



Main Financial Data and Indicators of Banks (Q3 - 2023)



Research and Statistics Department

Contents		Page
A Summary of Banks Performance at the end of third quarter 2023		3
Commercial Banks' Branching		7
Banking Density		7
Banking Concentration		8
Banks Consolidated Balance Sheet for Commercial		10
The Structure of the Items constituting the Assets		12
The Structure of the Items constituting the Liabilities		13
Analysis of the Constituent Items of the Banks' Consolidated Budget		15
-	Cash in vaults and clearing accounts	15
-	Balances and deposits with the Central Bank and other banks	16
-	Investments	17
-	Loans and credit facilities	18
-	Clints deposits with commercial banks	21
-	Accounts overdrawn with correspondents abroad	24
-	Equity	24
-	Provisions	25
Commercial Banks Financial Soundness Indicators		27
-	Capital Indicators	27
-	Asset quality Indicators	29
-	Profitability indicators	30
-	Liquidity indicators	32
Table of Commercial Banks' Performance Indicators (2019 – Q3 2023)		34

Report of the Important Commercial Banks' Financial Data **(Q3 - 2023)**

Summary of banks' performance at the end of the third quarter of 2023.

At the end of the third quarter of 2023, the commercial banks' financial performance showed a number of evolutions compared to their performance in the same period of 2022, these changes are as follows:

- The total assets of commercial banks (excluding regular accounts) increased by 0.8%, rising from 144.0 billion LYD at the end of the third quarter 2022 to about 145.2 billion LYD at the end of the third quarter 2023. The liquid assets (amounting to 94.7 billion LYD) formed about 65.2% of the total assets.
- Commercial banks' total deposits (demand deposits and certificates of deposit) with the Central Bank, including the mandatory reserve decreased by 2.5%, rising from about 79.9 billion LYD at the end of the third quarter 2022 to about 77.9 billion LYD at the end of the third quarter 2023. It should be noticed that mandatory monetary reserve accounted about 22.1 billion LYD.
- The total credit advanced by commercial banks increased by 23.7%, raising from 21.6 billion LYD at the end of the third quarter 2022 to reach 26.7 billion LYD at the end of the third quarter 2023, hence, the advanced loans and credit facilities accounted for 23.4% of total deposit liabilities, whereas they accounted for 18.4% of the total assets. The total loans advanced to the private sector at the end of 2023 amounted to 19.1 billion LYD, this formed 71.6% of the total loans and credit facilities advanced, while the total loans advanced to the public sector constituted the remaining 28.4%, which amounted to about 7.6 billion LYD.

It should be noted that, when reviewing the components of the banks' credit portfolio, the advances extended to the private sector were the main reason behind the increase in the credit balance advanced by banks, as it increased by 5.0 billion LYD at the end of the third quarter of 2023 compared to the same in the year 2022, as this increase was concentrated in the item Individual Murabaha and other shariah compliant financing.

- The coverage ratio of the doubtful debts provision for the total loans and facilities advanced reached 63.7% in the third quarter 2023, compared to 66.8% the same period of 2022.
- Customers' deposits with commercial banks grew by 12.5%, increasing from 98.2 billion LYD at the end of the third quarter of 2022, to reach 110.5 billion LYD at the end of the third quarter of 2023. Demand deposits represented 79.9% of the total deposits, while time deposits were 19.8% of total deposits, and savings deposits constituted the remaining portion, which was 0.3% of total deposits.

Regarding the distribution of these deposits, the private sector deposits amounted to 63.7 billion LYD at the end of the third quarter of 2023, which means 57.7% of the total deposits, while the public and government sector deposits constituted the remaining 42.3%, which was 46.7 billion LYD, of which 33.5 billion LYD deposited by public sector companies and institutions, and about 13.2 billion LYD was government deposits.

- Commercial banks' total equity increased by 1.14%, rising from 8.8 billion LYD at the end of the third quarter of 2022, to reach 8.9 billion LYD at the end of the third quarter of 2023. As a result of the increase in the paid-up capital of some banks, as well as in reserves.
- During the first nine months of 2023, the commercial banks' profit declined by 18.7% to reach 764.0 million LYD, compared to what they were during the same period of 2022, which recorded about 940.1 million LYD.
- The ratio of the interest margin to total income during the first nine months of 2023 was about 8.6% compared to what it was in 2022, which was recorded at about 12.0%, as it is noted that the contribution of the interest margin (income received from interest - expenses paid for interest) to total income is low, this is due to the banks almost suspended dealing with credit and debit interest locally, in accordance with Law No. (1) of 2013 regarding the prevention of Riba (usurious) transactions.
- The number of banks whose data are included in this report reached 20 banks (including the Libyan Foreign Bank' Libyan dinar unit) at the end of the third quarter of 2023, and these banks operate through 612 branches and agencies.



Main Financial Data of Commercial Banks

"Millions of LYD"

Item	Q3 2022	Q3 2023	Change Rate %
Total Budget (Assets + Statutory Accounts)	186,061.7	190,497.7	2.4
Total Assets	144,020.3	145,205.5	0.8
Total Cash in Bank Vaults	2,619.5	3,910.9	49.3
Total Deposits with the Central Bank	79,925.1	77,905.6	-2.5
Total Deposits with Banks	1,123.7	550.2	-51.0
Total Deposits with the Libyan Foreign Bank	1,286.8	1,035.1	-19.6
Total Deposits with Correspondents Abroad	8,407.5	11,285.0	34.2
Total Clearing Accounts	7,027.6	6,354.9	-9.6
Total Loans, Advances and Facilities	21,618.1	26,737.4	23.7
Total Investments	5,253.6	2,583.4	-50.8
Total Clients Deposits	98,185.0	110,462.5	12.5
Total Overdrafts with Correspondents Abroad	80.1	181.2	126.1
Total Equity	8,553.1	8,752.6	2.3
Total Provisions	8,418.3	9,440.2	12.1
Profit for the Period	940.1	763.9	-18.7
Number of Branches and Agencies	604.0	612.0	1.3
Number of Employees	19,463.0	19,815.0	1.8
Financial indicators :			
Liquid Assets / Total Assets	66.3	65.1	-
Total Loans / Total Assets	14.8	17.4	-
Equity / Total Assets	5.8	6.0	-
Total Assets / Number of Branches (Millions of LYD)	236.0	237.9	-
Total Assets / Number of Employees (Millions of LYD)	7.3	7.3	-
Total Loans / Total Deposits	21.8	23.2	-
Total Profit/Assets %	0.5	0.3	-
Total Profit / Equity %	8.1	5.3	-

Deposits' Indicators of Commercial Banks

"Millions of LYD"

Item	Q3 2022	Q3 2023	Change Rate %
1- Government and Public Sector Deposits	41,675.0	46,718.9	12.1
- Government Deposits (Ministries and Institutions financed from the General Budget)	12,803.5	13,175.1	2.9
- Public Sector Deposits	28,871.5	33,543.9	16.2
2- Private Sector Deposits	56,510.1	63,743.6	12.8
- Individual Deposits	30,357.3	34,161.9	12.5
- Corporate and other Entities deposits	26,152.8	29,581.7	13.1
Total Deposits	98,185.0	110,462.5	12.5
Demand Deposits	78,975.8	88,262.7	11.8
Times Deposits	18,890.1	21,909.7	16.0
Saving Deposits	319.2	290.1	-9.1
Demand Deposits / Total Deposits %	80.4	79.9	-
Time Deposits / Total Deposits %	19.2	19.8	-
Savings Deposits / Total Deposits %	0.3	0.3	-
Total Deposits / Total Liabilities %	68.2	76.1	-

Indicators of Credit Advanced by Commercial Banks

"Millions of LYD"

Item	Q3 2022	Q3 2023	Change Rate %
1. Credit Advanced to the public sector	7,498.1	7,605.5	1.4
2- Credit Advanced to the private sector	14,120.0	19,131.9	35.5
Credit Total	21,618.1	26,737.4	23.7
Advances and overdrafts	4,450.7	4,206.6	-5.5
Murabaha Loans (including social advance balance)	5,975.2	10,113.6	69.3
Loans Advanced to other Economic Activities	11,192.2	12,417.2	10.9
Murabaha Loans / Total Credit %	27.6	37.8	-
Advances and Overdrafts / Total Credit %	20.6	15.7	-
Loans Advanced to other Activities / Total Credit %	51.8	46.4	-
Total Credit / Total Assets %	15.0	18.4	-
Total Credit / Total Deposits %	22.0	24.2	-



Commercial Banks' Branching: -

At the end of third quarter 2023, 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 612 banking branches and agencies.

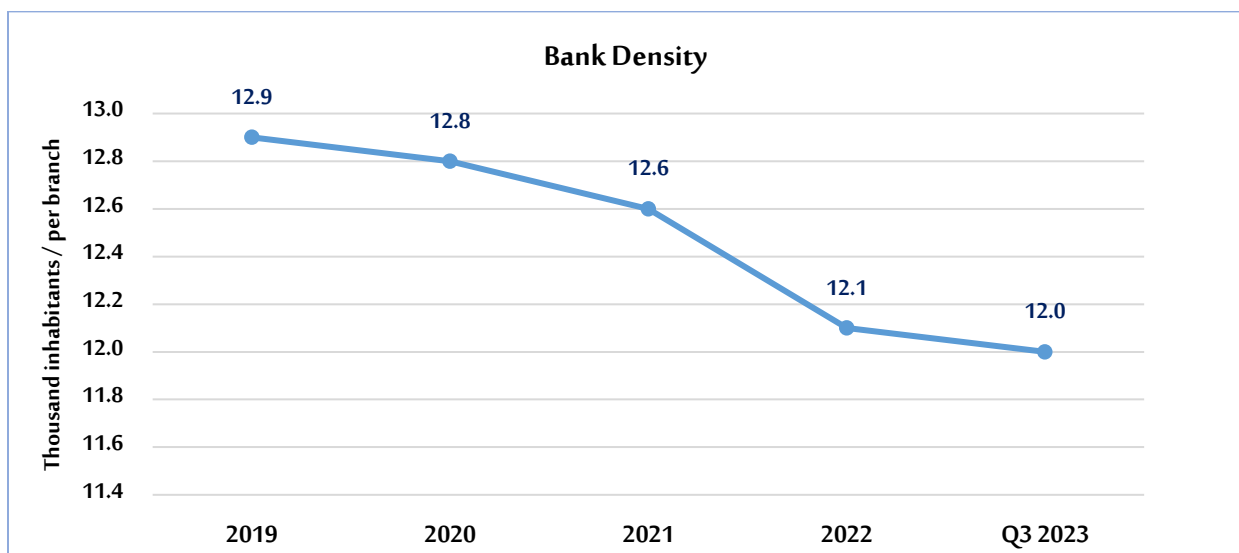
Commercial Banks' Density:

Banking density during the third quarter of 2023 reached about 12.0 thousand inhabitants per branch or agency, compared to about 12.1 thousand inhabitants per branch or agency in 2022.

Banking Density

" Per thousand people "

Years	For Each Bank	Each Branch and Agency For
2019	368.4	12.9
2020	368.3	12.8
2021	388.9	12.6
2022	350.0	12.1
Q3 2023	350.0	12.0



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, at the end of the third quarter of 2023, out of the 20 banks; the assets of the four major banks (**Jumhouria, National Commercial, Wahda, and Sahara**) were accounted for 71.3% of the total assets of the banking sector, and the Jumhouria Bank alone accounted for 28.8% 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 71.9% and 84.9%, respectively, of the total deposits and loans of the banking sector.

