



**Research and Statistics Department**

# **Main Financial Indicators of Libyan Commercial Banks**

**(Q2 - 2022)**

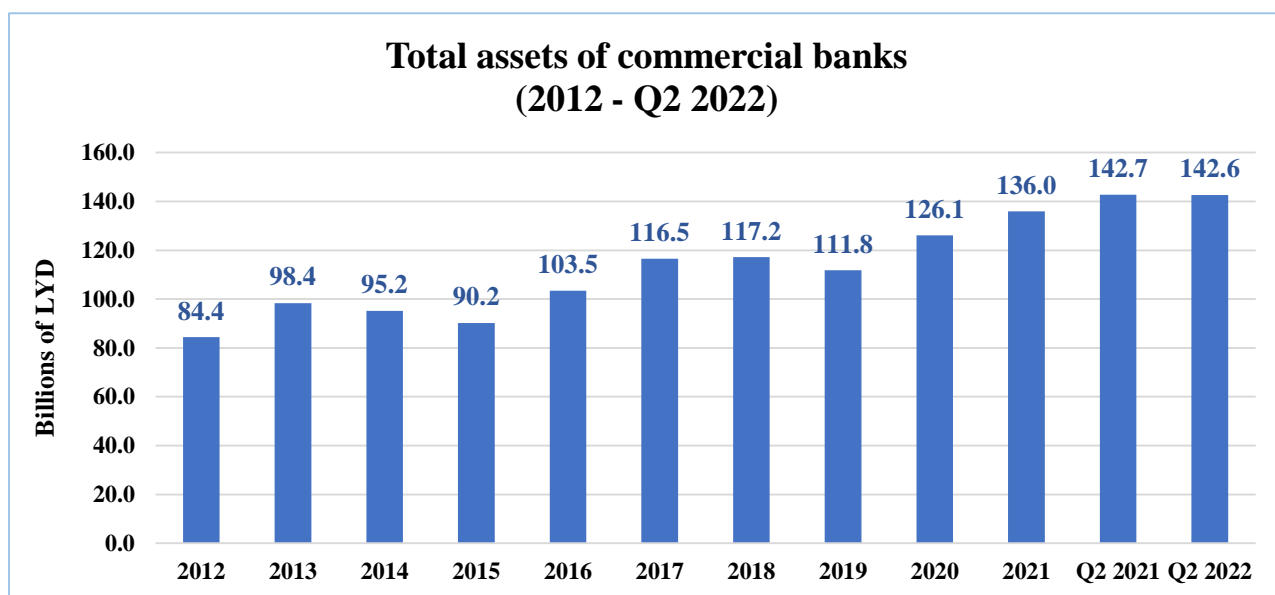


## Evolution of the Important Financial Indicators for Commercial Banks

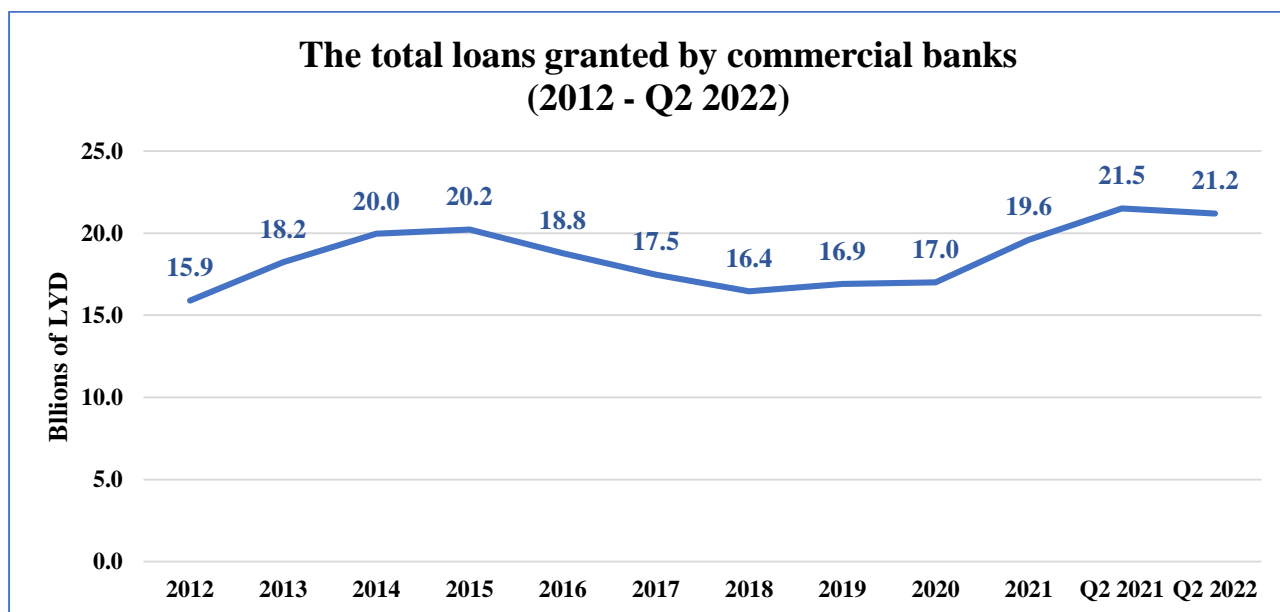
### (Second Quarter 2022)

At the end of the second quarter of 2022, the commercial banks' financial performance showed a number of evolutions compared to their performance in the same period of 2021, these changes are as follows:

- The total assets of commercial banks (excluding regular accounts) grew by 1.4%, increasing from 140.6 billion of LYD at the end of the second quarter 2021 to about 142.6 billion of LYD at the end of the second quarter 2022. The liquid assets (amounting to 94.5 billion of LYD) formed about 66.3% of the total Assets



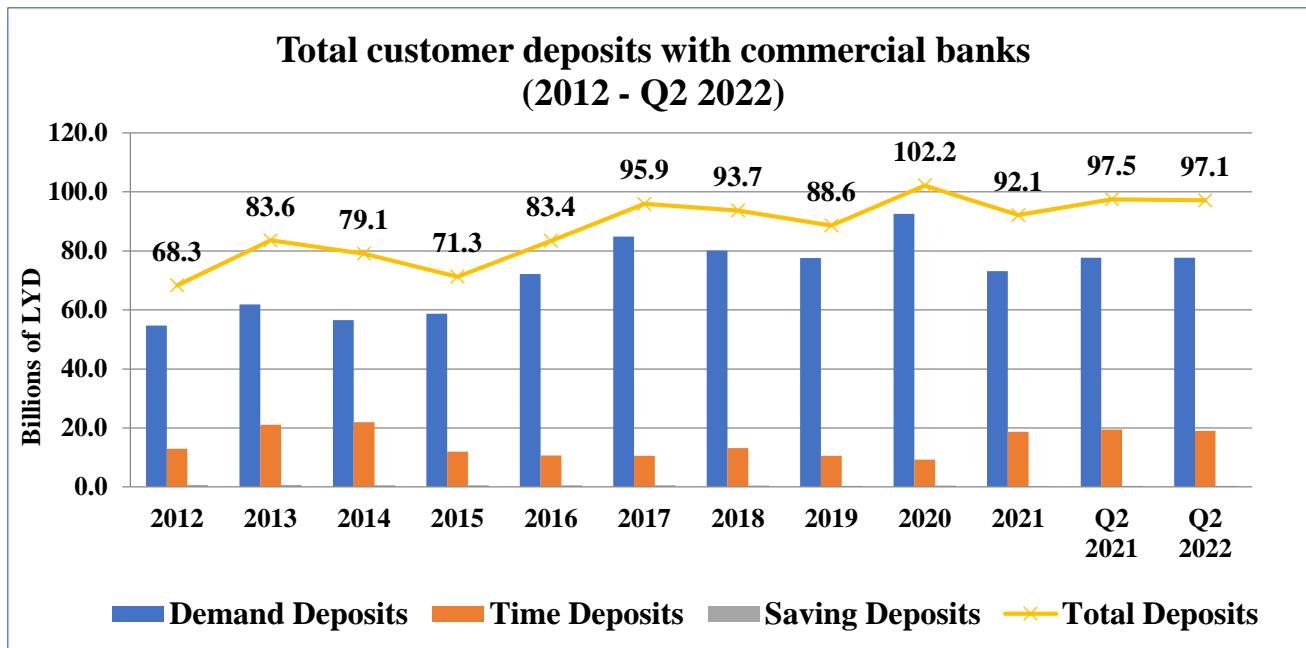
- The total deposits of commercial banks (demand deposits and certificates of deposit) with the Central Bank, including the mandatory reserve, decreased by 5.0%, dropping from about 82.3 billion of LYD at the end of the second quarter of 2021 to about 78.2 billion of LYD at the end of the second quarter 2022.
- The total credit provided by commercial banks increased from 17.8 billion of LYD at the end of the second quarter 2021 to 21.2 billion of LYD at the end of the second quarter 2022, with a growth rate of 19.1%. the granted loans and credit facilities accounted for 21.8% of total deposit liabilities, whereas they accounted for 14.8% of the total assets. The total loans granted to the private sector at the end of the second quarter 2022 amounted to 15.2 billion of LYD, this formed 71.7% of the total loans and credit facilities granted, while the total loans granted to the public sector constituted the remaining 28.3%, which amounted to about 6.0 billion of LYD.



- The coverage ratio of the doubtful debts provision for the total loans and facilities granted reached 17.7% in the second quarter of 2022, compared to 20.2% the same period of 2021.

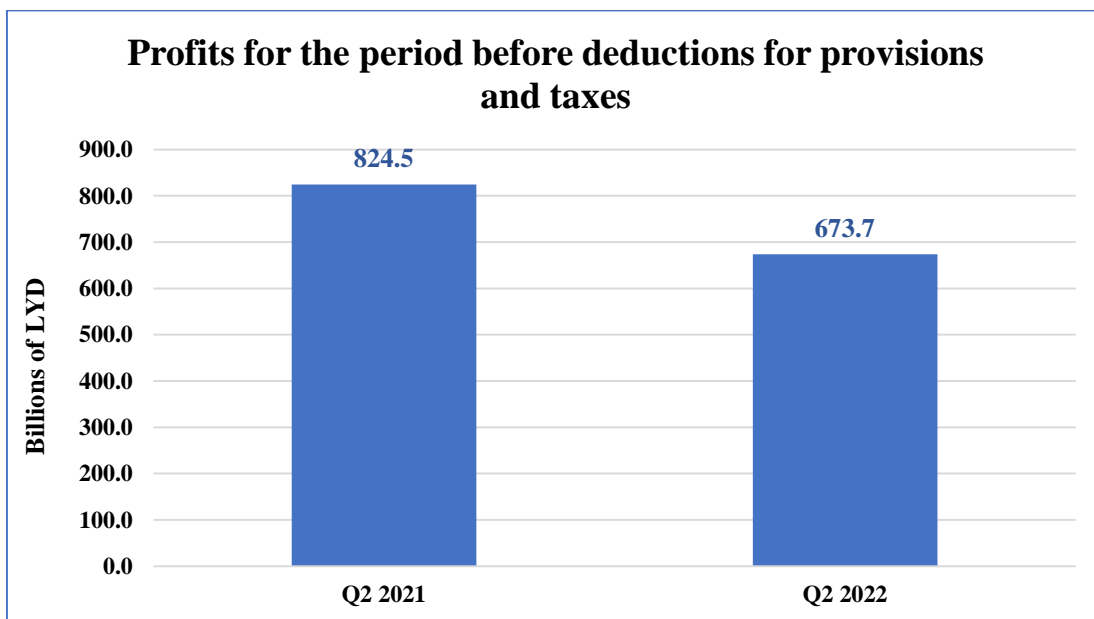
- Customers' deposits with commercial banks decreased by 2.1%, falling from 99.2 billion of LYD at the end of the second quarter 2021, to reach 97.1 billion of LYD at the end of the second quarter 2022. Demand deposits represented 80.1% of the total deposits, while time deposits represented 19.6% of total deposits, while 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 56.5 billion of LYD at the end of the second quarter 2022, which means 58.2% of the total deposits, while the public and government sector deposits constituted the remaining 41.8%, which was 40.6 billion of LYD, of which 27.6 billion of LYD deposited by public sector companies and institutions, and about 13.1 billion of LYD was government deposits.



- Total equity in commercial banks increased by 19.1%, raising from 6.7 billion of LYD at the end of the second quarter of 2021, to reach 7.9 billion of LYD at the end of the second quarter of 2022.

- During the second quarter 2022, the profits of commercial banks (before provisions and taxes deduction) decreased by 18.3% to reach 673.7 million of LYD, compared to what they were during the second quarter 2021, which recorded about 824.5 million of LYD.

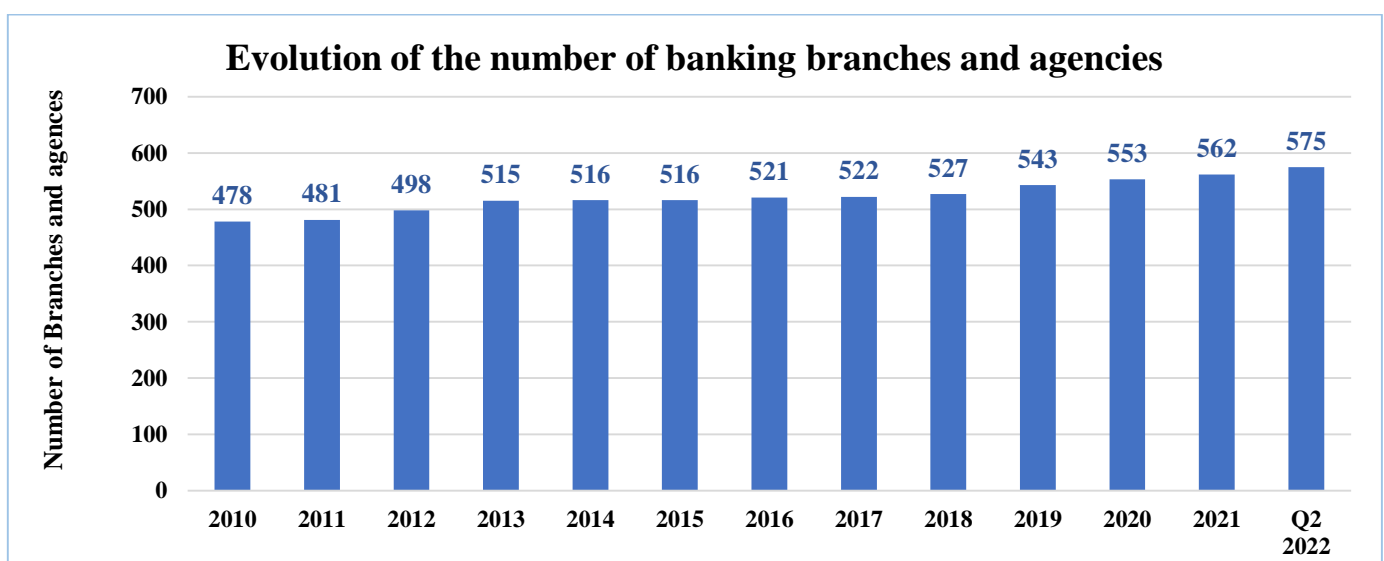


## Commercial Banks' Branching: -

-At the end of second quarter 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.

