



# Financial Cooperative Umbrella Organisation: Characteristics and Similarities

IADI Brief

IADI Briefs are written by staff from IADI Members, Associates, Partners or the IADI Secretariat. They are descriptive, explanatory, factual publications that are short, focused on specific deposit insurance issues and jurisdictional or regional experiences. The views expressed are those of the authors and do not necessarily represent the views of IADI. The author is grateful to Bert Van Roosebeke, IADI Senior Advisor Policy and Analysis, and all members of the IADI Financial Cooperatives Technical Committee for helpful comments.

This publication is available on the IADI website ([www.iadi.org](http://www.iadi.org)).

© 2025 International Association of Deposit Insurers (IADI). All rights reserved. Brief excerpts may be reproduced in other publications or products provided the source is stated. Any commercial reproduction requires prior written permission from IADI.

Jonathan Torres  
Deposit Guarantee Fund for Financial Cooperatives  
Fogacoop, Colombia  
[jtorres@fogacoop.gov.co](mailto:jtorres@fogacoop.gov.co)

## Executive summary

This IADI Brief examines the role of Umbrella Organisations (UOs) in strengthening financial cooperatives (FCs). UOs coordinate, represent, and support member financial cooperatives by providing essential services such as financial, legal, and managerial assistance, central liquidity management, and access to payment systems. They also help cooperatives meet regulatory demands, enhance resilience, and foster financial inclusion by pooling resources and achieving economies of scale.

This brief outlines the structure and operations of UOs across four jurisdictions, offering insights into their significance for the cooperative sector's growth and sustainability in Québec, Canada; Finland; Guatemala and Spain. It demonstrates the diverse approaches and varying roles of UOs, which include risk management and regulatory compliance, Institutional Protection Schemes (IPS) and other solidarity mechanisms as well as functions related to failure management and deposit insurance.

## 1. Introduction and Purpose

This IADI Brief examines the scope and characteristics of Umbrella Organisations (UOs).<sup>1</sup> These organisations play a key role in coordinating, representing, and supporting individual entities. In the financial cooperative sector, UOs provide their members with a variety of services, including representing cooperatives to the central bank, other banking authorities, state or federal administrations, and international organisations. Their services may also include financial, legal, managerial, and technical assistance.<sup>2</sup>

The cooperative sector has pursued various strategies to address challenges related to growth and resilience. While one approach is through mergers and acquisitions, this brief will focus on the role of UOs as a key strategy in uniting and strengthening financial cooperatives (FCs).<sup>3</sup> UOs are instruments that help pool resources to achieve economies of scale and enable investment in strategic areas such as payment systems, cybersecurity, and other essential financial infrastructure. These central entities provide a range of services, including capacity building, support in compliance and risk management, as well as central liquidity management and facilitating access to payment systems.<sup>4</sup> Additionally, larger cooperative networks can gain improved access to capital markets and develop mutual guarantee systems that provide liquidity and solvency assistance.

Given the portfolio of services mentioned, these central organisations have significant relevance to the development of the financial cooperative sector. It is important to understand and assess their role in enhancing competition, resilience, and financial inclusion, particularly by adapting to regulatory demands, leveraging digital transformation, and addressing evolving customer needs. In this regard, this brief aims to delineate the characteristics of UOs and provide insights into their operations across different jurisdictions.

The primary objective of this document is to explain the functioning of UOs, drawing on a comprehensive literature review and insights from interviews conducted with Deposit Insurance Agencies (DIAs) in jurisdictions where these central bodies operate. The document is structured as follows: Section 2 outlines the fundamental features of UOs, while Section 3 presents an overview of the cooperative financial sector, including its market significance and other relevant aspects in selected jurisdictions. Finally, Section 4 offers conclusions and closing remarks.

---

<sup>1</sup> Fogacoop thanks colleagues from the Deposit Insurance Agency from Québec, Canada (l'Autorité des marchés financiers, AMF), Spain (Fondo de Garantía de Depósitos de Entidades de Crédito, FGD), Finland (Financial Stability Authority) and Guatemala (MICOPE) for the contribution in the interview process.

