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IMPACT OF EXTERNAL SHOCKS AND MACROECONOMIC INSTABILITY ON THE SECURITY AND PROFITABILITY OF THE COOPERATIVE SECTOR IN POLAND AND THE EUROPEAN UNION COUNTRIES

ABSTRACT

The beginning of the 21st century was a period of significant economic transformation, which changed the existing order of economic processes, thereby exerting a strong influence on the real economy, but also on the security and efficiency of the financial system. As a consequence of the 2007–2009 crisis, many credit institutions had to cover losses from insufficient capital and lost their solvency. Some of them underwent compulsory restructuring and, in some cases, nationalisation. The crisis caused by the COVID-19 pandemic and the geopolitical turmoil resulting from Russia's attack on Ukraine had less severe consequences for the banking sector in Europe. Based on a review of the literature and other research, the article assesses the impact of these events on the safety and profitability of cooperative banks operating within selected banking groups in Europe. In this context, based on an analysis of statistical data, it is argued that the impact of external shocks on the cooperative sector was limited. As part of a case study, using the example of one of the Polish cooperative groups, shocks were identified which, however, did not have a negative impact on profitability and stability. A correlation was also demonstrated between the level of security of individual banks and the fact that they operate within the structure of the Institutional Protection System.

The purpose of the article. The purpose of this article is to indicate the impact of macroeconomic shocks on the security of cooperative banks operating in the European Union, as well as to examine the relationship between the level of integration of cooperative banking groups and the level of financial stability of individual cooperative banks.

Methodology. Literature review, statistical analysis, case study.

Results of the research. The high level of integration of cooperative banking groups in the European Union helps build resilience to external macroeconomic shocks.

Keywords: literature review, statistical analysis, case study

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Introduction

The beginning of the 20th century was characterised by numerous turbulences in global financial markets, which frequently led to national and, at times, global crises in the banking sector. The instability of financial markets, associated with successive phases of crisis, had a pronounced impact on the global real economy, with the automotive cluster being particularly affected (Mitręga Niestrój, 2012, pp. 169–170). However, the consequences of disruptions in the banking sector varied across different periods. Distinct outcomes were observed during the global financial crisis of 2007–2009, which led to the spectacular collapse of major international financial institutions, and during the destabilisation of the financial system following the global COVID-19 pandemic. Yet another set of effects stemmed from the geopolitical turmoil caused by military actions initiated by Russia. The impact of the latter is arguably the most difficult to define, and its consequences are expected to continue unfolding for a considerable time. In this context, it is therefore justified to assess the resilience of various types of credit institutions, taking into account not only their operational scale but also the nature of their activities and ownership structure. Against this backdrop, cooperative banks in Europe stand out due to their distinctive relationship-based business model, which plays a significant role in enhancing their capacity to absorb the adverse effects of changes in the economic and geopolitical environment. This resilience may be shaped by the strategies adopted by smaller, locally oriented financial institutions, which do not focus exclusively on short-term financial performance (Folwarski, 2023, p. 104). Instead, their objectives are guided by long-term strategies that take into account the interests of small and medium-sized enterprises. These strategies also encompass support for local economic and social initiatives (Grabowski & Skorwider, 2012, p. 69). Consequently, the business models of cooperative banks are often centred on serving a relatively narrow group of customers through a dedicated portfolio of services (Kura & Płonka, 2023, p. 160).

The method of financing cooperative banks is also of considerable importance, as its dispersed nature may foster the integration of owners – members –

around the bank, manifested in the form of direct business relationships. The literature on the subject highlights the crucial role of local communities in financing the operations of cooperative banks. Empirical studies indicate a correlation between the determinants shaping the sources of financing and the level of security of credit institutions (Iwanicz-Drozdowska, et al. 2021, pp. 35–37).

Cooperative banking, in its decentralised form, represents an alternative model to the highly integrated international financial institutions that were more severely affected by the financial crisis of 2007–2009 (Iwanicz-Drozdowska, et al. 2021, p. 160). While the increasing concentration within the cooperative banking sector may enhance efficiency, it can also lead to reduced competition and a heightened propensity for risk exposure (Iwanicz-Drozdowska & Nowak, 2024, p. 30). The local character of cooperative banking operations, and above all the sector's avoidance of high-risk and often excessive risk-taking practices, enabled cooperative banks in Poland to mitigate the impact of crisis events, including those arising from the COVID-19 pandemic. In the immediate post-pandemic period, the Polish cooperative banking sector also experienced a reversal of the traditional pattern in which commercial banks exhibited higher profitability (Iwanicz-Drozdowska & Nowak, 2024, p. 7). Furthermore, cooperative banks actively participated in initiatives aimed at mitigating the effects of the COVID-19 pandemic on enterprises and the agricultural sector (ZBP, 2020). The following sections of this article present the operating models of cooperative banks in Europe and analyse the relationship between the degree of integration and financial stability. In addition, a case study will examine the impact of macroeconomic shocks on the security and profitability of the largest cooperative banking group in Poland.

