



Da Afghanistan Bank

Monetary Policy Department

Monthly Report

January 2019

Executive Summary

The report provides a brief analysis, evaluation and progress of the current macroeconomic indicators, and updates on the financial stability in Afghanistan during the month under review. This report is prepared based on the compilation of the monetary and financial data collected from major departments of the Da Afghanistan Bank (DAB). The report incorporates macro-data from Monetary Sector, External Sector, Real Sector, Fiscal sector, and financial data from Payments and Financial Supervision Departments.

From the beginning of the year up to end of FY1398 (2019), growth of Reserve Money (RM) has been under the target ceiling and has been recorded at Af 271804.93 million. The target ceiling for end of jaddi month was Af 274045.08 million, while the actual amount on the mentioned date stood at Af 248742.87 million. This figure represents Af 25302.21 million decline from the target ceiling showing a negative growth of 8.5 percent.

During the fiscal year of 1398 (2019), DAB has auctioned a total amount of USD 242.28 million through open market operations, and has collected Af 18.26 Billion from the market. These operations have fulfilled 70.39 percent of the total demand for currency (especially the US dollar) in the market.

Observing the data, Headline inflation decreased in the month of December 2018. Observing the data, headline inflation decreased to 0.75 percent from 1.11 percent (year over year).

The overall balance of payments account for the Q3 of the FY 1397 recorded a deficit of USD 734.86 million up from a deficit of USD 519.48 million recorded in the Q3 of the FY 1396. Current account deficit increased by 21 percent in the Q3 of the FY 1397, as compared to the Q3 of the FY 1396, mainly due to increasing out-payments on respect of service account, decreasing official grant to the government sector (current transfers) and a slightly increase 1 percent in the expenditure of imports.

The total revenue (domestic revenue plus external aids) reached to AFN66.79 billion in December of FY 2018 from AFN41.00 billion in November of the same year, which shows AFN25.79 billion or 62.91% increase in total revenue for the month of December. Domestic Revenue for the month of December FY 2018 was AFN 23.11 billion lower than AFN 23.49 billion in the month of November FY 2018, which shows AFN 0.39 billion (-1.65%) decrease in the month of December. On the other hand, total revenue reached to AFN 398.12 billion in FY 2018.

The total assets of the banking sector posted a 0.09 percent YOY decrease, reaching Af 300.27 billion at end of Jan, 2019 as compared to Af 300.57 billion in Jan, 2018. Total assets decreased by 5.21 percent over the previous month, mostly coming from cash in vault and claims on DAB, interbank claims and investments.

The gross loan portfolio of the banking sector registered YOY increase of 6.50 percent and currently stands at Af 42.02 billion. The increase is mainly as a result of issuance of new loans and increase in USD rate. Total gross loans showed an increase of 1.41 points mostly attributed to issuance of new loans and OD utilization over the previous month.

Total Deposits comprising of customer and interbank deposits, the main source of funding in the banking sector presented 0.87 percent YOY increase, currently standing at Af 257.53 billion

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1. Monetary Sector

1.1 Reserve Money (RM) and Currency in Circulation (CiC) growth Report

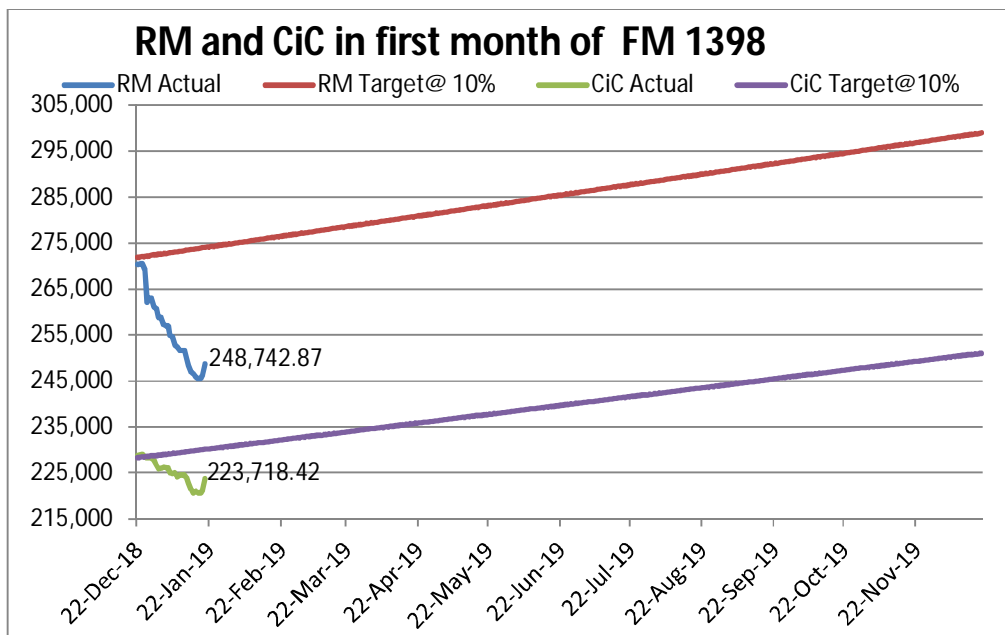
Monetary Policy department develops monetary policies of Da Afghanistan Bank in consideration to the country's economic situation, through the main and effective channels of money demand, government's fiscal program (income and expense), economic growth outlook, and general price level in the country. Therefore, DAB, in official agreements with the IMF, has respectively set the Reserve Money (RM) and Currency in Circulation (CiC) as its operational and indicative targets for 2019, and growth for these indicators is set 10 percent for this year.

From the beginning of the year up to end of FY1398 (2019), growth of Reserve Money (RM) has been under the target ceiling and has been recorded at Af 271804.93 million. The target ceiling for end of jaddi month was Af 274045.08 million, while the actual amount on the mentioned date stood at Af 248742.87 million. This figure represents Af 25302.21 million decline from the target ceiling showing a negative growth of 8.5 percent.

In addition, Da Afghanistan Bank could successfully manage the currency in circulation (CiC)

from starting of FY1398 (2019) to end of jaddi, growth of currency in circulation (CiC) has been under the target ceiling and has been recorded at Af 230086.40 million in end of jaddi month, while the actual amount on the mentioned date stood at Af 223718.42 million. This figure represents Af 6367.98 million decline from the target ceiling showing a negative growth of 2 percent

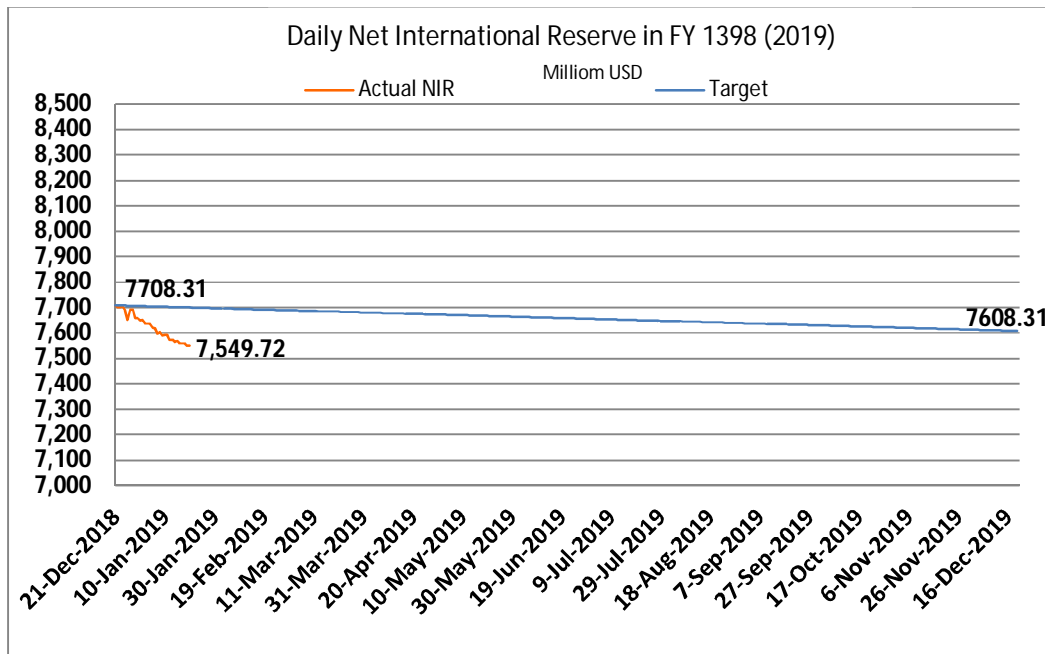
The following chart shows the RM and CiC during FY 1398 (2019)



1.2 Net International Reserve

Accumulation of Net International Reserves (NIR), which is known as a main macroeconomic indicator of the national economy, is one of the biggest achievements in the country's financial system. NIR accumulation, with no doubt, has significant direct impacts on better implementation of monetary policies as well as on managing macroeconomic indicators such as exchange rate, inflation and balance of payment stability.

At the beginning of FY2019, Afghanistan's NIR was USD 7708.58 million, but has decreased to USD 7549.72 million by end of jaddi month, which shows USD 158.87 million decreased. NIR growth is presented in the following chart.



