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Afghanistan Banks Association

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ABA E-Newsletter

Upcoming Events

Third Access to Finance Exhibition

2015

Kabul, Afghanistan

ABA is Supported By



ABA Board Meeting on Review of ABA New Strategic plan, 2015

On January 18, 2015, Afghanistan Banks Association organized its board meeting for the review of ABA New Strategic Plan, 2015. ABA Board members, ABA manager and Financial Access for Investing in the Development of Afghanistan (FAIDA) Donor project officials participated in the meeting.

In the meeting, Mr. Khoreishi ABA Chairman Bank officially started the meeting by welcoming remarks and mentioned that: the strategic plan which has been drafted with help of FAIDA is very much comprehensive, includes everything and we are very much thankful to FAIDA for its kind support towards ABA strengthening and sustainability.

However, for the time being, ABA needs to focus on the core needs of member banks, said Mr. Sarfaraz Nazer, ABA Member of Board of Directors. He further mentioned that, presently, ABA has to focus on the laws and regulations, capacity building, lobbying, correspondent banking issues and should suggest optimal amendments to law and regulations, and we should lessen the objectives of the new strategic plan to three or four major/achievable objectives which are the need for Afghanistan banking industry. All the board members agreed with Mr. Sarfaraz Nazer observations in this regard.

Contact us

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Moreover, Mr. Khoreishi added that, we direly need a Financial Court Tribunal which can bring ease in the foreclosure of the mortgage property and this practice applied in the region, he said that for now every bank in Afghanistan is highly liquid and has sufficient liquidity to lend out but the constrains which are there, don't not allow member banks to go for lending aggressively. Mr. Amiri ABA Deputy Exe. Director mentioned that, Mr. John should also add into stratgic plan the criteria, procedure for enlisting Property Evaluators, Chartered Accountants/Audit Firms and Legal Firms with ABA, so, by this way, ABA would be able to generate income and this will also help the sector significantly. The idea of Mr.Amiri was supported by the board. Mr. John FAIDA Team Leadr USAID/FAIDA added, that he will simplify the Strategic plan of the ABA in the light of the suggestions from board members.



ABA met with H.E President's Special Advisor on Financial Sector

ABA met with Mr. Ajmal Ahmady, President's Special Advisor on Financial Sector on Tuesday, January 27, 2015, at ABA office. Mr. Ahmady has been assigned by the President of the Islamic Republic of Afghanistan to develop a comprehensive report on Afghanistan Banking Sector. Mr. Ahmady wanted to enquire about the most critical issues that ABA's members are facing, so that they can be taken into consideration by Afghan Government for development and sustainability of Afghanistan's financial sector. ABA's Finance and Admin Manager briefed Mr. Ahmady on ABA activities and ABA member banks current situation.

Subsequently, Mr. Ahmady met with Mr. Ahmad Siar Khoreishi, Chairman ABA/CEO Ghazanfar Bank on January 31, 2015 and discussed about Afghanistan banking sector.

Challenges Faced by ABA member banks:

1. Asset risk diversification and limitations on large exposures of banking organizations
2. Four days mandatory clean up as per circular 62/ (29/44)
3. Circular 1450/136 and 1481/1388 for insuring collaterals from the customers in the event of default
4. Foreclosure of registered mortgage part of collaterals from the customers in the event of default
5. Establishment of correspondent banking relationship particularly with U.S banks
6. Foreign branches regulatory capital in local currency
7. Da Afghanistan Bank (DAB) Financial Supervision Department (FSD) capacity building programs
8. Separate Commercial Courts to be established
9. Asset concentration 40%

Mr. Ahmady mentioned that he has taken note of all the above challenges faced by the banking industry of Afghanistan and will share it with H.E President Ghani.



ABA Hosts DAB Public Credit Registry (PCR) Workshop

On January 06, 2015, Afghanistan Banks Association hosted the Public Credit Registry (PCR) workshop presented by Direct General PCR Da Afghanistan Bank, Mr. Nisar Ahmad Yousofzai to CEOs and CCOs of ABA Member Banks. The aim of

the workshop was to inform all member banks that DAB's PCR is done with its PCR project on December 31, 2014. Mr. Yousofzai mentioned that the PCR project is completed we have adopted all the international practices applied in the region and we have taken care of almost everything which can cause contradiction in future. However if member banks CEOs feels that few areas needs to be modified, so for, DAB is open to bring appropriate changes to the model of PCR as per the recommendations and suggestions. Mr. Yousofzai mentioned that, so far we have 76,299 registered reports, 13,740 close reports, and 62,559 open reports. Mr. Yousofzai appreciated the large numbers of borrowers registered by banks to PCR.