### Number of banking branches and agencies

Year	Number of Branches and agencies	Number of employees in the banking sector
2010	478	17,648
2011	481	17,550
2012	498	17,575
2013	515	18,878
2014	516	19,183
2015	516	19,214
2016	521	19,255
2017	522	19,324
2018	527	19,263
2019	543	19,387
2020	553	19,565
2021	562	19,588
2022 Q2	575	19,815



## Banking Density

( Per thousand people )

Year	For each bank	For each branch and agency
2012	389	12.1
2013	397	12.2
2014	397	12.2
2015	393.8	12.2
2016	382.4	12.5
2017	394.1	12.8
2018	383.3	13.1
2019	368.4	12.9
2020	368.3	12.8
2021	388.9	12.6
Q2 2022	350	12.3

### Banking Concentration:

The degree of banking concentration means that a small number of commercial 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 commercial banks in Libya, the end of the second quarter 2022, the assets of the four major banks (Al-Jumhuriya, National Commercial, Al-Wahda and Sahara) were accounted for 71.4% of the total assets of the banking sector, and the Jumhouria Bank alone accounted for 27.8% 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 71.4% and 81.3%, respectively, of the total deposits and loans of the banking sector.

## Banking Concentration (2012 – Q2 2022)

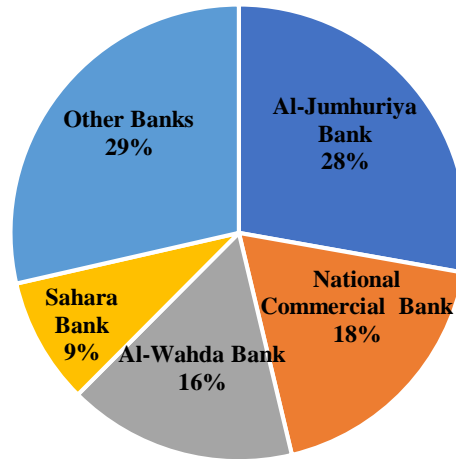
(Percentage %)

<u>According to assets</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q2 2022
Largest bank	37.9	33	33.1	34.9	33.8	33.6	32.7	31.9	31.2	28	27.8
Largest three banks	71	63.7	62.1	67.6	67.9	66.9	65.8	64.6	63.1	62	62.5
Largest five banks	89	81.3	79.2	87.1	86.7	85	84.3	84.2	82.7	79.7	78.3

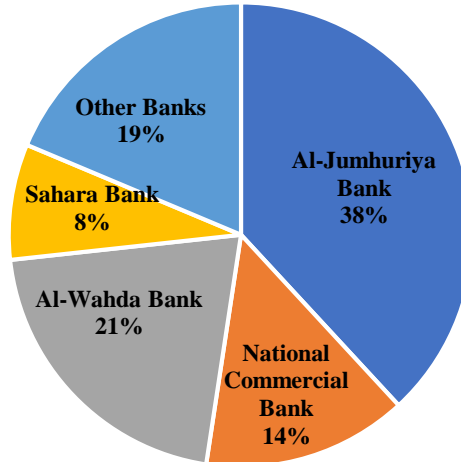
<u>According to credit</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q2 2022
Largest bank	41.9	44.8	43.5	44.8	44.3	44.5	43.6	40.7	42.6	40.7	38.1
Largest three banks	77	76.7	79.1	79.4	78.5	77.7	77.7	75.8	78.3	76.2	73.3
Largest five banks	91	90.2	91.1	91.4	91.3	91.2	91.5	91.4	91.4	87.6	85.7

<u>According to customers' deposits</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q2 2022
Largest bank	40.9	33.8	33.1	34.8	34	33.6	31.9	32.3	31.8	33.8	31.5
Largest three banks	71.5	62.7	61.3	66.5	67.2	66.5	65.2	64.4	62.9	62	61.5
Largest five banks	90.1	80.9	78.6	87.8	87.5	85.7	85.4	85.6	83.7	79.5	78

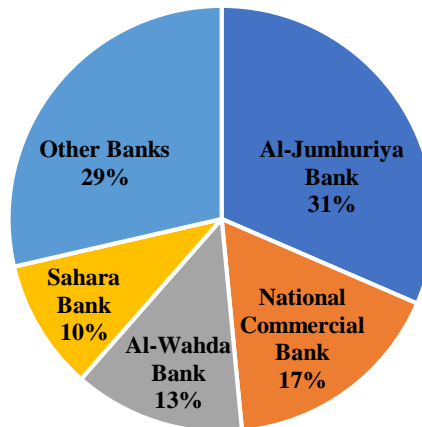
### Assets Concentration



### Credit Concentration



### Deposit Concentration





## Consolidated Balance Sheet for Commercial Banks

The consolidated budget of commercial banks showed an improvement in its total items on both sides of assets and liabilities at the end of the second quarter 2022. Where the total assets within the consolidated budget recorded about 142,565.3 million of LYD, compared to 140,597.1 million of LYD at the end of the second quarter 2021, with an increase of 1,968.2 million of LYD, at a rate of 1.4%. The following is a table summarizing the main items of the consolidated balance sheet of commercial banks:

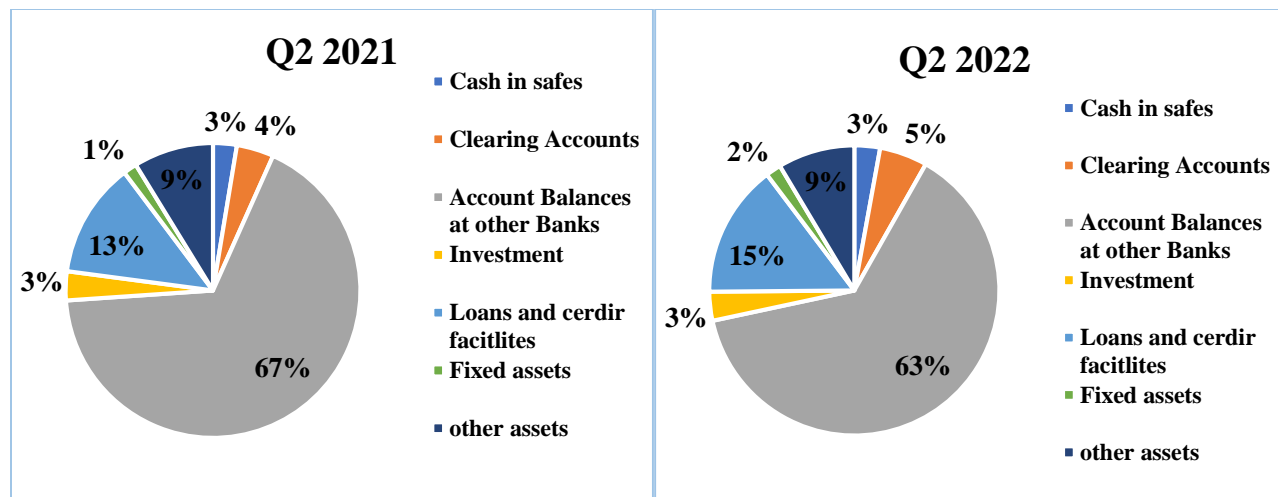
### The main items of the consolidated commercial banks' balance sheet

(In millions of LYD)

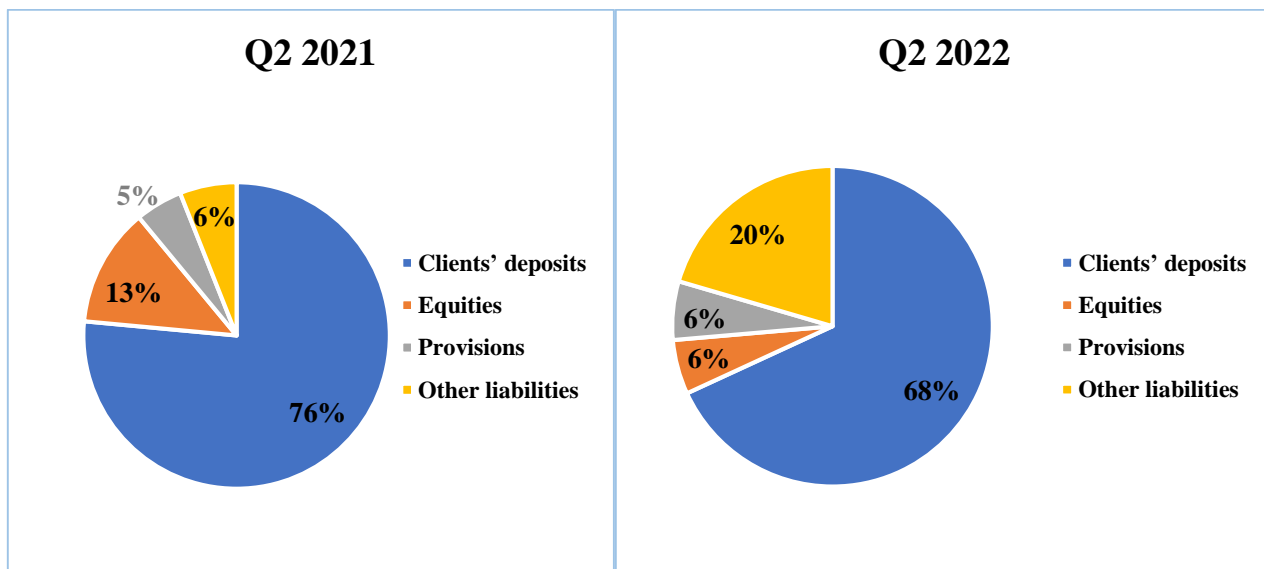
Assets	Q2 2021	Q22022	Change Amount	Change Rate
Cash in vault	3,668.20	4,085.90	417.7	11.4
Clearing accounts	5,734.10	7,603.40	1,869.30	32.6
Accounts' balances at other banks	94,515.30	90,447.30	-4,068.00	-4.3
Investment	4,473.30	4,595.20	121.9	2.7
Loans and credit facilities	17,777.70	21,168.10	3,390.40	19.1
Fixed assets	2,101.00	2,439.30	338.3	16.1
other assets	12,327.50	12,226.20	-101.3	-0.8
<b>Total Assets</b>	<b>140,597.10</b>	<b>142,565.30</b>	<b>1,968.20</b>	<b>1.4</b>
Off-budget accounts	49,074.10	44,325.10	-4,749.00	-9.7
<b>Grand Total</b>	<b>189,671.30</b>	<b>186,890.40</b>	<b>-2,780.90</b>	<b>-1.5</b>

Liabilities	Q2 2021	Q22022	Change Amount	Change Rate
Clients' deposits	99,194.80	97,125.90	-2,068.90	-2.1
Including: cash insurance	16,241.20	17,101.60	860.4	5.3
Equities	6,467.20	7,835.10	1,368.00	21.2
Provisions	7,793.40	8,418.30	624.9	8
Other liabilities	27,141.70	29,185.90	2,044.20	7.5
<b>Total Liabilities</b>	<b>140,597.10</b>	<b>142,565.30</b>	<b>1,968.20</b>	<b>1.4</b>
Off-budget accounts	49,074.10	44,325.10	-4,749.00	-9.7
<b>Grand Total</b>	<b>189,671.30</b>	<b>186,890.40</b>	<b>-2,780.90</b>	<b>-1.5</b>

## Relative importance of the components of the assets



## Relative importance of the components of the liabilities



**The following is the evolution of the consolidated budget of commercial banks during the period  
(2012 – Q2 2022):**

(In millions of LYD)

Assets	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q22022
Cash in vault	1,545.90	1,712.30	1,642.80	752.8	606.4	547.2	1,582.10	2,367.40	1,146.80	2,871.50	4,085.90
Clearing accounts	2,024.60	7,310.30	8,125.40	11,444.40	12,886.40	10,625.80	4,671.00	6,304.60	5,584.80	6,041.00	7,603.40
Accounts' balances at other banks	56,787.60	68,094.60	62,244.00	53,540.00	62,306.50	84,262.60	85,349.30	77,424.90	89,836.60	89,916.80	90,447.30
Investment	954.9	746.7	777.5	1,787.80	1,789.20	1,311.50	1,456.50	1,957.50	4,256.60	4,445.10	4,595.20
Loans and credit facilities	15,899.50	18,232.30	19,959.90	20,212.80	18,770.30	17,446.60	16,448.30	16,912.70	16,996.90	19,637.50	21,168.10
Fixed assets	1,038.40	1,121.60	1,211.60	1,365.40	1,409.10	1,463.20	1,608.30	1,786.70	1,986.80	2,287.40	2,439.30
other assets	6,169.50	1,157.80	1,243.00	1,130.20	5,687.20	5,066.00	5,947.10	5,871.50	6,299.40	10,778.00	12,226.20
<b>Total Assets</b>	<b>84,420.40</b>	<b>98,375.60</b>	<b>95,204.20</b>	<b>90,233.40</b>	<b>103,455.10</b>	<b>116,477.00</b>	<b>117,062.40</b>	<b>112,625.30</b>	<b>126,107.90</b>	<b>135,977.20</b>	<b>142,565.30</b>
Off-budget accounts	70,747.70	71,550.90	51,845.00	48,299.20	46,800.00	46,534.90	48,160.20	34,091.20	28,611.10	45,635.70	44,325.10
<b>Grand Total</b>	<b>155,168.10</b>	<b>169,926.50</b>	<b>147,049.20</b>	<b>138,532.60</b>	<b>150,255.10</b>	<b>163,011.90</b>	<b>165,222.60</b>	<b>146,716.60</b>	<b>154,719.00</b>	<b>181,612.80</b>	<b>186,890.40</b>