Source: Open Market Operations/Monetary Policy Departments

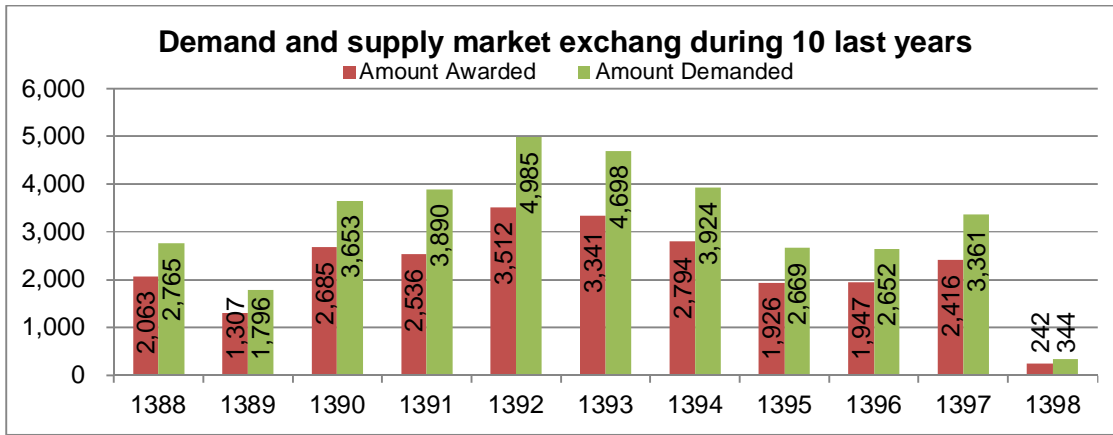
1.3 Foreign Exchange and Capital Notes auction

In order to control the liquidity, money supply and mitigate excessive Af exchange rate fluctuations in the economy, DAB manages reserve money growth close to its sited ceiling by conducting USD auctions three times in a week, and weekly capital notes auctions, which are the two instruments used through open market operations.

Foreign Exchange Auction

During the fiscal year of 1398 (2019), DAB has auctioned a total amount of USD 242.28 million through open market operations, and has collected Af 18.26 Billion from the market. These operations have fulfilled 70.39 percent of the total demand for currency (especially the US dollar) in the market

The Figure 1.3 illustrates the foreign exchange demand and supply during the last 10 years.



Source: Market Operations/Monetary Policy Departments

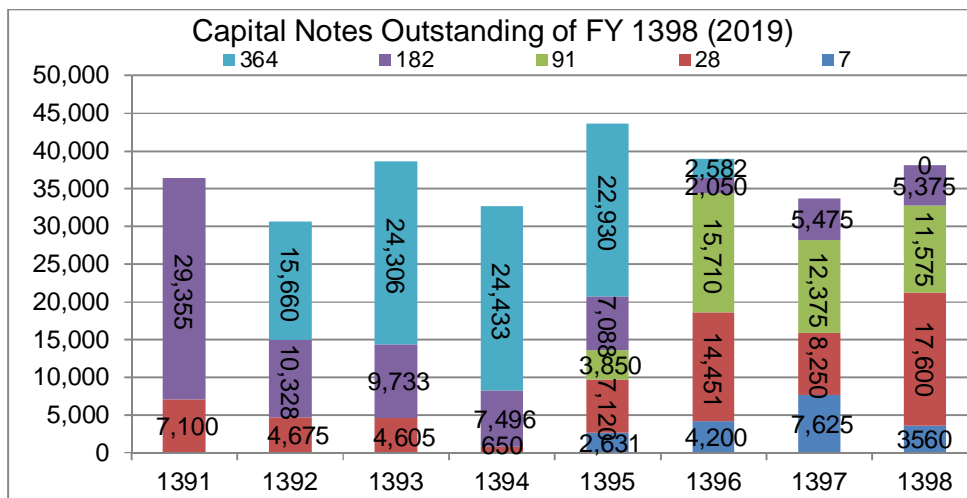
Capital Note Auction (Interest rate bidding)

DAB uses capital notes auction as its secondary tool to manage liquidity in the market and mop up the excess liquidity from the banking sector, establish and vindicate secondary markets for securities, maintain price stability, diversify monetary policy instruments, and motivate commercial banks to attract Afghani denominated deposits.

Considering the current economic situation in the country, Da Afghanistan Bank has gradually reducing auctions of 182 and 364 day capital notes as well as their interest rates in order to encourage investment and increase peoples' access to finance. Lower interest rates on these notes will facilitate the issuance of banking credits to the public with simple requirements and low interest.

The total outstanding of capital notes reached Af 38.11 billion in end of jaddi. The total interest paid for the mentioned notes reached Af 9.7 million end of jaddi.

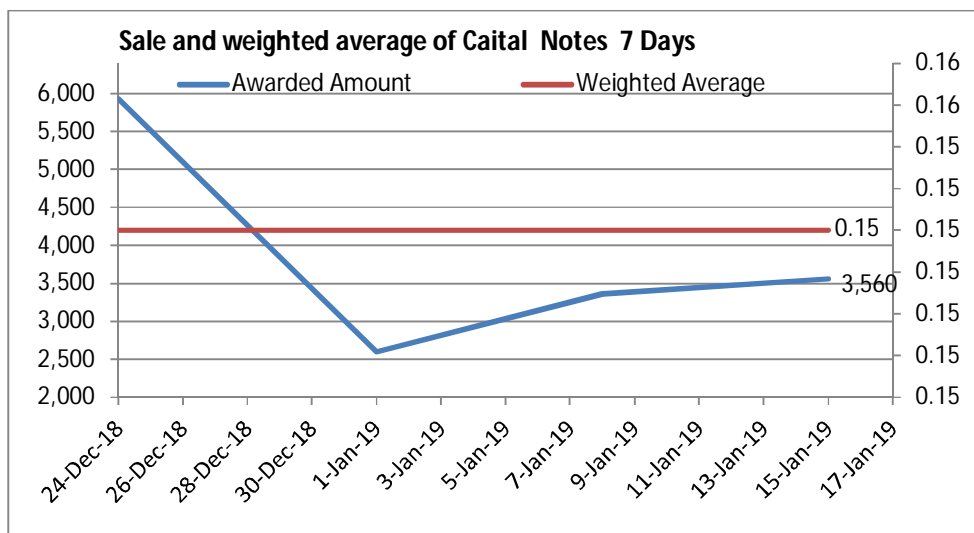
The Figure 1.4 illustrates the Capital Notes Outstanding at end of jaddi FY 1398.



Source: Market Operations/Monetary Policy Departments

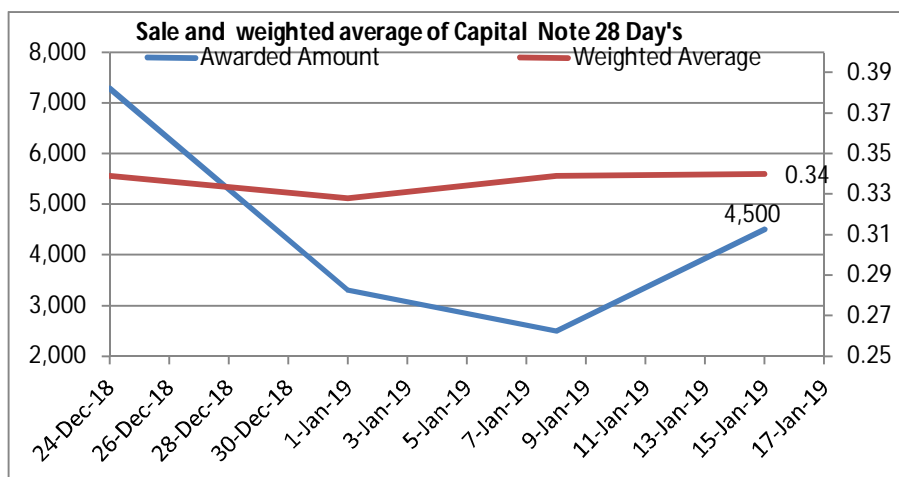
7 day Capital Notes

The total amount of 7 days capital notes auction reached Af 3.56 billion with average interest rate of 0.15 percent. The outstanding of these notes was Af 3.56 billion for the mentioned period.



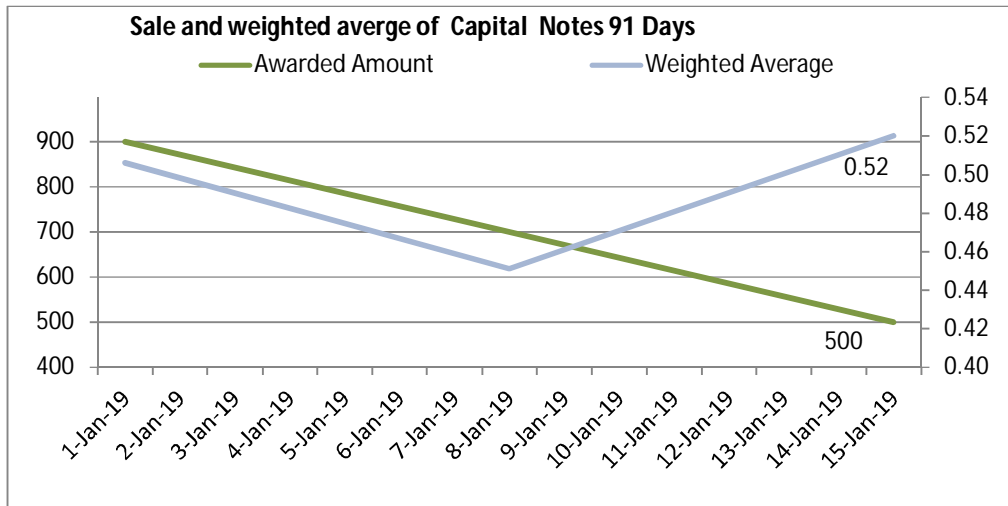
28 days Capital Notes

During the reviewed period, a total amount of 28 days capital notes auction is recorded Af 4.5 billion with average interest rate of 0.34 percent and outstanding amount of Af 17.6 billion.



