



Main Financial Data and Indicators of the Libyan

Banks

2023



Research and Statistics Department



Contents	Page
A Summary of the Important Banks 'Financial Data (2023)	3
Banks' Branching	8
Banking Density	8
Banking Concentration	9
Banks' Consolidated Balance Sheet	11
The Structure of the Items constituting the Assets	13
The Structure of the Items constituting the Liabilities	15
Analysis of the Components of the Consolidated Balance Sheet of Banks	16
- Cash in vaults and clearing accounts:	16
- Balances and deposits with the Central Bank and other banks	17
- Investments	19
- Loans and Credit Facilities	19
- Customers' Deposits with Banks	22
- Accounts Overdrawn with Correspondents Abroad	25
- Equity	26
- Provisions	27
Banks Performance Indicators	28
- Capital Adequacy Ratios	28
- Asset quality Ratios	30
- Profitability Ratios	31
- Liquidity Ratios	34
Table of Performance Indicators of Banks 2019 –2023	36



Report of the most important financial data and indicators for banks, 2023

A summary of the banks' performance during 2023:

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

- The total assets of banks (excluding regular accounts) grew by 6.8%, increasing from 148.5 billion LYD at the end of 2022 to about 158.7 billion LYD at the end of 2023. The liquid assets (amounting to 106.2 billion LYD) formed about 66.9% of the total assets.
- The total deposits of banks (demand deposits and certificates of deposit) with the Central Bank, including the required reserve, increased by 12.0%, rising from 83.4 billion LYD at the end of 2022 to 93.4 billion LYD at the end of 2023, an increase by 10.0 billion LYD. It should be noted that banks' required reserves at the Central Bank of Libya amounted to 25.2 billion LYD.
- The total credit advanced by banks increased from 23.0 billion LYD at the end of 2022 to 28.5 billion LYD at the end of 2023, with a growth rate of 24.1%, or 5.5 billion LYD. This development was a result of the expansion in advancing loans to individuals in various Murabaha financing by the major banks (Jumhouria, Wahda, the National Commercial Bank, Sahara Bank, and the North African Bank).
- The advanced loans and credit facilities accounted for 18.0% of total assets, whereas they accounted for 22.6% of the total deposit liabilities. The total loans advanced to the private sector at the end of 2023 amounted to 21.0 billion LYD, this formed 73.7% of total loans and credit facilities advanced, while the total loans advanced to the public sector constituted the remaining 26.3%, which amounted to about 7.5 billion LYD.
- Data on non-performing loans in banks showed that the ratio of non-performing loans to total loans and credit facilities reached about 21.8% at the end of 2023, recording a



decrease from what it was in 2022, which amounted to 24.1%, this was a result of the large increase in credit advances during 2023, compared to a smaller increase in non-performing loans.

- The coverage ratio of the doubtful debts provision for the total loans and facilities advanced reached 59.8% in 2023, compared to 66.8% in 2022.
- Customers' deposits with banks increased by 23.9 billion LYD, which is 23.4%, rising from 102.1 billion LYD at the end of 2022, to reach 125.9 billion LYD at the end of 2023. Demand deposits represented 81.4% of the total deposits, while time deposits including cash insurance represented 18.4% of total deposits, whereas savings deposits represented the remaining portion, which was 0.2% of total deposits.

Regarding the distribution of these deposits, the private sector deposits amounted to 71.9 billion LYD at the end of 2023, which was 57.1% of the total deposits, while the public and government sector deposits constituted the remaining 42.9%, which was 54.1 billion LYD, of which 42.4 billion LYD deposited by public sector companies and institutions, and about 11.7 billion LYD was government deposits.

It should be noted that about 70.0% of deposit liabilities with banks are concentrated in the four major banks (Jumhouria, National Commercial, Wahda and Sahara).

- Banks' total equity increased by 2.9%, rising from 8.7 billion LYD at the end of 2022, to reach 8.9 billion LYD at the end of 2023.
- During 2023, banks' profit decreased by 26.2% to reach 1,048.1 million LYD, compared to what they were during 2022, which recorded about 830.5 million LYD.
- The interest margin ratio to total income increased during 2023 to 15.9% compared to what it was in 2022, which recorded about 12.3%. This improvement was a result of the revenues generated from interest on balances and deposits with correspondents, which



achieved about 161.4 million LYD, in addition to commissions proceeding from Murabaha services, which achieved approximately 388.1 million LYD.

- The ratio of expenses to total revenues reached about 61.3% in 2023, compared to 63.4% in 2022.
- At the end of 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 650 banking branches and agencies.

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Main Financial Data of Banks

"Millions LYD"

Item	2022	2023	Change Rate %
Total Budget (Assets + Statutory Accounts)	192,445.3	204,128.2	6.1
Total Assets	148,529.9	158,699.5	6.8
Total Cash in Bank Vaults	2,239.2	2,223.2	-0.7
Total Deposits with the Central Bank	83,412.5	93,437.2	12.0
Total Deposits with Banks	619.2	540.5	-12.7
Total Deposits with the Libyan Foreign Bank	1,669.2	1,398.9	-16.2
Total Deposits with Correspondents Abroad	11,193.5	8,638.9	-22.8
Total Clearing Accounts	7,034.7	7,337.1	4.3
Total Loans, Advances and Facilities	22,971.0	28,510.4	24.1
Total Investments	1,695.8	2,859.0	68.6
Total Clients Deposits	102,052.7	125,943.9	23.4
Total Overdrafts with Correspondents Abroad	102.9	30.3	-70.5
Total Equity	8,623.3	8,876.3	2.9
Total Provisions	8,676.3	9,525.7	9.8
Profit for the Period	830.4	1,048.1	26.2
Number of Branches and Agencies	642	650	1.2
Number of Employees	19,463	19,815	1.8
Financial indicators:			
Liquid Assets / Total Assets	66.7	66.9	-
Total Loans / Total Assets	15.5	18.0	-
Equity / Total Assets	5.8	5.6	-
Total Assets / Number of Branches (Millions LYD)	257.0	259.3	-
Total Assets / Number of Employees (Millions LYD)	7.6	8.0	-
Total Loans / Total Deposits	22.5	22.6	-
Total Profit/Assets %	0.6	0.7	-
Total Profit / Equity %	9.6	11.8	-



Deposits' Indicators of Banks

"Millions LYD"

Item	2022	2023	Change Rate %
1- Government and Public Sector Deposits	43,276.9	54,069.8	24.9
- Government Deposits (Ministries and Institutions financed from the General Budget)	12,182.2	11,702.8	-3.9
- Public Sector Deposits	31,094.8	42,367.1	36.3
2- Private Sector Deposits	58,775.8	71,874.1	22.3
- Individual Deposits	32,922.4	39,275.7	19.3
- Corporate and other Entities deposits	25,853.4	32,598.4	26.1
Total Deposits	102,052.7	125,943.9	23.4
Demand Deposits	83,425.0	102,484.5	22.8
Times Deposits	18,317.3	23,176.8	26.5
Saving Deposits	310.4	282.6	-8.9
Demand Deposits / Total Deposits %	81.7	81.4	-
Time Deposits / Total Deposits %	17.9	18.4	-
Savings Deposits / Total Deposits %	0.3	0.2	-
Total Deposits / Total Liabilities %	68.7	79.4	-

Indicators of Credit Advanced by Banks

"Millions LYD"

Item	2022	2023	Change Rate %
1. Credit Advanced to the public sector	7,454.0	7,498.5	0.6
2- Credit Advanced to the private sector	15,516.9	21,011.8	35.4
Total Credit	22,971.0	28,510.4	24.1
Advances and overdrafts	4,166.2	4,023.7	-3.4
Murabaha Loans (including social advance balance)	7,015.4	12,700.2	81.0
Loans Advanced to other Economic Activities	11,789.4	11,786.5	-0.02
Murabaha Loans / Total Credit %	30.5	44.5	-
Advances and Overdrafts / Total Credit %	18.1	14.1	-
Loans Advanced to other Activities / Total Credit %	51.3	41.3	-
Total Credit / Total Assets %	15.5	18.0	-
Total Credit / Total Deposits %	22.5	22.6	-



Banks' Branching:

At the end of 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 650 banking branches and agencies.

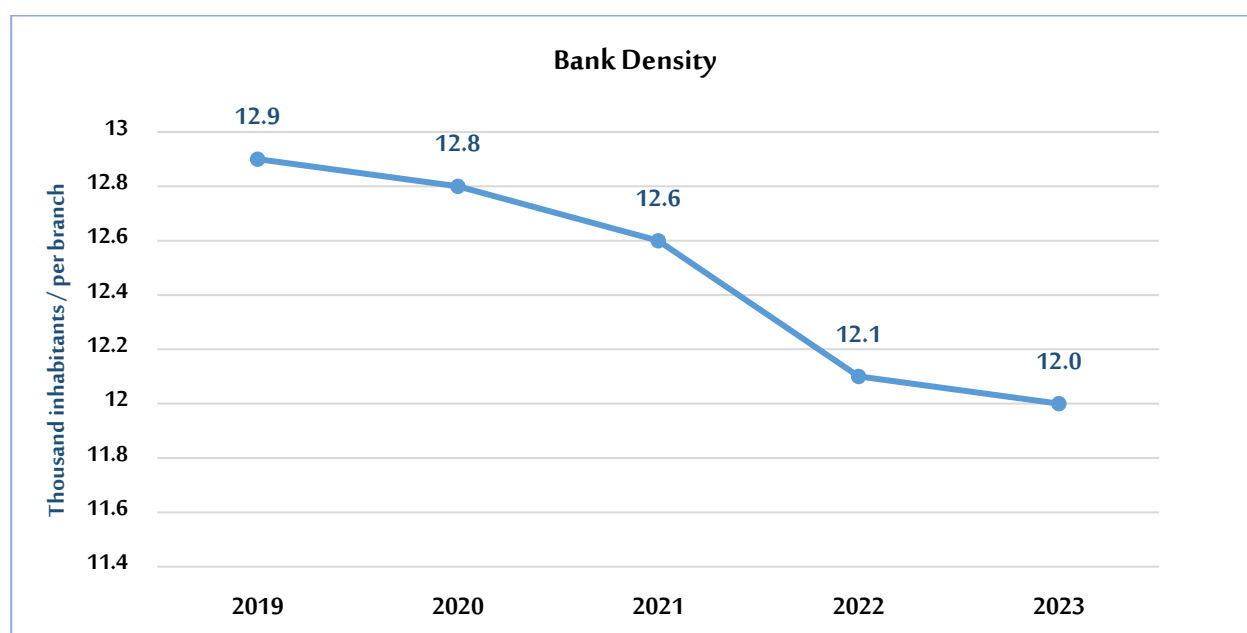
- Banking Density:

The banking density in 2023 amounted to about 12.0 thousand people per branch or agency, compared to about 12.1 thousand people per branch or agency in 2022.

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	350.0	12.1
2023	350.0	12.0





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 2023, out of the 20 banks; the assets of the four major banks (Jumhouria, National Commercial Bank, Wahda, and Sahara) were accounted for 70.0% of the total assets of the banking sector, and the Jumhouria Bank accounted for 26.7% of the total assets of the banking sector.

Additionally, at the end of 2023, the deposit liabilities of the four major banks accounted for 70.4% of the total deposit liabilities of the banking sector, while the loans advanced by the four major banks accounted for 85.8% of the total loans advanced by the banking sector.