Models of cooperative bank operations in Europe

The macroeconomic consequences of the 2007–2009 financial crisis were a key driver of structural changes within cooperative banking groups. Although the destabilisation of financial markets had numerous adverse effects on the banking sector, cooperative banks in Europe were, in general, relatively unaffected – with the exception of the Italian system, where the post-crisis period was marked by an escalation of credit risk and a decline in profitability. Nevertheless, these developments prompted integration initiatives that took various forms, extending beyond direct mergers. Some cooperative groups opted to centralise their business models, a process that produced differing outcomes across countries (Kurkliński & Miklaszewska, 2017, p. 7). In the Netherlands, a fully centralised model was adopted, while in Germany, Spain, and Poland, cooperative banks implemented models based on Institutional Protection Scheme (IPS).

The specific organisational structure of cooperative banks plays a crucial role in shaping their market position and financial security. Within the European framework, they operate in several countries under institutional protection systems (Regulation (EU) No 575/2013). The institutional protection systems operating in Europe are characterised by varying degrees of vertical integration of processes, while consistently maintaining a certain level of autonomy for participating entities (cooperative banks), particularly in the sphere of business operations.

Integration has enabled many cooperative banks in Europe to adapt their operations to a range of extensive prudential regulations. It has also had a significant impact on their ability to continue operating effectively during the emergence of previously unknown areas of risk, which materialised in the financial sector in the post-pandemic phase (WIB, 2021, p. 7).

The main principle underlying IPS activities is mutual support in terms of participants' solvency and liquidity. These tasks are carried out using various tools, including uniform risk identification and control mechanisms. However, the foundation of participant security support is solidarity funds, whose purpose is to directly support participants in difficult economic and financial situations, in the event of a threat of illiquidity or insolvency (SSOZ BPS, n.d.). In the European context, five countries have decided to integrate into the IPS model, with a total of eight protection schemes in operation. These countries are Poland, Germany, Italy, Spain, and Austria (BVR, 2021).

Cooperative banks play a crucial role in the European financial market. Their market share, measured both by lending volume and deposit volume, has been steadily increasing. Also noteworthy is the number of cooperative bank branches, whose average share in national markets exceeded 34% in 2022 (EACB, 2022). A comparison of the number of operating units and the value of accumulated assets clearly indicates that the cooperative banking model aligns with a strategy of focusing on local markets and is characterised by a high level of customer engagement. Cooperative banking groups in France and Germany operate at the largest scale. According to the most recent data, the total value of assets accumulated in these systems represents approximately 70% of the total assets held by members of the European Association of Cooperative Banks, which brings together cooperative banking groups across Europe, including non-EU countries (EACB, 2023). The scale of operations of groups in the Netherlands, Austria, Italy, Denmark, and Finland should also be regarded as relatively significant.

Table 1.

Value of assets of the largest cooperative groups in Europe in 2023

Country	Cooperative banking group	Asset value in millions of EUR
France	Credit Agricole	2 467 099
France	Credit Mutuel	1 142 593
France	BPCE	1 544 100
Germany	Co-operative Financial Network	1 597 180
Netherlands	Rabobank	613 796
Austria	Österreichische Raiffeisenbanken	399 874
Austria	Österreichischer Volksbanken	30 482
Italy	Federcasse (BCC)	257 694
Poland	IPS – BPS	27 161
Poland	IPS – SGB	17 327

Source: own study based on: EACB, 2023; UKNF 2023.

Cooperative banking groups in Europe are characterised by varying degrees of integration. In addition, platforms for cooperation between individual cooperative banks are used. Partially integrated models operate in countries such as Germany and Austria (WIB, 2022, pp. 13–16). These models focus primarily on business cooperation, leveraging economies of scale while simultaneously optimising group-level risk management costs. The model operating in Poland for the past decade can be considered less integrated, and, according to some economists, even unintegrated (Migliorelli, 2018 in: WIB, 2022, p. 12). It is characterised by a relatively high level of autonomy for individual association members and IPS, alongside uniformly organised risk control and monitoring mechanisms. A distinctive feature of the Polish system is that internal audit functions for banks participating in the system are performed by the IPS Management Unit. Another notable characteristic of the Polish model is that some large cooperative banks operate outside the structures of associations and IPS (Kotliński, 2022, p. 210).

A different approach to integration characterises cooperative groups in France and the Netherlands. These groups have developed extensive central institutions which, in addition to providing business support and strategic consulting, have assumed risk management functions. In some cases, they have also taken on responsibilities related to the direct supervision of individual group members (Mckillop, 2020, p. 3).

