Eight Existential Threats Facing Latin America's Cooperative Financial Sector

A briefing for CEOs, Gerentes Generales, and Consejos de Administración
of Cajas, Cooperativas de Ahorro y Crédito, and Credit Unions across Latin America.

40M+	$181B	~4,800
Members served across Latin America	Assets under management	Cooperatives, Cajas & Credit Unions

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EXECUTIVE SUMMARY

The opening phase of a restructuring wave

The cooperative financial sector in Latin America — roughly 4,800 Cajas, Cooperativas de Ahorro y Crédito, and Credit Unions managing USD $181 billion in assets and serving over 40 million members — is not facing cyclical pressure. It is facing structural fractures that will render a significant portion of the sector unviable within five to seven years.

The evidence is already visible. Global credit union numbers dropped 10% in a single year, falling below 70,000 worldwide for the first time since 2016 (WOCCU 2024 Statistical Report, October 2025). Ecuador reduced its cooperative count from over 1,100 to roughly 290. Peru's SBS has dissolved more than 50 cooperatives and continues — 18 alone exited in the first half of 2025, leaving 176 active COOPACs. Costa Rica's Coopeservidores — a top-four institution serving 169,000 members — was declared inviable in 2024.

Eight structural threats are converging simultaneously: governance failure, digital disruption, regulatory pressure, asset quality deterioration, a talent crisis, generational membership loss, a strategic execution deficit, and an obsolete revenue model that cannot fund its own transformation. They are not independent. Each amplifies the others.

But structural pressure creates two outcomes, not one. For institutions that cannot adapt, it means absorption or dissolution. For institutions that act now — that professionalize governance, invest in people and technology at competitive scale, and execute transformation with discipline — it means market leadership. Every institution that fails transfers its members, deposits, and market position to the ones that are ready.

The window to position for leadership is 12 to 24 months. This brief explains why.

40M+	$181B	10%
Members served by the sector across Latin America	Assets under management across ~4,800 institutions	Drop in global credit union count in a single year — first below 70,000 since 2016 (WOCCU 2024)

THE EIGHT THREATS — AT A GLANCE

1	Governance structures failing at the speed regulators demand
2	A widening digital chasm as fintechs capture the next generation
3	Regulatory convergence raising the bar faster than institutions can follow
4	Asset quality deterioration threatening institutional viability
5	A structural talent crisis undermining every other strategic priority
6	An aging membership base that digital competitors are not waiting to inherit
7	A strategic execution deficit: the gap between planning and transformation
8	An obsolete revenue model that cannot fund its own transformation

THREAT 1 OF 8

Governance structures are failing at the speed regulators demand

The cooperative governance model creates a structural competency deficit at the highest decision-making level. Democratic election from the membership base means board qualifications depend entirely on the pool of available socios — not on the technical expertise that today's operating environment demands. Annual board rotation compounds the problem, creating institutional knowledge loss and short-termism.

This is not a theoretical risk. In May 2024, CONASSIF intervened Costa Rica's Coopeservidores after finding that none of its corporate governance instances had fulfilled their responsibilities. The cooperative's president had publicly resisted new fitness-and-propriety requirements for board members. Within months, the institution was declared inviable. By January 2026, Coopeservidores had formally entered judicial liquidation — with 5,558 creditors still awaiting recovery of ■158 billion, and the Ministerio Público conducting an active criminal investigation following 23 raids that seized 16 terabytes of evidence. It was not a liquidity crisis. It was a governance crisis with criminal consequences.

50+ COOPACs dissolved by Peru's SBS since 2019 — 18 in H1 2025 alone. 176 active COOPACs remain as of June 2025 (SBS)	**80%** Of Colombian cooperatives lack a structured board training plan (Supersolidaria)	**Low** WOCCU governance compliance across all five Peruvian cooperatives evaluated

Board Question

> *Does your board possess the technical competencies — in risk management, digital strategy, regulatory compliance, and financial analysis — required by today's operating environment? Or are you one governance failure away from a Coopeservidores moment?*

→ SendoAgil: Board Competency Diagnostic & Director Development Program

THREAT 2 OF 8

A widening digital chasm as fintechs capture the next generation

The cooperative sector's digital maturity lags dramatically behind both traditional banks and fintech disruptors. Mexican cooperatives operate on more than 30 different core banking systems, many antiquated. In Colombia, only 25% of small cooperatives have initiated digitalization. No cooperative in Latin America rated as 'Digital Native' in BID Lab's 2025 study — all fell between 'Explorer' and 'Advanced.'