(In millions of LYD)

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Q22022</b>
Clients' deposits	68,346.20	83,562.70	78,910.40	71,257.10	83,407.60	95,938.50	93,657.50	88,954.00	102,194.20	92,113.70	97,125.90
Of which :cash insurance	6,823.30	6,609.00	8,080.70	9,738.70	8,939.70	8,845.60	11,533.70	8,427.60	7,091.60	16,515	17,101.60
Equities	4,653.20	4,743.70	4,886.40	5,087.50	5,366.50	5,561.40	6,472.60	6,109.20	6,237.60	6,349.80	7,835.10
Provisions	3,317.40	3,597.20	3,765.30	3,941.80	4,144.90	4,473.00	4,627.60	5,527.20	5,587.20	7,386.60	8,418.30
Other Liabilities	8,103.60	6,472.00	7,642.10	9,946.90	10,536.10	10,504.20	12,304.70	12,035.00	12,088.90	30,127.10	29,185.90
<b>Total liabilities</b>	<b>84,420.40</b>	<b>98,375.60</b>	<b>95,204.20</b>	<b>90,233.40</b>	<b>103,455.10</b>	<b>116,477.00</b>	<b>117,062.40</b>	<b>112,625.30</b>	<b>126,107.90</b>	<b>135,977.20</b>	<b>142,565.30</b>
Off-budget accounts	70,747.70	71,550.90	51,845.00	48,299.20	46,800.00	46,534.90	48,160.20	34,091.20	28,611.10	45,635.70	44,325.10
<b>Grand Total</b>	<b>155,168.10</b>	<b>169,926.50</b>	<b>147,049.20</b>	<b>138,532.60</b>	<b>150,255.10</b>	<b>163,011.90</b>	<b>165,222.60</b>	<b>146,716.60</b>	<b>154,719.00</b>	<b>181,612.80</b>	<b>186,890.40</b>

## Analysis of the components of the consolidated budget of commercial banks

### Firstly: Assets

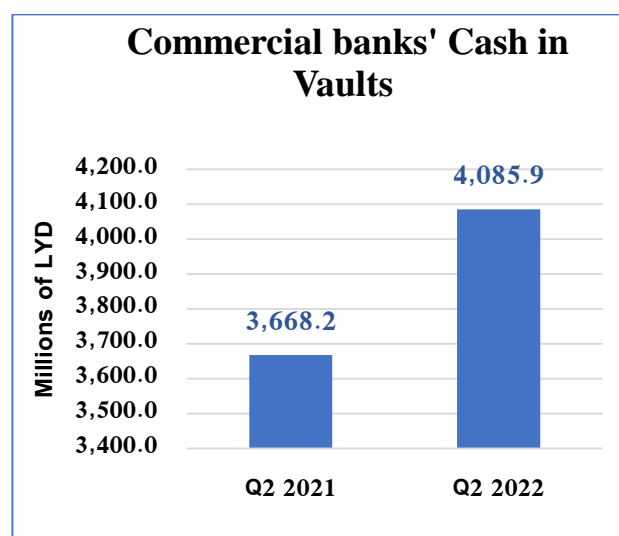
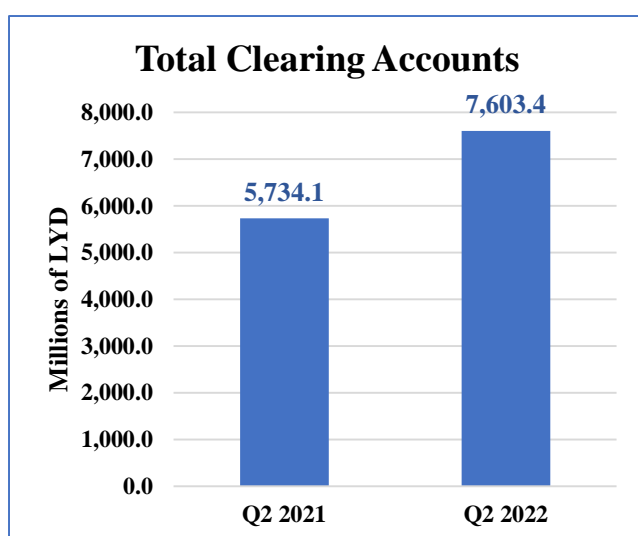
#### 1. Cash:

##### A- Cash in safes and clearing accounts:

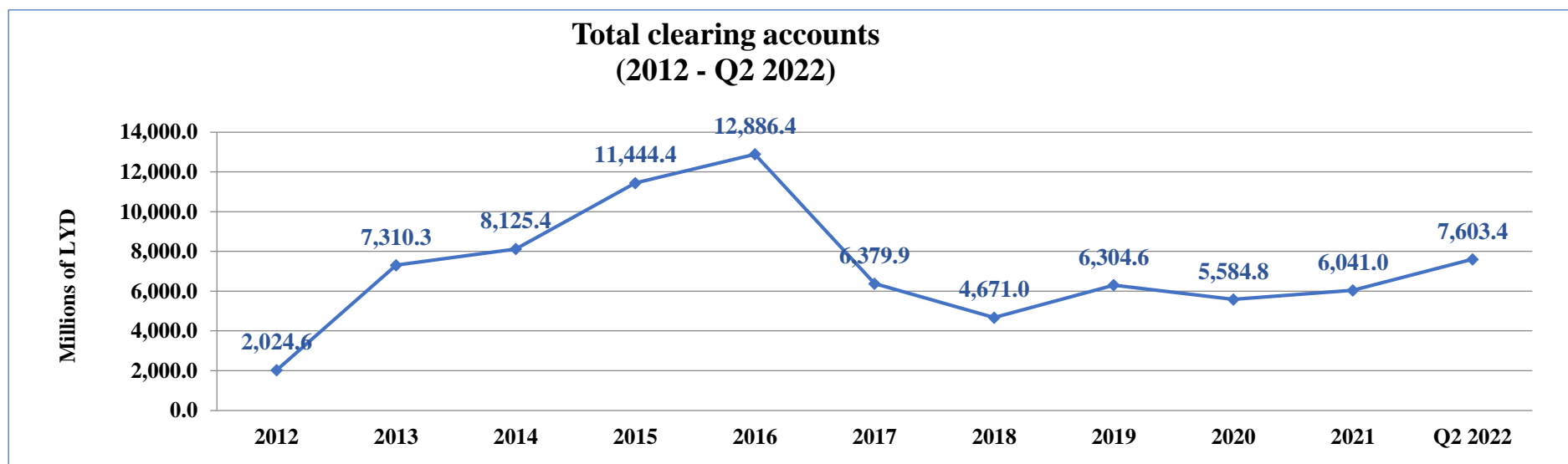
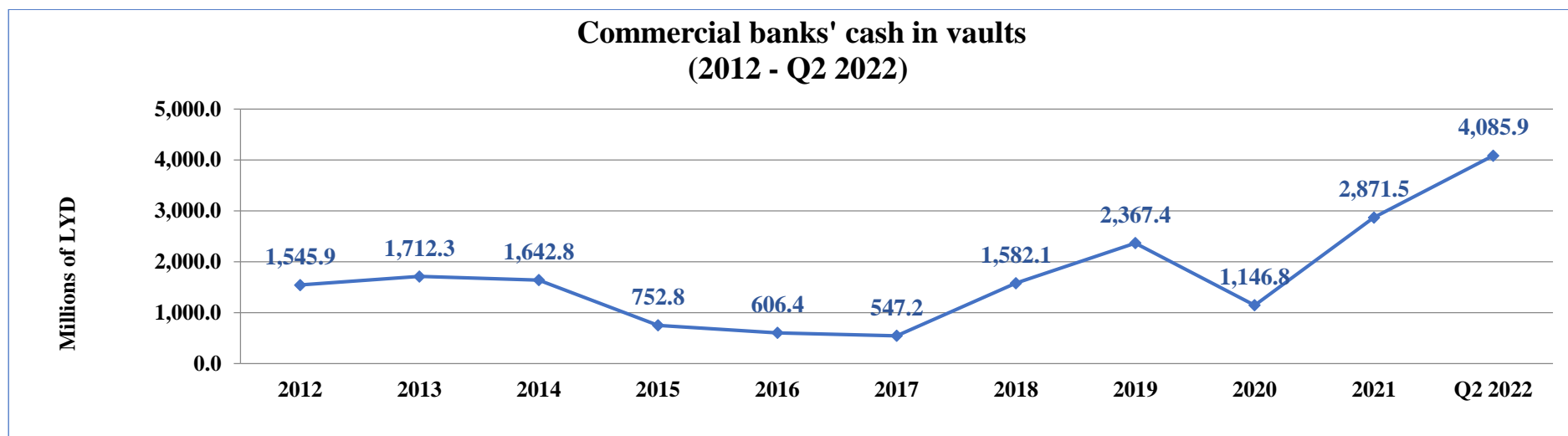
The cash in safes and clearing accounts increased by 2,287.0 million of LYD, or 24.3%, to reach 11,689.3 million of LYD at the end of the second quarter 2022, compared to 9,402.3 million of LYD at the end of the second quarter 2021, where the cash in bank safes increased by 417.7 million of LYD, while the Clearing accounts amounted to 1,869.3 million of LYD at the end of the second quarter 2022, compared to what it was in the same period of 2021, and the following table shows these developments:

(In millions of LYD)

Items	Q2 2021	Q2 2022	Change in value	Change rate %
<b>Cash in vaults:</b>	<b>3,668.2</b>	<b>4,085.9</b>	<b>417.7</b>	<b>11.4</b>
Local currency	3,584.8	3,888.2	303.4	8.5
Foreign currency	83.4	197.6	114.2	136.9
<b>Accounts Total clearing</b>	<b>5,734.1</b>	<b>7,603.4</b>	<b>1,869.3</b>	<b>32.6</b>
Interbank clearing	2,175.6	4,031.3	1,855.7	85.3
Branch clearing	3,558.5	3,572.1	13.6	0.4
<b>Total</b>	<b>9,402.3</b>	<b>11,689.3</b>	<b>2,287.0</b>	<b>24.3</b>



**The following is the evolution of the cash item in commercial banks during the period (2012 – Q2 2022):**

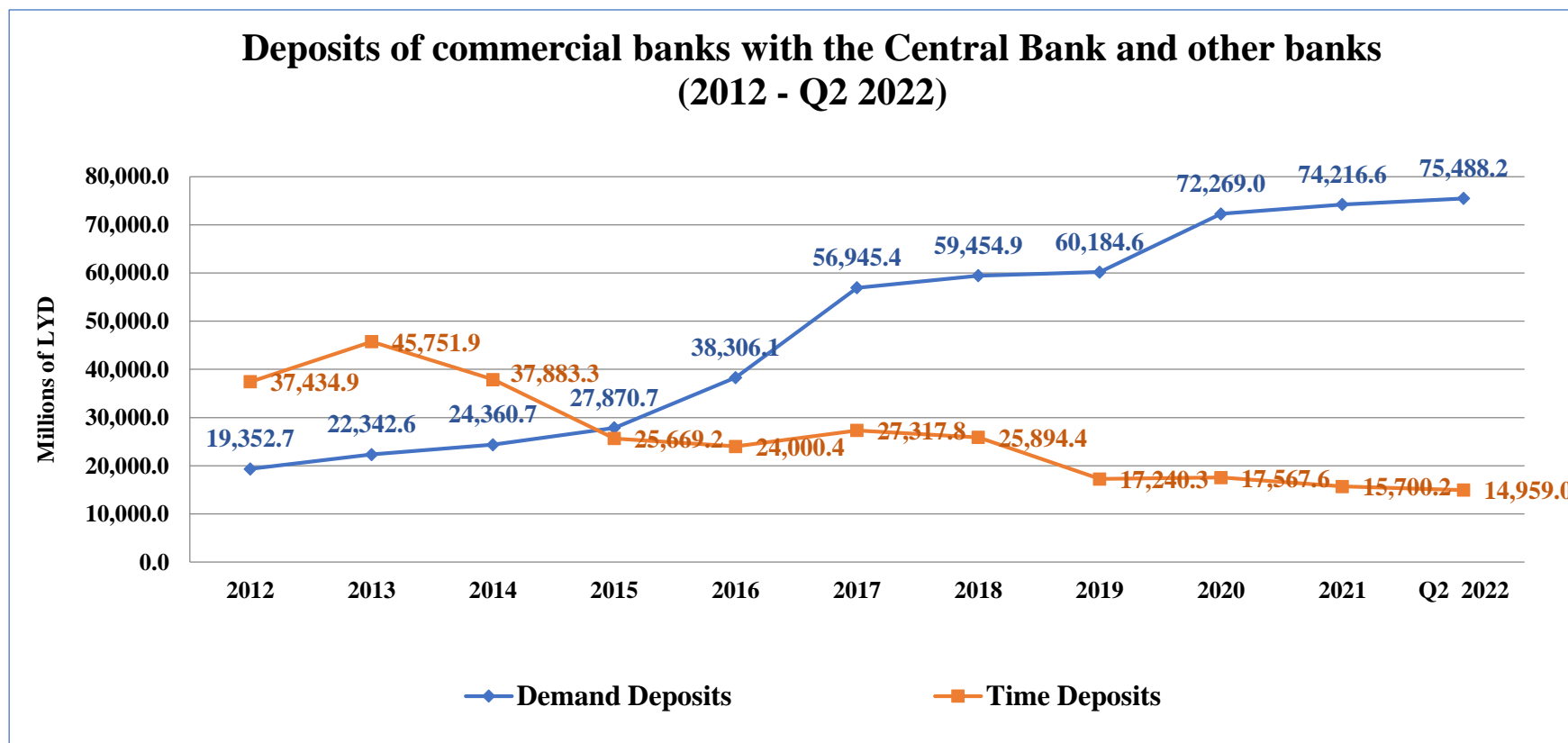


## B- Accounts and deposits with the Central Bank and other banks:

The commercial banks' deposits with the Central Bank and other banks and between them amounted to about 90,447.3 million of LYD at the end of the second quarter 2022, compared to 94,515.3 million of LYD at the end of the second quarter 2021, recording a decrease of 4,068.0 million of LYD. This was because of a decrease in the banks' deposits with the Central Bank as well as their deposits among them by about 356.6 million of LYD, in addition to the decrease in its deposits with the Libyan Foreign Bank. The following table shows the details of this item:

(In millions of LYD)				
Items	Q2 2021	Q2 2022	Change in value	Change rate %
<b>Demand Deposits:</b>	<b>78,946.70</b>	<b>75,488.20</b>	<b>-3,458.50</b>	<b>-4.4</b>
Central bank	68,560.20	64,889.00	-3,671.20	-5.4
Commercial bank	1,302.30	945.7	-356.6	-27.4
Libyan foreign bank	1,499.00	1,254.20	-244.8	-16.3
Banks abroad	7,585.30	8,399.30	814	10.7
<b>Time Deposits:</b>	<b>15,568.50</b>	<b>14,959.00</b>	<b>-609.5</b>	<b>-3.9</b>
Central bank (certificates of deposit)	13,761.40	13,337.30	-424.1	-3.1
Local banks	0	0	0	-
Libyan foreign bank	0	0	0	-
Banks abroad	1,807.10	1,621.80	-185.3	-10.3
<b>Total</b>	<b>94,515.30</b>	<b>90,447.30</b>	<b>-4,068.00</b>	<b>-4.3</b>

**The following figure shows the development of bank accounts and deposits with the Central Bank and other banks and between them during the period (2012 – Q2 2022):**



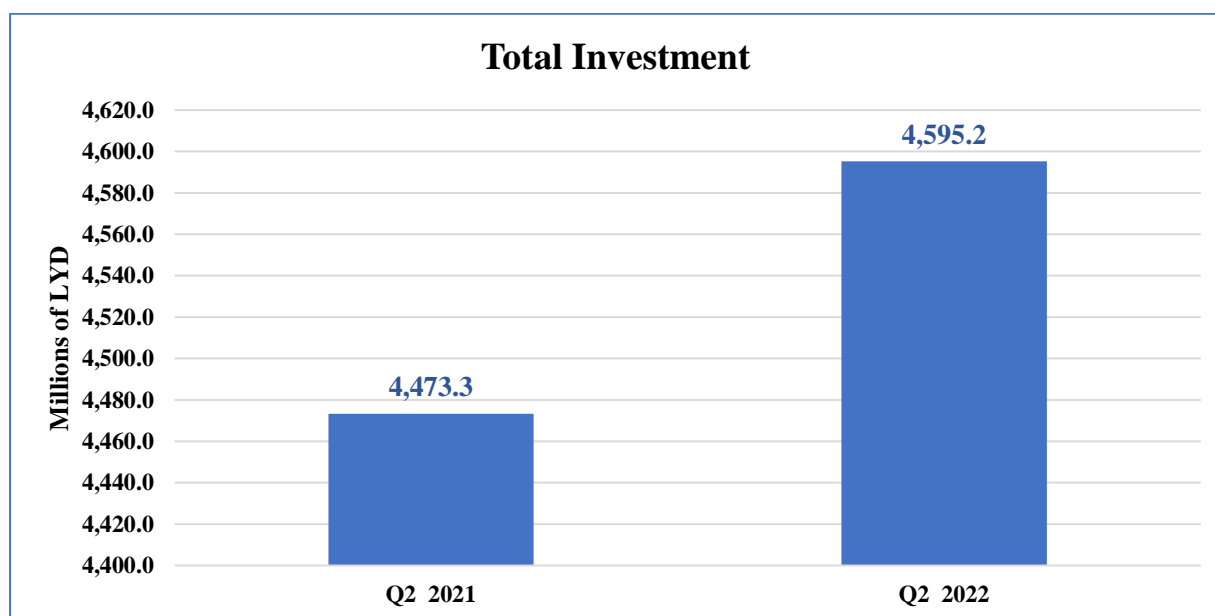


## 2. Investments:

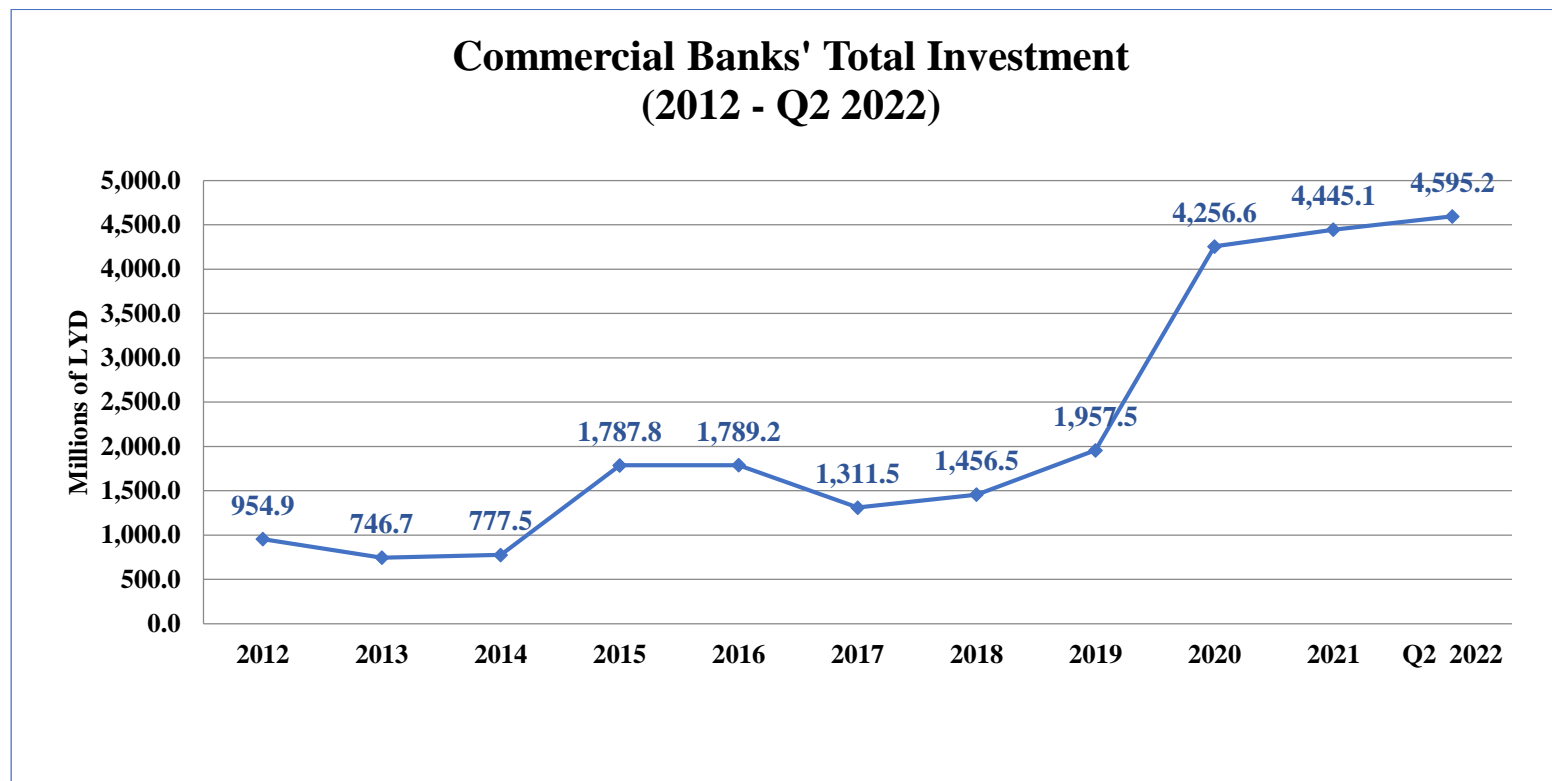
Total item of the investments' balance in commercial banks scored about 4,595.2 million LYD at the end of the second quarter 2022, compared to 4,473.3 million LYD at the end of the same period of 2021, with a growth rate of 2.7%. This increase came as a result of the increase in other investments. The following table illustrates the details:

(In Millions of LYD)

Items	Q2 2021	Q2 2022	Change in value	Change rate %
Public treasury and bills security	3,000.00	3,000.00	0	0
Investment in public companies	560.9	564.7	3.8	0.7
Investment in private shareholding companies	816.5	783	-33.5	-4.1
Other investment	95.9	247.5	151.6	158.1
<b>Total</b>	<b>4,473.30</b>	<b>4,595.20</b>	<b>121.9</b>	<b>2.7</b>



**The following table shows the evolution of the investment balance of commercial banks during the period (2012 – Q2 2022):**



### 3. Loans and credit facilities:

The total balance of credit granted by commercial banks increased from 17,777.7 million LYD at the end of the second quarter of 2021 to 21,168.1 million LYD at the end of the second quarter in the current year 2022, with a growth rate of 19.1%, as the balance of loans granted to the private sector at the end of the second quarter 2022 amounted to 15,170.5 million LYD, which equals to 71.7% of the total loans and credit facilities, while the balance of loans granted to the public sector constituted the remaining 28.3%, which amounted to 5,997.5 million LYD.

Further, the loans and credit facilities granted to the total deposit liabilities constituted 21.8% and constituted 14.8% of the total assets.

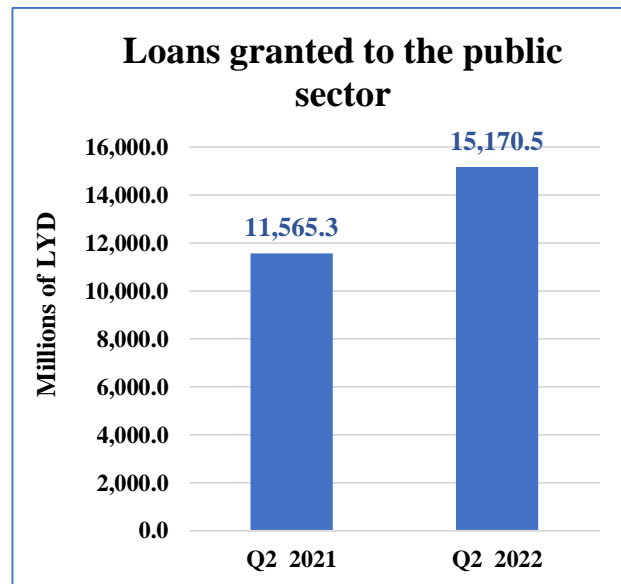
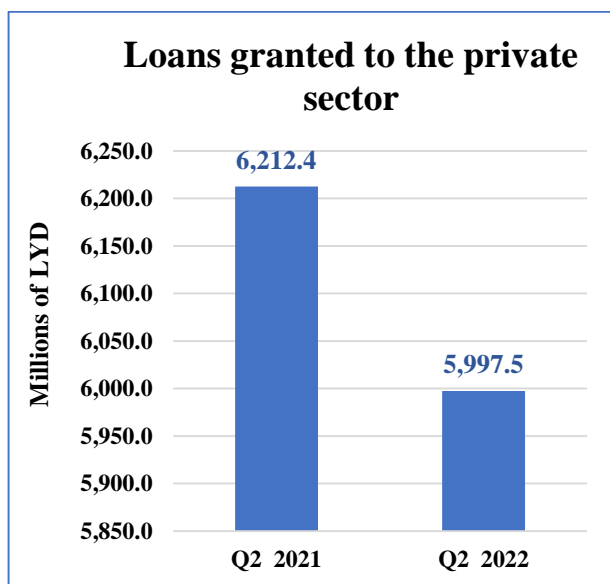
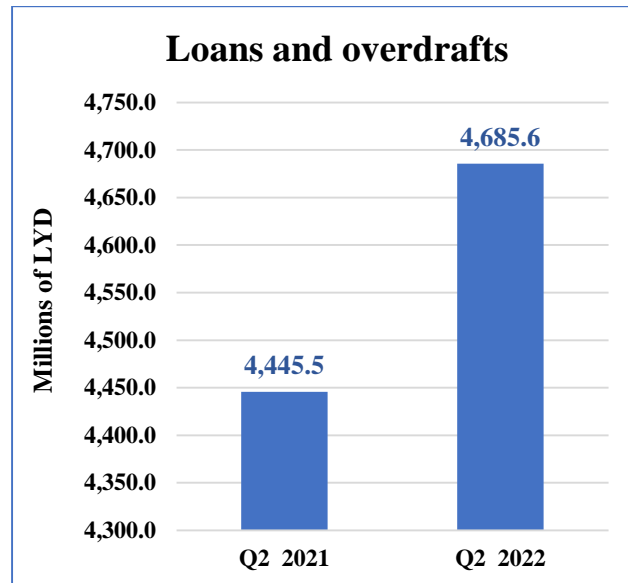
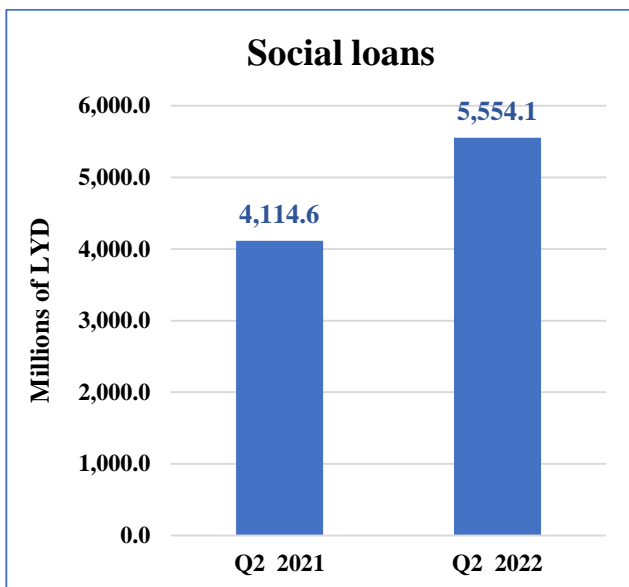
(In millions of LYD)

Item	Q2 2021	Q2 2022	Change in value	Change rate %
Loans and overdrafts	4,445.5	4,685.6	240.1	5.4
Social loans*	4,114.6	5,554.1	1,439.5	35.0
Other loans	9,217.6	10,928.4	1,710.8	18.6
<b>Total loans and credit facilities</b>	<b>17,777.7</b>	<b>21,168.1</b>	<b>3,390.4</b>	<b>19.1</b>
Provisions for doubtful debts	3,598.5	3,739.3	140.8	3.9
<b>Net of loans and credit facilities</b>	<b>14,179.2</b>	<b>17,428.7</b>	<b>3,249.5</b>	<b>22.9</b>

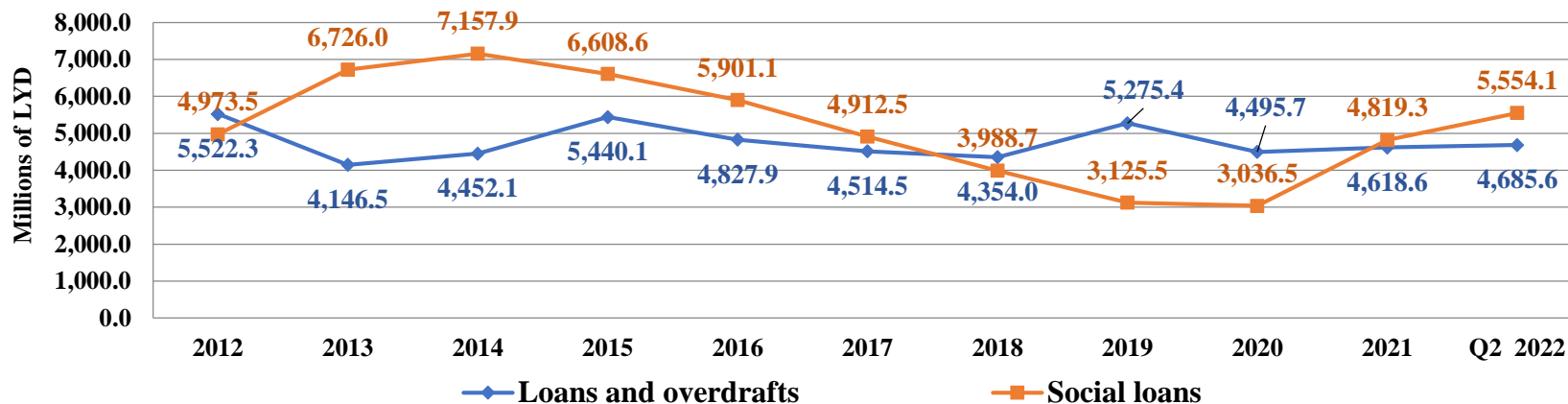
\* Including the balance of Murabaha financing for individuals.

