البنك المركزي اليمني
CENTRAL BANK OF YEMEN

MONETARY AND FINANCIAL DEVELOPMENTS

June 2026

Issue No. 55 - June 2026

Monthly Report Monetary and Financial Developments

Issue No. 55
June 2026

Issued by
General Department of Research and Statistics
Central Bank of Yemen
Head Office – Aden

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YER: Yemeni Rials (National Currency).
USD: United States Dollars.

Foreword

The Central Bank of Yemen is pleased to present to readers, researchers, and those interested in the key developments of the banking system in the Republic of Yemen, the **Monetary and Financial Developments Report for June 2026.**

The report reviews the principal components of the Central Bank's balance sheet, the consolidated balance sheet of commercial and Islamic banks, as well as developments in monetary aggregates. In addition, it briefly addresses the position of financing the central government budget deficit and the issuance of domestic public debt instruments.

Finally, the report places particular emphasis on exchange rate developments in the parallel market, as well as price movements and inflation trends.

The Central Bank hopes that this report will be of benefit to all users.

God bless,

Ahmed Ahmed Ghaleb
Governor, Central Bank of Yemen

MONETARY AND FINANCIAL DEVELOPMENTS

Money Supply:

The broad money supply (M2) increased by YER 21.7 billion, or 0.2%, reaching YER 11,925.0 billion at the end of June 2026, compared to YER 11,903.3 billion at the end of May 2026.

This increase is primarily due to an increase in quasi-money by YER 79.8 billion, or 1.2%, accounting for 57.2% of the broad money supply (M2), while the narrow money supply (M1) decreased by YER 58.1 billion, or 1.1%, accounting for 42.8% of the broad money supply (M2).

The currency in circulation decreased by YER 117.3 billion, or 3.4%, reaching YER 3,384.3 billion at the end of June 2026, compared to YER 3,501.7 billion at the end of May 2026.

CBY Balance Sheet:

At the end of June 2026, the total balance sheet of the central bank amounted to YER 12.428.2 billion, an increase of YER 651.4 billion, or 5.5% compared to YER 11,776.8 billion at the end of May 2026.

The Central Bank's foreign assets recorded YER 2,001.8 billion at the end of June 2026, compared to YER 2,024.2 billion at the end of May 2026, a decrease of YER 22.4 billion, or 1.1%.

Net claims on the government increased from YER 8,750.1 billion in May 2026 to YER 9,384.9 billion in June 2026, an increase of YER 634.7[(1)] billion, or 7.3%.

The issued currency reached YER 3,797.8 billion at the end of June 2026, compared to YER 3,807.2 billion at the end of May 2026, a decrease of YER 9.4 billion or 0.2%.

The monetary base (currency issued + banks' reserves held by the CBY) recorded a decrease of YER 34.4 billion or 0.7%, to reach YER 4,618.9 billion at the end of June 2026, compared to YER 4,653.3 billion at the end of May 2026.

(1): The increase consists of adjustments to the General Government Account at the Marib branch.

The Consolidated Balance Sheet of Commercial and Islami Banks:

The total consolidated balance sheet of commercial and Islamic banks increased by YER 399.1 billion or 3.0% at the end of June 2026, reaching YER 13,761.2 billion.

The foreign assets of commercial and Islamic banks amounted to YER 4,650.0 billion at the end of June 2026 compared to YER 4,448.0 billion at the end of May 2026, an increase of YER 202.1 billion or 4.5%.

The total credit provided by banks to the private sector was YER 1,362.9 billion at the end of June 2026, compared to YER 1,350.4 billion at the end of May 2026, an increase of YER 12.5 billion or 0.9%.

Total deposits at banks amounted to YER 8,915.9 billion at the end of June 2026, compared to YER 8,768.5 billion at the end of May 2026, an increase of YER 147.4 billion or 1.7%. The increase in total commercial and Islamic banks deposits at the end of June 2026 is mainly attributed to an increase in foreign currency deposits by YER 75.4 billion or 1.3%, demand deposits by YER 59.2 billion or 3.6%, earmarked deposits by YER 8.1 billion or 19.5%, time deposits by YER 2.8 billion or 0.5%, savings deposits by YER 1.6 billion or 0.4%, and government deposits by YER 0.2 billion or 0.1%.

Clearing House:

The total number of cheques traded in Yemeni Rials through the clearing house at the CBY's head office and its branches (Al-Mukalla, Taiz) was 1,248 cheques worth YER 22.9 billion during June 2026, compared to 1,093 cheques worth YER 25.9 billion in May 2026, an increase in number by 14.2%, and a decrease in value by 11.6%.

Exchange Rates and Interest Rates:

The average exchange rate of the Yemeni rial against the US dollar in the parallel market was 1,560.95 YER/USD in June 2026, compared to 1,562.49 YER/USD in May 2026.

In this context, it is worth noting that the previous measures undertaken by the Central Bank of Yemen-particularly foreign exchange auctions-did not generate the anticipated strong and direct impact on the foreign exchange market. Against this backdrop, the Bank adopted a package of measures and reforms aimed at supporting exchange rate stability and enhancing the efficiency of liquidity management. These measures included the activation of the National Committee for Imports Regulation and Financing as a complementary instrument to monetary policy, designed to align foreign exchange demand with the actual needs of the economy.