Assets Concentration

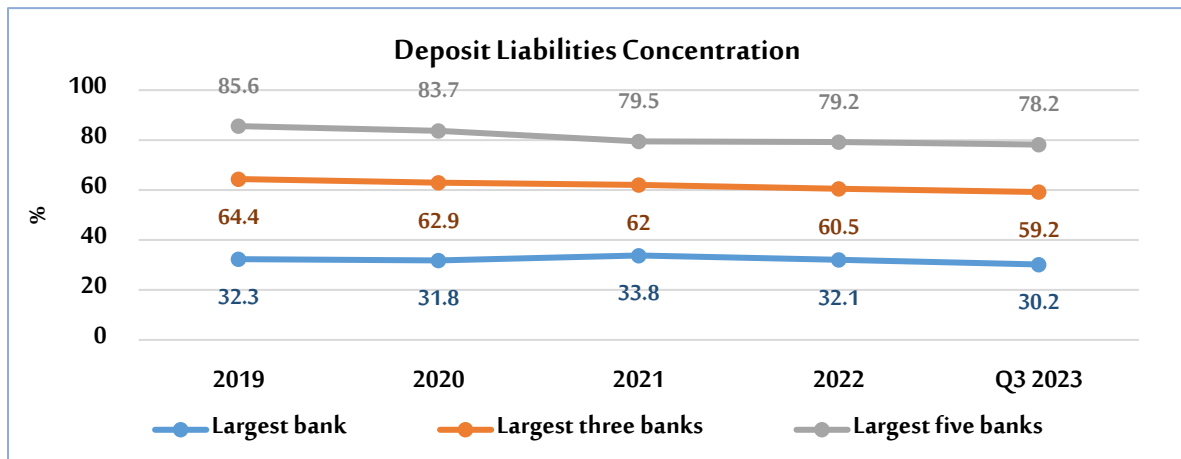
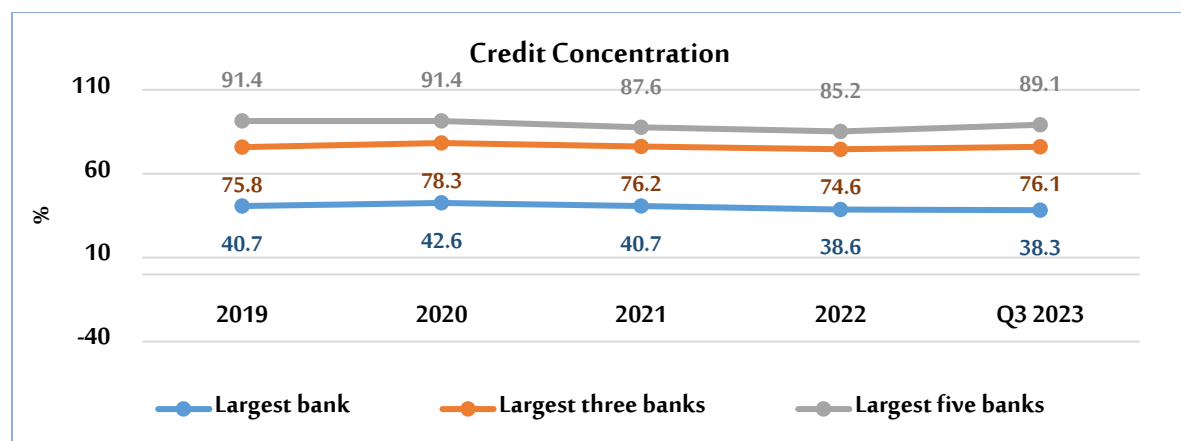
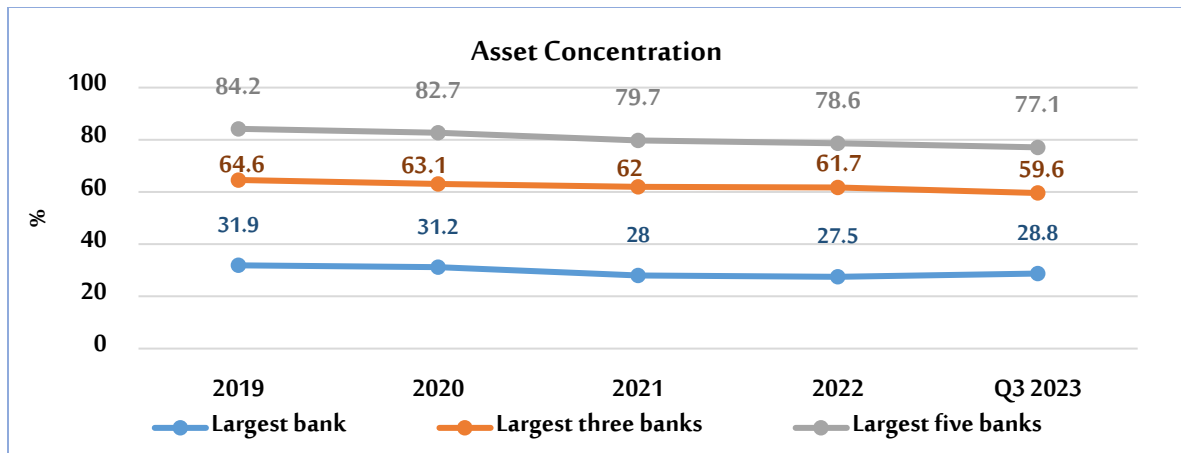
Period	2019	2020	2021	2022	Q3 2023
Largest bank	31.9	31.2	28.0	27.5	28.8
Largest three banks	64.6	63.1	62.0	61.7	59.6
Largest five banks	84.2	82.7	79.7	78.6	77.1

Credit Concentration

Period	2019	2020	2021	2022	Q3 2023
Largest bank	40.7	42.6	40.7	38.6	38.3
Largest three banks	75.8	78.3	76.2	74.6	76.1
Largest five banks	91.4	91.4	87.6	85.2	89.1

Deposit Liabilities Concentration

Period	2019	2020	2021	2022	Q3 2023
Largest bank	32.3	31.8	33.8	32.1	30.2
Largest three banks	64.4	62.9	62.0	60.5	59.2
Largest five banks	85.6	83.7	79.5	79.2	78.2



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 tables and graphs above.

Consolidated Balance Sheet for Commercial Banks

The consolidated budget of commercial banks showed an increase in its total items on both sides of assets and liabilities at the end of the third quarter of 2023. Where the total assets within the consolidated budget recorded about 145,205.5 million LYD, compared to 144,020.3 million LYD at the end of the third quarter of 2022, with an increase of 1,185.3 million LYD, at a rate of 0.8%. The following is a table summarizing the main items of the consolidated balance sheet of commercial banks:

A Summary of the Consolidated Commercial Banks' Balance Sheet

"Millions of LYD"

Item	Q3 2022	Q3 2023	Amount Change	Change Rate %
Assets:				
1- Cash in Vaults	2,619.5	3,910.9	1,291.4	49.3
-Local currency	2,393.2	3,597.2	1,203.9	50.3
- Foreign currency	226.3	313.7	87.4	38.6
2- Clearing Accounts	7,027.6	6,354.9	-672.7	-9.6
-Interbank Clearing	3,261.4	3,532.4	271.1	8.3
-Clearing between branches	3,766.3	2,822.5	-943.8	-25.1
3- Deposits with other banks	90,743.0	90,775.9	32.9	0.0
A- Deposits with the Central Bank	79,925.1	77,905.6	-2,019.5	-2.5
- Demand Deposits	72,407.7	75,913.0	3,505.3	4.8
-Certificates of Deposit	7,517.3	1,992.5	-5,524.8	-73.5
B- Deposits with other local banks	1,123.7	550.2	-573.5	-51.0
-Demand Deposits	1,123.7	550.2	-573.5	-51.0
-Time Deposits	0.0	0.0	0.0	-
C- Deposits with the Libyan Foreign Bank	1,286.8	1,035.1	-251.7	-19.6
-Demand Deposits	1,286.8	741.8	-545.0	-42.4
-Time Deposits	0.0	293.3	293.3	-
D- Deposits with banks abroad	8,407.5	11,285.0	2,877.5	34.2
-Demand Deposits	5,908.9	8,090.5	2,181.6	36.9
-Time Deposits	2,498.5	3,194.5	695.9	27.9
4- Investments	5,253.6	2,583.4	-2,670.2	-50.8



5- Loans and facilities	21,618.1	26,737.4	5,119.2	23.7
Advances and overdrafts	4,450.7	4,206.6	-244.1	-5.5
Social advances (including Murabaha financing for individuals)	5,975.2	10,113.6	4,138.4	69.3
Loans for other economic activities	11,192.2	12,417.2	1,225.0	10.9
6- Fixed assets	2,507.4	2,797.5	290.0	11.6
7. Other assets	14,250.9	12,045.7	-2,205.3	-15.5
Assets Total	144,020.3	145,205.5	1,185.3	0.8
Counter Accounts	42,041.5	45,292.1	3,250.6	7.7
Grand Total Assets	186,061.7	190,497.7	4,435.9	2.4

"Millions of LYD"

Item	Q3 2022	Q3 2023	Amount Change	Change Rate %
Liabilities:				
1- Deposits of others with banks	98,185.0	110,462.5	12,277.4	12.5
-Demand Deposits	73,765.0	84,289.5	10,524.5	14.3
-Time Deposits	1,924.7	2,106.8	182.0	9.5
-Saving Deposits	319.2	290.1	-29.1	-9.1
-Payment Orders	5,210.8	3,973.2	-1,237.6	-23.7
-Cash Insurance	16,965.4	19,802.9	2,837.6	16.7
2- Borrowing from the Central Bank	33.3	32.0	-1.3	-3.9
3- Accounts Overdrawn with Correspondents Banks	80.1	181.2	101.1	126.1
4- Equity	8,763.9	8,906.3	142.4	1.6
-Paid-up Capital	5,249.5	5,473.5	224.0	4.3
-Legal Reserve	852.7	1,063.0	210.3	24.7
-Unallocated reserves	337.7	395.9	58.2	17.2
-Profit of the Period	960.6	683.6	-277.0	-28.8
-Carried forward and Distributable Profits	1,363.4	1,290.4	-73.1	-5.4
5 - Provisions	8,436.1	9,583.7	1,147.6	13.6
6- Miscellaneous and other liabilities	28,521.8	16,039.9	-12,481.9	-43.8
Liabilities Total	144,020.3	145,205.5	1,185.3	0.8
Counter Accounts	42,041.5	45,292.1	3,250.6	7.7
Grand Total Liabilities	186,061.7	190,497.7	4,435.9	2.4

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

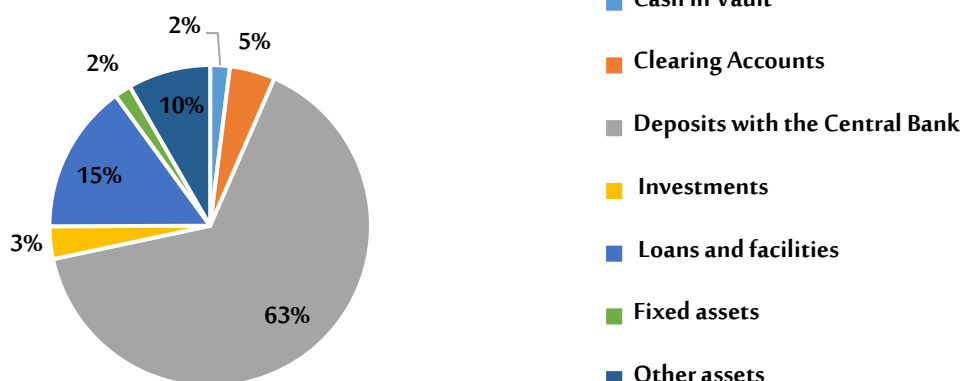
Banks' deposits and balances with the Central Bank, including the required mandatory reserve, continued to be the main component of the banking sector's assets, covering about 53.7% of the total assets at the end of the third quarter of 2023, while the share of the loans and credit facilities item in the asset structure increased to record about 18.4% of the total, compared to 15.0% at the end of the third quarter of 2022, which are still small percentages that reflect the lack of banks' ability in utilizing the available money.