(In millions of LYD)

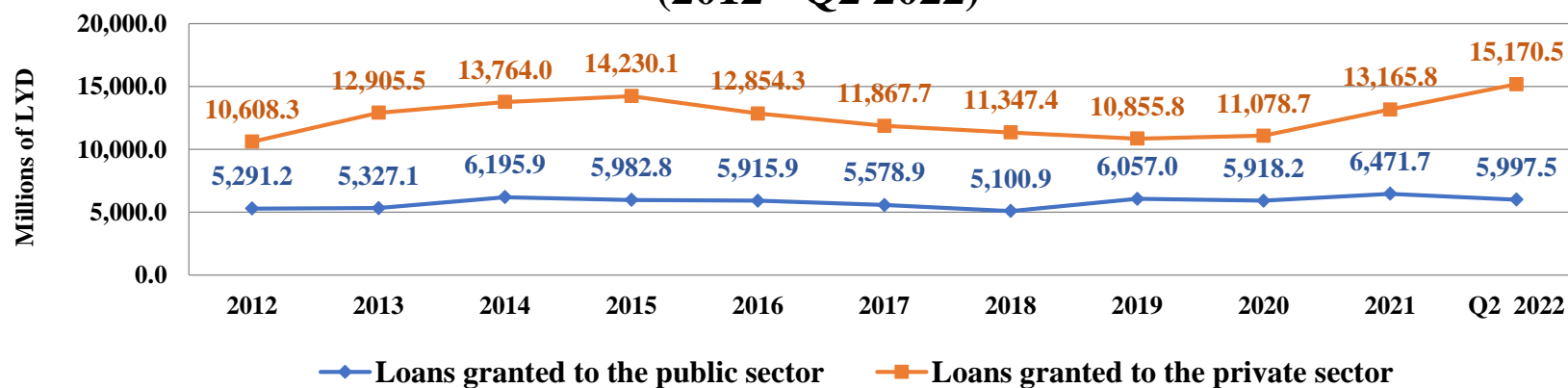
Item	Q2 2021	Q2 2022	Change in value	Change rate %
Public sector Loans granted to the	6,212.4	5,997.5	214.9-	3.5-
Private sector Loans granted to the	11,565.3	15,170.5	3,605.2	31.2
<b>Total</b>	<b>17,777.7</b>	<b>21,168.1</b>	<b>3,390.4</b>	<b>19.1</b>



### Social loans and Overdarfts' account balance (2012 - Q2 2022)



### Loans provided to both sector (public and private) (2012 - Q2 2022)

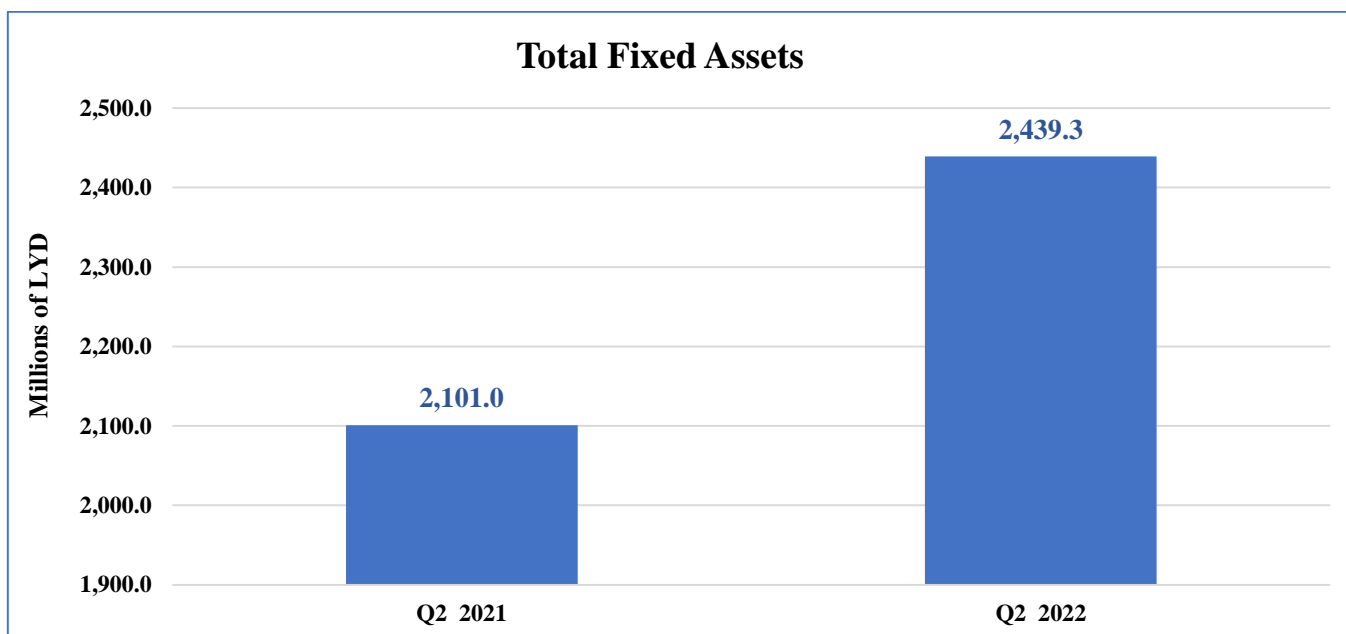


#### 4. Fixed and other assets:

Balance of fixed assets amounted to approximately about 2,397.3 million LYD at the end of the second quarter 2022, compared to 2,038.2 million LYD at the end of the second quarter 2021, while the balance of other assets amounted to about 11,892.0 million LYD at the end of the second quarter 2022, compared to 10,562.8 million LYD at the end of the second quarter 2021.

(In millions of LYD)

Item	Q2 2021	Q2 2022	Change in value	Change rate %
Fixed assets	2,101.0	2,439.3	338.3	16.1
Other assets	12,327.5	12,226.2	101.3-	0.8-



## Secondly: Liabilities

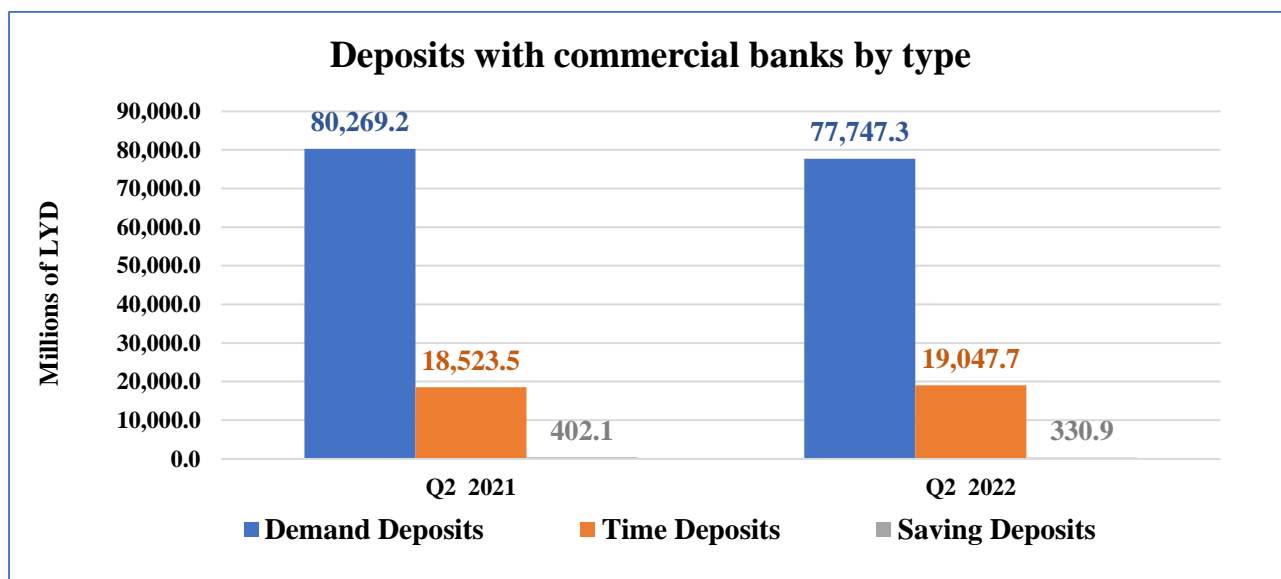
### **1- Customer deposits with commercial banks:**

Total balance of customers' deposits with commercial banks decreased from 99,194.8 million of LYD at the end of the second quarter of 2021 to 97,125.9 million LYD at the end of the second quarter of 2022, which is rated to 2.1%. The decrease in the balances of demand deposits was concentrated by 2,521.9 million LYD, or 3.1% from what it was at the end of the second quarter of 2021, while the term deposits increased by 524.2 million LYD in the cash insurances item, while with regard to savings deposits, it decreased by 71.2 million LYD, which is equivalent to 17.7%

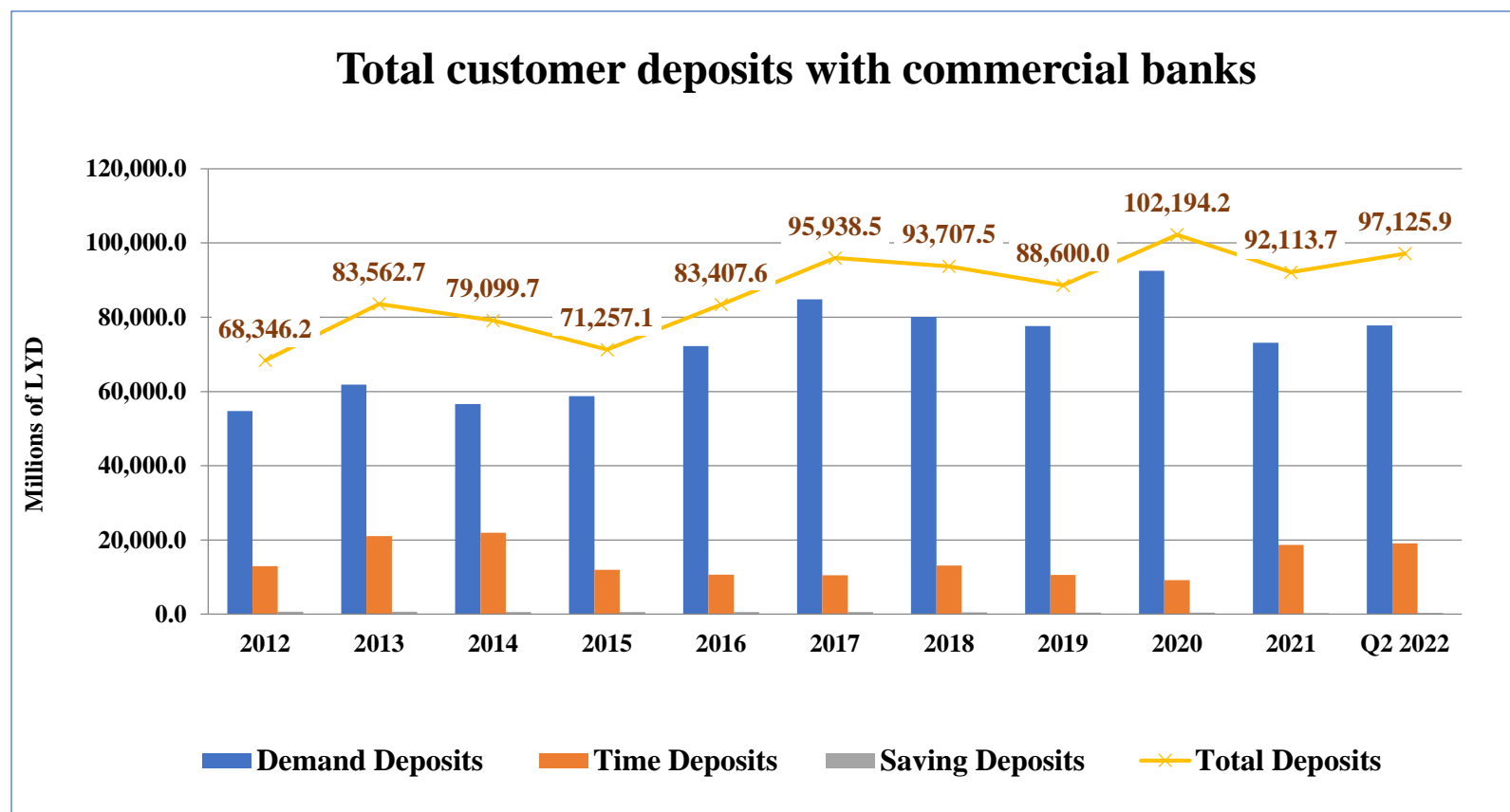
As for the distribution of deposits with commercial banks by type of deposit, demand deposits constituted 80.0% of the total deposits, while time deposits constituted 19.6% of the total deposits, and savings deposits constituted only 0.4% of the total deposits.