In an attempt to systematise the integration of European cooperative banking groups, three levels of solutions can be identified:

1. institutional integration, in which the autonomy of individual group members in the risk management process is limited, exists in such countries as the Netherlands, Bulgaria (CCBank, n.d.), and France;
2. advanced integration, characteristic of such countries as Germany and Austria, where the level of process integration is quite significant, but individual banks have autonomy in shaping not only their business strategies,

but also determine (within certain limitations resulting from participation in the group) their willingness to take risks;

3. limited integration characterised by the lowest level of integration. It has been adopted by cooperative banking groups in Poland, Spain and Italy. Banks operating under these solutions almost always function within IPS structures. Within this model, exceptions exist in which non-affiliation with associations is permitted. This approach is observed in Poland, where eight cooperative banks remain outside the protection systems (UKNF, 2024).

The internal structures of IPSs vary. Although their activities are based on the same assumptions and legal framework, the manner of interaction with participants and the range of tools used to enhance security often differ. In Europe, a distinctive solution exists whereby IPSs not only act as institutions supporting liquidity and solvency but also function as deposit guarantee institutions (DGS – Deposit Guarantee Scheme). Such arrangements have been implemented in both Germany and Austria, where the funds contributed by participants within the IPS are not solely solidarity-based but also, in part, constitute a deposit guarantee fund (PE, 2022).

Situation of selected cooperative banking groups during periods of external shocks

The impact of various models of cooperative bank integration on their ability to absorb the negative effects of macroeconomic changes and on their level of profitability has been the subject of numerous studies in the literature. The findings of these studies indicate a correlation between the degree of centralisation and efficiency. Institutions operating within highly structured and fully integrated models tend to achieve higher profitability, likely due to the economies of scale in asset management at the central level. At the same time, institutional integration facilitates cost optimisation (Desrochers & Fischer 2005 in: WIB, 2022, pp. 10–11). The studies further suggest that a higher level of integration enhances the participation of cooperative banks in the domestic banking market, with more centralised groups achieving a larger market share than those operating within looser structures (WIB, 2022, p. 23).

The early 2020s were marked by numerous social and geopolitical shocks, along with the resulting macroeconomic turbulence. In some countries, this manifested as recession or economic crisis. The COVID-19 pandemic introduced uncertainty and unpredictability into economic processes. Moreover, shortly after the immediate effects of the pandemic subsided, financial markets faced additional risks stemming from Russia's aggression against Ukraine. This not only heightened the direct risk of conflict escalation but also affected commodity prices and, consequently, inflation, which in turn influenced interest rates.

To illustrate the situation of cooperative banking groups, the most recent data published by the European Association of Co-operative Banks for the years 2020–2023 was used.

A key measure for assessing resilience to external shocks is the level of capital adequacy, expressed by the Total Capital Ratio (TCR). It is also a crucial indicator of a cooperative bank's capacity to expand its banking activities. The TCR represents the relationship between a bank's own funds and its total risk exposure.

Table 2.

Value of the consolidated TCR ratio in selected cooperative groups affiliated with the EACB in 2020–2023

Country	Cooperative banking group	TCR 2020	TCR 2021	TCR 2022	TCR 2023
France	Credit Agricole	20.4	21.4	21.6	21.1
France	Credit Mutuel	21.8	22.6	21.3	21.4
France	BPCE	18.1	18.7	17.9	18.2
Germany	Co-operative Financial Network	16.2	15.8	15.7	16.2
Netherlands	Rabobank	24.2	22.6	21.6	21.7
Austria	Österreichische Raiffeisenbanken	15.5	13.9	17.3	18.2

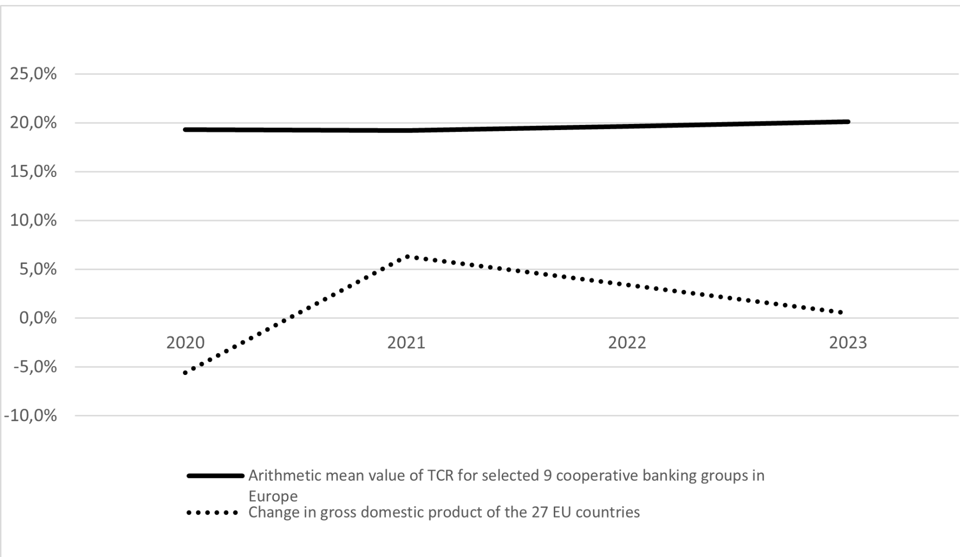
Country	Cooperative banking group	TCR 2020	TCR 2021	TCR 2022	TCR 2023
Austria	Österreichischer Volksbanken	19.2	19.3	18.7	18.9
Italy	Federcasse (BCC)	19.6	19.6	23.4	24.4
Poland	KZBS member banks – excluding affiliated banks	18.9	18.6	19.2	20.7

