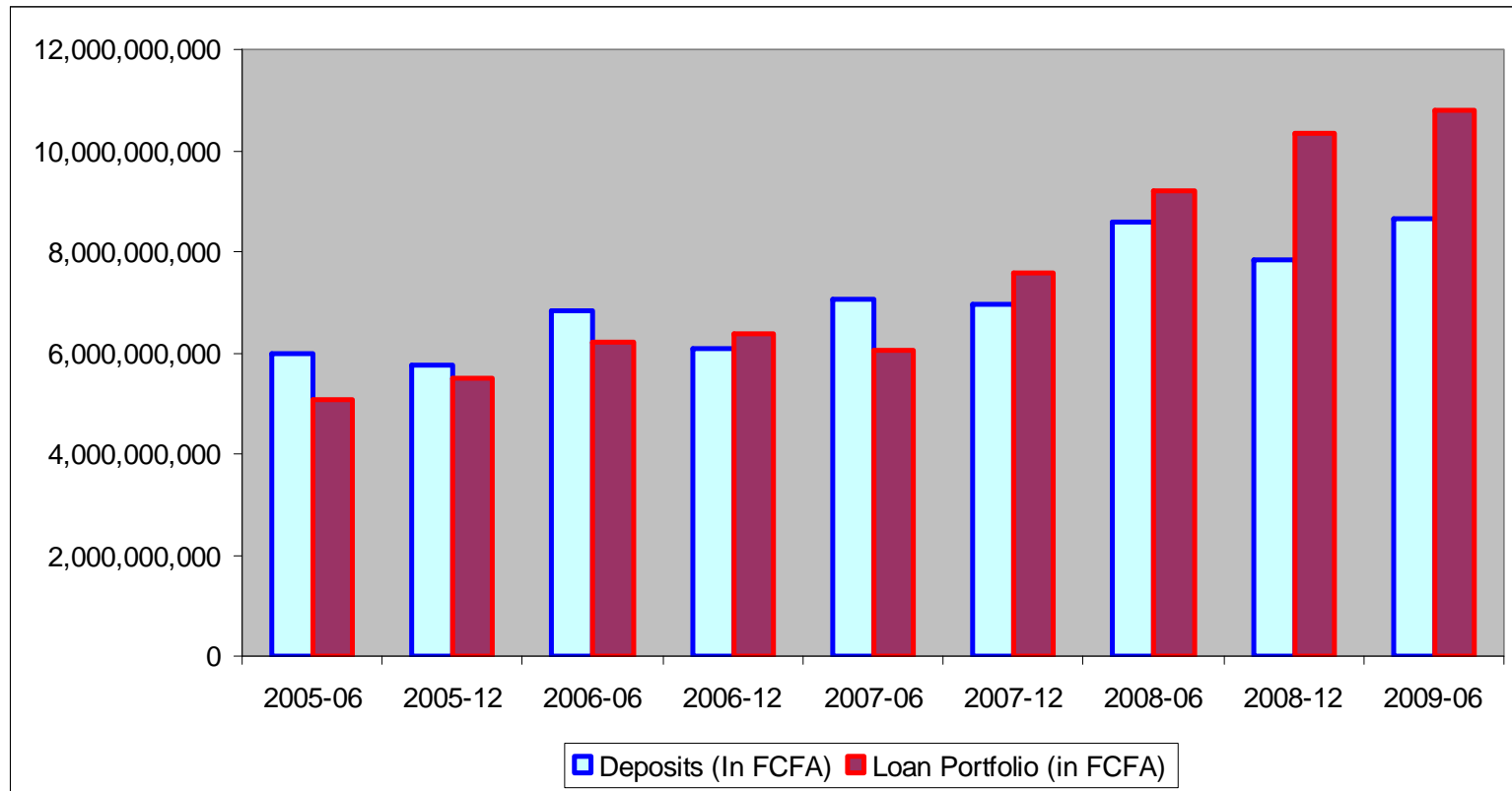


# A Few More Observations

- It takes more than six depositors to grant a loan
- Deposits of the partners finance 96% of their credit activity
- As presented in recent studies, deposit-taking institutions are less affected by the financial crisis than other types of institutions
- During the last year, 88% of DID's partners increased their volume of deposits and their loan portfolio