ABA Press Conference on Afghanistan Banking and Economic Scenario

Mr. Siar Khorieshi, the new Chairman of Afghanistan Banks Association (ABA) addressed the press on the Afghan banking and economic scenario and made a proposal to then Da Afghanistan Bank (DAB) and the Government for establishment of Debt Receiving Tribunal and Debt Recovery Appellate. Ten national and international television channels (Aina, Ariana, Arzu, BBC, Khurshid, Radio Television of Afghanistan Millie, Noor, Shamshad, Tolo and 1TV) participated in the conference. During the conference Mr. Khorieshi also responded to the questions raised by media:

Q1. How is the condition of banks with no Cabinet of Ministers in place?

A1. The banks are in good condition with sufficient liquidity.

Q2. How is the election taking place in ABA?

A2. Every two years there is an elections in presence of all banks and five members are elected by the ABA General Assembly and then among the board one chairman and two vice chairmen are elected.

Q3. What about three state banks which are going to be merge?

A3. Ministry of Finance has proposed the merger of three state banks, and the presidential palace has approved the merger subsequently.

Q4. Any update on the correspondent banking relation issues.

A4. There are still issues in correspondence but we are hopeful, that the new cabinet can help the commercial banks in this regards.



ABA Meeting with Its Member Banks' Marketing Material on 3th Access to Finance Exhibition

In 2012 Afghanistan Banks Association (ABA) initiated the Access to Finance (A2F) Exhibition to connect banks and other financial institutions, with enterprises looking to source finance in order to grow their business. The A2F Exhibition is organized by ABA with support from the United States Agency for international Development (USAID) FAIDA Project.

The 2nd A2F Exhibition was built on the success of the inaugural A2F Exhibition held during October 2-3, 2012.

On January 13, 2015 ABA organized a meeting with its Member banks marketing managers on 3rd access to finance exhibition to be held in 2nd quarter of 2015.

The following participants attended the meeting. During the meeting the followings issues were discussed.

- a. Presentation on A2F in past years (2012& 2013)
- b. Booths/sponsorships by member banks (2015)
- c. Participants from member banks, for inauguration ceremony, Workshops and booths

Mr. Zakir Rahimi, FAIDA Event Manager explained Access to Finance events of 2012-2013 and its major objectives, participants, exhibitors, sponsorships package, booths, workshop, achievements and its impact on Afghanistan banks/MFIs. Moreover he mentioned that ABA-FAIDA plans to conduct 3th Access to Finance Exhibition under name of A Strong and Inclusive Financial Sector in first quarter of 2015. On the other hand, Mr. Amiri ABA Deputy Executive Director appreciated FAIDA/USAID support for development of Afghanistan financial sector and also stated to the member banks the value and significance of the event. Mr. Amiri encourage ABA member banks to take active part in the exhibition in terms of sponsorship/participation in workshops and reserving booth. Consequently, it was agreed in the meeting that ABA member banks marketing managers should share the issue with their management and nominate their specific nominees for the inauguration, workshop and booth. At the end it is also decided that ABA will have a follow up meeting with marketing managers of ABA member banks after ABA finalized the sponsorship package and Booth registration and agreements.



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Other News Highlights

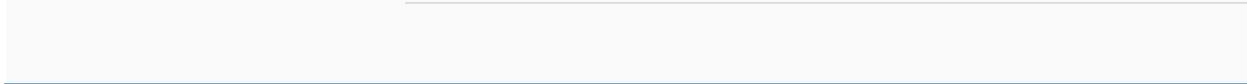
ABA Access to Finance Business to Bank Roundtable, Jalalabad

Afghanistan Banks Association (ABA) with support from USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) project organized a two-day ABA-Access to Finance Business to Bank Roundtable event in Nangarhar province on January 21-22, 2014.

The roundtable specifically targeted the enterprises functioning in Nangarhar Province of Afghanistan by facilitating access to finance through linking them with banks and Microfinance Institutions (MFIs) in the area. The roundtable provided the enterprises with the opportunity to exchange viewpoints in identifying challenges and opportunities in improving their productivity, and access to finance. Invitees included public and private sector representatives who are involved in production, services, trade and financing activities.

Outcome of the event:

89 businesses from different sectors, and 11 banks, MFIs, mobile network operators (AWCC, Etisalat, and Roshan), and insurance companies attended this event. As a result, 12 potential concept notes, totaling \$280,000 in potential loans were identified and will be submitted to lenders for financing.



ABA-International Fund for Agricultural Development (IFAD) Meeting:

On January 21, 2015, Dr. Rauno Zander IFAD's Financial Systems and Institutions Consultant and Mr. Sayed Usman Roshan, IFAD's Senior Rural Microfinance Specialist met with ABA's Finance and Admin Manager, Mr. Najibullah Amiri, Research Analyst, Mr. Edress Alimy and Member Services Coordinator, Mr. Naveed Hadawal. Dr. Zander mentioned that IFAD is proposing to support agriculture value chains and would like to have collaboration with ABA member banks to get knowledge on agriculture financing, credit risk, loan guarantees, marketing, opportunities and threats in the field. ABA suggested IFAD to send their request specifying the exact support IFAD needs from ABA and its member banks.