This framework contributes to curbing non-genuine demand for foreign currency by linking direct financing to the volume of essential commodity imports, thereby narrowing the gap between reported and effective demand and alleviating pressures on the foreign exchange market.

Regarding the interest rate, the Central Bank set the benchmark interest rate on new savings deposits in the local currency (Yemeni Rial - YER) at commercial banks at 18% per annum, leaving individual banks to determine interest rates for various deposit maturities. Meanwhile, the lending interest rate remained unregulated and was determined by individual banks based on their credit policies and risk assessments.

Budget Deficit Financing:

The actual execution data related to the public budget in June 2026 indicated an overall surplus[(2)] of YER 62.1 billion, with public revenues amounting to YER 1,072.1 billion and public expenditures reaching YER 1,010.1 billion.

Domestic public debt increased by[(3)] YER 701.2 billion or 8.6% at the end of June 2026, reaching YER 8,851.7 billion, compared to YER 8,150.5 billion at the end of May 2026.

Direct borrowing from the Central Bank was the main source of financing, reaching YER 7,983.0 billion in June 2026, representing 90.2% of the total domestic public debt.

Meanwhile, domestic market instruments (Treasury Bills, Treasury Bonds, and Islamic Sukuk) constituted the second source of financing, with a value of YER 868.7 billion at the end of June 2026, representing 9.8% of the total domestic public debt.

Prices and Inflation:

Achieving price stability is the primary objective of monetary policy, The primacy of this objective is clearly stated in CBY Law No. (14) of the year 2000. Achieving this objective requires effective coordination among all relevant authorities and sustained policy coordination to ensure consistency and coherence across macroeconomic policies, thereby supporting the maintenance of monetary and financial stability.

To achieve price stability and control inflation, the Central Bank of Yemen (CBY) places a strong emphasis on the growth of its monetary aggregates. For this purpose, a robust framework has been established to target the growth of the monetary base and the broad money. This is complemented by the adoption of a comprehensive suite of indirect, market-based instruments to manage liquidity within the Yemeni economy.

According to the monthly report (June 2026) issued by the Central Statistical Organization (CSO), the Yemeni

(2): The general budget is calculated on a cash-basis, and the surplus is therefore structural.
(3): The increase consists of adjustments to the General Government Account at the Marib branch.

Republic's consumer price index (CPI) recorded a value of 100.05 in May 2026 compared to 99.69 in June 2026, indicating a decrease of 0.36 Thus, the monthly inflation rate decreased to approximately 0.36% in June 2026.

It should be noted that the Central Bank of Yemen CBY has intensified its efforts during the past period to enhance the performance of its monetary policy through the following measures:

- Achieving relative stability in the value of the national currency.

- Deciding not to finance the central government's fiscal deficit through inflationary financing sources.

- Working on issuing Islamic sukuk (Islamic-compliant bonds) and completing arrangements for issuing treasury bills and treasury bonds via the LSEG platform.

- Unifying the interest rates on domestic debt.

- Activating the mandatory reserve on banks with headquarters in the temporary capital of Aden.

- Unifying the exchange rates to reflect actual market rates according to the adopted standards, with regard to the general budget and banks' financial statements evaluation.

Table 1: Monetary Survey of Yemen

(YER billion)

Items	2017	2018	2019	2020	2021	2022	Dec *2022	2023	2024	2025	May 2026	June 2026
Broad Money Supply (M2)	**3,898.6**	**5,284.8**	**5,672.2**	**6,335.8**	**6,892.8**	**6,952.0**	**10,040.9**	**11,449.0**	**13,502.9**	**11,429.3**	**11,903.3**	**11,925.0**
Broad Money Annual Change (%)	5.4	35.6	7.3	11.7	8.8	0.9	45.7	14.0	17.9	-15.4	-	-
Quasi-Money	**1,898.5**	**2,423.5**	**2,562.6**	**2,749.4**	**2,800.1**	**2,875.0**	**5,970.0**	**6,979.4**	**8,967.2**	**6,740.0**	**6,738.5**	**6,818.4**
Quasi-Money Annual Change (%)	-0.5	27.7	5.7	7.3	1.8	2.7	113.2	16.9	28.5	-24.8	-	-
Quasi-Money/Broad Money (%)	48.7	45.9	45.2	43.4	40.6	41.4	59.5	61.0	66.4	59.0	56.6	57.2
Foreign Currency Deposits	**881.5**	**1,361.3**	**1,436.1**	**1,549.6**	**1,565.8**	**1,555.3**	**4,650.1**	**5,818.6**	**7,999.9**	**5,792.8**	**5,732.2**	**5,807.6**
Foreign Currency Deposits Annual Change (%)	3.6	54.4	5.5	7.9	1.0	-0.7	197.0	25.1	37.5	-27.6	-	-
Foreign Currency Deposits/Total Deposits (%)	37.2	44.1	44.6	44.7	42.9	40.8	67.3	71.4	78.4	71.0	68.2	68.0
Narrow Money Supply (M1)	**2,000.0**	**2,861.3**	**3,109.6**	**3,586.4**	**4,092.7**	**4,076.9**	**4,070.9**	**4,469.6**	**4,535.7**	**4,689.3**	**5,164.8**	**5,106.6**
Narrow Money Annual Change (%)	11.7	43.1	8.7	15.3	14.1	-0.4	-0.5	9.8	1.5	3.4	-	-
Narrow Money/Broad Money (%)	51.3	54.1	54.8	56.6	59.4	58.6	40.5	39.0	33.6	41.0	43.4	42.8
Demand Deposits	**471.5**	**663.0**	**653.9**	**716.9**	**851.4**	**935.9**	**940.6**	**1,174.2**	**1,241.5**	**1,418.8**	**1,663.1**	**1,722.3**
Demand Deposits Annual Change (%)	6.9	40.6	-1.4	9.6	18.8	9.9	10.5	24.8	5.7	14.3	-	-
Demand Deposits/Broad Money (%)	12.1	12.5	11.5	11.3	12.4	13.5	9.4	10.3	9.2	12.4	14.0	14.4
Currency in Circulation	**1,528.6**	**2,198.3**	**2,455.7**	**2,869.6**	**3,241.3**	**3141.0**	**3,130.3**	**3,295.4**	**3,294.2**	**3,270.5**	**3,501.7**	**3,384.3**
Currency in Circulation Annual Change (%)	13.3	43.8	11.7	16.9	13.0	-3.1	-3.4	5.3	-0.04	-0.7	-	-
Currency in Circulation/Broad Money (%)	39.2	41.6	43.3	45.3	47.0	45.2	31.2	28.8	24.4	28.6	29.4	28.4