<sup>2</sup> IADI (2021).

<sup>3</sup> FCs have a core operational model of member-based deposit-taking and lending and facilitating access to affordable credit, primarily at the regional level.

<sup>4</sup> Coelho et al (2019).

## 2. Umbrella Organisations in Financial Cooperatives

The umbrella scheme is widely employed by FCs as a central organisation that offers a broad range of financial and non-financial services to achieve shared goals among its FC members. UOs are structured to reflect the democratic and cooperative principles of their member institutions, typically governed by a board elected by representatives from the member cooperatives. This governance structure ensures fair representation of member cooperatives' interests and promotes collective decision-making.

According to the literature<sup>5</sup>, UOs enhance the resilience of cooperatives by standardising risk management practices, which is essential for maintaining stability across the sector. A consistent approach to risk management helps ensure that all cooperatives adhere to prudent financial governance standards. Such standardisation improves transparency and ensures the long-term sustainability of cooperatives.

Additionally, inadequate governance practices can lead cooperative managers to take excessive risks in pursuit of growth.<sup>6</sup> Without strong internal controls and risk management practices, cooperatives may engage in high-risk financial activities that jeopardise both members' savings and the organisation's long-term viability. This issue is particularly prevalent in smaller cooperatives, which may lack sufficient risk assessment capabilities. UOs play a crucial role in addressing these governance gaps, particularly for smaller cooperatives.

Moreover, central organisations serve as a safeguard during economic crises, coordinating responses by pooling resources and expertise to provide liquidity and emergency funds to member cooperatives. Research shows that cooperatives within strong networks are more resilient during crises, benefiting from collective solidarity mechanisms, such as mutual aid funds and shared liquidity pools. Cooperatives in robust networks are less likely to default during financial crises, as UOs facilitate rapid access to financial assistance.<sup>7</sup>

While UOs share common objectives, their mandates, responsibilities, and organisational structures vary across jurisdictions. In some cases, UOs are established through public efforts and subject to legal frameworks, while in others, they emerge from private initiatives as members collaborate to pursue common interests. The specific role of each UO depends on its relationship with its FC members and the legal nature of its structure.<sup>8</sup> These organisations support their member cooperatives in various ways, including:

---

<sup>5</sup> Zeuli and Cropp (2004).

<sup>6</sup> Ayadi et al (2010).

<sup>7</sup> Birchall (2013).

<sup>8</sup> Melville (2010).

- **Operational services and technological support**

- Providing a range of services, including IT solutions, call centre support, and capacity-building initiatives, to equip FC members with technology that streamlines processes and boosts operational efficiency.
- Offering legal, managerial, and technical assistance, such as management training programs, marketing support, and coordination for cross-selling and information sharing.

- **Liquidity management**

- Ensuring FC members have access to necessary funds while maintaining financial stability through effective liquidity management.
- Providing expertise in debt structuring to help FC members navigate financial markets and improve performance.

- **Auditing and overseeing**

- Performing independent monitoring and failure management. In some jurisdictions, despite their self-regulatory status, UOs and their FC members are also supervised by a supervisory authority or an integrated regulator to ensure effective oversight in the cooperative financial sector.
- Acting as self-regulatory bodies in some regions, overseeing the financial health of FC members, ensuring compliance, managing risks, and conducting audits. UOs may also intervene with financial and technical assistance when members face financial distress.
- Applying the auxiliary supervision approach from Principle 8 of the Core Principles for Effective Banking Supervision (BIS 2016), allowing prudential supervisors to remotely monitor UO-led oversight and ensuring accurate risk identification and data submission to regulatory authorities.

In summary, the broad range of services provided by UOs—including operational support, liquidity management, and auditing—significantly enhances the effectiveness and resilience of FCs. In some jurisdictions, UOs also work in coordination with an Institutional Protection Scheme (IPS). An IPS may be established through contractual or statutory liability arrangements among a group of FCs (typically members of the UOs), provide additional security by ensuring liquidity and solvency, preventing failures within the cooperative financial sector by internalising and minimising the risk of failure of weak FC members and, consequently, the cost of DIA interventions. In other jurisdictions, IPSs can operate as standalone entities.

