

**Workshop on Islamic Finance in the National Accounts**  
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# Afghanistan Islamic Banking Service

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# Economical Information

|                                |         |
|--------------------------------|---------|
| GDP base year                  | 2002-03 |
| GDP in US\$ (Mn) 2016-17(1395) | 20312   |
| GDP Growth Rate %              | 3.6     |
| Annual exchange rate Afg/US\$  | 67.6    |
| Population (Mn)                | 29.2    |
| GDP/Capita (US\$)              | 696     |
| CPI Growth rate                | 7.2     |

# Sectorial Contribution of GDP

|                 |      |
|-----------------|------|
| □ Industry      | 21.1 |
| □ Agriculture   | 23.0 |
| □ Services      | 51.6 |
| □ Tax on Import | 4.2  |

# National Accounts Statistical Framework

- ❑ Since 2002, The GDP estimates are compiled broadly follows the concepts, definitions, and classifications of the SNA 1993, as far as the basic data availability permit.
- ❑ The GDP estimates are constructed in Afghanis (Afs) in both current and constant from 1381 (2002-03) prices.
- ❑ Currently the CSO is compiling GDP estimates by economic activities at current and constant prices and by expenditure categories at current prices.
- ❑ Recently CSO decided to have quarterly GDP since the first Quarter 1395 (2016/17)

# Islamic Banking in Afghanistan

Islamic banking was introduced in Afghanistan between 2008 and 2009. The first draft banking law was prepared by Da Afghanistan Bank (Central Bank of Afghanistan) Da Afghanistan Bank established the Islamic banking section that operates under the technical support of the Shariah Council consisted up of famous religious scholars from Afghanistan as well from some other countries.

Islamic banking windows in Afghanistan:

1. New Kabul Bank
2. Afghan Bank Mille
3. Afghan United Bank
4. Maiwand Bank
5. Ghazanfar Bank
6. Afghanistan International Bank
7. Azizi Bank

# Challenges

There are many challenges in Afghanistan's Islamic banking sector which include the following:

- Lack of public awareness about banking services
- Lack of knowledge and human capacity
- Lack of Shariah consensus among Ulema and Scholars
- Lack of Shariah Scholars' understanding of Islamic principals
- Un-availability of Islamic Insurance
- Lack of decision makers attention and support
- Lack of capital investment

# Research on Islamic Banking in Afghanistan.

To find out customers' satisfaction and their awareness about Islamic banking and its products a research has been made by Mr. SAMEER AHMAD MASTOOR from Ministry of Finance Afghanistan and a commercial bank "Maiwand Bank" has been selected for the research.

## Main Objective of the Research

- ❑ To know which Type of Islamic banking products is offered to Customers through banking institutions in Afghanistan
- ❑ To find out customers views and satisfaction on Islamic banking products
- ❑ To find out how banking institution are applying these product in accordance with Shariah principles in order to achieve their goal.

# Maiwand Bank's IFS Products

Basically Maiwand Bank has following types of Accounts and Products:

- Alwadiha Account (Current Account)
- Musharaka Account
- Mudarabah
- Murabahah



# Researcher Findings

- Absence of Shariah audits in financial institution
- Lack of qualified Shariah supervisory board members in bank
- Lack of research and development in the field of Islamic finance and economics
- Inadequate training for Islamic banking division staff
- lack of public awareness about an Islamic economic system
- No Islamic Banking Guild lines from Gov.
- Some useful recommendation has been offered in short and long terms.
- If there is any interested in the report, the research report will be shared by request.

- Afghanistan CSO's National Accounts is in contact to the central bank on this issue. But figures according to Islamic banking have not been calculated, so far
- Presently, we are in a process of revising the whole system.
- This will include introducing the FISIM concept as well as Islamic banking product.

### Expectation from the workshop

- To learn more about IFS and its recording in NA
- To learn how recording IFS complies with FISIM
- To learn from other countries how they deal with this issue
- To sharing of participants experiences

**Thank you**