Source: Own study based on: EACB 2023.

Observation of the TCR, based on the most recent published data, does not indicate a significant impact of external shocks on the solvency of individual cooperative banking groups. This finding applies to both highly centralised organisations and those operating with limited integration. Furthermore, the data suggests a more dynamic improvement in capital adequacy among banks operating within loosely integrated structures.

Figure 1.

Arithmetic mean value of TCR for selected nine cooperative banking groups in Europe in relation to GDP changes in EU countries in 2020–2023

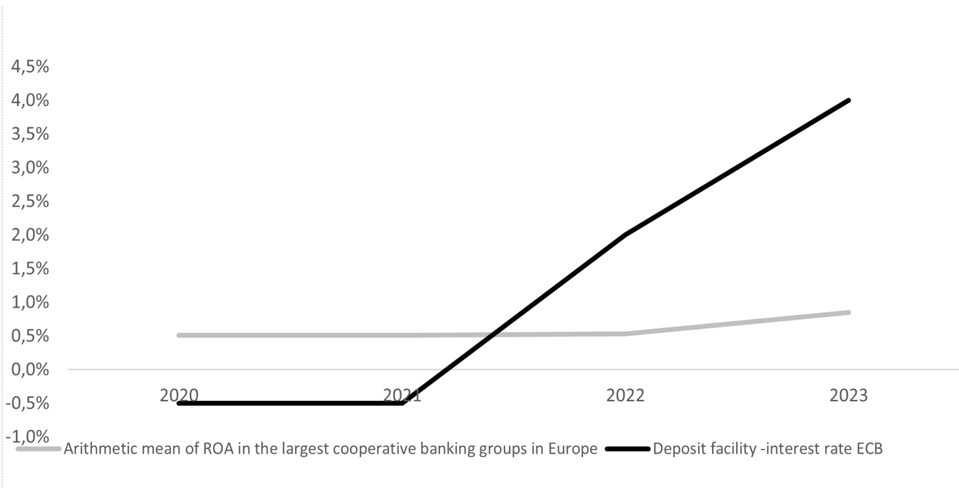


Source: Own study based on: EACB 2023, Eurostad 2025.

A direct comparison of GDP changes in European Union countries with the arithmetic mean of the TCR, calculated from the data in Table 2, indicates that deterioration in macroeconomic conditions did not directly lead to a reduction in solvency. The accumulated capital resources provided sufficient protection against risks arising from banking activities. Furthermore, an analysis of the volatility of profitability among selected banking groups in the post-pandemic period reveals positive trends in financial performance, contributing to an increase in operational security as measured by solvency ratios.

Figure 2.

Variability of the arithmetic mean of the ROA ratio in the five largest cooperative banking groups against changes in the European Central Bank's deposit rate in 2020–2023



Source: Own study based on: EBC n.d., EACB 2023.

Chart 2 illustrates the variability of profitability among the five largest cooperative banking groups in the European Union in relation to changes in one of the European Central Bank's key interest rates (Deposit Facility). One of the primary drivers of increased profitability in European cooperative banking groups was the rise in interest margins, indirectly influenced by interest rate hikes by the European Central Bank (in eurozone countries) and by national central banks (in other countries), which contributed to a widening of the interest rate spread. Over several years, the rise in the inflation rate – generally considered detrimental to macroeconomic stability – had a positive impact on banking sector profitability, including within the cooperative sector. However, in some countries, this situation negatively affected lending, which may, in turn, reduce the stability of banking sector revenues.

In summary, European cooperative banking groups did not experience the crisis events of the early 2020s to an extent that would threaten their long-term operations. However, they may face an escalation of risk in the future, particularly credit risk, which could arise from a deterioration in the corporate sector.

