

Main Financial Data and Indicators of the Libyan

Banks

First Half, 2025



Research and Statistics Department



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Report on the most important financial data and indicators for banks, First Half of 2025

A summary of the banks' performance during the first half of 2025:

At the end of the first half of 2025, the financial performance of the banks indicated several changes in comparison to their performance in 2024, as outlined below:

- Total assets of banks (excluding regular accounts) increased from 180.3 billion LYD at the end of the first half of 2024 to approximately 206.8 billion LYD at the end of the first half of 2025, representing an increase of 26.5 billion LYD or a growth rate of 14.7%. Liquid assets totaled 146.7 billion LYD, making up 70.9% of total assets.
- Bank balances and deposits (demand and certificates of deposit) at the Central Bank, including the required reserve, increased from approximately 105.5 billion LYD at the end of the first half of 2024 to approximately 126.3 billion LYD at the end of the first half of 2025, by 20.9 billion LYD, or a rate of 19.8%. It is worth noting that the required cash reserve required of banks at the Central Bank is approximately 47.1 billion LYD.
- At the end of the first half of 2025, the actual excess liquidity balance at banks amounted to approximately 47.7 billion LYD, compared to 50.2 billion LYD at the end of the first half of 2024, a decrease of approximately 2.6 billion LYD, or 5.0%. This decrease is primarily due to an increase in the "**liquidity required to be retained**" ratio compared to deposit liabilities to (35%), instead of the previous ratio (25%), according to Circular No. (13) of 2025 issued by the Banking and Monetary Control Department.

These surpluses held by banks reflect the banks' weak use of their funds, as well as the limited scope of investment opportunities, given the absence of an appropriate investment environment and the lack of sufficient guarantees that would encourage banks to invest their excess liquidity.



- The excess balance over the required reserve required of banks at the Central Bank at the end of the first half of 2025 amounted to approximately 39.7 billion LYD, compared to 56.7 billion LYD at the end of the first half of 2024, a decrease of approximately 17 billion LYD, or 30%. This decrease is also due to an increase in the percentage of "**required cash reserves**" that commercial banks are required to maintain at the Central Bank of Libya against their deposit liabilities, to 30%, instead of the previous percentage of 20%, according to Circular No. (11) of 2025 issued by the Banking and Monetary Control Department.
- The balance of clearing accounts (between banks and branches) decreased significantly from approximately 4.3 billion LYD at the end of the first half of 2024 to approximately 3.1 billion LYD at the end of the first half of 2025, by 1.2 billion LYD, a decrease rate of 27.5%.
- The total credit advanced by banks increased from about 30.6 billion LYD at the end of the first half of 2024 to about 34.9 billion LYD at the end of the first half of 2025, marking an increase of 4.3 billion LYD, with a growth rate of 13.9%. This rise is attributed to the expansion of major banks in providing financing through various Murabaha-based formats.
- Loans and credit facilities accounted for 16.9% of total assets, and 22.2% of total deposit liabilities. The balance of loans advanced to the private sector at the end of the first half of 2025 amounted to 27.6 billion LYD, representing 79.2% of total loans and credit facilities. Meanwhile, loans advanced to the public sector accounted for the remaining 20.8%, amounting to about 7.3 billion LYD.
- Non-performing loan data across banks showed that the ratio of non-performing loans to total loans and credit facilities stood at 20.4% at the end of the first half of 2025, showing an increase compared to 19.2% at the end of 2024.



- The non-performing loan coverage ratio (provisions for doubtful debts to total non-performing loans) reached 61.6% in the first half of 2025, compared to 62.4% at the end of 2024.
- Customer deposits (deposit liabilities) held by banks increased from 138.7 billion LYD at the end of the first half of 2024 to around 156.9 billion LYD at the end of the first half of 2025. This represents an increase of 18.2 billion LYD or 13.1%. Demand deposits accounted for 79.8% of total deposits, while time deposits made up 20.0%, and savings deposits represented 0.2%.

Regarding the sectoral distribution of these deposits, private sector deposits with banks amounted to 92.3 billion LYD by the end of the first half of 2025, representing 58.8% of total deposits. The remaining 41.2%, equivalent to 64.6 billion LYD, originated from the public and government sectors. This included 43.7 billion LYD in deposits from public sector companies and institutions, and approximately 20.9 billion LYD in government deposits.

It is worth noting that about 60.5% of deposit liabilities are held by the four largest banks: Jumhouria, National Commercial, Wahda, and Sahara banks.

- Total equity in the banking sector increased from around 12.7 billion LYD at the end of the first half of 2024 to 17.8 billion LYD at the end of the first half of 2025, a growth rate of 40.8%. This increase is due to an increase in the paid-up capital of several banks, in line with the requirements set by the Central Bank to enhance the safety and soundness of the banking sector. The following banks have met the minimum capital requirements: Al-Jumhouria, National Commercial, Wahda, Trade and Development, North Africa, Aman, First Gulf, Waha, and Mediterranean Bank.
- Bank profits declined during the first half of 2025 by 28.7%, reaching about 1,046.7 million LYD, compared to 1,468.8 million LYD during the same period in 2024.



- The interest margin to total income ratio during the first half of 2025 recorded approximately 14%, having been relatively stable over recent years at around 16.5%. This ratio reflects the volume of profits generated from the banks' primary activity. The banks collectively achieved revenues from commissions generated from Murabaha services, which amounted to approximately 294.4 million LYD, in addition to interest on balances and deposits with correspondent banks abroad, which generated revenues of approximately 124.9 million LYD.
- The ratio of expenses to total revenues reached approximately 65.6% during the first half of 2025, higher than the 42.4% ratio during the first half of 2024.

The following is a detailed presentation of the report, which includes data on bank branches, banking density, and concentration. It also provides an in-depth analysis of the key components of the aggregated balance sheet of banks, both assets and liabilities, as well as an analysis of the aggregated income statement. Additionally, the report features a dedicated section on financial soundness indicators for banks covering the period from (2021 to H1 2025).

Research and Statistics Department



Main Financial Data of Banks

"Millions LYD"

Item	H1 -2024	H1 -2025	Change Rate %
Total Budget (Assets + Statutory Accounts)	232,050.5	266,043.0	14.6
Total Assets	180,261.2	206,804.0	14.7
Total Cash in Bank Vaults	2,663.1	2,284.6	-14.2
Total Deposits with the Central Bank	105,465.3	126,316.3	19.8
Total Deposits with Banks	633.4	2,628.0	314.9
Total Deposits with the Libyan Foreign Bank	808.7	685.9	-15.2
Total Deposits with Correspondents Abroad	13,817.8	14,758.6	6.8
Total Clearing Accounts	4,272.5	3,097.9	-27.5
Total Loans, Advances and Facilities	30,627.7	34,873.5	13.9
Total Investments	2,719.2	3,154.3	16.0
Total Clients Deposits	138,706.4	156,861.5	13.1
Total Overdrafts with Correspondents Abroad	649.1	434.6	-33.0
Total Equity	9,596.0	16,787.6	72.0
Total Provisions	9,149.9	10,210.4	13.9
Profit for the Period	1,468.8	1,046.7	-28.7
Number of Branches and Agencies	655	680	8.6
Number of Employees	19,815	20,529	2.1
Financial indicators:			
Liquid Assets / Total Assets	68.4	70.9	-
Total Loans / Total Assets	17.0	16.9	-
Equity / Total Assets	5.3	8.1	-
Total Assets / Number of Branches (Millions LYD)	275.2	306.4	-
Total Assets / Number of Employees (Millions LYD)	9.1	10.1	-
Total Loans / Total Deposits	22.1	22.2	-
Total Profit/Assets %	1.6	0.5	-
Total Profit / Equity %	30.6	6.2	-



Deposits' Indicators of Banks

"Millions LYD"

Item	H1 -2024	H1-2025	Change Rate %
1- Government and Public Sector Deposits	54,520.8	64,603.4	18.5
- Government Deposits (Ministries and Institutions financed from the General Budget)	13,901.1	20,937.4	50.6
- Public Sector Deposits	40,619.6	43,666.0	7.5
2- Private Sector Deposits	84,185.7	92,258.1	9.6
- Individual Deposits	44,703.2	42,618.2	-4.7
- Corporate and other Entities deposits	39,482.5	49,640.0	25.7
Total Deposits	138,706.4	156,861.5	13.1
Demand Deposits	110,117.6	125,164.6	13.7
Times Deposits	28,301.8	31,424.8	11.0
Saving Deposits	287.0	272.1	-5.2
Demand Deposits / Total Deposits %	79.4	79.8	-
Time Deposits / Total Deposits %	20.4	20.0	-
Savings Deposits / Total Deposits %	0.2	0.2	-
Total Deposits / Total Liabilities %	76.9	75.9	-

Indicators of Credit Advanced by Banks

"Millions LYD"

Item	H1 -2024	H1 -2025	Change Rate %
1. Advanced Credit to the public sector	7,748.7	7,262.1	-6.3
2- Credit Advanced to the private sector	22,878.9	27,611.4	20.7
Total Credit	30,627.7	34,873.5	13.9
Advances and overdrafts	3,973.1	3,965.7	-0.2
Murabaha Loans (including social advance balance)	14,757.2	18,375.3	24.5
Loans Advanced to other Economic Activities	11,897.3	12,532.4	5.3
Murabaha Loans / Total Credit %	48.2	50.3	-
Advances and Overdrafts / Total Credit %	13.0	13.8	-
Loans Advanced to other Activities / Total Credit %	38.8	35.9	-
Total Credit / Total Assets %	17.0	16.9	-
Total Credit / Total Deposits %	22.1	22.2	-



Banks' Branching:

As of the end of the first half of 2025, there were 21 banks operating in Libya, whose data are included in this report (including the Libyan Dinar unit at the Libyan Foreign Bank). These banks operate through a network of 672 banking branches and agencies.

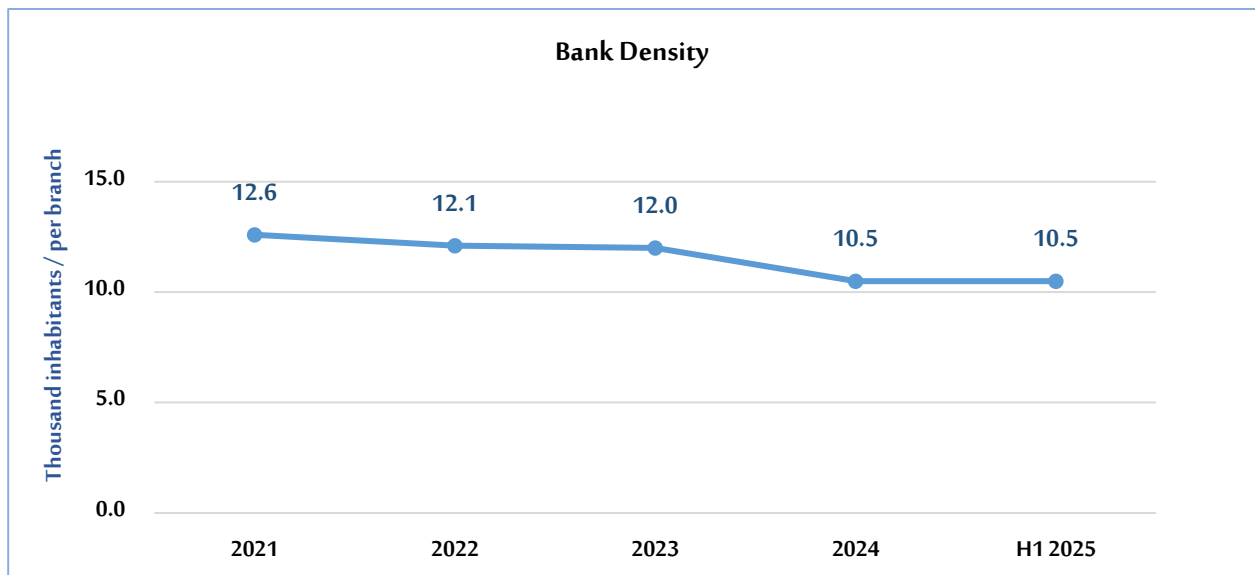
- Banking Density:

The banking density during the first half of 2025 amounted to about 10.5 thousand inhabitants per branch or agency.

Banking Density

" Per thousand people "

Years	For each Bank	For each branch and agency
2021	388.9	12.6
2022	350.0	12.1
2023	350.0	12.0
2024	333.0	10.5
H1 2025	333.0	10.5





Banking Concentration:

Banking concentration refers to a situation where a few banks dominate the majority of banking activities, including assets, deposits, credit, and equity sizes. In Libya, as of the end of the first half of 2025, a significant market share was held by a small number of banks. Specifically, out of the 21 banks operating in the country, the four major banks (Jumhouria, National Commercial Bank, Wahda, and Sahara) collectively accounted for 59.7% of the total assets in the banking sector. Within this group, Jumhouria Bank alone represented 23.2% of the sector's total assets.

Additionally, at the end of the first half of 2025, the deposit liabilities of the four major banks accounted for 60.5% of the total deposit liabilities of the banking sector, while the loans advanced by the four major banks accounted for 84.7% of the total loans advanced by the banking sector.

Through the concentration data in the tables and graphs below, it is noted that there is a significant improvement in the concentration ratios of assets and deposit liabilities, while the degree of concentration in credit has increased as shown below.

Assets Concentration

“Percentages”

End of	2021	2022	2023	2024	H1, 2025
Largest bank	28.0	27.5	26.7	23.7	23.2
Largest three banks	62.0	61.7	59.4	57.0	51.4
Largest five banks	79.7	78.6	76.5	73.8	69.4

Credit Concentration

“Percentages”

End of	2021	2022	2023	2024	H1,2025
Largest bank	40.7	38.6	38.9	37.3	38.3
Largest three banks	76.2	74.6	76.9	76.5	73.8
Largest five banks	87.6	85.2	89.8	88.2	89.5

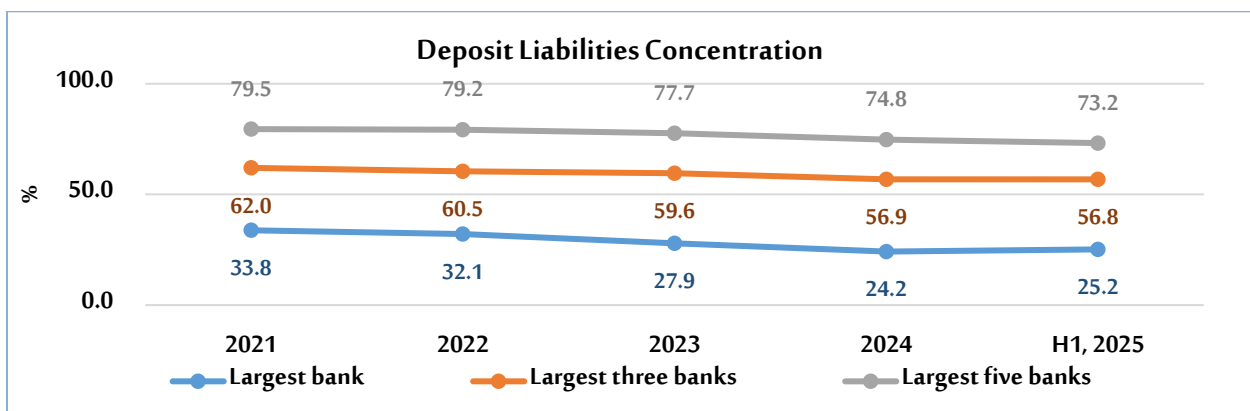
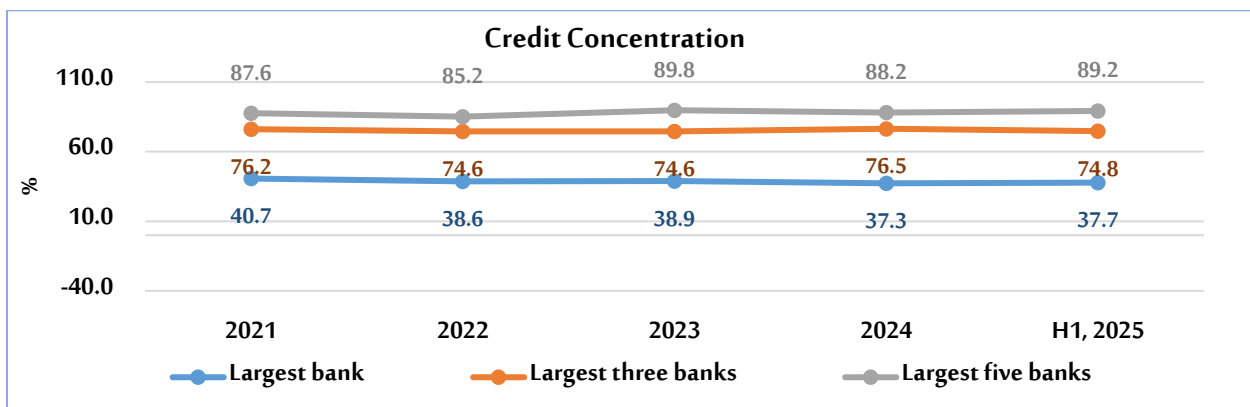
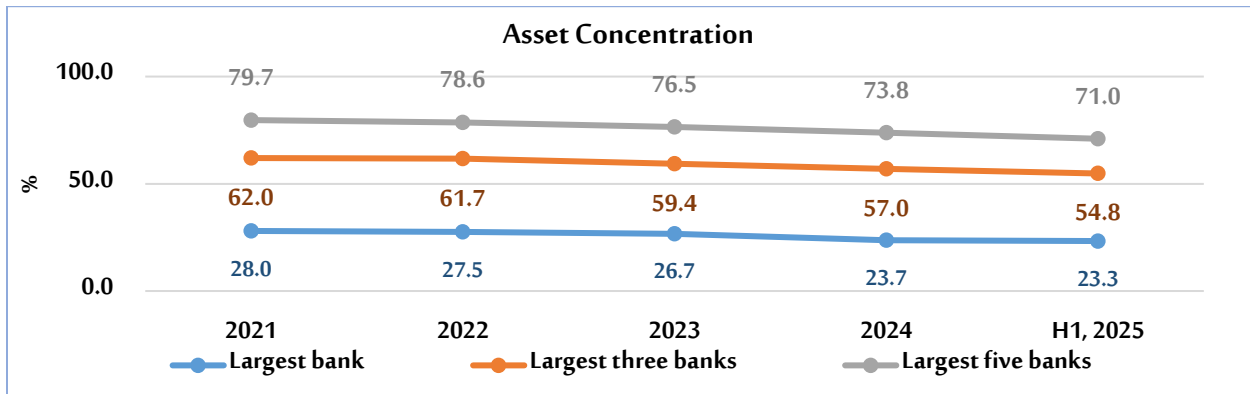
Deposit Liabilities Concentration

