



Main Financial Indicators of the Libyan Banks

2022



Research and Statistics Department



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Report of the most important financial data and indicators for banks, 2022

A summary of the banks' performance during 2022:

At the end of 2022, the banks' financial performance showed a number of evolutions compared to their performance in 2021, the update is as follows:

- The total assets of banks (excluding regular accounts) grew by 9.2%, increasing from 136.0 billion of LYD at the end of 2021 to about 148.5 billion of LYD at the end of 2022. The liquid assets (amounting to 99.1 billion of LYD) formed about 66.7% of the total Assets.
- The total deposits of banks (demand deposits and certificates of deposit) with the Central Bank, including the required reserve, decreased by 6.1%, dropping from 78.6 billion of LYD at the end of 2021 to 83.4 billion of LYD at the end of 2022. Of which the required reserves amounted to 20.4 billion of LYD.
- The total credit advanced by banks increased from 19.6 billion of LYD at the end of 2021 to 23.0 billion of LYD at the end of 2022, with a growth rate of 17.0%. The advanced loans and credit facilities accounted for 22.5% of total deposit liabilities, whereas they accounted for 15.5% of the total assets. The total loans advanced to the private sector at the end of 2022 amounted to 15.5 billion of LYD, this formed 67.6% of total loans and credit facilities advanced, while the total loans advanced to the public sector constituted the remaining 32.4%, which amounted to about 7.5 billion of LYD.
- The coverage ratio of the doubtful debts provision for the total loans and facilities advanced reached 16.8% in 2022, compared to 18.7% in 2021.
- Customers' deposits with banks increased by 10.8%, raising from 92.1 billion of LYD at the end of 2021, to reach 102.1 billion of LYD at the end of 2022. Demand deposits represented 81.7% of the total deposits, while time deposits including cash insurance



represented 17.9% of total deposits, whereas savings deposits represented the remaining portion, which was 0.3% of total deposits.

Regarding the distribution of these deposits, the private sector deposits amounted to 58.8 billion of LYD at the end of 2022, which was 57.6% of the total deposits, while the public and government sector deposits constituted the remaining 42.4%, which was 43.3 billion of LYD, of which 31.1 billion of LYD deposited by public sector companies and institutions, and about 12.2 billion of LYD was government deposits.

- Banks' total equity increased by 13.3%, raising from 7.5 billion of LYD at the end of 2021, to reach 8.6 billion of LYD at the end of 2022.
- During 2022, banks' profit decreased by 29.4% to reach 849.7 million of LYD, compared to what they were during 2021, which recorded about 1,176.9 million of LYD.
- The rate of return to total assets decreased during 2022 to record 0.6%, compared to about 0.9% in 2021, the was due to the lower profits during 2022.
- The banking system's total capital adequacy rate was about 15.7% at the end of 2022, lower than it was in 2021, which was about 16.6%. This was mainly due to the increase in the volume of risk-weighted assets, which grew at a higher rate than the growth in the capital base. It is generally higher than the percentage specified by the Central Bank and in line with the requirements of the Basel Committee (1).
- At the end of 2022, the number of banks operating in Libya and whose data are included in this report, were 20 banks (including the Libyan Dinar Unit at the Libyan Foreign Bank), these banks operate through 580 banking branches and agencies.



Main Financial Data of the Banks

"Millions of LYD"

Item	2021	2021	Change Rate %
Total Budget (Assets + Statutory Accounts)	181,612.8	192,445.3	6.0
Total Assets	135,977.2	148,529.9	9.2
Total Cash in Bank Vaults	2,871.5	2,239.2	22.0-
Total Deposits with the Central Bank	78,625.2	83,412.5	6.1
Total Deposits with Banks	766.6	619.2	19.2-
Total Deposits with the Libyan Foreign Bank	1,734.1	1,669.2	3.7-
Total Deposits with Correspondents Abroad	8,790.9	11,193.5	27.3
Total Clearing Accounts	6,041.0	7,034.7	16.4
Total Loans, Advances and Facilities	19,637.5	22,971.0	17.0
Total Investments	4,445.1	1,695.8	61.8-
Total Clients Deposits	92,113.7	102,052.7	10.8
Total Overdrafts with Correspondents Abroad	144.7	102.9	28.9-
Total Equity	7,578.7	8,586.7	13.3
Total Provisions	7,386.6	8,676.3	17.5
Profit for the Period	1,176.9	849.7	29.4-
Number of Branches and Agencies	565	580	2.3
Number of Employees	19,463	19,888	1.8
Financial indicators:			
Liquid Assets / Total Assets	%68.2	%66.7	-
Total Loans / Total Assets	%14.4	%15.5	-
Equity / Total Assets	%5.6	%5.8	-
Total Assets / Number of Branches (Millions of LYD)	242.0	258.3	-
Total Assets / Number of Employees (Millions of LYD)	7.0	7.5	-
Total Loans / Total Deposits	%21.3	%22.5	-
Total Profit/Assets %	%0.9	%0.6	-
Total Profit / Equity %	%15.5	%9.9	-



Deposits' Indicators of Banks

"Millions of LYD"

Item	2021	2022	Change Rate %
1- Government and Public Sector Deposits	36,811.6	43,276.9	17.6
- Government Deposits (Ministries and Institutions financed from the General Budget)	11,533.8	12,182.2	5.6
- Public Sector Deposits	25,277.9	31,094.8	23
2- Private Sector Deposits	55,302.0	58,775.8	6.3
- Individual Deposits	29,161.3	32,922.4	12.9
- Corporate and other Entities deposits	26,140.7	25,853.4	1.1-
Total Deposits	92,113.7	102,052.7	10.8
Demand Deposits	79,158.0	78,975.8	14.1
Times Deposits	18,677.4	18,890.1	2-
Saving Deposits	385.0	319.2	1.5-
Demand Deposits / Total Deposits %	%80.60	%80.40	-
Time Deposits / Total Deposits %	%19.00	%19.20	-
Savings Deposits / Total Deposits %	%0.40	%0.30	-
Total Deposits / Total Liabilities %	%69.00	%68.20	-

Indicators of Credit Advanced by Banks

"Millions of LYD"

Item	2021	2023	Change Rate %
1. Credit Advanced to the public sector	6,471.7	7,454.0	15.2
2- Credit Advanced to the private sector	13,165.8	15,516.9	17.9
Total Credit	19,637.5	22,971.0	17.0
Advances and overdrafts	4,618.6	4,166.2	-9.8
Murabaha Loans (including social advance balance)	4,819.3	7,015.4	45.6
Loans Advanced to other Economic Activities	10,199.6	11,789.4	15.6
Murabaha Loans / Total Credit %	24.5	30.5	-
Advances and Overdrafts / Total Credit %	23.5	18.1	-
Loans Advanced to other Activities / Total Credit %	51.9	51.3	-
Total Credit / Total Assets %	14.4	15.5	-
Total Credit / Total Deposits %	21.3	22.5	-

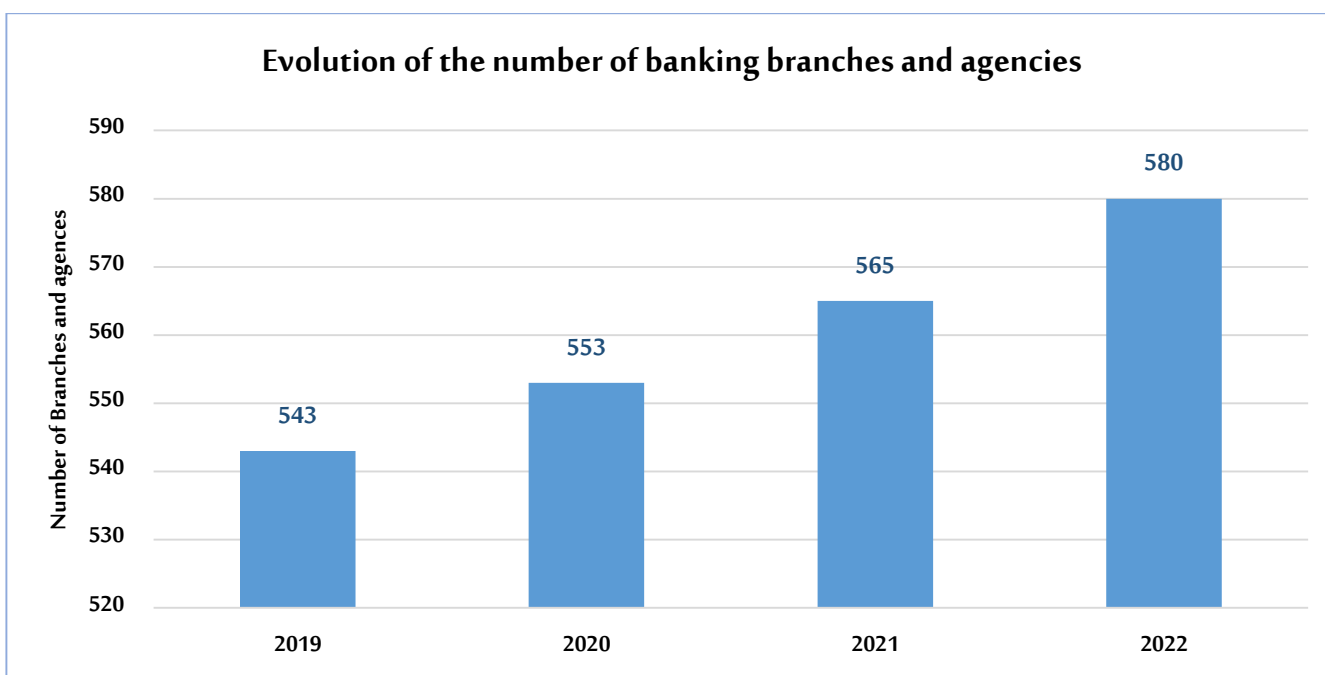


Banks' Branching:

At the end 2022, the number of banks operating in Libya and whose data are included in this report were 20 banks (including the Libyan Dinar unit at the Libyan Foreign Bank), these banks operate through 580 banking branches and agencies.

Evolution of the Number of Banking Branches, Agencies and Employees

End of	Number of Branches and agencies	Number of employees in the banking sector
2019	543	19,387
2020	553	19,565
2021	565	19,588
2022	580	19,815





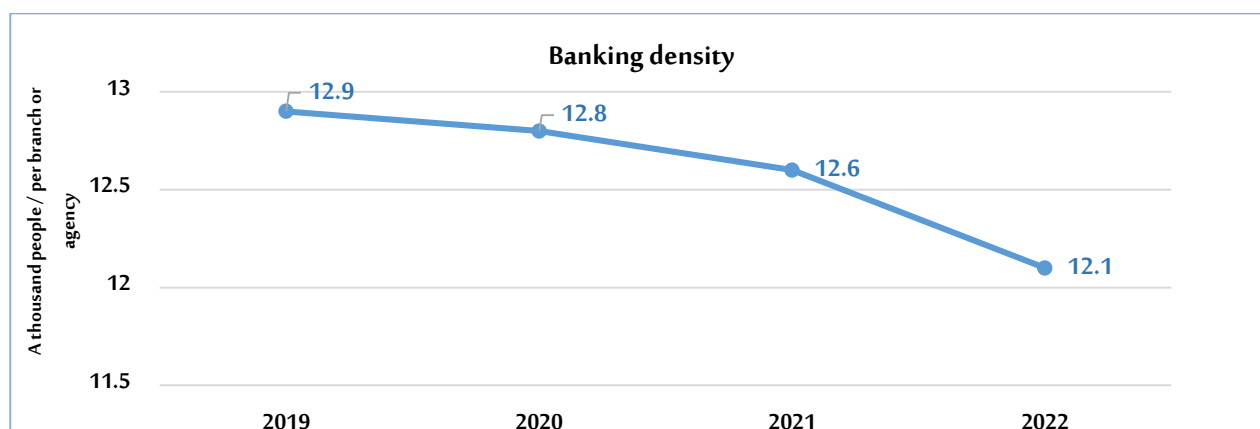
- Banking Density:

The banking density in 2022 amounted to about 12.1 thousand people per branch or agency, compared to about 12.6 thousand people per branch or agency in 2021.