91 days Capital Notes

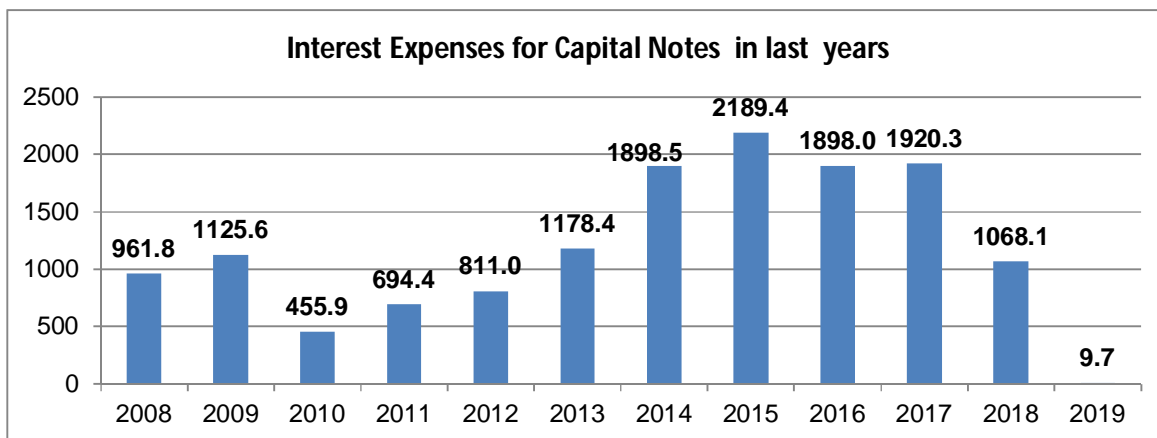
DAB's 91 days capital note auction during this reporting period stood at Af 0.5 billion with average interest rate of 0.52 percent and total outstanding of Af 11.57 billion.



Note : Capital Notes 182 and 364 days have not been auctioned during the reporting period.

Interest Expenses

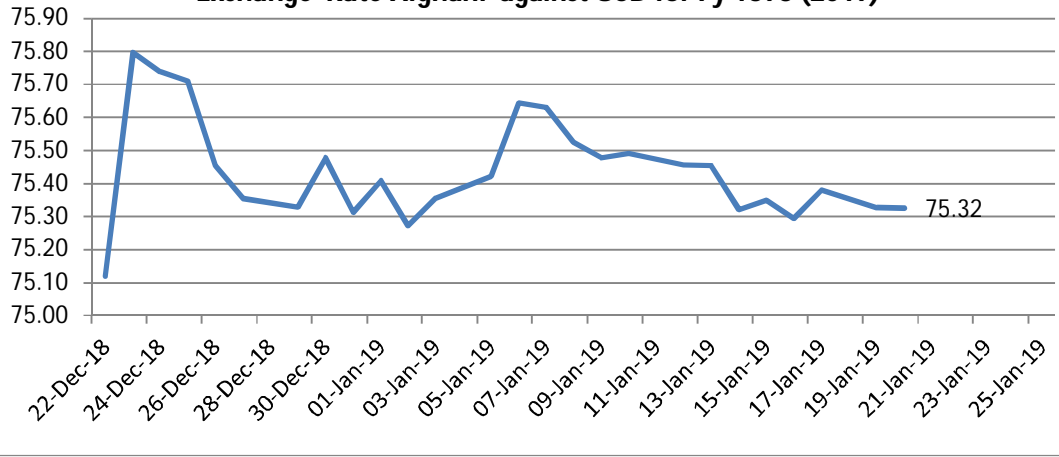
DAB paid interest for Capital Notes during of 12 years the figure of below illustrated



1.5 Exchange Rate

Central bank does not target the exchange rate in the market. However, considering its significant effects on other macroeconomic indicators, DAB closely monitors exchange rate behavior to prevent its severe fluctuations. Observing the data, the Afghani exchange rate has recorded some fluctuations against major currencies of the world during of Jaddi , Afghani has appreciated by 0.49 percent, and has been exchanged at Af 75.43 per USD on average of jaddi (January) and also exchange rate has receded 75.32 Af at the end of jaddi .

Exchange Rate Afghani against USD for Fy 1398 (2019)



	FY 1396					FY 1397					FY 1398
	Jaddi	Hoot	Jawza	Sunbula	Qaws	Jaddi	Hoot	Jawza	Sunbula	Qaws	Jaddi
Reserve Money (%)	-0.03		0.01	0.045	0.065	-1		3	4	6	10
Actual Reserve Money (%)		-6	-1	0.47	10		-6	-8	-10	-2	-8.5
RM Target	249,317.69	244,281.00	254,354.40	265,687.00	282,056.40	276,318.05	276,318.10	276,318.10	290,360.45	309,476.20	274,045.08
RM Actual	236,013.52	236,238.90	250,743.10	253,258.80	276,318.10	257,727.70	260,389.70	253,771.80	293,168.93	271,804.90	248,742.87
CIc Target	221,363.46	216,987.60	225,931.60	235,897.40	250,431.40	228,685.19	228,685.20	228,685.20	242,631.24	256,127.40	230,086.40
CIc Actual	212,041.88	210,051.90	218,245.90	222,635.80	228,685.20	220,951.79	215,734.30	226,589.30	225,276.63	228,205.60	223,718.42
NIR Target	6,832.99	6,849.66	6,874.66	6,899.66	6,924.66	7,333.85	7,301.44	7,250.34	7,402.80	7,550.34	7,700.34
Actual NIR	6,839.15	6,818.26	6,834.16	7,237.26	7,350.34	7,248.40	7,349.43	7,499.33	7,549.36	7,708.59	7,549.72
Outstanding Amount	41,075.30	41,292.30	39,802.50	41,570.00	38,993.00	30,501.00	19,443.00	37,960.00	39,515.00	33,725.00	38,110.00
Required Reserve (Af)	18,422.24	18,846.76	18,718.50	8,045.30	7,357.48	7,518.26	6,148.91	6,140.47	6,136.46	4,625.81	6,370.12
Required Reserve (Euro)	-	-	-	19.96	23.21	23.04	23.41	22.81	22.98	21.63	20.79
Required Reserve (USD)	-	-	-	188.37	207.85	216.42	222.87	214.12	224.31	219.70	223.27

2. Real Sector

2.1 Real Sector

Consumer Price Index (CPI) in Afghanistan is divided into two main groups: Food Items, accounting for 47.8 percent of total CPI and Non-Food Item making up the remaining 52.2 percent. The most important components in food item, which may put significant impacts on the overall inflation, are: bread and cereals (14.6 percent), meat (7.5 percent), milk, cheese and eggs (4.7percent) and oil and fats (4.6 percent). The non-food item is mainly composed of: housing (19.1 percent), clothing (4.6 percent), household goods (11.9 percent), transportation (4.3 percent), and health (6.2 percent).

Headline inflation decreased in the month of December 2018. Observing the data, headline inflation decreased to 0.75 percent from 1.11 percent (year over year). This decrease is caused by lower price of non-food items. Core measure of inflation when measured based on 30% trimmed mean increased to 1.93 percent, while it was calculated 1.48 percent in the previous month.

Table 1.1. Headline Inflation (Nov18-Dec 18)

	Y-on-Y		M-to-M	
	Nov	Dec	Nov	Dec
National CPI				
Headline	1.11	0.75	0.65	0.16
<i>Food</i>	-0.53	-0.30	0.71	0.88
<i>Non-Food</i>	2.67	1.76	0.61	-0.51
<i>CPI ex. B&C, O&F, and T</i>	-0.52	-0.82	0.60	0.28
<i>Trimmed Mean</i>	1.48	1.93		
Kabul CPI				
Headline	1.79	1.38	0.40	-0.40
<i>Food</i>	-0.39	0.66	0.25	1.05
<i>Non-Food</i>	3.19	1.85	0.50	-1.31

2.1.1 Food Inflation

The trend toward inflation in food items turned upward in December 2018. Food and beverages items weighted for 47.8 percent of the overall index. Food inflation In December 2018, when measured on the

year over year basis, increased to -0.30 percent compared to -0.53 percent calculated in the previous month. This increase is in line with higher prices of meat, oil and fats, fresh and dried fruits, sugar and sweets, spices and non-alcoholic beverages. Price of the remaining items decreased from the previous month's values.

Table 2.2. Food Inflation(Nov18-Dec18)

Items	Weight	Y-on-Y		M-to-M	
		Nov	Dec	Nov	Dec
Food and Beverages	47.8	-0.53	-0.30	0.71	0.88
<i>Bread and Cereals</i>	14.6	8.46	8.17	1.32	0.00
<i>Meat</i>	7.5	0.79	1.68	-0.58	0.80
<i>Milk, cheese and eggs</i>	4.7	2.10	1.26	1.50	0.38
<i>Oils and fats</i>	4.6	-2.60	-2.47	-1.14	0.10
<i>Fresh and dried fruits</i>	5.0	-3.04	1.01	-0.13	2.88
<i>Vegetables</i>	6.0	-17.87	-19.00	1.23	3.25
<i>Sugar and sweets</i>	2.7	-1.76	-1.62	1.33	-0.03
<i>Spices</i>	1.3	-5.23	-2.27	4.40	1.40
<i>Non-alcoholic beverages</i>	1.4	4.33	4.49	0.76	-0.24

Sourced: Afghanistan Bank and/NSIA

2.1.2 Non-Food Inflation

Inflation in non-food item exhibited downward trend in the month of December 2018. On the year over year basis, non-food inflation declined to 1.76 percent from 2.67 percent observed in the previous month. This deflationary pressure on this item came from lower price of housing, furnishing and household goods, transportation; communication, information and culture, education and miscellaneous. In the meantime, price of tobacco, clothing, health, and restaurant and hotels increased during the review period.