Economic situation of cooperative banks participating in IPS BPS during a period of rapid macroeconomic change – a case study

The effects of the global financial crisis of 2007–2009 had a limited impact on the Polish banking sector, including its most dispersed segment, cooperative banking. The specific nature of the cooperative business model, based primarily on traditional lending activities, provided a degree of protection against the external crisis. This resilience was largely due to the limited involvement of these institutions in complex financial instruments, which could have exposed them to the crisis through asset revaluations or the bankruptcy of other banks (Kozak, 2010b, p. 252). In the long term, however, the crisis influenced central bank policies, ultimately contributing to a reduction in market interest rates (Kozak, 2018, p. 6). This development had a significant effect on the functioning of cooperative banks in Poland, whose main source of income remains interest revenue (Kozak, 2018, p. 14). Under these conditions, smaller cooperative banks in particular faced challenges in maintaining adequate levels of efficiency. In the case of cooperative banks with a larger scale of operations, an increase in activity in the credit market was observed after 2009, partly due to the exploration of new markets within large urban agglomerations. This expansion contributed to a higher level of risk, which continues to characterise larger cooperative banks today (Kozak, 2018, p. 13). Owing to their relational business model, cooperative banks did not restrict financing for households or businesses during periods of crisis, which also contributed, to some extent, to elevated operational risk (Folwarski, 2023, p. 107). Unlike commercial banks, they maintained or increased their credit exposure to businesses, thereby expanding their market share in this segment (Kil & Miklaszewska, 2015, p. 145).

Integration activities are characteristic of the entire cooperative banking sector in Europe. The drivers of these activities stem from the need to develop mechanisms for absorbing external shocks. In particular, the integration of risk management competencies is essential for building lasting resilience against the negative effects of macroeconomic crises. This integration can take the form of institutional consolidation, leading to the creation of large structures with a high level of solvency. Such initiatives are primarily driven by capital shortages. In Poland, for example, extensive mergers of cooperative banks were undertaken to ensure that these institutions met the minimum statutory requirements for own funds (Kozak, 2010a, pp. 140–141).

An alternative strategy involves measures that both support the development of common risk monitoring and control mechanisms and enhance the efficiency of individual banks through the integration of business processes. This model of cooperation is currently being implemented in Poland, where institutional protection systems operate within two associations of cooperative banks. The objectives of IPS include not only supporting the restructuring of participants and coordinating merger processes as part of restructuring efforts, but also directly improving the quality standards of risk management (Wilk, 2024, pp. 77–78).

Structural changes in the Polish cooperative banking sector were also determined by the entry of new legislative solutions into force. Under these solutions, cooperative banks were obliged to make a strategic choice between:

1. operating within the IPS;
2. operating within integrated associations;
3. conducting business as a non-affiliated bank.

However, it should be noted that the latter option has in fact been reserved in practice for the largest cooperative banks.

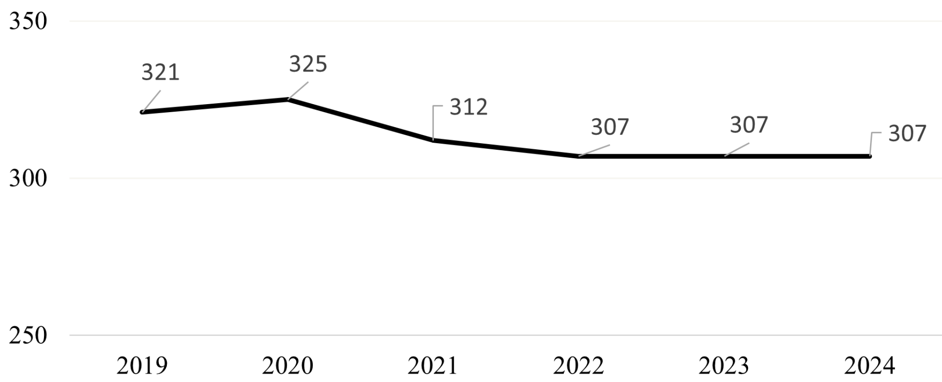
In the Polish cooperative banking, 2015 was a landmark year, marked by the establishment of two institutional protection schemes: the SGB Cooperative Protection Scheme and the BPS Association Protection Scheme. Most cooperative banks opted to sign agreements guaranteeing their participation in these IPSs. Some participants in the BPS association initially sought to create an integrated association, reflecting a degree of uncertainty and distrust toward the new IPS structure introduced by the financial security network institutions. The authorities of certain cooperative banks justified their caution in joining the protection system due to concerns about incurring additional financial costs (Dec & Masiukiewicz, 2019, p. 33). However, in the long term, these reservations did not produce the intended outcomes, ultimately leading the authorities of other banks to enter into agreements with the IPS.