Assets Concentration

End of	"Percentages"				
	2019	2020	2021	2022	2023
Largest bank	31.9	31.2	28.0	27.5	26.7
Largest three banks	64.6	63.1	62.0	61.7	59.4
Largest five banks	84.2	82.7	79.7	78.6	76.5

Credit Concentration

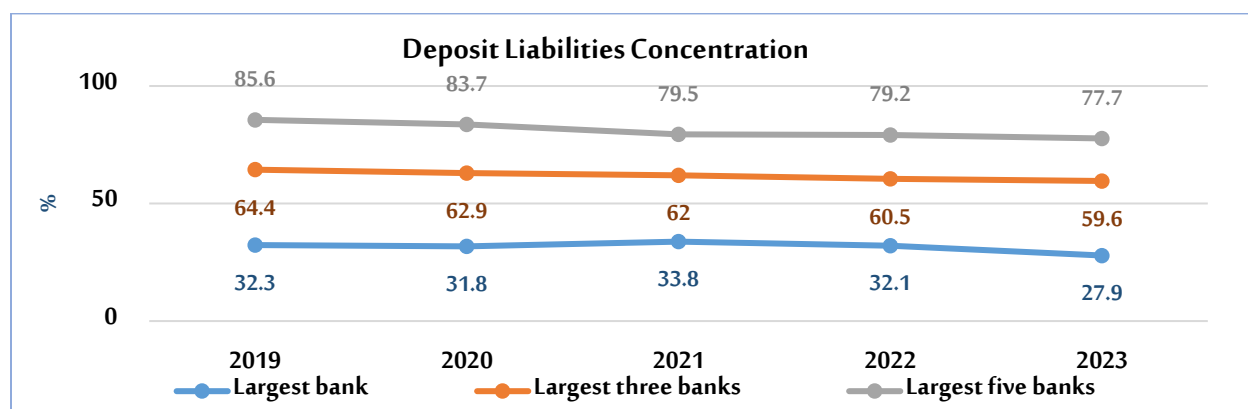
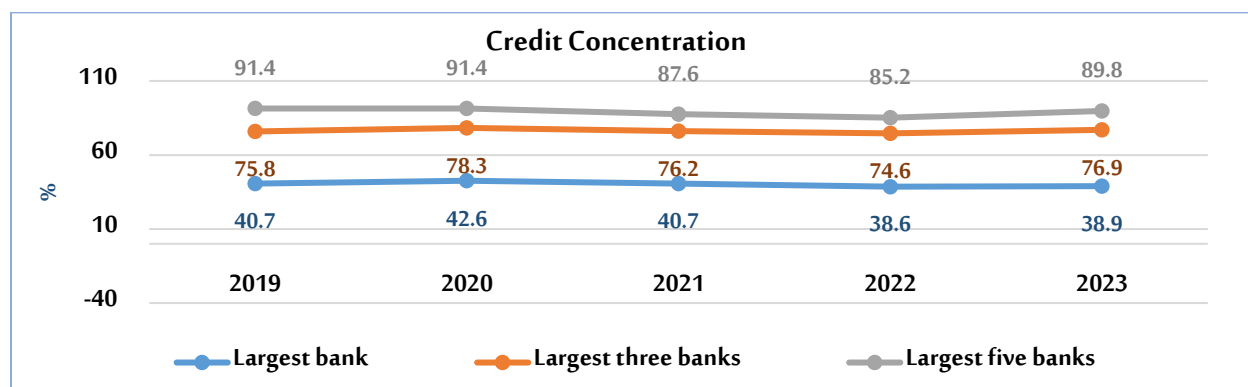
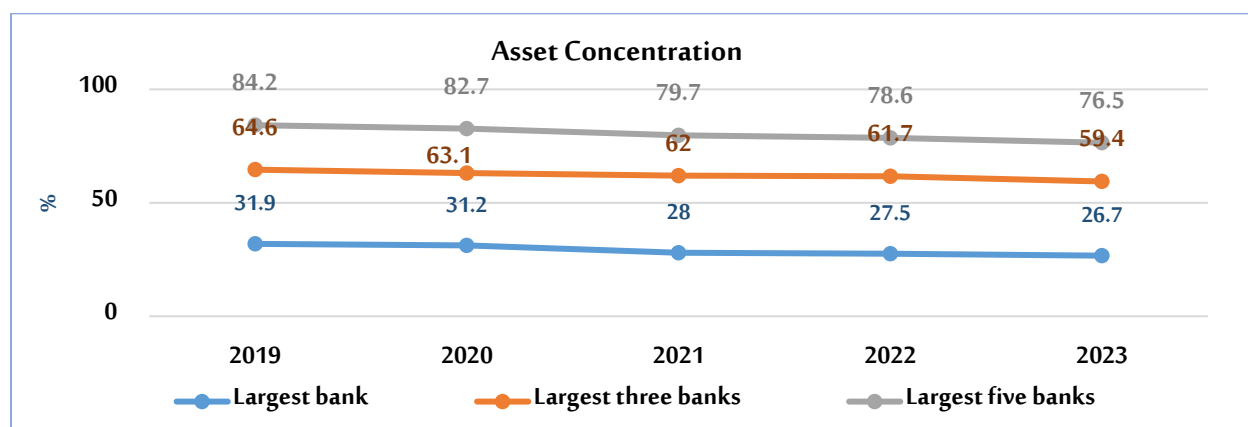
End of	"Percentages"				
	2019	2020	2021	2022	2023
Largest bank	40.7	42.6	40.7	38.6	38.9
Largest three banks	75.8	78.3	76.2	74.6	76.9
Largest five banks	91.4	91.4	87.6	85.2	89.8



Deposit Liabilities Concentration

"Percentages"

End of	2019	2020	2021	2022	2023
Largest bank	32.3	31.8	33.8	32.1	27.9
Largest three banks	64.4	62.9	62.0	60.5	59.6
Largest five banks	85.6	83.7	79.5	79.2	77.7





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 2023. Where the total assets within the consolidated budget recorded about 158,699.5 million LYD, compared to 148,529.9 million LYD at the end of 2022, with an increase of 10,169.6 million LYD, at a rate of 6.8%. 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 LYD"				
Item	2022	2023	Amount Change	Change Rate %
<u>Assets:</u>				
1- Cash in Vaults	2,239.2	2,223.2	-16.0	-0.7
-Local currency	2,013.2	1,916.0	-97.2	-4.8
- Foreign currency	226.1	307.2	81.2	35.9
2- Clearing Accounts	7,034.7	7,337.1	302.5	4.3
-Interbank Clearing	3,475.6	4,733.3	1,257.8	36.2
-Clearing between branches	3,559.1	2,603.8	-955.3	-26.8
3- Deposits with other banks	96,202.3	104,015.5	7,813.2	8.1
A- Deposits with the Central Bank	83,412.5	93,437.2	10,024.7	12.0
- Demand Deposits	79,920.0	90,237.2	10,317.2	12.9
-Certificates of Deposit	3,492.6	3,200.0	-292.6	-8.4
B- Deposits with other local banks	619.2	540.5	-78.7	-12.7
-Demand Deposits	619.2	540.5	-78.7	-12.7
-Time Deposits	0.0	0.0	0.0	-
C- Deposits with the Libyan Foreign Bank	1,669.2	1,398.9	-270.2	-16.2
-Demand Deposits	1,669.2	1,007.4	-661.8	-39.6
-Time Deposits	0.0	391.6	391.6	-
D- Deposits with banks abroad	10,501.4	8,638.9	-1,862.5	-17.7
-Demand Deposits	8,631.3	5,272.6	-3,358.7	-38.9
-Time Deposits	1,870.1	3,366.3	1,496.2	80.0
4- Investments	1,695.8	2,859.0	1,163.2	68.6
5- Loans and facilities	22,971.0	28,510.4	5,539.4	24.1



Advances and overdrafts	4,166.2	4,023.7	-142.6	-3.4
Social advances (including Murabaha financing for individuals)	7,015.4	12,700.2	5,684.8	81.0
Loans for other economic activities	11,789.4	11,786.5	-2.8	-0.02
6- Fixed assets	2,743.8	3,041.3	297.5	10.8
7. Other assets	15,643.1	10,713.0	-4,930.1	-31.5
Total Assets	148,529.9	158,699.5	10,169.6	6.8
Counter Accounts	43,915.4	45,428.7	1,513.3	3.4
Assets Grand Total	192,445.3	204,128.2	11,682.9	6.1

"Millions LYD"

Item	2022	2023	Amount Change	Change Rate %
Liabilities:				
1- Deposits of others with banks	102,052.7	125,943.9	23,891.2	23.4
-Demand Deposits	79,044.0	97,866.6	18,822.6	23.8
-Time Deposits	2,071.7	2,152.5	80.8	3.9
-Saving Deposits	310.4	282.6	-27.8	-8.9
-Payment Orders	4,381.0	4,617.8	236.8	5.4
-Cash Insurance	16,245.6	21,024.3	4,778.7	29.4
2- Borrowing from the Central Bank	33.3	30.7	-2.6	-7.8
3- Accounts Overdrawn with Correspondents Banks	102.9	30.3	-72.6	-70.5
4- Equity	8,619.4	8,928.3	308.8	3.6
-Paid-up Capital	5,295.2	5,778.7	483.5	9.1
-Legal Reserve	934.5	1,105.6	171.1	18.3
-Unallocated reserves	337.7	125.1	-212.6	-62.9
-Profit of the Period	830.4	1048.1	217.7	26.2
-Carried forward and Distributable Profits	1,221.6	844.3	-377.3	-30.9
5 - Provisions	8,676.3	9,525.7	849.5	9.8
6- Miscellaneous and other liabilities	29,045.3	14,240.6	-14,804.7	-51.0
Total Liabilities	148,529.9	158,699.5	10,169.6	6.8
Counter Accounts	43,915.4	45,428.7	1,513.3	3.4
Liabilities Grand Total	192,445.3	204,128.2	11,682.9	6.1



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

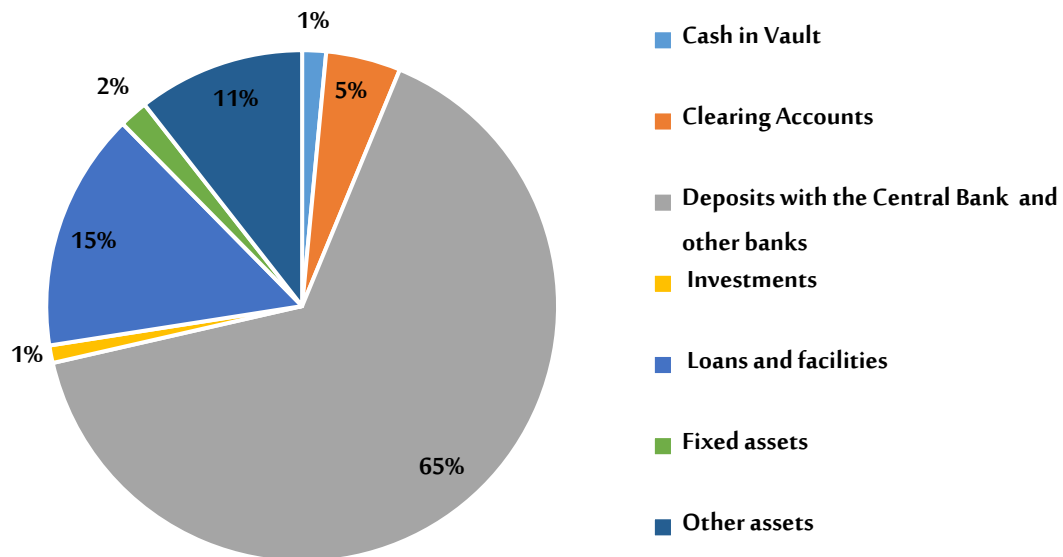
Banks' deposits and balances with the Central Bank, including the required reserve, continued to be the main component of the banking sector's assets, covering about 58.9% of the total assets at the end of 2023, while the share of the loans and credit facilities item increased slightly in the asset structure, to reach about 18.0% of the total assets, compared to 15.5% in 2022. While the percentage of investments amounted to only 1.8%, which indicates that the income-generating assets are very low and reached almost 20.0% of the total asset base of the banking sector, which are still small percentages that reflect the weakness of the banks' use of their funds.