Table 2.3. Non-Food Inflation (Nov18-Dec18)

	Weight	Y-on-Y		M-to-M	
		Nov	Dec	Nov	Dec
Non-Food	52.2	2.67	1.76	0.61	-0.51
<i>Tobacco</i>	0.3	5.98	6.34	0.73	-0.02
<i>Clothing</i>	4.6	2.41	4.18	0.68	2.33
<i>Housing,</i>	19.1	0.74	-1.39	0.18	-1.67
<i>Furnishing and household goods</i>	11.9	4.18	3.75	1.46	-0.06
<i>Health</i>	6.2	1.29	1.60	0.49	0.51
<i>Transportation</i>	4.3	10.82	8.74	1.16	-1.42
<i>Communication</i>	1.7	-0.92	-1.70	-1.58	-0.61
<i>Information and Culture</i>	1.1	-0.38	-0.90	-0.84	-0.42
<i>Education</i>	0.4	6.53	6.40	1.56	0.24
<i>Restaurants and Hotels</i>	1.1	2.18	2.51	0.11	0.50
<i>Miscellaneous</i>	1.4	2.45	1.40	0.70	-0.94

2.2 Core Inflation

One of the most common methods of core inflation is **trimmed mean**. This measure is defined for a particular part of the CPI, and is calculated by taking the simple average of the index after excluding the targeted components. During December 2018, trimmed mean (30 % of CPI) slightly increased to 1.93 percent (year over year) from 1.48 percent observed in the previous month.

Another core measure of inflation is the CPI excluding **bread and cereals, oils and fats, and transportation**, which decreased to -0.82 percent compared to -0.52 percent recorded in the previous month. Similarly, inflation by this measure decreased on month to month basis to 0.28 percent from 0.60 percent.

Core Measures(Year over Year)		
Indicators	November	December
30% Trimmed Mean	1.48	1.93
CPI ex. B&C,O&F and T	-0.52	-0.82

Source: *Da Afghanistan Bank and/NSIA*

3. EXTERNAL SECTOR REPORT

3.1 Current account balance

Current account deficit increased by 21 percent in the Q3 of the FY 1397, as compared to the Q3 of the FY 1396, mainly due to increasing out-payments on respect of service account, decreasing official grant to the government sector (current transfers) and a slightly increase 1 percent in the expenditure of imports.

3.1.1 Goods Account

The value of total imports of goods increased slightly by 1 percent to USD 1,650.51 million in the Q3 of the FY 1397 from USD 1,626.12 million in the Q3 1396.

The value of total exports of goods increased by 4 percent to USD 261.88 million in the Q3 of the FY 1397 from USD 251.37 million recorded in the Q3 of the FY 1396.

Main drivers of increasing Imports in the Q3 – 1397 are:

- ✓ Electricity Increased to USD 63 m from USD 61m
- ✓ Petroleum oil etc Increased to USD 251.34m from USD 225.33m
- ✓ Spare parts and machinery Increased to USD 202.71m from USD 137.14m
- ✓ Fabrics Increased to USD 140.16m from USD 93.05m
- ✓ Tire and tubes Increased to USD 34.67m from USD 19.33m
- ✓ Tea Increased to USD 46.91m from USD 41.33m
- ✓ Cigarettes Increased to USD 19.67m from USD 15.60m
- ✓ Stationary Increased to USD 16.92m from USD 12.71m

• Main drivers of increasing exporting in the Q3 – 1397 are:

- ✓ Cotton Increased to USD 4.25m from USD 0.03m
- ✓ Wool and Animal Hair Increased to USD 4.14m from 0.1m

✓	Karakul Skin	Increased to USD 4.08 from almost 1m
✓	Saffron	Increased to USD 4.48m from USD 1m
✓	Unspecified	Increased to USD 94.93m from USD55.47m

3.1.2 Service Account

Services account net deficit decreased by 12 percent to USD 180.09 million in the Q3 of the FY 1397 from USD 205.19 million recorded in the Q3 of the FY 1396, mainly due to increasing receipts from some services implemented by residents to non-residents such as:

- Receipts from **Construction services**, which increased to USD 27.13 million in the Q3 of the FY 1397 from USD 12.36 million recorded in the Q3 of the FY 1396.
- Receipts from **Telecommunication, services** which increased to USD 21.78 million in the Q3 of the FY 1397 from USD 14 million recorded in the Q3 of the FY 1396.

3.1.3 Primary income account

Net primary income account shows an increase of 376 percent to USD 91.53 million in the Q3 of the FY 1397 from USD 19.25 million recorded in the Q3 of the FY 1396.

- Compensation of employee increased to USD 60.84 million in the Q3 of the FY 1397 from USD 0.64 million in the Q3 of the FY 1396.
- Investment income increased to USD 30.68 million in the Q3 of the FY 1397 from USD 18.60 million recorded in the Q3 of the FY 1396.

3.1.4 Secondary Income Account

Secondary income account shows a decreased of 36 percent to USD 467.41 million in the Q3 of the FY 1397 from USD 727.09 million recorded in the Q3 of the FY 1396.

- **Current transfers**; net current transfers to the Afghan government decreased by 38 percent to USD 411.58m in the Q3 of the FY 1397 from USD 659.61 million recorded in the Q3 of the FY1396.
- **Worker remittances (Net)** show an increase of 25 percent to USD 95.42 million in the Q3 of the FY 1397 from USD 76.53 million recorded in the Q3 of the FY 1396.

3.2 Capital account balance

Capital account of the balance of payments shows a decline of 15 percent to USD 461.96 million in the Q3 of the FY 1397 from USD 541.96 million recorded in the Q3 of the FY 1396, as a result of lower inward of capital transfers (capital grants) to the government sector.(Off and on budget).

3.3 Financial account balance

Financial account (net) decreased by 18 percent to USD 187 million in the Q3 of the FY 1397 from USD 227.8 million in the Q3 of the FY 1396.

3.3.1 Direct investment (Net):

Direct investment outflows (assets abroad), increased by 244 percent to USD 12.36 million in the Q3 of the FY 1397 from USD 3.59 million in the Q3 of the FY 1396.

Direct investment inflows (liabilities) increased by 82 percent to USD 24.38 million in the Q3 of the FY 1397 from USD 13.39 million recorded in the Q3 of the FY 1396.

- **Portfolio Investment (net):** increased to USD 24.37 million in the Q3 of the FY 1397 from USD -11.57 million in the Q3 of the FY1396.
- **Other Investment (Net):** increased from USD -127.93 million in the Q3 of the FY 1396 to USD 85.09 million in the Q3 of the FY 1397.

Reserve Assets.

Reserve Assets decreased by 70 percent to USD 114.34 million in the Q3 of the FY 1397 from 384.32 million recorded in the Q3 of the FY 1396.

Balance of Payments in (million USD)

Items / Years	Q1- 96	Q2- 96	Q3 - 96	Q4 - 96	Q1- 97	Q2- 97	Q3- 97	%change
Current Account	- 1137.3 1	- 1476.3 1	- 833.60	- 1171.3 8	- 1349.2 2	- 922.86	- 1009.7 7	21%
<i>Credit</i>	736.93	772.01	1111.0 0	1072.0 0	870.14	1070.9 4	1059.4 1	-5%
<i>Debit</i>	1874.2 4	2248.3 1	1944.6 0	2243.3 8	2219.3 6	1993.8 0	2069.1 8	6%
Goods and Services Account	- 1608.6 2	- 1983.2 5	- 1579.9 4	- 1844.8 8	- 1865.8 7	- 1579.0 3	- 1568.7 1	-1%
<i>Credit</i>	213.70	230.54	334.67	368.78	320.49	363.70	438.06	31%
<i>Debit</i>	1822.3 2	2213.7 9	1914.6 1	2213.6 7	2186.3 6	1942.7 3	2006.7 7	5%
Goods Account	- 1462.7	- 1804.2	- 1374.7	- 1611.7	- 1669.0	- 1501.2	- 1388.6	1%

	4	7	5	8	2	8	2	
<i>Credit</i>	115.06	124.17	251.37	293.36	172.45	146.81	261.88	4%
<i>Debit</i>	1577.8 0	1928.4 4	1626.1 2	1905.1 5	1841.4 7	1648.1 0	1650.5 1	1%
Services Account	- 145.88	- 178.98	- 205.19	- 233.10	- 196.85	-77.75	- 180.09	-12%
<i>Credit</i>	98.64	106.37	83.30	75.42	148.03	216.89	176.18	111%
<i>Debit</i>	244.52	285.35	288.49	308.52	344.89	294.63	356.27	23%
Primary Income Account	17.17	34.91	19.25	24.79	21.78	43.22	91.53	376%
<i>Credit</i>	32.13	47.18	30.77	37.13	32.23	54.75	102.22	232%
<i>Debit</i>	14.96	12.27	11.52	12.34	10.45	11.52	10.69	-7%
Secondary Income Account	454.13	472.03	727.09	648.71	494.87	612.95	467.41	-36%
<i>Credit</i>	491.09	494.28	745.56	666.08	517.43	652.49	519.13	-30%
<i>Debit</i>	36.96	22.25	18.47	17.38	22.56	39.55	51.72	180%
Current transfers	432.51	422.42	659.61	566.00	414.48	538.13	411.58	-38%
Workers' remittances	50.40	55.16	76.53	86.79	91.92	96.60	95.42	25%
<i>Credit</i>	58.49	71.81	85.38	97.02	102.94	114.36	107.55	26%
<i>Debit</i>	8.08	16.65	8.84	10.24	11.02	17.76	12.13	37%
Capital and financial account	226.10	441.52	314.13	326.81	21.62	211.83	274.92	-12%
Capital account	222.08	415.02	541.96	554.39	40.49	206.88	461.96	-15%
<i>Credit</i>	222.08	415.02	541.96	554.39	40.49	206.88	461.96	-15%
<i>Debit</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Capital transfers	222.08	415.02	541.96	554.39	40.49	206.88	461.96	-15%
<i>Credit</i>	222.08	415.02	541.96	554.39	40.49	206.88	461.96	-15%
<i>Debit</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Financial account	-4.0	-26.5	227.8	227.58	18.88	-4.95	187.05	-18%
Direct investment	-11.19	-20.44	-16.98	-13.73	-31.58	-40.85	-36.74	116%
Net acquisition of financial assets	-3.09	-3.27	-3.59	-0.84	3.78	3.78	-12.36	244%
Net incurrence of liabilities	8.10	17.16	13.39	12.89	35.36	44.63	24.38	82%
Portfolio	36.62	-30.15	-11.57	-24.01	-54.02	18.22	24.37	-311%

investment								
Net acquisition of financial assets	36.62	-30.15	-11.57	-24.01	-54.02	18.22	24.37	-311%
Net incurrence of liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other investment	12.37	25.59	- 127.93	58.54	109.68	57.55	85.09	-167%
Assets	33.16	5.36	-100.29	97.74	80.56	44.98	69.33	-169%
Liabilities	20.79	-20.23	27.64	39.20	-29.11	-12.57	-15.75	-157%
Reserve Assets	-41.83	-1.50	384.32	206.77	-5.20	-39.88	114.34	-70%
Net errors and omissions	911.21	1034.79	519.48	844.57	1327.60	711.02	734.86	41%

