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Afghanistan Banks Association

Issue#17

ABA E-Newsletter

ABA Represents Afghan Banking Sector in AISA Investment Conference

ABA took active part in "Afghanistan Investment Climate Evaluation Conference" held in Continental Hotel by Afghanistan Investment Support Agency (AISA) on January 19, 2016. In this program, 300 investors from various sectors and Afghan government senior officials namely H.E. Dr. Abdullah Abdullah, CEO of the Country, the H.E. Ministers from Ministry of Commerce and Industries, Economy, Health, Transport, Urban Development Affairs, Vice Chairman of Afghanistan Chamber of Commerce and Industries, representatives from business associations, individual businesses and other public/private sector institutions participated.

H.E. Abdullah, the Ministers, Vice Chairman of Afghanistan Chamber of Commerce, AISA President and CEO and other high government officials delivered speeches on investment opportunities and obstacles in Afghanistan and committed to work together for betterment of the present investment situation in the country. The conference focused on opportunities and challenges faced by the investors in 6 economic sectors (agriculture, mining, services, industry, energy and construction) and how to provide the optimum facilities to encourage and strengthen investments in the country.

In this conference, 11 sectors from the whole economy of the country had working group, discussed the opportunities, obstacles and outlined reasonable suggestions to the afghan government. Amongst the working groups, ABA chaired banking sector working group and raised the main challenges of banking sector (lack of correspondent banking relation, lack of special court for recovery of bad loans and other critical issues) to be taken into consideration by the afghan government in order to help development of banking and business sectors. At the end of the conference, the banking sector challenges were noted by AISA to be taken to the government for consideration and reforms.



Event: Afghanistan Investment Climate Evaluation Conference
Venue: Continental Hotel, Kabul
Date: January 19, 2016
Photo By: AISA

ABA Was Awarded Certificate of Appreciation by AISA

Following to the conference, on January 30, 2016, in a press conference named "Findings from Afghanistan Investment Climate Evaluation Conference" organized by AISA, Mr. Najibullah Amiri ABA Executive Director was awarded Certification of Appreciation by AISA President & CEO for his significant contributions in moderating banking sector working group during "Afghanistan Investment Climate Evaluation Conference".



Event: ABA Participation in "Findings from Afghanistan Investment Climate Evaluation Conference"
Venue: Kabul Start Hotel, Kabul
Date: January 30, 2016
Photo By: Mr. Sayed Jamal, ABA IT/Web Designer

ABA General Assembly Meeting on Asset Classification/ Election of New Board

On January 16, 2016, ABA conducted General Assembly Meeting on review of new approved Asset Classification Regulation, Circular on Code of Conduct-Secondary Market and Appointment of New Member of ABA. Asset classification used by financial institutions

that refer to loans that are in jeopardy of default. Once the borrower has failed to make interest or principal payments on the maturity, the loan is considered to be a non-performing asset (NPA). Non-performing assets are problematic for financial institutions since they depend on interest payments for income. Recently Da Afghanistan Bank (Central Bank of Afghanistan) modified asset classification regulation, and ABA Member banks requested ABA to ask DAB for amendments in the mentioned regulation. In this meeting. The member's banks proposed amendments to the Asset Classification was reviewed and finalized for submission to DAB and it was decided that the meeting will also be fixed with H.E Governor of DAB to talk on. Furthermore, it was agreed, that Circular on Code of Conduct-Secondary Market should be re-circulated to all the banks for final comments and then will be finalized through a follow-up working group for submission to DAB.

Subsequently, as per the Articles of Association of Afghanistan Banks Association (ABA), election for the three vacant board members was held wherein Mr. Guy. Mallett, CEO Afghanistan International Bank (AIB), Mr. Ahmad Javed Wafa, CEO Bank-e-Millie Afghan and Mr. Gohar Ali Shah, Country Manager National Bank of Pakistan (NBoP) were elected unanimously as new board members.



Event: Meeting on Asset Classification and Appointment of New Directors

Venue: ABA Conference Hall

Date: January 16, 2016

Photo By: Mr. Sayed Jamal, ABA IT/Web Designer

ABA Held First Working Group on Property Evaluation/Audit Firms

ABA conducted working group meeting with its member banks to discuss challenges and issues concerning Property Evaluators and Audit Firms and enlisting them under ABA in the future. Mr. Amir welcomed the participants and added that:

In the context of banking industry in Afghanistan, there is great demand for creation and enlisting of approved Property Evaluators/Firms that are not currently existing in a formalized & professional manner. Recognition & enlisting of appraisal and valuation system to the Banking sector is very important and Lack of formalized, uniform and standard system of property appraisal affect the expansion of credit and sometime resulting fraud.