Banking Density

" Per thousand people "

Years	For each Bank	For each branch and agency
2019	368.4	12.9
2020	368.3	12.8
2021	388.9	12.6
2022	350	12.1



Banking Concentration:

The degree of banking concentration means that a small number of banks account for the largest proportion of banking activities, whether in terms of assets, deposits, credit, or in terms of the size of equities. Regarding the market share of banks in Libya, at the end of 2022, out of the 20 banks; the assets of the four major banks (Al-Jumhuriya, National Commercial Bank, Al-Wahda, and Sahara) were accounted for 71.4% of the total assets of the banking sector, and the Jumhouria Bank alone accounted for 27.5% of the total assets of the banking sector.



Additionally, at the end of the same period the deposits and loans of the four major banks accounted for 71.9% and 82.8%, respectively, of the total deposits and loans of the banking sector.

Through the concentration data in assets, credit and deposit liabilities, it is noted that there is a significant improvement in the concentration ratios in the banking sector, as shown in the following tables:

Assets Concentration

“Percentages”

End of	2019	2020	2021	2022
Largest bank	31.9	31.2	28	27.5
Largest three banks	64.6	63.1	62	61.7
Largest five banks	84.2	82.7	79.7	78.6

Credit Concentration

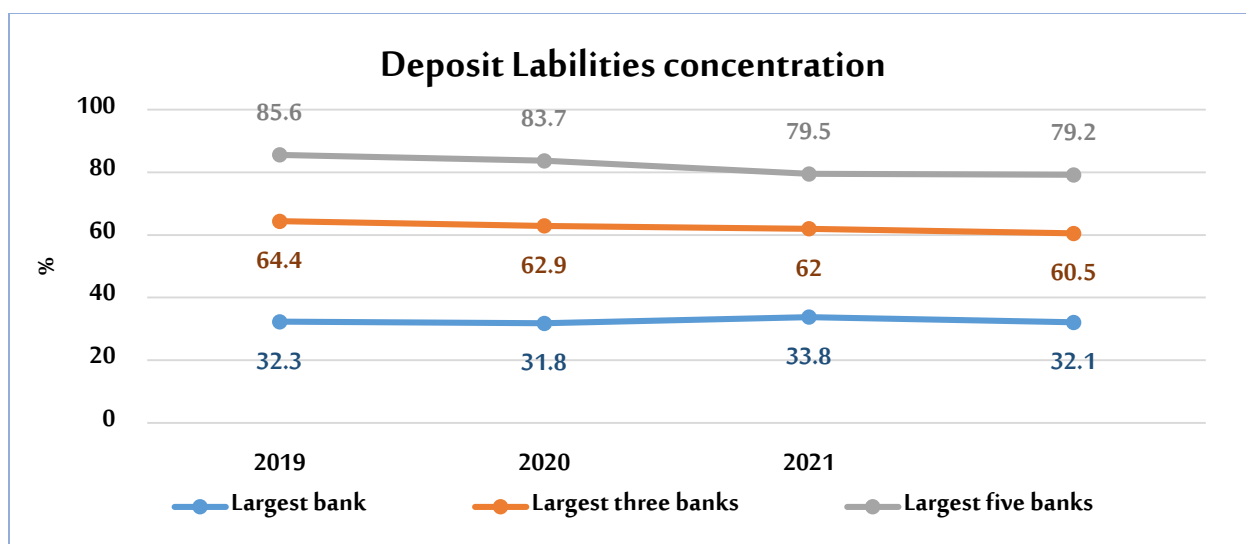
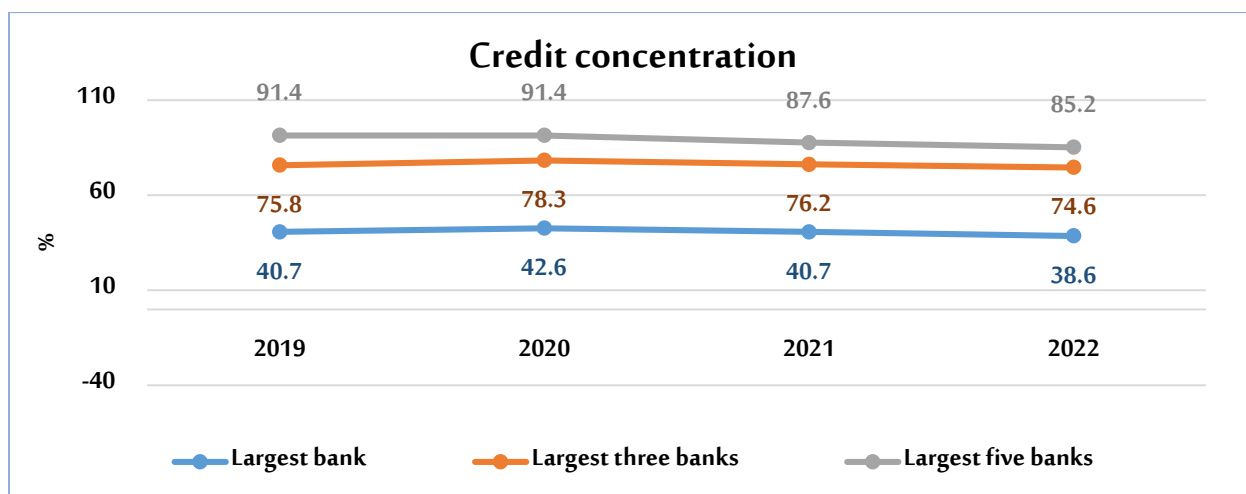
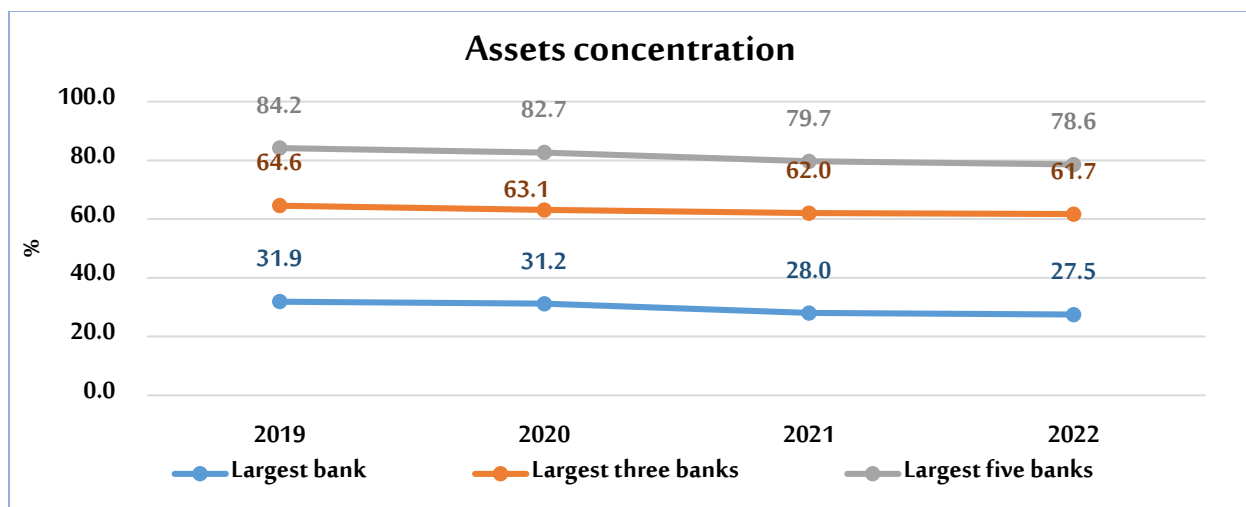
“Percentages”

End of	2019	2020	2021	2022
Largest bank	40.7	42.6	40.7	38.6
Largest three banks	75.8	78.3	76.2	74.6
Largest five banks	91.4	91.4	87.6	85.2

Deposit Liabilities Concentration

“Percentages”

End of	2019	2020	2021	2022
Largest bank	32.3	31.8	33.8	32.1
Largest three banks	64.4	62.9	62	60.5
Largest five banks	85.6	83.7	79.5	79.2





Consolidated Balance Sheet for Banks

The consolidated budget of banks showed an improvement in its total items on both sides of assets and liabilities at the end of 2022. Where the total assets within the consolidated budget recorded about 148,529.9 million of LYD, compared to 135,977.2 million of LYD at the end of 2021, with an increase of 12,552.7 million of LYD, at a rate of 9.2%. The following is a table summarizing the main items of the consolidated balance sheet of banks:

A summary of the consolidated banks' balance sheet

"Millions of LYD"				
Item	2021	2022	Amount Change	Change Rate %
Assets:				
1- Cash in Vaults	2,871.5	2,239.2	-632.3	-22.0
-Local currency	2,775.1	2,013.2	-761.9	-27.5
- Foreign currency	96.4	226.1	129.7	134.5
2- Clearing Accounts	6,041.0	7,034.7	993.7	16.4
-Interbank Clearing	2,432.9	3,475.6	1,042.7	42.9
-Clearing between branches	3,608.1	3,559.1	-49.0	-1.4
3- Deposits with other banks	89,916.8	96,894.4	6,977.6	7.8
A- Deposits with the Central Bank	78,625.2	83,412.5	4,787.3	6.1
- Demand Deposits	64,455.6	79,920.0	15,464.4	24.0
-Certificates of Deposit	14,169.6	3,492.6	-10,677.0	-75.4
B- Deposits with other local banks	766.6	619.2	-147.4	-19.2
-Demand Deposits	766.6	619.2	-147.4	-19.2
-Time Deposits	0.0	0.0	0.0	-
C- Deposits with the Libyan Foreign Bank	1,734.1	1,669.2	-64.9	-3.7
-Demand Deposits	1,734.1	1,669.2	-64.9	-3.7
-Time Deposits	0.0	0.0	0.0	-
D- Deposits with banks abroad	8,790.9	11,193.5	2,402.6	27.3
-Demand Deposits	7,260.4	8,631.3	1,370.9	18.9
-Time Deposits	1,530.6	2,562.1	1,031.5	67.4
4- Investments	4,445.1	1,695.8	-2,749.3	-61.9
5- Loans and facilities	19,637.5	22,971.0	3,333.5	17.0
Advances and overdrafts	4,618.6	4,166.2	-452.4	-9.8



Social advances (including Murabaha financing for individuals)	4,819.3	7,015.4	2,196.1	45.6
Loans for other economic activities	10,199.6	11,789.4	1,589.8	15.6
6- Fixed assets	2,287.4	2,743.8	456.4	20.0
7. Other assets	10,778.0	14,951.0	4,173.0	38.7
Total Assets	135,977.2	148,529.9	12,552.7	9.2
Counter Accounts	45,635.7	43,915.4	-1,720.3	-3.8
Assets Grand Total	181,612.8	192,445.3	10,832.5	6.0

"Millions of LYD"

Item	2021	2022	Amount Change	Change Rate %
Liabilities:				
1- Deposits of others with banks	92,113.7	102,052.7	9,939.0	10.8
-Demand Deposits	69,429.8	79,044.0	9,614.2	13.8
-Time Deposits	2,180.4	2,071.7	-108.7	-5.0
-Saving Deposits	315.1	310.4	-4.7	-1.5
-Payment Orders	3,673.1	4,381.0	707.9	19.3
-Cash Insurance	16,515.2	16,245.6	-269.6	-1.6
2- Borrowing from the Central Bank	19,884.0	19,884.0	0.0	0.0
3- Accounts Overdrawn with Correspondents Banks	144.7	102.9	-41.8	-28.9
4- Equity	7,578.7	8,638.7	1,060.0	14.0
-Paid-up Capital	4,772.6	5,295.2	522.6	11.0
-Legal Reserve	799.8	934.5	134.7	16.8
-Unallocated reserves	61.4	337.7	276.3	450.0
-Profit of the Period	1,176.9	849.7	-327.2	-27.8
-Carried forward and Distributable Profits	768.1	1,221.6	453.5	59.0
5 - Provisions	7,386.6	8,676.3	1,289.7	17.5
6- Miscellaneous and other liabilities	8,869.4	9,175.3	305.9	3.4
Total Liabilities	135,977.1	148,529.9	12,552.8	9.2
Counter Accounts	45,635.7	43,915.4	-1,720.3	-3.8
Liabilities Grand Total	181,612.8	192,445.3	10,832.5	6.0



- **The structure of the items constituting the assets in the consolidated balance sheet of the banks:**

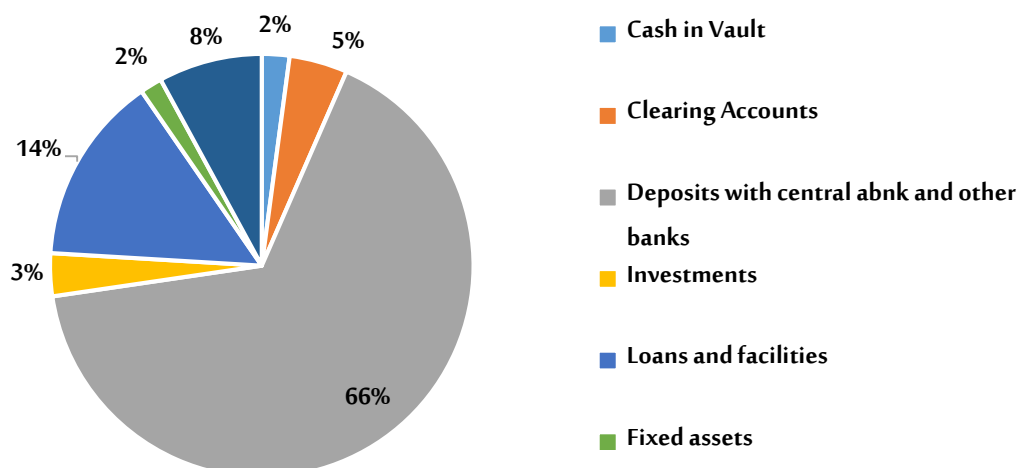
Banks' deposits and balances with the Central Bank, including the required reserve, continued to be the main component of the banking sector's assets, covering about 56.2% of the total assets at the end of 2022, while the share of the loans and credit facilities item increased slightly in the asset structure, to reach about 15.5% of the total assets, compared to 14.4% in 2021. These very small percentages reflect the lack of banks' capacity in utilizing the available funds.

