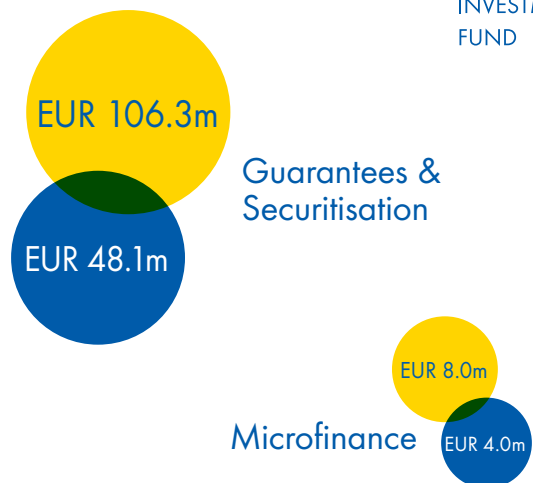


EIF in Cyprus



Key figures (at 30.12.2014)

- First EIF operation in Cyprus: 1997
- 3 partner finance and guarantee providers
- Over 400 SMEs supported

- Outstanding commitments
- Mobilised resources (estimate since start of EIF operations)

Support to SMEs in regionally specific ways

Under the JEREMIE initiative (Joint European Resources for Micro to Medium Enterprises), EIF manages a EUR 20.0m Holding Fund co-financed with EU structural funds in Cyprus. JEREMIE is significantly contributing to the general objective of the Cypriot Government to enhance entrepreneurship in the country by covering part of the financing needs of local businesses, which has considerably increased due to the effects of the financial crisis. Through JEREMIE, loan finance is made available to Cypriot SMEs via the Bank of Cyprus which has been selected by EIF following a Call for Expression of Interest.

In Cyprus, EIF is also managing the Cyprus Entrepreneurship Fund (CYPEF), a fund established by the Republic of Cyprus and financed by the European Investment Bank to support and strengthen entrepreneurship in the country by enhancing access to finance for SMEs. CYPEF has been developed to tackle specific access to finance constraints experienced in Cyprus and will profit from the experience gained under the JEREMIE initiative. It particularly aims to enhance bank financing for smaller and riskier SMEs. The EUR 100.0m of initial capital will be matched by equal contributions from EIF's selected financial intermediaries, translating into EUR 200.0m of finance to the benefit of Cypriot SMEs. Under CYPEF EIF has currently selected the Bank of Cyprus to offer EUR 60.0m of loans at favourable conditions.

Microfinance

EIF has concluded an agreement with the Cooperative Central Bank under the Progress Microfinance initiative to provide support to local micro-entrepreneurs and the self-employed.

Guarantees & Securitisation

In the context of JEREMIE, EIF has designed and implemented a loan co-financing and a portfolio guarantee instrument in collaboration with the Bank of Cyprus to finance micro and small enterprises. An amount has been specifically earmarked to support businesses in their start-up or early growth phase. Through JEREMIE, a total amount of EUR 21.4m has so far reached over 400 Cypriot SMEs which benefit from loans at lower interest rates and extended repayment and grace periods.

EIF at a glance

EIF's mission is to support Europe's micro, small and medium sized businesses (SMEs) by improving their access to finance. EIF primarily designs, promotes and implements equity and debt financial instruments which specifically target this market segment. EIF' support to enterprises is provided through a wide range of selected financial intermediaries (Venture and Growth Capital funds, banks, guarantees institutions, microfinance institutions etc.) across Europe. In this role, EIF fosters EU objectives in support of entrepreneurship, growth, innovation, research and development, and employment.

EIF is a public-private partnership whose tripartite shareholding structure includes the European Investment Bank (EIB, 63.7%), the European Union represented by the European Commission (24.3%) and 26 financial institutions from 14 European Union Member States and Turkey (12.0%).

The EIF manages resources on behalf of the EIB, the European Commission and further national institutions. Since 2000, EIF is part of the EIB Group. EIF has an authorised capital of EUR 4.5bn, divided into 4,500 shares of a nominal value of EUR 1.0m each.

Andronikos Giallourous is one of the many entrepreneurs who have benefited from the EU support through the Progress Microfinance initiative, which allowed the Co-operative Credit Society Kouriou, a Network Member of Cooperative Central Bank, to give him the capital needed to start-up and carry out his business idea.

Case study



Type of business:

Car wash

**Microloan from Co-operative
Credit Society Kouriou:**

EUR 20 000

After completing his 26-month-military service, Andronikos (23) set up his own car wash business on his parents' land. The land in Episkopi had been unused for a few years and even though he had thought of opening a carwash before, he didn't have the means to buy the equipment needed.

He went to the Co-operative Credit Society Kouriou to ask for a micro-loan of EUR 20 000 and weeks later was able to buy a brand new Tecalemit Vehicle Lift to get the business off the ground. He is now washing around 60 cars per week. He currently employs two people and with plans to start washing larger vehicles including tourist buses, tractors and trucks, he will start looking for a new employee to operate the new vehicle lift in the next few months.

European Investment Fund

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