“Percentages”

End of	2021	2022	2023	2024	H1,2025
Largest bank	33.8	32.1	27.9	24.2	24.3



Largest three banks	62.0	60.5	59.6	56.9	51.7
Largest five banks	79.5	79.2	77.7	74.8	72.0



Consolidated Balance Sheet for Banks

The consolidated balance sheet of banks exhibited an enhancement in its total items on both sides of assets and liabilities by the end of the first half of 2025. The total assets recorded within



the consolidated balance sheet amounted to approximately 206,804.0 million LYD, compared to 180,261.2 million LYD at the end of 2024, reflecting an increase of 26,542.8 million LYD, or 14.7%. Below is a table summarizing the key items of the consolidated balance sheet of banks:

A summary of the consolidated banks' balance sheet

"Millions LYD"

Item	H1,2024	H1,2025	Amount Change	Change Rate %
Assets:				
1- Cash in Vaults	2,663.1	2,284.6	-378.5	-14.2
-Local currency	2,346.7	1,459.4	-887.3	-37.8
- Foreign currency	316.4	825.2	508.8	160.8
2- Clearing Accounts	4,272.5	3,097.9	-1,174.6	-27.5
-Interbank Clearing	2,346.3	1,713.8	-632.5	-27.0
-Clearing between branches	1,926.3	1,384.1	-542.2	-28.1
3- Deposits with other banks	120,725.2	144,388.7	23,663.5	19.6
A- Deposits with the Central Bank	105,465.3	126,316.3	20,851.0	19.8
- Demand Deposits	105,465.3	124,316.3	18,851.0	17.9
-Certificates of Deposit	0.0	2,000.0	2,000.0	-
B- Deposits with other local banks	633.4	2,628.0	1,994.6	314.9
-Demand Deposits	633.4	2,628.0	1,994.6	314.9
-Time Deposits	0.0	0.0	0.0	-
C- Deposits with the Libyan Foreign Bank	808.7	685.9	-122.8	-15.2
-Demand Deposits	791.7	685.9	-105.8	-13.4
-Time Deposits	17.1	0.0	-17.1	-100.0
D- Deposits with banks abroad	13,817.8	14,758.6	940.8	6.8
-Demand Deposits	9,387.1	10,664.9	1,277.8	13.6
-Time Deposits	4,430.7	4,093.7	-337.0	-7.6
4- Investments	2,719.2	3,154.3	435.1	16.0
5- Loans and facilities	30,627.7	34,873.5	4,245.8	13.9
Advances and overdrafts	3,973.1	3,965.7	-7.4	-0.2
Social advances (including Murabaha financing for individuals)	14,757.2	18,375.3	3,618.1	24.5
Loans for other economic activities	11,897.3	12,532.4	635.1	5.3
6- Fixed assets	3,453.9	4,097.2	643.3	18.6
7. Other assets	15,799.6	14,907.9	-891.7	-5.6



Total Assets	180,261.2	206,804.0	26,542.8	14.7
Counter Accounts	51,789.3	59,239.0	7,449.7	14.4
Assets Grand Total	232,050.5	266,043.0	33,992.5	14.6

"Millions LYD"

Item	H1, 2024	H1, 2025	Amount Change	Change Rate %
Liabilities:				
1- Deposits of others with banks	138,706.4	156,861.5	18,155.1	13.1
-Demand Deposits	106,931.7	122,026.9	15,095.2	14.1
-Time Deposits	1,609.0	1,230.7	-378.3	-23.5
-Saving Deposits	287.0	272.1	-14.9	-5.2
-Payment Orders	3,185.9	3,137.6	-48.3	-1.5
-Cash Insurance	26,692.8	30,194.1	3,501.3	13.1
2- Borrowing from the Central Bank	30.7	30.0	-0.7	-2.3
3- Accounts Overdrawn with Correspondents Banks	649.1	434.6	-214.5	-33.0
4- Equity	12,670.9	17,834.6	5,163.7	40.8
-Paid-up Capital	9,095.1	14,237.1	5,142.0	56.5
-Legal Reserve	1,244.4	1,410.1	165.7	13.3
-Unallocated reserves	107.6	349.0	241.4	224.4
-Profit of the Period	1,468.8	1,046.7	-422.1	-28.7
-Carried forward and Distributable Profits	755.0	791.2	36.2	4.8
5 - Provisions	9,149.9	10,210.4	1,060.5	11.6
6- Miscellaneous and other liabilities	19,054.2	21,432.9	2,378.7	12.5
Total Liabilities	180,261.2	206,804.0	26,542.8	14.7
Counter Accounts	51,789.3	59,239.0	7,449.7	14.4
Liabilities Grand Total	232,050.5	266,043.0	33,992.5	14.6

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

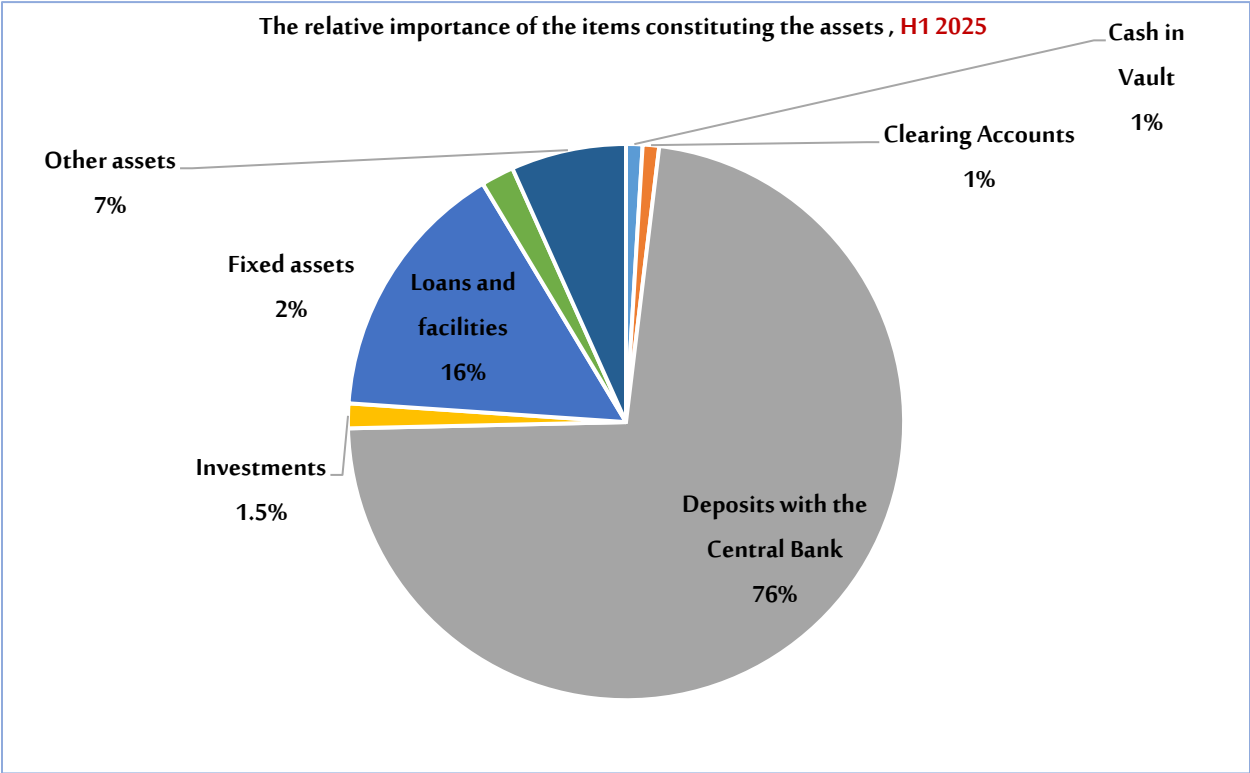
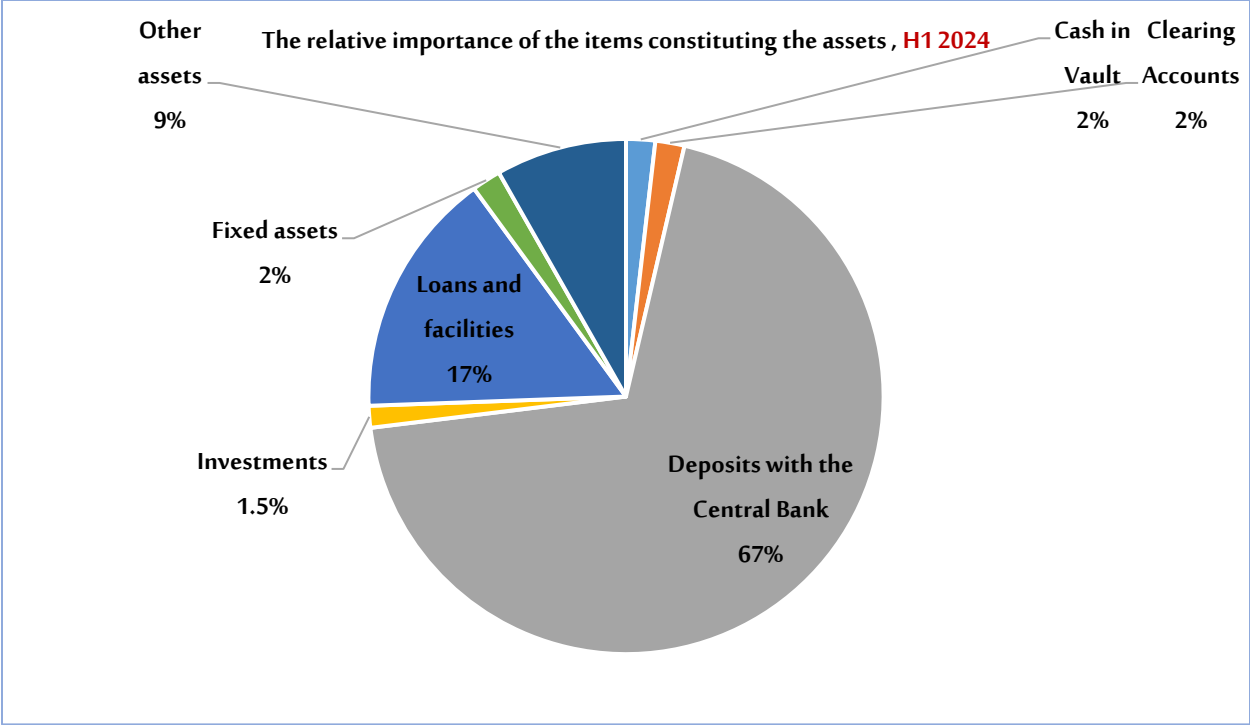
Banks' deposits and balances with the Central Bank, including the required reserve, continued to be the main component of the banking sector's assets, covering about 69.5% of the total assets at the end of first half of 2025, while the share of the loans and credit facilities item in the asset



structure reached about 16.9% of the total assets, compared to 17.0% at the end of first half of 2024. While the percentage of investments amounted to only 1.5%. This distribution indicates that income-generating assets remain very low, falling below 20.0% of the banking sector's total asset base, reflecting banks' weak allocation of their funds.

Asset Item Structure

Item	H1, 2024	H1, 2025
Assets:		
1- Cash in Vault	1.5%	1.1%
2- Clearing Accounts	2.4%	1.5%
3- Deposits with the Central Bank	58.5%	69.5%
4- Deposits with other local banks	0.4%	1.3%
5- Deposits with the Libyan Foreign Bank	0.4%	0.3%
6- Deposits with banks abroad	7.7%	7.1%
7- Investments	1.5%	1.5%
8- Loans and facilities	17.0%	16.9%
9- Fixed assets	1.9%	2.0%
10- Other assets	8.8%	7.2%



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



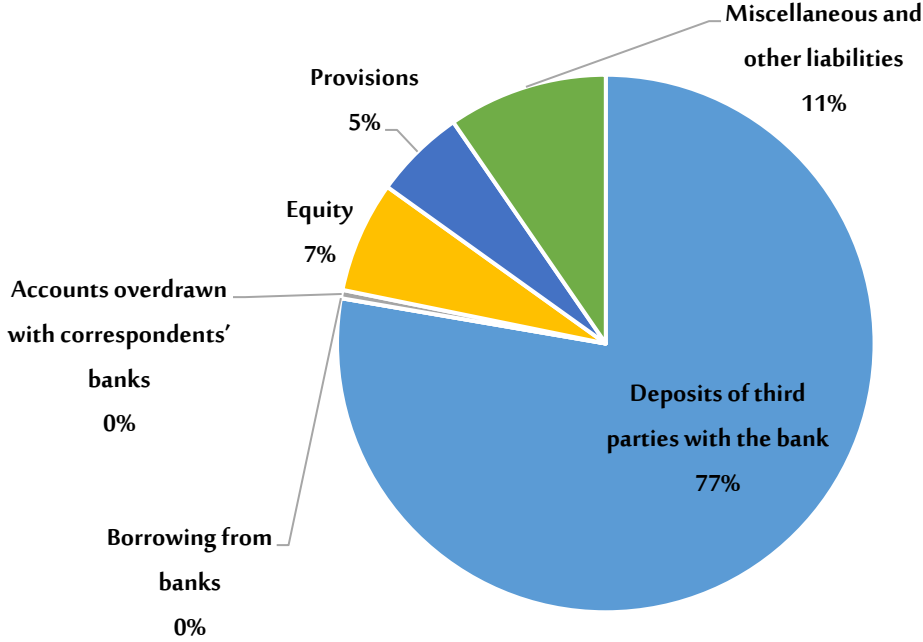
The analysis of the structure of the items constituting liabilities in the consolidated balance sheets of banks at the end of first half of 2025 shows that customer deposits represent the main source of financing, accounting for 75.9% of the total sources of bank funds, compared to 76.9% at end of first half of 2024. While equity constituted about 8.6% of the total sources of bank funds at end of first half of 2024, compared to 7.0% at end of first half of 2024.

Table of the Structure of the Items Constituting the Liabilities

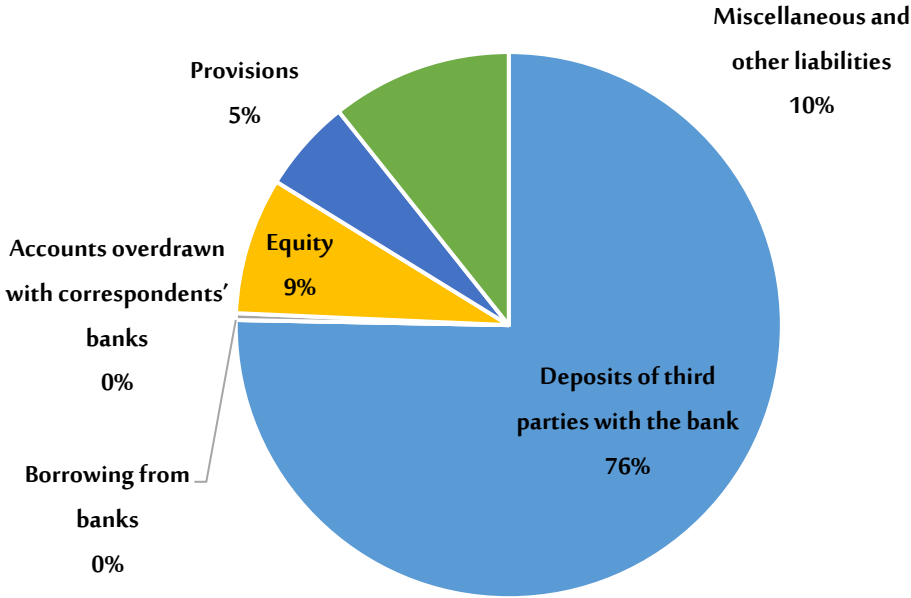
Item	H1, 2024	H1,2025
<u>Liabilities:</u>		
1- Deposits of third parties with the bank	76.9%	75.9%
2- Borrowing from banks	0.0%	0.0%
3- Accounts overdrawn with correspondents' banks	0.4%	0.2%
4- Equity	7.0%	8.6%
5- Provisions	5.1%	4.9%
6- Miscellaneous and other liabilities	10.6%	10.4%



The relative importance of the items constituting the liabilities, H1 2024



The relative importance of the items constituting the liabilities, H1 2025





Analysis of the components of the consolidated budget of banks for the first half of 2025.