Source: Central Bank of Yemen CBY
* Based on market exchange rates.

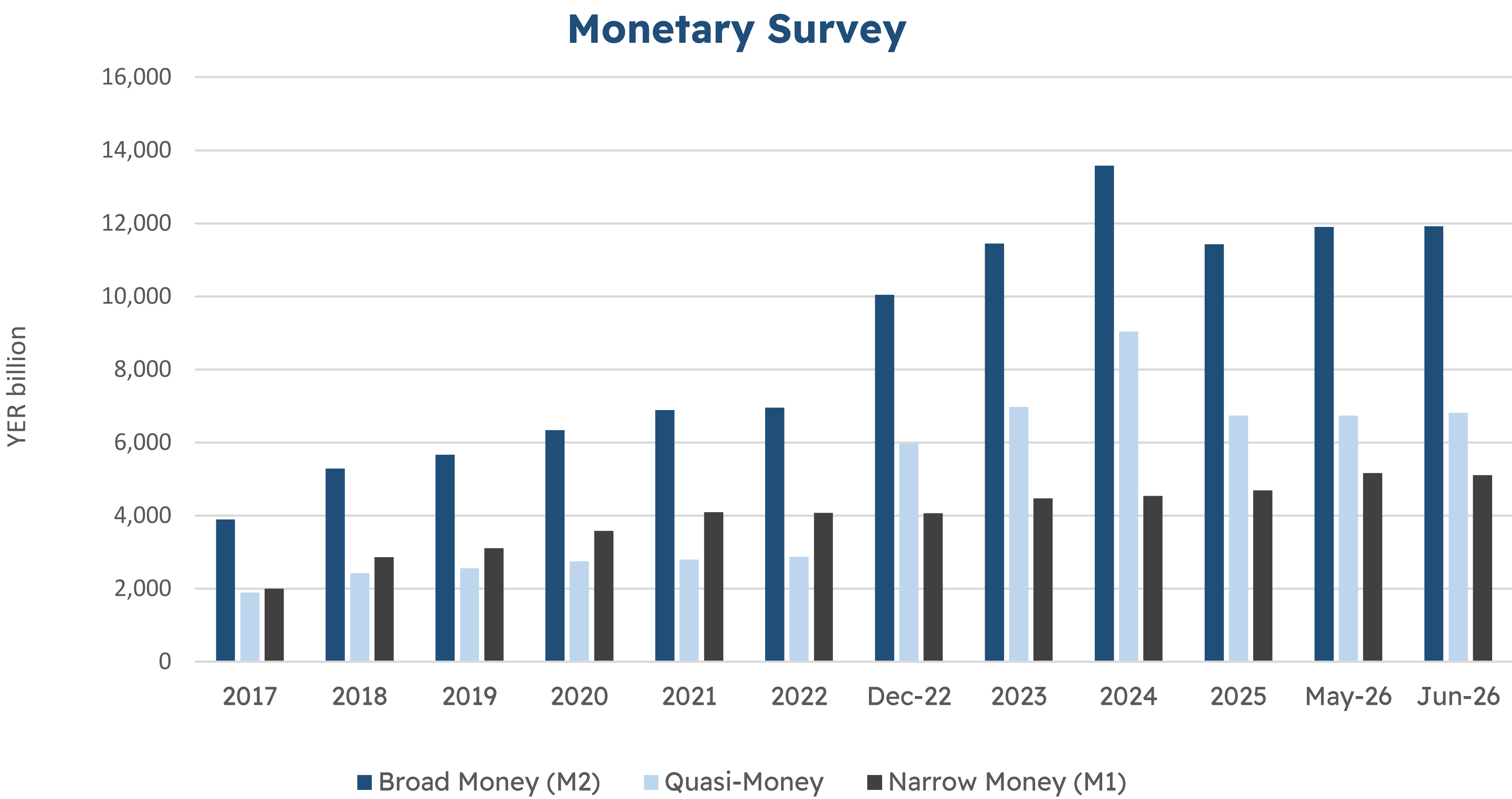

Chart 1: Monetary Survey
Source: Central Bank of Yemen CBY

Table 2: Central Bank of Yemen Survey

(YER billion)

