

# Development and Prospects of the Greek Cooperative Credit System

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## Abstract

The credit cooperative system was established in Greece in 1993, following the creation of the appropriate legislative framework. The Greek system distinguishes two types of institutions: the cooperative bank that functions as a bank and the credit cooperative that cannot provide banking services. The Greek cooperative system is characterized by the autonomous and non-homogenous development of the cooperative banks and credit cooperatives. Moreover, in 2001 the cooperative banks created a central nation-wide bank that has since helped the further development of the credit cooperative system. However and despite the large number of geographic departments involved in the credit cooperative system, the expansion of cooperative banks in the Greek bank market is limited, principally due to legislative restrictions and the lack of dynamism these restrictions create to the credit cooperative system, while operating in a very competitive market environment.

**Key-words:** cooperative bank, credit union, credit cooperative, cooperative credit system, Greece.