UOs and IPSs can play an important role in maintaining the cooperative structure of troubled FCs during interventions, whether through preventive measures or resolution stages.<sup>9</sup> Mergers and acquisitions (M&As) between FCs before resolution are commonly used to preserve members, assets, and liabilities within the cooperative system. In Europe, the Capital Requirements Regulation (CRR) defines specific criteria for a group of credit institutions to qualify as an IPS. The European Central Bank (ECB) supervises CRR implementation and works

---

<sup>9</sup> IADI (2021).

closely with national regulators to assess IPS eligibility. To be recognised under the CRR, member institutions must operate within the same member state, share a homogeneous business model, and implement a uniform risk classification system. Additionally, IPSs must maintain an ex-ante fund that is readily accessible to support member entities when needed.<sup>10</sup>

11

### 3. International Experience

To gain insights into the diverse roles and responsibilities of UOs across different jurisdictions, as well as their interactions with other financial institutions, interviews were conducted with DIAs in jurisdictions where UOs are established. These interviews were complemented with a review of the literature and the regulatory framework. The following selection of jurisdictions spans different regions with varying levels of economic development as well as UOs' powers.

#### 3.1. Québec (Canada)

Desjardins Group, North America's leading cooperative financial group, has the broadest regional presence in Québec (Canada) and is well implanted in Ontario (Canada). In Québec, all but one of the FCs belong to the Desjardins Group, a cooperative domestic systemically important financial institution (D-SIFI). Desjardins' first FC dates to 1900. With near 56,165 employees, more than 7.7 million members and clients, and over 422 billion Canadian dollars in total assets (as of December 2023)<sup>12</sup>, this Group has a large impact on the local economy and reflects a commitment to global financial empowerment.

Desjardins Group is composed of the Fédération des Caisses Desjardins du Québec (FCDQ), a cooperative, that serves as an UO for its 208 FC members<sup>13</sup> (i.e., Desjardins caisses) and has its own IPS (i.e., the Desjardins Security Fund). All FC members are legally independent. Together, the UO and its FC members form a self-regulated network of FCs governed by the [Act Respecting Financial Services Cooperatives](#). The IPS is also governed by this Act.

Acting as a control and supervisory body over FC members, the UO is responsible for orientation, framework, coordination, treasury and development activities, as well as for managing risk and capital for Desjardins Group, plus ensures the financial health of the "Desjardins Cooperative Group"<sup>14</sup> and its sustainability, defining common objectives and

---

<sup>10</sup> ECB (2016).

<sup>11</sup> An example of an IPS in Europe is the German Savings Banks Finance Group (Sparkassen-Finanzgruppe). This group consists of local deposit-taking institutions operating under a unified framework. It provides mutual support in times of financial distress and maintains a protection scheme that meets the CRR's requirements, including a common risk monitoring system and a pre-funded reserve to guarantee the stability of its member institutions.

<sup>12</sup> Desjardins Group (2023).

<sup>13</sup> As of 31 December 2022.

<sup>14</sup> As stated in the [Act Respecting Financial Services Cooperatives](#) (s. 6.1 and s. 6.2), the "Desjardins Cooperative Group" is made up of UO, FC members, and IPS.

coordinating activities.<sup>15</sup> The UO supervises and assesses FC members' operations, monitors risk and compliance, and actively engages in educational initiatives. Under the UO, standards for FC members include commercial practices, financial reporting, capital and asset management, and investments with reserves. The UO is responsible for controlling and supervising FC members<sup>16</sup>, utilising a three-line governance model. It intervenes in non-compliance cases and establishes the recovery plan for the Group. The UO acts as the temporary or provisional administrator or as the liquidator of an FC member.