Items	2017	2018	2019	2020	2021	2022	2023	2024	2025	May 2026	June 2026
Monetary Base	**1,728.5**	**2,418.4**	**2,777.3**	**3,230.0**	**3,772.6**	**3,988.4**	**4,218.9**	**4,510.6**	**4,444.4**	**4,653.3**	**4,618.9**
Monetary Base Annual Change (%)	-3.8	39.9	14.8	16.3	16.8	5.7	5.8	6.9	-1.5	-	_
Currency Issued	**1,592.0**	**2,270.1**	**2,588.9**	**3,026.0**	**3,501.2**	**3,405.7**	**3,588.2**	**3,646.0**	**3,641.1**	**3,807.2**	**3,797.8**
Currency Issued Annual Change (%)	15.7	42.6	14	16.9	15.7	-2.7	5.4	1.6	-0.1	-	_
Banks Reserves Held at the CBY	**136.5**	**148.3**	**188.3**	**204.0**	**271.4**	**582.6**	**630.6**	**864.6**	**803.3**	**846.1**	**821.0**
Banks' Reserves Held at the CBY, Annual Change (%)	-67.5	8.6	27.0	8.3	33.0	114.7	8.2	37.1	-7.1	-	_

Source: Central Bank of Yemen CBY.
YER: Yemeni Rials (National Currency)
CBY: Central Bank of Yemen