4. Fiscal Sector

The key objective in the fiscal area is to achieve sustained increase in revenue collection to permit gradual takeover of externally financed operating & development spending to ensure an expenditure allocation consistent with Afghanistan National Development Strategy (ANDS). Furthermore, other goals include improvements in public expenditure management, fiscal policy formulation and reformation, efficiency in public enterprises, tax and customs administration.

In addition, like other emerging and under developing economies around the world, in Afghanistan also budget imbalance (Budget Deficit) exists, where total core expenditures exceed total revenue (excluding grants).

In Fiscal Year 2018 total core budget is decreased to AFN377.19 billion from AFN 429.41 billion in FY 2017, which shows a total of AFN52.22 billion or 12.16 % decrease in total core budget on annual basis.

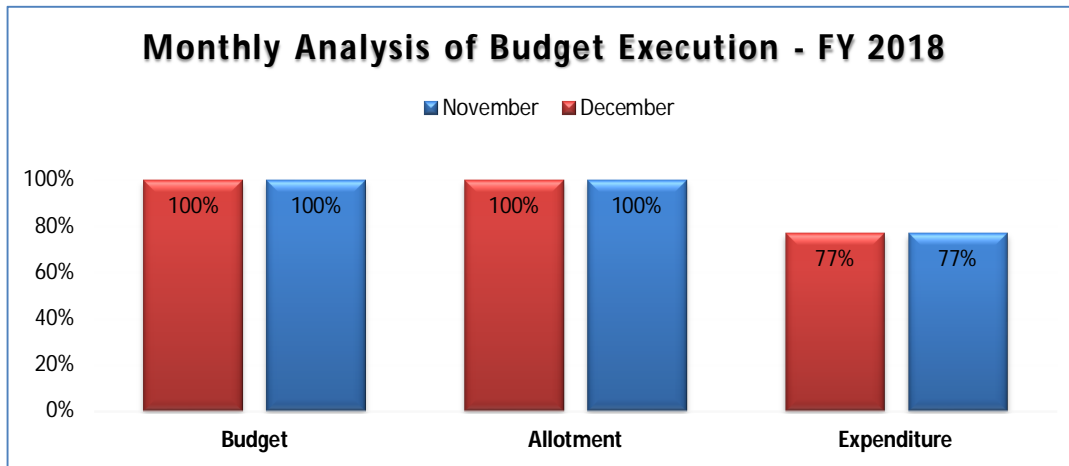
Budget execution rate remained same in the month of December as it was in previous month of FY 2018 according to the latest data which we have in hand, where total actual expenditures (core budget) reached 77% execution rate, which was constituted 73.2% and 78% execution rates for operating budget and development budget respectively from the approved Budget.

Likewise, total revenue (domestic revenue plus external aids) reached to AFN66.79 billion in December of FY 2018 from AFN41.00 billion in November of the same year, which shows AFN25.79 billion or 62.91% increase in total revenue for the month of December. Domestic Revenue for the month of December FY 2018 was AFN 23.11 billion lower than AFN 23.49 billion in the month of November FY 2018, which shows AFN 0.39 billion (-1.65%) decrease in the month of December. On the other hand, total revenue reached to AFN 398.12 billion in FY 2018.

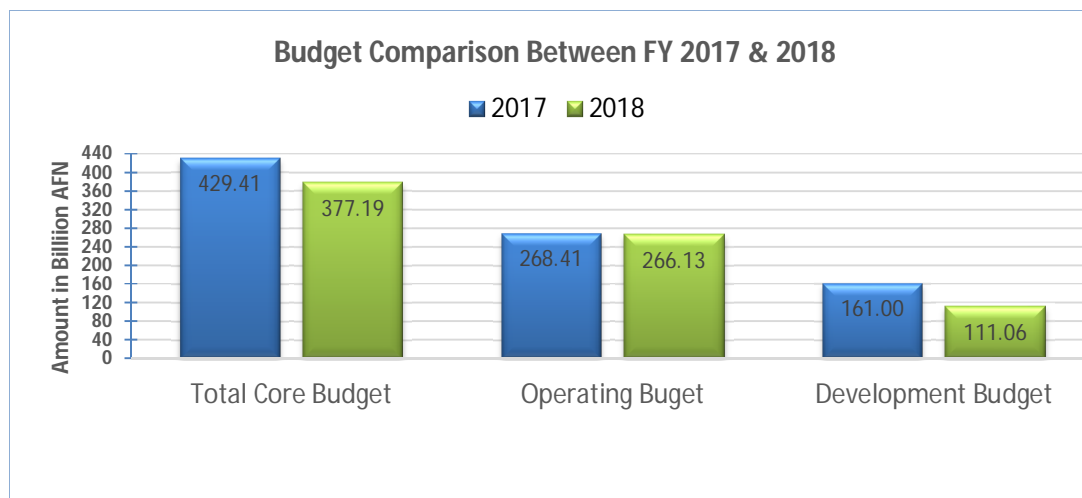
Donor contribution is also raised to AFN43.68 billion in December FY 2018 from AFN17.50 billion in November of the same year, which signifies AFN26.18 billion (149.59%) increase. Total donor contribution for Fiscal Year 2018 reached to AFN208.28 billion.

Total expenditures reached to AFN384.52 billion from the start till end of FY 2018. Meanwhile total expenditures in the month of December FY 2018 was AFN73.97 billion of which AFN40.89 billion and AFN33.09 billion were operating & development expenditures respectively. Total expenditures in the month of December FY 2018 (AFN73.97 billion) show an increase of AFN35.29 billion or 91.20%.

Description	November FY 2018	December FY 2018	FY 2018	Difference (between Nov & Dec)	Monthly Growth (%)
	Amount in Billion AFN				
Total Revenue	41.00	66.79	398.12	25.79	62.91 %
Domestic Revenue	23.49	23.11	189.84	- 0.39	- 1.65 %
Donor Contribution	17.50	42.68	208.28	26.18	149.59 %
Total Expenditure	38.69	73.97	384.52	35.29	91.20 %
Operating Expenditure	23.26	40.89	258.02	17.63	75.80 %
Development Expenditure	15.43	33.09	126.49	17.66	114.41 %



Source: MoF Reports/MPD Staffs Calculations



Source: MoF Reports/MPD Staffs Calculations

5. Swift and Payments

Report of(Outward) Transactions from 1/10/ 1397 up to 30/30/1397

Categories	Remmitter Parties	Message Type	USD	EUR	CHF	AED
A	Ministries	MT 103 ,700 & 910	13,659,485.68	1,518,451.00	-	0
B	Commercial Banks	202	75,959,245.96	716,000.00		
C	Da Afghanistan Bank	200	320,190,000.00	14,000,000.00		

Report of(Inward) Transactions fromfrom 1/10/ 1397 up to 30/10/1397

Categories	Beneficiary Parties	Message Type	USD	EUR	AED	GBP
A	Ministries	MT 103 ,700 & 910	33,126,729.85	2,903,918.89	4391479	-
B	Commercial Banks	202	29,911,399.85			
C	Da Afghanistan bank	200				

به ارزش IBRD به ارزش مجموعی (38275944.79) دلار امریکائی و همچنان دو معاله تبالوی FX Deal همچنان به تعداد 50 معامله تبادلوی 15724836.93 دلار نیز اجرا گردید است

6. Banking Sector

Executive Summary

As of end of Jaddi 1397 (Jan, 2019), the main baking sector data demonstrated a mixed picture in terms of growth as compared with the same month of the previous year (YOY). Total assets and equity capital decreased. While loans and deposits depicted YOY increases, which apart from the exchange rate

fluctuations can mainly be attributed to issuance of loans. Banking sector started the new fiscal year with profitability and Liquidity remained adequate. However the quality of loans still remains weak.

The total assets of the banking sector posted a 0.09 percent YOY decrease, reaching Af 300.27 billion at end of Jan, 2019 as compared to Af 300.57 billion in Jan, 2018. Total assets decreased by 5.21 percent over the previous month, mostly coming from cash in vault and claims on DAB, interbank claims and investments.

The gross loan portfolio of the banking sector registered YOY increase of 6.50 percent and currently stands at Af 42.02 billion. The increase is mainly as a result of issuance of new loans and increase in USD rate. Total gross loans showed an increase of 1.41 points mostly attributed to issuance of new loans and OD utilization over the previous month.