Asset Item Structure

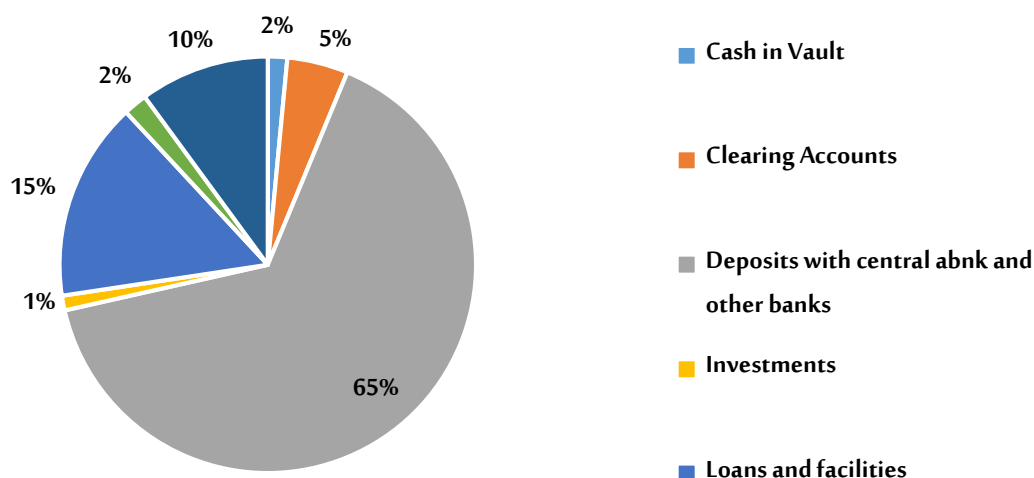
Item	2021	2022
Assets:		
1- Cash in Vault	2.10%	1.50%
2- Clearing Accounts	4.40%	4.70%
3- Deposits with the Central Bank	57.80%	56.20%
4- Deposits with other local banks	0.60%	0.40%
5- Deposits with the Libyan Foreign Bank	1.30%	1.10%
6- Deposits with banks abroad	6.50%	7.50%
7- Investments	3.30%	1.10%
8- Loans and facilities	14.40%	15.50%
9- Fixed assets	1.70%	1.80%
10- Other assets	7.90%	10.10%
Total Assets	100.0%	100.0%



Structure of asset component items in 2021



Structure of asset component items in 2022



- The structure of the items constituting the liabilities in the consolidated budget of the banks:

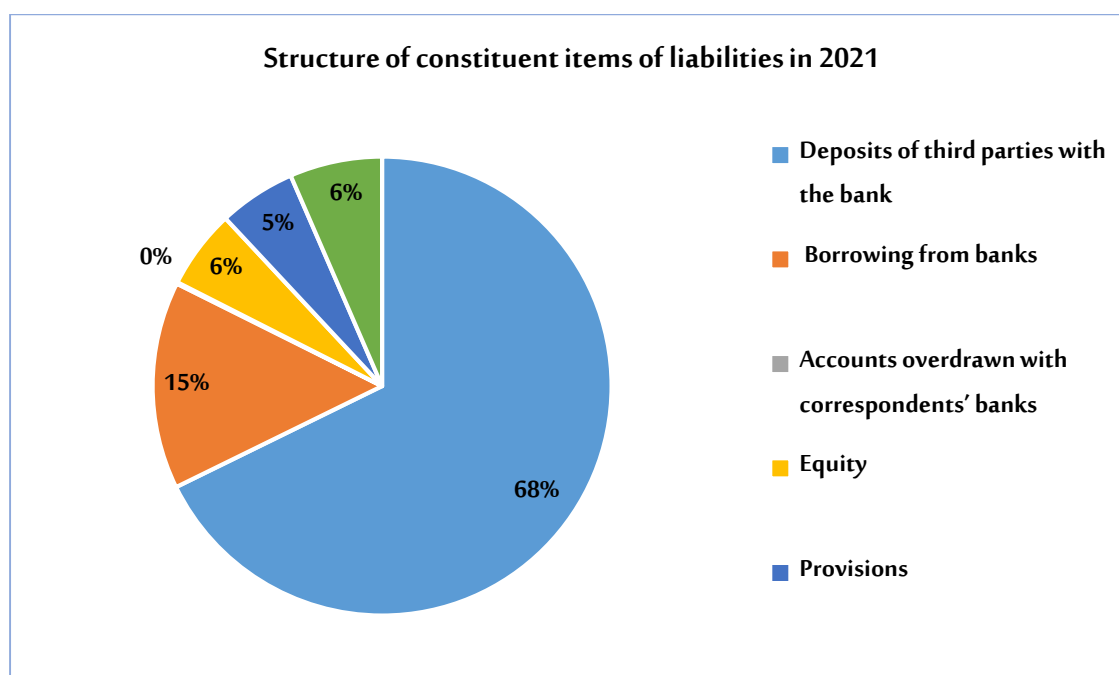
The analysis of the structure of the items constituting liabilities in the consolidated balance sheets of banks in 2022, shows that customer deposits represent the main source of financing, accounting for 68.7% of the total sources of bank funds, compared to 67.7% in 2021.

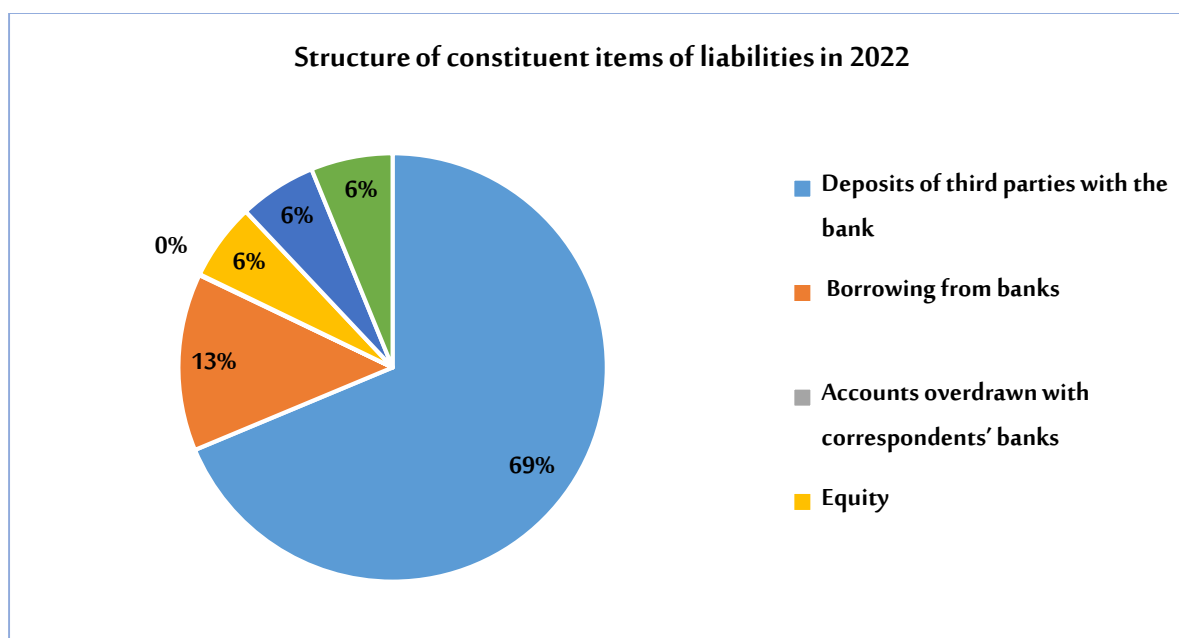


While equity constituted about 5.8% of the total sources of bank funds in 2022, compared to 5.6% in 2021.

Table of the Structure of the Items Constituting the Liabilities

Item	2021	2022
<u>Liabilities:</u>		
1- Deposits of third parties with the bank	67.70%	68.70%
2- Borrowing from banks	14.60%	13.40%
3- Accounts overdrawn with correspondents' banks	0.10%	0.10%
4- Equity	5.60%	5.80%
5- Provisions	5.40%	5.80%
6- Miscellaneous and other liabilities	6.50%	6.20%





1- Analysis of the components of the consolidated budget of banks

Firstly: Assets

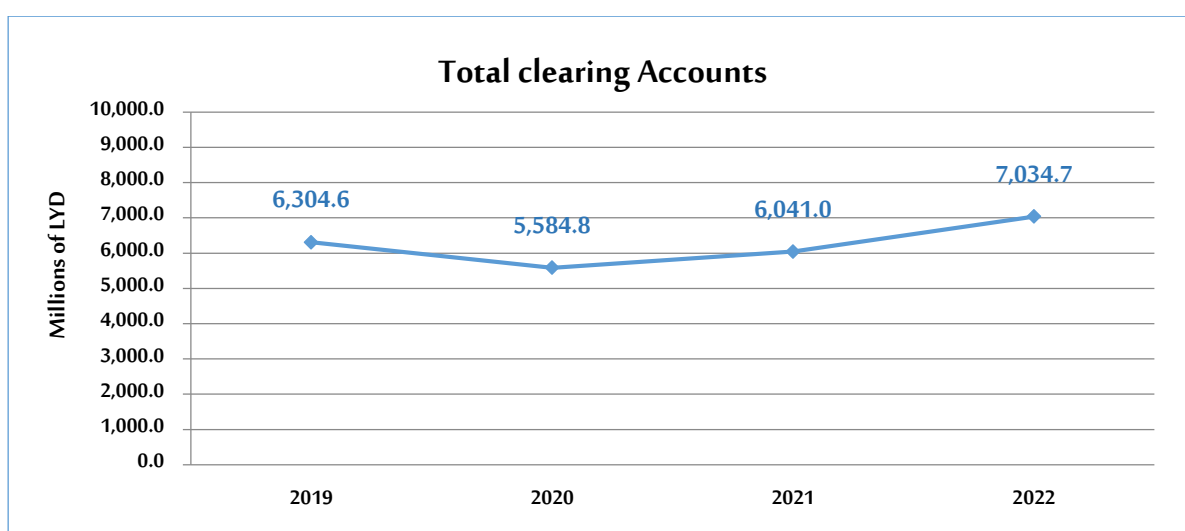
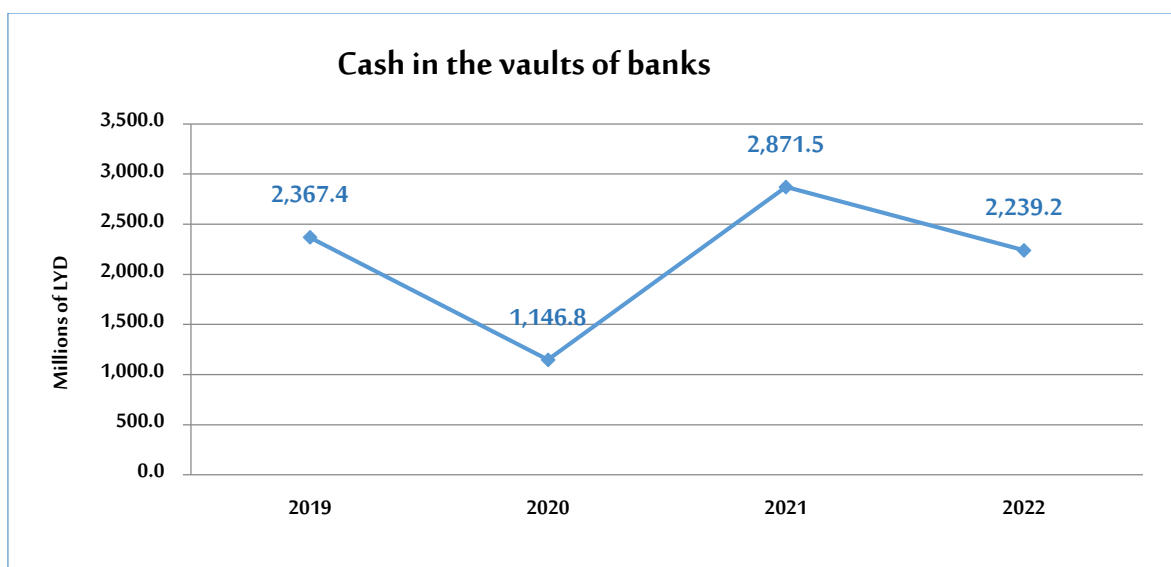
1. Cash:

A- Cash in vaults and clearing accounts:

The cash in vaults and clearing accounts increased by 361.4 million of LYD, or 4.1%, to reach 9,273.9 million of LYD at the end of 2022, compared to 8,912.5 million of LYD at the end 2021, that was due to increasing the clearing accounts by 1,042.6 million of LYD at the end of 2022, compared to what it was in 2021. The following table shows these developments:

"Millions of LYD"

Items	2021	2022	Change in value	Change rate %
Cash in vaults:	2,871.5	2,239.2	-632.2	-22.0
Local currency	2,775.1	2,013.2	-761.9	-27.5
Foreign currency	96.4	226.1	129.7	134.6
Total clearing Accounts	6,041.0	7,034.7	993.6	16.4
Interbank clearing	2,432.9	3,475.6	1,042.6	42.9
Branch clearing	3,608.1	3,559.1	-49.0	-1.4
Total	8,912.5	9,273.9	361.4	4.1



B- Accounts and deposits with the Central Bank and other banks:

The banks' deposits with the Central Bank and other banks and Libyan Foreign Bank amounted to about 96,894.4 million of LYD at the end of 2022, compared to 89,916.8 million of LYD at the end of 2021, recording an increase of 6,977.6 million of LYD. This was because of a raise in the banks' balances and deposits with the Central Bank by about 4,787.4 million of LYD, as a result of the increase in demand deposits by about 15,464.4 million of LYD, which was higher than the decrease in the balance of certificates of deposit, which decreased by about 10,677.0 million of LYD, in addition to the increase in the balance of demand and time deposits with correspondents abroad by about 2,402.5 million of LYD. The following table shows the details of this item:

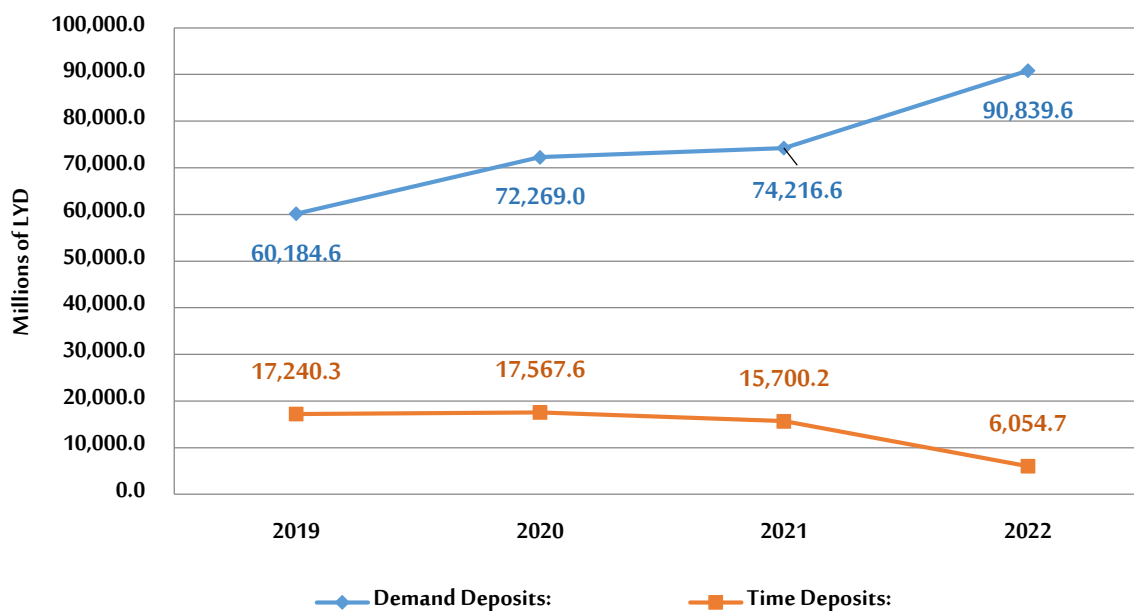


Balances and Deposits with the Central Bank and Other Banks

"Millions of LYD"

Items	2021	2022	Change in value	Change rate %
Demand Deposits:	74,216.6	90,839.6	16,623.0	22.4
Central bank	64,455.6	79,920.0	15,464.4	24.0
Local bank	766.6	619.2	-147.4	-19.2
Libyan foreign bank	1,734.1	1,669.2	-64.9	-3.7
Banks abroad	7,260.4	8,631.3	1,370.9	18.9
Time Deposits:	15,700.2	6,054.7	-9,645.4	-61.4
Central bank (certificates of deposit)	14,169.6	3,492.6	-10,677.0	-75.4
Local banks	0.0	0.0	0.0	-
Libyan foreign bank	0.0	0.0	0.0	-
Banks abroad	1,530.6	2,562.1	1,031.6	67.4
Total	89,916.8	96,894.4	6,977.6	7.8

Deposits of banks with the Central Bank and other banks



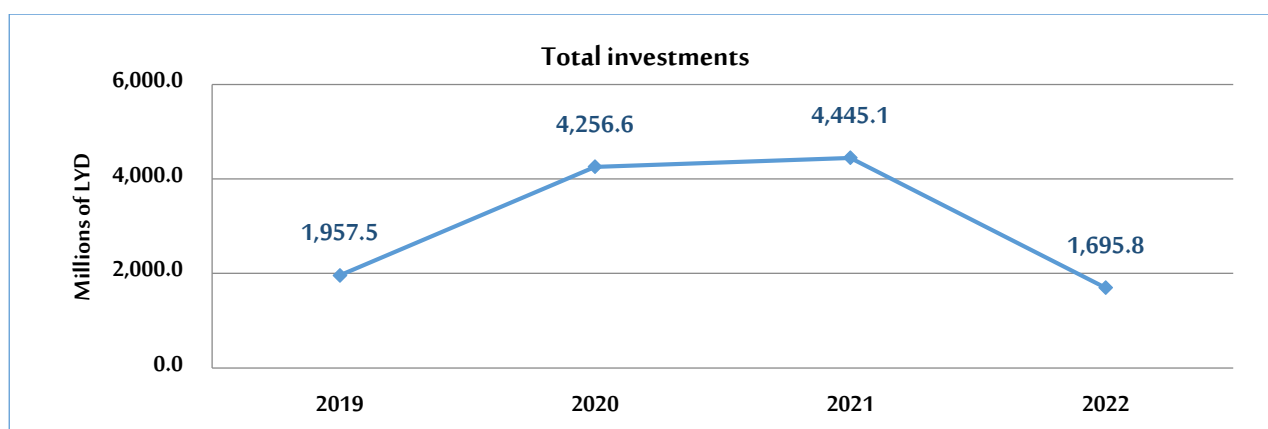


2- Investments:

Total item of the investments' balance in banks recorded about 1,695.8 million LYD at the end of 2022, compared to 4,445.1 million LYD at the end of 2021, decreased by 2,749.2 million of LYD. This decline was due to the decrease in treasury bonds and bills, and the following table shows the details of this item:

"Millions of LYD"

Items	2021	2022	in Change value	rate Change%
Treasury Bonds and Bills	3,000.00	0	-3,000.00	-100
Investments in Public Companies	564.7	564.2	-0.5	-0.1
Investments in Private Joint Stock Companies	783.5	872	88.5	11.3
Other Investments	96.9	259.7	162.8	168.1
Total	4,445.10	1,695.80	-2,749.20	-61.8



3- Loans and credit facilities:

The total balance of credit advanced by banks increased from 19,637.5 million LYD at the end of 2021 to 22,971.0 million LYD at the end of 2022, with a growth rate of 17.0%. Further, the loans and credit facilities granted to the total deposit liabilities constituted 22.5% and constituted 15.5% of the total assets. While the total loans advanced to the private sector at the end of 2022 amounted to 15,516.9 million of LYD, which equals to 67.6% of the total loans and credit facilities, while the total loans advanced to the public sector constituted the remaining 32.4%, which amounted to 7,454.0 million of LYD.



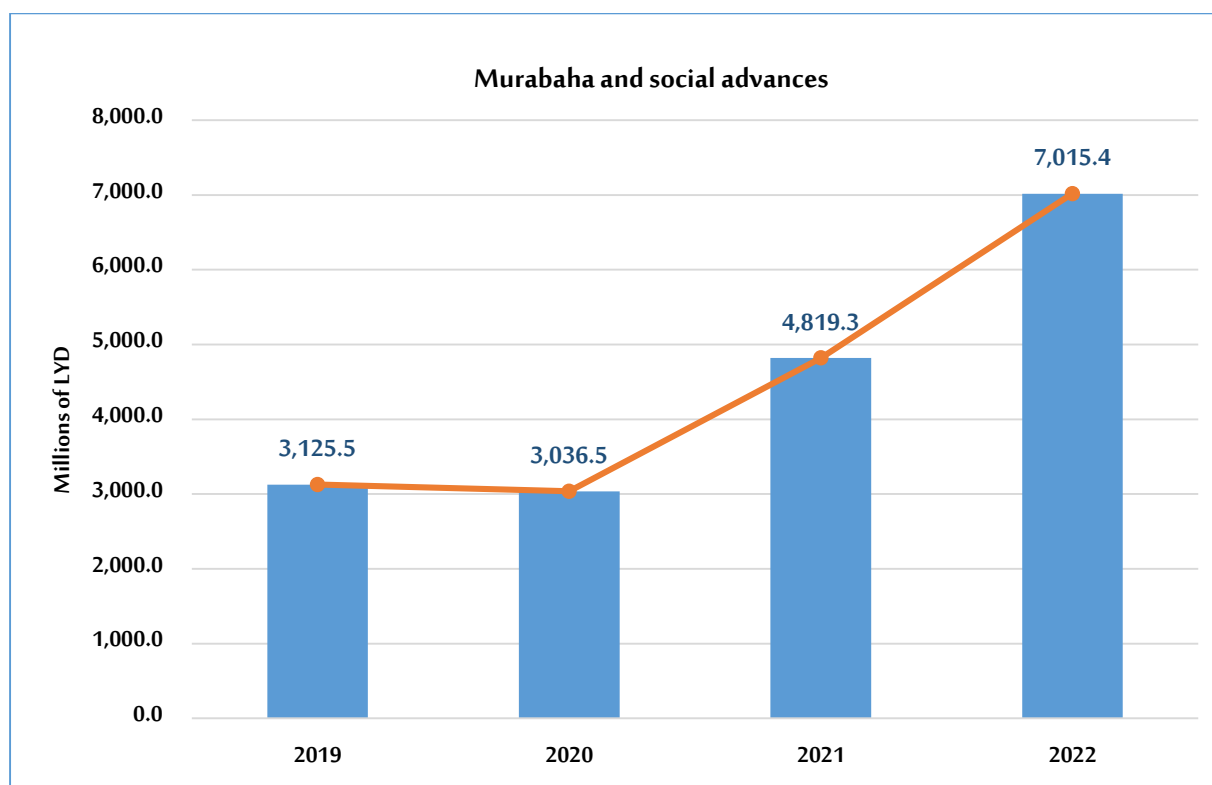
And by analyzing the components of the credit portfolio, the increase in the total credit balance advanced by banks was due to the increase in the items of Murabaha financing to individuals (social advances) and other loans.