The Autorité des Marchés Financiers (AMF, Québec, Canada), an integrated regulator, assumes the supervision, the resolution and the deposit insurance function for Desjardins Group, particularly. Therefore, the integrated regulator maintains communication with the UO to assess risk, and set-up the resolution plan for the Group, among others.

Membership in the UO is mandatory for all FCs part of Desjardins Group. A FC member may not withdraw from the Group otherwise than by their dissolution.<sup>17</sup> The IPS (known as the Desjardins Security Fund) establishes and manages a security, liquidity or mutual assistance fund for FCs, takes part in the FC members network's capitalisation, helps to pay for losses resulting from the liquidation of FC members, and avoids or reduces disbursements by the AMF under the [Deposit Institutions and Deposit Protection Act](#).<sup>18</sup> The financial solidarity mechanism in the normal course of operations, applied via the IPS, is formally recognised in the [Act Respecting Financial Services Cooperatives](#).<sup>19</sup> The IPS could mutualise, between the FC members, the cost of its interventions, as well as intervene with regard to a FC member each time it appears necessary to protect the cooperative's creditors.<sup>20</sup>

Desjardins Group' financial solidarity mechanism applied via its IPS facilitates the implementation of the bail-in tool with respect to the UO creditors, allowing pooling and sharing of losses at the UO level. This single internal recapitalisation within the UO streamlines the process.<sup>21</sup>

---

<sup>15</sup> [Act Respecting Financial Services Cooperatives](#) (s. 5, s. 6, s. 547.17, as well as Division IV – Activities and Powers, and Division VI – Provisions Specific to the Fédération des Caisses Desjardins du Québec, Special powers of the Fédération).

<sup>16</sup> The FCDQ, through its Monitoring Office in charge of Desjardins Group-wide oversight, is responsible for inspecting its FC members and auditing the combined financial statements, to ensure that the FC member assets are well protected. The Monitoring Office must also report the results of its inspection of the FC members to the AMF.

<sup>17</sup> [Act Respecting Financial Services Cooperatives](#) (s. 547.5).

<sup>18</sup> Ibid. (s. 487 and s. 510).

<sup>19</sup> Ibid. (s. 547.1).

<sup>20</sup> Ibid. (s. 547.32 to s. 547. 34). In its interventions, the IPS may order the assignment of any part of the enterprise of an FC member or order the transfer of any such part between such FC members, order the amalgamation or dissolution of FC members, and establish a legal person to facilitate the liquidation of an FC member's bad assets.

<sup>21</sup> For further details on bail-in, please refer to the IADI Briefing Note - How to implement the bail-in tool in a financial cooperative group: Québec's case.

### 3.2. Finland

Three financial groups have the strongest presence in Finland, namely OP Financial Group, Pop Bank Group, and Savings Bank Group. Each of these groups consist particularly of an amalgamation. In accordance with the Act on the Amalgamation of Deposits Banks<sup>22</sup>, an Amalgamation includes:

- a Central cooperative institution;
- companies within the Central cooperative institution's consolidation group;
- Central cooperative institution's member credit institutions;
- companies within the member credit institutions' consolidation groups;
- credit institutions, financial institutions and service companies in which the aforementioned entities hold more than half of the voting rights combined.

A central cooperative institution and its member credit institutions are mutually liable for their debts and liabilities of its member credit institutions (Amalgamation Act).

The details on each of these three financial groups whose operations are based on the cooperative principle are provided below:

- The OP Financial Group.<sup>23</sup> This Group established in 1902 is made up of two parts, namely the amalgamation, and other entities and organisations of OP Financial Group. With assets totalling EUR 189bn as of December 2023, OP Financial Group consists of 102 member cooperative banks and their central cooperative institution OP Cooperative with its subsidiaries and affiliates. The central cooperative institution's member credit unions are focused on three business segments: Retail Banking (Banking Private and Small and Medium Enterprise Customers), Corporate Banking (Banking Corporate and Institutional Customers), and Insurance.
- The Pop Bank Group.<sup>24</sup> This Group, established in 1997, regroups POP Banks, POP Bank Centre coop and their controlled entities (constituting the amalgamation of POP Bank). With assets totalling EUR 5bn as of January 2023, Pop Bank Group consists of 26 member cooperative banks (i.e. POP Banks that are member credit institutions of POP Bank Centre coop). POP Bank Centre coop acts as the Central cooperative institution of the amalgamation and is responsible for steering and supervising POP Bank Group. This Group offers retail banking services to private customers, small and medium size companies, and agricultural and forestry companies.
- The Savings Bank Group.<sup>25</sup> This Group established in 1822 is comprised of the Saving Banks Amalgamation and the companies and entities owned by the Savings Banks that are members of the amalgamation. Savings Bank Group, as of January 2023, with total assets of EUR 13bn, consists of 19 member credit unions. Savings Banks' Union Coop is the Central cooperative institution of the Amalgamation. It steers the operations of the Group

---

<sup>22</sup> FIN-FSA (2018).

<sup>23</sup> OP Pohjola (2023).

<sup>24</sup> POP Bank Group, Local service nationwide, POP Bank Group ([www.poppankki.fi](http://www.poppankki.fi)).

<sup>25</sup> Savings Banks Group, The structure of the Savings Banks Group - Säästöpankki ([saastopankki.fi](http://saastopankki.fi)).

and is responsible for the internal control framework. Business segments in which this Group performs are banking, asset management and life insurance.

All these amalgamations' central cooperative institutions, which are required to enrol in the European Union's Deposit Guarantee Scheme (DGS), collectively cover over 50% of lending and borrowing in the country and boast approximately 2 million members, representing about 40% of the Finland's total population.

From the perspective of deposit insurance, the Amalgamations of the OP Financial Group, the POP Bank Group and the Savings Banks Group are each considered as a single bank. This is because the credit unions belonging to these groups are fully or partially liable for each other's commitments and obligations within the Group. The central cooperative institutions represent the whole respective group towards the DGS and act as a contact point. In practice, the central cooperative institution is responsible for submitting requested data, such as information on depositors and accounts. The DGS contributions are then billed directly to the central cooperative institution.

Central cooperative institutions are under an obligation to supervise the operations of their member credit institutions, issue instructions to them on risk management, good corporate governance and internal control to secure liquidity and capital adequacy, as well as instructions on compliance with standardised accounting policies in the preparation of the amalgamation's consolidated financial statements.

Central cooperative institutions may provide services needed by the companies belonging to their amalgamations. These institutions must prepare their financial statements based on the accounts of their member credit institutions. Additionally, according to the Amalgamation Act, central cooperative institutions are obligated to support their member credit unions to prevent them from being placed into liquidation, and they are liable for their member credit institutions' debts. Member credit institutions, for their part, need to participate in any necessary support measures aimed at preventing another member credit institution from going into liquidation and are liable for debt of an individual member credit institution.

Central cooperative institutions operate under the Amalgamation Act, which outlines fundamental features of this system, including a solidarity mechanism based on joint liability and collective capital support during financial distress. This solidarity mechanism ensures that if a creditor does not receive payment from the Mutual Credit Institutions (MCIs) on a due debt, they may demand payment from the central cooperative institution. MCIs are obliged to pay proportional shares of the amount the Central cooperative institution has paid. In cases of Central cooperative institution insolvency, MCIs have unlimited liability to cover the debts of the central cooperative institution.

Membership in a central cooperative institution offers individual-level advantages, such as exemption from meeting liquidity requirements mandated by the CRR. Additionally, while MCIs can take various legal forms, the central institution must always be a cooperative entity. The Amalgamation Act outlines the central cooperative institution's role, including supervision of its MCIs' operations and the issuance of instructions related to risk management, corporate governance, internal controls, liquidity security, capital adequacy, and compliance with standardised accounting policies. These Central cooperative institutions also provide financial

services, such as holding shares and participating in companies within the amalgamation, as well as engaging in other justifiable investment activities (OP Financial Group 2023).