In order to establish a uniformed standard procedure, certification, recognition for the approved property evaluators and enlisting them. ABA will need member banks professional views and perhaps donor support in future. The participants welcomed

the idea and ensured their full support. They added that it will be helpful if the matter is communicated to Da Afghanistan Bank (DAB), the ministry of urban development, the ministry of finance and Kabul Municipality for seeking assistance toward development of criteria and procedures. This will enable ABA to take further steps.



Event: ABA Credit Heads/Managers on Property Appraisal

Venue: ABA Conference Hall

Date: January 11, 2016

Photo By: Mr. Sayed Jamal, ABA IT/Web Designer

Commercial Banks Consultative Group (CBCG) Meeting

On February 20, 2016, ABA conducted Commercial Banks Consultative Group (CBCG) Meeting with Da Afghanistan Bank (DAB). CBCG meeting is being conducted quarterly by ABA with coordination of DAB. In this meeting, Mr. Khalil Sediq, Governor, DAB, Mr. Khan Afzal Hadawal, First Deputy Governor, DAB, Mr. Matiullah Faeq, General Director, Financial Supervision Department, DAB, member banks CEOs and ABA management team participated. The Five Days Mandatory Cleanup of Overdrafts, Large Exposure for single Party & Group, New Draft Regulation and Formation of Islamic Banking Steering committee were the agenda points discussed in details and positive decisions were made. At the end, H.E. DAB Governor stated, DAB welcome all your justified views and recommendation that are in line with the approved Laws and regulation.



Event: CBCG Meeting

Venue: DAB Conference Hall

Date: February 20, 2016 Photo By: Mr. Bayanee

ABA Takes Steps in Strengthening of Islamic Banking

To improve and strengthen Islamic Banking in the country, ABA formed a working group with its member banks on Islamic Banking Regulation recently developed by Da Afghanistan Bank (DAB). The purpose of the working group are as follows: Time extension for the implementation of regulations, review of regulation and guidelines and submission to DAB for reconsideration of some of the issues to be addressed by the working group through ABA.

During the meeting, Mr. Najibullah Amiri ABA Executive Director officially welcomed the Heads of Islamic Banking and introduced Mr. Amer Khalil Ur Rehman, President/CEO Bakhtar Bank as chairman of this working group. He added that Mr. Amer is a professional Islamic Banker with versatile profile spanning almost three decades. In the meeting, each member banks were given time to talk on their concerns regarding Islamic banking regulations. The member banks raised their concerns regarding implementation of the Islamic banking regulation and challenges they will face in terms of Sharia Compliance. All members of the working group agreed that there are some issue need to be raised with DAB for amendment to the issued regulation & guidelines that will enable respective banks to comply with Sharia in a right manner. In conclusion, it was agreed that all Heads/Directors of Islamic Banking Window (IBW) of commercial banks should come up with their comprehensive & critical comments on regulations and guidelines, compiled proposed amendments with proper justifications that shall be submitted to DAB later on. Adoption of Islamic Banking Regulations/guidelines will change the prospects of Islamic Banking in the future as per shariah standards.

Attendee of the meeting: During the meeting all commercial banks that having Islamic Banking window attended the meeting.

1. Mr. Amer Khalil Ur Rehman, President/CEO, Bakhtar Bank
 2. Mr. Ali Mushtaq, Head of Islamic Banking, Ghazanfar Bank
 3. Mr. Masoom. Islamic Banking Deputy Head, Ghazanfar Bank
 4. Mr. Mohammad Hanif Maqsodi, Finance Manager, Islamic Banking, NKB
 5. Ms. Manizha, Sukhanyar, Head of Islamic Banking Window, Maiwand Bank
 6. Mrs. Sameera Hamza, Head of Islamic Banking Window, Bank-e-Millie Afghan
 7. Mr. Mohammad Yahya Taniin Head of Islamic Banking, AUB
 8. Mr. Zulfiqar Ali, Head of Islamic Banking, AIB
 9. Mr. Ziaullah, B.M. Bank Alfalah limited
 10. Mr. Shahid Munir, Country Operation Manger, Bank Alfalah Limited
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Event: Islamic Banking Working Group

Venue: ABA Office, Kabul

Date: February 17, 2016

Photo By: Mr. Enayatullah Lodin, Admin/Finance Officer