Asset Item Structure

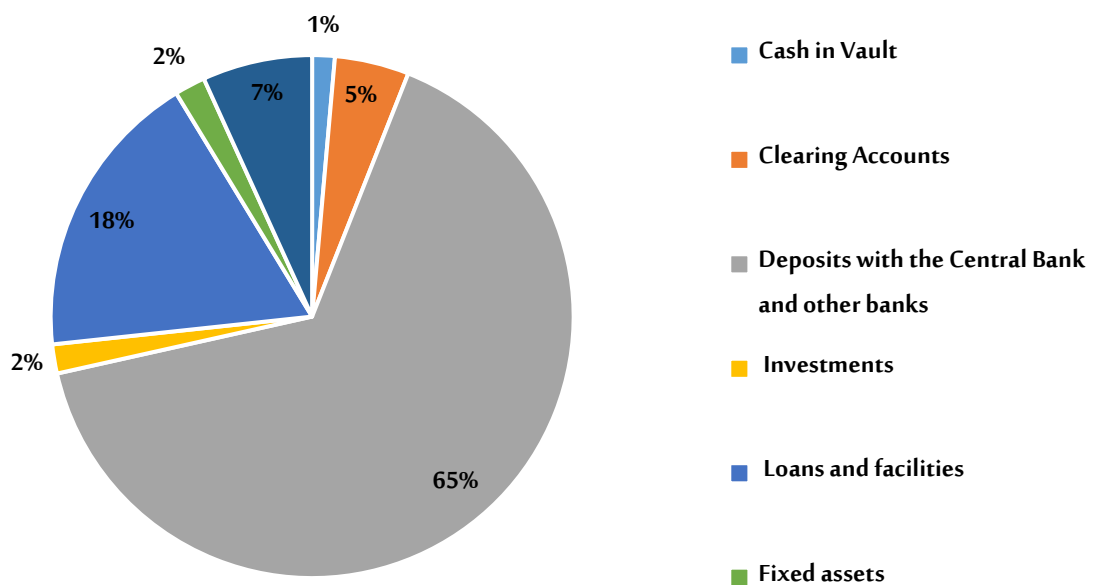
Item	2022	2023
<u>Assets:</u>		
1- Cash in Vault	1.5%	1.4%
2- Clearing Accounts	4.7%	4.6%
3- Deposits with the Central Bank	56.2%	58.9%
4- Deposits with other local banks	0.4%	0.3%
5- Deposits with the Libyan Foreign Bank	1.1%	0.9%
6- Deposits with banks abroad	7.1%	5.4%
7- Investments	1.1%	1.8%
8- Loans and facilities	15.5%	18.0%
9- Fixed assets	1.8%	1.9%
10- Other assets	10.5%	6.8%



The relative importance of the items constituting the assets **2022**



The relative importance of the items constituting the assets, **2023**



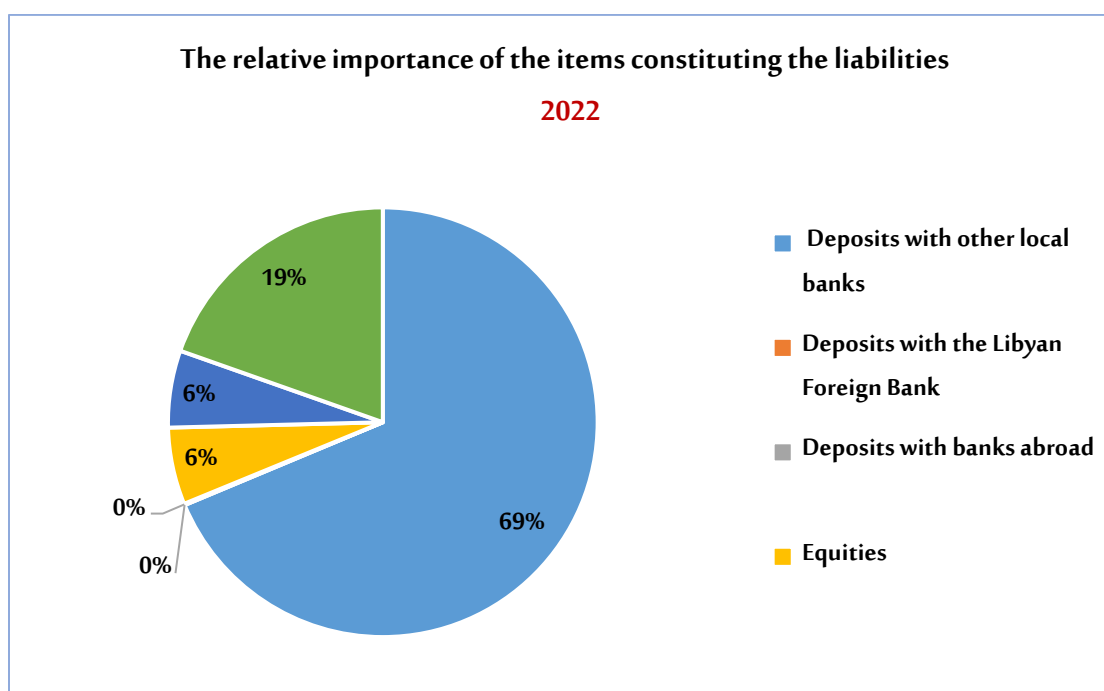


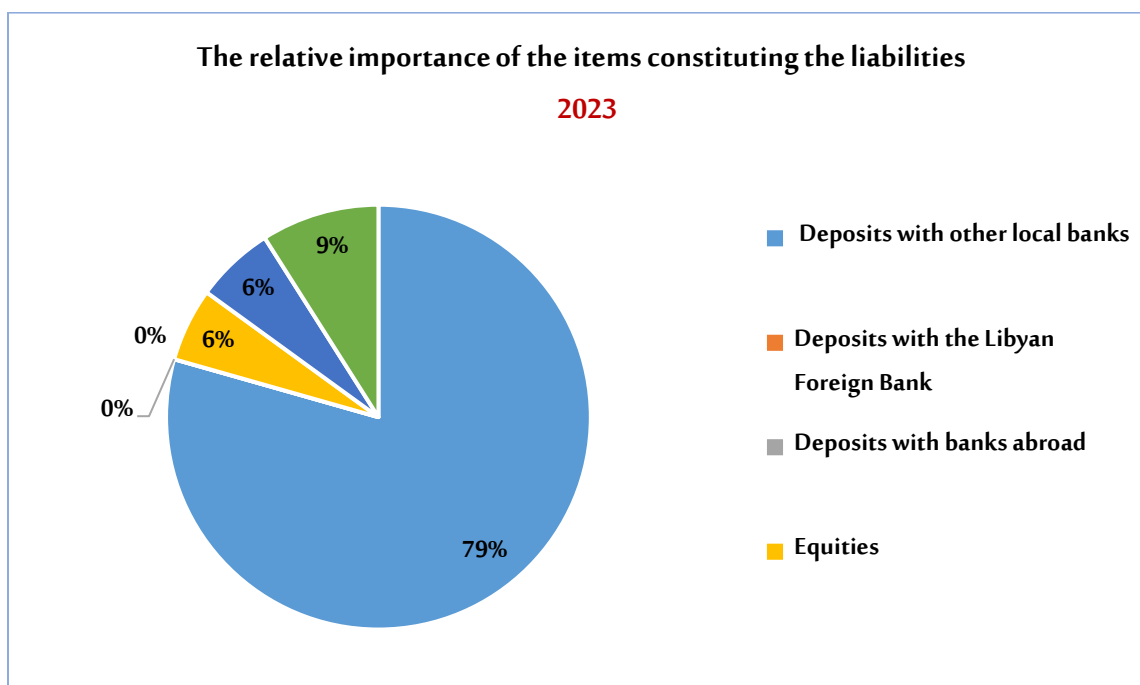
- The structure of the items constituting the liabilities in the consolidated budget of the banks:

The analysis of the structure of the items constituting liabilities in the consolidated balance sheets of banks in 2023, shows that customer deposits represent the main source of financing, accounting for 79.4% of the total sources of bank funds, compared to 68.7% in 2022. While equity constituted about 5.6% of the total sources of bank funds in 2023.

Table of the Structure of the Items Constituting the Liabilities

Item	2022	2023
<u>Liabilities:</u>		
1- Deposits of third parties with the bank	68.7%	79.4%
2- Borrowing from banks	0.0%	0.0%
3- Accounts overdrawn with correspondents' banks	0.1%	0.0%
4- Equity	5.8%	5.6%
5- Provisions	5.8%	6.0%
6- Miscellaneous and other liabilities	19.6%	9.0%





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

Firstly: Assets

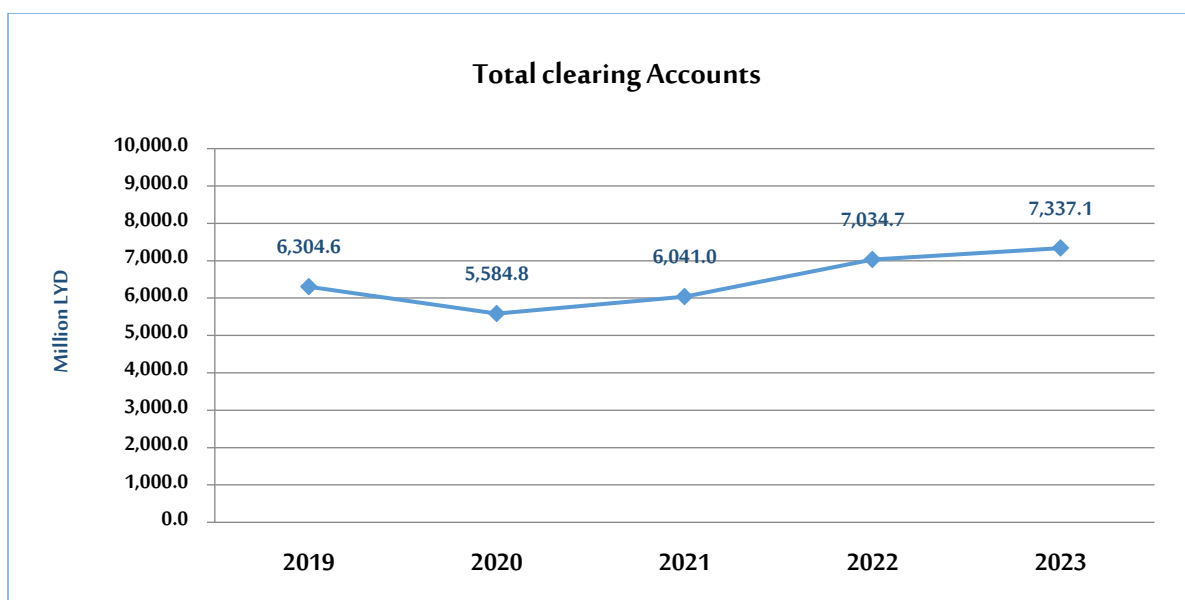
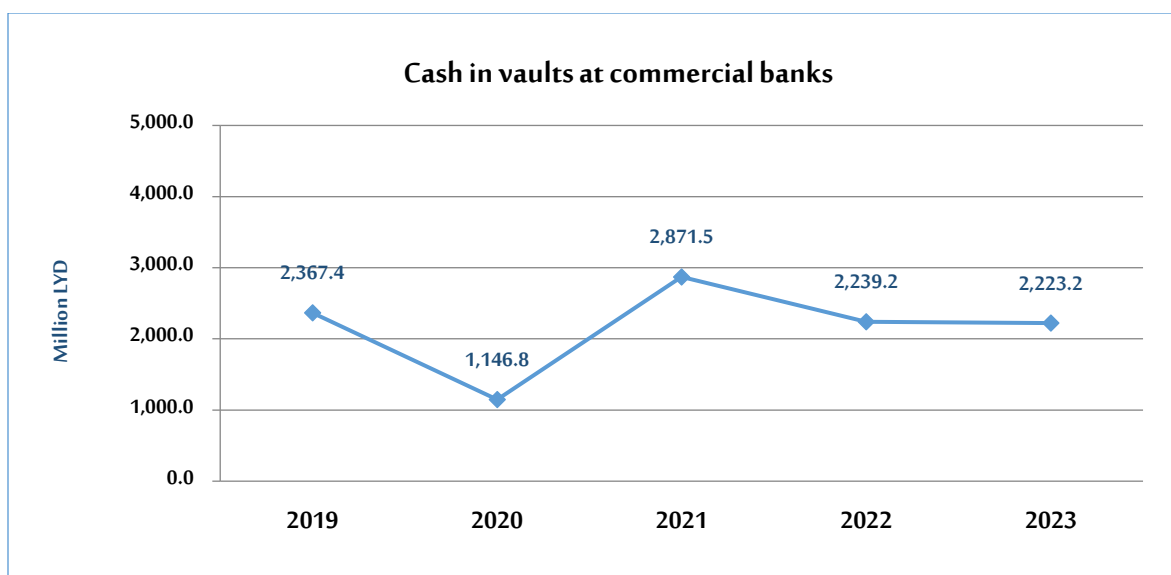
1. Cash:

A- Cash in vaults and clearing accounts:

The cash in vaults and clearing accounts increased by 286.5 million LYD, or 3.1%, to reach 9,560.3 million LYD at the end of 2023, compared to 9,273.9 million LYD at the end of 2022, which was due to increasing the clearing accounts by 1,257.8 million LYD at the end of 2023, compared to what it was in 2022. The following table shows these developments:

"Millions LYD"