(In millions of LYD)

Item	Q2 2021	Q2 2022	Change in value	Change rate %
Demand Deposits	80,269.2	77,747.3	2,521.9-	3.1-
Time Deposits	18,523.5	19,047.7	524.2	2.8
Saving Deposits	402.1	330.9	71.2-	17.7-
<b>Total</b>	<b>99,194.8</b>	<b>97,125.9</b>	<b>2,068.9-</b>	<b>2.1-</b>



**Evolution of deposit balances by type of deposit with commercial banks during the period (2012 – Q2 2022):**

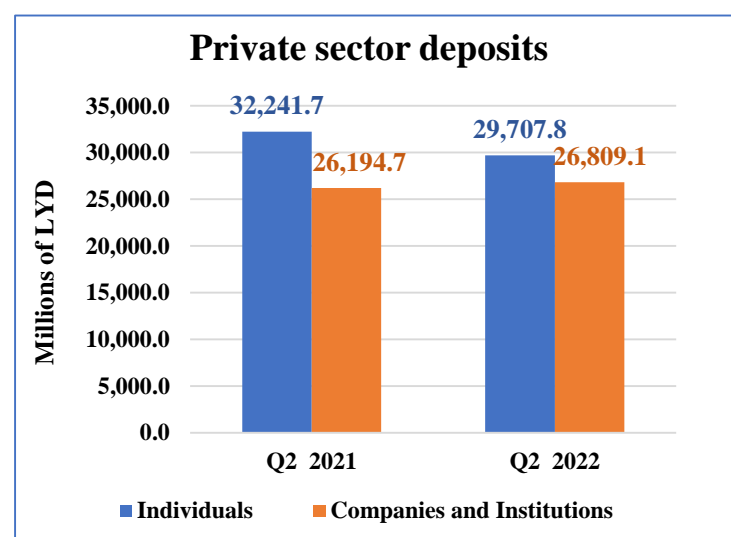
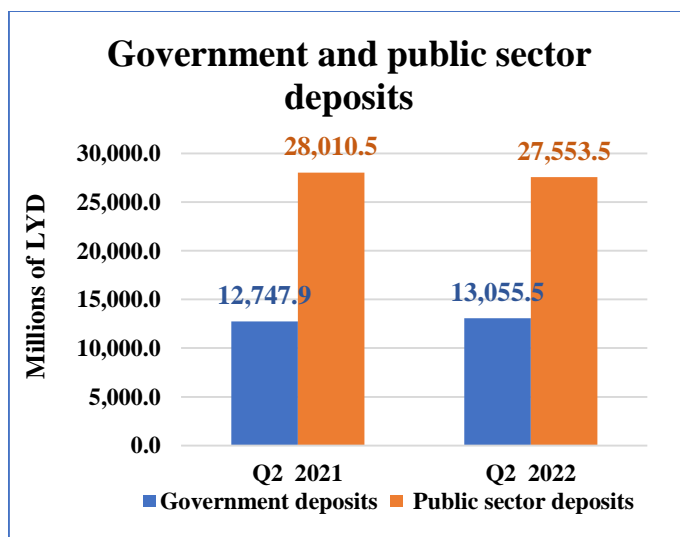




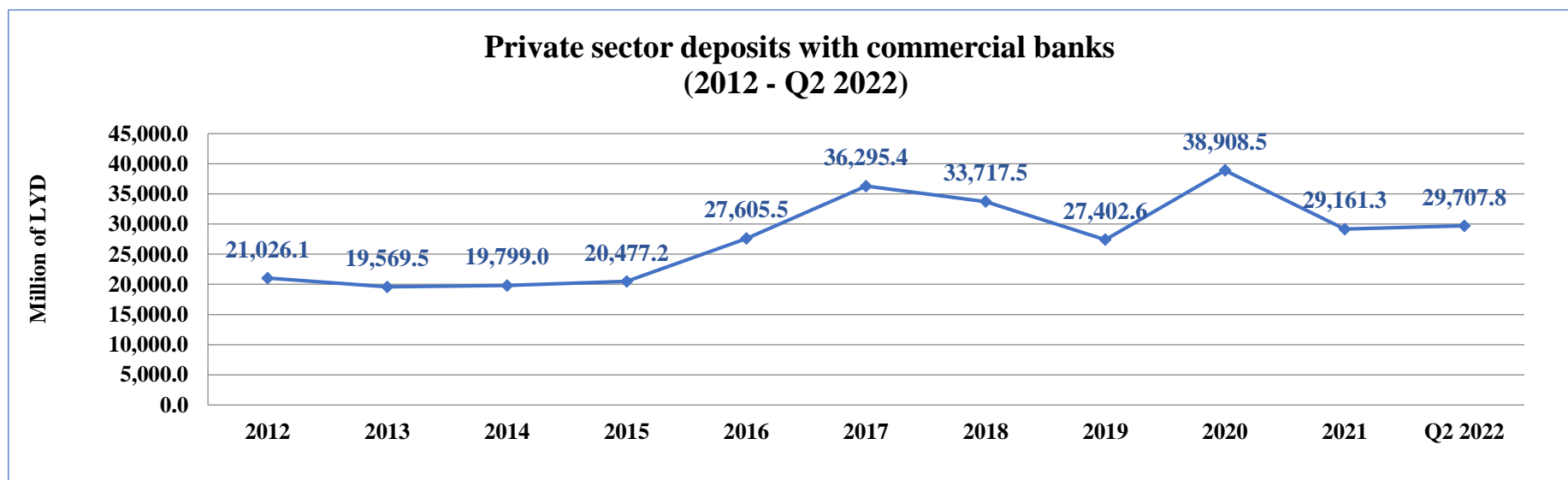
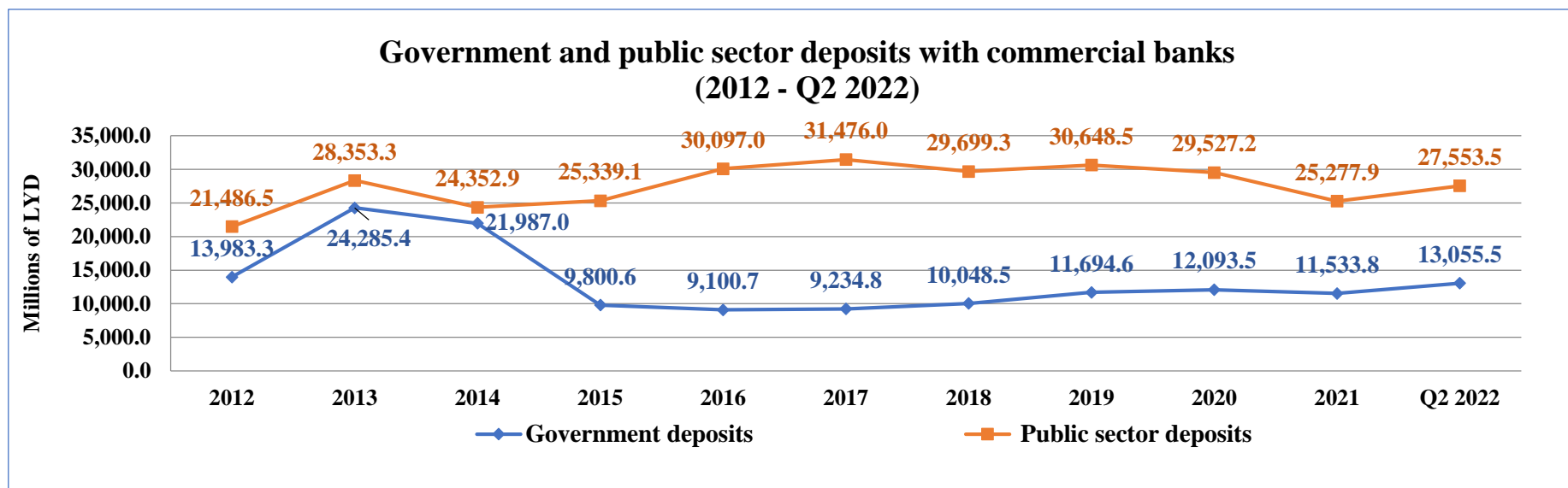
With regard to the distribution of total customer deposits with commercial banks (private, government and public), private sector deposits decreased by 1,919.4 million LYD, or 3.3% at the end of the second quarter 2022, to record about 56,516.9 million LYD, compared to 58,436.3 million LYD at the end of the second quarter of 2021. While the balance of the government sector and the public sector decreased by 149.4 million LYD to reach 40,609.0 million LYD at the end of the second quarter 2022, of which 13,055.5 million 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 40,758.4 million LYD as deposits for the public sector and the government sector at the end of the second quarter of 2021

The following table shows the evolution of deposit balances with commercial banks:

(In millions of LYD)				
Item	Q2 2021	Q2 2022	Change in value	% Change rate
<b>Government and public sector deposits</b>	<b>40,758.4</b>	<b>40,609.0</b>	<b>149.4-</b>	<b>0.4-</b>
Government deposits	12,747.9	13,055.5	307.6	2.4
public sector deposits	28,010.5	27,553.5	457-	1.6-
<b>Private sector deposits</b>	<b>58,436.3</b>	<b>56,516.9</b>	<b>1,919.40-</b>	<b>3.3-</b>
Individuals	32,241.7	29,707.8	2,533.90-	7.9-
Institutions Companies and	26,194.7	26,809.1	614.4	2.3
<b>Total</b>	<b>99,194.8</b>	<b>97,125.9</b>	<b>2,068.90-</b>	<b>2.1-</b>



**The following is a figure showing the distribution of customers' deposits with commercial banks during the period: (2012 - Q2 2022)**

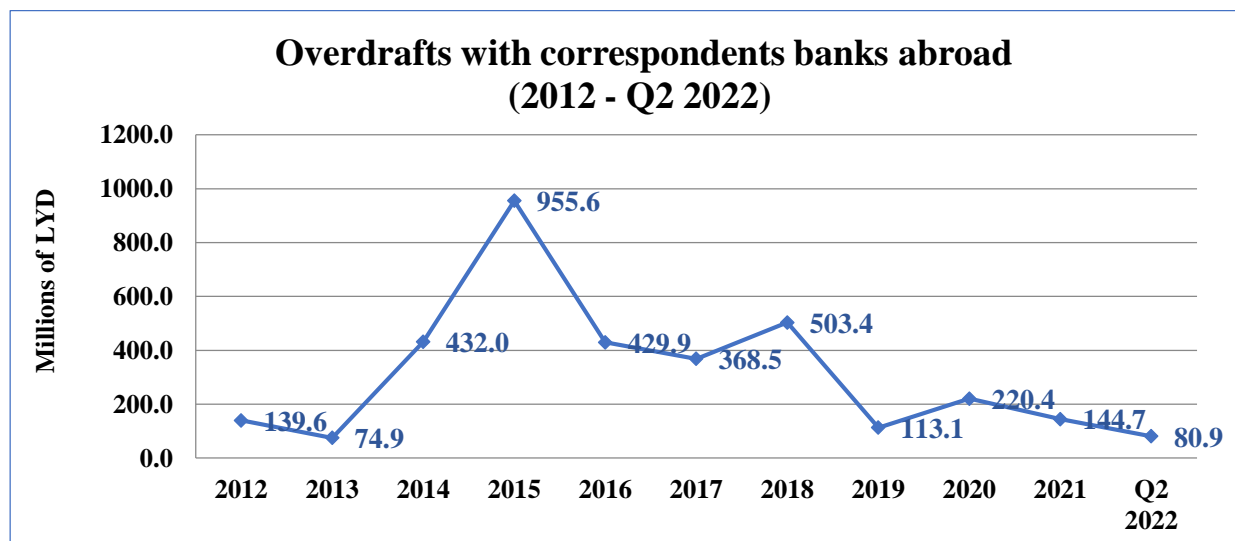
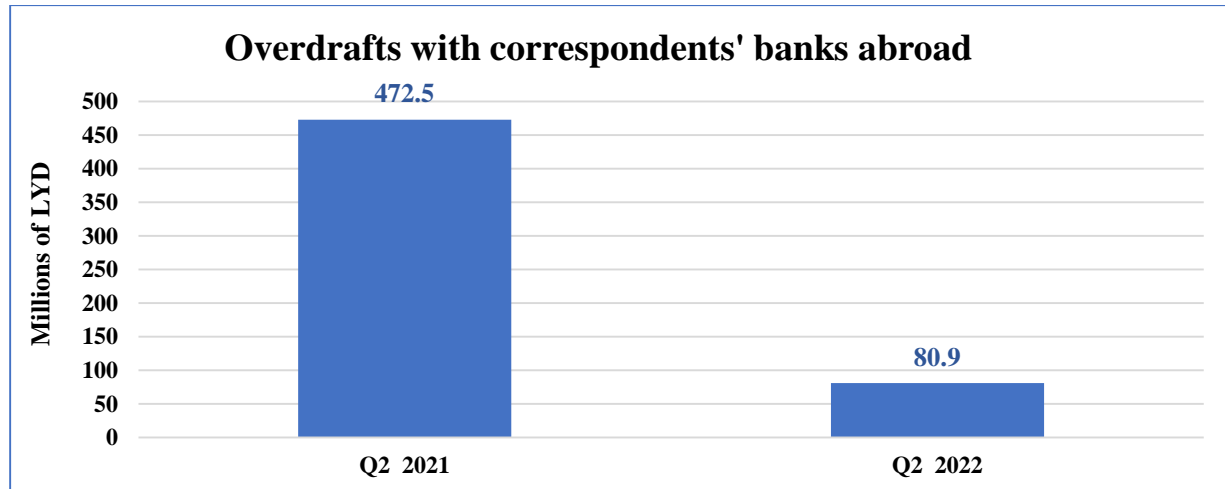


## 2. The exposed accounts with correspondents abroad:

The balance of exposed accounts with the correspondents abroad are 61.0 million L.D at the end of the second quarter 2022, lower than it was at the end of the second quarter 2021, because some of banks settling their accounts with correspondents abroad.

