

RELEASE IN FULL

From: Abedin, Huma <AbedinH@state.gov>
Sent: Saturday, October 15, 2011 10:33 AM
To: H
Subject: Fw: Afghan lawmakers OK funds for Kabul Bank bailout (AP)

From: OpsNewsTicker
Sent: Saturday, October 15, 2011 09:44 AM
To: NEWS-Mahogany
Subject: Afghan lawmakers OK funds for Kabul Bank bailout (AP)

KABUL (AP) - Afghan lawmakers have agreed to reimburse the government for bailing out the Kabul Bank, which nearly collapsed last year.

The lower house on Saturday passed a bill to provide up to \$825 million over the next eight years to recapitalize Afghanistan's central bank.

The bank's troubles began after reports that top bank executives issued more than \$800 million worth of questionable loans to shareholders, Afghan officials and friends.

Finance Minister Omar Zakhilwal says he hopes Saturday's decision will lead the International Monetary Fund to extend Afghanistan a new line of credit.

Afghanistan has been without IMF backing for more than a year, threatening to choke off billions in aid to the country.

Zakhilwal says \$70 million worth of questionable loans has been recovered.

NewsTickers alert senior Department officials to breaking news. This item appears as it did in its original publication and does not contain analysis or commentary by Department sources.