Firstly: Assets

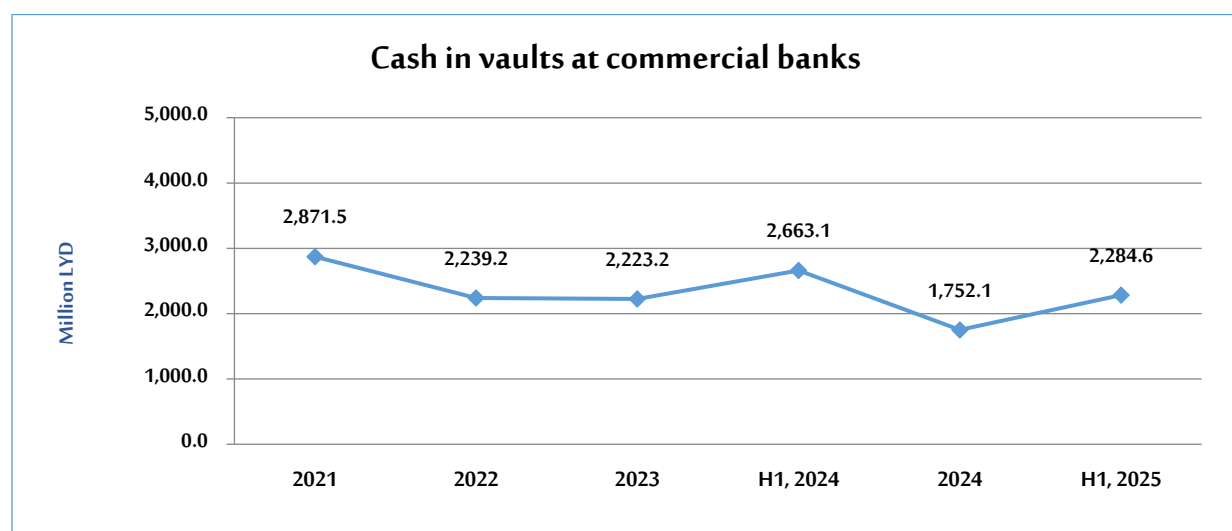
1. Cash:

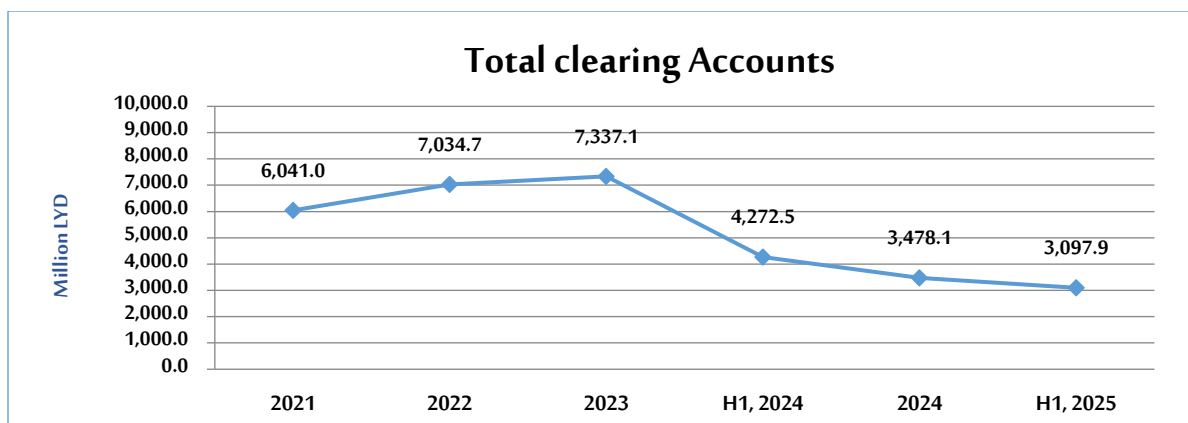
A- Cash in vaults and clearing accounts:

The cash and clearing accounts balance decreased by 1,553.1 million LYD, or 22.4%, to reach 5,382.5 million LYD at the end of the first half of 2025, compared to 6,935.6 million LYD at the end of the first half of 2024. This was due to a decrease in the clearing accounts balance of 1,174.6 million LYD compared to the end of the first half of 2024, as well as a decrease in the cash balance in vaults of 378.5 million LYD. The following table shows the changes in the cash item in banks' safes and clearing accounts:

"Millions LYD"

Items	H1, 2024	H1, 2025	Change in value	Change rate %
Cash in vaults:	2,663.1	2,284.6	-378.5	-14.2
Local currency	2,346.7	1,459.4	-887.3	-37.8
Foreign currency	316.4	825.2	508.8	160.8
Total clearing Accounts	4,272.5	3,097.9	-1,174.6	-27.5
Interbank clearing	2,346.3	1,713.8	-632.5	-27.0
Branch clearing	1,926.3	1,384.1	-542.2	-28.1
Total	6,935.6	5,382.5	-1,553.1	-22.4





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

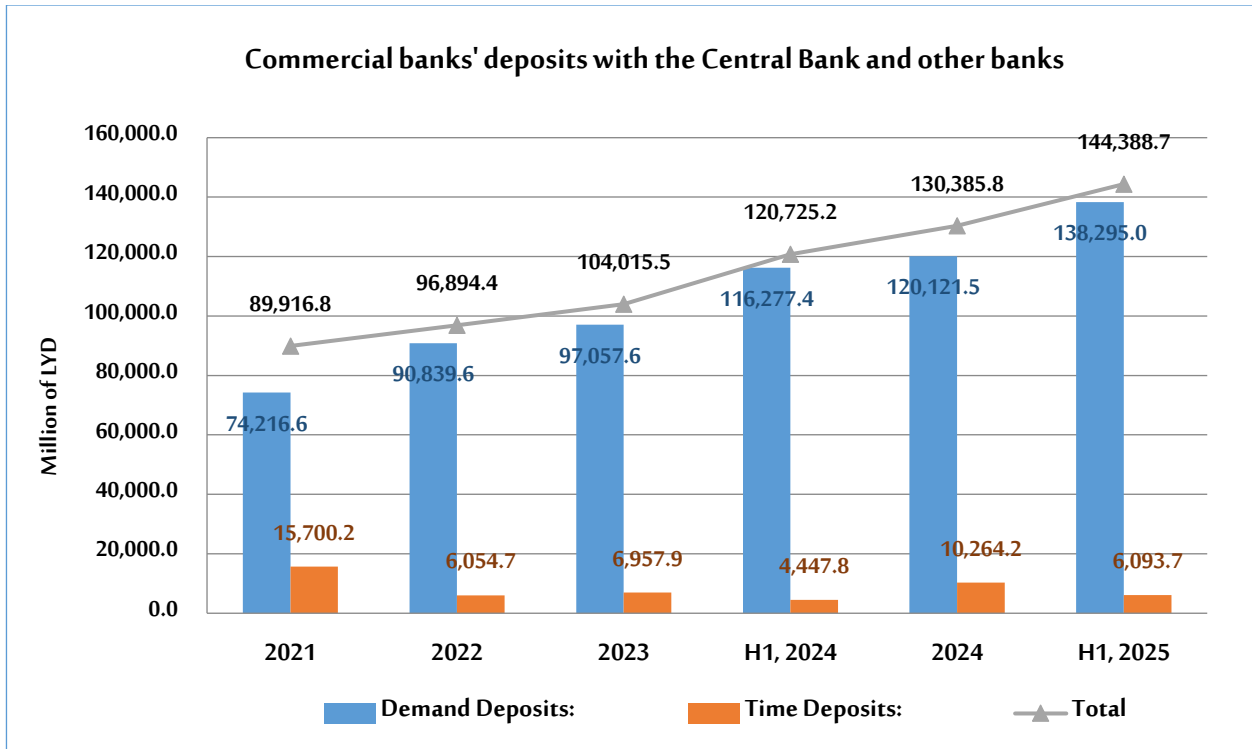
The banks' deposits with the Central Bank and other local banks and the Foreign Banks amounted to about 144,388.7 million LYD at the end of the first half of 2025, compared to 120,725.2 million LYD at the end of the first half of 2024, recording a sharp increase of 23,663.5 million LYD, with a growth rate of 19.6%. This was because of a rise in the banks' balances and deposits with the Central Bank by about 22,845.5 million LYD, similarly, Bank deposits with correspondent banks abroad also increased, while bank deposits with the Libyan Foreign Bank decreased, as shown in the following table:

Balances and Deposits with the Central Bank and Other Banks

"Millions LYD"

Items	H1, 2024	H1, 2025	Change in value	Change rate %
Demand Deposits:	116,277.4	138,295.0	22,017.6	18.9
Central bank *	105,465.3	124,316.3	18,851.0	17.9
Local bank	633.4	2,628.0	1,994.6	314.9
Libyan foreign bank	791.7	685.9	-105.8	-13.4
Banks abroad	9,387.1	10,664.9	1,277.8	13.6
Time Deposits:	4,447.8	6,093.7	1,645.9	37.0
Central bank (certificates of deposit)	0.0	2,000.0	2,000.0	-
Local banks	0.0	0.0	0.0	-
Libyan foreign bank	17.1	0.0	-17.1	-100.0
Banks abroad	4,430.7	4,093.7	-337.0	-7.6
Total	120,725.2	144,388.7	23,663.5	19.6

*Includes foreign currency.



Liquidity Status and Mandatory Reserves:

The Banking and Monetary Supervision Department issued Circular No. (11) of 2025 and Circular No. (13) of 2025. Circular No. (11) of 2025 stipulated an amendment to the "required cash reserve" ratio that commercial banks must maintain with the Central Bank of Libya against their deposit liabilities to 30%, instead of the previous ratio of 20%.

While Circular No. (13) of 2025 stipulated an amendment to the "liquidity required to be maintained" ratio against deposit liabilities to 35%, instead of the previous ratio of 25%.

- **Excess over Required Reserve Requirements:** The excess over required reserve requirements required by banks to maintain with the Central Bank amounted to approximately 39,692.8 million LYD at the end of the first half of 2025, compared to 56,686.8 million LYD at the end of the first half of 2024. This balance decreased by 16,994.0 million LYD. This decrease is primarily due to an increase in the "required cash reserve" ratio that commercial banks must maintain with the Central Bank of Libya against their deposit liabilities to 30%, up from the previous 20%. The following table illustrates these details.



Excess of the required legal liquidity

Items	H1, 2024	H1, 2025
Total Deposit Liabilities	138,706.4	156,861.5
Required Cash Reserve (*)	27,741.3	47,058.5
Deposits with the Central Bank (local currency)	84,428.1	86,751.3
Excess over Required Cash Reserve	56,686.8	39,692.8

(*) The required reserve ratio has been amended to 30% of total deposit liabilities since April 2025.

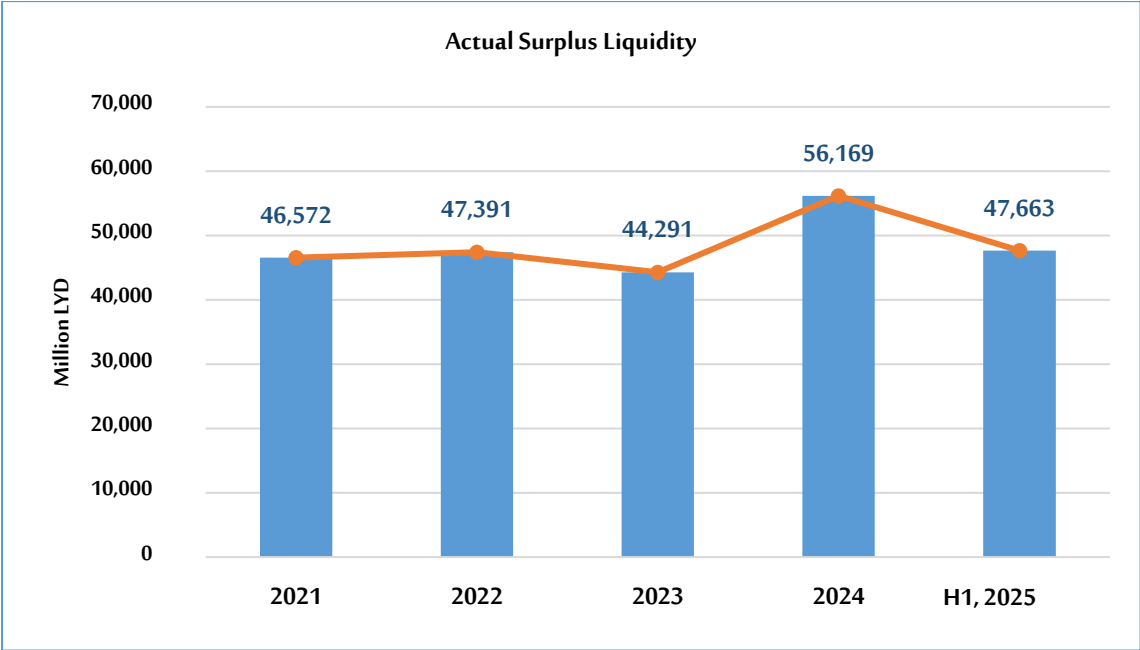
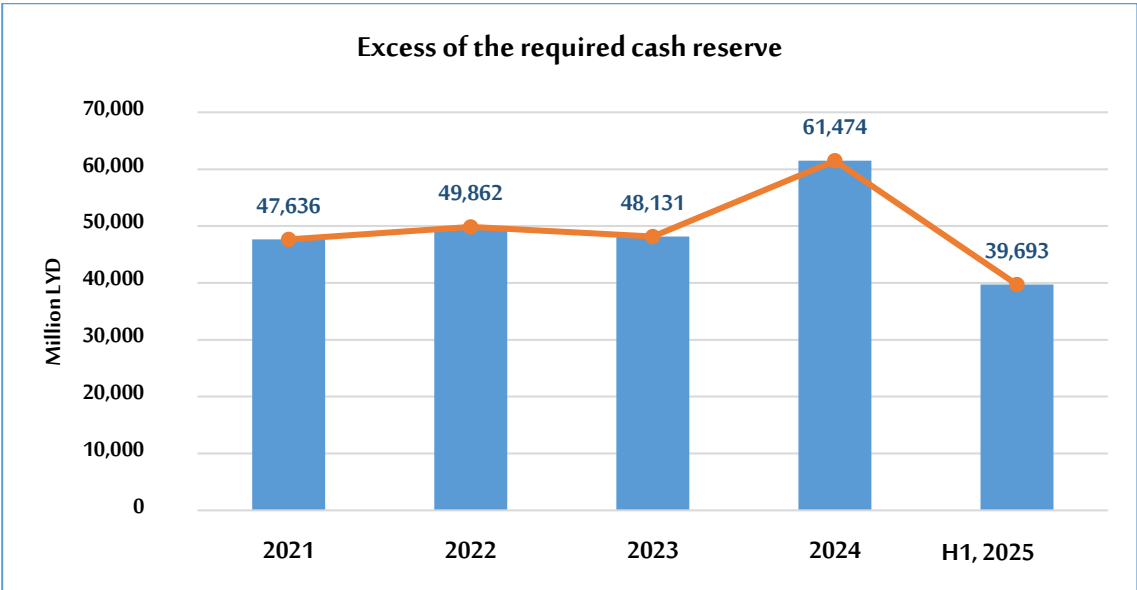
- Liquidity Status:** The actual excess liquidity balance at banks at the end of the first half of 2025 amounted to approximately 47,663.5 million LYD, compared to 50,240.4 million LYD at the end of the first half of 2024. This balance registered a decrease of 2,576.9 million LYD. Despite this decrease, the surpluses held by banks remain large, reflecting the limited areas in which banks can invest their funds due to the absence of a suitable investment environment and the lack of sufficient guarantees that would encourage banks to invest their excess liquidity.

The following table shows the excess liquidity for the first half of 2024 and 2025:

Excess of the required legal liquidity

Items	"Millions LYD"	
	H1, 2024	H1, 2025
Total Depository Liabilities	138,706.4	156,861.5
Total Liquid Assets:	84,917.0	102,565.0
Required Liquid Asset Reserve (*)	34,676.6	54,901.5
Actual Surplus Liquidity	50,240.4	47,663.5

(*) The statutory liquidity reserve ratio is 25% of total depository liabilities.





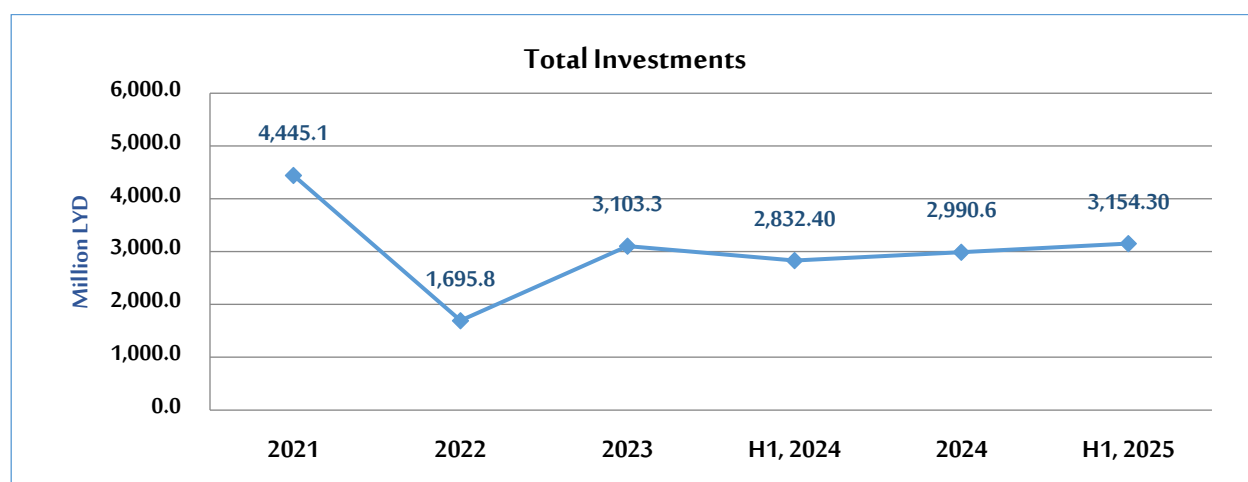
2- Investments:

The total balance of banks' investments in public and private joint-stock companies and other investments at the end of the first half of 2025 amounted to approximately 3,154.3 million LYD, compared to 2,719.2 million LYD at the end of the first half of 2024, an increase of 435.1 million LYD. This increase was due to the increase in the item of other investments, and the following table shows the details of this item:

Investment

"Millions LYD"

Items	H1, 2024	H1, 2025	in value Change	rate Change%
Treasury Bonds and Bills	0.0	0.0	0.0	-
Investments in Public Companies	568.6	569.9	1.3	0.2
Investments in Private Joint Stock Companies	1,361.8	1,088.2	-273.6	-20.1
Other Investments	788.8	1,496.2	707.4	89.7
Total	2,719.2	3,154.3	435.1	16.0



3- Loans and credit facilities:

The total balance of loans and credit facilities advanced by banks increased from 30,627.7 million LYD at the end of the first half of 2024 to 34,873.5 million LYD at the end of the first half of 2025, by 4,245.8 million LYD, or a growth rate of 13.9%. The loans and credit facilities advanced to the total deposit liabilities constituted 22.2%, and they constituted 16.9% of the total assets. The



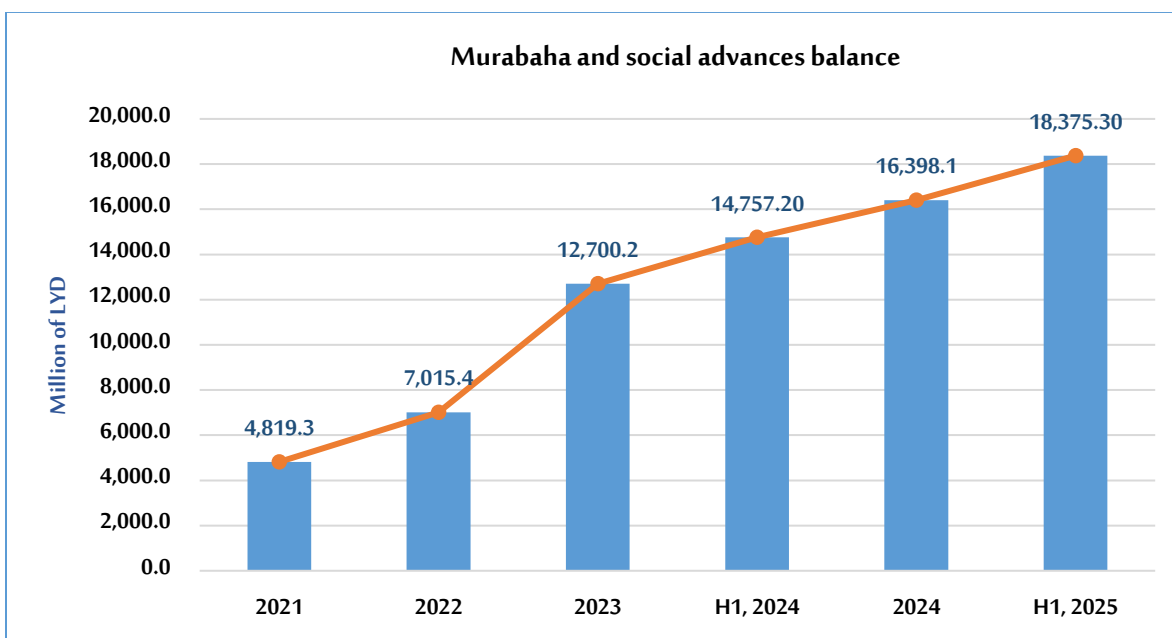
balance of loans granted to the private sector at the end of the first half of 2025 amounted to 27,611.4 million LYD, representing 79.2% of the total loans and credit facilities advanced, while the balance of loans advanced to the public sector constituted the remaining 20.8%, amounting to approximately 7,262.1 million LYD. Analyzing the components of the credit portfolio, the increase in the total credit balance advanced by banks was due to a significant increase in the Murabaha loans item for individuals, which recorded an increase of 3,618.1 million LYD compared to what it was at the end of the first half of 2024, as well as an increase in other loans by 635.1 million LYD, most of which are loans to companies in various Murabaha forms.

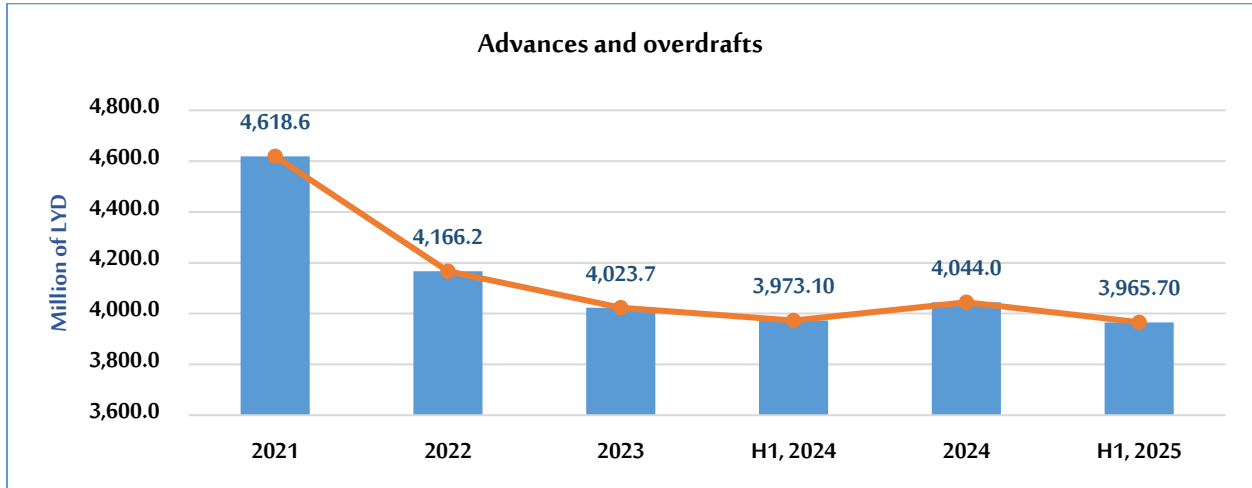
Total Loans and Credit Facilities Advanced by Banks.

"Millions LYD"

Item	H1, 2024	H1, 2025	Change in value	Change rate %
Loans and overdrafts	3,973.1	3,965.7	-7.4	-0.2
Social loans*	14,757.2	18,375.3	3,618.1	24.5
Other loans	11,897.3	12,532.4	635.1	5.3
Total loans and credit facilities	30,627.7	34,873.5	4,245.8	13.9
Provisions for doubtful debts	4,178.3	5,091.5	913.2	21.9
Net of loans and credit facilities	26,449.3	29,782.0	3,332.7	12.6

* Including the balance of Murabaha financing for individuals.

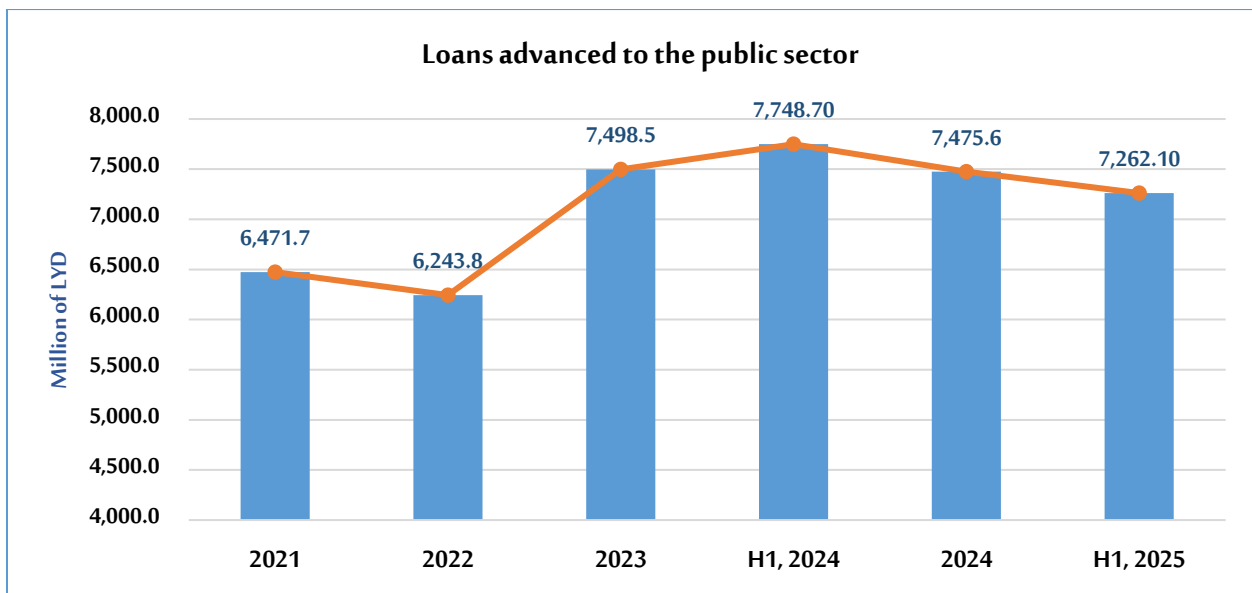


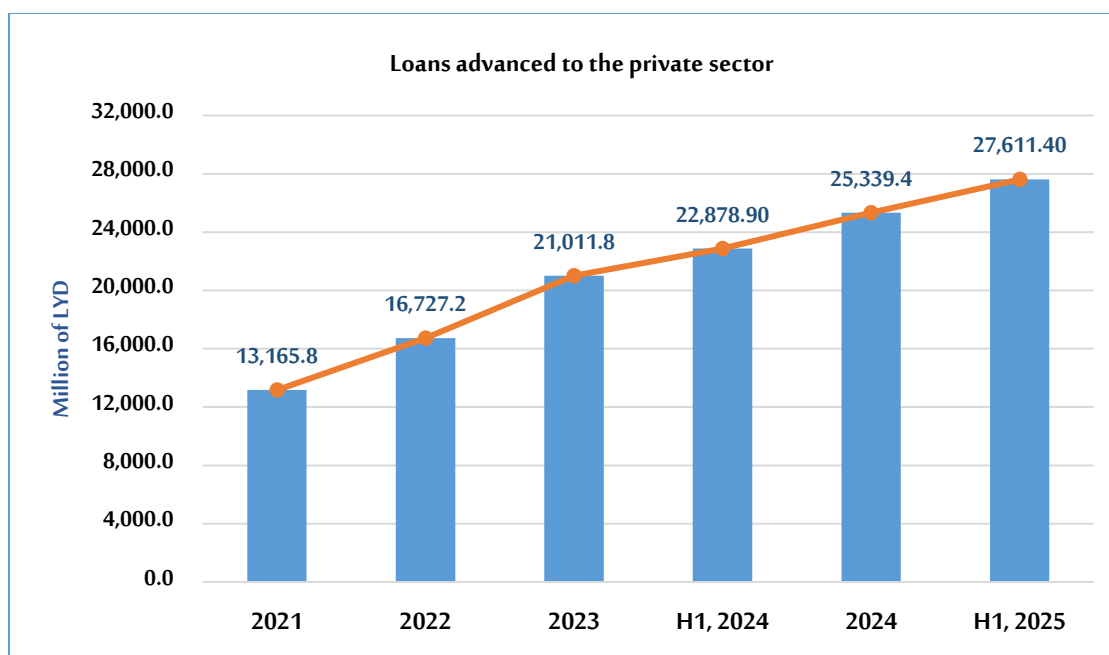


The Distribution of Loans Advanced by Banks by Sector (Private and Public)

"Millions LYD"

Item	H1, 2024	H1, 2025	Change in value	Change rate %
Loans advanced to the public sector	7,748.7	7,262.1	-486.6	-6.3
Loans advanced to the private sector	22,878.9	27,611.4	4,732.5	20.7
Total	30,627.7	34,873.5	4,245.8	13.9





Secondly: Liabilities

1- Customer deposits with banks:

Deposit liabilities (customer deposits) at banks increased significantly by 18,155.1 million LYD, from 138,706.4 million LYD at the end of the first half of 2024 to 156,861.5 million LYD at the end of the first half of 2025, which is a growth rate of 13.1%, due to the significant increase in demand deposits, which constituted 79.8% of total deposits, while time deposits and cash deposits constituted 20% of total deposits, while savings deposits constituted only 0.2% of total deposits..

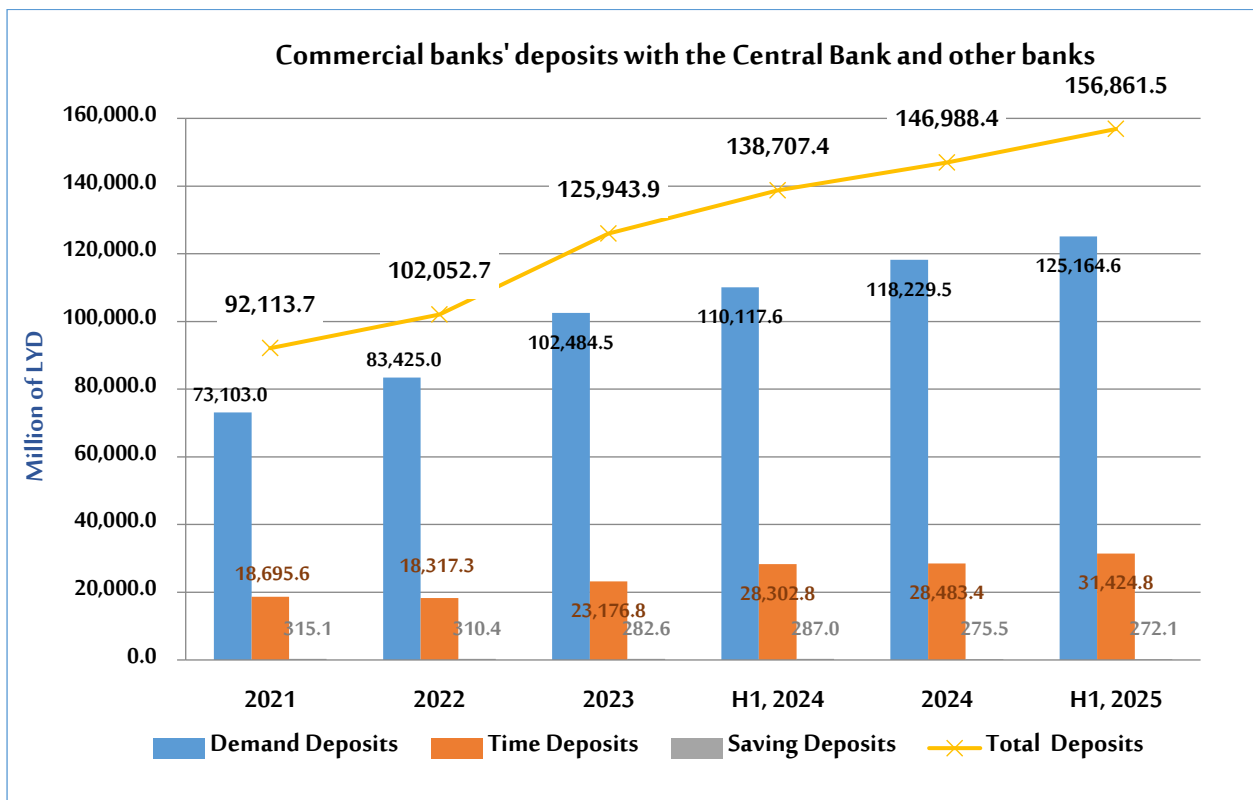
Customer Deposits (Deposit Liabilities)

"Millions LYD"

Item	H1, 2024	H1, 2025	Change in value	Change rate %
Demand deposits	106,931.7	122,026.9	15,095.2	14.1
Time deposits	1,609.0	1,230.7	-378.3	-23.5
Saving Deposits	287.0	272.1	-14.9	-5.2
Payments Orders	3,185.9	3,137.6	-48.3	-1.5
Cash Insurance	26,692.8	30,194.1	3,501.3	13.1
Total	138,706.4	156,861.5	18,155.1	13.1



- **Demand deposits and payment orders:** Demand deposits and payment orders increased significantly at the end of the first half of 2025 by 15,047.0 million LYD to record 125,164.6 million LYD compared to 110,116.6 million LYD at the end of the same period in 2024.
- **Time deposits and cash insurances:** Time deposits and cash insurance increased by 3,123.0 million LYD at the end of the first half of 2025 to record 31,424.8 million LYD, compared to 28,301.8 million LYD at the end of the first half of 2024. It is worth noting that most of the cash margins are against letters of credit.
- **Savings deposits:** The balance of savings deposits decreased by 14.9 million LYD at the end of the first half of 2025, to reach 272.1 million LYD, compared to 287.0 million LYD at the end of the same period in 2024.