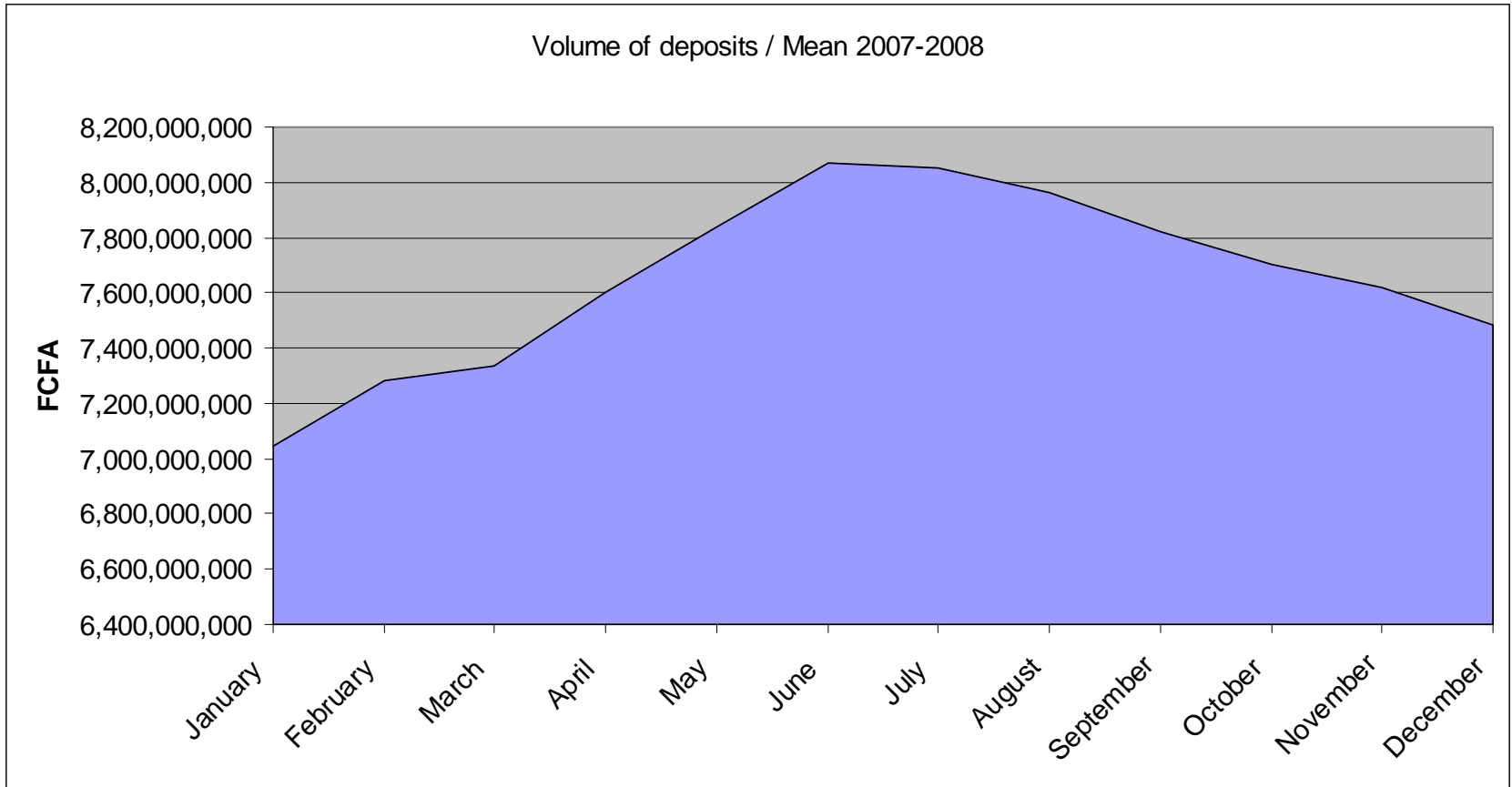


# Nyèsigiso (Mali)





# Seasonal Cycle





- **Why do people save?**
  - to keep money away from family/neighbors
  - to avoid unnecessary expenses
  - to plan for specific expenses
  - as a cushion in case of an unplanned event
- **What are people looking for in savings services?**
  - proximity
  - accessibility
  - rapidity
  - liquidity
  - security

What about interest rates?