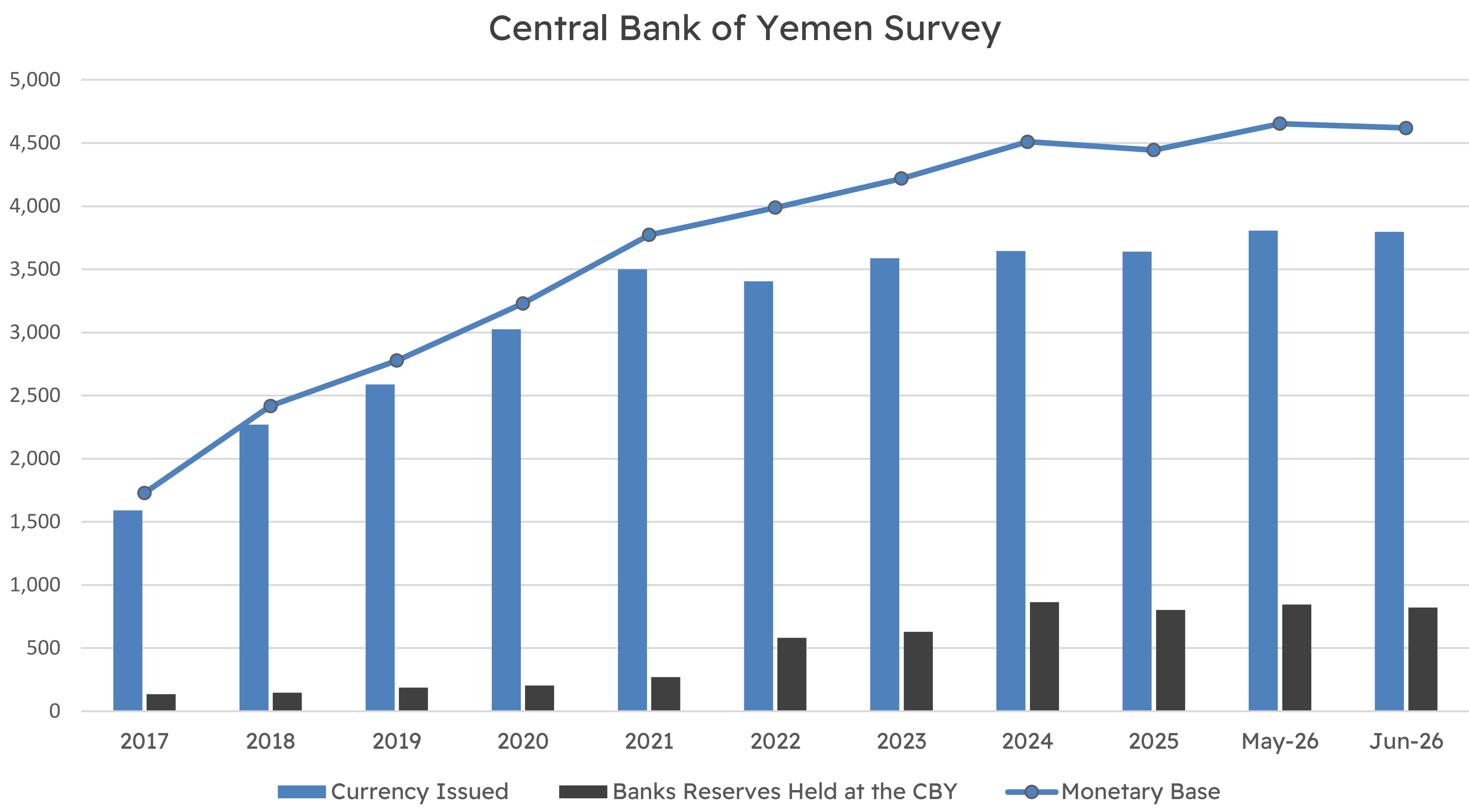

Chart 2: Central Bank of Yemen Survey.
Source: Central Bank of Yemen CBY.

Table 3: Central Bank of Yemen Balance Sheet

(YER billion)

Items	2017	2018	2019	2020	2021	*2022	2023	2024	2025	May 2026**	June 2026
Total Assets	**2,786.5**	**4,683.9**	**5,313.2**	**6,179.9**	**6,526.8**	**8,421.2**	**11,056.7**	**11,835.3**	**11,710.0**	**11,776.8**	**12,428.2**
Foreign Assets	**286.3**	**1,044.0**	**556.8**	**391.3**	**686.3**	**1,562.7**	**2,482.7**	**2,554.8**	**1,933.3**	**2,024.2**	**2,001.8**
Loans & Advances	**2,314.5**	**3,220.7**	**4,006.8**	**4,873.4**	**5,290.8**	**6,100.0**	**7,602.2**	**8,347.1**	**9,573.2**	**9,281.6**	**9,959.7**
Government	2,051.6	2,957.8	3,743.9	4,610.5	5,027.9	5,837.1	7,339.3	8,084.2	9,310.3	9,018.7	9,696.8
Public Enterprises	262.9	262.9	262.9	262.9	262.9	262.9	262.9	262.9	262.9	262.9	262.9
Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Fixed & Other Assets	**185.7**	**419.2**	**749.6**	**915.2**	**549.6**	**758.5**	**971.7**	**933.4**	**203.5**	**471.0**	**466.7**
Exchange Valuation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Total Liabilities	**2,786.5**	**4,683.9**	**5,313.2**	**6,179.9**	**6,526.8**	**8,421.2**	**11,056.7**	**11,835.3**	**11,710.0**	**11,776.8**	**12,428.2**
Currency Issued	**1,592.0**	**2,270.1**	**2,588.9**	**3,026.0**	**3,501.2**	**3,405.7**	**3,588.2**	**3,646.0**	**3,641.1**	**3,807.2**	**3,797.8**
Sight Liabilities	**207.7**	**420.3**	**490.4**	**616.1**	**597.9**	**962.0**	**1,009.8**	**1,075.3**	**1,167.5**	**1,210.7**	**1,246.7**
Government	46.6	189.9	276.9	375.5	288.1	298.2	274.9	130.4	267.5	268.5	311.9
Social Security Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Public Enterprises	24.5	82.1	25.2	36.6	38.5	81.2	104.3	80.3	96.7	96.1	113.8
Demand Deposits	23.3	78.8	19.3	30.4	31.1	44.1	57.0	51.3	67.0	73.2	88.9
Time Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Foreign Currency	1.3	3.3	5.9	6.2	7.5	37.1	47.3	29.0	29.7	23.0	24.9
Banks	136.5	148.3	188.3	204.0	271.4	582.6	630.6	864.6	803.3	846.1	821.0
Certificates of Deposit	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**-**
Treasury Bills sold to Banks (repos)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**-**
Liabilities under settlement for non-controlled branches	**927.4**	**914.4**	**914.4**	**934.4**	**934.0**	**1,733.6**	**2,063.4**	**453.1**	**453.1**	**453.1**	**453.1**
Foreign Liabilities	**14.5**	**780.1**	**779.3**	**830.8**	**1,087.4**	**2,827.7**	**5,152.6**	**8,927.0**	**7,055.9**	**6,789.3**	**6,756.3**
Other Liabilities	**45.0**	**299.0**	**540.2**	**772.6**	**406.1**	**-507.9**	**-757.4**	**-2,266.1**	**-607.6**	**-483.6**	**174.2**

Source: Central Bank of Yemen (CBY).

*Based on market exchange rates.

Data for May 2026 have been revised.