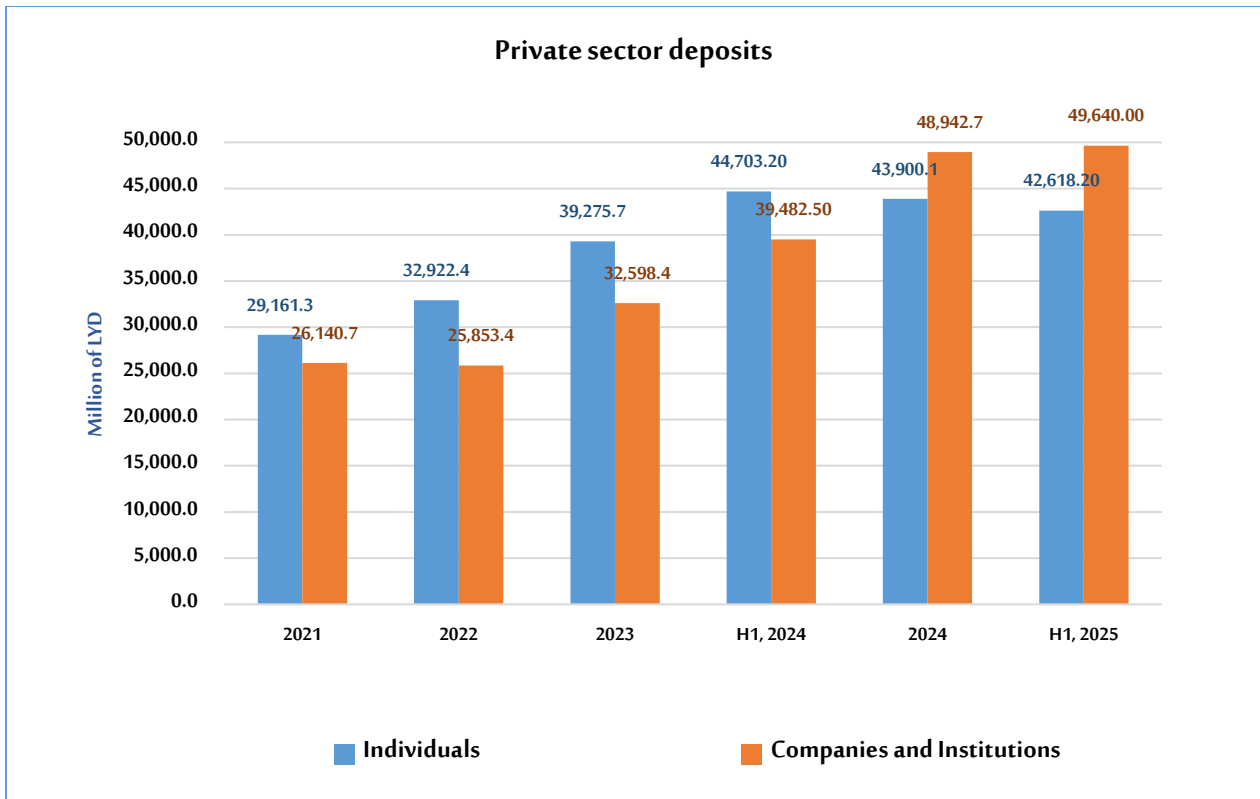
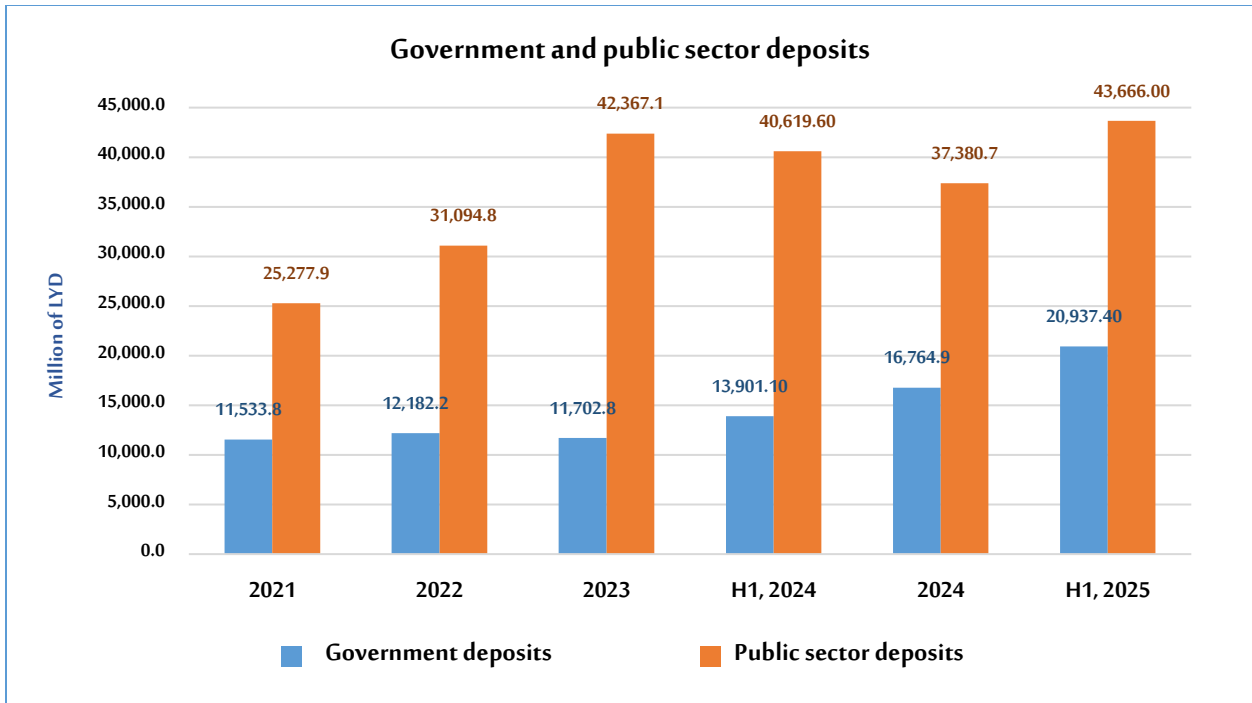
With regard to the distribution of total customer deposits with banks (private, government and public)

Government and public sector deposits increased by 10,082.6 million LYD at the end of the first half of 2025, reaching 64,603.4 million LYD. Government deposits comprised 20,937.4 million LYD, including deposits from ministries, government agencies, and institutions, as well as deposits from the Development Fund, the Social Security Fund, the Economic and Social Development Fund, and the Libyan Fund for Development and Investment. This compares to 54,520.8 million LYD in government and public sector deposits at the end of the first half of 2024. Private sector deposits at banks increased significantly, influenced by a 9.6% increase in deposits from private companies and institutions at the end of the first half of 2025, amounting to approximately 92,258.1 million LYD, compared to approximately 84,185.7 million LYD at the end of the first half of 2024.

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

"Millions LYD"

Item	H1, 2024	H1, 2025	Change in value	Change rate %
Government and public sector deposits	54,520.8	64,603.4	10,082.6	18.5
Government deposits	13,901.1	20,937.4	7,036.3	50.6
Public sector deposits	40,619.6	43,666.0	3,046.4	7.5
Private sector deposits	84,185.7	92,258.1	8,072.4	9.6
Individuals	44,703.2	42,618.2	-2,085.0	-4.7
Companies and Institutions	39,482.5	49,640.0	10,157.5	25.7
Total	138,706.4	156,861.5	18,155.0	13.1



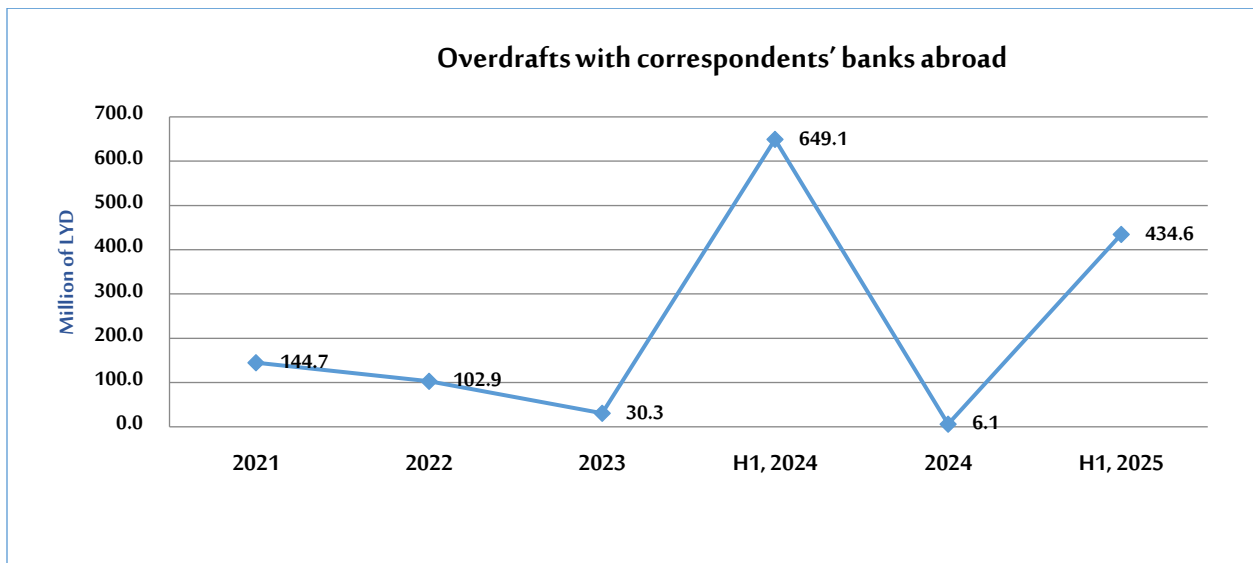


2- Accounts overdrawn with correspondents abroad:

The balance of overdrawn accounts with correspondent banks abroad reached 434.6 million LYD at the end of the first half of 2025, a decrease of 214.5 million LYD compared to the end of the first half of 2024, as a result of some banks' settlements of outstanding balances with correspondent banks..

Table of overdrawn accounts held by correspondents abroad

"Millions LYD"				
Item	H1, 2024	H1, 2025	Change in value	Change rate %
Overdrafts with correspondents' banks abroad	649.1	434.6	-214.5	-33.0



3- Equity:

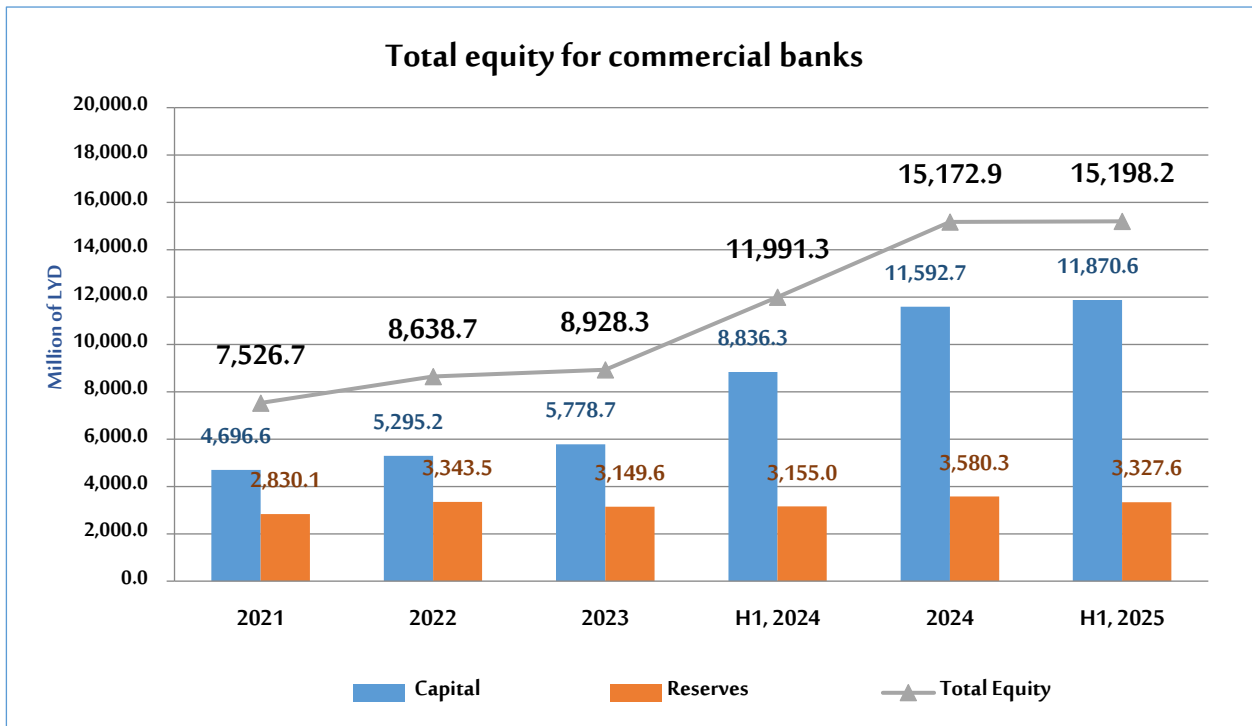
The balance of equity in banks increased from 11,064.7 million LYD at the end of the first half of 2024, to reach 17,834.6 million LYD at the end of the first half of 2025, as a result of the increase in the paid-up capital of some banks as well as the legal reserves, while the banks' profits during the first half of 2025 recorded a decrease of 28.7% to record about 1,046.7 million LYD, compared to what they were during the first half of 2024, which amounted to about 1,468.8 million LYD.

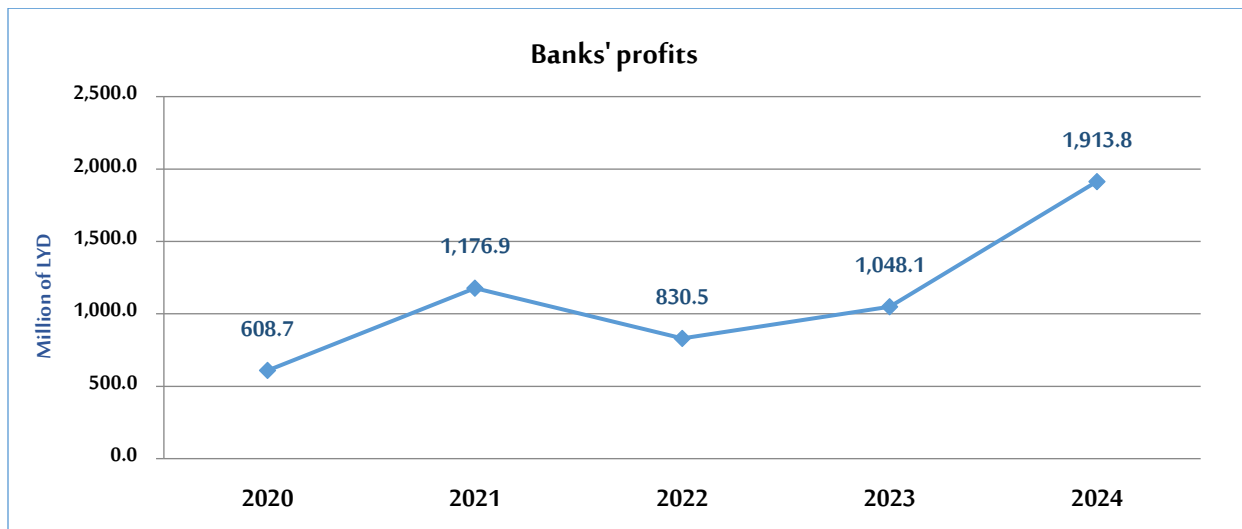
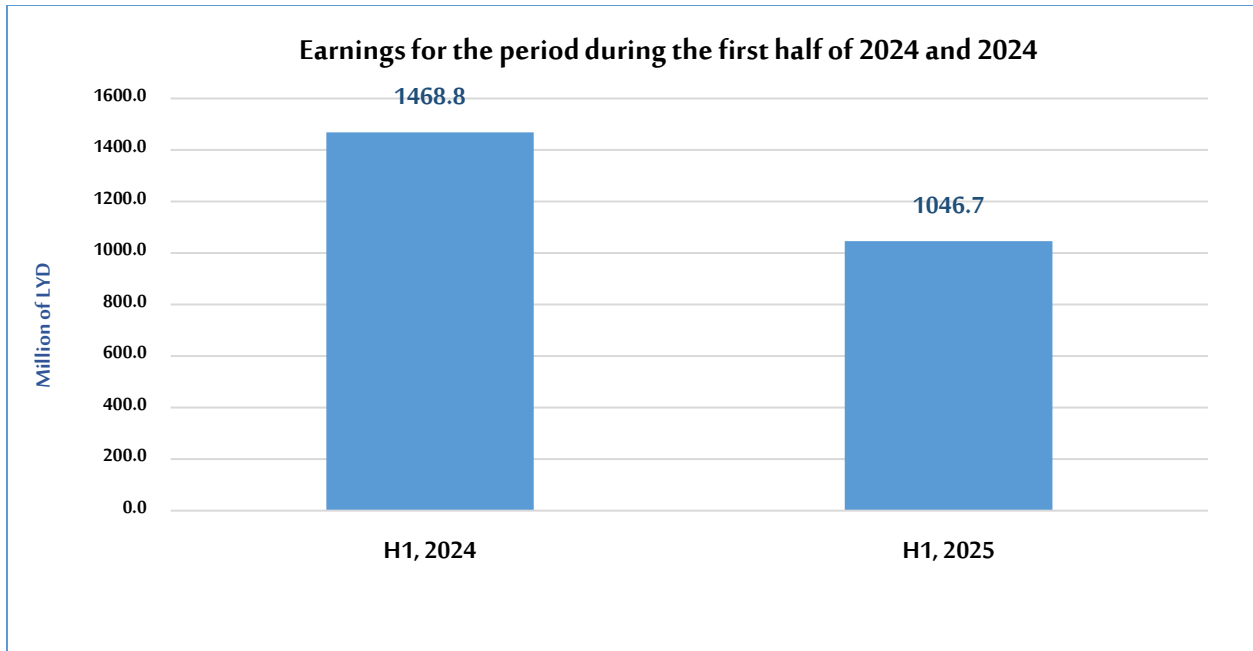


Capital Accounts

"Millions LYD"

Items	H1, 2024	H1, 2025	Change in value	Change rate%
Paid capital	7,488.9	14,237.1	6,748.2	90.1
Legal Reserve	1,244.4	1,410.1	165.7	13.3
Unallocated reserves	107.6	349.0	241.4	224.4
Profit of the year	1,468.8	1,046.7	-422.1	-28.7
Retained earnings and distributable profits	755.0	791.2	36.2	4.8
Total	11,064.7	17,834.3	6,769.6	61.2





4- Provisions:

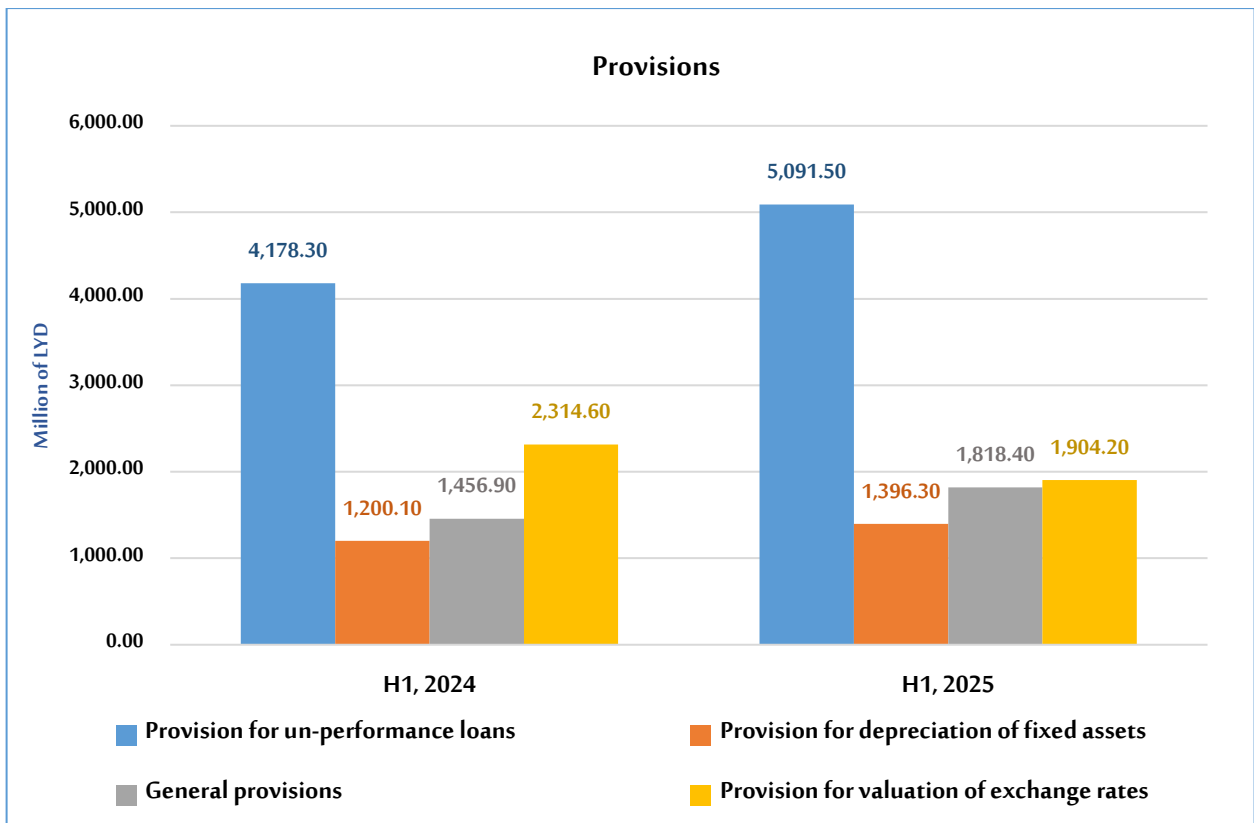
The balance of provisions increased by 1,060.5 million LYD at the end of the first half of 2025, reaching 10,210.4 million LYD, compared to 9,149.9 million LYD at the end of the first half of 2024. The increase was concentrated in the provision for doubtful debts, while the general provisions item and the provision for depreciation of fixed assets also increased. In contrast, the provision for exchange rate valuation decreased, as shown in the following table:



Provisions

"Millions LYD"

Items	H1, 2024	H1, 2025	Change in value	Change rate%
Provision for un-performance loans	4,178.3	5,091.5	913.2	21.9
Provision for depreciation of fixed assets	1,200.1	1,396.3	196.2	16.3
General provisions	1,456.9	1,818.4	361.5	24.8
Provision for valuation of exchange rates	2,314.6	1,904.2	-410.4	-17.7
Total	9,149.9	10,210.4	1,060.5	11.6





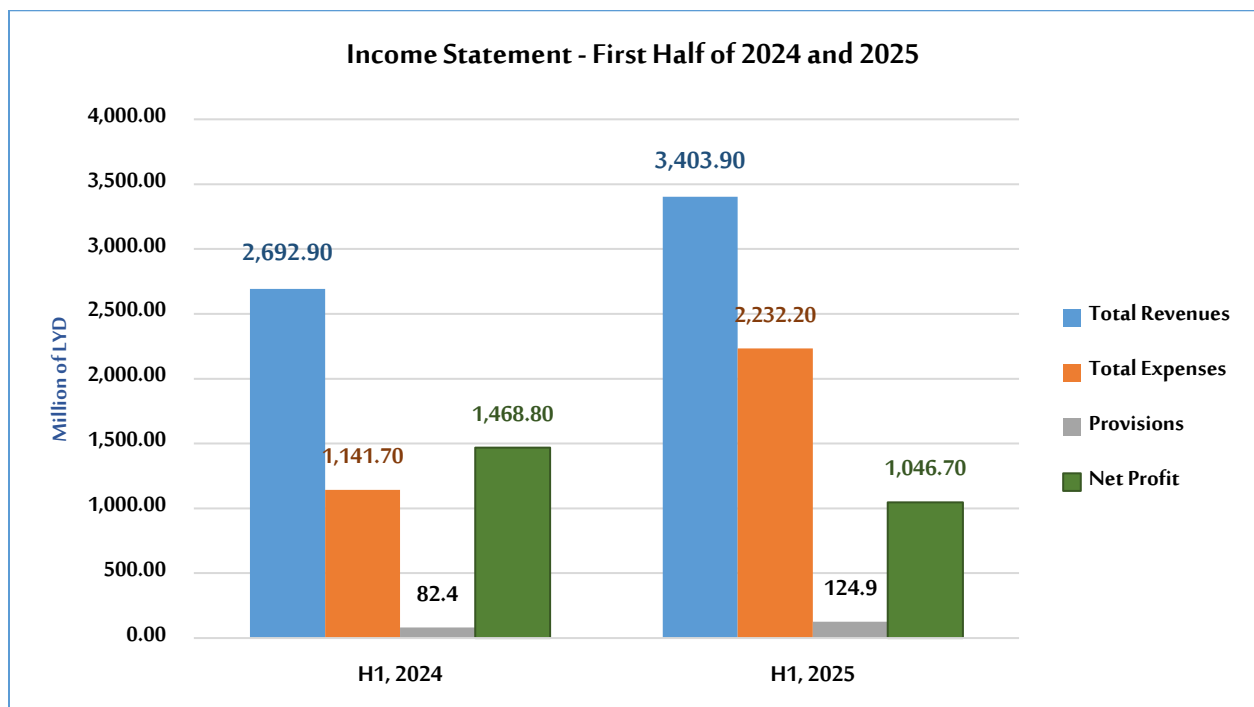
Analysis of banks' Consolidated Income Statement – First Half 2025

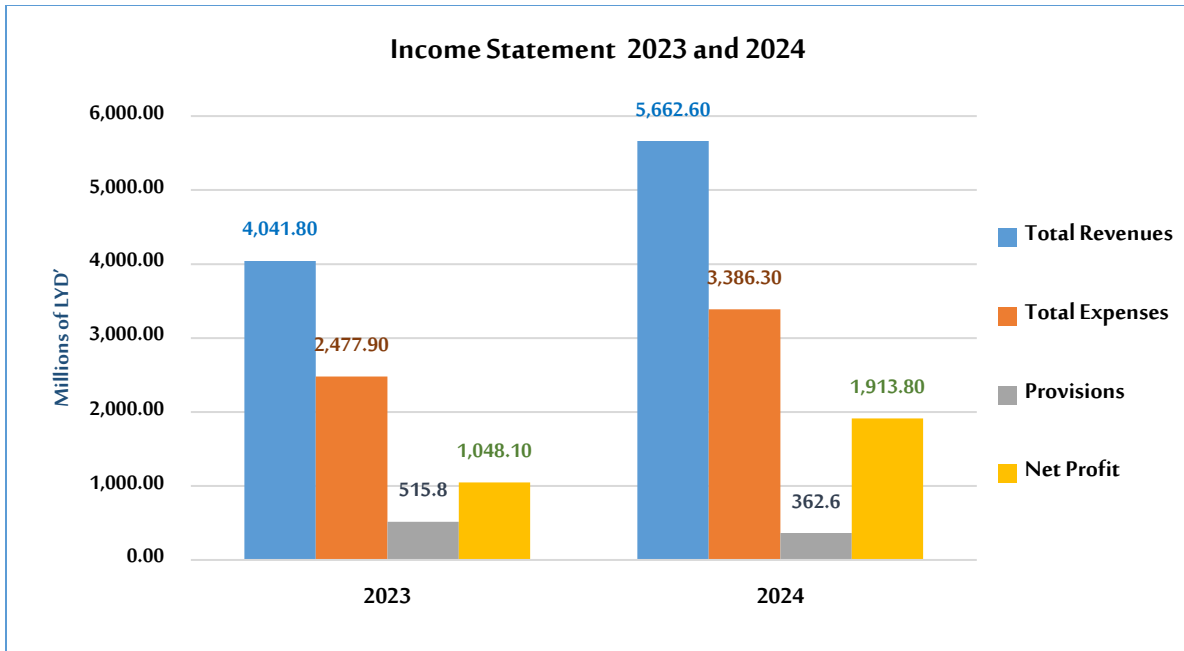
During the first half of 2025, banks collectively achieved total revenues of about 3,403.9 million LYD, while expenses amounted to around 2,232.2 million LYD. Provisions were recorded at about 124.9 million LYD, resulting in net profits of about 1,046.7 million LYD for the first half of 2025. This represents a decrease of 28.7% compared to the first half of 2024, during which profits reached around 1,468.8 million LYD.

Summary of the Consolidated Income Statement for Banks

"Millions LYD"

Item	2023	H1, 2024	2024	H1, 2025
Total Revenues	4,041.8	2,692.9	5,662.6	3,403.9
Total Expenses	2,477.9	1,141.7	3,386.3	2,232.2
Profit Before Provisions	1,563.9	1,551.2	2,276.3	1,171.6
Provisions	515.8	82.4	362.6	124.9
Net Profit	1,048.1	1,468.8	1,913.8	1,046.7



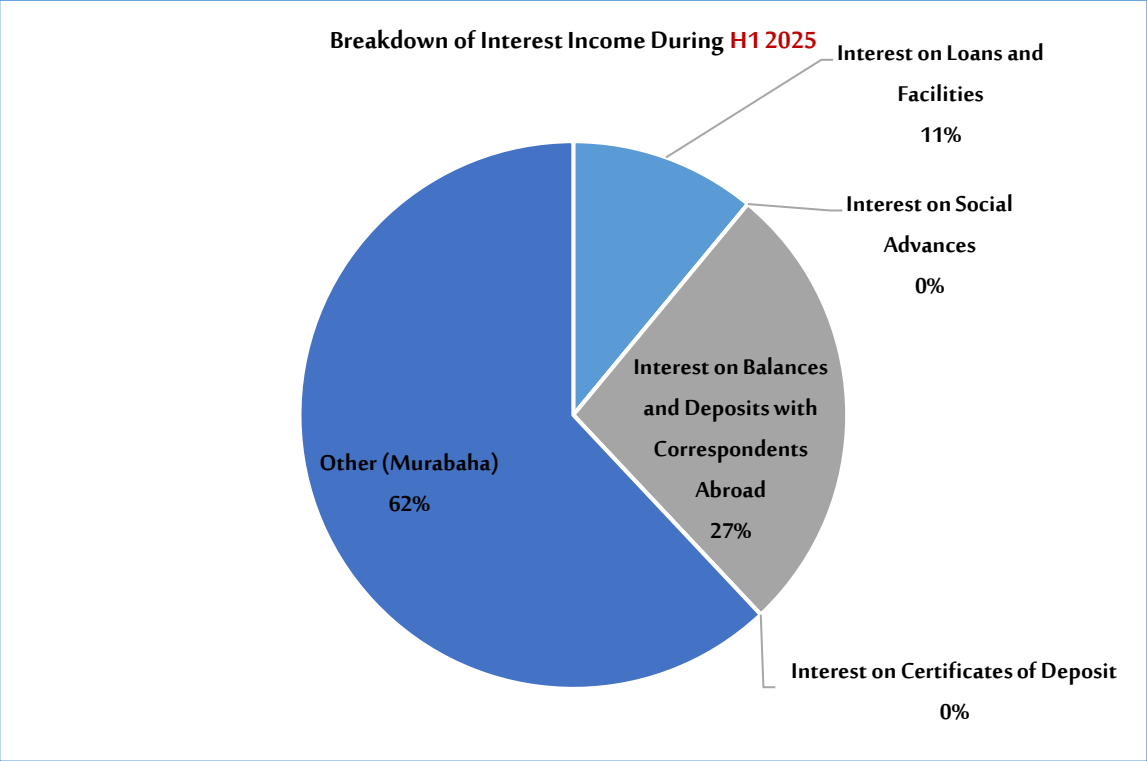
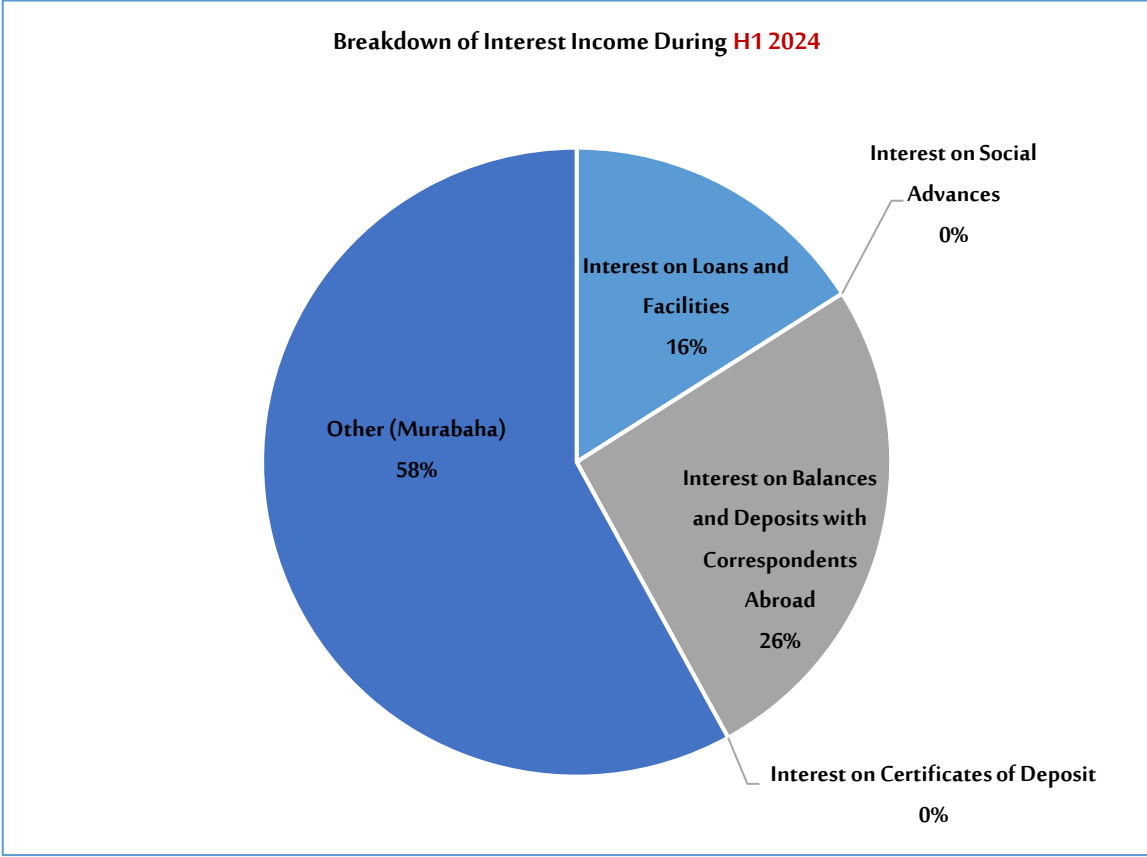


First: Revenues:

Total revenues generated by banks collectively increased by 26.4% during the first half of 2025, reaching about 3,403.9 million LYD, compared to around 2,692.9 million LYD recorded during the same period in 2024.

– Interest Income:

Interest income, including revenues generated from Murabaha services, increased by 6.9% during the first half of 2025, reaching about 472.6 million LYD compared to 442.0 million LYD in the first half of 2024. This rise was driven by collected interest from Murabaha service commissions, interest on loans and credit facilities, and interest on balances and deposits held with correspondent banks abroad.