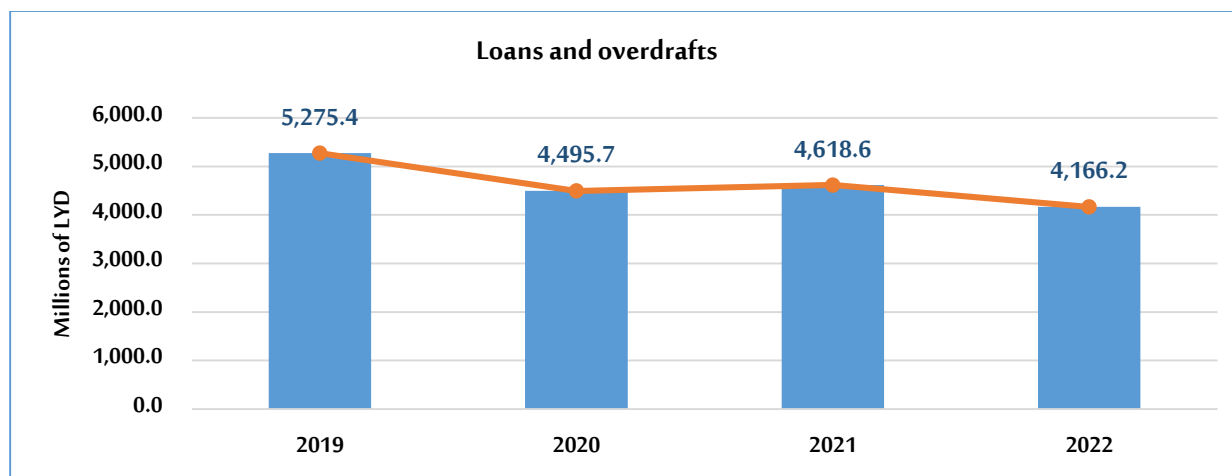
Total Loans and Credit Facilities Advanced by Banks.

"Millions of LYD"

Item	2021	2022	Change in value	Change rate %
Loans and overdrafts	4,618.6	4,166.2	-452.4	-9.8
Social loans*	4,819.3	7,015.4	2,196.1	45.6
Other loans	10,199.6	11,789.4	1,589.8	15.6
Total loans and credit facilities	19,637.5	22,971.0	3,333.5	17.0
Provisions for doubtful debts	3,680.3	3,850.7	170.4	4.6
Net of loans and credit facilities	15,957.2	19,120.3	3,163.1	19.8

* Including the balance of Murabaha financing for individuals.

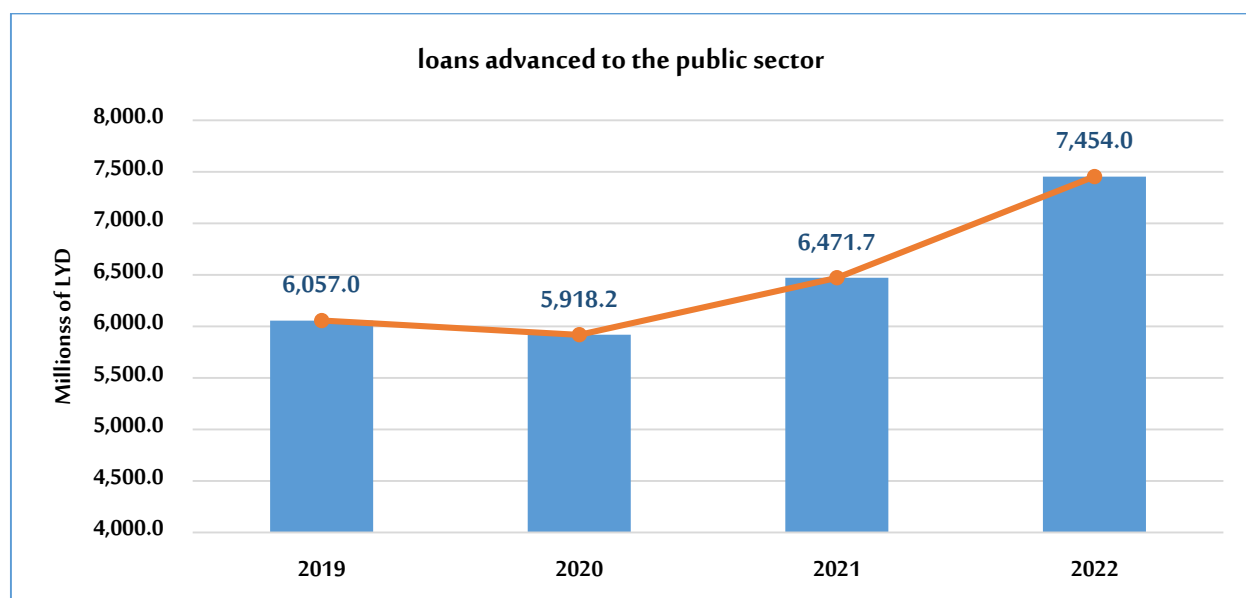


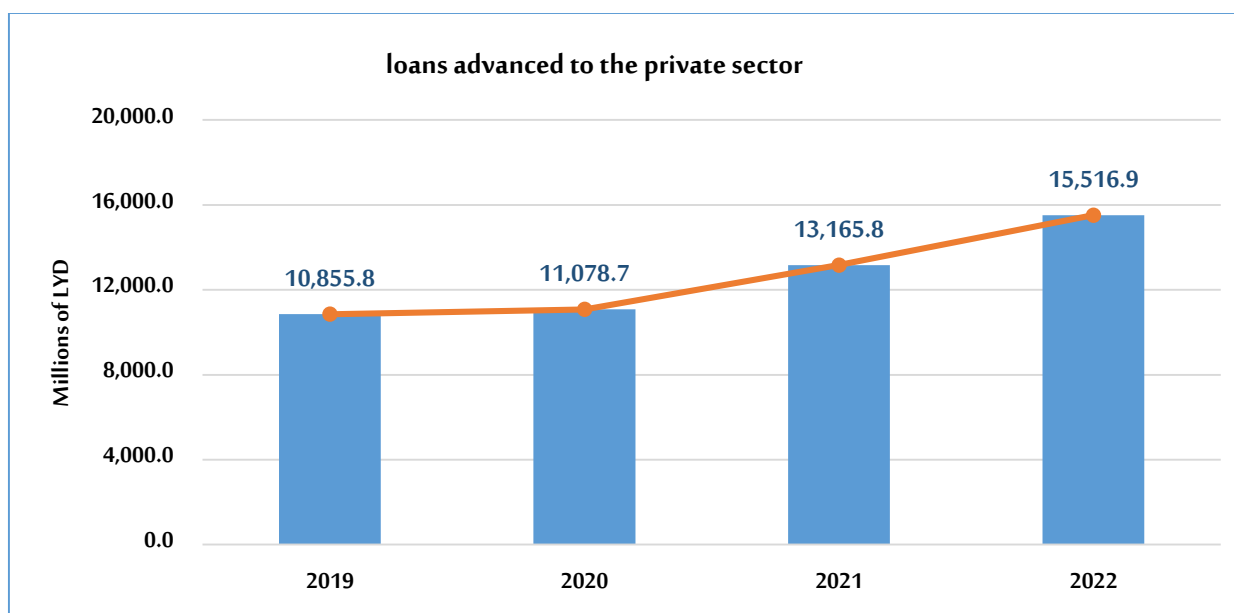


The Distribution of Loans Advanced by Banks by Sector (Private and Public)

"Millions of LYD"

Item	2021	2022	Change in value	Change rate %
Loans advanced to the public sector	6,471.7	7,454.0	982.4	15.2
Loans advanced to the private sector	13,165.8	15,516.9	2,351.1	17.9
Total	19,637.5	22,971.0	3,333.5	17.0





Secondly: Liabilities

1- Customer deposits with banks:

Total balance of customers' deposits with banks increased by 9,939.1 million of LYD, increasing from 92,113.6 million of LYD at the end of 2021 to reach 102,052.7 million LYD at the end of 2022, with a growth rate of 10.8%. Demand deposits and payment orders accounted for 81.7% of total deposits, while term deposits and cash insurance accounted for 17.9% of total deposits, whereas savings deposits accounted for only 0.3% of total deposits.

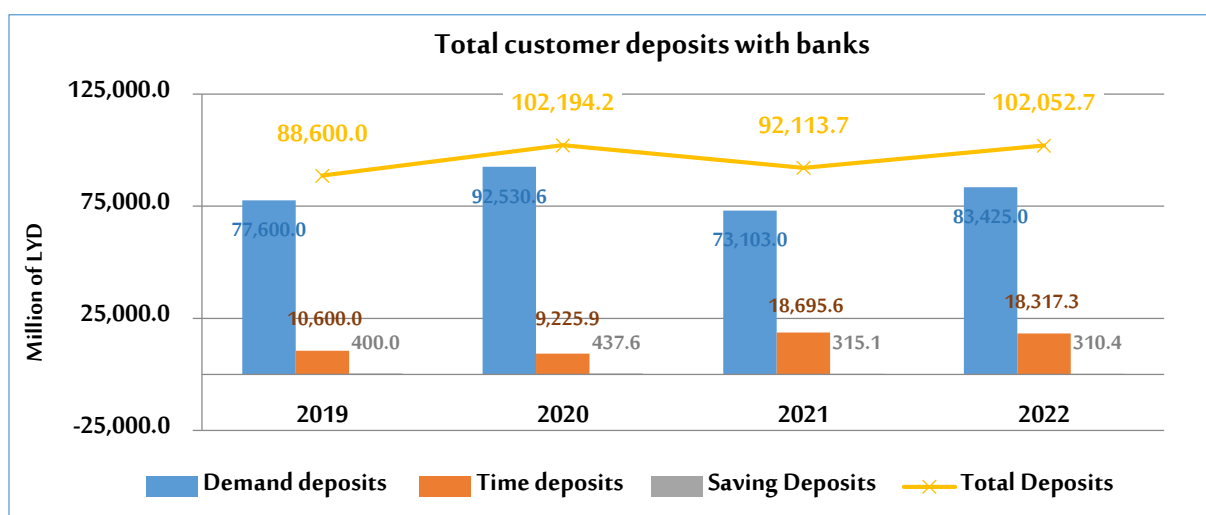
Customer Deposits (Deposit Liabilities)

"Millions of LYD"

Item	2021	2022	Change in value	Change rate %
Demand deposits	69,429.8	79,044.0	9,614.2	13.8
deposits Time	2,180.4	2,071.7	-108.7	-5.0
Saving Deposits	315.1	310.4	-4.7	-1.5
Orders Payments	3,673.1	4,381.0	707.9	19.3
Insurance Cash	16,515.2	16,245.6	-269.6	-1.6
Total	92,113.6	102,052.7	9,939.1	10.8



- **Demand deposits and payment orders:** Demand deposits and payment orders increased at the end of 2022 by 10,322.1 million of LYD, to reach 83,425.0 million of LYD, compared to 73,102.9 million of LYD at the end of 2021.
- **Time deposits and cash insurances:** The item of time deposits and cash insurances decreased by 378.3 million of LYD at the end of 2022, to record 18,317.3 million of LYD, compared to 18,695.6 million of LYD at the end of 2021. It should be noted that the item of cash insurances was against letters of credit.
- **Savings deposits:** The balance of savings deposits decreased at the end of 2022 by 4.7 million of LYD, to record 310.4 million of LYD, compared to 315.1 million of LYD at the end of 2021.