(In millions of LYD)

Item	Q2, 2021	Q2, 2022
Overdrafts with correspondents' banks abroad	472.5	80.9



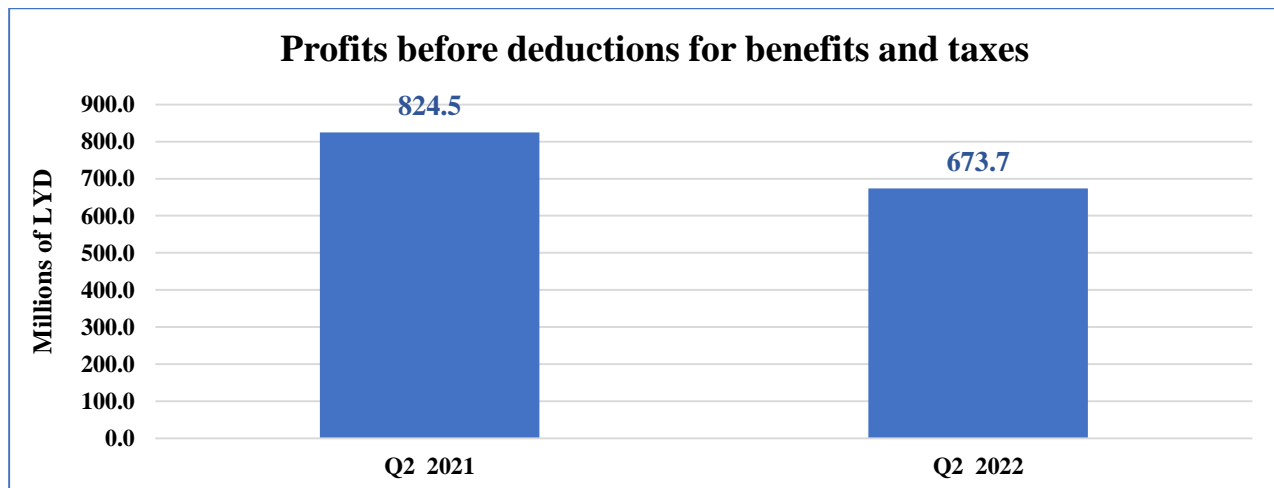
### 3. Equity and Profits:

- Paid capital: the paid capital increased from 4,687.6 million L.D at the end of the second quarter 2021 to 5,223.2 million of LYD at the end of the second quarter 2022, because some of the banks increased their capital, and also includes the balance sheet of Al-yaqeen bank and the balance sheet of Al-andalus bank.

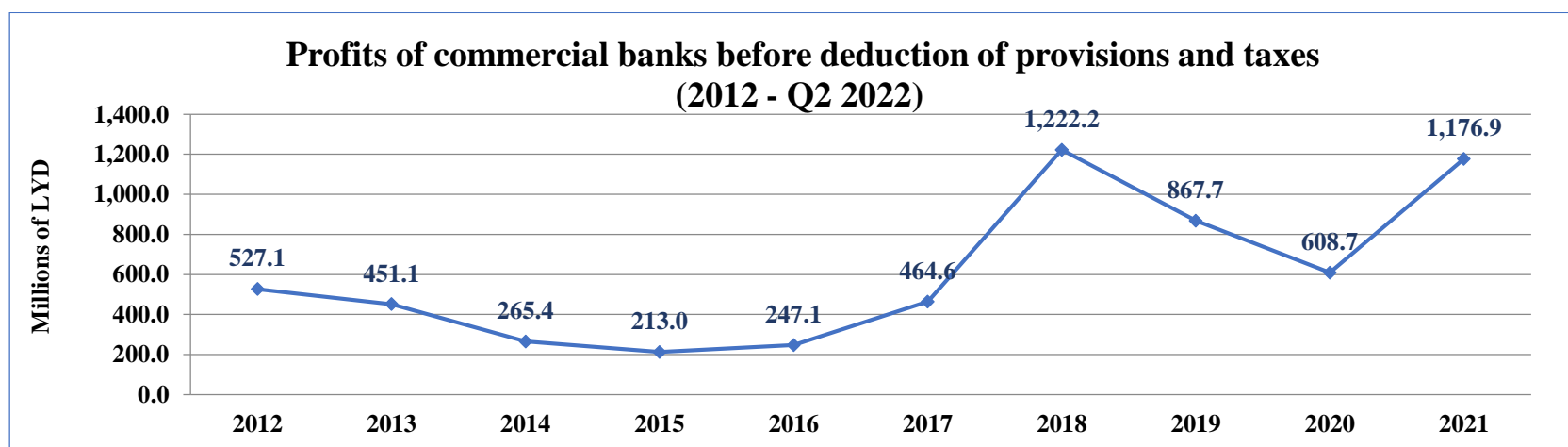
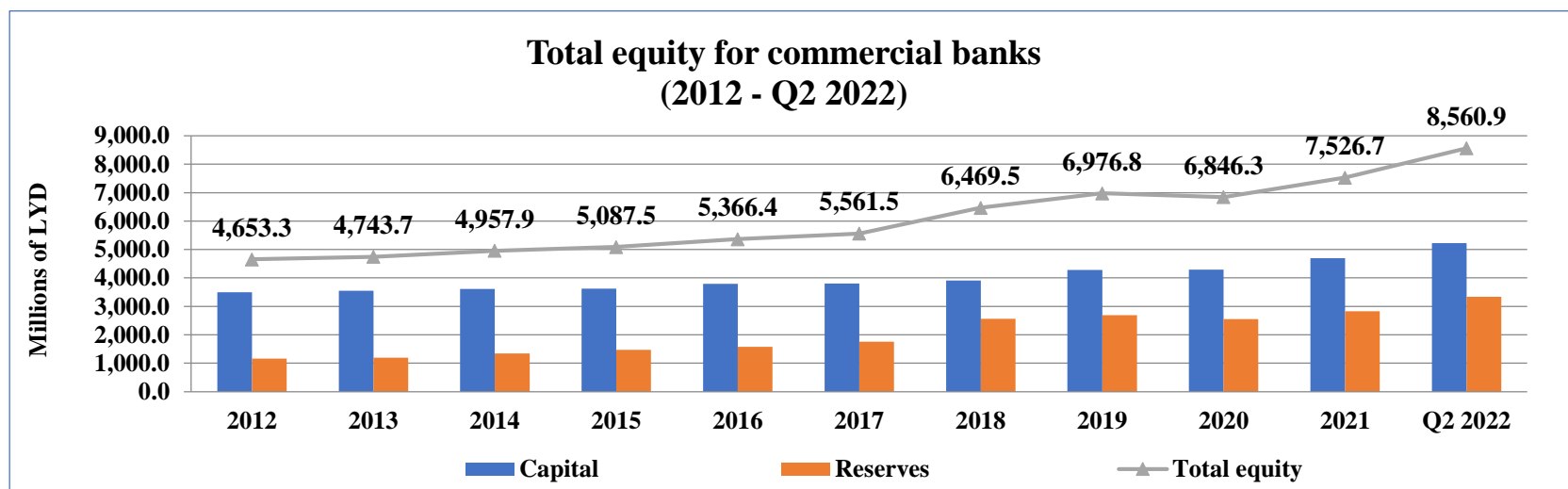
- Reserves and Profits: The balance of reserves and retained and distributable profits increased from 919.5 million of LYD at the end of the second quarter 2021, to reach 1,521.3 million of LYD at the end of the second quarter 2022, while the profits of commercial banks before deducting provisions and taxes during the second quarter 2022 recorded a decrease of 18.3% to reach 673.7 million of LYD, compared by 824.5 million of LYD during the same period at previous year.

(In millions of LYD)

Items	Q2, 2021	Q2, 2022	Change in value	Change % rate
Paid capital	4,687.6	5,223.2	535.6	11.4
Legal Reserve	798.7	812.5	13.8	1.7
Unallocated reserves	61.4	330.2	268.8	437.8
Profit of the year	824.5	673.7	-150.8	-18.3
Retained earnings and distributable profits	919.5	1,521.3	601.8	65.4
<b>Total</b>	<b>7,291.7</b>	<b>8,560.9</b>	<b>1,269.2</b>	<b>17.4</b>



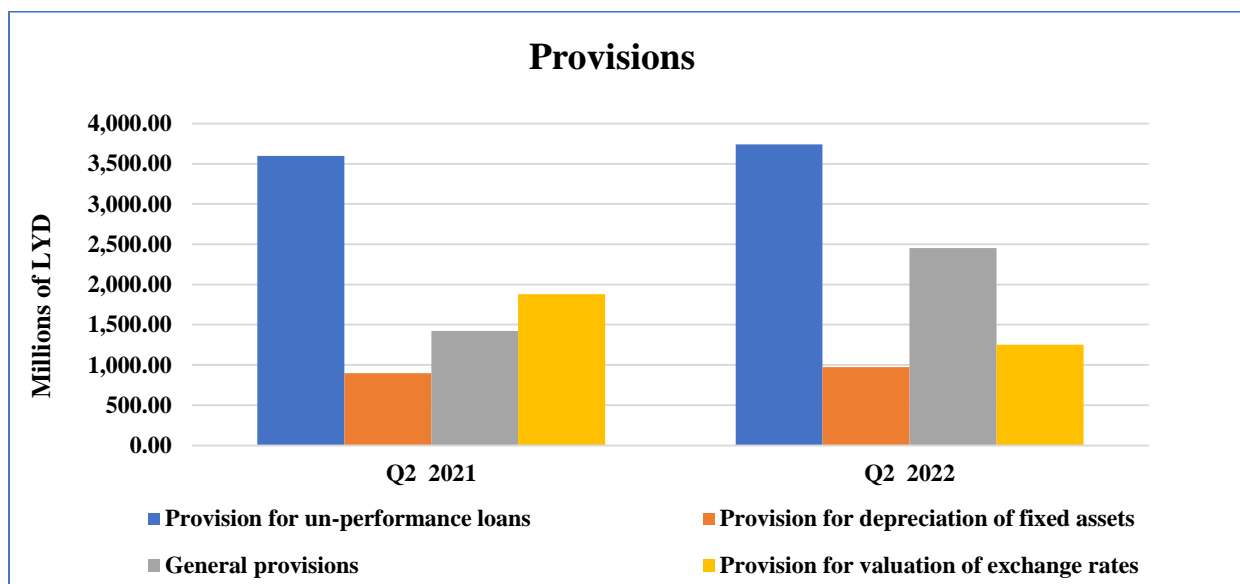
The following is the evolution of banks' capital accounts and reserves during the period  
(2012 – Q2, 2022):



#### 4. Provisions:

The balance of provisions recorded an increase 624.9 million of LYD at the end of the second quarter 2022 to reach 8,418.3 million L.D, compared to 7,793.4 million of LYD at the end of the second quarter 2021. The increase was concentrated in the general provisions as shown in the following table:

(In millions of LYD)				
Items	Q2, 2021	Q2, 2022	Change in value	Change % rate
Provision for un-performance loans	3,598.5	3,739.3	140.8	3.9
Provision for depreciation of fixed assets	895.3	973.8	78.5	8.8
General provisions	1,421.4	2,452.3	1,030.9	72.5
Provision for valuation of exchange rates	1,878.2	1,252.9	-625.3	-33.3
<b>Total</b>	<b>7,793.4</b>	<b>8,418.3</b>	<b>624.9</b>	<b>8.0</b>



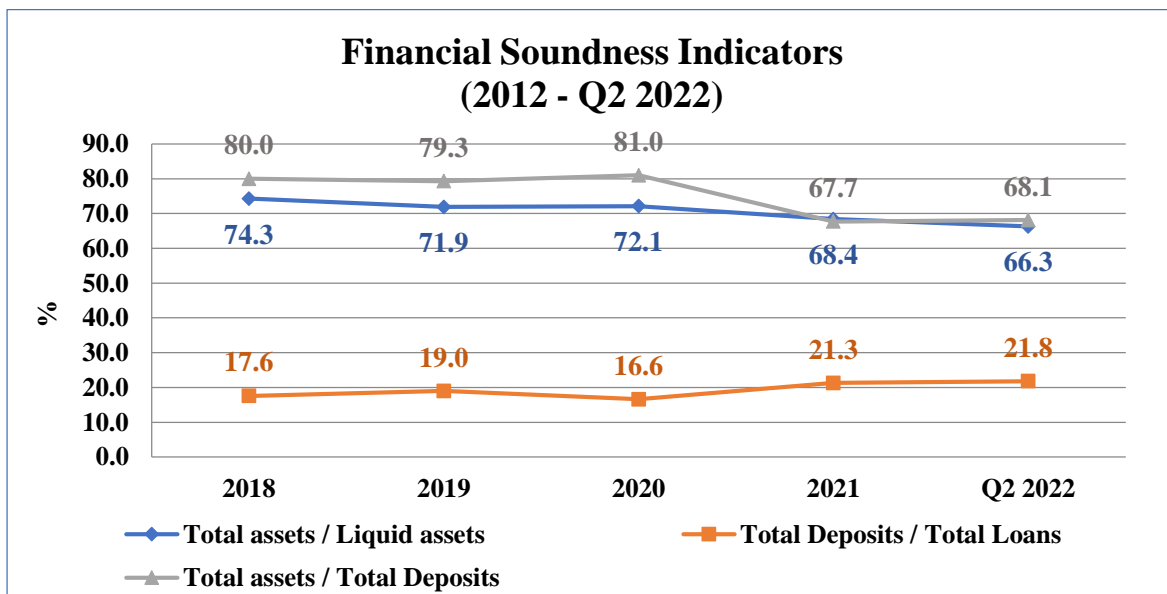
## Financial Soundness Indicators of Commercial Banks (2012 - Q2, 2022)

**1. Liquidity indicators:** The ratio of liquid assets at commercial banks to total assets reached 66.3% at the end of the second quarter 2022, most of them with the Central Bank of Libya (on demand including required reserve and CDs).

The total of loans to the total of deposits at the banks reached 21.8% at the end of the second quarter 2022, which is a very small percentage, while the ratio of deposits with banks to total assets was 68.1%. and the legal liquidity ratio that commercial banks should be keep it is 25.0% of the total deposit.