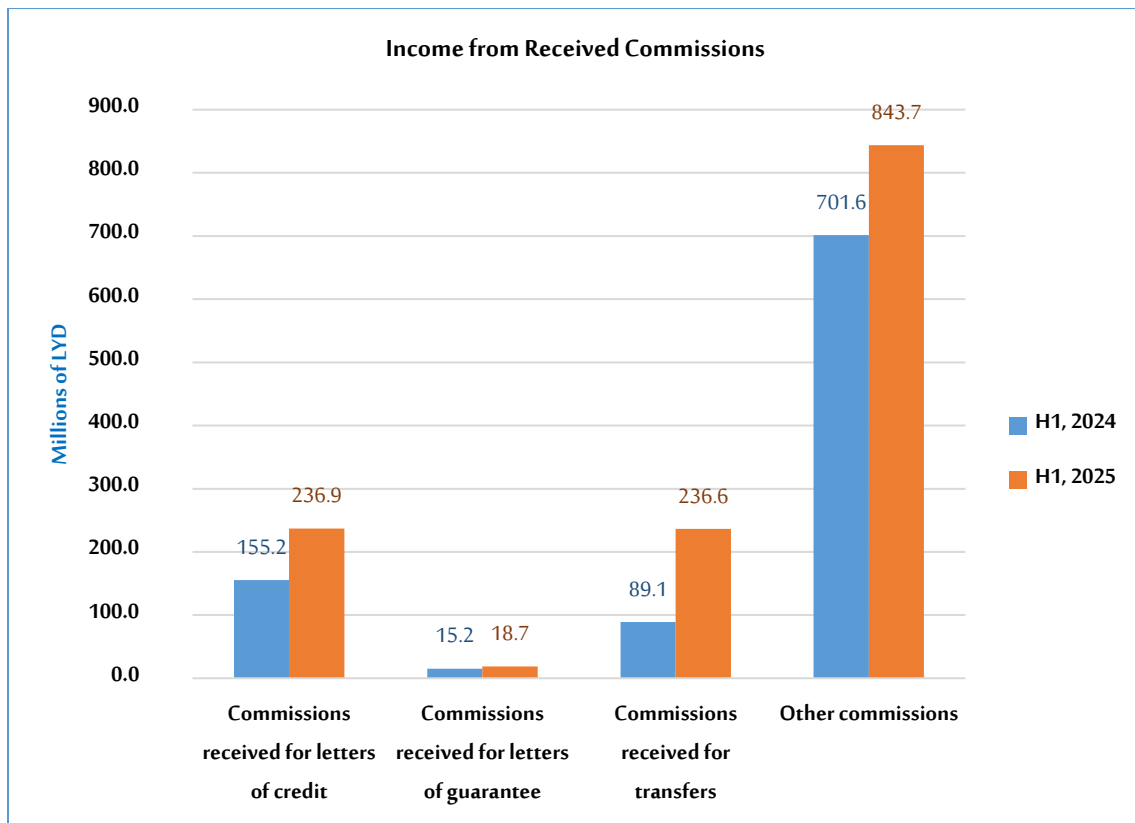


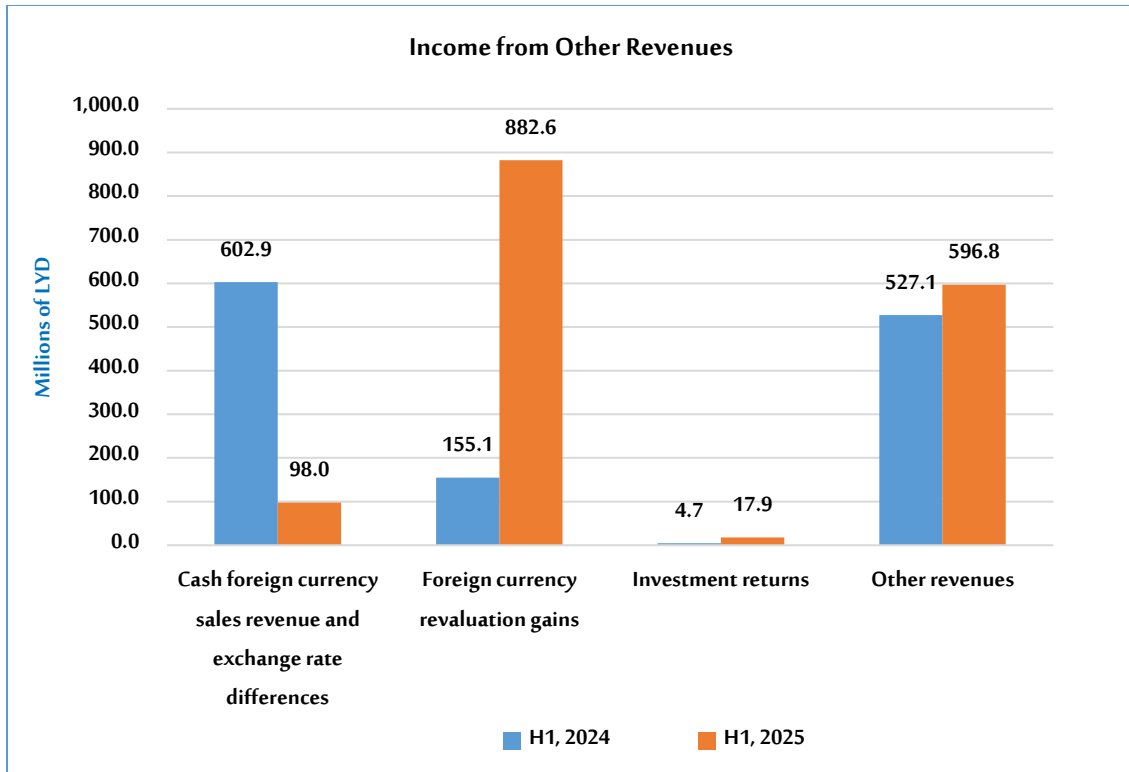


– **Non-Interest Revenues:**

The non-interest revenues achieved in the first half of 2025 increased by 30.2% compared to that is off the same period in 2024. These revenues consist of:

- **Commission** received from letters of credit, letters of guarantee, transfers, and other commissions, which generated revenues of approximately 1,336.0 million LYD by the end of the first half of 2025, compared to 961.1 million LYD during the first half of 2024.
- **Other revenues** including proceeds from the sale of foreign currency, exchange rate differences, revaluation, which generated revenues of approximately 1,595.3 million LYD during the first half of 2025, compared to 1,289.8 million LYD during the first half of 2024.





Second: Expenses:

Total combined bank expenses increased by 95.5% during the first half of 2025, reaching approximately 2,232.2 million LYD, compared to 1,141.7 million LYD during the first half of 2024.

Total administrative and general expenses amounted to approximately 2,231.3 million LYD during the first half of 2025, of which wages, salaries, and other employee expenses constituted 32.2%.

The ratio of expenses to total revenues reached approximately 65.6% during the first half of 2025, up from 42.4% during the first half of 2024. It is worth noting that the increase in the ratio of expenses to total revenues directly impacted on the profitability of some banks.



Financial Soundness Indicators for Banks (2021–H1 2025)

Financial soundness indicators (FSIs) are essential analytical tools used to measure the strength and resilience of the financial sector, including all its components, particularly the banking sector. These indicators play a pivotal role in macroprudential analysis, providing an accurate quantitative assessment of the strengths and weaknesses of the financial system. This, in turn, enables supervisory authorities and policymakers to anticipate and effectively address potential risks, enhancing long-term financial stability.

In this context, this chapter presents an analysis of the FSIs in the Libyan banking sector during the period from 2021 to the end of the first half of 2025. This analysis aims to examine developments in key indicators, such as capital adequacy, asset quality, liquidity, and profitability, contributing to a comprehensive picture of the state of the banking sector in Libya and the extent to which it contributes to supporting economic and financial stability. It also helps identify areas that require further reforms or strengthening of regulatory frameworks in the future to ensure sustainable financial performance.

The following is an analysis of the FSIs for the Libyan banking sector during the period (2021 – the first half of 2025).

1- Capital ratios:

Capital Ratios

Indicator	2021	2022	2023	2024	H1 2025
Total Capital Adequacy Ratio %	16.6	15.7	15.3	24.3	27.5
Core Capital Adequacy Ratio %	15.3	14.3	13.6	23.1	26.3
Paid-up Capital / Total Assets	3.5	3.5	3.9	6.2	6.9
Equity / Total Assets	4.7	5.2	6.1	7.1	8.1
Equity / Total Deposits	6.9	7.6	7.0	9.0	10.7



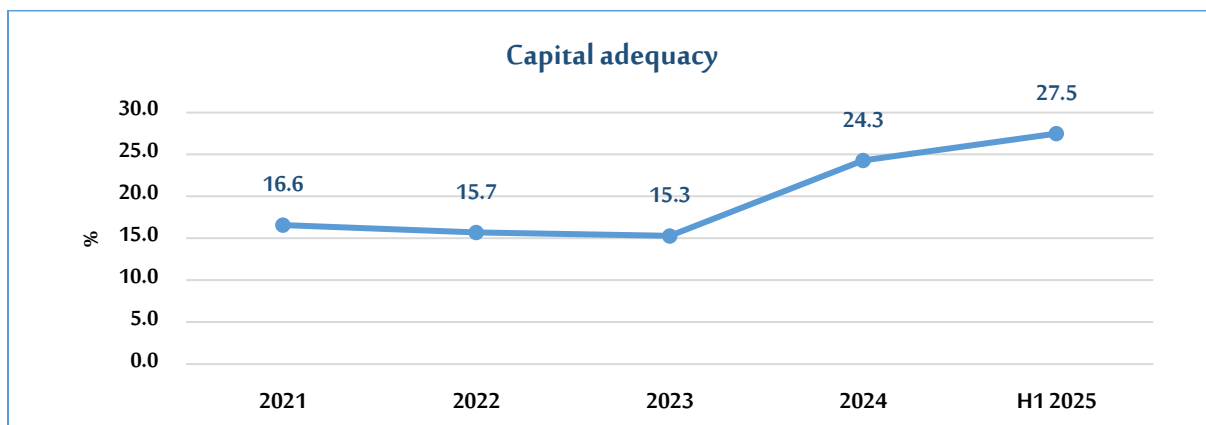
- Capital Adequacy Ratio

The capital adequacy ratio in the Libyan banking sector recorded a significant increase during the first half of 2025, reaching 27.5% compared to 24.3% at the end of 2024. This increase is attributed to several banks continuing to increase their paid-up capital, which did not meet the requirements set by the Central Bank.

Following these capital increases, banks will be obligated to expand their operations and explore investment opportunities to effectively deploy their funds and generate returns.

It is worth noting that during the period (2021 - Q1 2025), banks maintained capital adequacy ratios higher than the applicable ratio set by the Central Bank and in line with the requirements of the Basel Committee.

The Banking and Monetary Supervision Department has adopted the application of best international 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.



- Capital to total assets:

The capital-to-total-assets ratio is a key indicator for monitoring leverage in the banking sector.

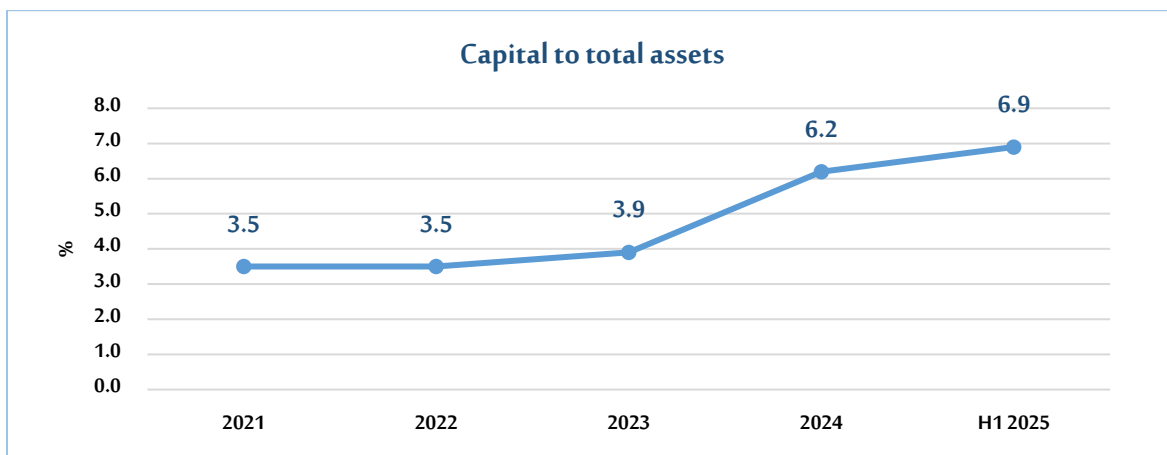
It reflects the extent to which banks rely on non-core funding to cover their assets. The higher



this ratio, the stronger the capital base and the lower the leverage, enhancing banks' ability to withstand risks.

According to the Basel Committee on Banking Supervision requirements, this ratio should not fall below 3% to ensure sufficient capital to cover the total risks of assets.

During the period from 2021 to the first half of 2025, the banking sector-maintained ratios that exceeded this minimum, reflecting good compliance with solvency standards. The following ratios were recorded, respectively: 3.5% in 2021 and 2022, 3.9% in 2023, then jumped to 6.2% in 2024 and 6.9% in the first half of 2025. This clear improvement since 2024 is attributed to the increase in paid-up capital, which enhances banks' ability to confront potential risks and supports their long-term financial stability.



2- Assets quality ratios:

The analysis of the structure of the items constituting the assets in the first half of 2025, it is noted that the ratio of loans and facilities to total assets continued to decline, representing approximately 17.9%, while the ratio of investments reached only 1.8%, indicating that income-generating assets were low and did not even reach 20.0% of the total asset base of the banking sector. In contrast, cash in bank vaults and balances at the Central Bank constituted approximately 70.7% of the total asset base of the banking sector, reflecting the weak deployment of banks' funds. The following are the most important indicators of asset quality



- 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 20.4% at the end of the first half of 2025. This percentage recorded an increase from what at the end of the first half of 2024, which amounted to 19.2%. This slight increase in the ratio of non-performing loans to total debt was due to a higher banking sector's non-performing loan during the first half of 2025.

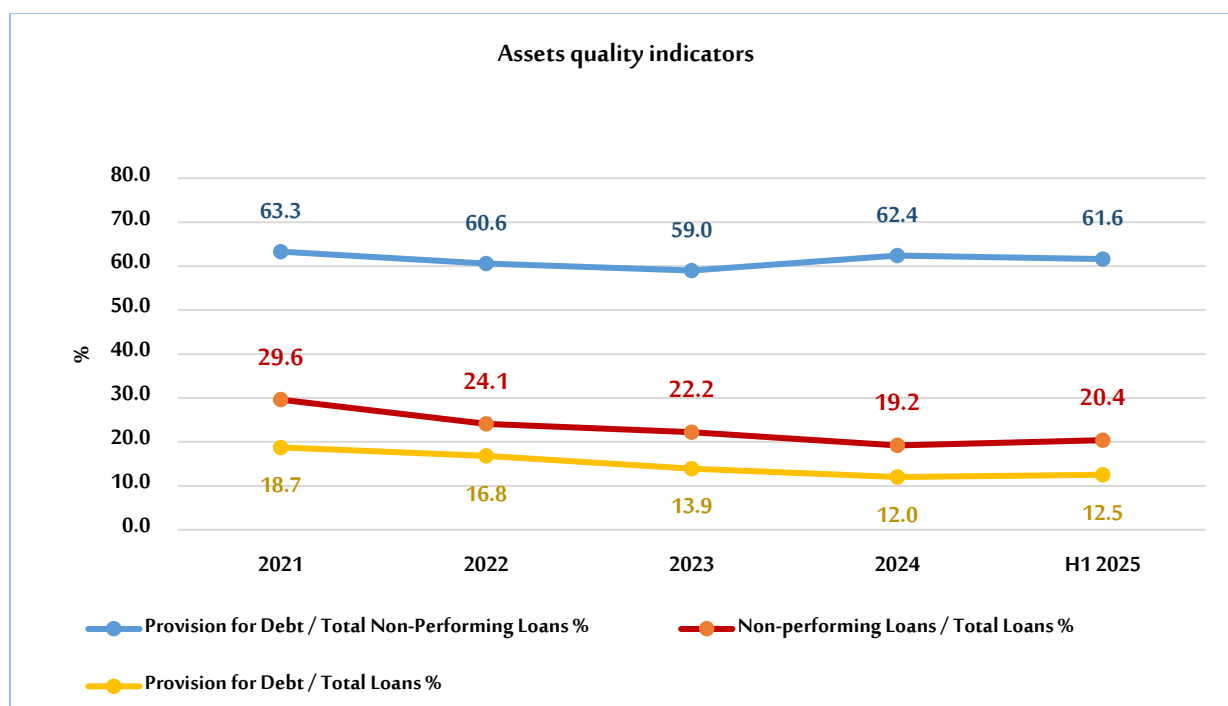
The increase in the volume of non-performing loans requires some banks to monitor their credit portfolios and increase the efficiency of their credit departments. According to international standards, the ratio of non-performing loans to total loans should not exceed 5.0%.

- Debt provision coverage ratio to non-performing loans.

Regarding the coverage ratio of debt provisions to non-performing loans, it recorded approximately 61.6 % at the end of the first half of 2025, compared to 62.4% at the end of 2024. During this period, coverage provisions for non-performing loans recorded ratios of approximately 62% at the sector level. However, analyzing these ratios by bank revealed that some banks recorded low ratios, and they must take precautionary measures by increasing provisions for non-performing loans to reach appropriate ratios to address any expected losses.

Asset Quality Ratios

Indicator	2021	2022	2023	2024	H1 2025
Non-performing Loans / Total Assets %	4.3	4.0	4.5	3.3	3.4
Non-performing Loans / Total Loans %	29.6	26.1	25.2	19.1	20.4
Provision for Debt / Total Non-Performing Loans %	63.3	62.3	60.6	64.2	61.6
Provision for Debt / Total Loans %	18.7	16.3	15.3	12.2	12.5



3- Profitability ratio:

Profitability Ratios

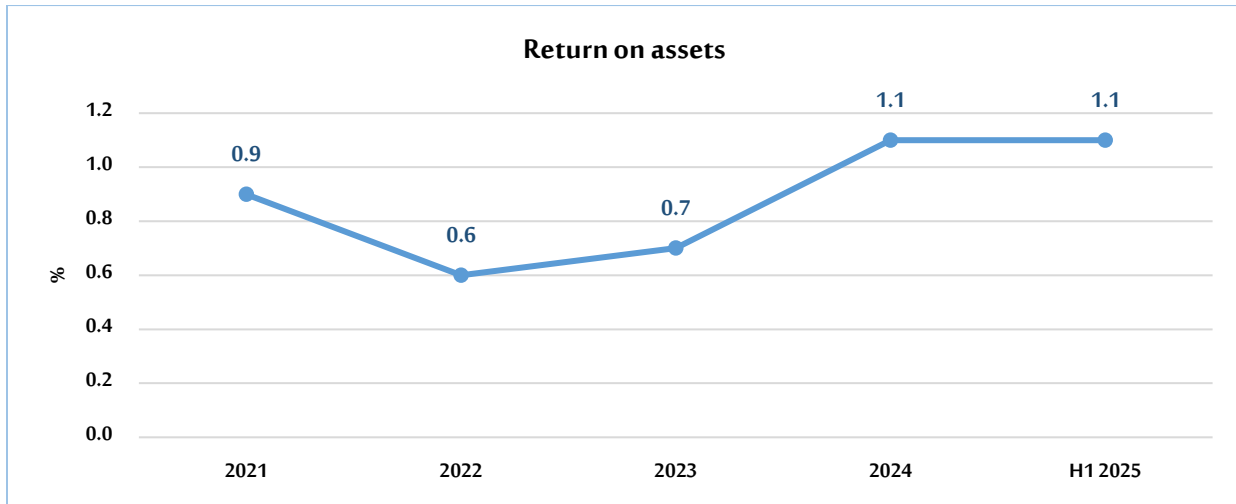
Indicator	2021	2022	2023	2024	H1 2025
Return / Assets %	0.9	0.6	0.7	1.1	1.1
Return / Equity %	18.5	10.7	12.4	16.2	13.5
Return / Deposit %	1.3	0.8	0.9	1.4	1.4
Interest margin to total income ratio %	12.1	16.1	16.5	16.6	13.9
Non-interest expenses to total income%	55.8	63.4	61.3	59.8	65.6

- 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 at the end of the first half of 2025 was about 1.1%, remaining virtually stable compared to the end of 2024.