With regard to the distribution of total customer deposits with banks (private, government and public)

The balance of the government sector and the public sector increased by 6,465.3 million of LYD to reach 43,276.9 million of LYD at the end of 2022, of which 12,182.2 million of LYD are government deposits, consist of deposits from ministries, government agencies and institutions and deposits of: Social Security Fund, Economic and Social Development Fund and deposits of



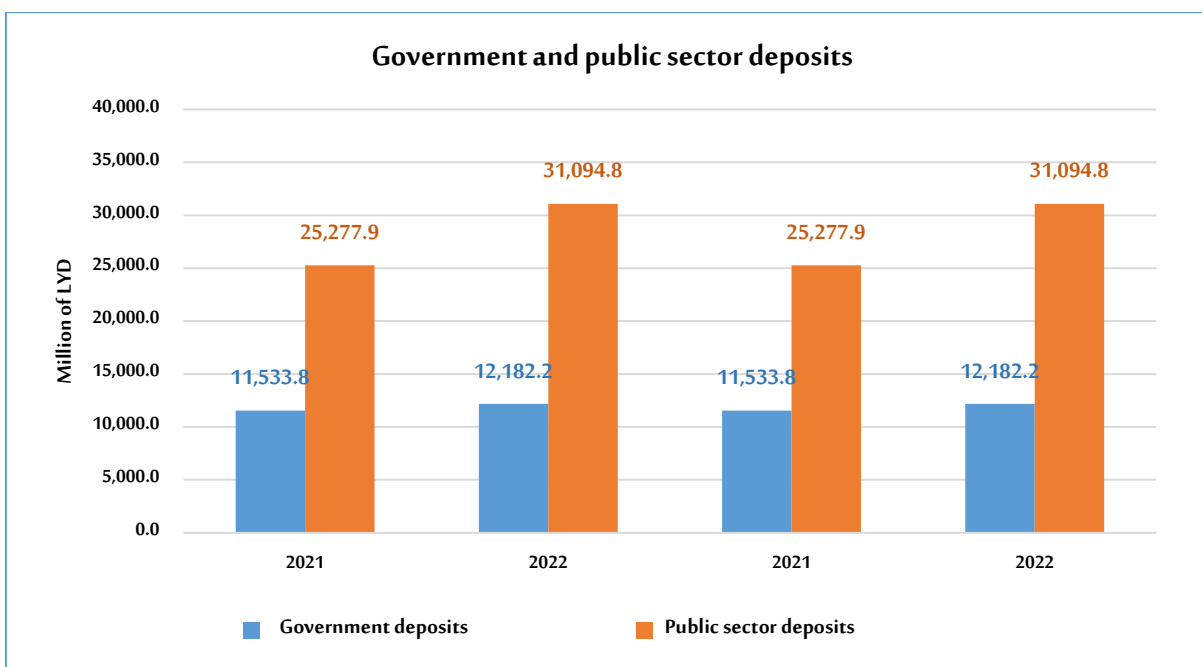
the Libyan Fund for Development and Investment, compared to 36,811.6 million of LYD as deposits for the public sector and the government sector at the end of 2021.

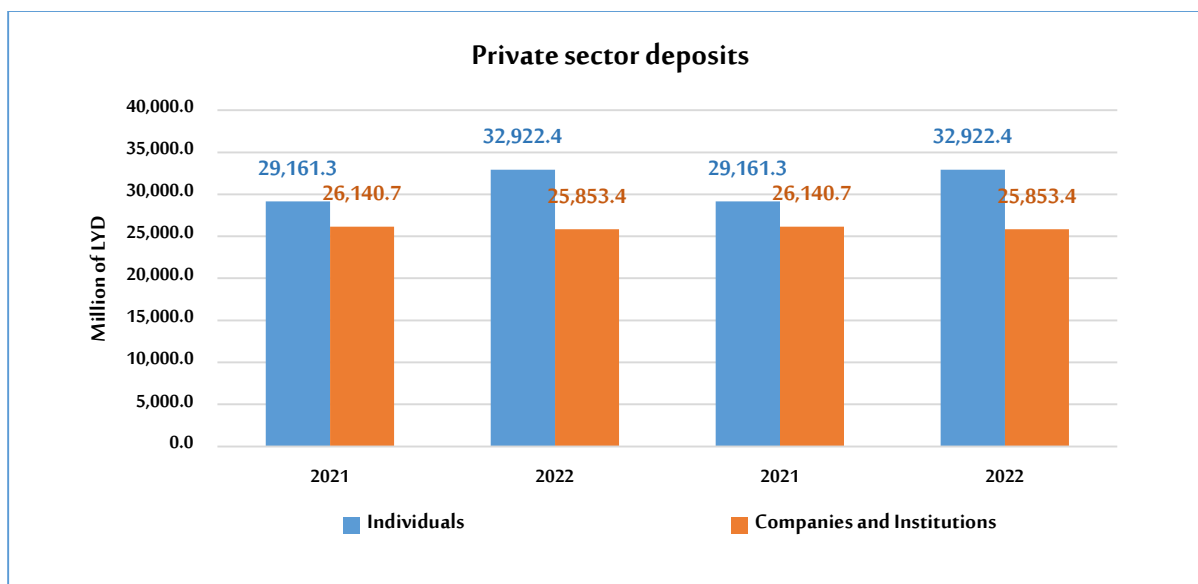
However, the private sector deposits were also increased at the end of 2022 by 3,473.7 million of LYD, or 6.3% at the, to record about 58,775.8 million of LYD, compared to 55,302.0 million of LYD at the end of 2021.

Distribution of Customer Deposits with Banks by Sector (Private, Public and Government)

"Millions of LYD"

Item	2021	2022	Change in value	Change rate %
Government and public sector deposits	36,811.6	43,276.9	6,465.3	17.6
Government deposits	11,533.8	12,182.2	648.4	5.6
Public sector deposits	25,277.9	31,094.8	5,816.9	23.0
Private sector deposits	55,302.0	58,775.8	3,473.7	6.3
Individuals	29,161.3	32,922.4	3,761.0	12.9
Companies and Institutions	26,140.7	25,853.4	-287.3	-1.1
Total	92,113.7	102,052.7	9,939.0	10.8



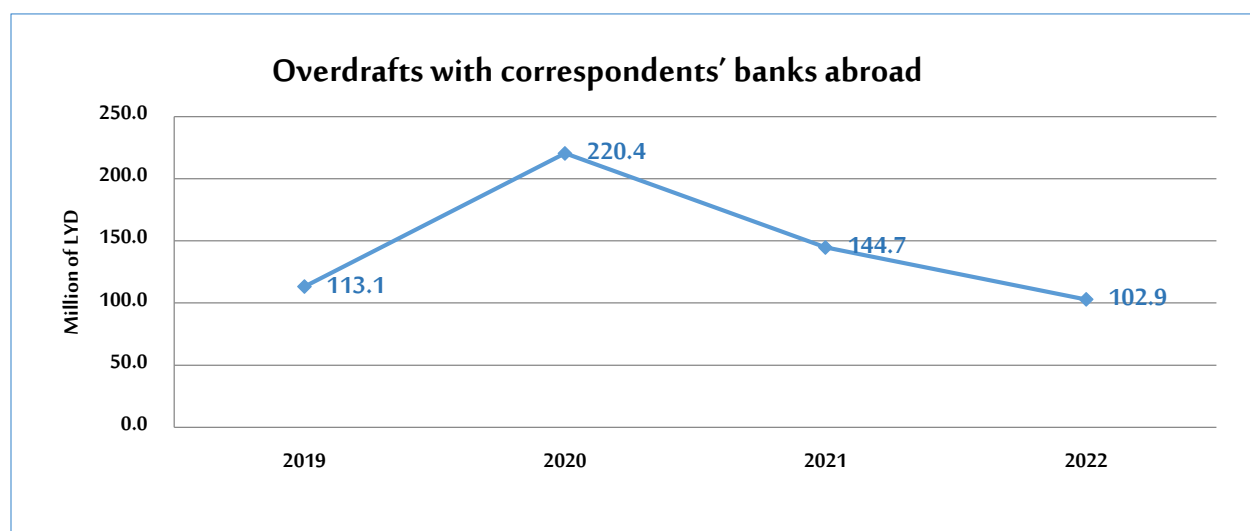


2- Accounts overdrawn with correspondents abroad:

The balance of exposed accounts with the correspondents abroad were 102.9 million of LYD at the end of 2022, lower than it was at the end of 2021. These exposed accounts are only a result of the delay of some correspondent banks abroad in settling their accounts with local banks.

"Millions of LYD"

Item	2021	2022	Change in value	Change rate %
Overdrafts with correspondents' banks abroad	144.7	102.9	-41.8	-28.9





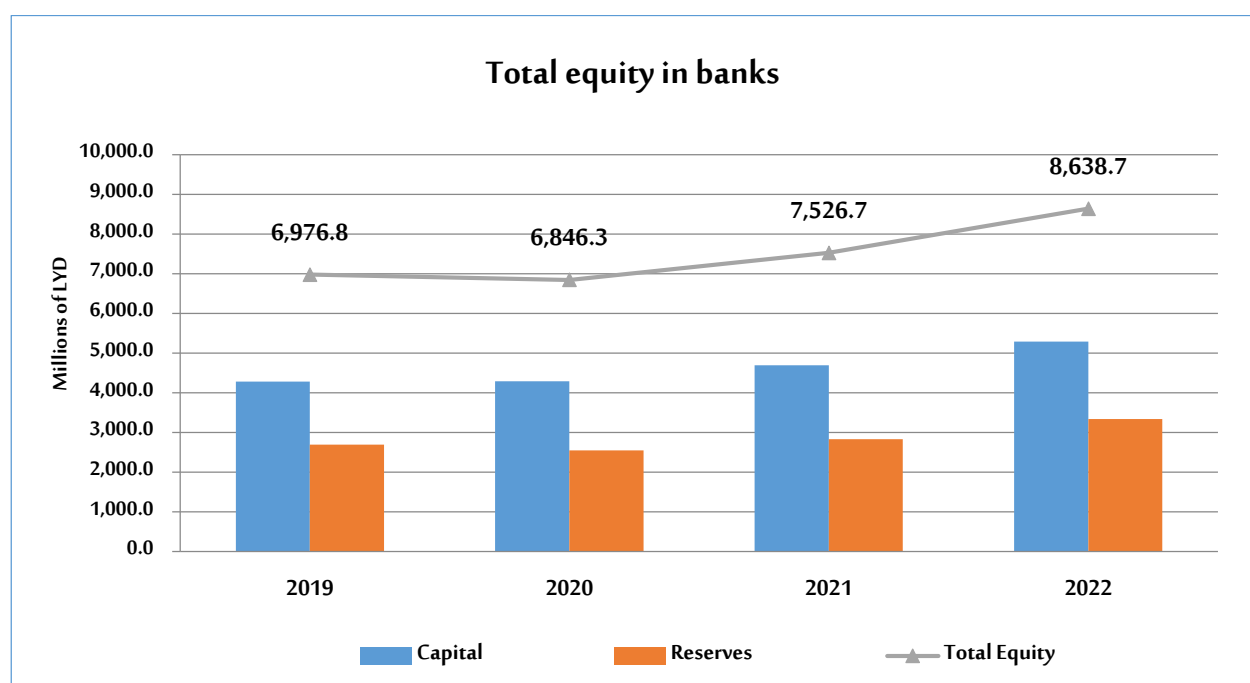
3- Equity:

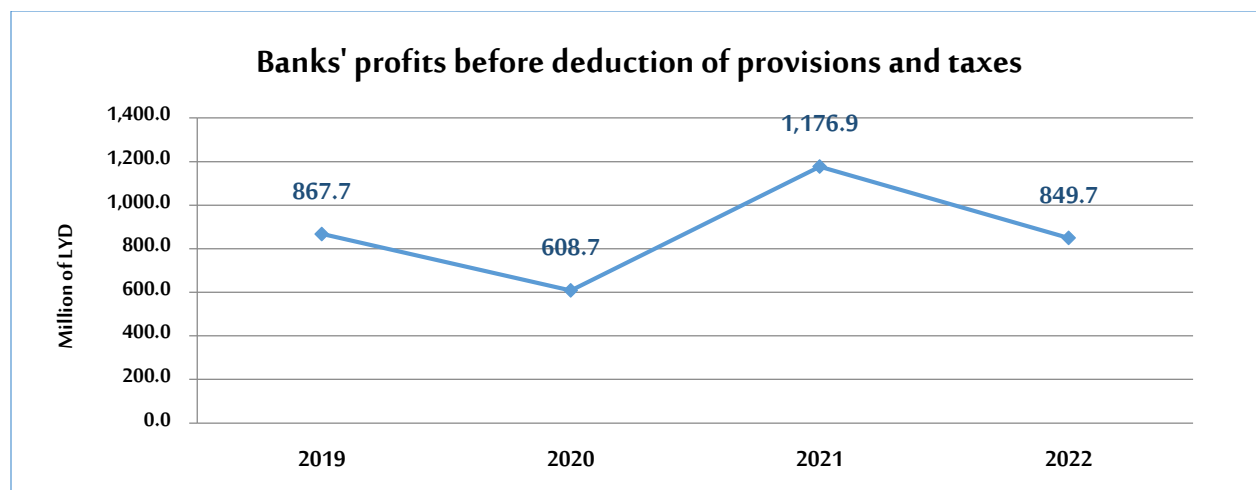
The balance of equity of banks increased from 7,578.7 million of LYD at the end of 2021, to reach 8,586.7 million of LYD at the end of the 2022, as a result of the increase in the paid-up capital of some banks, as well as legal and unallocated reserves. The profits of banks before deducting provisions and taxes during 2022 recorded a decrease of 27.8% to record 849.7 million of LYD, compared to about 1,176.9 million of LYD during 2021.

