



Stronger



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# Cooperative bank providing financial support to Greek rural areas



## SUMMARY

Established in 1994 as a credit cooperative, the Cooperative Bank of Karditsa (CBK) became a fully regulated financial institution in 1998. It currently operates five branches and administrative offices, serving nearly 14 000 members and approximately 27 000 clients.

The bank's support to farmers and agricultural businesses provides **stability and financial flexibility through a range of tools and advantageous options**, such as energy saving loans, new field loans, micro loans, investment loans, working capital loans, and contract-based farming. Additionally, it offers a comprehensive, 360-degree support system to clients through Business Development Services (BDS).



## CONTEXT

Located in the Thessaly region, the Cooperative Bank of Karditsa (CBK) plays a crucial role in bolstering the local economy and supporting the primary sector. The bank recognises the **cyclical nature of the agricultural sector** whose income fluctuates across seasons and due to external factors, and offers financial products and services designed to provide stability and adaptability.

Specialised **accounts are tailored to farmers**, while loan options address operational, modernisation, and sustainability needs. These include working capital, machinery and equipment, land purchase, livestock and contract farming, facility construction, installation of photovoltaic panels, and net metering. Loans often have favourable terms, acknowledging the unique financial landscape of agriculture.



## OBJECTIVES

- > Ensure the provision of comprehensive services tailored to the needs of farmers and rural communities by offering access to essential financial resources and business development services.

**Theme(s):** Access to services, education and training, energy, climate, nature and environment, social inclusion, entrepreneurship, social economy, employment

**Country:** Greece

**Organisations:** Cooperative Bank of Karditsa, financial institution

**Start & end date:** 04/1994 – Ongoing

**Budget:** -

**Funding sources:**

- European Agricultural Fund for Rural Development (EAFRD)
- European Investment Bank (EIB)
- Hellenic Development Bank (HDB)
- Own sources

**Website:** <https://www.bankofkarditsa.com.gr/en/>

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## ACTIVITIES, KEY ACTORS, AND TIMELINE

CBK has developed a deep understanding of the challenges and opportunities encountered by farmers and rural areas. This is reflected in a comprehensive range of services to meet their requirements, including access to basic and prime accounts, facility construction, livestock and contract farming in the cotton, honey, and milk sectors, as well as the installation of photovoltaic panels and net metering. Within the framework of the EU programme for Employment and Social Innovation (EaSI), the cooperative bank, in collaboration with the local development agency 'AN.KA S.A.', provides Business Development Service (BDS) support free of charge. The agency compiles business and readiness plans, and puts the interested party in contact with the bank to assess the loan application.

BDS support is also available under the 'small loan fund for rural entrepreneurship' which offers a EUR 300 grant as technical assistance to applicants. CBK is part of the Greek Cooperative Banks' Association, GABV (Global Alliance for Banking on Values), FEBEA (European Federation of Ethical and Alternative Banks and Financiers), EMN (European Microfinance Network), and MFC (Microfinance Centre).



## RESULTS

The financial products and services offered by CBK include:

- > **Farmers' accounts:** agricultural subsidies directly to farmers' accounts, with no minimum balance requirement and scalable deposit rates repaid from the beginning of the deposit. Interest is paid every six months.
- > **Prime account for subsidies:** extra returns and capacity compared to other accounts, including preferential interest rates, remittance pricing, check books, and free e-banking.
- > **EaSI microfinance instrument:** micro loans guaranteed by the European Investment Fund (EIF) at an 80% rate, with no hard collateral required and reduced interest rates. The loans can reach up to EUR 25 000 per beneficiary, either an individual (farmers included) or an SME. Free BDS support is available.
- > **Revolving working capital loan:** covering the entrepreneurial needs of farmers aged 18-70.
- > **Agricultural Development Guarantee Fund under EIF/EAFRD and the Hellenic Development Bank (HDB):** facilitates access to finance with better pricing, reduced collateral, and longer repayment terms. The 80% guarantee is granted for a EUR 10 000 minimum amount and a maximum duration of 10 years, such as fertiliser and supplies.
- > **Small loan fund for rural entrepreneurship, co-financed by EIF:** loans for SMEs in agriculture and manufacturing, with no hard collateral, subsidised interest, and technical support grants. The loan can go from EUR 3 000 to 25 000, from 24 to 60 months, 50% of it – interest-free. It provides the possibility of a EUR 300 grant for consulting and technical support.
- > **Land purchase loan for young farmers:** subsidised interest rates for land and agricultural facility purchases up to EUR 25 000. Young farmers (up to 40 years old) in mountainous and less-privileged areas are entitled to a 100% subsidised interest rate.
- > **Contract & livestock farming:** support for cotton producers' contracts and prepayments, with increased financing percentage for those depositing subsidies. Similar rules apply in the honey, milk and livestock sectors.
- > **EIF guarantee agreements:** risk-sharing instruments expanding CBK's capacity to offer favourable financing terms, including the 'Microfinance' and 'SME Competitiveness' programmes.
- > **Installation of photovoltaic panels:** financing up to 90% of the budget for high-power installations, with long-term funding and energy sales agreements.
- > **Net metering:** funding for photovoltaic panels to cover facility needs, based on prior technical assessments.
- > **CreditScore:** a tool for remote monitoring of crops – the bank assesses the risk in the case of agricultural loans, in view of environmental impact (remote monitoring rationalises the use of fertilisers, pesticides, etc.). The tool won the CBK the 2023 'Green' award by the Microfinance Centre (MFC).



## SUCCESS FACTORS/LESSONS LEARNT

CBK's dedication to rural enterprises is driven by its commitment to investing strategically in the future of the region. A thriving agricultural sector benefits not just farmers, but also uplifts the entire community, stimulating economic growth, creating employment opportunities, and strengthening the sustainability of the primary sector in the Thessaly region.

The bank embodies the "Think global, act local" motto, which has opened it to new collaborations, while keeping it committed to serving the local community in a direct, friendly manner and through tailor-made products and services. To make this happen, CBK prioritises listening to needs, crafting solutions accordingly, testing them, and ultimately integrating them into its offer.