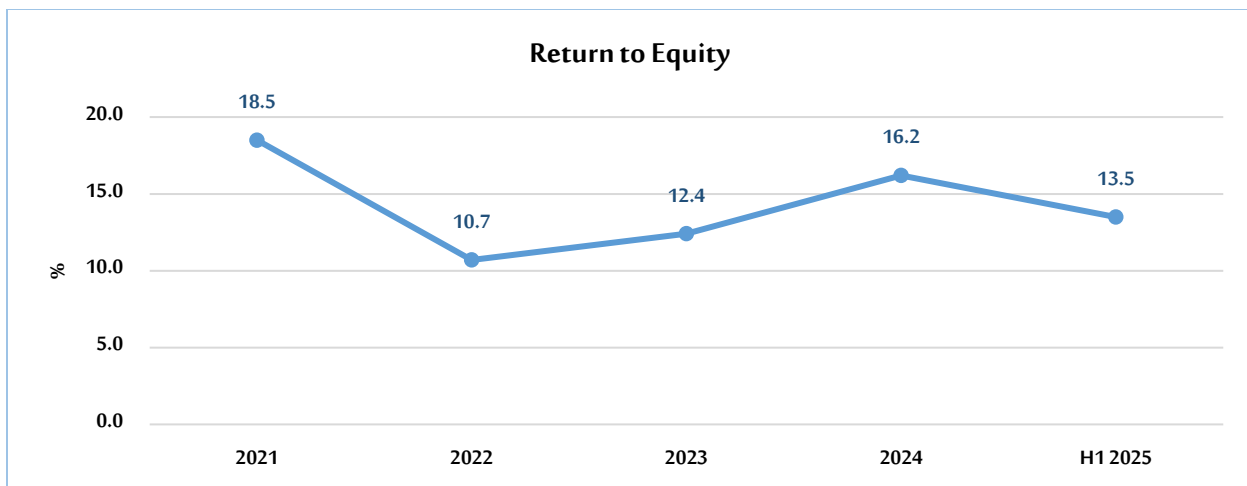


Despite the economic challenges and the unfavorable situation facing banks, they must seek new strategies to utilize their assets and the large surplus liquidity available. Improving operational efficiency and increasing returns are priorities to ensure banks' financial position is strengthened and their effective contribution to the national economy.



- Return to Equity:

The return on equity rate declined during the first half of 2025 to approximately 13.5%, compared to 16.2% in 2024. This indicator is an important measure that reflects banks' efficiency in investing their capital to generate profits. Therefore, banks must make optimal use of capital, especially after completing capital increases in accordance with the requirements of the Central Bank of Libya, to enhance profitability and ensure its sustainability in the future.



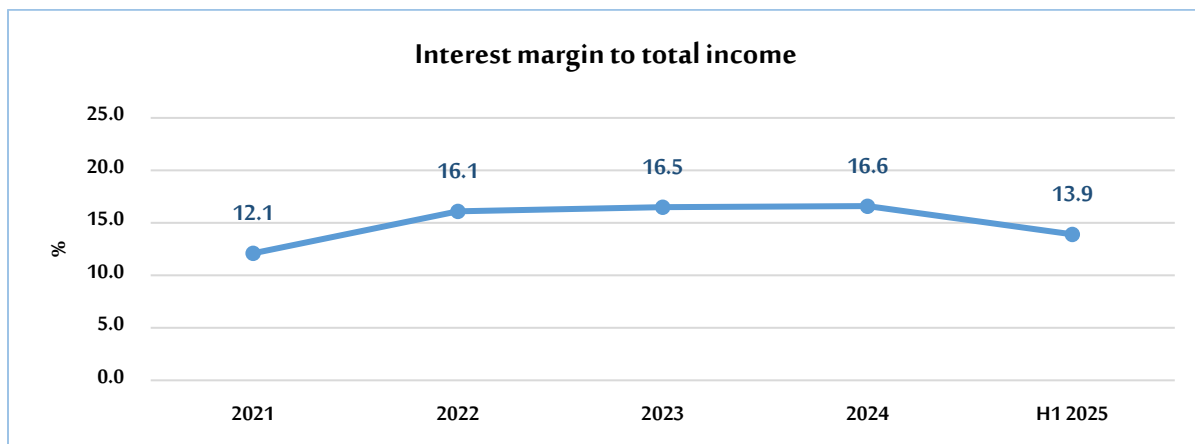


- Interest margin to total income ratio:

The interest margin to total income ratio reached 13.9% during the first half of 2025. The "interest margin to total income" indicator represents an important tool to measure banks' reliance on their core business for revenue generation, as it reflects the difference between interest received and interest paid as a percentage of total income.

In recent years, it has been observed that the interest margin's contribution to banks' total income remains limited, with the ratio stabilizing at around 16%. This indicates that banks are relying less on traditional lending-related returns and increasingly turning to other sources of income.

This performance is due to the fact that the bulk of interest comes from commissions on Murabaha financing, which amounted to approximately 294.4 million LYD, in addition to interest generated from balances and deposits with correspondent banks abroad, which amounted to approximately 124.9 million LYD.



- Non-interest expenses to total income:

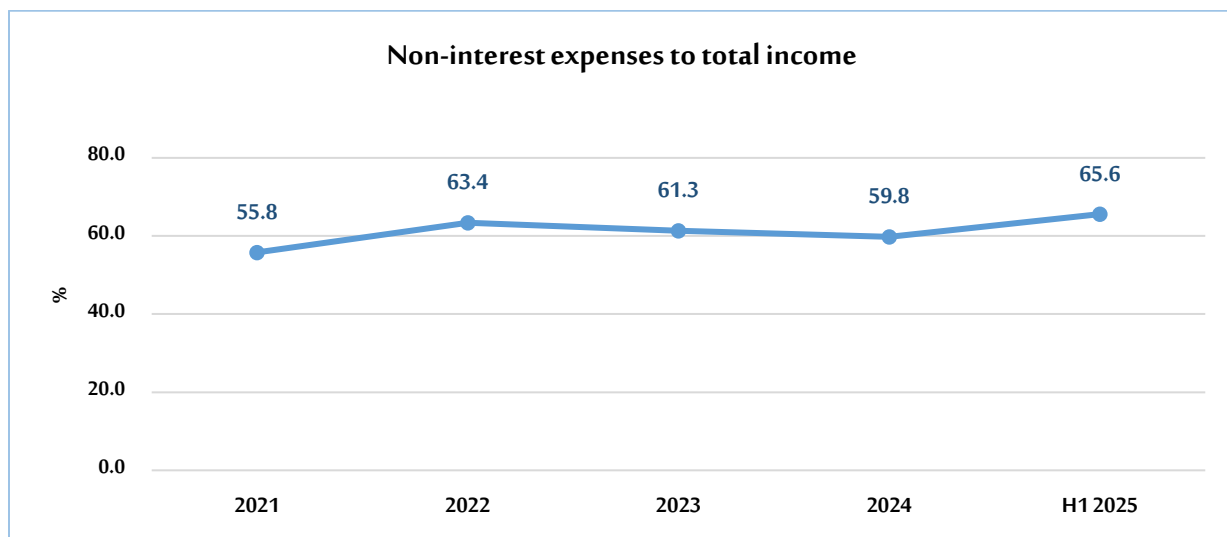
This indicator is important in measuring the ratio of administrative expenses to total income, which includes all expenses excluding interest expenses, such as salaries and staff costs, training expenses, insurance, maintenance, and others. A high ratio has a direct negative impact on banks' ability to generate profits.



During the first half of 2025, the ratio of administrative expenses to total income rose to approximately 65.6%, compared to 59.8% in 2024. This reflects an increase in operating costs and their impact on financial performance.

Analyzing this ratio at the bank level, it was found that the Arab Islamic Investment Bank and Sahara Bank recorded an expense-to-total-revenue ratio exceeding 100%. This means that their operating expenses exceeded their revenues, negatively impacting their profitability.

In terms of performance, the National Commercial Bank, Jumhouria, Wahda, Al Waha, and Assaray Bank recorded high ratios of administrative expenses, significantly impacting their profitability. In contrast, Union National Bank, Al Yaqeen, Al Andalus, and Al Wafa Bank showed significant improvements in this indicator, reflecting their efforts to control costs and improve operational efficiency.



4- Liquidity ratio:

Liquidity indicators are vital factors in assessing banks' ability to meet expected and unexpected cash demands, as well as their ability to meet their short-term financial obligations without being exposed to the risk of liquidity distress.



In the Libyan context, banks' liquidity levels remain remarkably high, reflecting a weak deployment of available financial resources, whether through credit expansion or investment mobilization. This excess liquidity coincides with a continued growth in deposit liabilities, leading to an imbalance in deployment versus funding sources.

This situation is linked to several key factors, including:

- Limited opportunities for high-quality credit deployment.
- Weak local investment environment.
- Conservative policies followed by banks in managing liquidity.

The most prominent liquidity indicators used to measure this aspect are:

Liquid assets to total assets ratio: This measures the amount of assets that are readily convertible into cash out of a bank's total assets.

Liquid assets to short-term liabilities ratio: This is used to measure a bank's ability to meet its short-term obligations using its liquid assets.

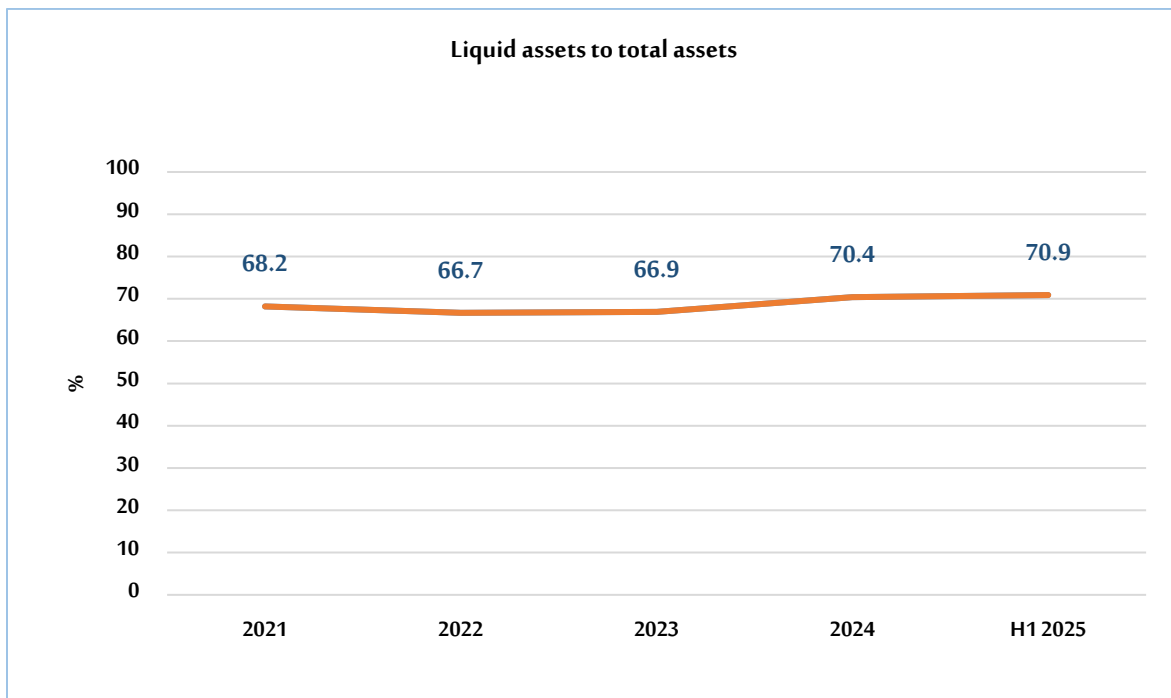
Liquidity Ratios

Indicator	2021	2022	2023	2024	H1 2025
Liquid Assets / Total Assets (%)	68.2	66.7	66.9	70.4	70.9
High Liquid Assets / Short-Term Liabilities (%)	75.8	83.2	70.8	74.4	81.9
Total Loans / Total Deposits (%)	21.3	22.5	22.6	22.3	22.2



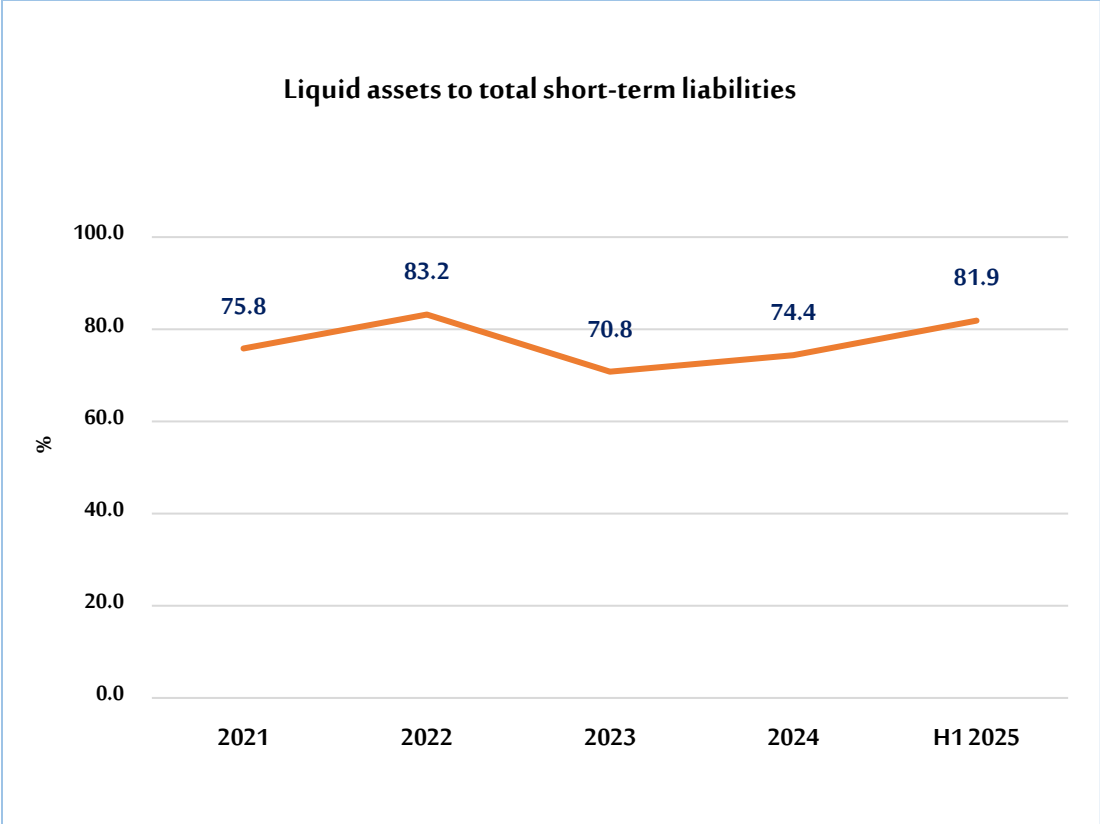
- Liquid assets to total assets:

The ratio of liquid assets to total assets at banks reached approximately 70.9% at the end of the first half of 2025, the vast majority of which constitutes deposits at the Central Bank of Libya (including demand deposits and required reserves). Compared to 70.4% at the end of 2024, these figures confirm the continued rise in liquid asset ratios within the overall asset structure of banks. On the other hand, it is noted that the volume of loans and credit facilities constitutes a low percentage compared to total deposit liabilities, with the ratio of loans to deposit liabilities in the banking sector reaching approximately 22.2% at the end of the first half of 2025. This reflects the limited use of banks' resources in credit and investment activities.



- Liquid assets to short-term Liabilities:

This indicator measures the liquidity gap between assets and liabilities. It provides an indication of banks' ability to meet short-term cash withdrawal requests without experiencing liquidity crises. This indicator recorded 81.9% at the end of the first half of 2025, compared to rates of 75.8%, 83.2%, 70.8%, and 74.4% for the years 2021 and 2024, respectively.





Bank Performance Indicators (2021 -H1 2025)

Indicator	2021	2022	2023	2024	H1 2025
Capital Indicators:					
Total Capital Adequacy Ratio %	16.6	15.7	15.3	24.3	27.5
Core Capital Adequacy Ratio %	15.3	14.3	13.6	23.1	26.3
Paid-up Capital / Total Assets %	3.5	3.5	3.9	6.2	6.9
Equity / Total Assets %	4.7	5.2	6.1	7.1	8.1
Equity / Total Deposit %	6.9	7.6	7.0	9.0	10.7
Asset Quality Indicators:					
Non-performing Loans (*)/ Total Assets %	4.3	4.0	4.5	3.3	3.4
Non-performing Loans (*) / Total Loans %	29.6	26.1	25.2	19.1	20.4
Provision for Debt / Total Non-Performing Loans (*) %	63.3	62.3	60.6	64.2	61.6
Provision for Debt / Total Loans %	18.7	16.3	15.3	12.2	12.5
Management efficiency indicators:					
Total Loans / Total Assets %	14.4	15.5	18.0	17.5	16.9
Total Assets / Number of Employees (Million LYD)	7.0	7.5	8.0	8.8	10.1
Total Assets / Number of Branches (Million LYD)	245.0	258.3	259.3	279.2	306.4
Profitability indicators:					
Return / Assets %	0.9	0.6	0.7	1.1	1.1
Return / Equity %	18.5	10.7	12.4	16.2	13.5
Return / Deposit %	1.3	0.8	0.9	1.4	1.4
Interest margin to total income ratio %	12.1	16.1	16.5	16.6	13.9
Non-interest expenses to total income%	55.8	63.4	61.3	59.8	65.6
Liquidity indicators:					
Liquid Assets / Total Assets (%)	68.2	66.7	66.9	70.4	70.9
High Liquid Assets / Short-Term Liabilities (%)	75.8	83.2	70.8	74.4	81.9
Total Loans / Total Deposits (%)	21.3	22.5	22.6	22.3	22.2

"End of report "