The number of participants in Poland's largest IPS grew dynamically between 2016 and 2020. This growth was partly a consequence of the failure to finalise the integrated association project, and partly the result of a pragmatic assessment of the benefits of participating in the protection system. It was not until 2021 that the number of banks forming IPS BPS decreased, as a direct result of eight merger processes. Most of these mergers were motivated by the desire to improve operational efficiency under conditions of particularly low interest rates and, consequently, to enhance the business model[1].

[1] Data obtained from internal resources of the IPS BPS.

Figure 3.

Change in the number of IPS BPS participants between 2019 and 2024

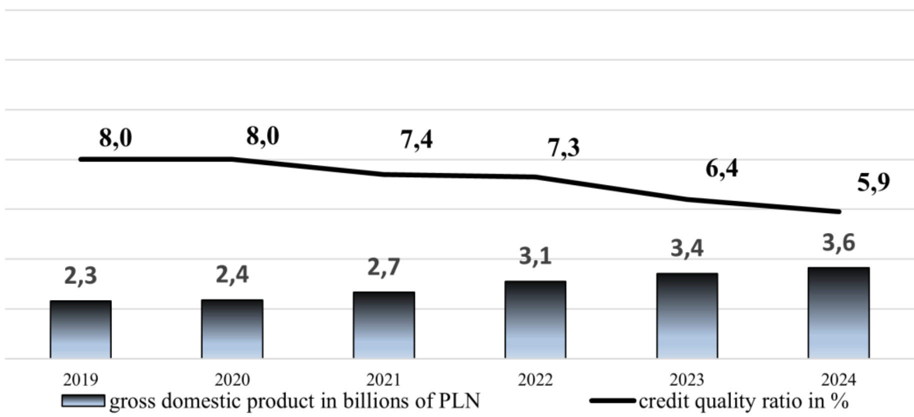


Source: Own study based on data obtained from the internal resources of the Cooperative of the BPS Protection Scheme Association.

The intensification of merger processes in 2020–2022 was indirectly influenced by the effects of the COVID-19 pandemic, which in its initial phase primarily impacted business operations. Only three merger restructuring processes were driven by the materialisation of credit risk. However, these cases concerned credit exposures originating in the pre-pandemic period and were therefore not a direct consequence of the macroeconomic destabilisation caused by the pandemic. The continuous development of credit risk assessment tools, based on uniform risk management mechanisms at IPS BPS, significantly enhanced the quality of pre-transaction credit risk evaluation, which may have played a key role in reducing the potential economic effects of the pandemic.

Figure 4.

Credit risk level in IPS BPS against the backdrop of changes in Poland's GDP in 2019–2024



Source: Own study based on data obtained from the internal resources of the Cooperative of the BPS Protection Scheme Association and bdm.stat.gov.pl (ESA 2010 national accounts).

The effects of the COVID-19 pandemic did not lead to an immediate contraction in economic growth in Poland, due to several factors. One key factor was the unprecedented flow of government support to the business sector. At the same time, a sharp increase in energy commodity prices contributed to an escalation of inflationary pressures (Folwarski & Kil, 2023, p. 110). These developments significantly altered the operating conditions of cooperative banks. On one hand, there was a decline in demand for credit products; on the other hand, the rise in interest rates had a positive effect on banking efficiency.

The factors indicated above contributed to the post-pandemic decline in risk levels, as measured by the credit portfolio quality indicator. Neither the effects of the COVID-19 pandemic nor the geopolitical instability resulting from Russia's invasion of Ukraine led to a deterioration in the economic situation of borrowers severe enough to escalate credit risk. Conversely, the financial results generated by cooperative banks enabled the full absorption of current credit risk, as well as the coverage of non-performing exposures identified in previous years.

