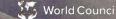
QUARTERLY UPDATE





Credit for Agriculture Producers (CAP) Project in Ukraine

In cooperation with partners, the CAP Project in Ukraine delivered tangible results in the following areas:

Legal & Regulatory Framework

* Draft Law on Credit Unions (№ 5125) finalized and approved for second reading by the Verkhovna Rada of Ukraine Committee on Finance, Taxation and Customs Policy. The document includes needed amendments as recommended and advocated by CAP.

DRAFT LAW ON CREDIT UNIONS IS AWAITING 2ND READING

- *Technical Assistance commentary on insolvent credit union resolution procedures and credit union financial reporting in Poland provided to the National Bank of Ukraine (NBU) and Deposit Guarantee Fund (DGF) by experts from Poland's National Association of Cooperative Savings and Credit Unions (NACSCU).
- * Comments and proposals submitted to NBU for three draft regulations covering:



----- FINANCIAL DISCLOSURE



MITIGATING ADMINISTRATIVE
BURDEN REGARDING FINANCIAL
ASSET OPERATIONS DURING THE
QUARANTINE PERIOD

Liquidity Fund

- * First tranche of the Liquidity Fund received by both the Ukrainian United Credit Union (UUCU) and United Credit Union of UNASCU and loaned to qualified target credit unions.
- * 219 agriproducers received loans for a total of UAH 16.9 million (USD 626,000) through fourteen CAP partner credit unions.



Strengthening Industry Associations and United Credit Unions (UCUs)

- * Both UCUs started testing PEARLSbased indicators to assess their members' financial condition.
- * UUCU uses the tool developed by CAP to effectively measure liquidity gaps.
- * Risk Management Policy developed and approved at the UUCU.
- * Four trainings held by business development officers (BDOs) of both Associations for their members featuring options for service portfolio diversification, including through cooperation with insurance companies.

Digitalization

* Customer Relationship Management (CRM) Integration – final stage of CRM system integration in 10 partner credit unions. Options to be included:









- * Software Solutions
 - Four All-Ukrainian Credit Union Association (AUCUA) credit unions continue the cooperation with fintech CBS developer NeoFin for core banking system development.
 - 5Cs borrower assessment methodology presented by CAP to the CBS working group members for potential integration in the future.
- * Digital Marketing School representatives of 24 credit unions successfully completed the 29-hour course and mastered the basics of Internet marketing for financial institutions.

29 HOURS 24 CREDIT UNIONS





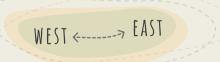
Agrilending

*661 agriloans totaling UAH 33.7 million (USD 1.25 million) disbursed by partner credit unions this quarter.

Total of **14,869 new agriloans** disbursed during the life of the CAP Project.



- * Land Market methodological manual "Lending to Agricultural Producers for the Purchase of Agricultural Land" developed by CAP and shared with partner credit unions, with a series of training activities also conducted.
- * Cross-Learning Opportunities –
 exchange visit organized by CAP for the
 most active Eastern partner credit union
 to visit their more experienced western
 peers and learn:
- introduction and expansion of lending to small agriproducers
- specifics of agricultural credit assessments
- pricing and loan products
- effective communication tactics in rural areas



Inclusive Development & Communication

- * Women's Leadership Group
 - Women's leadership policies designed by group participants for seven partner credit unions.
- 10 workshops for 56 women entrepreneurs in local communities held by credit union women coaches trained by CAP.



- * Credit Union Media Awareness Campaign
- Print interviews with credit union market representatives released on a reputable national media platform and reproduced by over 30 regional media resources.
- Short radio jingles broadcasted on national radio.
- Topics covered:



ROLE AND IMPACT OF CREDITUNIONS IN UKRAINE

NEED FOR ENABLING ENVIRONMENT REFORMS
AND DEPOSIT GUARANTEE SCHEME





PROSPECTS OF LAND MARKET REFORM

AND SERVICING LEGAL ENTITIES