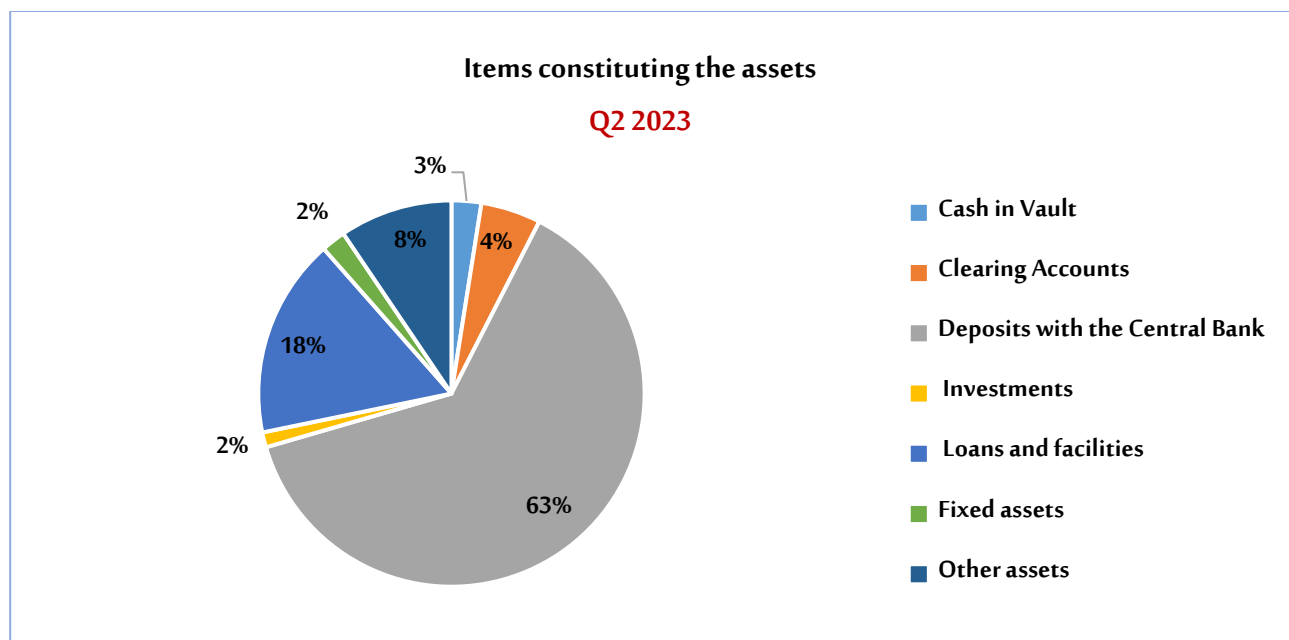
Asset's structure

Item	Q3 2022	Q3 2023
Assets:		
1- Cash in Vault	1.8%	2.7%
2- Clearing Accounts	4.9%	4.4%
3- Deposits with the Central Bank	55.5%	53.7%
4- Deposits with other local banks	0.8%	0.4%
5- Deposits with the Libyan Foreign Bank	0.9%	0.7%
6- Deposits with banks abroad	5.8%	7.8%
7- Investments	3.6%	1.8%
8- Loans and facilities	15.0%	18.4%
9- Fixed assets	1.7%	1.9%
10- Other assets	9.9%	8.3%

Items constituting the assets

Q2 2022



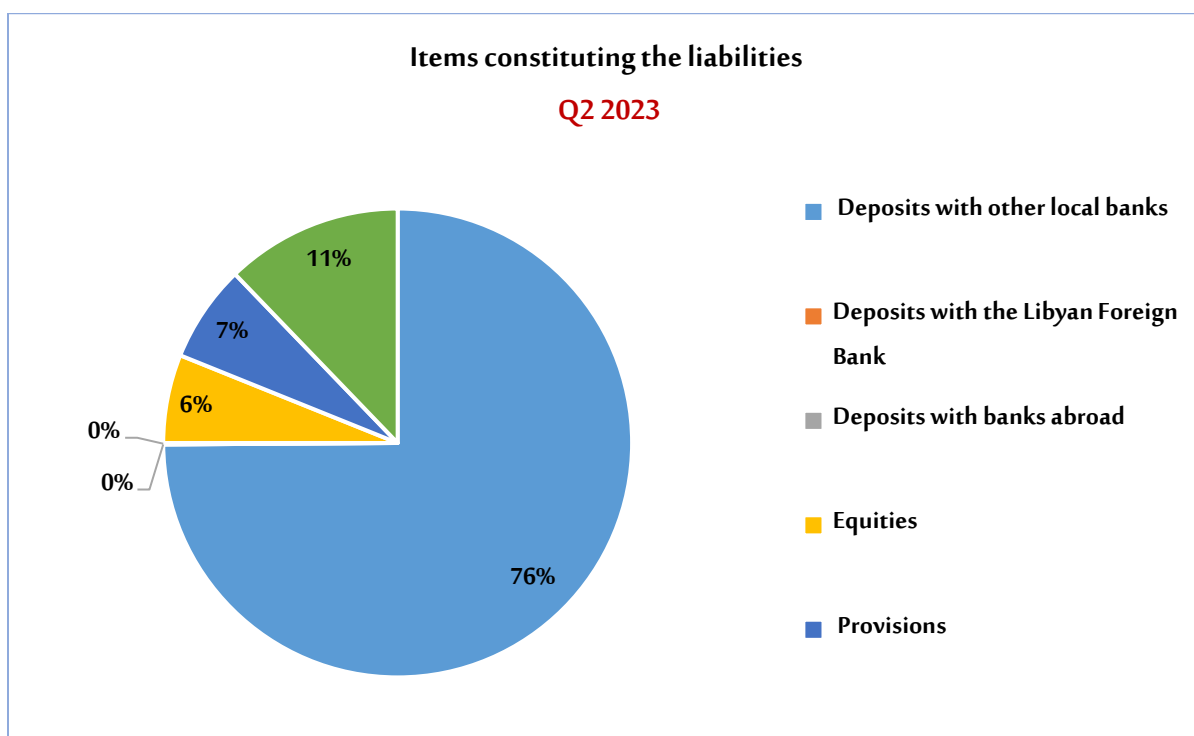
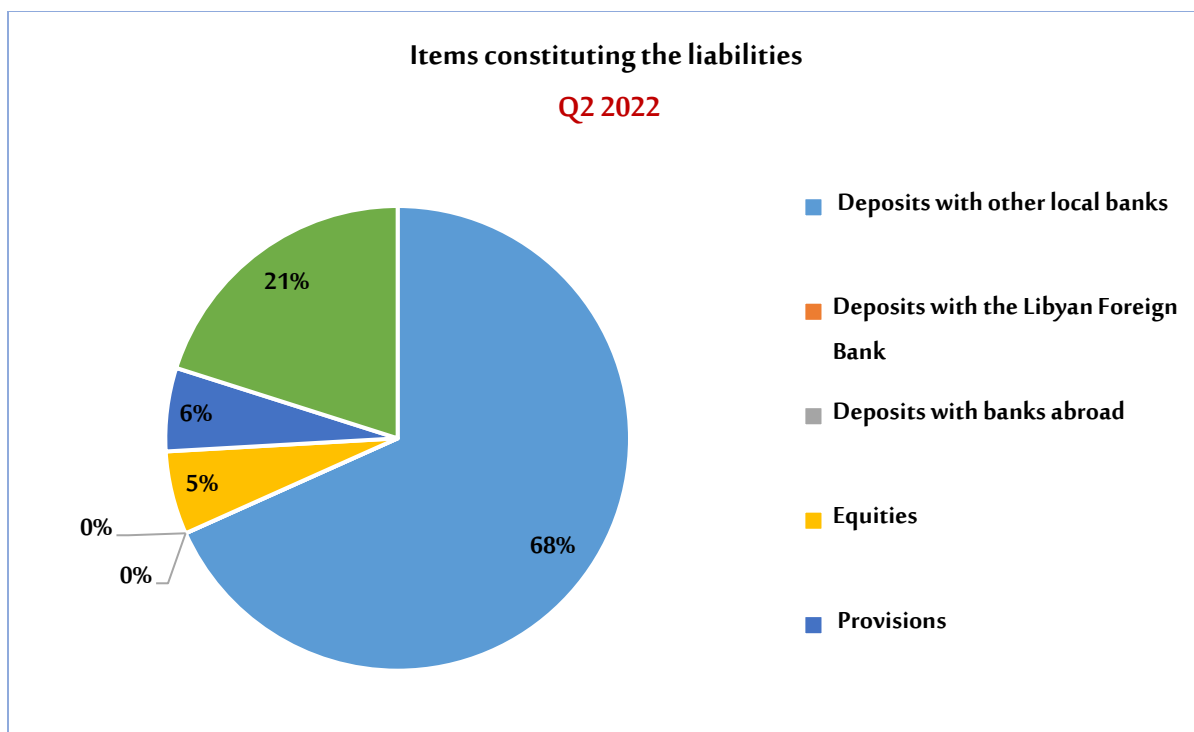


- The structure of the items constituting the liabilities in the consolidated balance sheet of the banks:

The analyses of the structure of the items constituting liabilities in the consolidated financial position of banks at the end of the third quarter of 2023, show that third-party deposits with banks (customer deposits) represent the main source of financing, accounting for 76.2% of the total sources of bank funds, compared to about 68.2% at the end of the third quarter 2022. However, equities represent about 5.6% of the total sources of bank funds.

Liabilities' structure

Item	Q3 2022	Q3 2023
<u>Liabilities:</u>		
1- Deposits of third parties with the bank	68.2%	76.2%
2- Borrowing from banks	0.0%	0.0%
3- Accounts overdrawn with correspondents' banks	0.1%	0.1%
4- Equity	5.4%	5.6%
5- Provisions	5.9%	6.6%
6- Miscellaneous and other liabilities	20.4%	11.4%



Analysis of the components of the consolidated budget of commercial banks

Firstly: Assets

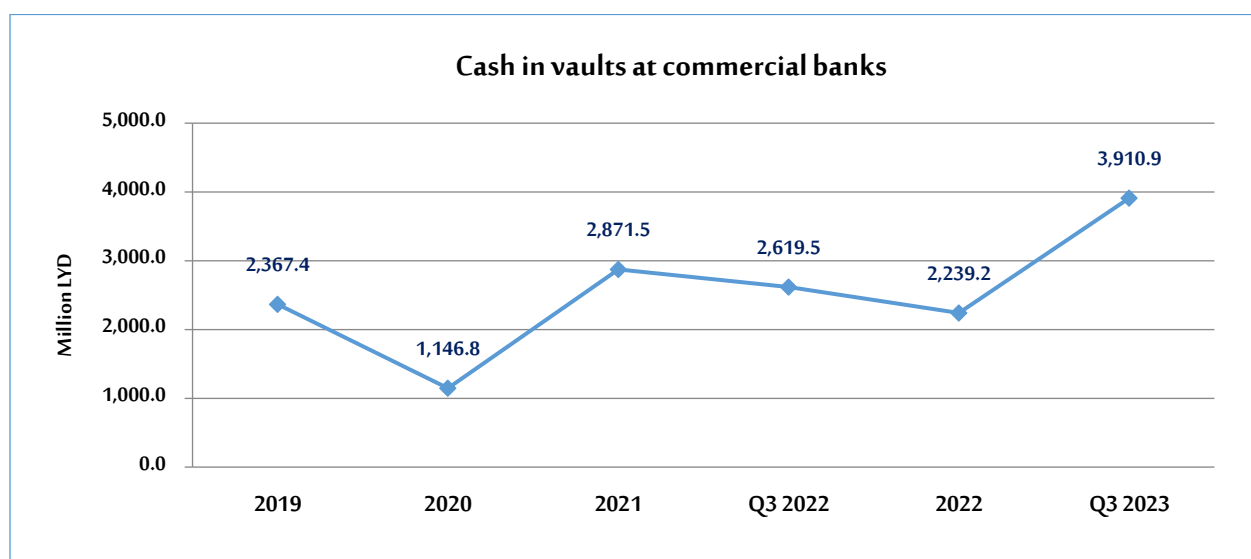
1. Cash:

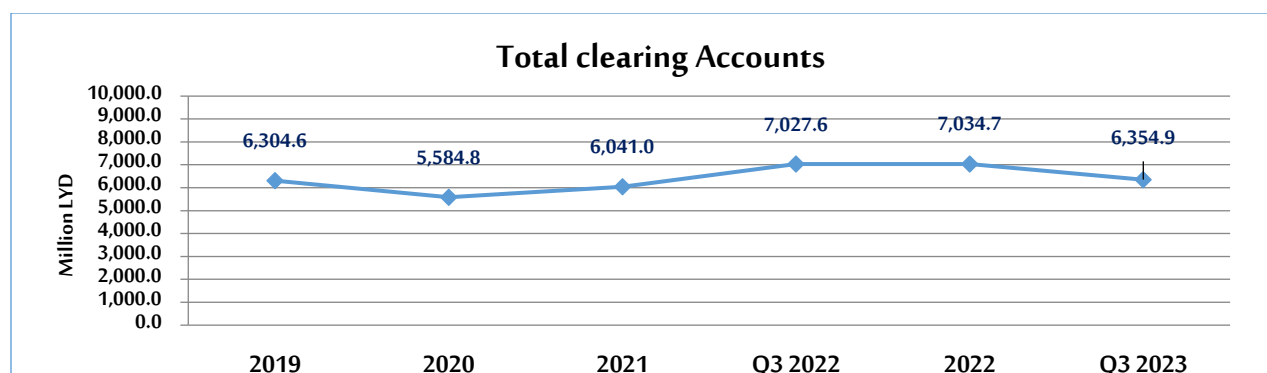
A- Cash in vaults and clearing accounts:

Cash in vaults and clearing accounts increased by 618.6 million LYD, or 6.4%, to reach 10,265.8 million LYD at the end of the third quarter of 2023, compared to 9,647.2 million LYD at the end of the third quarter of 2022, that was due to the raising of cash in banks' vault by 1,291.4 million LYD, while the clearing accounts decreased by 672.7 million of LYD at the end of the third quarter 2023, compared to what it was in the same period of 2022, and the following table shows these developments:

" Millions of LYD"

Items	2022 Q3	2023 Q3	Change in value	Change rate %
Cash in vaults:	2,619.5	3,910.9	1,291.4	49.3
Local currency	2,393.2	3,597.2	1,203.9	50.3
Foreign currency	226.3	313.7	87.4	38.6
Total clearing Accounts	7,027.6	6,354.9	-672.7	-9.6
Interbank clearing	3,261.4	3,532.4	271.1	8.3
Branch clearing	3,766.3	2,822.5	-943.8	-25.1
Total	9,647.2	10,265.8	618.6	6.4





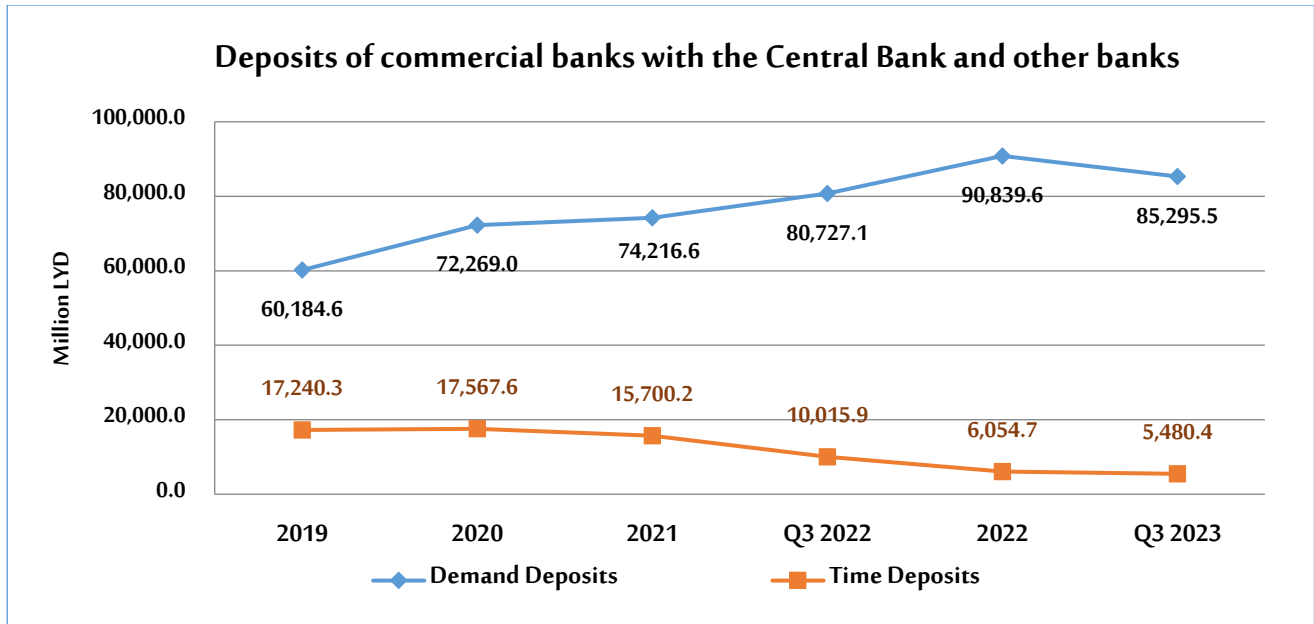
B - Accounts and deposits with the Central Bank and other banks:

The commercial banks' deposits with the Central Bank and other banks between them amounted to about 90,775.9 million LYD at the end of the third quarter of 2023, compared to 90,743.0 million LYD at the end of the third quarter of 2022, rising by about 32.9 million LYD, with a rate of 0.04%. This was because of a decrease in the banks' deposits and balances with the Central Bank of about 113.0 million LYD. As a result of the increase in deposits with correspondents abroad by 2,877.5 million LYD and the decrease in the balance of deposits with the Central Bank, which decreased by about 2,019.5 million LYD, as well as the decrease in the balance of bank deposits with the foreign bank by 251.7 million dinars, and the following table shows the details of this item.:

Balances and Deposits with the Central Bank and other Banks

"Millions of LYD "

Items	Q3 2022	Q3 2023	Change in value	Change rate %
Demand Deposits:	80,727.1	85,295.5	4,568.4	5.7
Central bank	72,407.7	75,913.0	3,505.3	4.8
Commercial bank	1,123.7	550.2	-573.5	-51.0
Libyan foreign bank	1,286.8	741.8	-545.0	-42.4
Banks abroad	5,908.9	8,090.5	2,181.6	36.9
Time Deposits:	10,015.9	5,480.4	-4,535.5	-45.3
Central bank (certificates of deposit)	7,517.3	1,992.5	-5,524.8	-73.5
Local banks	0.0	0.0	0.0	-
Libyan foreign bank	0.0	293.3	293.3	-
Banks abroad	2,498.5	3,194.5	695.9	27.9
Total	90,743.0	90,775.9	32.9	0.04

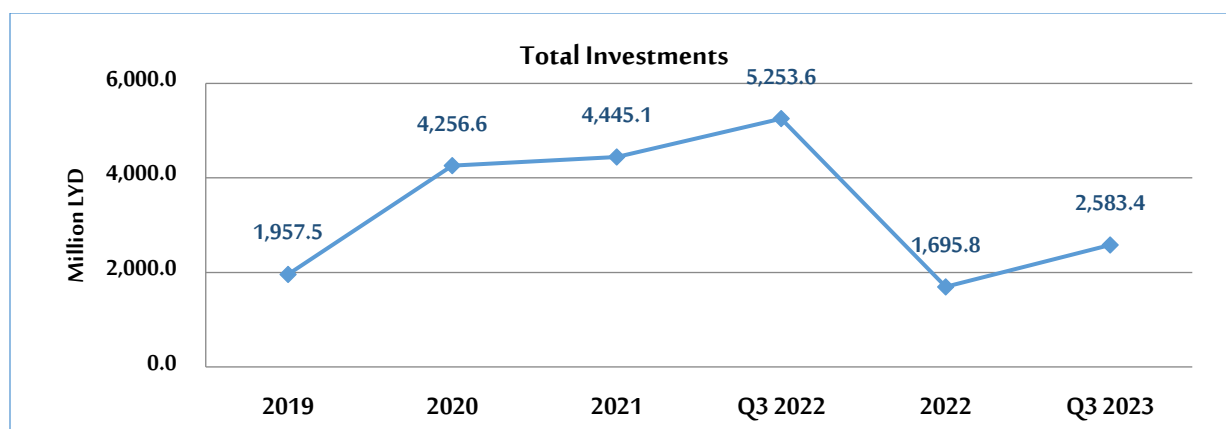


2- Investments:

The total item of the investments' balance in commercial banks recorded 2,583.4 million LYD at the end of the third quarter of 2023, compared to 5,253.6 million LYD at the end of the same period of 2022, decreased by 2,670.2 million LYD. This decrease came as a result of the maturity date of treasury bonds, and the following table shows the details of this item:

"Millions of LYD"

Items	Q3 2022	Q3 2023	Change in value	Change rate %
Public treasury and bills security	3,000.0	0.0	-3,000.0	-100.0
Investment in public companies	564.7	568.6	3.9	0.7
Investment in private shareholding companies	927.6	1,131.8	204.2	22.0
Other investment	761.3	883.0	121.7	16.0
Total	5,253.6	2,583.4	-2,670.2	-50.8



3 - Loans and credit facilities:

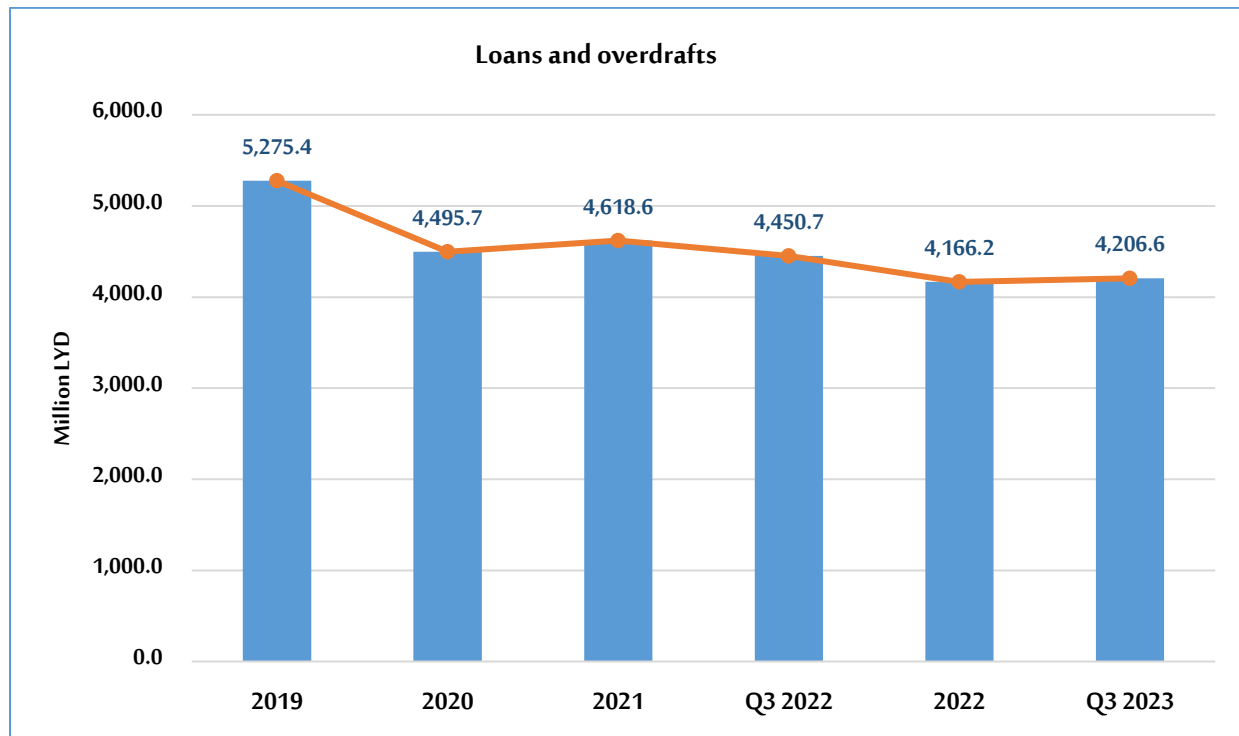
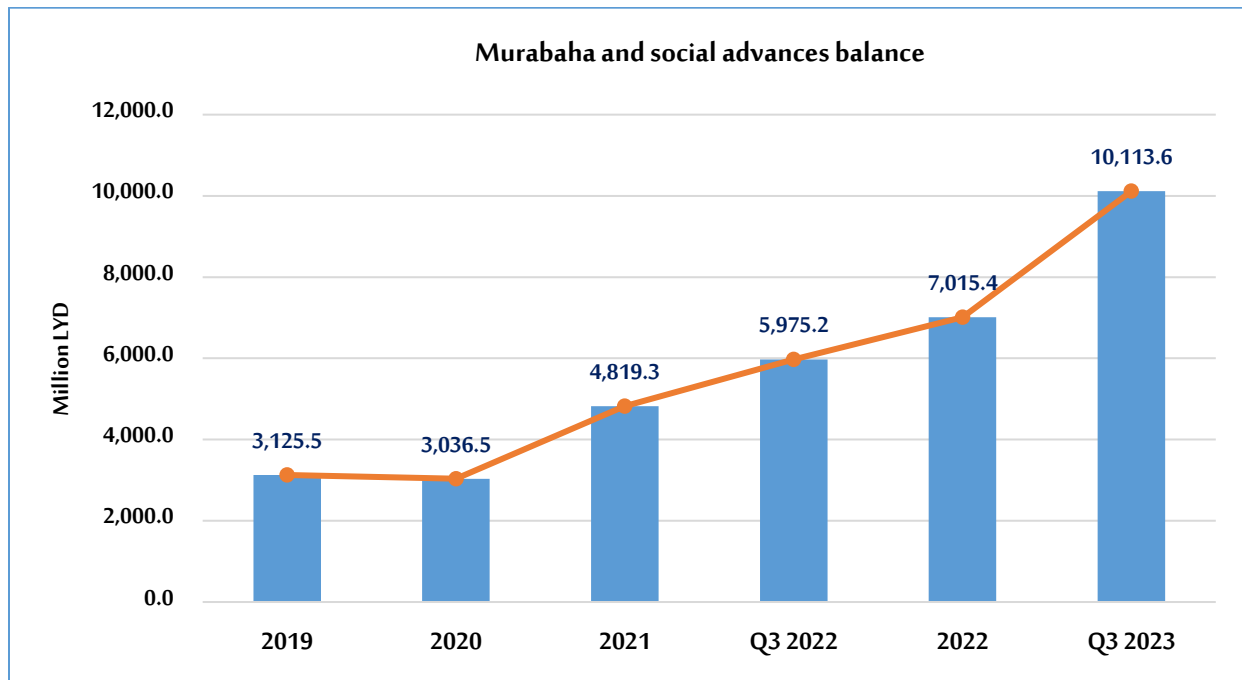
The total balance of credit advanced by commercial banks increased from 21,618.1 million LYD at the end of the third quarter of 2022 to reach 26,737.4 million LYD at the end of the third quarter of 2023, with a growth rate of 23.7%. Further, the loans and credit facilities granted to the total deposit liabilities constituted 24.2%, and constituted 18.4% of the total assets. While the balance of loans advanced to the private sector at the end of the third quarter of 2023 amounted to 19,131.9 million LYD, which equals 71.6% of the total loans and credit facilities, while the balance of loans advanced to the public sector constituted the remaining 28.4%, which amounted to 7,605.5 million LYD. And by analyzing the components of the credit portfolio, the increase in the total credit balance advanced by commercial banks was due to the increase in the items of Murabaha financing to individuals (social advances) and other loans.