The competitive threat has a name and a number. Nubank closed 2025 with **131 million customers** across Latin America — adding 17 million net new customers in the year alone — and posted full-year 2025 net income of **$2.87 billion**, a 46% increase over 2024 (Nu Holdings FY2025 results, February 2026). Mercado Pago processed **$278 billion** in total payment volume in full-year 2025, up 41% year-on-year, with 78 million monthly active users. These platforms provide digital onboarding in minutes, zero-commission accounts, and instant credit decisions — capabilities most cooperatives cannot match.

131M Nubank customers across Latin America — closed 2025 with record $2.87B net income (FY2025)	**3.5x** Technology investment growth in credit unions globally, 2021–2023	**2x** Annual revenue growth for digitally mature credit unions vs. lagging peers

Board Question

> *Can your members open a savings account, apply for a loan, or resolve a problem digitally in under 10 minutes? Or is Nubank — now serving 131 million customers — already capturing the next generation of members you have not yet acquired?*

→ SendoAgil: Digital Capability Assessment & Transformation Roadmap

THREAT 3 OF 8

Regulatory convergence is raising the bar faster than institutions can follow

Across every major market, regulators are simultaneously tightening prudential requirements for cooperatives, converging toward Basel II/III principles. Peru extended COOPAC compliance deadlines to 2028–2031, acknowledging the sector cannot comply on original timelines. Colombia introduced a landmark proportional prudential regime in 2024. Mexico deferred new accounting standards to 2027. Costa Rica imposed minimum reserve requirements for the first time, phasing from 1.5% to 15% by 2028. El Salvador brought 337 cooperatives under formal supervision in late 2024.

The compliance burden is compounding across multiple dimensions simultaneously: NIIF 9 requires expected credit loss modeling that demands quantitative capabilities most cooperatives lack. AML/CFT requirements represent the most acute operational burden — 60% of Peruvian COOPACs have not implemented AML prevention systems, and AML sanctions in Mexico increased 60% in 2022 alone.

60%	64	+60%
Of Peruvian COOPACs without AML/CFT prevention systems	Ecuador cooperatives cited for COSEDE non-compliance, February 2026	Increase in AML sanctions on Mexican SOCAPs, January–October 2022

Board Question

> *Do you have the compliance professionals — AML officers, IFRS accountants, risk modelers — that your regulatory obligations now require? Or are you one SBS, SEPS, or SUGEF audit away from a dissolution notice?*

→ SendoAgil: Compliance Architecture & Regulatory Execution Planning

THREAT 4 OF 8

Asset quality deterioration threatens institutional viability

Delinquency rates across the cooperative sector remain structurally elevated. Ecuador's Segment 1 cooperatives closed 2025 with morosidad of **8.05%** — virtually unchanged from 8.04% in December 2024 and rising again to 8.45% in January 2026 — compared to just 2.99% for private banking (SEPS, December 2025). When adjusted for write-offs and refinanced loans, Ecuador's true adjusted delinquency remains at **17.62%** (Pacific Credit Ratings, June 2025). Peru's COOPAC sector reported a sector-wide morosidad of **17.7%** and cartera de alto riesgo of 24.6% at mid-year 2025, with the credit portfolio contracting 1.7% year-on-year (SBS, June 2025). In Colombia, 74.8% of cooperative loan portfolios are concentrated in consumer credit — the segment most vulnerable to rising household indebtedness and economic slowdowns (Fecolfin / SFC, 2024).

Three forces are converging: post-pandemic economic stagnation degrading borrower capacity, structural over-indebtedness among cooperative members, and tightening provisioning requirements. Ecuador's SEPS mandated 100% coverage ratio for problem loan portfolios from Q1 2025. Macroeconomic recovery in Ecuador is uneven — improving for large institutions but not yet reaching household-level borrowers.

17.62% Ecuador's true adjusted morosidad including restructured and written-off portfolios (PCR, Jun 2025)	**17.7%** Sector-wide morosidad for Peru's COOPACs at mid-2025 — cartera de alto riesgo at 24.6% (SBS, Jun 2025)	**8.05%** Ecuador Segment 1 morosidad, Dec 2025 — vs. 2.99% for private banking (SEPS)

Board Question

> *Is your institution's morosidad trajectory under control? Does your board see the true adjusted delinquency — including restructured, refinanced, and written-off portfolios — or only the regulatory minimum reporting?*

→ SendoAgil: Risk Management Modernization & Portfolio Governance

THREAT 5 OF 8

A structural talent crisis undermines every other strategic priority

The cooperative sector faces a compounding talent deficit across every critical function. Cooperatives are structurally constrained in compensation — as entities that redistribute surpluses to members, they cannot match bank or fintech salary packages for specialized professionals in risk management, data analytics, compliance, cybersecurity, or digital product development.