Items	2022	2023	Change in value	Change rate %
Cash in vaults:	2,239.2	2,223.2	-16.0	-0.7
Local currency	2,013.2	1,916.0	-97.2	-4.8
Foreign currency	226.1	307.2	81.2	35.9
Total clearing Accounts	7,034.7	7,337.1	302.5	4.3
Interbank clearing	3,475.6	4,733.3	1,257.8	36.2
Branch clearing	3,559.1	2,603.8	-955.3	-26.8
Total	9,273.9	9,560.3	286.5	3.1



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

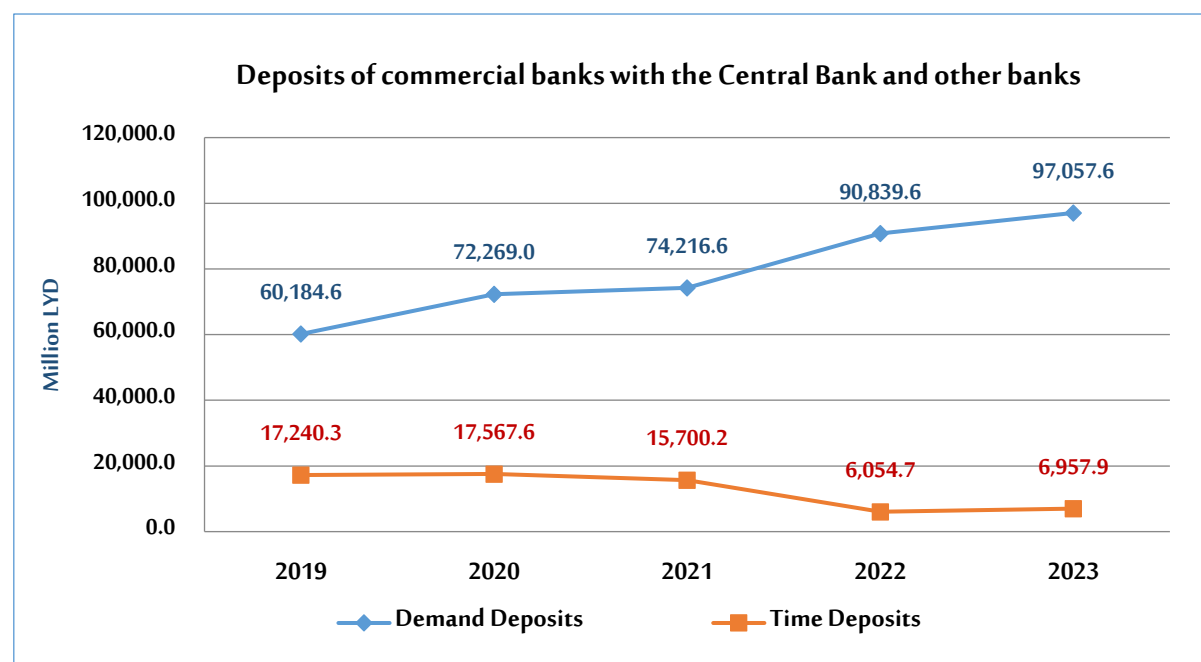
The banks' deposits with the Central Bank and other local banks and the Libyan Foreign Bank amounted to about 104,015.5 million LYD at the end of 2023, compared to 96,202.3 million LYD at the end of 2022, recording an increase of 7,813.2 million LYD, with a growth rate of 8.1%. This was because of a rise in the banks' balances and deposits with the Central Bank by about 10,317.2 million LYD, while bank deposits decreased with other local banks and the Libyan Foreign Bank, as well as with correspondents abroad, as shown in the following table:



Balances and Deposits with the Central Bank and Other Banks

"Millions LYD"

Items	2022	2023	Change in value	Change rate %
Demand Deposits:	90,839.6	97,057.6	6,218.0	6.8
Central bank	79,920.0	90,237.2	10,317.2	12.9
Local bank	619.2	540.5	-78.7	-12.7
Libyan foreign bank	1,669.2	1,007.4	-661.8	-39.6
Banks abroad	8,631.3	5,272.6	-3,358.7	-38.9
Time Deposits:	5,362.7	6,957.9	1,595.2	29.7
Central bank (certificates of deposit)	3,492.6	3,200.0	-292.6	-8.4
Local banks	0.0	0.0	0.0	-
Libyan foreign bank	0.0	391.6	391.6	-
Banks abroad	1,870.1	3,366.3	1,496.2	80.0
Total	96,202.3	104,015.5	7,813.2	8.1



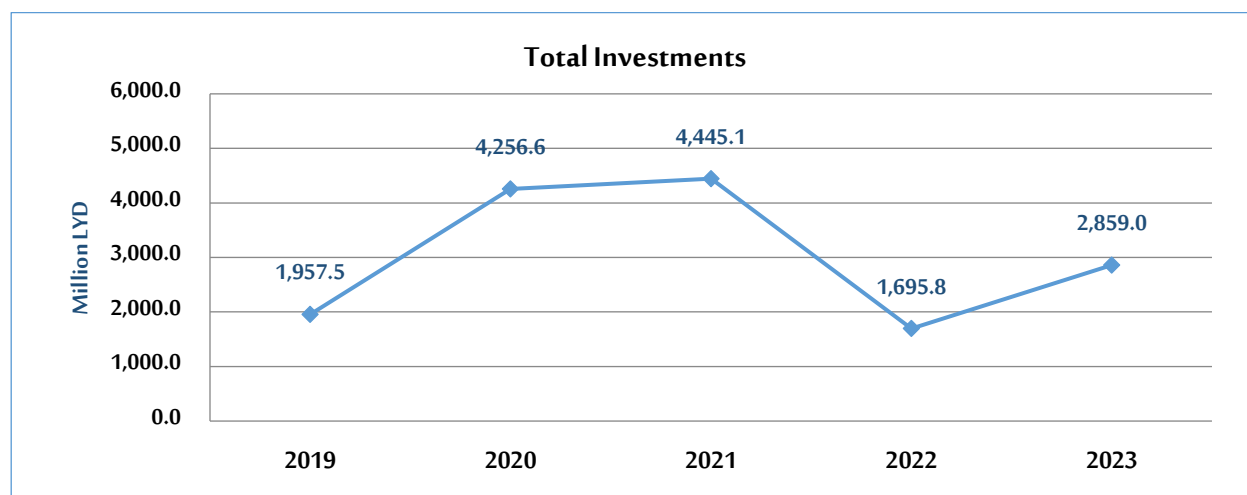


2- Investments:

The total balance of banks' investments in public and private joint-stock companies and other investments at the end of 2023 was about 2,859.0 million dinars, compared to 1,695.8 million dinars at the end of 2022, an increase of 1,163.2 million dinars. This increase came as a result of the increase in the other investments item as well as investments in private joint-stock companies, and the following table shows the details of this item:

"Millions LYD"

Items	2022	2023	in Change value	rate Change%
Treasury Bonds and Bills	0.0	0.0	0.0	-
Investments in Public Companies	564.2	568.6	4.4	0.8
Investments in Private Joint Stock Companies	872.0	1,214.4	342.4	39.3
Other Investments	259.7	1,076.0	816.4	314.4
Total	1,695.8	2,859.0	1,163.2	68.6



3- Loans and credit facilities:

The total balance of credit advanced by banks increased from 22,971.0 million LYD at the end of 2022 to 28,510.4 million LYD at the end of 2023, with a growth rate of 24.1%, or 5,539.4 million LYD. Further, the loans and credit facilities granted to the total deposit liabilities constituted 22.6% and constituted 18.0% of the total assets. While the total loans advanced to the private sector at the end of 2023 amounted to 21,011.8 million LYD, which equals to 73.7% of the total



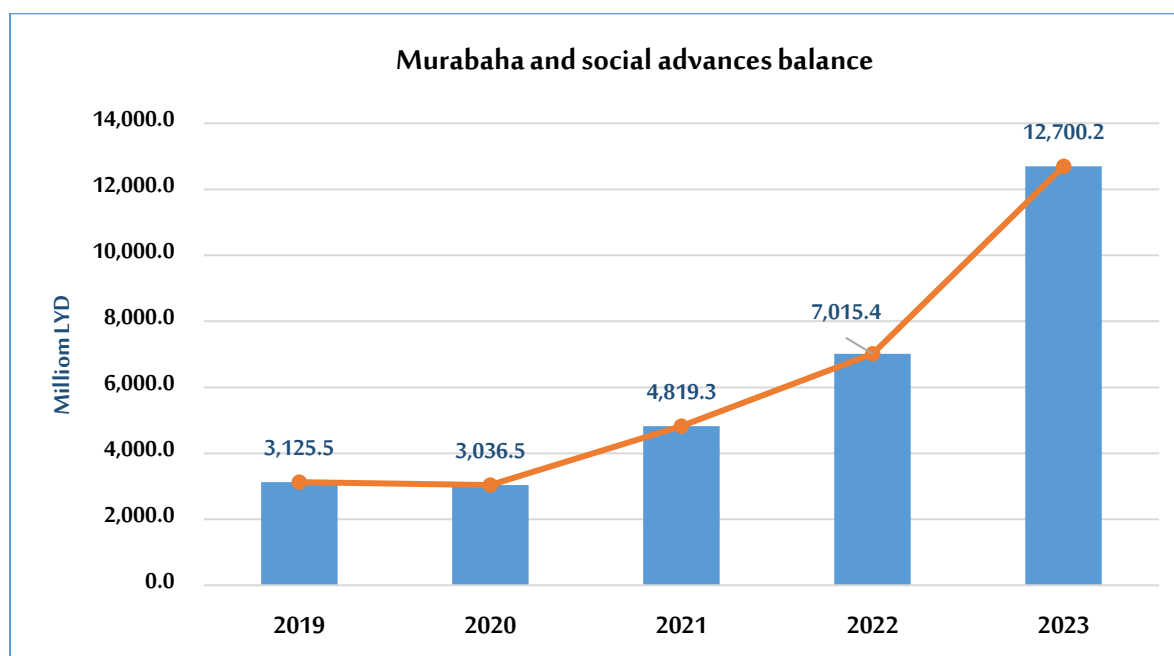
loans and credit facilities, while the total loans advanced to the public sector constituted the remaining 36.3%, which amounted to 7,498.5 million LYD, and by analyzing the components of the credit portfolio, the increase in the total credit balance advanced by banks was due to the increase in the items of Murabaha financing to individuals (social advances, which was increased by 5,684.8 million LYD compared with that of 2022).

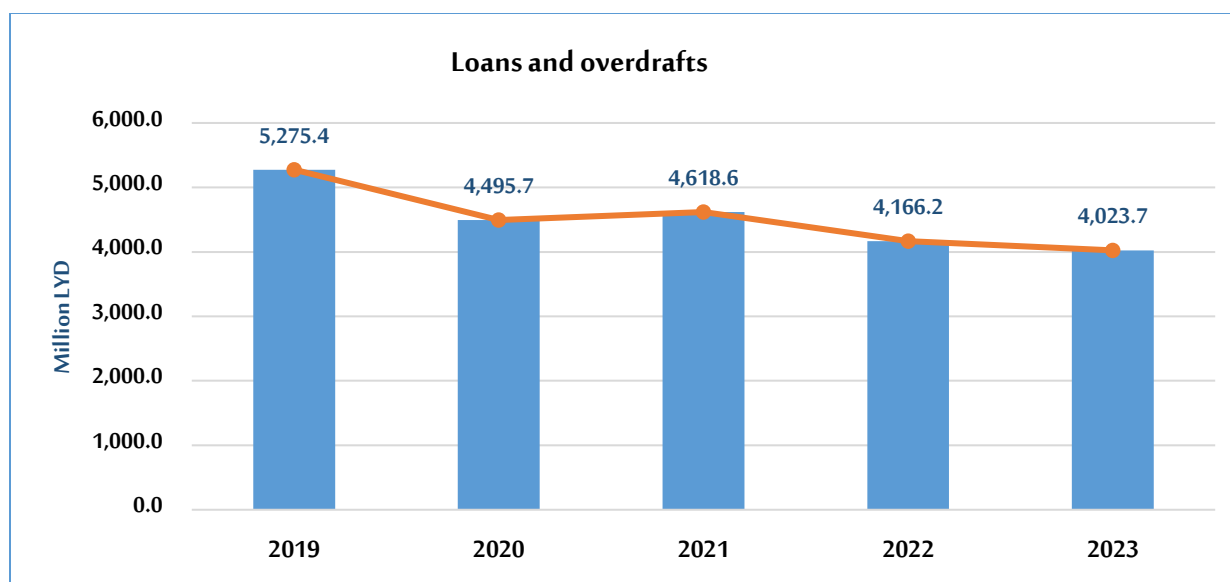
Total Loans and Credit Facilities Advanced by Banks.

