

# ABA E-Newsletter

## Online Public Credit Registry Launch Ceremony

Recently Da Afghanistan Bank (DAB) has taken crucial steps toward strengthening the banking sector of Afghanistan. The establishment of online public credit registry (PCR) system is one of them. In the opening ceremony at DAB on December 16, 2013, first phase of online PCR system, with the support from World Bank and Harakat, was formally launched to reduce risk, promote healthy competition and ensure greater transparency. In his opening speech, Mr. Khan Afzal Hadawal, DAB First Deputy Governor mentioned that public credit registry is a safe system for financial institutions, commercial banks, telecom companies, and other financial service providers to get on-time and accurate information about their credits. He added that this system will shorten credit procedures and financial institutions may not depend on the manual information from other financial institutions which is a time taking process. He further added that the implementation of this system will improve access to finance, reduce cost by automation of process and promote risk management practices in the country. PCR information will be available online through a specific web address to financial institutions, insurance companies, DAB, telecom companies, judicial institutions, and other PCR operators. The implementation of PCR system will improve Afghanistan's ranking in World Bank DBI report.

Mr. Khalil Sediq, Afghanistan Banks Association (ABA) Chairman highlighted that the PCR system will effectively help banks by having an accurate and on-time access to the reputational collateral of their borrowers. Previously, most of the banks needed to know borrowing companies in person. Some banks relied on third party intelligence to identify the borrowers but, after the launch of this system, banks will select their borrowers by their credit history and reputational collateral. Mr. Nisar Ahmad Yousafzai, Director General Public Credit Registry said that no system was available in the country to record and analyze information on credit. The new system is introduced to further strengthen banking system by having access to PCR online. He added that its a crucial step toward financial sector growth and development. He also added that all commercial banks should apply the system and in case of any violation of DAB laws, banks and financial institutions will be fined



Online PCR Launch Ceremony, Governor Hall, Da Afghanistan Bank- December 16, 2013

## New Kabul Bank Privatization Process

Ministry of Finance held New Kabul Bank (NKB) Bid Submission Press Conference on December 16, 2013. The event was held as part of the privatization process of the NKB. Two foreign companies namely Crow Capital and CBGI submitted their bids to the bidding committee. Mr. Noorullah Delawari, DAB Governor highlighted that NKB privatization process was announced in September 2013 at national and international level through different media outlets, where four companies showed their interested. But today [Monday] December 16, 2013, two foreign companies namely Crow Capital and CBGI officially took part in the bidding process and submitted their offers to the bidding committee. He said a technical committee comprised of authorized members from the NKB, DAB and Ministry of Finance will evaluate the offers and the outcome of the bidding process will be announced in a couple of weeks. He further added that the evaluation committee will check the financial and technical capabilities of the bidders.

Muhammad Aqa Kohistani, Director General Treasury at Ministry of Finance said that the NKB privatization process was properly overseen by the commissioned committee. While providing more details on the process, he said that early four companies registered their names to take part in the process but later two companies withdrew before submitting their bids. He said that after announcement of the winning bidder and approval from the Council of Ministers, the NKB will be formally handed over to the new owner in May 2014.

On December 28, 2013, Ministry of Finance officially announced Crow Capital as a winner with the bidding amount of USD 28.5 million by receiving 80 percent marks in technical evaluation. On the other hand, CBGI with the bidding amount of USD 21 million received 76 marks in technical evaluation. Ministry of Finance officials confirmed that the final decision on handing over NKB to Crow Capital will be taken by Ministers' Council.



Event: NKB Bid Submission Press Conference  
Venue: Khyber Hall, Ministry of Finance  
Date: December 16, 2013



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## Access to Finance (A2F) Business to Banks Roundtables

ABA with the support from USAID's Financial Access for Investing in the Development of Afghanistan (FAIDA) Project continues to link its member banks and entrepreneurs throughout Afghanistan. Two days Business to Banks Roundtables were organized in the provinces of Baghlan, Takhar and Bamyan during November 2013 with the aim of facilitating the banking industry credit offering for business expansion and exchanging views on the regulatory environment for businesses as a whole.

## Baghlan Business to Bank Roundtable

During November 17-18, 2013, a roundtable between banks and businesses was held in Pul-e-khumri city of Baghlan province. 60 businesses have participated from manufacturing, trade, and services sectors of the economy. The program was attended by number of government directorates in Baghlan province including the directorate of DAB. Five ABA member banks namely Afghanistan International Bank (AIB), Azizi Bank, First Microfinance Bank (FMFB), Ghazanfar Bank and Maiwand Bank provided detailed presentations on their products and services. In addition to banks, two microfinance institutions-Islamic Investment and Finance Cooperative Group (IIFCG) and Oxus Afghanistan have also presented their products to the businesses. Through business to banks matchmaking sessions, 5 concept notes have been drafted.