# Importance of the Infrastructure

- **DID favors setting up physical facilities** to collect savings deposits but approves the development of mobile collection of savings deposits under certain conditions
  - Close proximity is an essential condition for reaching vulnerable clientele
  - In more remote zones, DID promotes the development of service outlets reduced to the essentials
  - In places where any other mode of organization represents excessive costs for potential savings deposits, the principle of mobile collection of savings deposits can be envisaged
    - Security mechanisms and internal controls should be implemented and adapted in order to be strictly enforced



# Development of Savings Products

- DID suggests a proactive management of savings deposits through a process of client education, the establishment of attractive products and effective marketing
- DID suggests offering a small number of savings products that are attractive and effective, developed according to a tested methodology and designed for the market
- DID places priority on developing simple products that are accessible and include remuneration





# Main Categories of Deposit Products

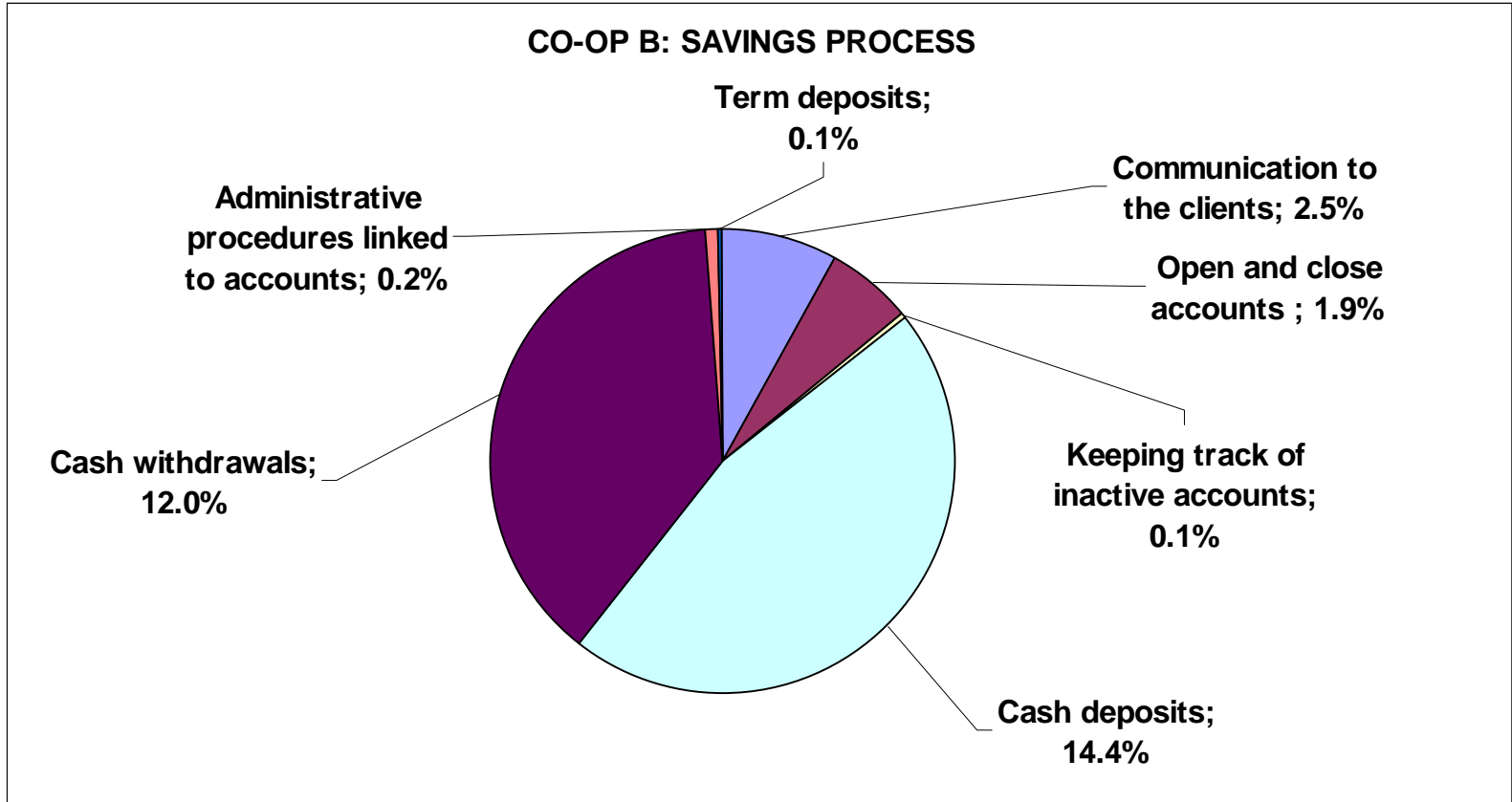
- Savings deposits
- Fixed-term deposits
- Programmed deposits
- Mandatory deposits