Balance of Loans and Credit Facilities Advanced by Banks

" Millions of LYD "

Item	Q3 2022	Q3 2023	Change in value	Change rate %
Loans and overdrafts	4,450.7	4,206.6	-244.1	-5.5
Social loans*	5,975.2	10,113.6	4,138.4	69.3
Other loans	11,192.2	12,417.2	1,225.0	10.9
Total loans and credit facilities	21,618.1	26,737.4	5,119.2	23.7
Provisions for doubtful debts	3,731.1	3,932.5	201.4	5.4
Net of loans and credit facilities	17,887.0	22,804.8	4,917.8	27.5

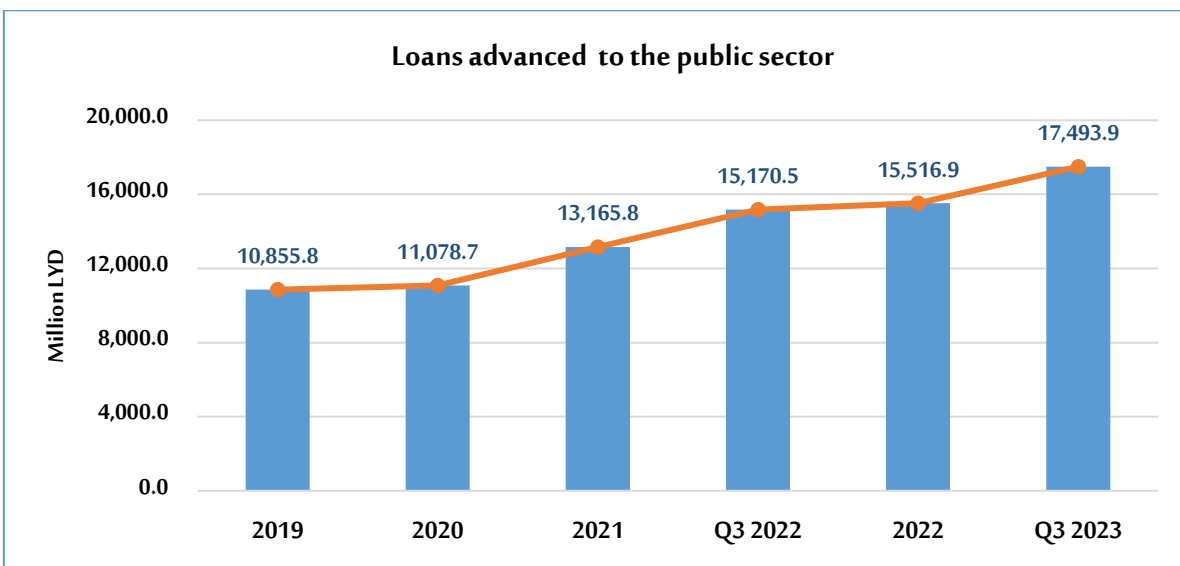
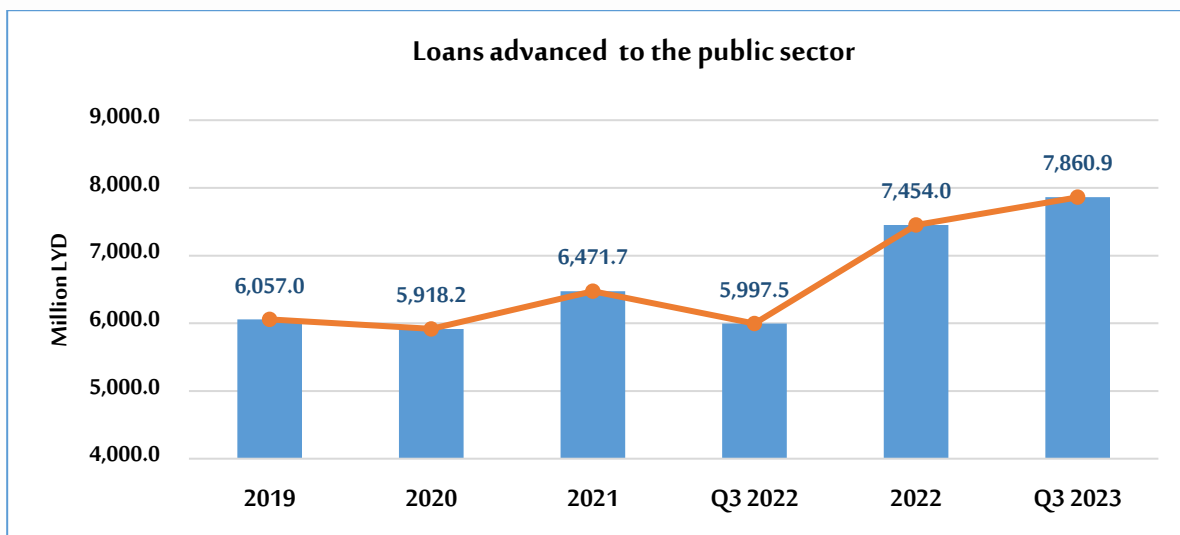
* Including the balance of Murabaha financing to individuals.



The Distribution of Loans Advanced by Banks According to Sectors (Private and Public):

" Millions of LYD "

Item	Q3 2022	Q3 2023	Change in value	Change rate %
Loans advanced to the public sector	7,498.1	7,605.5	107.3	1.4
Loans advanced to the private sector	14,120.0	19,131.9	5,011.9	35.5
Total	21,618.1	26,737.4	5,119.2	23.7



Secondly: Liabilities

1- Customer deposits with commercial banks:

The total balance of customers' deposits with commercial banks (Deposit Liabilities) increased by 12,277.4 million LYD, rising from 98,185.1 million LYD at the end of the third quarter of 2022 to reach 110,462.5 million LYD at the end of the third quarter of 2023, hence, recording a growth rate of 12.5%. As for the distribution of deposits with commercial banks by type of deposit, demand deposits and payment orders constituted 79.9% of the total deposits, while time deposits and cash insurance constituted 19.8% of the total deposits, and savings deposits constituted only 0.3% of the total deposits.

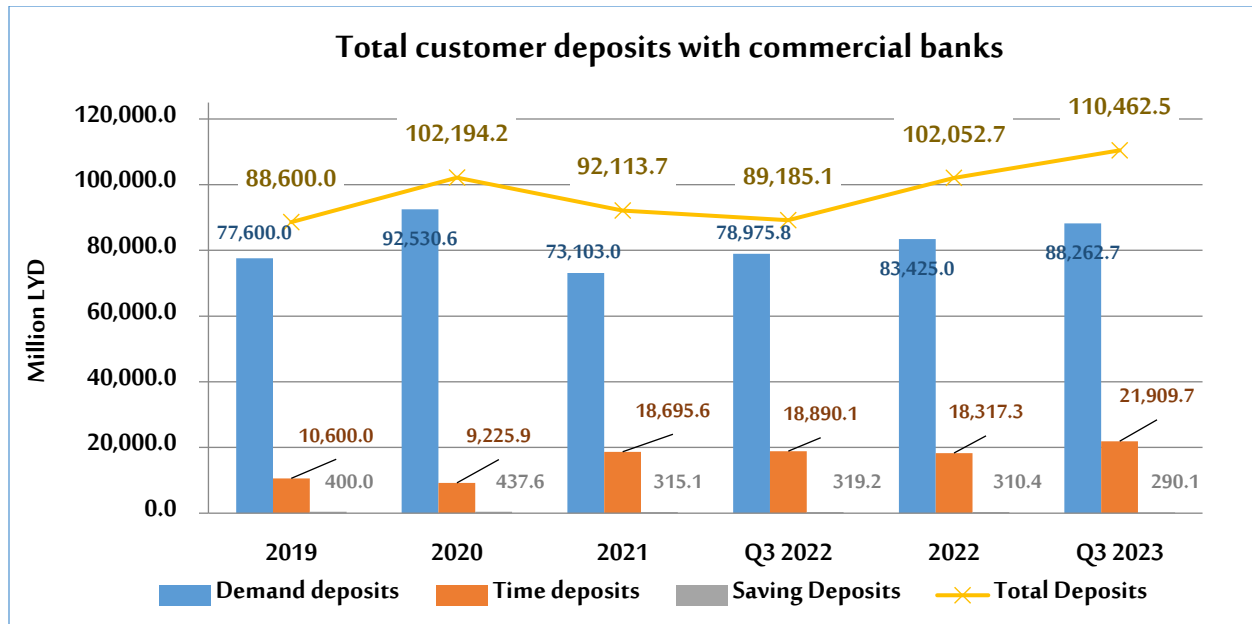
Clints' Deposits (Deposit Liabilities)

"Millions of LYD"

Item	Q3 2022	Q3 2023	Change in value	Change rate %
Demand deposits	73,765.00	84,289.50	10,524.5	14.3
Time deposits	1,924.70	2,106.80	182.1	9.5
Saving Deposits	319.2	290.1	-29.1	-9.1
Payments Orders	5,210.80	3,973.20	-1,237.6	-23.8
Cash Insurance	16,965.40	19,802.90	2,837.5	16.7
Total	98,185.1	110,462.5	12,277.4	12.5

- **Demand deposits and payment orders:** Demand deposits and payment orders raised at the end of the third quarter of 2023 by 9,286.9 million LYD, to record 88,262.7 million LYD, compared to 78,975.8 million LYD at the end of the third quarter of 2022.
- **Time deposits and cash insurances:** The item of time deposits and cash insurances increased at the end of the third quarter of 2023 by 3,019.6 million LYD, to record 21,909.7 million LYD, compared to 18,809.1 million LYD at the end of the third quarter of 2022. It should be noted that the item of cash insurance is against letters of credit.

- **Saving deposits:** The balance of saving deposits decreased at the end of the third quarter of 2023 by 29.1 million LYD, to record 290.1 million LYD, compared to 319.2 million LYD at the end of the third quarter of 2022.