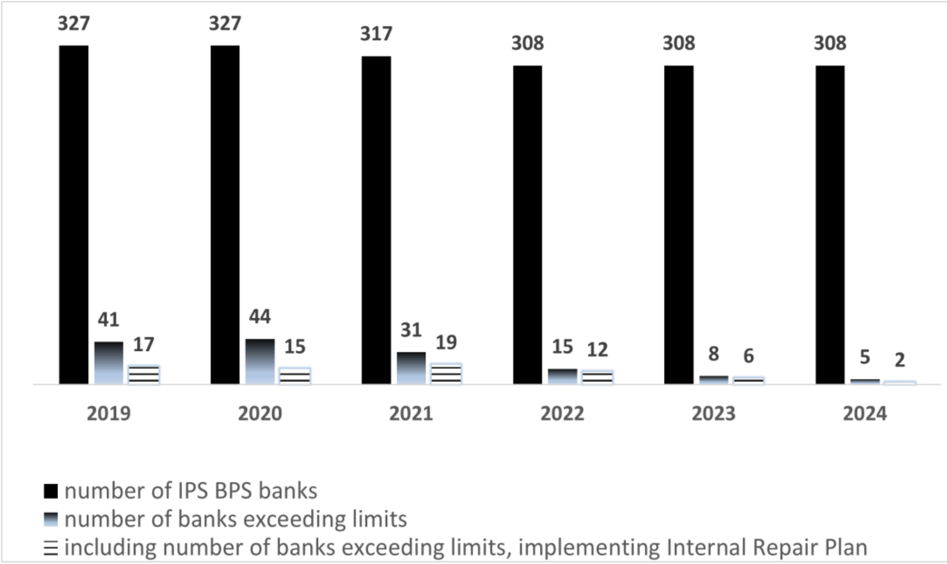
The sources of stability for cooperative banks and their resilience to macroeconomic shocks are not limited to external factors. The development of robust security structures within IPS BPS was facilitated by a range of tools outlined in the BPS Association Protection System Agreement. Beginning with uniformly organised risk control and monitoring mechanisms, the agreement provides for the use of various preventive instruments. It also grants the System Management Unit a range of powers to influence participants deemed to be excessively exposed to risk. In addition, the Agreement outlines a framework for restructuring banks experiencing financial difficulties, primarily arising from the materialisation of risk. As part of these recovery measures, banks may be required to develop and implement Internal Recovery Plans, the execution of which is monitored by the System Management Unit. A central component of the IPS BPS risk mitigation toolkit is the security fund, which provides direct support to participants in the event of an immediate threat to liquidity or solvency. The implementation of this set of tools has significantly improved the quality of risk management and enhanced banks' capacity to generate operational efficiency gains. Consequently, these measures have substantially strengthened resilience to the potential effects of external crises over the past decade.

The improvement of the security situation for IPS BPS participants is further illustrated by a retrospective projection of compliance with the limits established under the BPS Security System[2].

[2] The level of risk limits in IPS BPS is specified in Appendix 3 to the IPS BPS Association Agreement.

Figure 5.

Compliance by participants with internal IPS BPS limits in 2019–2024



Source: Own study based on data obtained from the internal resources of the Cooperative of the BPS Protection Scheme Association.

The scale of violations of internal limits restricting participants' risk at the beginning of IPS BPS's operation was quite significant, reaching approximately 12%. In each subsequent year, the number of events resulting in the limits being exceeded decreased. Moreover, in the first quarter of 2025, none of the banks violated the limit.

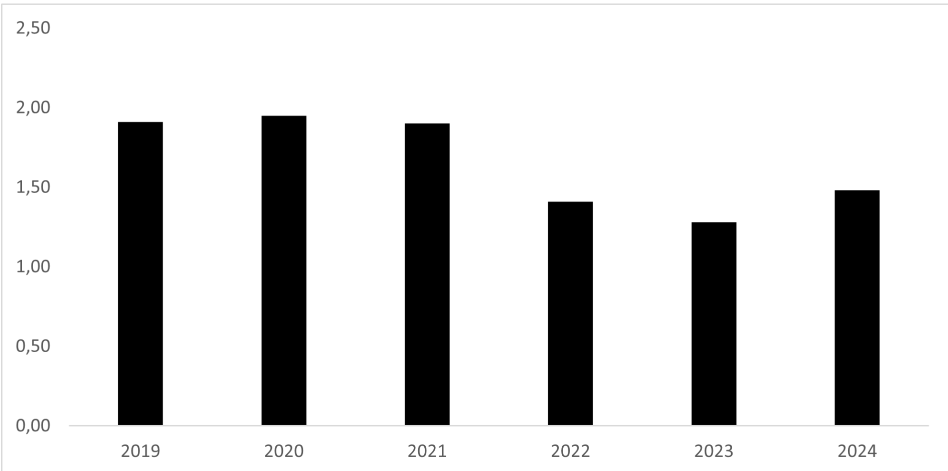
The gradual reduction in the risk level of IPS BPS participants had a direct impact on the results of the risk rating, which was carried out as part of a points-based assessment[3]. The average rating has been declining in recent years, but this decline is not linear. A significant improvement in the rating occurred in 2022, i.e., in the post-pandemic period. This can be attributed primarily

[3] *The scoring system is specified in Appendix 8 to the SOZ BPS Association Agreement. The scoring system uses a six-point scale, where 6 indicates the highest risk and 1 indicates the lowest risk.*

to the previously mentioned increase in profitability, which had a direct impact on the level of own funds and, consequently, on the solvency rating. This confirms the earlier thesis that the pandemic crisis did not cause a deterioration in the security of cooperative banks in Poland and, paradoxically (among other things due to high interest rates), contributed to a significant reduction in the level of risk of IPS BPS participants' activities.