"Millions LYD"

Item	2022	2023	Change in value	Change rate %
Loans and overdrafts	4,166.2	4,023.7	-142.6	-3.4
Social loans*	7,015.4	12,700.2	5,684.8	81.0
Other loans	11,789.4	11,786.5	-2.8	-0.02
Total loans and credit facilities	22,971.0	28,510.4	5,539.4	24.1
Provisions for doubtful debts	3,850.7	3,912.9	62.2	1.6
Net of loans and credit facilities	19,120.3	24,597.5	5,477.2	28.6

* Including the balance of Murabaha financing for individuals.

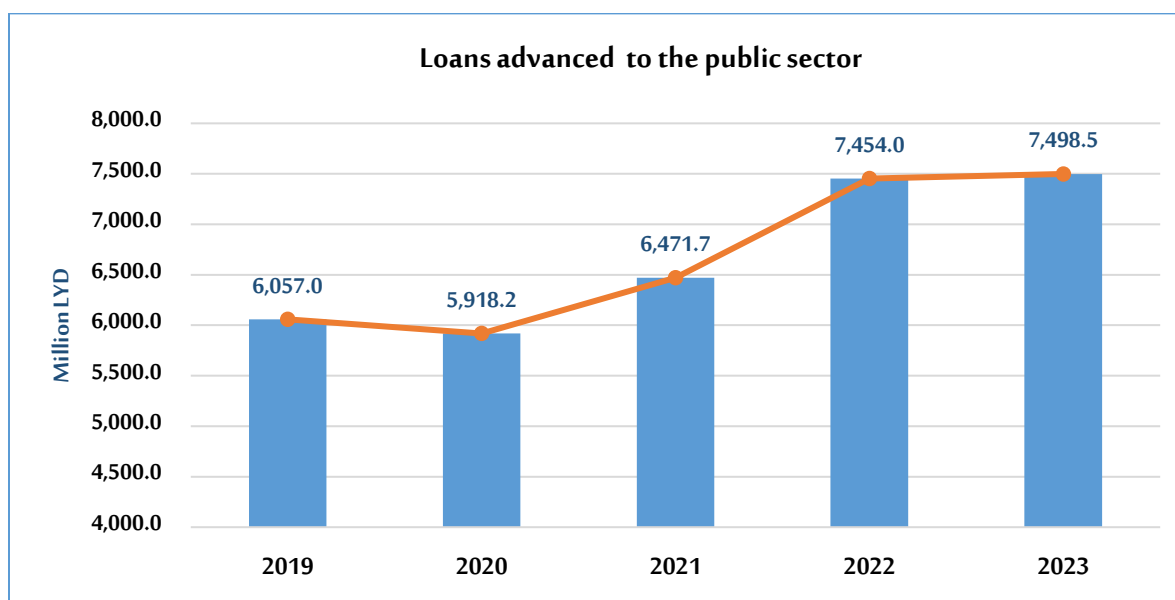


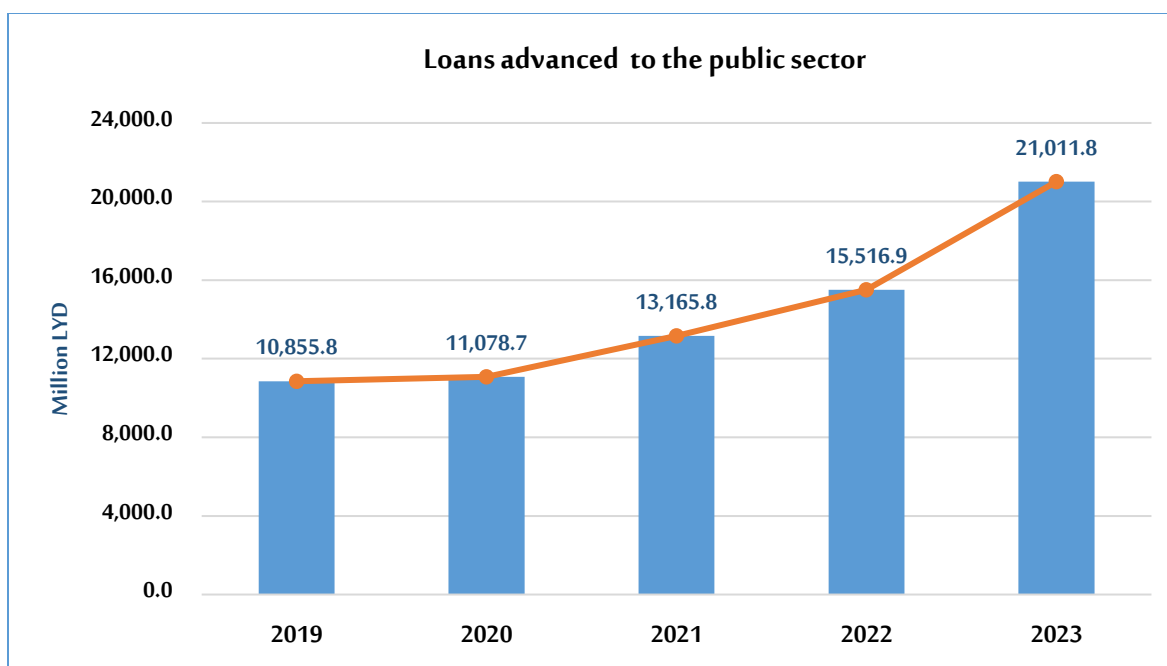


The Distribution of Loans Advanced by Banks by Sector (Private and Public)

"Millions LYD"

Item	2022	2023	Change in value	Change rate %
Loans advanced to the public sector	7,454.0	7,498.5	44.5	0.6
Loans advanced to the private sector	15,516.9	21,011.8	5,494.9	35.4
Total	22,971.0	28,510.4	5,539.4	24.1





Secondly: Liabilities

1- Customer deposits with banks:

total balance of customers' deposits with banks increased by 23,891.2 million LYD, increasing from 102,052.7 million LYD at the end of 2022 to reach 125,934.9 million LYD at the end of 2023, with a growth rate of 23.4%. Demand deposits and payment orders accounted for 81.4% of total deposits, while term deposits and cash insurance accounted for 18.4% of total deposits, whereas saving deposits accounted for only 0.2% of total deposits.

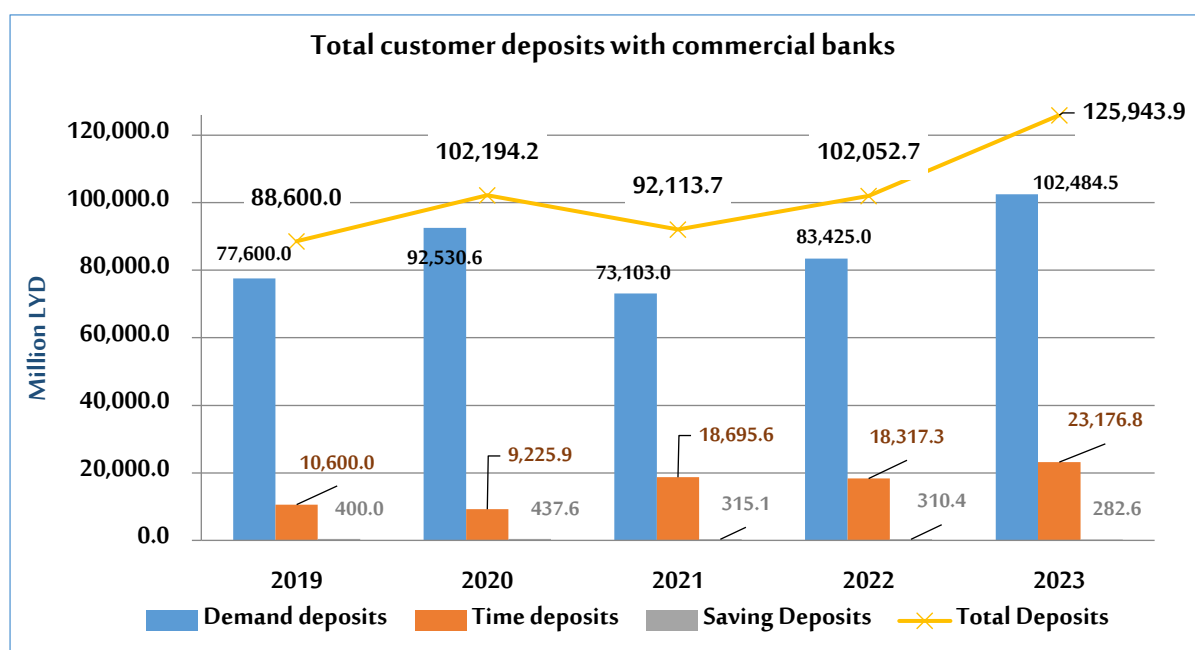
Customer Deposits (Deposit Liabilities)

"Millions LYD"

Item	2022	2023	Change in value	Change rate %
Demand deposits	79,044.0	97,866.6	18,822.6	23.8
deposits Time	2,071.7	2,152.5	80.8	3.9
Saving Deposits	310.4	282.6	-27.8	-8.9
Orders Payments	4,381.0	4,617.8	236.8	5.4
Insurance Cash	16,245.6	21,024.3	4,778.7	29.4
Total	102,052.7	125,943.9	23,891.2	23.4



- **Demand deposits and payment orders:** Demand deposits and payment orders increased at the end of 2023 by 19,059.4 million LYD, to reach 102,484.4 million LYD, compared to 83,425.0 million LYD at the end of 2022.
- **Time deposits and cash insurances:** The item of time deposits and cash insurances decreased by 4,859.5 million LYD at the end of 2023, to record 23,176.8 million LYD, compared to 18,317.3 million LYD at the end of 2022. It should be noted that the item of cash insurance was against letters of credit.
- **Savings deposits:** The balance of saving deposits decreased at the end of 2023 by 27.8 million LYD, to record 282.6 million LYD, compared to 310.4 million LYD at the end of 2022.



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 10,792.9 million LYD to reach 54,069.8 million LYD at the end of 2023, of which 11,702.8 million LYD are government



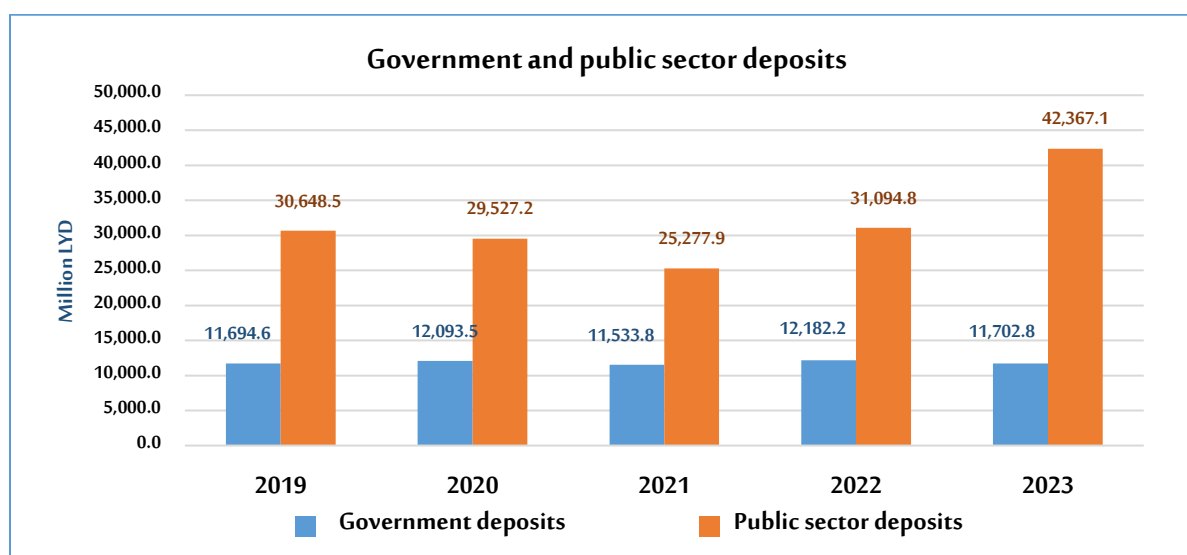
deposits, consisting of deposits from ministries, government agencies and institutions and deposits of: Social Security Fund, Economic and Social Development Fund and deposits of the Libyan Fund for Development and Investment, compared to 43,276.9 million LYD as deposits for the public sector and the government sector at the end of 2022.