Table 4: Consolidated Balance Sheet of Commercial & Islamic Banks - Assets

(YER billion)

Items	2017	2018	2019	2020	2021	2022	Dec *2022	2023	2024	2025	May 2026	June 2026
Total Assets	**3,183.1**	**4,034.2**	**4,408.9**	**4,946.0**	**5,259.7**	**5,243.5**	**8,780.5**	**11,433.6**	**15,329.7**	**12,341.8**	**13,362.1**	**13,761.2**
Foreign Assets	**532.0**	**822.6**	**909.8**	**936.8**	**961.0**	**904.5**	**2,669.0**	**3,140.0**	**4,705.8**	**4,116.5**	**4,448.0**	**4,650.0**
Foreign Currency	44.6	66.8	97.4	120.0	161.3	132.9	373.1	547.0	981.1	754.9	626.1	638.6
Banks Deposits Abroad	254.0	414.3	470.9	467.7	378.3	359.5	1,068.4	1,286.5	2,274.8	2,036.7	2,547.7	2,739.4
Non-residents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Investment	233.4	341.5	341.5	349.1	421.4	412.0	1,227.5	1,306.4	1,449.9	1,324.8	1,274.1	1,272.0
Reserves	**571.8**	**713.6**	**774.5**	**908.3**	**1,145.5**	**1,399.3**	**2,022.1**	**2,381.8**	**3,168.1**	**2,747.4**	**2,538.8**	**2,801.1**
Local Currency	63.4	71.8	133.3	156.5	259.9	264.7	275.4	292.9	351.8	370.6	305.5	413.5
Deposits with CBY	508.4	641.8	641.3	751.8	885.6	1,134.6	1,746.7	2,088.9	2,816.3	2,376.8	2,233.3	2,387.6
Loans & Advances	**1,817.3**	**2,157.8**	**2,319.4**	**2,444.8**	**2,487.6**	**2,264.8**	**3,214.8**	**3,719.4**	**4,098.1**	**3,330.2**	**3,500.3**	**3,334.6**
Government	1,387.3	1,554.8	1,720.8	1,857.2	1,929.5	1,926.8	1,913.2	2,040.3	1,853.3	1,928.8	2,145.0	1,966.8
Public Enterprises	13.7	19.8	20.4	0.0	0.0	0.0	0.0	0.0	139.7	9.1	4.9	4.9
Private Sector	416.3	583.2	578.2	587.6	558.1	338.0	1,301.6	1,679.0	2,105.1	1,392.3	1,350.4	1,362.9
Certificate of Deposits	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury bills purchased from CBY (repos)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Assets	**262.0**	**339.2**	**404.2**	**656.1**	**665.6**	**674.9**	**874.6**	**2,192.5**	**3,357.7**	**2,147.7**	**2,874.9**	**2,975.4**

Source: Central Bank of Yemen (CBY).

.Based on market exchange rates*

Table 5: Consolidated Balance Sheet of Commercial & Islamic Banks – Liabilities

(YER billion)

Items	2017	2018	2019	2020	2021	2022	Dec *2022	2023	2024	2025	May 2026	June 2026
Total Liabilities	3,183.1	4,034.2	4,408.9	4,946.0	5,259.7	5,243.5	8,780.5	11,433.6	15,329.7	12,341.8	13,362.1	13,761.2
Deposits	2,374.4	3,027.3	3,249.3	3,466.3	3,651.5	3,811.0	6,910.6	8,153.7	10,305.1	8,496.9	8,768.5	8,915.9
Government	28.9	23.0	32.8	0.0	0.0	0.0	0.0	0.0	23.1	290.1	325.3	325.5
Demand	448.2	584.2	653.9	716.9	851.4	935.9	940.6	1,174.2	1,241.5	1,418.8	1,663.1	1,722.3
Time	751.1	774.0	815.7	785.5	835.6	908.4	914.0	651.4	580.6	574.8	613.9	616.8
Savings	221.1	242.0	260.9	323.9	340.4	329.2	339.7	449.4	386.7	372.4	392.3	394.0
Foreign Currency	880.3	1358.0	1,436.1	1,549.6	1,565.8	1,555.3	4,650.1	5,818.6	7,999.9	5,792.8	5,732.2	5,807.6
Earmarked	44.8	46.2	49.9	90.4	58.3	82.2	66.2	60.0	73.3	48.0	41.6	49.7
Foreign Liabilities	27.0	62.7	36.6	24.0	24.7	22.4	50.3	61.9	845.2	112.8	128.2	126.6
Banks Abroad	25.3	59.8	33.6	24.0	24.7	22.4	50.3	61.9	193.1	100.3	116.3	114.8
Non-residents	1.7	2.9	3.0	0.0	0.0	0.0	0.0	0.0	652.1	12.5	11.9	11.8
Loans from banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Other Liabilities	781.7	944.1	1,123.0	1,455.7	1,583.5	1,410.2	1,819.7	3,218.1	4,179.4	3,732.1	4,465.4	4,718.7
Loans from CBY	4.3	5.6	13.5	6.8	6.8	6.8	7.5	7.6	9.4	9.4	9.4	10.9
Capital & Reserves	267.8	291.1	333.7	398.9	461.8	520.9	541.7	667.2	750.9	318.3	392.4	337.2
Other Liabilities	509.6	647.3	775.8	1,049.9	1,114.9	882.5	1,270.4	2,543.3	3,419.2	3,404.4	4,063.6	4,370.6

Source: Central Bank of Yemen (CBY).

*Based on market exchange rates.