Figure 6.

Average score of IPS BPS participants in 2019–2024

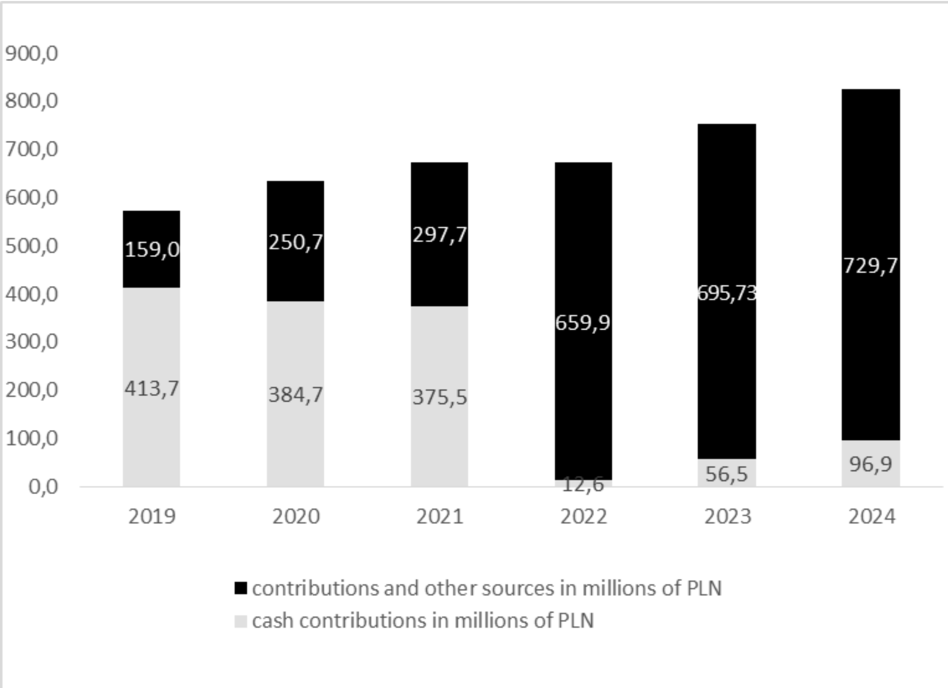


Source: Own study based on data obtained from the internal resources of the Cooperative of the BPS Protection Scheme Association.

The security fund plays a significant role in determining the level of security of the SOZ BPS. The fund is financed by participants' inputs and refundable cash contributions. In accordance with applicable regulations, its level should not be lower than 1% of the value of deposits guaranteed by the Bank Guarantee Fund. In this context, however, it does not constitute a source of deposit guarantee (DGS) but serves to provide direct support to banks in the event of a loss of liquidity or threat of insolvency.

Figure 7.

Value and structure of the IPS BPS Security Fund in millions of PLN in 2019–2024



Source: Own study based on data obtained from the internal resources of the Cooperative of the BPS Protection Scheme Association.

The capitalisation level of the Guarantee Fund increases every year. This also applies to periods when the Polish and global economies experienced shocks. It is important to note its structure, where the dominant value (exceeding 90%) is represented by direct contributions. In practice, this means that the possible release of aid funds for one participant will not require other cooperative banks to create reserves in their own balance sheets. At this point, it is also worth noting that the value of the funds accumulated in the Security Fund covers 89%[4] of the potential deficiency in specific provisions that might be necessary to cover the risk if all non-performing expo-

[4] *Data as of March 31, 2025 obtained from the internal resources of the IPS BPS.*

sures of SOZ BPS participants became permanently uncollectible (which is a kind of stress test scenario). In view of the above, it can be concluded that the Security Fund significantly increases the security and insures the risk of cooperative banks associated with IPS BPS.

When assessing the scale of risk and the level of security of cooperative banks operating within the SOZ BPS framework, against the backdrop of external shocks caused by the turbulent macroeconomic environment, it should be noted that neither the pandemic crisis nor the geopolitical crisis of the early 2020s posed a threat to the continuity of the group's operations as a whole, or to its individual members.

Summary

An assessment of data on cooperative banking groups confirms the author's thesis that macroeconomic shocks have a limited impact on the operational security of their participants. The increase in resilience to external shocks was related to the progressive integration of cooperative banks, which is particularly noticeable in Poland. Regulatory changes and interest rate hikes improved the profitability and stability of cooperative banks. However, it will only be possible to assess the sustainability of this phenomenon in the longer term. Due to the relatively short period of operation of cooperative banking groups in Poland under the new structural conditions, the impact of consolidation processes on the level of security has not been widely described in the literature on the subject. In this context, the research objective achieved may be used in the future as a basis for further research on the security and resilience of cooperative banks within various forms of cooperative banking group organisations in Europe.

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