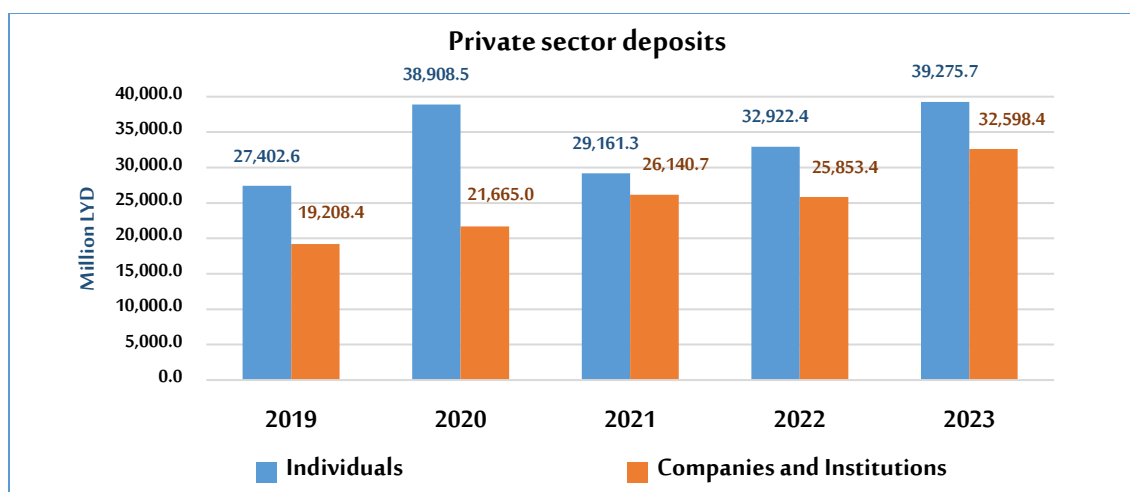
However, the private sector deposits also increased at the end of 2023 by 13,098.3 million LYD, or 22.3%, to record about 71,874.1 million LYD, compared to 58,775.8 million LYD at the end of 2022.

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

"Millions LYD"

Item	2022	2023	Change in value	Change rate %
Government and public sector deposits	43,276.9	54,069.8	10,792.9	24.9
Government deposits	12,182.2	11,702.8	-479.4	-3.9
Public sector deposits	31,094.8	42,367.1	11,272.3	36.3
Private sector deposits	58,775.8	71,874.1	13,098.3	22.3
Individuals	32,922.4	39,275.7	6,353.3	19.3
Companies and Institutions	25,853.4	32,598.4	6,745.0	26.1
Total	102,052.7	125,943.9	23,891.2	23.4





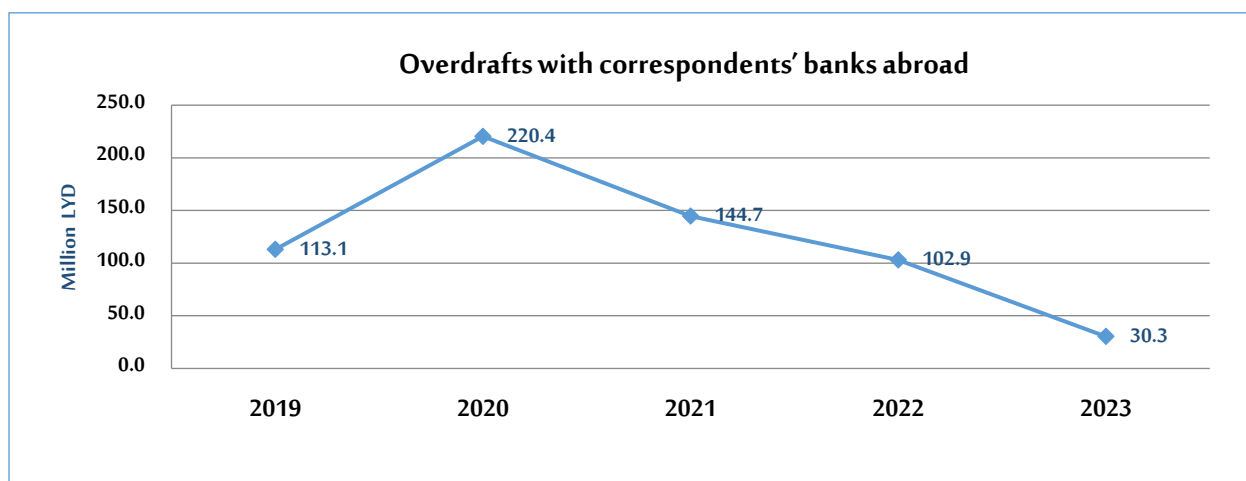
2- Accounts overdrawn with correspondents abroad:

The balance of exposed accounts with the correspondents abroad was 30.3 million LYD at the end of 2023, lower than it was at the end of 2022. These exposed accounts are only a result of the delay of some correspondent banks abroad in settling their accounts with local banks.

Table of overdrawn accounts held by correspondents abroad

"Millions LYD"

Item	2022	2023	Change in value	Change rate %
Overdrafts with correspondents' banks abroad	102.9	30.3	-72.6	-70.6





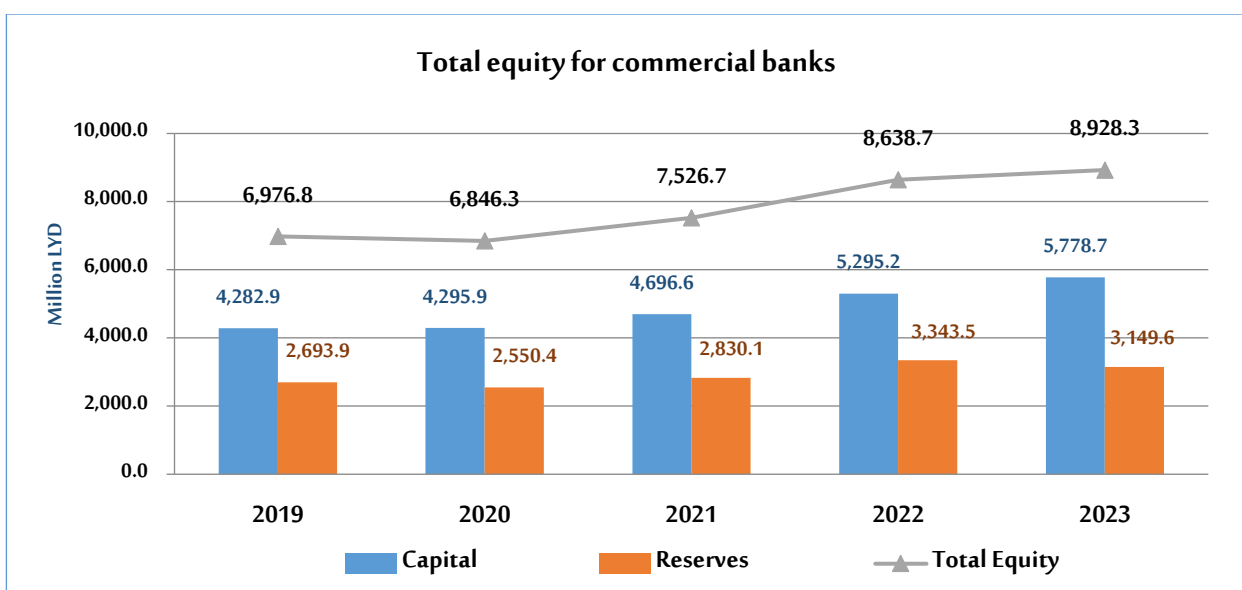
3- Equity:

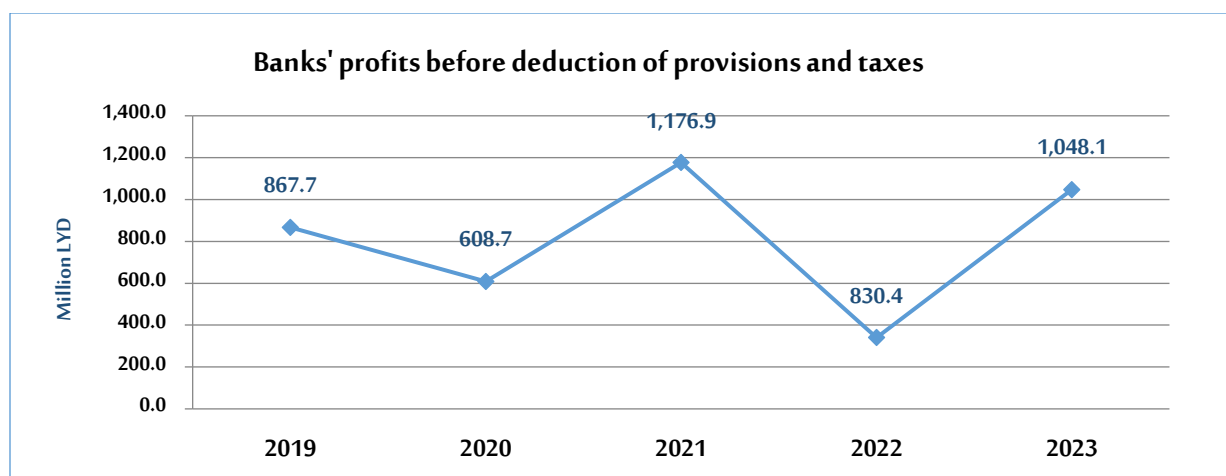
The balance of equity of banks increased from 8,619.4 million LYD at the end of 2022, to reach 8,928.3 million LYD at the end of 2023, as a result of the increase in the paid-up capital of some banks, as well as legal and unallocated reserves. The profits of banks before deducting provisions and taxes during 2023 recorded an increase of 26.2% to record 1,048.1 million LYD, compared to about 830.4 million LYD in 2022. This increase in profits was a result of the increase in revenues achieved by banks at a higher rate than the increase in their expenses

Capital Accounts

"Millions LYD"

Items	2022	2023	Change in value	Change rate%
Paid capital	5,295.2	5,778.7	483.5	9.1
Legal Reserve	934.5	1,105.6	171.1	18.3
Unallocated reserves	337.7	125.1	-212.6	-62.9
Profit of the year	830.4	1,048.1	217.7	26.2
Retained earnings and distributable profits	1,221.6	870.7	-350.9	-28.7
Total	8,619.4	8,928.3	308.8	3.6





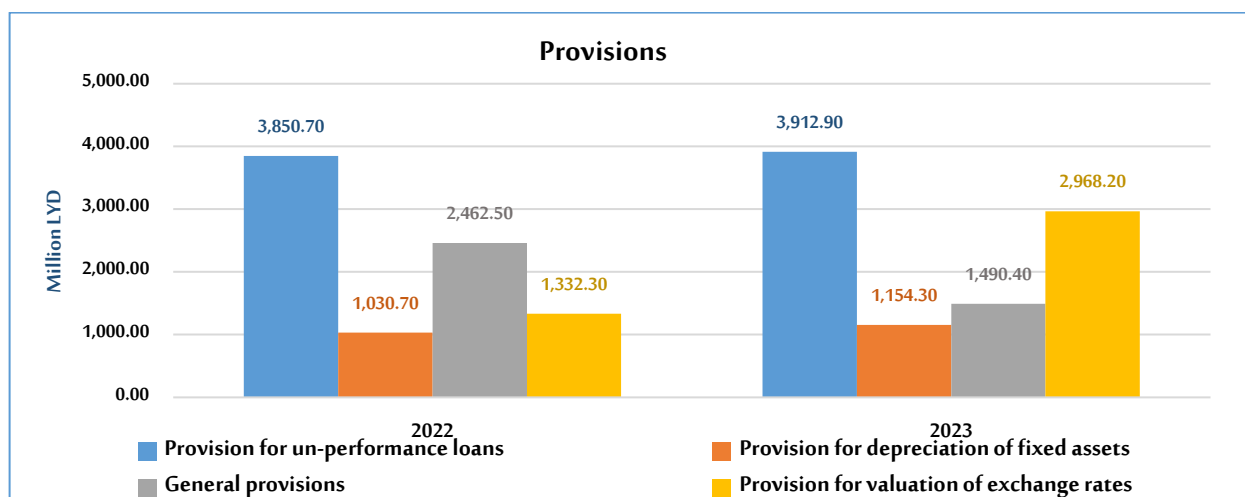
4- Provisions:

The balance of provisions recorded an increase of 849.5 million LYD at the end of 2023 to reach 9,525.7 million LYD, compared to 8,676.3 million LYD at the end of 2022. The increase was concentrated in the provision for exchange rate valuation, as shown in the following table:

Provisions

"Millions LYD"

Items	2022	2023	Change in value	Change rate%
Provision for un-performance loans	3,850.7	3,912.9	62.2	1.6
Provision for depreciation of fixed assets	1,030.7	1,154.3	123.5	12.0
General provisions	2,462.5	1,490.4	-972.1	-39.5
Provision for valuation of exchange rates	1,332.3	2,968.2	1,635.9	122.8
Total	8,676.3	9,525.7	849.5	9.8





Performance Indicators of Banks (2019 – 2023)

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 (2019 – 2023).