The deficit has become the binding constraint on institutional transformation. Every other priority — digital transformation, regulatory compliance, risk management modernization, governance professionalization — requires specialized human capital that the sector cannot attract, develop, or retain at adequate levels. BID Lab 2025 found that Human Resources is the least digitally transformed function across financial cooperatives in Latin America — meaning the function responsible for solving the talent problem is itself the most underinvested.

Least Digitally transformed function in LatAm cooperatives: Human Resources (BID Lab 2025)	**14%** Of small Mexican financial institutions detecting malware daily vs. 43% of large ones	**High** Statistically significant correlation between poor talent management and turnover

Board Question

> *Are the leaders who will execute your next three years already in your organization and ready — or are you one resignation away from an execution gap you cannot fill?*

→ SendoAgil: Leadership Pipeline Development & Talent Architecture

THREAT 6 OF 8

An aging membership base that digital competitors are not waiting to inherit

Cooperative membership demographics are shifting in a dangerous direction. In Colombia, youth participation declined from 16.5% to 14.5% between 2016 and 2024 (Confecoop). Across the region, cooperatives have traditionally served older, community-rooted demographics. Meanwhile, fintechs explicitly target the young digital-first segment: Nubank enabled 20.7 million Brazilians to obtain their first credit card, and 30% of Brazilian adults now consider Nu their primary banking relationship.

The member acquisition window is closing. Young adults who form their first banking relationship with a fintech are unlikely to subsequently join a cooperative. The cooperative value proposition — democratic governance, community reinvestment, social mission — aligns with stated generational values. But delivering that proposition through a mobile app that crashes, a loan application requiring three in-person visits, or a savings product yielding less than Nubank's rate makes the values argument irrelevant. Ecuador's cooperatives serve 54.7% of the adult population — the highest penetration in LatAm — but maintaining this position requires that younger cohorts continue joining.

54.7%	**20.7M**	**30%**
Of Ecuador's adult population served by cooperatives — highest penetration in LatAm (SEPS, Dec 2025)	Brazilians who received their first credit card through Nubank	Of Brazilian adults now consider Nubank their primary banking relationship

Board Question

What percentage of your new members in the last 12 months are under 35? Does your board track this metric with the same rigor it applies to morosidad and capital adequacy?

→ SendoAgil: Member Experience Strategy & Digital Engagement Design

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THREAT 7 OF 8

A strategic execution deficit: the gap between planning and transformation

Multiple studies from Ecuador, Peru, El Salvador, and Guatemala consistently find that individual cooperatives lack formal strategic plans. Where strategic plans exist, execution disconnects are severe. Average operational efficiency among Ecuador's largest cooperatives is 77%, with the primary cause being high operational costs — suggesting that basic operational management is suboptimal before strategic ambitions are layered on top.

The scale of simultaneous transformation now required — digitalizing operations, complying with new regulatory frameworks, rebuilding credit risk capabilities, modernizing governance, and competing with fintechs — demands strategic coordination that most cooperatives have never attempted. The BID Lab 2025 finding that technology adoption was 'disorganized' and accumulated 'without clear articulation or alignment with a defined strategy' is a leadership failure, not a technology failure.

77%	**3%**	**~290**
Average operational efficiency of Ecuador's largest cooperatives (DEA study, 18 institutions)	Of Mexican SOCAPs control 54.3% of total sector assets — consolidation is already deciding winners	Cooperatives remaining in Ecuador, down from over 1,100 — restructuring is not coming, it is here

Board Question

Does your institution have a multi-year transformation agenda that your board monitors with measurable milestones — or only an annual operating plan that no one fully follows?

→ SendoAgil: Strategic Execution Alignment & OKR/Measurement Systems

THREAT 8 OF 8

An obsolete revenue model that cannot fund its own transformation

The cooperative financial sector in Latin America is almost entirely dependent on a single revenue source: net interest margin. A 2023 independent risk rating of Ecuador's Cooperativa JEP — the country's second-largest cooperative — found that 83.55% of its total income derived from interest and discounts, with commissions at just 1.60%. The pattern repeats across every market.