# Cost of Savings Mobilization

- In two co-ops in Mali, the most costly activity was servicing deposit accounts
  - The operating cost linked to savings includes opening and servicing deposit accounts
    - Co-op A: 36% of the total expense
    - Co-op B: 31% of the total expense
- The ABC approach was also done in PAMECAS in Senegal. The results in two co-ops were similar:
  - The operating cost linked to savings was 32% of the total expense



# Nyèsigiso



# Impact of Computerization on the Serving Savings Efficiency (Nyèsigiso)

	Mode	Transaction time (in minutes)		
		Deposit	Withdrawal	Total
<b>CO-OP A</b>		6.6	3.9	5.2
<i>Main office</i>	<i>SAF</i>	6.2	2.8	4.5
<i>Branch 1</i>	<i>AMIO</i>	7.6	5.9	6.6
<b>CO-OP B</b>		7.9	6.2	7.0
<i>Main office</i>	<i>SAF</i>	5.4	6.0	5.6
<i>Branch 1</i>	<i>AMIO</i>	4.0	3.6	3.8
<i>Branch 2</i>	<i>AMIO</i>	8.3	7.6	7.9
<i>Branch 3</i>	<i>AMIO</i>	8.7	5.0	6.8
<i>Branch 4</i>	<i>Manual</i>	22.6	12.2	16.8
<b>TOTAL</b>		<b>7.2</b>	<b>5.0</b>	<b>6.1</b>
<i>Depending of the transactional methods</i>				
Real-time mode	<b>SAF</b>	6.0	3.4	<b>4.7</b>
Remote mode	<b>AMIO</b>	7.5	5.7	<b>6.5</b>
Remote mode	<b>Manual</b>	22.6	12.2	<b>16.8</b>