Event: A2F Business to Banks Round-tables  
Venue: Pule Khumri, Baghlan  
Date: November 17-18, 2013



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## Takhar Business to Bank Roundtable

During November 20-21, 2013, A business to banks roundtable was organized and held in Taloqan city of Takhar province. Around 55 businesses including five banks and financial institutions attended the roundtable. Azizi Bank, Bakhtar Bank, FMFB, Oxus, Maiwand Bank and Ghazanfar Bank actively participated at the event and round tables. The event purpose was to facilitate linkages and mutual understating between banks/MFIs and businesses in order to get benefit from each other and develop/expand their businesses further. Mr. Abdul Rashid Rasoli, Takhar Directors of Economic Affairs, Ms. Razm Ara Hawash, Director of Women Affairs and Mr. Mustafa Rasoly, Director of Sectoral Services participated and had opening speeches at the event. Five concept notes are going to be drafted from the discussion between financial institutions and businesses. The roundtable will be helpful in generating 30 new jobs.



Event: A2F Business to Banks Round-tables  
Venue: Sameer Waleed Guest House, Mazar  
Date: November 20-21, 2013



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Venue: Sameer Waleed Guest House, Mazar  
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## Bamyan Business to Bank Roundtable

A two days Business to Banks Roundtable was organized in Bamyan province of Afghanistan to introduce its businessmen with loan facilitation opportunities, sector development through contract farming best practices and round table discussions. The roundtable provided the enterprises' representatives a platform to interact with each other and exchange ideas in identifying challenges and opportunities in improving production, linking to markets and finance. In this event 52 business men and women (35 female and 17 male) including public and private sector representatives engaged in multi sector trading, production, export and financing activities.

The round table was specifically targeting the enterprises function in Bamyan and Daikundi by facilitating them credit mechanism, contract farming, business concept notes, financial statements and mobile money. The main objectives were to improve access to finance for the enterprises in Bamyan and Daikundi provinces through facilitation of targeted discussions and meetings between relevant stakeholders, link enterprises with the financial institutions and develop enterprises' technical skill requirement. GOIRA Officials including Ms. Fatima Kazimy, Director of Economic Affairs and Mr. Mohammad Naeem, Commerce Manager participated in the opening ceremony. The Roundtable participant institutions included Azizi Bank, Agriculture Development Fund (ADF), First Microfinance Bank (FMFB) and Islamic Investment and Finance Cooperative Group (IIFCG) .



Event: A2F Business to Banks Roundtable  
Venue: Bamyan, Afghanistan  
Date: November 20-12, 2013



Event: A2f Business to Banks Roundtable  
Venue: Bamyan, Afghanistan  
Date: November20-21, 2013

## News Highlights

### The Banker Award 2012 & 2013

The Banker Magazine of Financial Times (FT) declared Afghanistan International Bank (AIB) as a best bank in Afghanistan for second year in succession at the Banker Award Ceremony in London on November 28, 2013. Mr. Khalil Sediq, ABA Chairman and CEO AIB accepted the award on behalf of AIB.



## **ABA Hires Member Service Coordinator**

Mr. Muhammad Naveed Hadawal joined Afghanistan Banks Association as Member Banks Services Coordinator on December 14, 2013. Mr. M.Naveed Hadawal has a strong banking background both in Afghan local banks and international banks, highly acclaimed and accomplished banker with six years solid progressive history promoting substantial profitability and growth of many private banks and lending institutions in Afghanistan. Mr. Hadawal managed start ups and built sales divisions from the ground up, achieved record number of management promotions. Responsible and highly organized with great sense for scrutinizing details in all financial transactions. Mr. Hadawal will be primarily responsible for the implementation of ABA communication strategy.



Mr. Naveed Hadawal, ABA Member Services Coordinator

## **ABA Hires Research Analyst**

Mr. Mohammad Edrees Alimy joined ABA as Research Analyst on November 9, 2013. He was born in Kunduz, Afghanistan in 1986. He has completed High School in Takhar province, BA literature from Kabul University and Master of Commerce (M.Com) from Allahabad University, India. Before going to India, he worked as Finance Assistant in Shaheen Brothers Trading Company and Finance Officer in Parwaz Microfinance. After completion of M.Com, he worked with New Kabul Bank (NKB) as Internal Audit Officer and Operation Risk Officer for 2 years. Mr. Alimy will be mainly contributing to the ABA monthly, quarterly and yearly publications.



Mr. Edrees Alimy, ABA Research Analyst