Capital Accounts

"Millions of LYD"

Items	2021	2022	Change in value	Change rate%
Paid capital	4,772.6	5,295.2	522.7	11.0
Legal Reserve	799.8	934.5	134.7	16.8
Unallocated reserves	61.4	337.7	276.3	450.1
Profit of the year	1,176.9	849.7	-327.2	-27.8
Retained earnings and distributable profits	768.1	1,221.6	453.5	59.0
Total	7,578.7	8,638.7	1,060.0	14.0





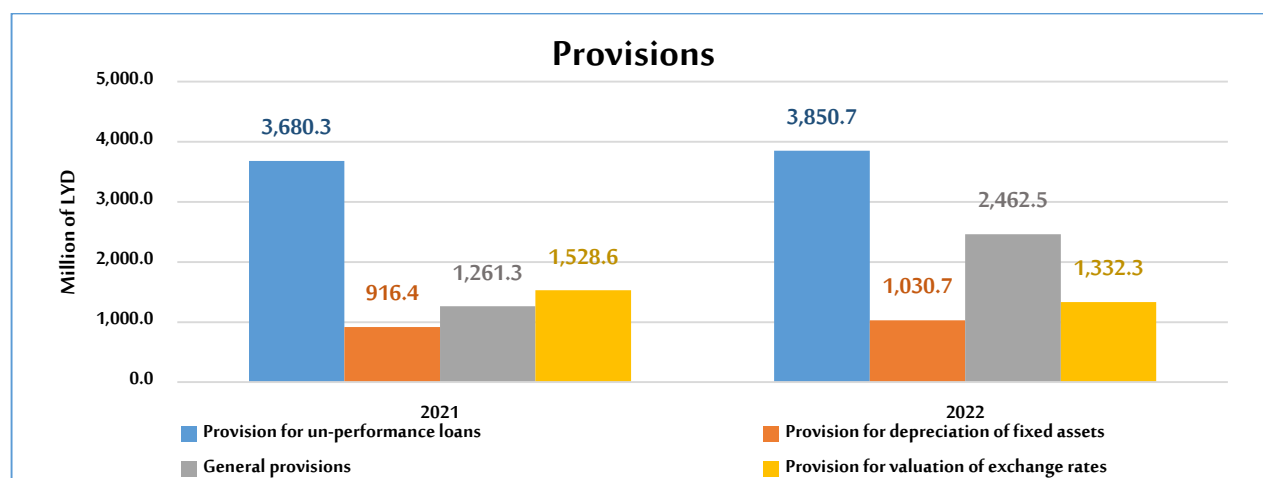
4- Provisions:

The balance of provisions recorded an increase of 1,289.7 million of LYD at the end of 2022 to reach 8,676.3 million of LYD, compared to 7,386.6 million of LYD at the end of 2021. The increase was concentrated in the general provisions as shown in the following table:

Provisions

"Millions of LYD"

Items	2021	2022	Change in value	Change rate%
Provision for un-performance loans	3,680.3	3,850.7	170.4	4.6
Provision for depreciation of fixed assets	916.4	1,030.7	114.3	12.5
General provisions	1,261.3	2,462.5	1,201.2	95.2
Provision for valuation of exchange rates	1,528.6	1,332.3	-196.3	-12.8
Total	7,386.6	8,676.3	1,289.7	17.5





Performance Indicators of Banks 2022

Financial safety indicators are a measure of the health of the financial sector and its institutional units in general and the banking sector in particular, and it is one of the important inputs in the analysis and evaluation of macro-prudential safety, as this chapter deals with the analysis of financial safety indicators for the banking sector during the year 2022 .

1- Capital ratios:

Capital Ratios

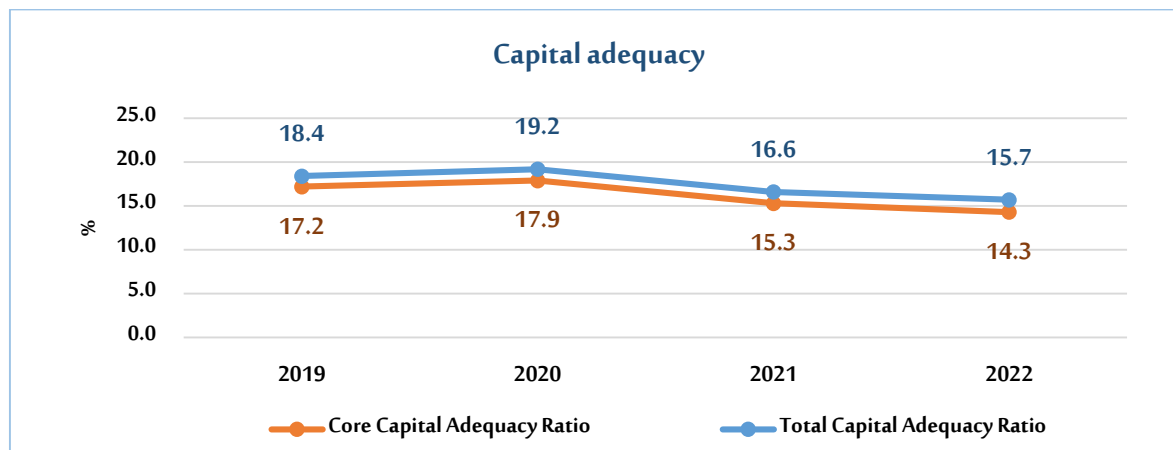
Indicator	2019	2020	2021	2022
Total Capital Adequacy Ratio %	18.4	19.2	16.6	15.7
Core Capital Adequacy Ratio %	17.2	17.9	15.3	14.3
Paid-up Capital / Total Assets	3.8	3.6	3.5	3.5
Equity / Total Assets	5.5	4.9	4.7	5.2
Equity / Total Deposits	6.9	6.1	6.9	7.6

- Capital Adequacy Ratio

The Libyan banking sector enjoys high capital adequacy, sufficient to confront any risks that may occur, as its rate ranged between 15.7% and 19.2% during the period (2019-2022), which is generally higher and by a comfortable margin than the percentage specified by the Central Bank and in compliance with the requirements of the Basel Committee. (1), which is 8.0%, this enhances financial stability. In 2022, it was noted that the capital adequacy ratio for banks decreased to 15.7%, compared to 16.6% in 2021. This is due to the increase in the volume of risk-weighted assets, which grew by 25%, compared to a lower growth in the capital base by 17%.

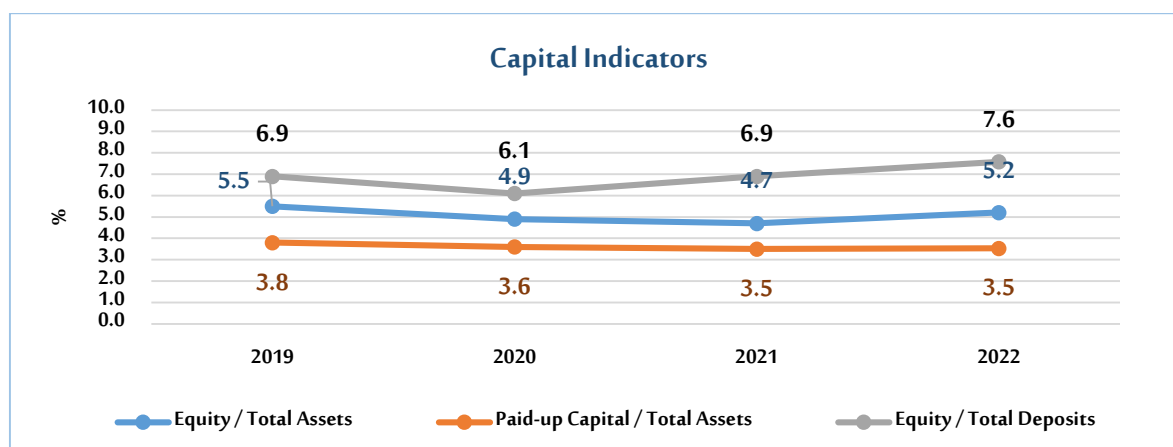


It should be noted that banks maintain a good quality of capital, as the first tier (basic capital) constitutes more than 90% of the total capital base at the end of 2022. The basic capital adequacy ratio ranged between 15.3% and 17.9% during the period (2022-2019).



- Capital to total assets:

The ratio of capital to total assets, which is one of the basic indicators of financial soundness, which measures financial leverage (i.e. the ratio of financing assets with resources other than its own resources), and according to the requirements of the Basel Committee, this ratio must not be less than 3.0%, and in general, banks recorded financial leverage ratios higher than the Basel requirements, as it recorded rates of 5.5%, 4.9%, 4.7%, and 5.2%, respectively, during the period (2019 – 2022).





2- Assets quality ratios:

The analysis of the structure of the items constituting the assets during the year 2022, it was noted that the percentage of loans and facilities to the total assets continued to decline, which constituted about 15.5%, while the percentage of investments reached only 1.1%, that indicates the income-generating assets are very low and did not even reach 20% of the total asset of the banking sector, on the other hand, cash in banks' vaults and balances with the Central Bank accounted for about 57.7% of the total asset of the banking sector, which reflects the weakness of banks' use of their funds.

- Non-performing loans to total loans:

The available data on the ratio of nonperforming loans, which are estimated data that may not reflect the reality, showed that the ratio of nonperforming loans to the total loans reached 21.0% at the end of 2022, and an increase in this ratio indicates a decrease in the efficiency of credit management. This percentage, according to international standards, should not exceed 5%.

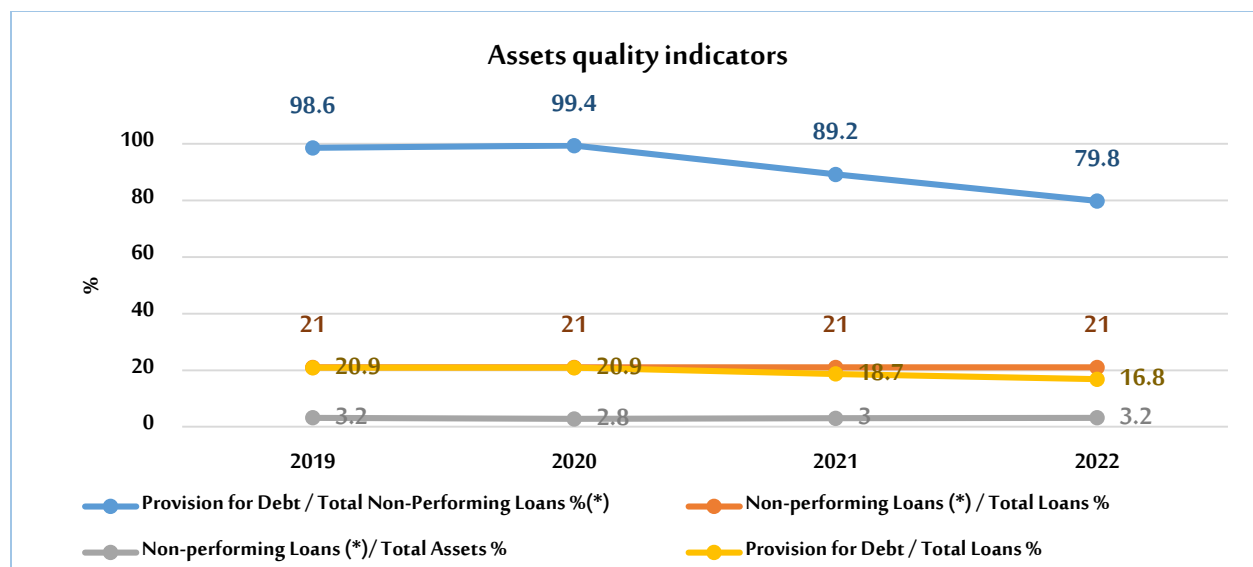
- Debt provision coverage ratio to non-performing loans.