Table 6: Average Market Exchange Rates

(YER/USD)

Month	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
January	315.64	477.50	536.00	645.29	787.39	1102.69	1239.03	1,621.1	2,195.10	1,624.69
February	330.68	481.50	581.50	655.69	865.38	1125.11	1243.95	1,667.75	2,241.50	1,566.62
March	348.02	488.00	579.75	656.33	891.52	1246.52	1248.05	1,662.50	2,326.00	1,564.17
April	362.86	488.00	513.40	669.36	867.83	963.65	1,225.50	1,686.30	2,575.00	1,562.93
May	362.03	494.50	538.75	698.85	908.66	999.99	1,316.30	1755.54	2,533.50	1,562.49
June	356.05	522.50	560.20	735.39	933.90	1094.85	1,379.30	1,824.15	2,733.85	1,560.95
July	368.48	567.00	578.13	753.09	981.90	1137.07	1,431.25	1,895.40	2,212.70	
August	372.08	644.50	597.00	778.26	1022.58	1154.47	1,453.85	1,914.45	1,624.50	
September	375.26	625.00	610.50	815.91	1105.88	1134.89	1,440.05	1,905.40	1623.99	
October	381.33	622.00	596.00	799.92	1269.26	1146.87	1,513.25	2,048.65	1624.44	
November	416.30	550.50	574.00	821.71	1500.60	1151.03	1,518.3	2,058.75	1,624.54	
December	444.65	499.50	601.00	792.69	1255.26	1172.48	1,529.40	2,059.20	1624.45	
Annual Average	369.45	538.38	572.19	735.21	1032.51	1119.14	1,378.19	1,841.60	2,078.30	

USD: United States Dollar.
YER: Yemeni Rial (National Currency).
Source: Central Bank of Yemen (CBY).

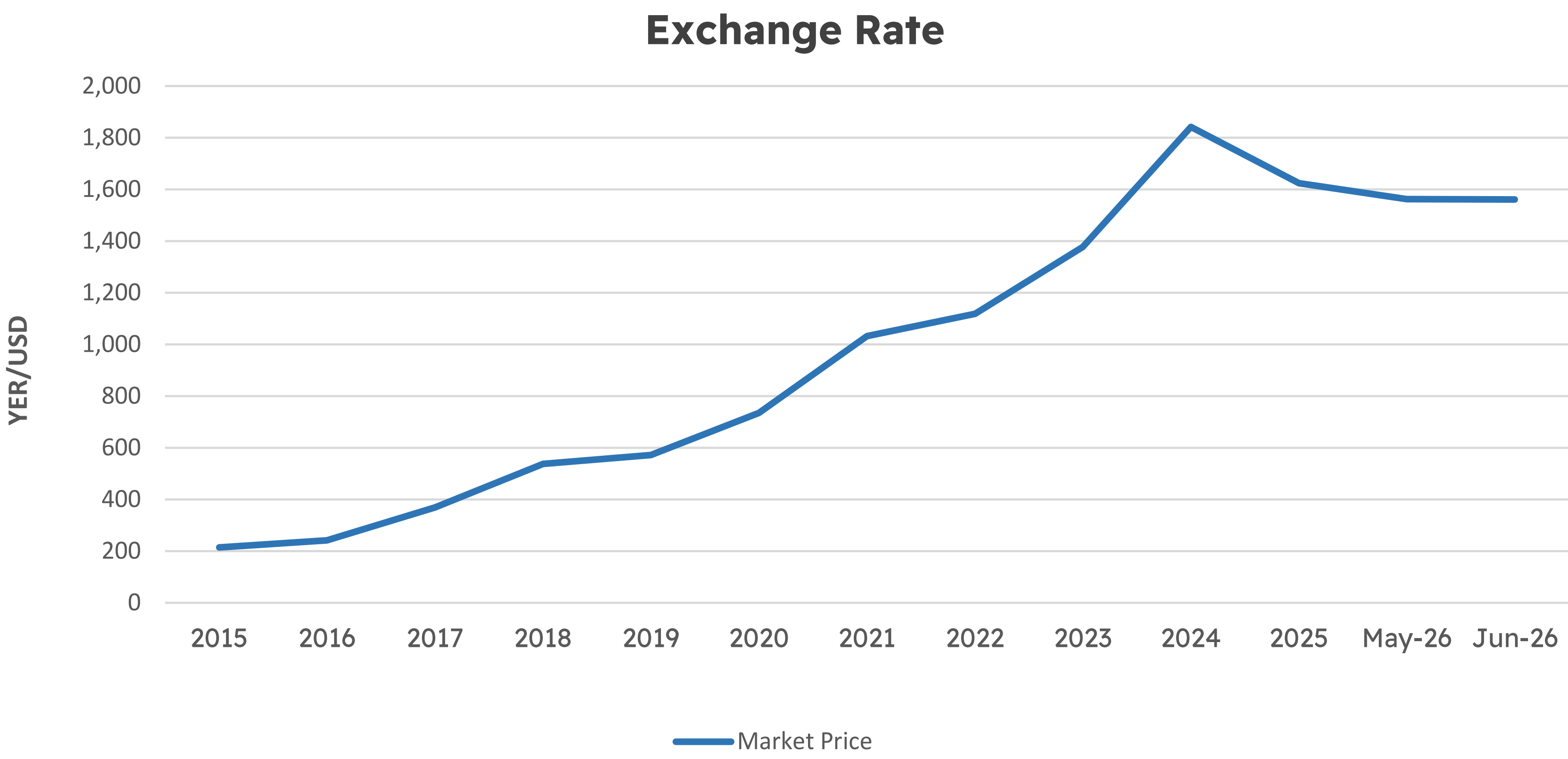

Chart 3: Average Market Exchange Rates
Source: Central Bank of Yemen (CBY).