Total Deposits comprising of customer and interbank deposits, the main source of funding in the banking sector presented 0.87 percent YOY increase, currently standing at Af 257.53 billion. The increase in total deposits mainly came from the customer deposits and was mostly obvious in time and saving deposits. The above mentioned increase is attributed to appreciation in USD rate, while AF deposits and USD deposits were down in the mentioned period. Deposits posted a decrease of 5.93 points over the previous month mainly comes from customer demand and saving accounts.

The net equity position of the banking sector remained strong, though it decreased by 4.24 percent yoy basis and represents 11.42 percent of total assets. The decrease is mainly attributed to payment of cash dividends and getting in a receivership of a private bank.

The banking sector for the first month of fiscal year 1398 (Jan, 2019) earned Af 67 million net-profits against Af 121 million net-losses in the same preceding period (Jan, 2018). Resulting in ROA of 0.18 percent annualized compared to that of negative 0.47 percent annualized in Jan, 2018.

Liquidity and FX positions are in accordance with the ratios set by the central bank, except four banks that have violated the limits (± 40 percent for over all FX position and ± 20 percent on individual currency position) on overall and individual currency basis (USD and EURO long position).

The regulatory capital ratios of all banks except one bank are above the regulatory threshold (12% of RWA).

CAR (capital adequacy ratio) of the sector recorded at 25.75 percent against 30.38 percent in Jan, 2018 showing 4.63 percent decrease over the year.

Introduction

The banking sector in Afghanistan consists of 14 duly-licensed and permitted banking organizations: 3 relicensed state-owned banks, 7¹ private full-fledged banks Commercial banks, 1 private full-fledged Islamic Bank and 3 branches of foreign banks.

The number of banking facilities, all across the country is as follows:

Provided banking Facilities	No
Full Service Branches	203
Limited Service Branches	212
Automated Teller Machines (Type 22 Facility)	343
*Others (Type 21, 24, 25 Facility)	169
**Point of Sale (Type 23)	87
Total	1,014

Cards	No
Debit Card	524,799
Credit Card	2,002
ATM Card	227,737
Web surfer Cards	13,092
Pre-Paid Card	5,235
Master Card	1,942
Total	774,807

¹ As per the Supreme Council approval number 4 dated 12/04/1397, Afghan Commercial Bank (a private bank) is under receivership.

* Type 21 Facility: A loan origination facility where the proceeds of the loan are not disbursed

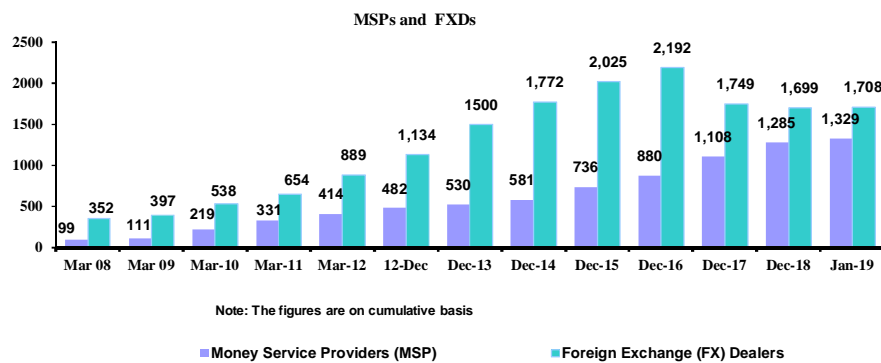
Type 24 Facility: A facility which only disburses cash, such as salaries to government and /or non-government employees, or other cash payments to bank customers

Type 25 Facility: A facility which only receives cash from the public for deposits into the account of a different person or legal entity (usually the embassy, hotel, etc.) and issues a receipt for the cash. this facility could be located on military base, or in a hotel, for example.

** Type 23 Facility: A facility which only receives cash from the public for deposit into the account of a different person or legal entity (usually the embassy, hotel, etc.) and issues a receipt for cash. This facility could be located on the military base, in an embassy, or in a hotel, for example.

The above-mentioned branch facilities are available in thirty three (33) provinces including the capital city Kabul. ATM services are available in 28 and Debit cards are available in 31 provinces, while credit cards are available in 6 provinces of the country.

In addition, on a cumulative basis, 1,329 licensed money service providers (MSP) and 1,708 licensed FX dealers are operating in the country. Of these 1,329 licensed MSPs, 270 are in Kabul, 780 are in provinces while 279 representatives of head offices are in Kabul and provinces. Of 1,708 licensed FX dealers, 388 are in Kabul, 1,315 are operating in provinces, and 5 representatives are active in provinces. Further details are given in the Graph No.1



Graph No.1

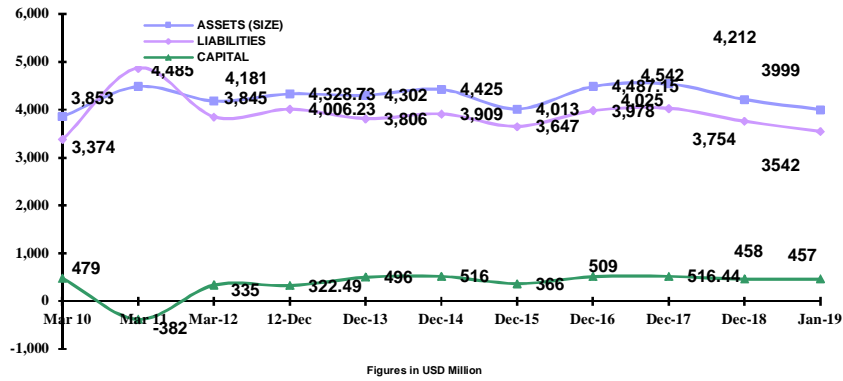
6.1 Total Assets

The total assets of the banking sector registered a 0.09 percent YOY decline, reaching Af 300.27 billion (USD 3.99 billion), against 2.81 percent growth in the same preceding period (Jan, 2018), amounted Af 300.57 billion (USD 4.38 billion). The above mentioned decline in the total assets can mainly be attributed to payment of cash dividends, getting in a receivership of a private bank and charge off of loans in the above mentioned period.

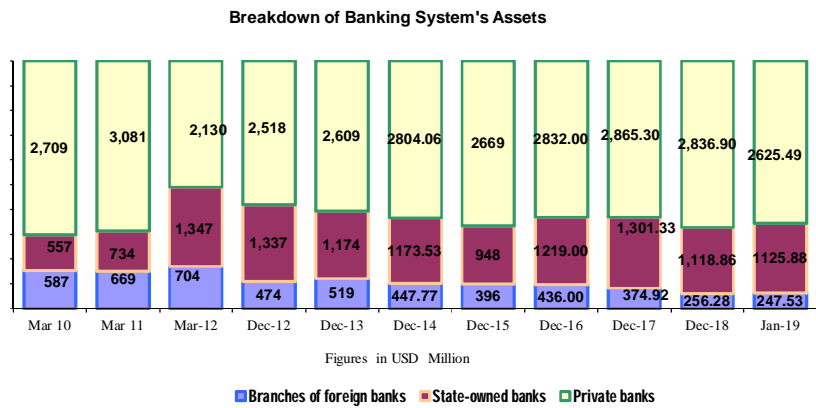
Breakup of total assets reveals that the decrease occurred in cash in vault and claims on DAB particularly in overnight deposits; showing the banking sector has channeled a part of the attracted funds to financial institutions, investments and loans.

Looking at the increase in total assets across the banking groups, the growth rate for the private banks, as a peer group, was the highest and increased by 2.97 percent; while state owned banks and branches of foreign banks registered 2.46 percent and 17.13 percent decline respectively in their asset base over the year. The percentage share of private banks in the system's total asset is reported to be 65.65

percent; state-owned banks with 28.15 points are at the second place while branches of foreign banks have 6.19 percentage shares in the system's total asset. Growth of assets of the banking sector from March 2010 to Jan, 2019 is depicted in graph No.2.



Graph No. 2



Graph No.3

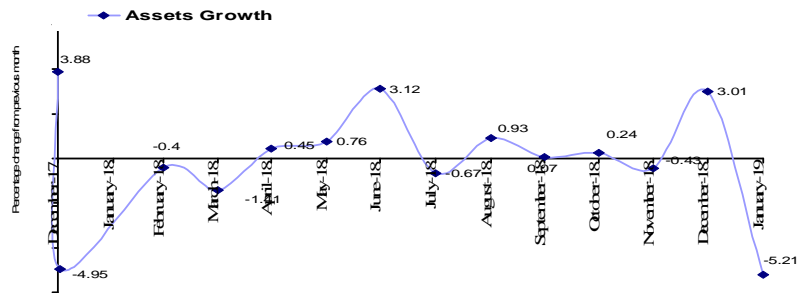
Assets of the Banking sector in descending order for the month of Jan, 2019			Size of Indv. Banks as % of Total Assets of the sector
Serial number	Names of Banks	Assets in million Af	
1	Afghanistan International Bank	70,216.27	23.38
2	Bank-e- Milli Afghan	43,691.98	14.55
3	Azizi Bank	37,066.86	12.34
4	Pashtany Bank	22,540.98	7.51
5	Maiwand Bank	19,371.84	6.45
6	Afghan United Bank	19,063.72	6.35
7	New Kabul Bank	18,309.47	6.10
8	Arian Bank	13,520.86	4.50
9	Islamic Bank of Afghanistan	13,425.72	4.47
10	Ghazanfar Bank	12,274.79	4.09
11	First Micro Finance Bank	12,208.30	4.07
12	Bank Alfalah Limited	12,028.33	4.00
13	National Bank of Pakistan	4,136.88	1.38
14	Habib Bank Limited	2,421.97	0.81
Total		300,277.97	100.00

6.1.1 Assets Growth

Total assets of the banking sector depicted a positive trend for the most part of the 2018, being highest in June and December 2018 coming mostly from increase in the interbank claims dominantly in USD, while touched the lowest point in Jan, 2018, which was mainly due to decrease in cash in vault and claims on DAB particularly in overnight deposits and capital notes.