The net interest margin model faces simultaneous compression from multiple directions. Nubank's full-year 2025 net income reached $2.87 billion on $16.3 billion in revenue, with a credit portfolio growing 40% year-on-year to $32.7 billion. Mercado Pago processed $278 billion in total payment volume in 2025, growing 41% year-on-year with 78 million monthly active users (MercadoLibre FY2025, February 2026). Open Finance mandates across Brazil, Chile, Colombia, and Mexico will accelerate this by enabling fintechs to access cooperative member data and make competing offers at the exact moment of need. As interest rates normalize and NIM support fades, the composition of non-interest income becomes the decisive earnings differentiator. Globally, leading credit unions are building revenue through embedded finance, fee-based services, and data-driven product personalization. Costa Rica's Coocique delivered an 18.45% increase in year-over-year earnings in 2024 by developing non-financial income alongside efficiency improvements.

83.55%	Lowest	+18.5%
Share of total income from interest & discounts at Cooperativa JEP (SumaRatings, Dec 2023)	Product Development: one of the two least digitally adapted functions in the sector (BID Lab 2025)	Earnings growth at Costa Rica's Coocique — driven by non-financial income diversification (2024)

Board Question

Does your institution have a defined revenue diversification strategy — with named products, target segments, required capabilities, and measurable timelines? Or is your business model today structurally identical to what it was a decade ago, while your competitors have reinvented theirs?

→ SendoAgil: Business Model Innovation & Revenue Architecture

THE OPPORTUNITY

The consolidation wave is already deciding winners and losers

The cooperative sector's structural advantage remains real and irreplaceable. In Colombia, cooperatives are the sole financial intermediary in 41 municipalities. In Ecuador, cooperatives serve 54.7% of the adult population — confirmed by SEPS data through December 2025. In Guatemala, MICOOPE provides financial services through 289 agencies in underserved communities. Every real of credit placed by a Brazilian cooperative generates R$2.56 in local economic impact (OCB/FIPE, 2024).

No fintech — not Nubank with 131 million customers, not Mercado Pago with $278 billion in annual payment volume — can replicate the community trust, democratic ownership, and financial inclusion reach that your institution has built over decades.

But structural advantage is not a strategy.

The institutions that will lead the sector in 2030 are those whose boards and management teams act now. Every institution that fails transfers its members, its deposits, and its market position to the ones that are ready. The question is not whether your sector will consolidate further. It already is. The question is which side of that consolidation your institution is on.

ABOUT SENDOÁGIL

The firm that makes transformation happen

SendoAgil is a business transformation consultancy operating across the United States, Mexico, Costa Rica, Panama, Peru, and Chile. We specialize in helping financial institutions — with particular depth in the cooperative sector — close the gap between strategic intent and execution reality.

We are not a technology vendor. We are not a regulatory compliance firm. We are not a generic management consultancy that will assign you a junior team and deliver a report.

We are the firm that connects governance clarity, strategic execution discipline, leadership development, and digital capability into a single integrated offer — deployed through a partner-driven model that gives you local market speed and sector-specific fluency from day one.

Five disciplines. One outcome. SendoAgil's offer is built around Strategic Execution & Alignment as the central discipline — because governance, talent, and digital capabilities only create value when they translate into measurable institutional performance. Business Model Innovation is the newest and most urgent capability we bring — helping boards redesign their revenue architecture before the existing model runs out of time.

Start with a focused diagnostic — a 10-business-day assessment of your institution's strategic execution readiness, governance maturity, leadership capability, and revenue model viability. No long proposal process. No generic framework. A direct conversation with your CEO and Board President, grounded in sector data and your institution's specific situation.

◆ **Request the diagnostic — sendoagil.com/contact**

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Data updated May 2026. Key sources: WOCCU 2024 Statistical Report (October 2025); SEPS Ecuador statistical bulletins (December 2025); SBS Peru COOPAC indicators (June 2025); Nu Holdings FY2025 earnings release (February 2026); MercadoLibre FY2025 earnings release (February 2026); Pacific Credit Ratings Ecuador sector report (June 2025); BID Lab 2025 digital transformation study; Fecolfin / SFC Colombia (2024) for consumer credit concentration; CONASSIF / Poder Judicial Costa Rica (January 2026) for Coopeservidores liquidation.