APPENDIX: STATISTICAL CONCEPTS AND METHODOLOGY

This monthly MONETARY AND FINANCIAL DEVELOPMENTS REPORT, issued by CBY starting from December 2021, focuses on developments within the monetary and financial sector in the Republic of Yemen. This issue of the Report highlighted the following topics:

Development of the Monetary and Banking Sectors:

Within CBY, the General Department of Research and Statistics collects data and periodically prepares them for publication by the Monetary and Financial Statistics Manual (2016) (IMF).
The following is an introduction to the most important terms included in the monetary tables:

- **Banks:** All commercial and Islamic financial institutions operating in the Republic of Yemen that accept deposits.

- **Banking System**: The CBY and the commercial and Islamic banks operating in Yemen.

- **Government**: The central government and the local councils.

- **Social Security Institutions**: The General Authority for Insurance and Pensions, the General Organization for Insurance and Pensions, and the social security and military retirement institutions.

- **Public Institutions**: Public non-financial institutions and companies in which the government has an interest and/or voting power.

- **Nongovernmental Sectors**: All local sectors except government and social security institutions.

- **Resident**: A person who legally resides in Yemen for at least one year, regardless of nationality, except for international bodies and institutions and international students who reside in Yemen for more than one year.

- **Nonresident**: A person who usually resides outside Yemen and/or who has not completed a one-year residency in Yemen, regardless of nationality, except for a family or individual that has an economic base in Yemen and has permanent housing, even if this family or individual resides in Yemen intermittently. .

- **Net Foreign Assets**: The external assets of the banking system minus the external liabilities of the banking system based on the residency concept. These are calculated for CBY, and the other banks based on the external assets and liabilities listed on their balance sheets.

• **Net Government Borrowing**: The sum of the claims of the banking system on the central government and local councils, minus the total government deposits in the banking system..

• **Claims on the Nongovernmental sector**: The total claims on public institutions and the local private sector.

• **Other Items Net**: The sum of the other assets of the banking system minus the sum of the other liabilities of the banking system, representing items that are not included in the definition of net foreign assets, net government borrowing, or claims the nongovernmental sector on the CBY balance sheet and on the consolidated balance sheet of the country's commercial and Islamic banks.

• **Currency Issued**: Refers to the currency issued by the Central Bank, consisting of currency in circulation outside the banking sector plus the cash held in banks' vaults.

• **Money**: Currency in circulation plus demand deposits in Rials in the banking system belonging to both the (local) private sector and public institutions.

• **Quasi-money**: Both savings and time deposits in Rials and deposits in foreign currencies in the banking system belonging to all sectors mentioned in the definition of money.

• **Money Supply**: The sum of money plus quasi-money, as well as the sum of net foreign assets, net government borrowing, claims on the nongovernmental sector, and other net items.

• **Banks' Deposits at the CBY, comprising the following:**

1. **Reserve requirement**: The minimum value that banks must keep at the CBY to meet the mandatory reserve ratio imposed on bank deposits.

2. **Current accounts**: Accounts opened by banks at the CBY in local and foreign currencies (certificates of deposit in Rials are not considered part of these accounts)..

• **Bank Advances**: Credit granted by commercial banks in the form of loans, facilities, and discounted securities, in addition to financing provided by Islamic banks for their investment operations.

• **Loans and Advances Granted to the Private Sector by Banks:** Among others, direct loans and facilities granted by banks to the private sector, as well as the banks' investments in these companies.

• **Loans and Advances Granted to the Government by Banks:** These consist of Treasury bills, Treasury Bonds, and Islamic sukuk.

• **Exchange Rate and Monetary Policy**: The CBY strives to stabilize the national currency exchange rate – a monetary anchor point - against major foreign currencies through effective monetary policies aimed at achieving a macroeconomic balance between supply and demand and at curbing price inflation. CBY's General Department of Foreign Exchange and Exchange Affairs is the source of the relevant data and procedures.

Budget Deficit Financing Position:

The Budget Department at the Central Bank of Yemen (CBY) is the source of preliminary actual data on the State's general budget. The budget data cover the following:

• **Overall Balance**: Represents the position of the State's general budget and shows the extent to which public revenues cover total public expenditures.

• **Domestic Public Debt**: Includes financing provided by the banking system to the government to cover the deficit in the State's general budget.

Disclaimer

Beginning in Dec 2025, monetary and banking data were amended and updated by the Monetary and Financial Statistics Manual (2016) (IMF).

Under Article 45 of Law No. 14 (2000) on the Central Bank of Yemen, all institutional and individual data submitted to the CBY are confidential and used only for statistical purposes. No information that would reveal the financial condition of any bank or other financial institution will be published.

Data provided by government ministries and agencies are preliminary and subject to revision.

The authors used projections by the IMF when the relevant information and/or data were not available from national sources

.This monthly report is published by the General Department of Research and Statistics at the CBY – Head Office - Aden.

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