(Percentage %)

Indicator	2018	2019	2020	2021	Q2 2022
Liquid assets / Total assets	74.3	71.9	72.1	68.4	66.3
Total Loans / Total Deposits	17.6	19.0	16.6	21.3	21.8
Total Deposits / Total assets	80.0	79.3	81.0	67.7	68.1

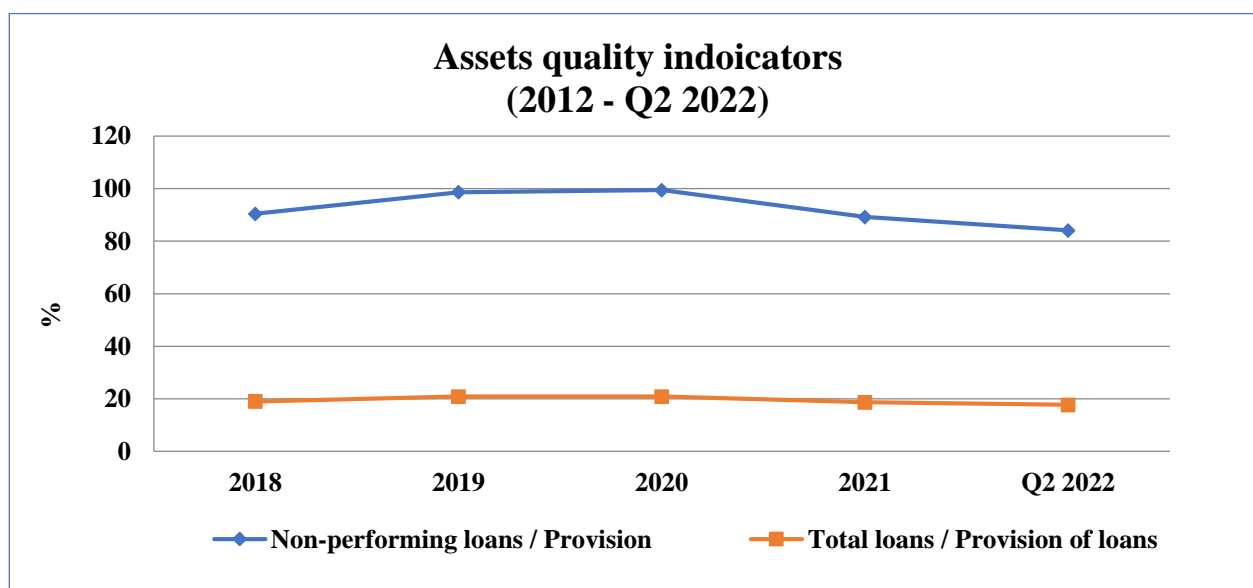


**2. Assets quality:** The available data on the ratio of unperformance loans, which are estimated data that may not reflect the reality, showed that the ratio of unperformance loans to the total loans reached 21.0% at the end of the second quarter 2022, and an increase in this ratio indicates a decrease in the efficiency of credit

management, and this percentage according to the international standards it shouldn't exceed 5%. and the coverage ratio of the provision loans to the unperformance loans at the end of the second quarter 2022 was 84.1%.

Indicator	(Percentage %)				
	2018	2019	2020	2021	Q2, 2022
Non-performing loans (*) / Total assets	2.9	3.2	2.8	3.0	3.1
Non-performing loans/ Total loans	21.0	21.0	21.0	21.0	21.0
Provision / Non-performing loans	90.4	98.6	99.4	89.2	84.1
Provision of loans / Total loans	19.0	20.9	20.9	18.7	17.7

(\*) Estimated.



**3. Profitability:** The rate of return on assets in the banks in Libya witnessed a remarkable decline during the years (2014-2016), reaching about 0.2% in 2016. The reason is unfavourable situation in which commercial banks operate in recent years. As well as the application of the law of cancelling interest rates. However, during 2018, the profitability rate improved significantly, as the return on total assets amounted to about 1.0%, and the rate of return on equity reached 20.9%. In 2019, the rate of return on total assets was about 0.7%, and the rate of return on equity reached 12.3%.

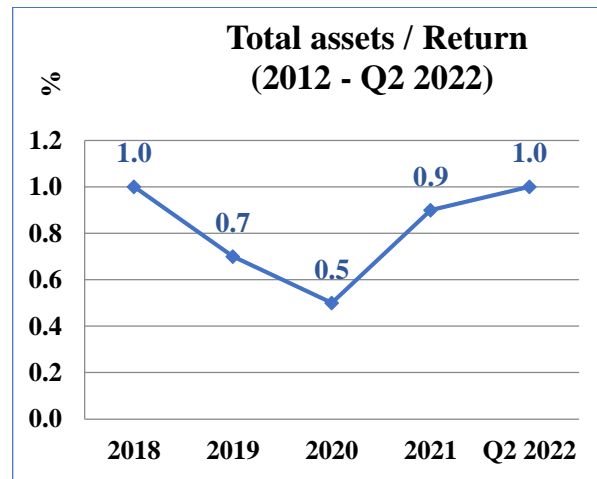
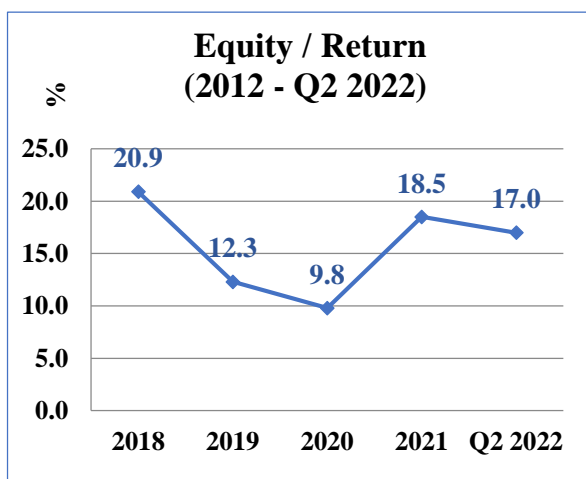


In 2021, the rate of return on total assets was about 0.9%, and the rate of return on equity reached 18.5%.

During the second quarter of 2022, profitability indicators increased, bringing the rate of return to total assets to about 1.0%, and the rate of return to equity to about 17.0%.

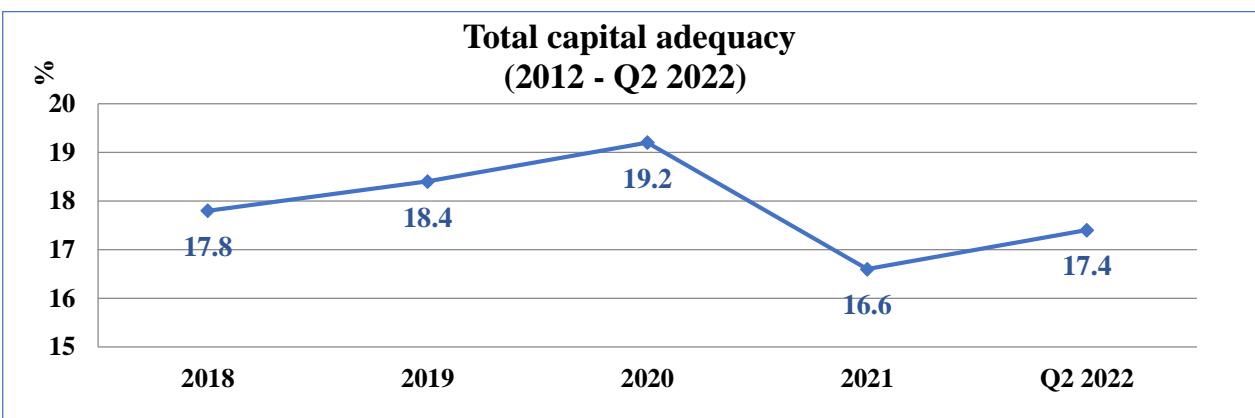
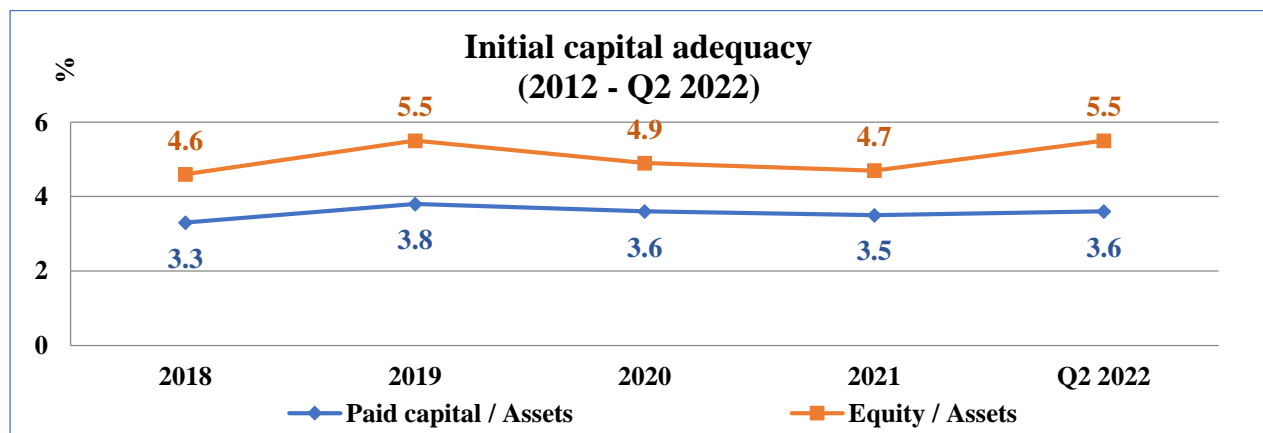
(Percentage %)					
Indicator	2018	2019	2020	2021	Q2, 2022
Return / Total assets	1.0	0.7	0.5	0.9	1.0
Return / Equity	20.9	12.3	9.8	18.5	17.0
Return /Total deposits	1.3	0.8	0.6	1.3	1.4

The increase in profits mostly came as a result of commercial banks achieving significant revenues from commissions on selling and transferring foreign currency, and from raising the prices of banking services in general.



**4. Capital indicators:** The banks in Libya have high capital adequacy, sufficient to face any risks that may happens, as its ratio ranged between 10.7% and 19.2% during the period (2012 - Q2, 2022), which is generally higher and by a comfortable margin than the percentage specified by the Committee Basel (1) of 8.0%, which enhances financial stability.

(Percentage %)					
Indicator	2018	2019	2020	2021	Q2, 2022
Total capital adequacy	17.8	18.4	19.2	16.6	17.4
Initial capital adequacy	16.5	17.2	17.9	15.3	16.2
Paid capital / Assets	3.3	3.8	3.6	3.5	3.6
Equity / Assets	4.6	5.5	4.9	4.7	5.5
Equity / Deposits	5.7	6.9	6.1	6.9	8.1



# **APPENDICES**

**Appendix I: Basic consolidated financial statements for commercial banks, up to Q2-2022.**

**Appendix II: Financial Soundness Indicators of commercial banks (2012 – Q2/2022).**

Table (1)

## Main Financial Indicators of Libyan Commercial Banks

(In millions of LYD)

Item	Q2 2021	Q2 2022	Change rate %
Grand total (assets +off-balance accounts)	189,671.3	186,890.4	-1.5
Total assets	140,597.1	142,565.3	1.4
Total cash in bank vaults	3,668.2	4,085.9	11.4
Total deposits with the Central Bank	82,321.6	78,226.3	-5.0
Total deposits with banks	1,302.3	945.7	-27.4
Total deposits with the Libyan Foreign Bank	1,499.0	1,254.2	-16.3
Total deposits with correspondents banks abroad	9,392.4	10,021.0	6.7
Total clearing accounts	5,734.1	7,603.4	32.6
Total loans, and credit facilities	17,777.7	21,168.1	19.1
Total investment	4,473.3	4,595.2	2.7
Total customer deposit	99,194.8	97,125.9	-2.1
Total overdrafts with correspondents banks	472.5	80.9	-82.9
Total equity	6,671.5	7,944.9	19.1
Total provisions	7,779.8	8,394.8	7.9
Profit of the uear	824.5	673.7	-18.3
Number of branches and agencies	562	575	2.3
Number of employees	19,463	19,815	1.8
Liquid Assets / Total Assets %	69.8	66.3	-
Total Loans / Total Assets %	12.6	14.8	-
Equity / Total Assets %	4.7	5.6	-
Total assets / number of branches (million of LYD)	250.2	247.9	-
Total assets / number of employees (million of LYD)	7.2	7.2	-
Total Loans / Total Deposits %	17.9	21.8	-
Gross Profit / Assets % (*)	0.6	0.5	-
Gross Profit / Equity % (*)	12.4	8.5	-

(\*) Gross profit before deduction of provisions and taxes.

**Table (2)**  
**Deposits Indicators of Commercial Banks**

(In millions of LYD)

Item	Q2 2021	Q2 2022	Change rate %
<b>1- Government and public sector deposits</b>	<b>40,758.4</b>	<b>40,609.0</b>	<b>0.4-</b>
- Government deposits (ministries and other institutions financed from the general budget)	12,747.9	13,055.5	2.4
- Public sector deposits	28,010.5	27,553.5	-1.6
<b>2- Private sector deposits</b>	<b>58,436.3</b>	<b>56,516.9</b>	<b>3.3-</b>
Individual deposits	32,241.7	29,707.8	-7.9
Deposits of companies and other entities	26,194.7	26,809.1	2.3
<b>Total deposit</b>	<b>99,194.8</b>	<b>97,125.9</b>	<b>2.1-</b>
Demand deposits	80,269.2	77,747.3	3.1-
Time deposits	18,523.5	19,047.7	2.8
Saving deposits	402.1	330.9	17.7-
Demand Deposits / Total Deposits %	80.9	80.0	-
Term Deposits / Total Deposits %	18.7	19.6	-
Savings Deposits / Total Deposits %	0.4	0.3	-
Total Deposits / Total Liabilities %	70.6	68.1	-

**Table (2) (Cont.)**  
**Credit indicators of Commercial Banks**

(In millions of LYD)

Item	Q2 2021	Q2 2022	Change rate %
1- Credit granted to the public sector	6,212.4	5,997.5	-3.5
2- Credit granted to the private sector	11,565.3	15,170.5	31.2
<b>Total Credit</b>	<b>17,777.7</b>	<b>21,168.1</b>	<b>19.1</b>
Loans and overdrafts	4,445.5	4,685.6	5.4
Social loans (*)	4,114.6	5,554.1	35.0
Loans, overdrafts and social loans	8,560.1	10,239.7	19.6
Loans granted to other economic activities	9,217.6	10,928.4	18.6
Social loans (*) / Total Credit %	23.1	26.2	-
Loans and Overdrafts / Total Credit %	25.0	22.1	-
Loans granted to other economic activities/Total Credit%	51.8	51.6	-
Total Credit / Total Assets %	12.6	14.8	-
Total Credit / Total Deposits %	17.9	21.8	-

(\*) Includes Islamic Murabaha finance for individuals, starting from 2013.