1- Capital ratios:

Capital Ratios

Indicator	2019	2020	2021	2022	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	3.9
Equity / Total Assets	5.5	4.9	4.7	5.2	6.1
Equity / Total Deposits	6.9	6.1	6.9	7.6	7.0

- Capital Adequacy Ratio

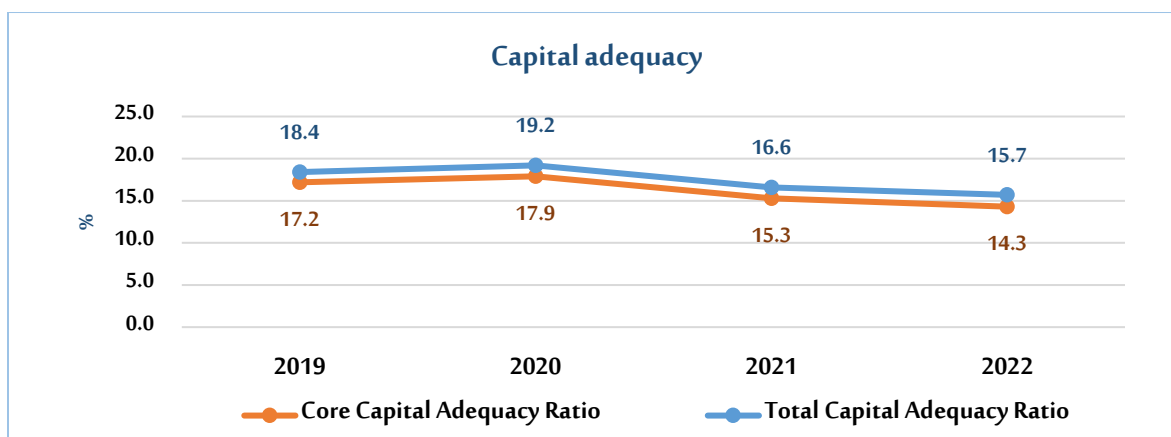
The capital adequacy ratio ranged between 15.7% and 19.2% during the period (2019-2022), which is generally higher than the ratio that was in effect and specified by the Central Bank and in accordance with the requirements of the Basel Committee (1), which is 8.0%.

It should be 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 (2) for Banking Supervision, and has issued several circulars in this regard, including Circulars Nos. (11 and 13) 2022 regarding instructions for calculating capital adequacy.

Given that most banks have not raised their capital for a long time, especially since there are banks that have assets subject to large risks, their capital has therefore become disproportionate to the

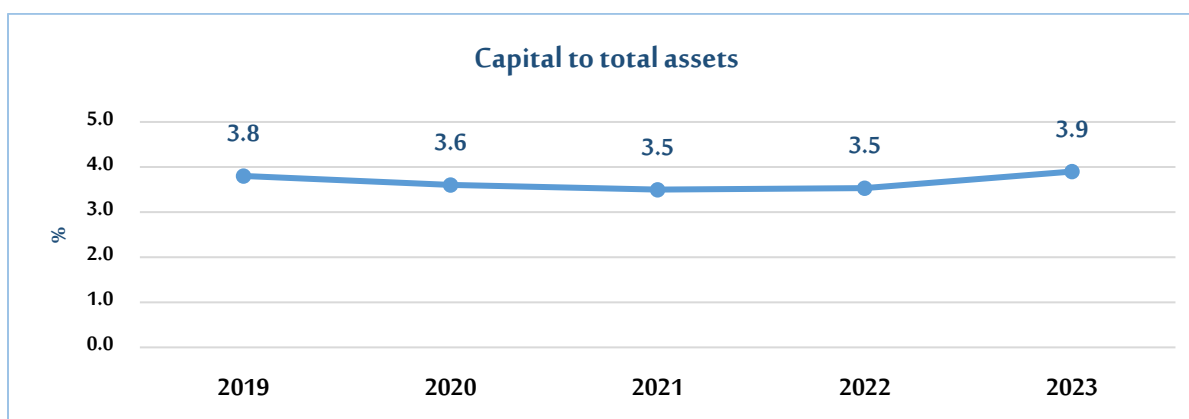


volume of their banking business, especially direct and indirect financing operations. Accordingly, several banks, especially major banks, will face difficulty in reaching the required solvency ratios in accordance with Banking Supervision Department Circular No. (11) of 2022, regarding calculating capital in accordance with the instructions of the Basel Committee.



- Capital to total assets:

The ratio of capital to total assets, which is one of the basic indicators of financial soundness, measures financial leverage (i.e. the ratio of financing assets with resources other than its 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 3.8%, 3.6%, 3.5%, 3.5% and 3.9%, respectively, during the period (2019 – 2023).





2- Assets quality ratios:

The analysis of the structure of the items constituting the assets during the year 2023, it was noted that the percentage of loans and facilities to the total assets continued to decline, which constituted about 18.0%, while the percentage of investments reached only 1.8%, that indicates the income-generating assets are very low and did not even reach 20.0% 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 60.3% 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 data on non-performing loans of banks showed that the percentage of non-performing loans to the total loans and credit facilities reached about 21.7% at the end of 2023. This percentage recorded a decrease from what it was in 2022, which amounted to 24.1%. This decrease was a result of the large increase in credit advancing during the year 2023 compared to a smaller increase in the volume of non-performing loans. It is also noted that the credit advanced during the years 2022 and 2023, which were mostly Murabaha financing to individuals, were of good credit efficiency and most of them were repayable regularly.

According to international standards, the ratio of non-performing loans to total loans should not exceed 5%.

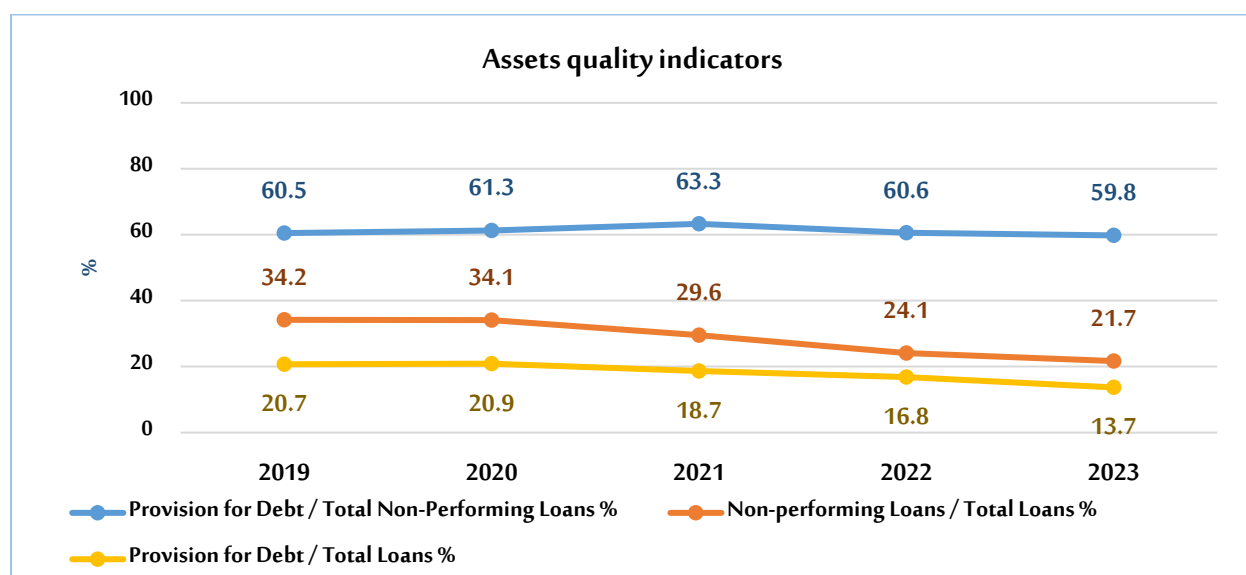
- Debt provision coverage ratio to non-performing loans.

With regard to the ratio of coverage of the debt provision to non-performing loans, it recorded about 59.8% at the end of 2023, compared to a ratio of 60.6% at the end of 2022. During the years (2019-2021), coverage allocations were about 60.0% at the sector level. As for analyzing these ratios according to banks, some important banks recorded low ratios, and they must take precautionary measures by increasing provisions for non-performing loans to reach appropriate ratios, that is in order to withstand any expected losses.



Asset Quality Ratios

Indicator	2019	2020	2021	2022	2023
Non-performing Loans / Total Assets %	5.1	4.6	4.3	3.8	3.9
Non-performing Loans / Total Loans %	34.2	34.1	29.6	24.1	21.7
Provision for Debt / Total Non-Performing Loans %	60.5	61.3	63.3	60.6	59.8
Provision for Debt / Total Loans %	20.7	20.9	18.7	16.8	13.7



3- Profitability ratio:

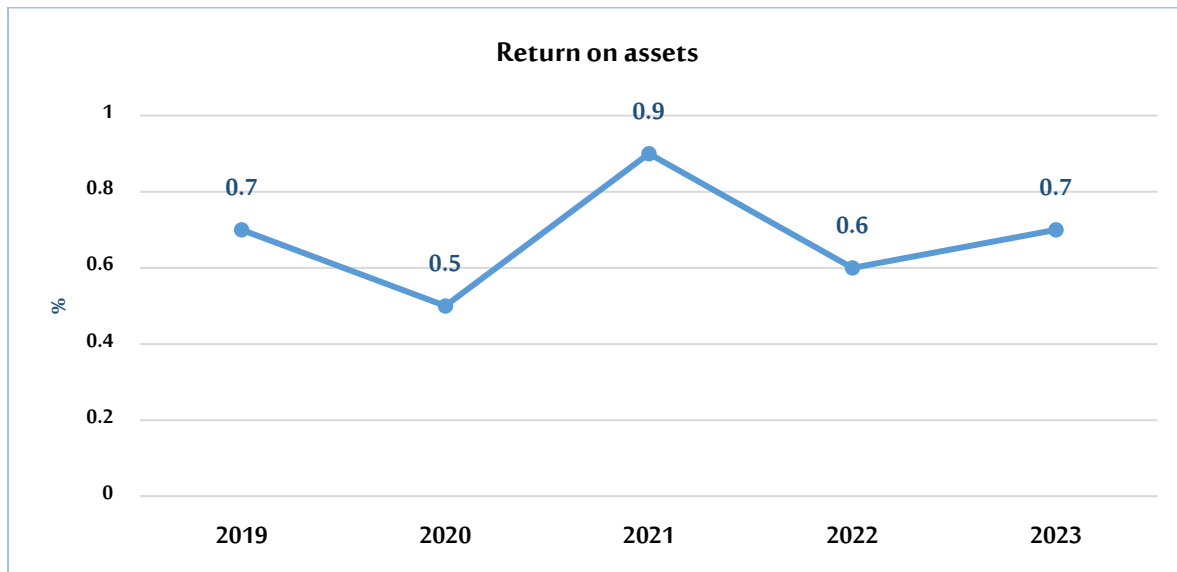
Profitability Ratios

Indicator	2019	2020	2021	2022	2023
Return / Assets %	0.7	0.5	0.9	0.6	0.7
Return / Equity %	12.3	9.8	18.5	10.7	12.1
Return / Deposit %	0.8	0.6	1.3	0.8	0.9
Interest margin to total income ratio %	6.7	17.8	12.1	12.3	15.9
Non-interest expenses to total income%	63.7	68.9	55.8	63.4	61.3