For the month under analysis total assets recorded a decrease of 5.21 percent over the previous month, mostly coming from cash in vault and claims on DAB, interbank claims and investments.

For further details, the trend is shown in graph No. 4



Graph No.4

6.2. Loan Portfolio

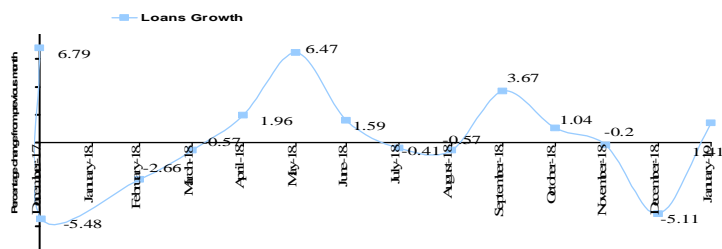
The gross loan portfolio of the banking sector recorded yoy increase of 6.50 percent, currently standing at Af 42.02 billion (USD 560 million), constituting 13.99 percent of the total assets, whereas it was Af 39.45 billion in Jan, 2018 comprising 13.13 percent of the total assets and was down by 2.48 percent on yoy basis. The increase in total gross loans is mainly attributed to issuance of new loans and increase in USD rates.

Out of this loan portfolio, total Afghani denominated loans recorded at Af 19.24 billion (USD 256 million), 46.22 percent of total Gross loans or 6.41 percent of total assets, showed a yoy increase of 46.59 percent, mostly attributed to issuance of new loans. While the US Dollar denominated loans are Af 22.66 billion (USD 302 million), 53.93 percent of total gross loans or 7.55 percent of total assets decreased by 13.66 percent yoy, mainly attributed to charge off of loans, settlement of loans and getting of a private bank in a receivership. Lending in Afghanistan is dominated by private banks, constituting 87.85 percent of total gross loans of the banking sector followed by state-owned banks with 11.07 percent, while the share of the branches of foreign banks is 1.06 percent.

6.2.1 Loans Growth

Total gross loans over the course of the 2018 mostly had a decreasing trend, mostly significant in Jan, and Dec, 2018 attributed to charge-offs and settlement of loans.

Total gross loans showed an increase of 1.41 percent over the previous month, mainly on account of issuance of new loans and OD utilization. For further information; the trend is shown in the graph No.



Graph No.5

Classification of total loan portfolio

Item amount in Af million	Jan, 2019	Dec, 2018	As %age of total gross loans	growth
Non-Performing Loans ²	4,051	3,694	9.64	9.66
Adversely Classified Loans(substandard, doubtful, Loss) ³	5,848	6,060	13.92	-3.49
Loans classified Watch ⁴	5,229	4,678	12.44	11.77
Loans Charged-off ⁵	6	711	0.01	-99.15

The quality of loan of the banking sector at the end of Jan, 2019 remains weak, making 9.64 percent of total gross loans and 13.35 percent of the regulatory capital, increased by Af 357 million over the last month attributed to one private bank in the sector. Out of 9.64 percent NPL, 7.54 percent (78.20 percent of total NPLs) is attributed to two banks. These two banks hold 37.07 percent of the system's gross loans and 10.67 percent of system's regulatory capital. While the net-NPL ratio of the banking sector recorded at 2.98 percent.

Group wise analysis show that out of Af 4.05 billion total NPLs, Af 3.85 billion NPL is coming from private banks making 9.17 percent of the total gross loans (95.17 percent of total NPLs) and Af 196 million is attributed to one state-owned bank constituting 0.47 percent of the total gross loans (4.83 percent of total NPLs).

Five banking institutions in total provided SME and Micro-Credit Loans.

² Defaulted assets and advances for which the principal and/or interest is due and remains outstanding for 121-480 days and more as per the assets classification and provision regulation- (Doubtful and Loss)

³ An asset for which the principal and /or interest remains outstanding for 61-120 days - (Substandard), ³ Defaulted assets and advances for which the principal and/or interest is due and remains outstanding for 121-480 days - (Doubtful), An asset for which the principal and /or interest remains outstanding for 481 or more days - (Loss) as per the assets classification and provisioning regulation

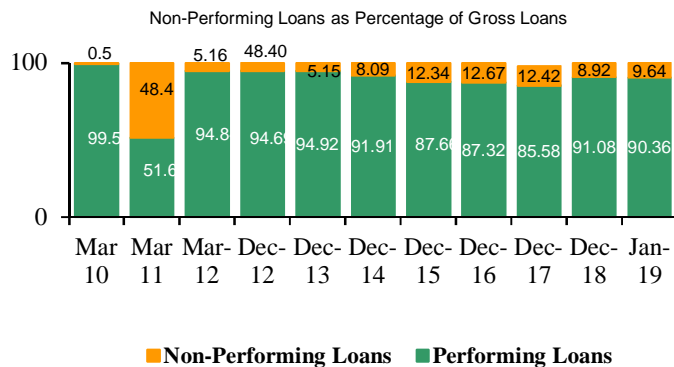
⁴ An assets for which the principal and/or interest remains outstanding due for 31-60 days as per the assets classification and provisioning regulation-(Watch)

⁵ Default assets and advances for which the principal and/or interest remains outstanding for 481 days or more days and retained on the books of banks for the period of 12 months (Loss), After 12 months they are immediately charged-off as per the assets classification and provisioning regulation-

Item amount in Af million	Dec, 2018	Sep, 2018	As %age of total gross loans	Q-O-Q growth
SME Loans	2,380	2,287	5.74	4.06
Microcredit Loans	4,983	4,941	12.03	0.85

Breakdown of Gross Loans as of Jan, 2019 (million Af)

State-owned Banks	4,653.92
Private Banks	36,918.63
Branches of foreign Banks	449.29
Total	42,021.84



Graph No.6

The sector wide and Province wide distribution of the banking sector's loan portfolio as of December 2018 and Jan, 2019 are given in the tables below.

The designation of Loans geographically and institutionally is not properly diversified, but it is expected that with time the distribution of loans will improve. It is desirable that all banks take active part in lending, so as to diversify lending services in country.

Sector wide Designation of Loans as of Dec, 2018

	Sectors	As %age of Total Loans
1	Commercial Real Estate and Construction	9.03%
	Construction and Buildings	9.03%
2	Infrastructure Projects	6.83%
	Power	0.48%
	Road and Railway	2.18%
	Dams	0.36%
	Mines	0.52%
	Other infrastructure projects	3.28%
3	Manufacturing and Industry	12.19%
	Manufacturing & Products of Metal wood plastic rubber leather paper	4.10%
	Manufacturing handmade and machine products	3.67%
	Cement and Construction Materials	4.42%
4	Trade	45.35%
	Textile	2.21%
	wholesale	3.62%
	Machineries	0.41%
	Petroleum and Lubricants	11.48%
	Spare parts	1.78%
	Electronics	3.21%
	Cement and other construction Material	5.14%
	Food Items	6.44%
	All other Items	7.92%
	Retail trading	3.13%

5	Service	20.54%
	Education	0.03%
	Hotel and Restaurant	2.16%
	Telecommunication	5.98%
	Ground Transportation	3.08%
	Air Transportation	1.21%
	Health and Hygienic	1.74%
	Media, Advertisements, Printer	1.28%
	All other Services	5.07%
6	Agriculture, Livestock and farms	4.16%
	Agriculture	0.30%
	Livestock and farming	3.86%
7	Consumer Loans	1.90%
8	Residential Mortgage Loans to Individuals	0.00%
9	All Other Loans	0.00%
	Total	100.00

Loans designated inside Afghanistan (Province wide designation of loans) Jan, 2019			
No.	Provinces	Loans in million Af	Expressed as % of Total Loans
1	Kabul	29,571.580	70.37
2	Balkh	4,305.744	10.25
3	Herat	3,292.208	7.84
4	Badghis	1,056.485	2.51
5	Kandahar	873.823	2.08
6	Badakhshan	524.114	1.25
7	Baghlan	514.192	1.22
8	Faryab	291.404	0.69
9	Saripul	276.328	0.66
10	Bamyan	269.980	0.64
11	Jawzjan	260.573	0.62
12	Takhar	224.103	0.53
13	Parwan	187.766	0.45
14	Nangarhar	170.331	0.41
15	Samangan	148.704	0.35
16	Kunduz	48.181	0.11
17	Other	6.320	0.02
	Total	42,021.836	100.00

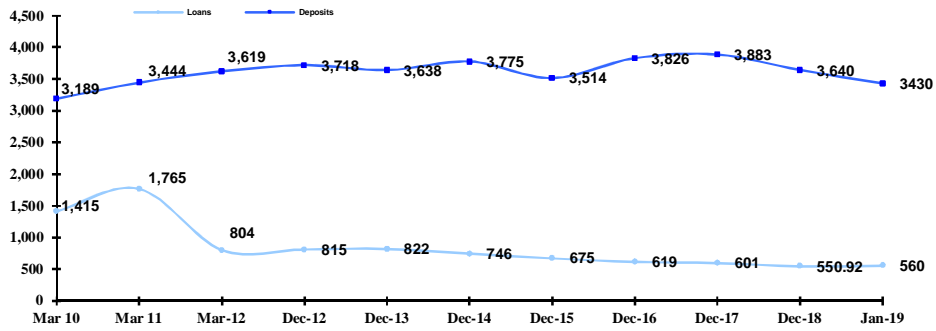
Outreach data of MISFA Partners as of Dec, 2018	
MISFA Partners	4
Provinces	14
Districts	81
Active clients	253,917

Active borrowers	135,130
No. of loans disbursed (cumulative)	1,301,081
Amount of loans disbursed, (cumulative) (AF Billion)	88.92
No. of loans outstanding	135,130
Gross loans outstanding, (AF Billion)	9.17
Client voluntary savings outstanding, (AF Billion)	2.57
Percentage of female clients	29.1
Women borrowers	46,582
Rural (Loans outstanding) (AF Billion)	1.84
Urban (Loans outstanding) (AF Billion)	7.33
Source:	www.misfa.org.AF

6.3 Total Deposit

Total deposits comprising of customer and interbank deposits, the main source of funding and the major component of liabilities, stand at Af 257.53 billion (USD 3.43 billion), making 96.82 percent of total liabilities, increased by 0.87 percent yoy basis, against Af 255.30 billion (USD 3.72 billion) with 3.44 percent growth in Jan, 2018. Out of this, deposits from customers stands at Af 252.21 billion (USD 3.35 billion) making 94.82 percent of the total deposits increased by 0.31 percent YOY basis. The increase in total deposits mainly came from the customer deposits and was mostly obvious in time and saving deposits. The above mentioned increase is attributed to appreciation in USD rate, while AF deposits and USD deposits were down in the mentioned period.