*SAF is a transactional system*

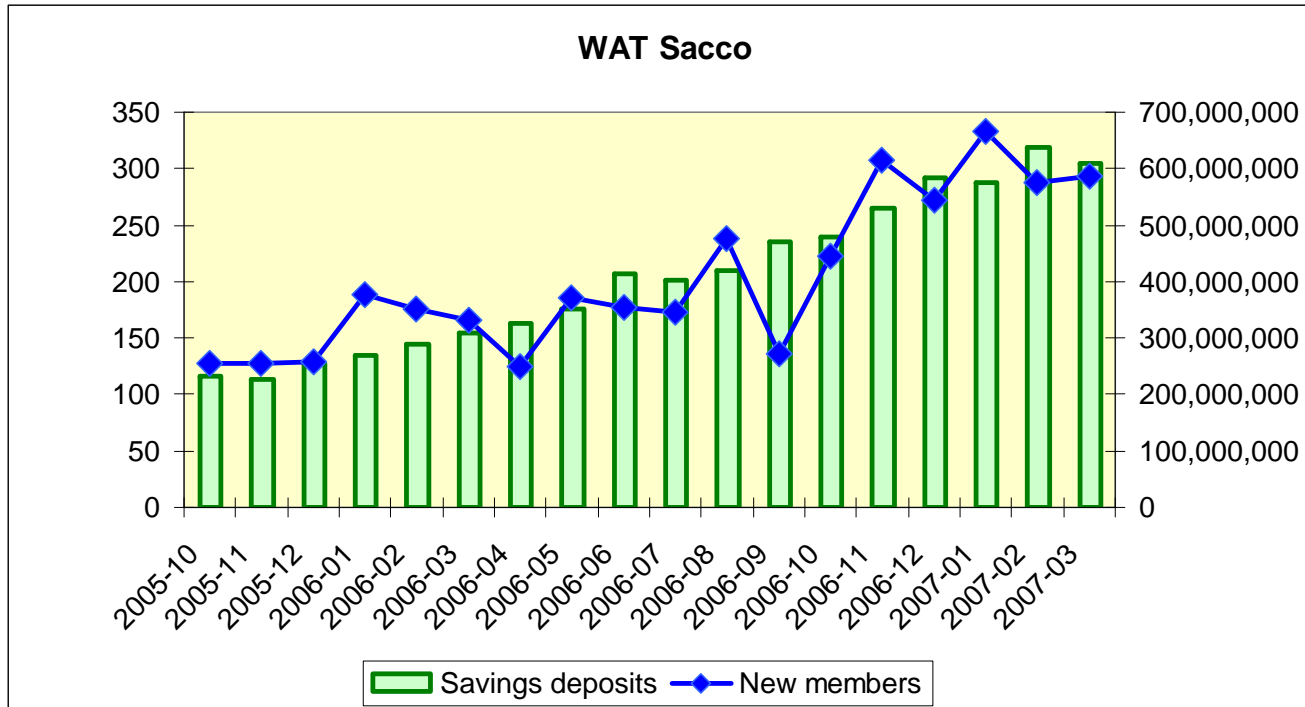
*AMIO is a pocket PC*

# Impact of Computerization of the Serving Savings Efficiency



<b>Organizational parameters</b>	
<b>STANDARDS</b>	
<u>% TIME CONSUMING - TELLER</u>	
<b>Main office</b>	
Cash deposits and withdrawals transactions	90%
Back-office activities	5%
Other activities	5%
<b>Branch responsible (Remote mode AMIO and Manual)</b>	
Cash deposits and withdrawals transactions	70%
Opening and closing accounts	5%
Computerized center	10%
Back-office activities	10%
Other activities	5%
<u>WORKING TIME</u>	
<b>Real-time mode SAF</b>	
Time taken for a cash deposit	5 minutes
Time taken for a withdrawal	3 minutes
<b>Average time of a transaction</b>	<b>4 minutes</b>
<b>Remote mode AMIO</b>	
Time taken for a cash deposit	6 minutes
Time taken for a withdrawal	5 minutes
<b>Average time of a transaction</b>	<b>5.5 minutes</b>
<b>Remote mode Manual</b>	
Time taken for a cash deposit	10 minutes
Time taken for a withdrawal	8 minutes
<b>Average time of a transaction</b>	<b>8 minutes</b>
<u>NUMBER OF TRANSACTIONS DONE BY TELLER *</u>	
Real-time mode SAF (90% for deposits and withdrawals)	1 900 per month
Remote mode AMIO (70% for deposits and withdrawals)	1 100 per month
Remote mode Manual (70% for deposits and withdrawals)	750 per month
* Assuming transactions done for 5.5 hours/day over a period of 26 business days/month	

# Impact of Computerization



<b>Computerization done on October 1, 2006</b>			
	Previous 12 months <i>Average per month</i>	Next 6 months <i>Average per month</i>	Growth
New members	162	286	76%
Additional savings	19,863,514	21,968,172	11%



# Activities to Increase Savings Mobilization

- Opening of new branches next to the targeted customers
  - Formal branches
  - Small branches/kiosks, opened part- or full-time and located in remote villages or markets
- Introduction of new deposit products
- Introduction of new technology facilitating deposit collection
- Mobile collection
- Advertising campaign on savings
  - Brochures, advertising, sponsorship, targeted prizes, lotteries and raffles, social involvement, etc.



# Current Opportunities/Challenges

- New players in the field
  - Microcredit institutions
  - Telecommunications companies
- New technologies available
  - Mobile banking
  - Internet/interconnectivity
  - POS devices, etc.
- Proactive approach



**Thank you**

[www.did.qc.ca](http://www.did.qc.ca)