### 3.3. Guatemala

In Guatemala, the privately established UO MICOOPE, founded in 2010 handles tasks related to failure management and deposit insurance<sup>26</sup> for its 25 FCs with over 2 million members. It held an 80% market share in the Guatemalan cooperative financial sector as of 2023.<sup>27</sup>

Operating in a financial market with limited legal provisions for supervision or deposit insurance of FCs, MICOOPE has developed self-regulatory mechanisms to fill this gap, which showcases the adaptability of UOs in various regulatory environments.

MICOOPE supports its member entities by working towards ensuring their solidity, stability, and solvency. It acts as a guarantee fund for the savings and contributions of affiliated members and performs functions such as overseeing members' activities, assessing financial status and risks, evaluating compliance with prudential regulations and required regulatory plans for FCs, and conducting semi-annual risk assessments.

MICOOPE provides a portfolio of activities, including the management of failures in its membership, deposit insurance, credit lines, and liquidity management, to support the stability and growth of its member cooperatives. The implementation of a common IT software system facilitates real-time financial reporting and enhances monitoring and oversight.

A key focus for MICOOPE is promoting good corporate governance among its affiliated FCs. This includes policies and procedures for evaluating the performance of governing bodies, internal controls, risk management, job descriptions, conflict of interest guidelines, and disclosure of material operations, including both routine transactions and significant operations. Onsite visits help ensure effective management, foster commercial agreements, and develop market expansion strategies. Although MICOOPE does not consolidate the balance sheets of its affiliated FCs, its backing provides them with a distinctive advantage.

Beyond self-regulatory and governance functions, MICOOPE actively contributes to capacity building, cooperative development and financial education, for example through its 5-month training course for board directors and general managers.

### 3.4. Spain

The Spanish cooperative financial sector has experienced a process of consolidation and integration in the last decades. The General Law of Cooperatives (1974) introduced supervision of the sector by the Bank of Spain, promoting the consolidation of the sector through mergers and liquidations. This process led to a reduction in the number of FCs from 730 to 200 by 1977.

---

<sup>26</sup> IADI (2021).

<sup>27</sup> COTONEB, [Sistema MICOOPE](#).

Subsequently, after the global financial crisis in 2008, financial authorities decided to restructure the banking system, with a primary focus on the cooperative system.<sup>28</sup> As a part of this restructuring effort, the creation of an Institutional Protection Scheme (IPS) was encouraged. IPS are groups of FCs in which members retain operational independence concerning commercial matters. However, they are required to pool their solvency and activity results.<sup>29</sup>

Finally, in 2017, to strengthen the cooperative financial sector, the Real Decreto-Ley 11/2017<sup>30</sup>, approved by the Council of Ministers in Spain, introduced Institutional Protection Mechanisms (IPMs). These mechanisms were designed to foster mutual self-protection and come in two variations: reinforced and normative. Reinforced IPMs pool both benefits and risks, with a central entity (UO) directing most of the decisions. In contrast, normative IPMs do not pool benefits and risks but require FC members to establish a private guarantee fund in advance to address potential resource needs of FC members in this mechanism.<sup>31</sup>

There are incentives for building such IPMs. Members of IPMs may enjoy a lower risk profile as their solvency increases, allowing for reduced requirements for liabilities capable of absorbing losses.<sup>32</sup> This lowers risk profile also leads to reduced contributions to deposit guarantee funds and blurs the exposure limits among members of the same IPM.<sup>33</sup>

The outcomes of these two phases — the encouragement of the IPS model and the introduction of the IPM scheme — led to a significant transformation in the cooperative financial sector. Between 2010 and 2014, when the IPS model was encouraged, out of the 65 existing FCs, 25 became members of an IPS.<sup>34</sup> In 2018, when the IPM scheme came into operation, 10 FCs joined Cajamar's IPM, and in 2019, 29 rural cooperatives established a normative IPM, resulting in a cooperative financial sector that is now entirely integrated in IPMs.<sup>35</sup>

From the consolidation initiatives prompted by the General Law of Cooperatives in the 1970s to the responses to the global financial crisis in 2008, Spain's cooperative landscape has undergone transformative phases. The introduction of the IPS and later the IPM reflects a strategy aiming at reinforcing the resilience of FCs. The cooperative entities met challenges by pooling solvency and resources while preserving their unique identities.