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

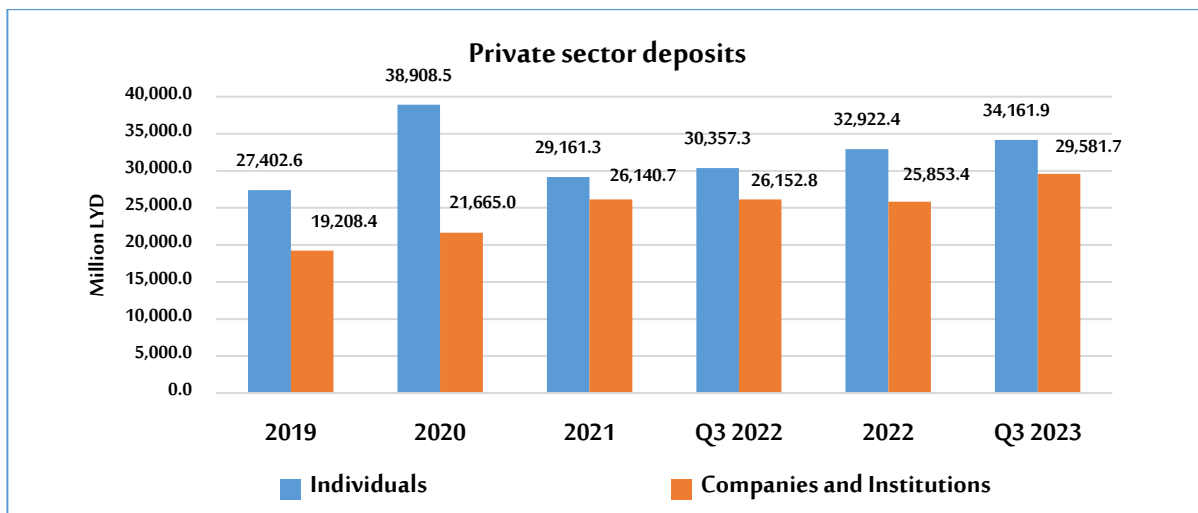
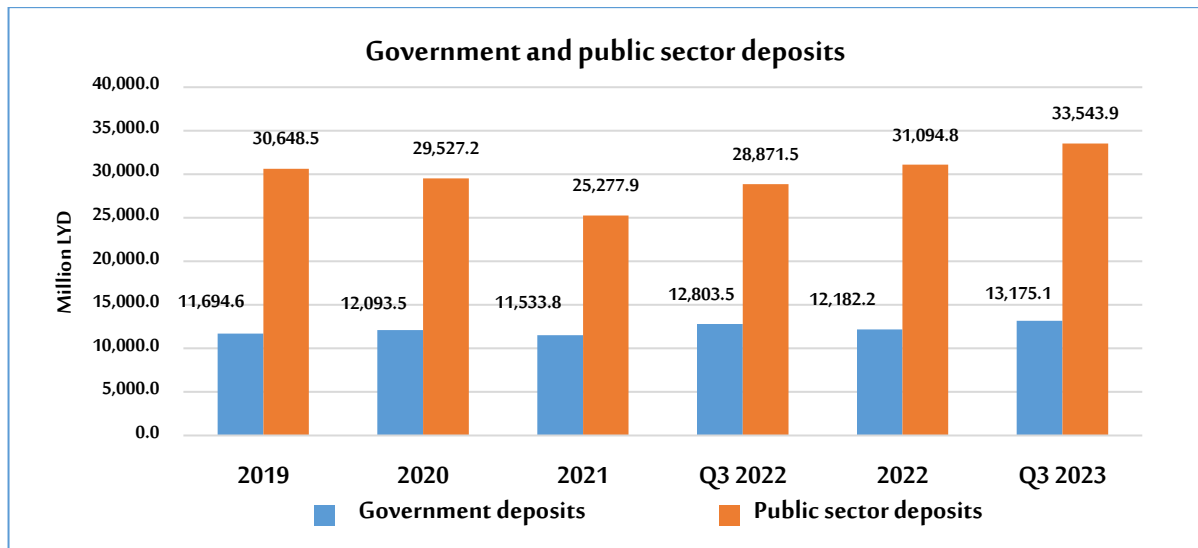
The government and public sector deposits increased by 5,043.9 million LYD at the end of the third quarter of 2023, to reach 46,718.9 million LYD, of which 13,175.1 million LYD are in government deposits, which consist of deposits of ministries, government agencies and institutions, and deposits of: the Social Security Fund, the Economic, Social Development Fund, and the deposits of the Libyan Fund for Development and Investment, compared to 41,675.0 million LYD in deposits for the public and government sectors at the end of the third quarter of 2022.

As for private sector deposits with banks, they also increased at the end of the third quarter of 2023 by 7,233.5 million LYD, or by 12.8%, to reach 63,743.6 million LYD, compared to about 56,510.1 million LYD at the end of the third quarter of 2022.

Distribution of Customer Deposits with Banks according to sectors (Private, Public and government)

"Millions of LYD"

Item	Q3 2022	Q3 2023	Change in value	Change rate %
Government and public sector deposits	41,675.0	46,718.9	5,043.9	12.1
Government deposits	12,803.5	13,175.1	371.6	2.9
public sector deposits	28,871.5	33,543.9	4,672.4	16.2
Private sector deposits	56,510.1	63,743.6	7,233.5	12.8
Individuals	30,357.3	34,161.9	3,804.6	12.5
Companies and Institutions	26,152.8	29,581.7	3,428.9	13.1
Total	98,185.1	110,462.5	12,277.4	12.5

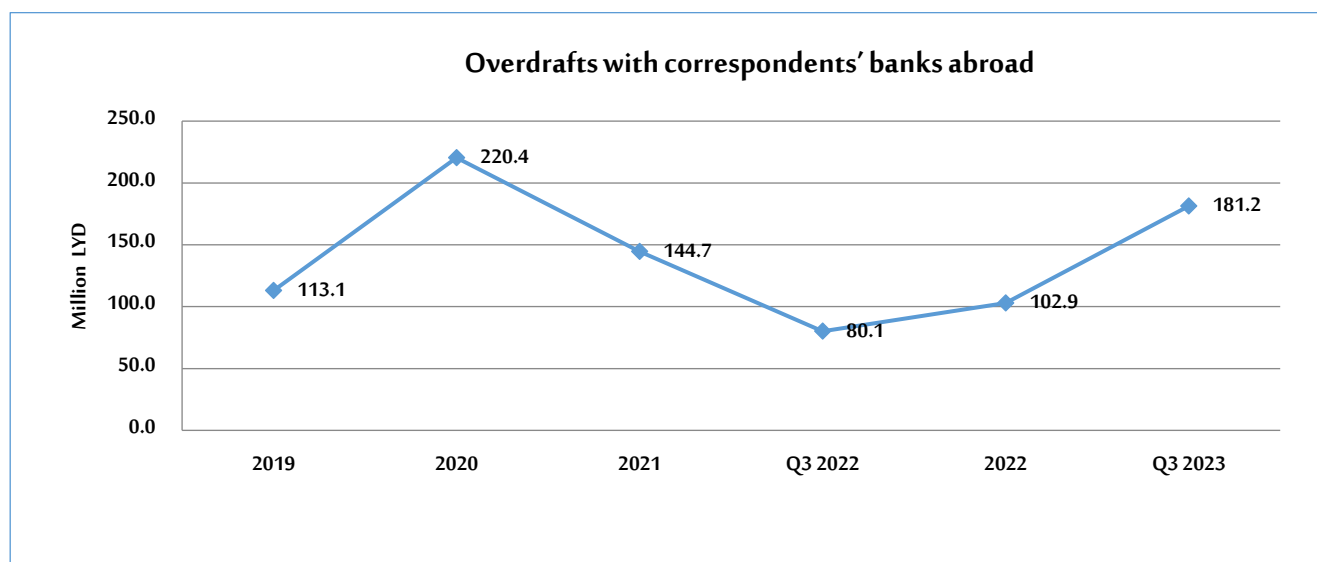


2- Accounts overdrawn with correspondents abroad:

The balance of exposed accounts with the correspondents abroad was 181.2 million LYD at the end of the third quarter 2023, higher than it was at the end of the third quarter of 2022. These overdrawn accounts with banks abroad result only from the delay of some banks in settling their accounts with correspondent banks.

“Millions of LYD”

Item	Q3 2022	Q3 2023	Change in value	Change rate %
Overdrafts with correspondents' banks abroad	80.1	181.2	101.1	126.1



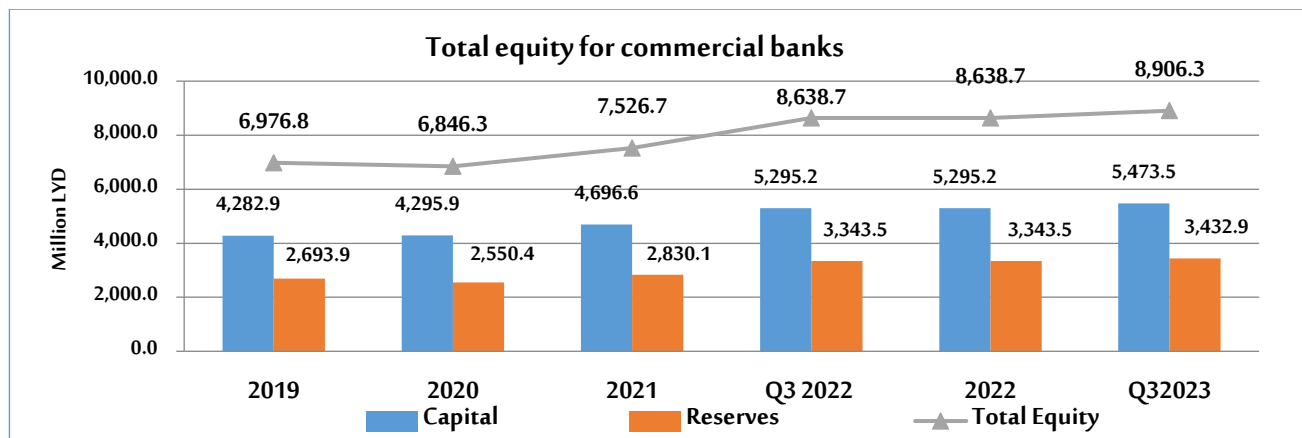
3- Equity:

The balance of equity of commercial banks increased from 8,763.9 million LYD at the end of the third quarter of 2022, to reach 8,906.3 million LYD at the end of the third quarter of 2023, which was due to the increase in the paid-up capital of some banks, as well as the legal and unallocated reserves, while the profits of banks during the third quarter of 2023 decreased by 18.7% to reach 763.9 million LYD, compared to what they were during the same period in 2022, which amounted to about 940.1 million LYD.