Af-denominated customer deposits of the banking sector are Af 72.14 billion (USD 961 million), or 28.60 percent of the total customer deposits, decreased by 3.91 percent, while the USD-denominated customer deposits of the banking sector stands at Af 162.61 billion (USD 2.16 billion), or 64.47 percent of total customer deposits increased by 3.94 percent, attributed to increase in USD rate. Private Banks have the highest percentage share in total deposits of the sector, standing at 66.99 percent followed by state-owned banks with 27.51 percent share, while the share of the branches of foreign banks was 5.49 percent. Graph No.7 depicts the trends in deposits and loans.



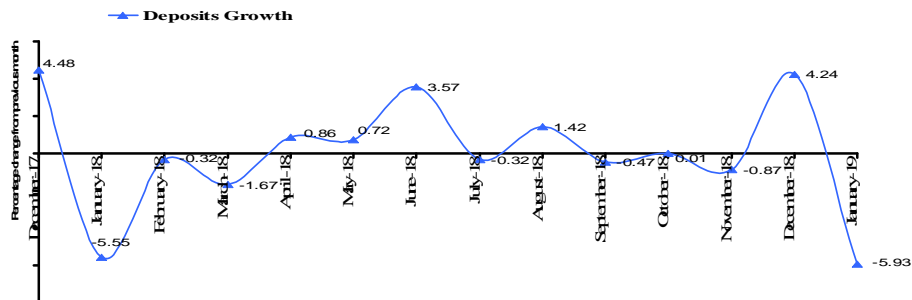
Figures in USD Million

Graph No.7

6.3.1 Deposits Growth

Deposits of the banking sector mostly had an increasing trend in 2018, touching the highest points in June and Dec, 2018 mainly ascribed to customer demand deposits.

The main source of funding in the banking sector showed a decrease of 5.93 points over the previous month. The decrease in total deposits mainly comes from customer demand and saving accounts over the previous month, while interbank deposits increased in the above mentioned period. The monthly trend is shown the graph No.8



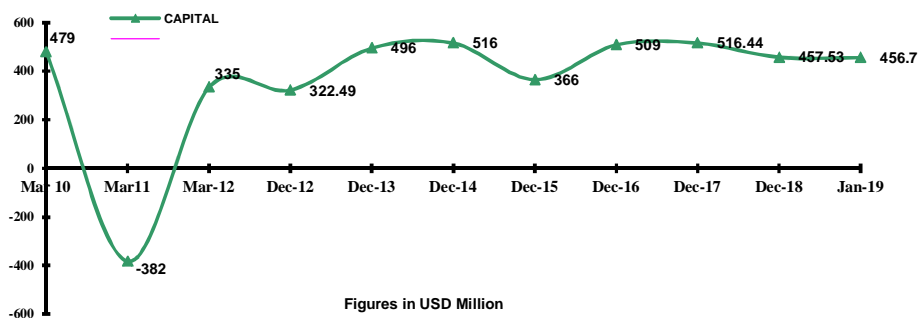
Graph No.8

Breakdown of Deposits by Type as Jan, 2019 (million Af)			
Item	Customer deposits	Interbank deposits	Total deposits
Demand	186,861.04	1,759.59	188,620.63
Time	16,569.78	3,561.93	20,131.71
Savings	48,779.67	6.21	48,785.88
Total	252,210.49	5,327.73	257,538.22

6.4 Total Capital

The banking sector is well capitalized, making 11.42 percent of total assets. The net equity position of the sector recorded at Af 34.29 billion (USD 456.70 million), decreased by 4.24 percent YOY, attributed to payment of cash dividends and getting in a receivership of a private bank. CAR of the sector recorded at 25.75 percent against 30.38 percent in Jan, 2018 showing 4.63 percent decrease over the year.

The regulatory capital ratios of all banks except one bank are above the minimum regulatory threshold (12% of RWA). The trend of the banking sector financial capital as described above is given in the graph No.9



Graph No.9

6.5 Profitability

6.5.1 Month – to – Month:

The banking sector earned Af 67 million net profits in the current month ending Jan, 2019, against Af 903 million net profits earned in Dec, 2018 showing a significant decrease over the month. Out of 14 duly-licensed commercial banks, seven banks ended with Af 171 million net-losses compared to Af 37 million net-losses incurred by one bank in Dec, 2018. The main factor towards the decrease in profitability of the banking sector in the current month is mainly attributed to decrease in non-interest income, net-interest income, and increase in credit provision, while operating and tax expenses decreased and FX gains increased.

The median for the spread between returns on loans and cost of funds, a measure of banks' operational efficiency recorded at 10.44 percent increased from 11.67 percent in Dec, 2018. Four banks fall below the median for the current month ending Jan, 2019. While for six banks the spread could not be calculated⁶.

⁶ Spread (difference between the weighted average interest on new loans and deposits) is calculated on monthly basis, so for the month if a bank does not have any new loans or new deposits or both, the spread would not be calculated for that bank or banks.

6.5.2 Banking sector Profitability on Cumulative basis: (Jan, 2019 – Jaddi, 1397)

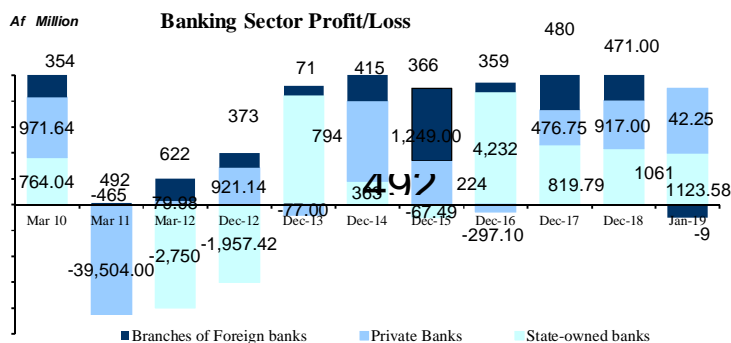
In terms of the profitability, on cumulative basis the banking sector recorded Af 67 million (USD 0.89 million) net profit for the first month of fiscal year 1398 (Jan, 2019) against Af 121 million net-losses recorded in the same period last year, showing an improvement over the year. Resulting in ROA⁷ of 0.18 percent annualized against negative 0.47 percent annualized in Jan, 2018.

The factors contributed towards the profitability of the banking sector in Jan, 2019 compared to Jan, 2018 was increase in net-interest income, non-interest income and FX gains, while credit provisions and operating expenses increased in the period under review. Group wise analysis reveals that State-Owned Banks (SOB), Private Banks (PB) ended Jan, 2019 with profits, while branches of foreign banks (BFB) ended with losses. See figure 10.

Major portion of the profitability of the banking sector is attributed to Private Banks standing at Af 42.25 million, 63.05 percent of the banking sector total net-profit with annualized ROA of 0.25 percent, State-Owned Banks net-profitability recorded at Af 33.15 million making 49.47 percent of the sector total net-profit with annualized ROA of 0.47 percent, while branches of foreign banks incurred Af 8.56 million net-losses with annualized ROA of negative 0.06 percent in Jan, 2019.

Seven banks incurred losses of Af 171 million, against Af 366 million losses in the previous period (Jan, 2018) with six banks at loss. On core income basis five

banks ended with losses against seven banks in the previous period. The trend of the banking sector net profit/loss is given in the graph below.



Graph No.10

⁷ ROA (Return On Assets)

6.6 Liquidity

Overall all banking institutions are above the set minimum for the broad liquidity ratio (**15 percent**) and the Quick Liquidity Ratio (**20 percent**). Broad liquidity ratio of the banking sector as a median stands at 77.45 percentage points against 67.20 percent in the preceding period (Jan, 2018), showing an increase of 10.25 points.

According to Dec, 2018 available data, concerning the concentration of the customer deposits the sector as a whole appears to be very concentrated in large deposits (deposits in accounts over Af 5 million) which makes up to 60.25 percent of total customer deposits and consists of 6,044 accounts. This could be judged as quite volatile. Moreover, the average size of these large deposit accounts is very high, though decreased to Af 616 million from Af 661 million in the previous quarter.

6.7 Open FX Position

All banking institutions are within the set regulatory threshold for overall open FX position (**± 40 percent**) and on an individual currency (**± 20 percent**) basis except for four banks, which have violated the limits on overall and on an individual currency basis (USD and EURO long position).

Total number of employees, borrowers, depositors and other-clients of the banking sector as of Dec, 2018, all across the country are as follow:

Particulars	No
Full-time Afghan Employees	9,345
Full-time Foreign Employees	77
Present Borrowers	72,454
Present Depositors	3,687,206
Other clients other than borrowers & depositors ⁸	7,389

⁸ Customers of the bank who have been issued bank guarantees, letters of credit, or any other types of guarantees and commitments