---

<sup>28</sup> Gutiérrez and Palomo (2012).

<sup>29</sup> Ibid.

<sup>30</sup> See Jefatura del Estado, Real Decreto-ley 11/2017, de 23 de junio, de medidas urgentes en materia financiera, BOE núm. 150, 24 June 2017, pp 52839–52848, [www.boe.es/eli/es/rdl/2017/06/23/11](http://www.boe.es/eli/es/rdl/2017/06/23/11).

<sup>31</sup> La Moncloa (2017).

<sup>32</sup> Ibid.

<sup>33</sup> Gutiérrez and Rutman (2023).

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

## 4. Final Remarks

In contested financial markets, UOs can serve as a powerful instrument for financial cooperatives to coordinate actions, pool resources, and set standards that enhance the overall stability and competitiveness of the sector. They can also facilitate collaboration, provide shared services, and represent the collective interests of its members, thus reducing operational redundancies and increasing efficiency.

The review of UOs across different jurisdictions reveals a diverse range of roles and functions of UOs, that are tailored to the specific regulatory and economic contexts of each region. In Québec, Canada, Desjardins Group exemplifies a comprehensive UO model, integrating risk management, regulatory compliance, and an IPS aiming at enhancing the resilience and competitiveness of its member cooperatives. Similarly, in Finland, the Amalgamation Act's central cooperative institutions provide a solidarity mechanism that ensures mutual liability and support among member credit institutions, highlighting the importance of collective capital and risk management in maintaining sector stability. Guatemala's MICOOPE, operating in a market with limited formal regulatory provisions, aims at filling these gaps by assuming functions similar to deposit insurance and failure management. In Spain, the transition to Institutional Protection Mechanisms has significantly transformed the cooperative financial sector, promoting stability and competitiveness through enhanced mutual support and resource pooling.

Collectively, these case studies illustrate how UOs adapt to varying regulatory environments and economic conditions, and describe their role in supporting the stability, resilience, and growth of cooperative financial systems.

## References

- Ayadi, R, D Llewellyn, R Schmidt, E Arbak and W De Groen (2010): "Investigating diversity in the banking sector in Europe".
- Birchall, J (2013): "Resilience in a downturn: the power of financial cooperatives", *International Labour Office*, March.
- Coelho, R, J Mazzillo, J P Svoronos and T Yu (2019): "Regulation and supervision of financial cooperatives", *FSI Insights*, no 15, January.
- Desjardins Group (2023): "Desjardins Group Annual Report".
- European Central Bank (ECB) (2016): "Guide on the approach for recognition of institutional protection schemes (IPS) for prudential purposes", July.
- Finanssivalvonta (FIN-FSA) (2018): "Act on the Amalgamation of Deposit Banks", (2010/599).
- Gutiérrez, E and J Rutman (2023): "Integración y consolidación del sector de cooperativas de ahorro y crédito: Rol de la regulación y de la supervisión", (Presentation available upon request).
- Gutiérrez M, R Palomo R (2012): "Los sistemas institucionales de protección como respuesta de la banca cooperativa española ante la crisis: hacia la búsqueda de la eficiencia en su integración", CIRIEC-España, Revista de Economía Pública, Social y Cooperativa, no 76, pp 27-50, December.
- International Association of Deposit Insurers (IADI) (2021): "Ways to resolve a financial cooperative while keeping the cooperative structure", December.
- La Moncloa (2017): "Nuevo régimen jurídico para fortalecer las cooperativas de crédito, June.
- Melville, R. (2010): "Umbrella organizations", *International Encyclopedia of Civil Society*, pp 1577-1582.
- OP Pohjola (2023): "Structure of OP Financial Group".
- Zeuli K., Cropp R. (2004): "Cooperatives: Principles and Practices in the 21st century", California Center for Cooperative Development, January.