Capital Accounts

"Millions of LYD"

Items	Q3 2022	Q3 2023	Change in value	Change rate%
Paid capital	5,249.5	5,473.5	224.0	4.3
Legal Reserve	852.7	1,063.0	210.3	24.7
Unallocated reserves	337.7	395.9	58.2	17.2
Period earnings	940.1	763.9	-176.2	-18.7
Retained earnings and distributable profits	1,363.4	1,290.4	-73.1	-5.4
Total	8,763.9	8,906.3	142.4	1.6



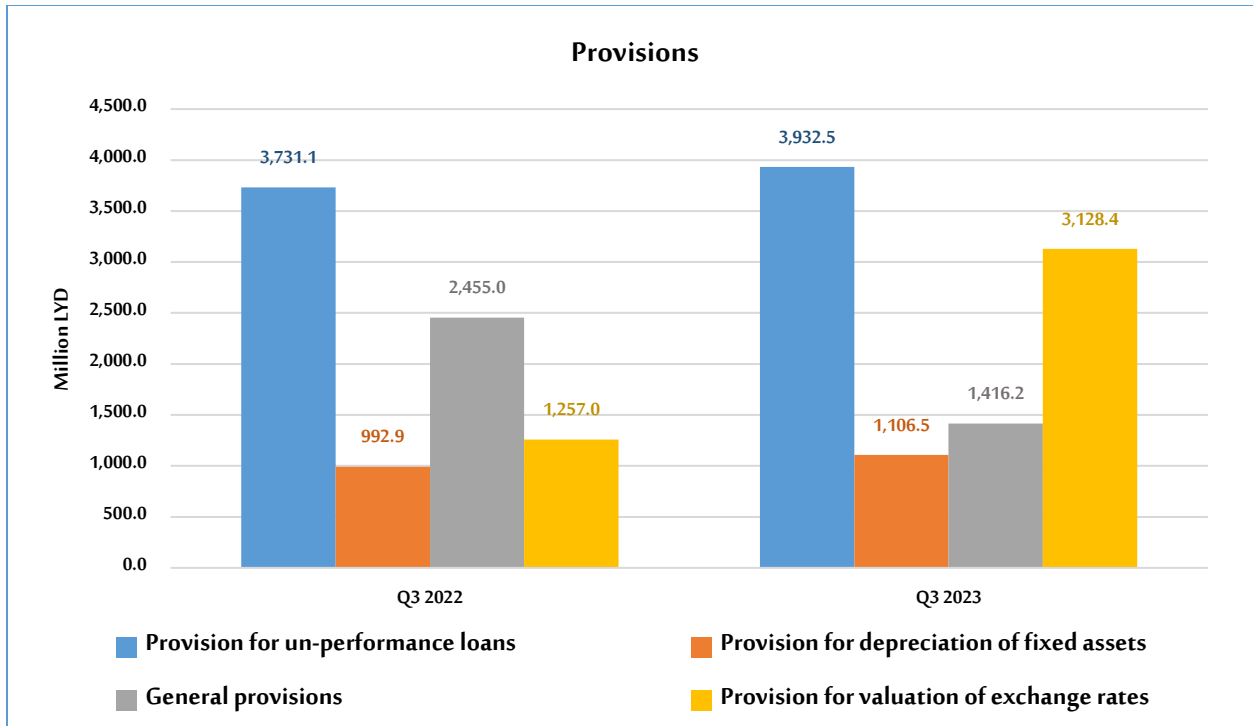
4- Provisions:

The balance of provisions recorded an increase by 1,147.6 million LYD at the end of the third quarter 2023 to reach 9,583.7 million LYD, compared to 8,436.1 million LYD at the end of the third quarter 2022. The increase was concentrated in the provision for exchange rate assessment, as shown in the following table:

Provisions

"Millions of LYD"

Items	Q3 2022	Q3 2023	Change in value	rate Change%
Provision for un-performance loans	3,731.1	3,932.5	201.4	5.4
Provision for depreciation of fixed assets	992.9	1,106.5	113.6	11.4
General provisions	2,455.0	1,416.2	-1,038.8	-42.3
Provision for valuation of exchange rates	1,257.0	3,128.4	1,871.5	148.9
Total	8,436.1	9,583.7	1,147.6	13.6



Performance Indicators of Commercial Banks (2019 – Q3, 2023)

Financial soundness indicators are considered a measure of the robustness of the financial sector and its institutional units in general and the banking sector. Such indicators are one of the important inputs in the analysis and evaluation of macro-prudential soundness, as this section deals with the analysis of financial soundness indicators for the banking sector during the period (2019 – Q3 2023).

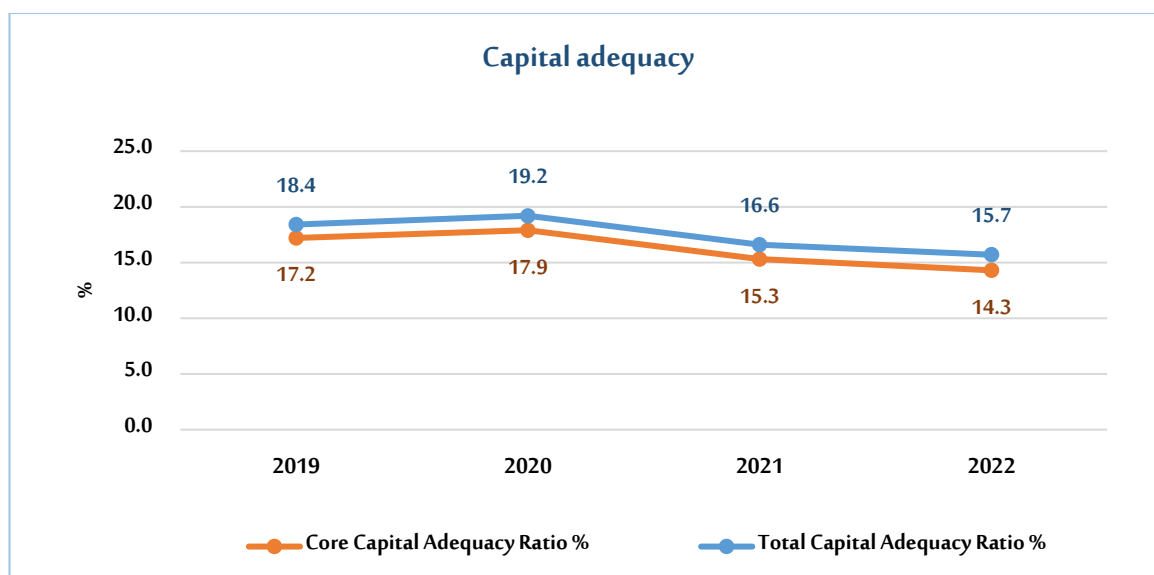
1- Capital Indicators:

Indicator	2019	2020	2021	2022	Q3 2023
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	3.8
Equity / Total Assets %	5.5	4.9	4.7	5.2	5.7
Equity / Total Deposit %	6.9	6.1	6.9	7.6	7.6

- Capital adequacy:

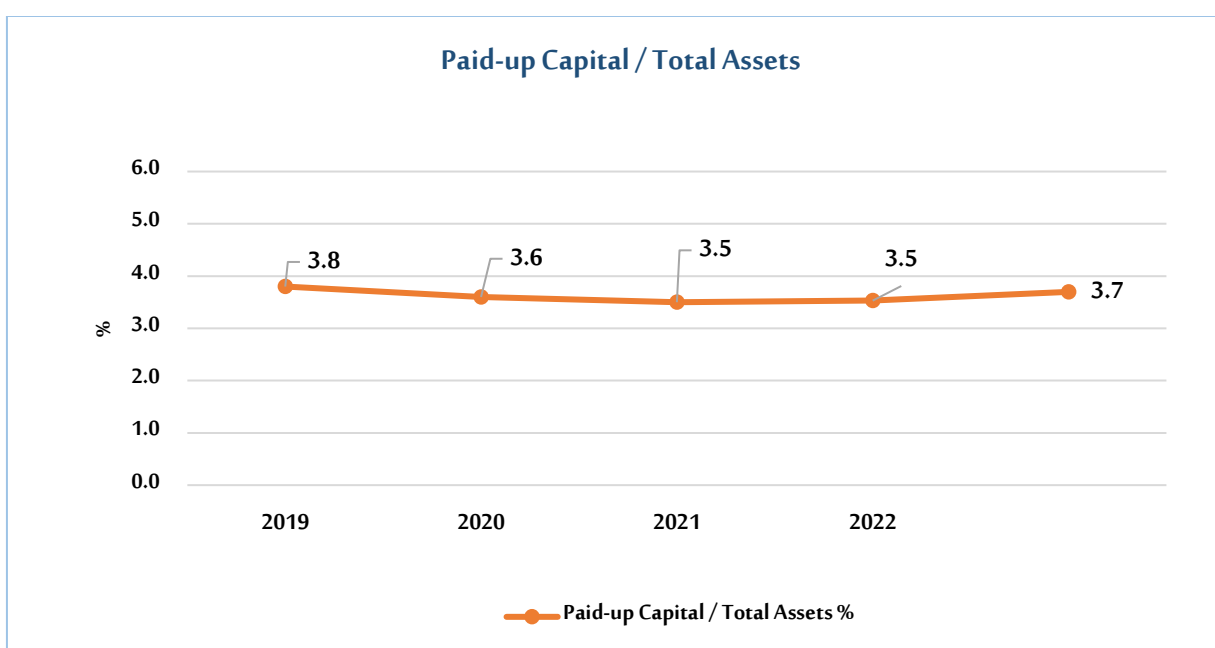
The banking sector is still experiencing good capital adequacy, as its rate ranged between 15.7% and 19.2% during the period (2019- 2022), which is generally higher than the percentage specified by the Central Bank and in line with the requirements of the Basel Committee (1), which is 8.0%.

It should be also noted that the Banking and Monetary Supervision Department has recently adopted the application of international best practices regarding the requirements issued by the Basel Committee (3) for Banking Supervision, and has issued several circulars in this regard, including Circulars No. (11 and 13) 2022 regarding instructions for calculating capital adequacy.



- Capital to total assets:

The ratio of capital to total assets 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), hence, 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 ratio referred to is in accordance with Basel requirements, as they recorded ratios of 3.8, 3.6, 3.5, 3.5, and 3.7, respectively, during the period (2019 - Q3 2023).



2- Assets quality:

structure of the items constituting the assets during the third quarter of 2023, indicates that the percentage of loans and facilities to total assets continued to decline, which constituted about 18.4%, while the percentage of investments amounted to only 1.8%, which indicates that the income-generating assets are very low and did not even reach 22.0% of the total assets base of the banking sector. On the other hand, cash in bank vaults and balances with the Central Bank accounted for about 56.4% of the total asset base of the banking sector, which reflects the weakness of banks' use of their funds.

- Non-performing loans to total loans:

The available data on non-performing debts, while it is still preliminary data, showed that the ratio of non-performing debts to total loans and credit facilities amounted to about 23.1% at the end of the third quarter of 2023. This percentage has recorded a continuous decrease since the year 2019. This decrease came as a result of the large increase in granting credit during the period since 2019, compared to a slight increase in bad debts. Thus, the percentage of bad debts recorded a noticeable decrease. It is also noted that the credit granted, which is mostly Murabaha loans to individuals and Murabaha loans in the form of Other Islamic companies had good creditworthiness and most of them were repayable regularly.

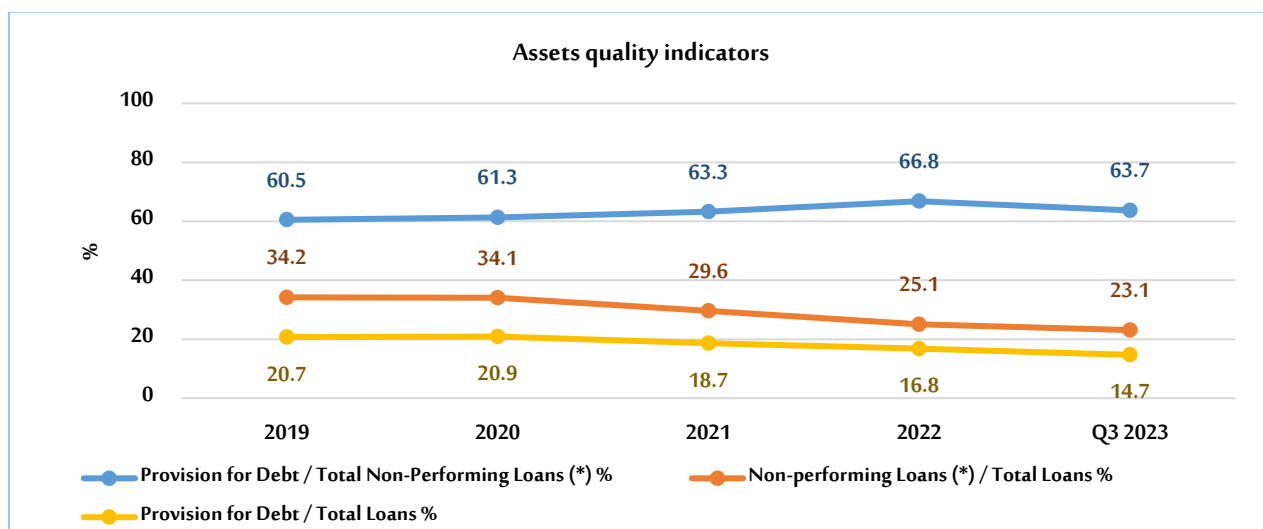
- Debt provision coverage ratio to non-performing loans:

Regarding the ratio of debt provision coverage to non-performing loans, it recorded at the end of third quarter 2023 about 63.7%, competed with 66.8% at the end of 2022. During the previous years (2019 – 2021), coverage provisions recorded high rates of more than 60.0% at the sector level. As for analyzing these ratios 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.