With regard to the ratio of debt provision coverage to non-performing loans, it recorded at the end of 2022 about 79.8%. During the previous years, at the level of the sector coverage provisions recorded high rates of more than 80%. As for analyzing these rates according to banks, some important banks recorded low rates, and they must take precautionary measures by increasing provisions for bad debts to reach appropriate rates to face any expected losses.

Asset Quality Ratios

Indicator	2019	2020	2021	2022
Non-performing Loans (*)/ Total Assets %	3.2	2.8	3	3.2
Non-performing Loans (*) / Total Loans %	21	21	21	21
Provision for Debt / Total Non-Performing Loans % (*)	98.6	99.4	89.2	79.8
Provision for Debt / Total Loans %	20.9	20.9	18.7	16.8

* Estimated data.



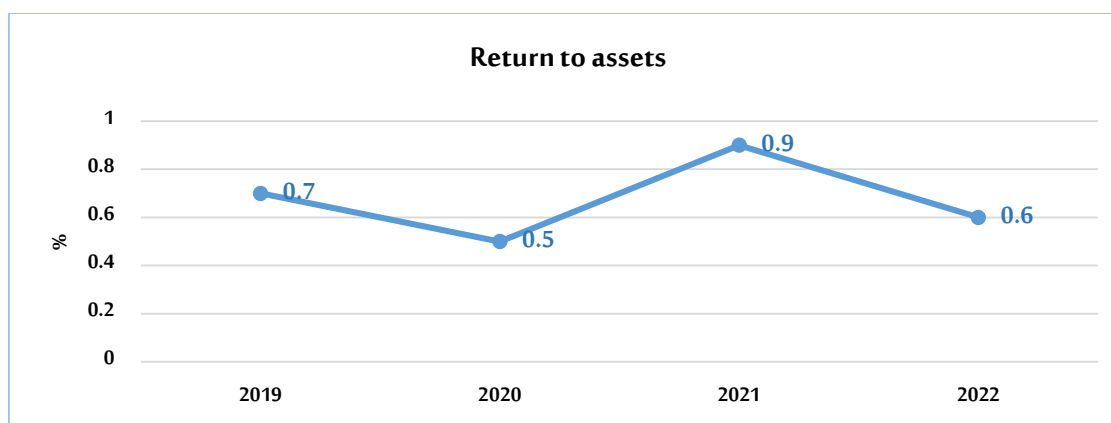
3- Profitability ratio:

Profitability Ratios

Indicator	2019	2020	2021	2022
Return / Assets %	0.7	0.5	0.9	0.6
Return / Equity %	12.3	9.8	18.5	9.9
Return / Deposit %	0.8	0.6	1.3	0.8

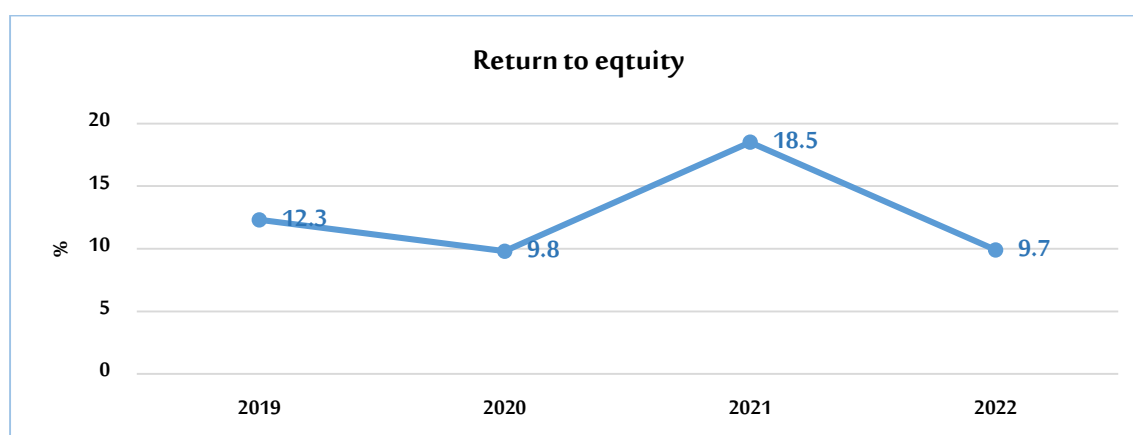
- Return to assets:

The return to total assets ratio is one of the important indicators with great analytical value to measure the efficiency of banks' use of their assets. The rate of return to total assets decreased during the 2022 to record 0.6%, compared to about 0.9% in 2021, that was due to the decrease in banks' profits before deducting provisions and taxes during in 2022, which decreased by 29.4% to record 849.7 million of LYD, compared to what it was in 2021, which amounted to about 1,176.9 million of LYD.



- Return to equity:

The rate of return on equity decreased in 2022 to about 9.7% compared to 18.5% in 2021. This indicator is a measure of the efficiency of banks in utilizing their capital.



4- Liquidity ratio:

Liquidity indicators are among the important indicators that reflect the extent to which banks are able to meet expected and unexpected demands for cash, as well as the ability of banks to fulfil their obligations without exposure to insolvency. The liquidity indicators in the Libyan banking sector are still witnessing high ratios because of the weakened banks' capabilities in utilizing their funds, and the inability to expand in advancing loans and credit facilities, as well as weak investment, in exchange for greater growth in deposit liabilities. The most important of these indicators are:

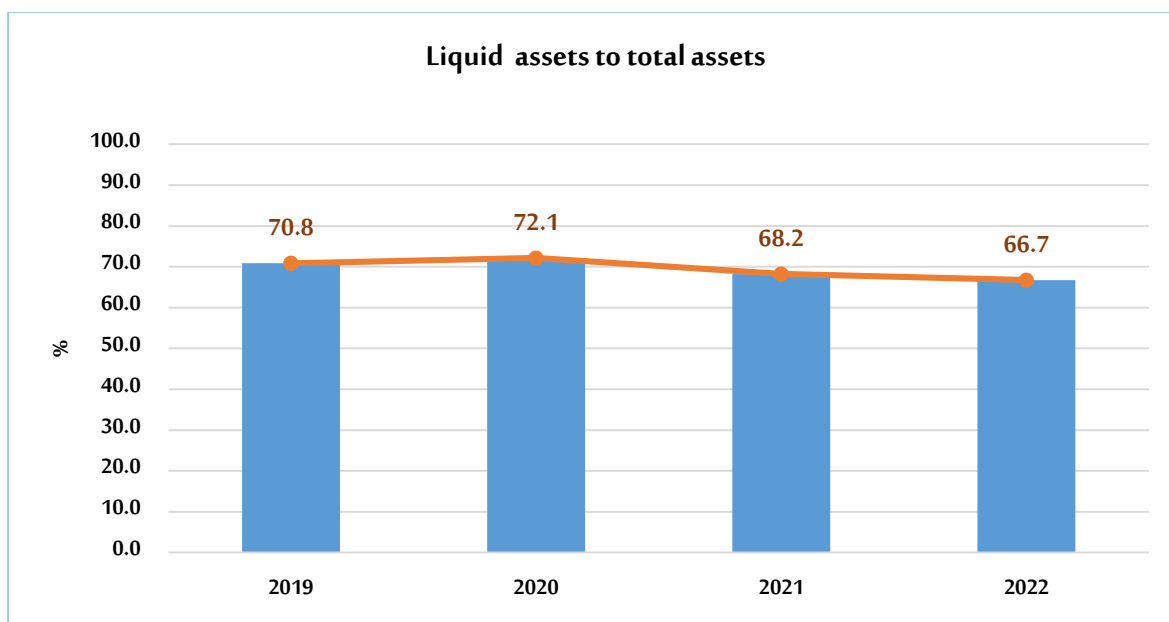


Liquidity Ratios

Indicator	2019	2020	2021	2021
Liquid Assets / Total Assets (%)	70.8	72.1	68.2	66.7
Liquid Assets / Short-Term Liabilities (%)	83.7	86.4	91.2	86.2
Liquid Assets / Total Liabilities (%)	19.0	16.6	21.3	22.5
Total Loans / Total Deposits (%)	19.0	16.6	21.3	22.5

- Liquid assets to total assets:

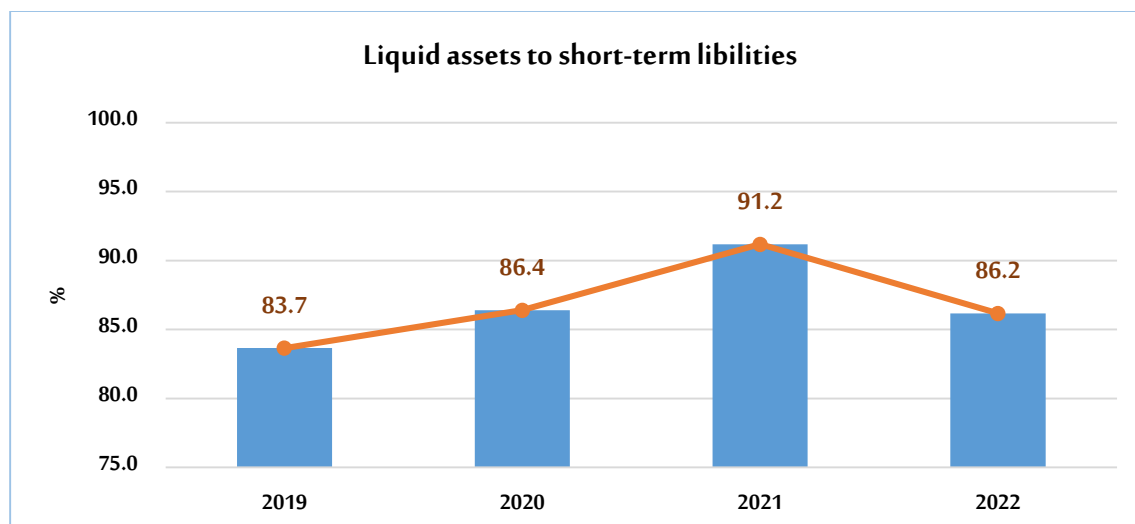
The ratio of liquid assets with banks to total assets reached 66.7% at the end of 2022, most of which represent deposits with the Central Bank (on demand, including the mandatory reserve) compared to 68.2% at the end of 2021, in general, the liquid assets of banks still constitute high percentages of the total assets. However, it should be noted that the volume of loans and credit facilities to the total deposit liabilities in the banking sector recorded 22.5% at the end of 2022, and despite its increase compared to it is levels in 2021, but it is still very small.





- Liquid assets to short-term Liabilities:

This indicator aims to measure the liquidity disparity between assets and liabilities. It provides an indication of the ability of banks to fulfill requests to withdraw short-term funds, without falling into liquidity distress. This indicator recorded a rate of 86.2% at the end of 2022, compared to rates of 91.2%, 86.4% and 83.7% for the years 2019-2021, respectively.





Bank Performance Indicators (2022 -2019)

Indicator	2019	2020	2021	2022
Capital Indicators:				
Total Capital Adequacy Ratio %	18.4	19.2	16.6	15.7
Core Capital Adequacy Ratio %	17.2	17.9	15.3	14.3
Paid-up Capital / Total Assets %	3.8	3.6	3.5	3.5
Equity / Total Assets %	5.5	4.9	4.7	5.2
Equity / Total Deposit %	6.9	6.1	6.9	7.6
Asset Quality Indicators:				
Non-performing Loans (*)/ Total Assets %	3.2	2.8	3.0	3.2
Non-performing Loans (*) / Total Loans %	21.0	21.0	21.0	21.0
Provision for Debt / Total Non-Performing Loans (*) %	98.6	99.4	89.2	79.8
Provision for Debt / Total Loans %	20.9	20.9	18.7	16.8
Management efficiency indicators:				
Total Loans / Total Assets %	15.1	13.5	14.4	15.5
Total Assets / Number of Employees (Million LYD)	5.8	6.4	7.0	7.5
Total Assets / Number of Branches (Million LYD)	206.4	229.3	245.0	258.3
Profitability indicators:				
Return / Assets %	0.7	0.5	0.9	0.6
Return / Equity %	12.3	9.8	18.5	9.9
Return/Deposit %	0.8	0.6	1.3	0.8
Liquidity indicators:				
Liquid Assets / Total Assets %	71.9	72.1	68.4	66.7
Total Loans / Total Deposits %	19.0	16.6	21.3	22.0
Total Deposits / Total Assets %	79.3	81.0	67.7	68.2

* Estimated data.

" End of report"