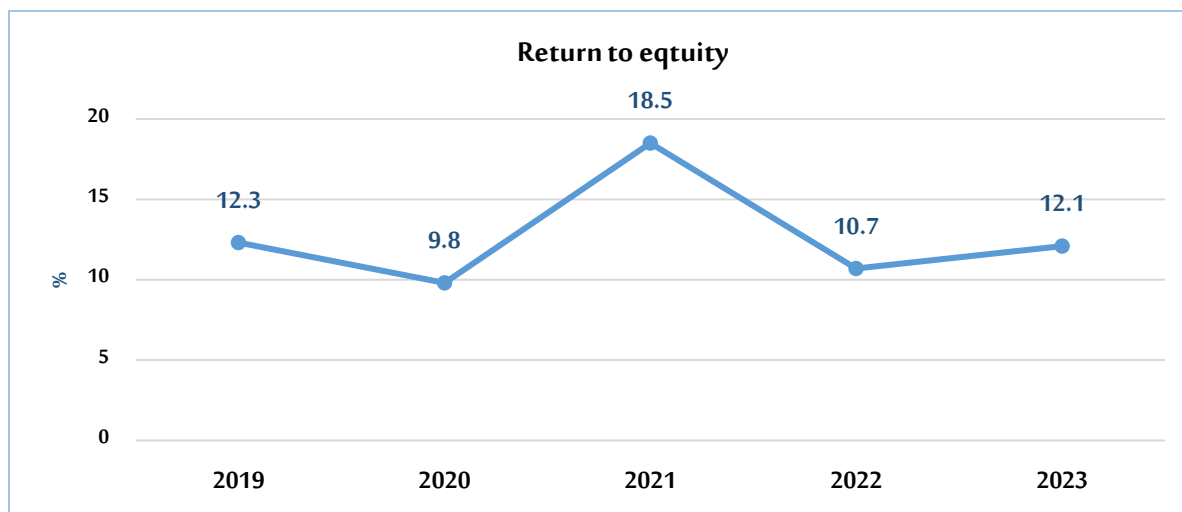
- Return to assets:

The return to total assets ratio is one of the important indicators with great analytical value that can be used to measure the efficiency of banks' use of their assets. The rate of return to total assets in 2023 was about 0.7%, higher than the rate of 2022.



- Return to equity:

The rate of return on equity increased in 2023 to about 12.1% compared to 10.7% in 2022. This indicator is a measure of the efficiency of banks in utilizing their capital.

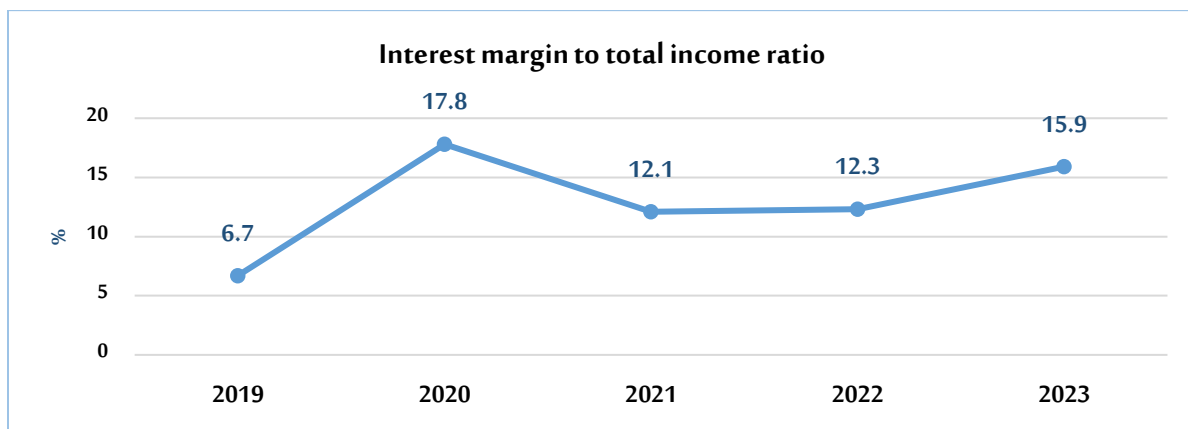




- Interest margin to total income ratio:

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 (income received from interest – expenses paid for interest) to total income, which in 2023 amounted to about 15.9%, improving from 2022, which was about 12.3%, and the weak contribution of the interest margin 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 usurious (Riba) transactions.

It should be noted that most of the interest income received was the result of revenues generated from interest on balances and deposits with correspondents, which amounted to approximately 161.4 million LYD, in addition to commissions generated from Murabaha services, which amounted to approximately 388.1 million LYD.

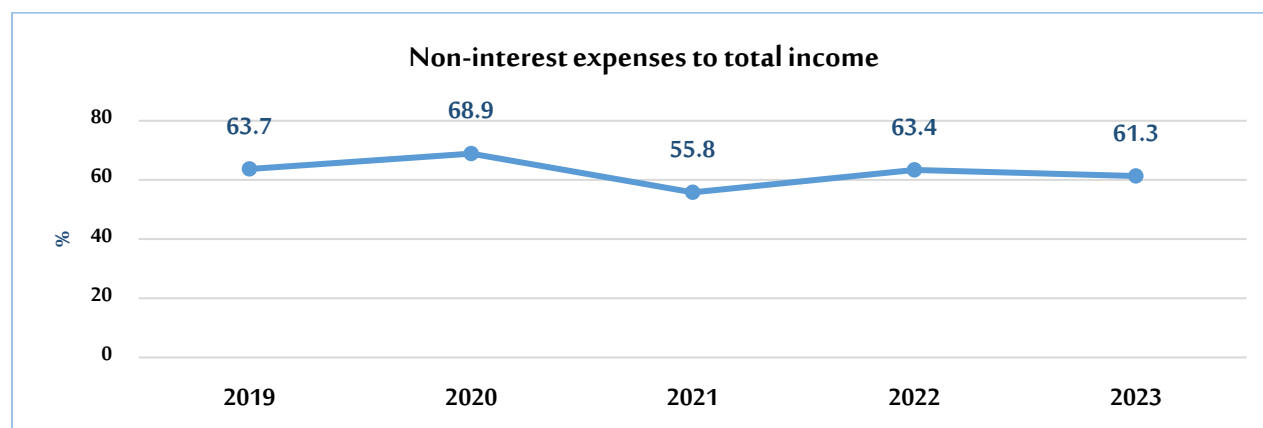


- Non-interest expenses to total income:

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 2023, the ratio of expenses other than interest to total income reached about 61.3. % compared to 63.4% in 2022.



4- Liquidity ratio:

Liquidity indicators are among the important 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. 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:

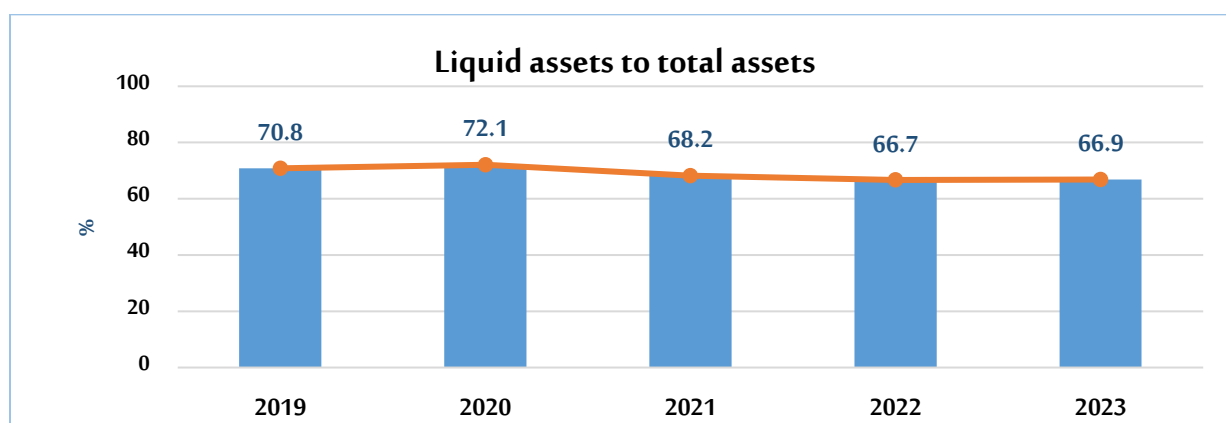
Liquidity Ratios

Indicator	2019	2020	2022	2022	2023
Liquid Assets / Total Assets (%)	70.8	72.1	68.2	66.7	66.9
High Liquid Assets / Short-Term Liabilities (%)	83.7	86.4	91.2	103.4	94.0
Total Loans / Total Deposits (%)	19.0	16.6	21.3	22.5	22.6



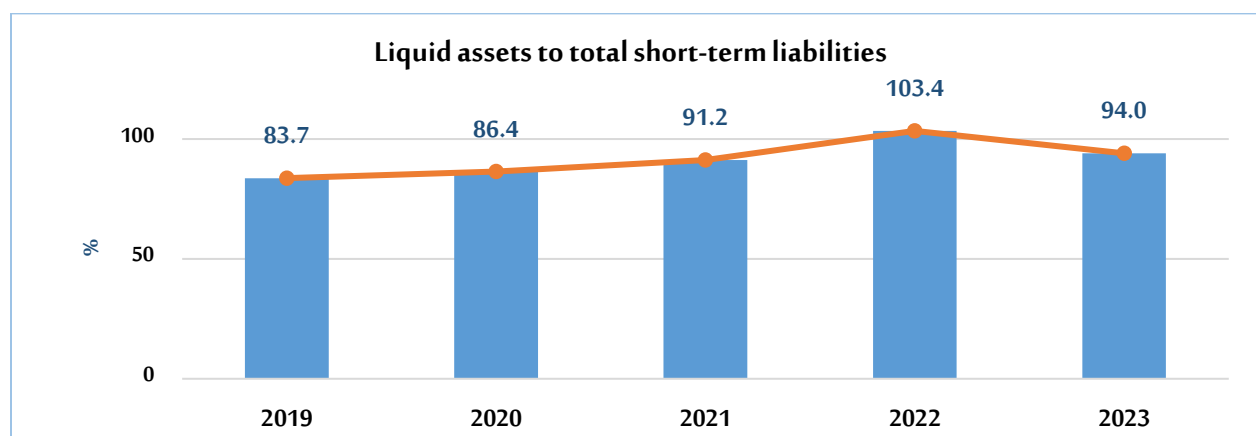
- Liquid assets to total assets:

The ratio of liquid assets with banks to total assets reached 66.9% at the end 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 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 22.6% at the end of 2023.



- 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 94.0% at the end of 2023, compared to rates of 83.7%, 86.4%, 91.2% and 103.4% for the years 2019-2022, respectively.





Bank Performance Indicators (2019 -2023)

Indicator	2019	2020	2021	2022	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	3.9
Equity / Total Assets %	5.5	4.9	4.7	5.2	6.1
Equity / Total Deposit %	6.9	6.1	6.9	7.6	7.0
Asset Quality Indicators:					
Non-performing Loans (*)/ Total Assets %	5.1	4.6	4.3	3.8	3.9
Non-performing Loans (*) / Total Loans %	34.2	34.1	29.6	24.1	21.7
Provision for Debt / Total Non-Performing Loans (*) %	60.5	61.3	63.3	60.6	59.8
Provision for Debt / Total Loans %	20.7	20.9	18.7	16.8	13.7
Management efficiency indicators:					
Total Loans / Total Assets %	15.1	13.5	14.4	15.5	18.0
Total Assets / Number of Employees (Million LYD)	5.8	6.4	7.0	7.5	8.0
Total Assets / Number of Branches (Million LYD)	206.4	229.3	245.0	258.3	259.3
Profitability indicators:					
Return / Assets %	0.7	0.5	0.9	0.6	0.7
Return / Equity %	12.3	9.8	18.5	10.7	12.1
Return / Deposit %	0.8	0.6	1.3	0.8	0.9
Interest margin to total income ratio %	6.7	17.8	12.1	12.3	15.9
Non-interest expenses to total income%	63.7	68.9	55.8	63.4	61.3
Liquidity indicators:					
Liquid Assets / Total Assets (%)	70.8	72.1	68.2	66.7	66.9
High Liquid Assets / Short-Term Liabilities (%)	83.7	86.4	91.2	103.4	94.0
Total Loans / Total Deposits (%)	19.0	16.6	21.3	22.5	22.6

"End of report "