Assets quality indicators

Indicator	2019	2020	2021	2022	Q3 2023
Non-performing Loans (*) / Total Assets %	5.1	4.6	4.3	3.9	4.3
Non-performing Loans (*) / Total Loans %	34.2	34.1	29.6	25.1	23.1
Provision for Debt / Total Non-Performing Loans (*) %	60.5	61.3	63.3	66.8	63.7
Provision for Debt / Total Loans %	20.7	20.9	18.7	16.8	14.7

(*)Estimated data.



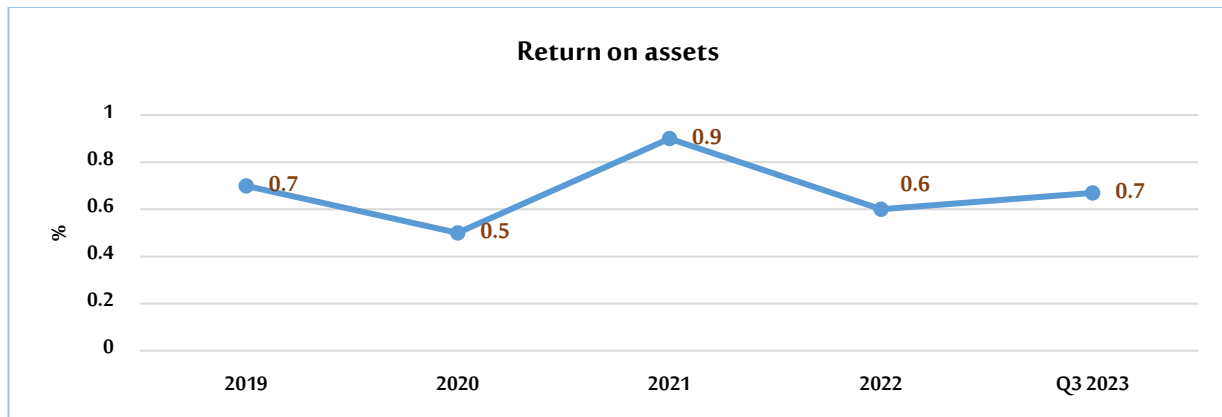
3 - Profitability Indicators:

Profitability Indicators

Indicator	2019	2020	2021	2022	Q3 2023
Return / Assets %	0.7	0.5	0.9	0.6	0.7
Return / Equity %	12.3	9.8	18.5	9.9	12.4
Return/Deposit %	0.8	0.6	1.3	0.8	1.4
Interest margin to total income ratio %	6.7	17.8	12.1	12.0	8.6
Ratio of non-interest expenses to total income %	63.7	68.9	55.8	63.7	66.5

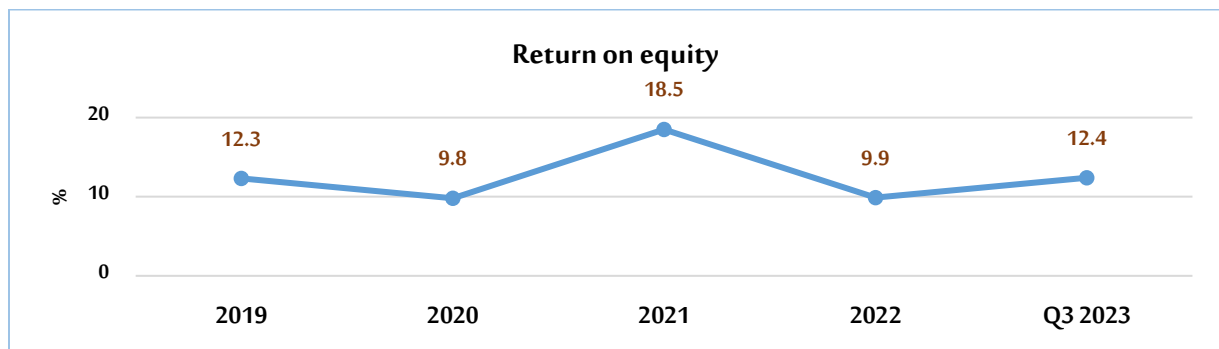
- Return to assets:

The return to total assets index is one of the important indicators of great analytical value to measure the efficiency of banks' use of their assets, as the rate of return to total assets increased during the third quarter of 2023 to record 0.7%.



- Return on equity:

The rate of return on equity increased during the third quarter of 2023, to record about 12.4%, compared to 9.9% in 2022. This indicator is considered a measure of the efficiency of banks in using their capital.



- Interest margin to total income ratio:

The interest margin to total income ratio index measures the volume of profits generated from the main activity of banks, as it notes the weak contribution of the interest margin (receipts received from interest - expenses paid for interest) to total income, which in the third quarter of 2023 amounted to about 8.6%, and in 2022 it recorded About 12.0%, and this is due to the banks' almost cessation of dealing with credit and debit interest locally, in accordance with Law No. (1) of 2013 regarding the prevention of Riab (usurious) transactions.

It should be noted that most of the interest income received was the result of income generated from interest on balances and deposits with correspondents abroad of some banks.

- Ratio of non-interest expenses to total income:

This indicator is important for measuring the ratio of the size of administrative expenses to total income, which includes all expenses except interest expenses, such as employees' salaries and costs, training expenses, insurance, maintenance, etc., the increase of which negatively affects the realization of profits. During the first nine months of 2023, the ratio of expenses other than interest amounted to Total income is about 66.5%, compared to 63.7% in 2022.

The high ratios of expenses versus revenues affected the banks in achieving profits, especially since the increase in the expenses item came as a result of the increase in the wages, salaries, and other expenses on employees.

4 - Liquidity indicators:

Liquidity indicators are among the critical indicators that reflect the extent to which banks can meet expected and unexpected demands for cash, as well as the ability of banks to fulfil their obligations without exposure to insolvency in liquidity. The liquidity indicators in the Libyan banking sector are still witnessing high liquidity ratios due to the banks' poor employment of their funds and the lack of expansion in granting loans and credit facilities as well as weak investment, in exchange for a more significant growth in deposit liabilities. The most important of these indicators are:

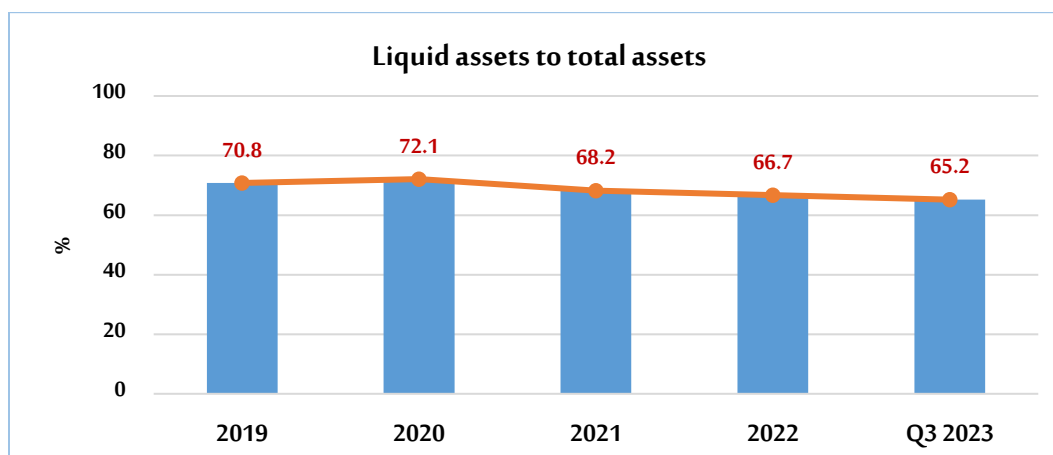
Liquidity indicators

Indicator	2019	2020	2021	2022	Q3 2023
Liquid Assets / Total Assets (%)	70.8	72.1	68.2	66.7	65.2
Liquid Assets / Short Term Liabilities (%)	83.7	86.4	91.2	86.2	93.3
Total Loans / Total Deposits (%)	19.0	16.6	21.3	22.5	24.2

- Liquid assets to total assets:

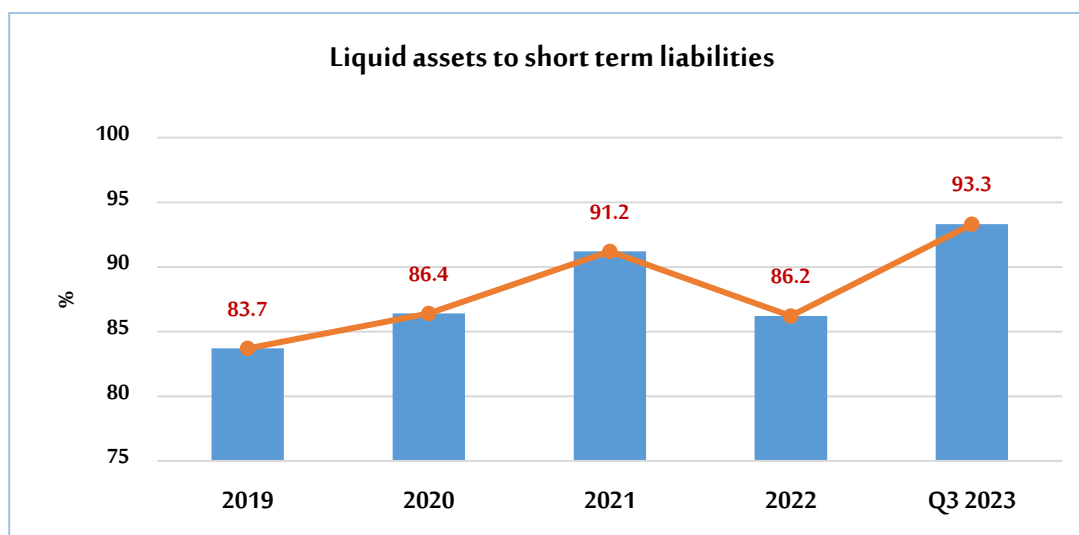
The percentage of liquid assets with banks to total assets reached 65.2% at the end of the third quarter of 2023, most of which represent deposits with the Central Bank (on demand, including the mandatory reserve) compared to 66.7% at the end of 2022, in general, the liquid assets of

banks still constitute percentages high total assets. It should be noted that the volume of loans and credit facilities to the total deposit liabilities in the banking sector recorded a rate of 23.2% at the end of the third quarter of 2023.



- Liquid assets to short-term liabilities:

This indicator measures 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 crises. This indicator recorded a rate of 93.3% at the end of the third quarter of 2023, compared to rates of 83.7%, 86.4%, 91.2% and 86.2% for the years 2019-2022 respectively.





Commercial Bank Performance Indicators

(2019 - Q3 2023)

Indicator	2019	2020	2021	2022	Q3 2023
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	3.8
Equity / Total Assets %	5.5	4.9	4.7	5.2	5.7
Equity / Total Deposit %	6.9	6.1	6.9	7.6	7.6
Asset Quality Indicators:					
Non-performing Loans (*)/ Total Assets %	5.1	4.6	4.3	3.9	4.3
Non-performing Loans (*) / Total Loans %	34.2	34.1	29.6	25.1	23.1
Provision for Debt / Total Non-Performing Loans (*) %	60.5	61.3	63.3	66.8	63.7
Provision for Debt / Total Loans %	20.7	20.9	18.7	16.8	14.7
Management efficiency indicators:					
Total Loans / Total Assets %	15.1	13.5	14.4	15.5	18.4
Total Assets / Number of Employees (Million LYD)	5.8	6.4	7.0	7.5	7.1
Total Assets / Number of Branches (Million LYD)	206.4	229.3	245.0	258.3	244.5
Profitability indicators:					
Return / Assets %	0.7	0.5	0.9	0.6	0.7
Return / Equity %	12.3	9.8	18.5	9.9	12.4
Return/Deposit %	0.8	0.6	1.3	0.8	1.4
Interest margin to total income ratio %	6.7	17.8	12.1	12.0	8.6
Ratio of non-interest expenses to total income %	63.7	68.9	55.8	63.7	66.5
Liquidity indicators:					
Liquid Assets / Total Assets %	70.8	72.1	68.2	66.7	65.2
Total Loans / Total Deposits %	83.7	86.4	91.2	86.2	93.3
Total Deposits / Total Liabilities %	19.0	16.6	21.3	22.5	24.2

* Estimated data.

End of Report.