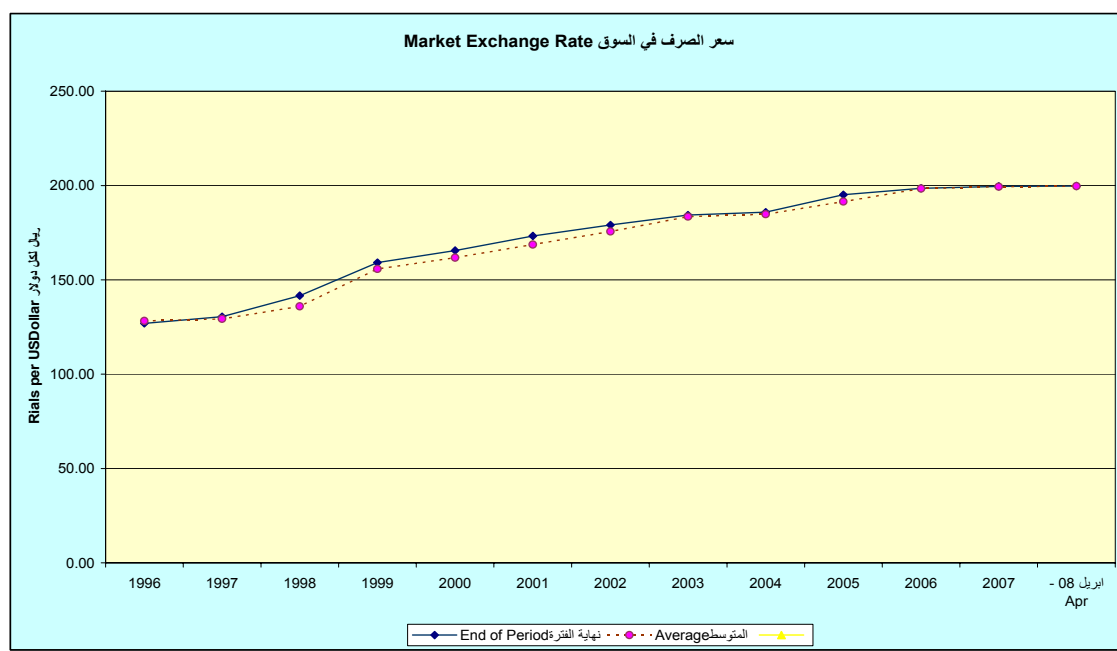


Review of Monetary and Banking Developments

Exchange Rate

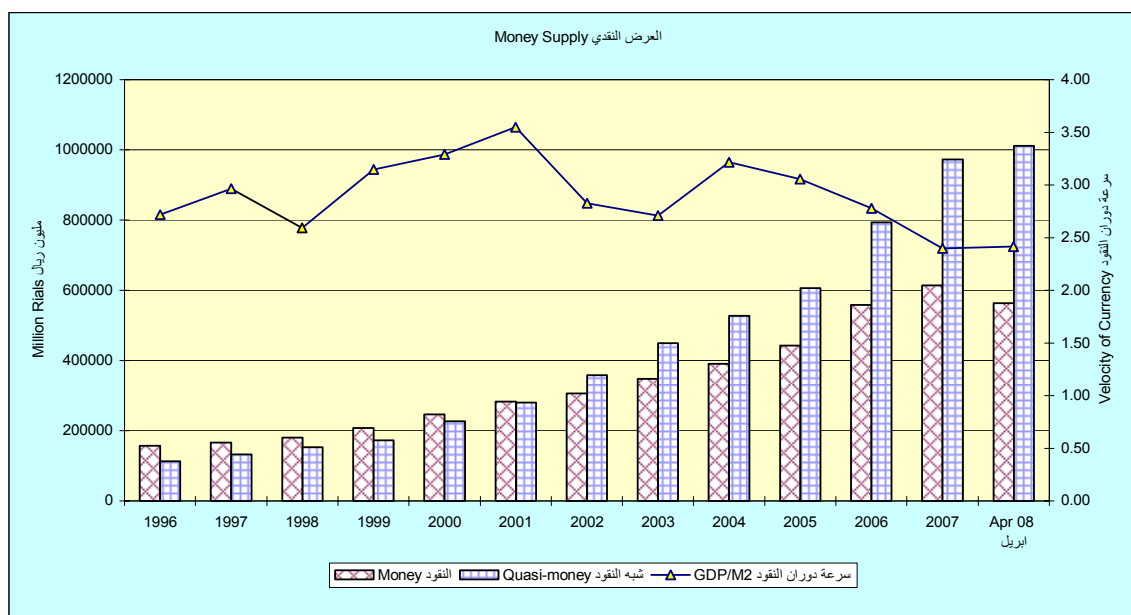
The end of period exchange rate increased slightly from 199.66 Rials per US Dollar at the end of March 2008 to 199.67 Rials per US Dollar at the end of April 2008, a percentage increase of 0.01%. The average exchange rate during April 2008 was 199.66 Rials per US Dollar.



Money Supply

Money supply decreased from 1591.2 billion Rials at the end of March 2008 to 1576.3 billion Rials at the end of April 2008, a decrease of 14.8 billion Rials or 0.93% compared with an increase of 16.4 billion Rials or 1.04% during March 2008. Money supply at the end of April 2007 was 1406.9 billion Rials.

Net foreign assets of the banking system amounted to 1736.7 billion Rials at the end of April 2008 compared with 1796.6 billion Rials at the end of March 2008, a decrease of 59.9 billion Rials or 3.3%. Net foreign assets of the banking system were 1711.1 billion Rials at the end of April 2007.



Net claims on government amounted to -11.4 billion Rials at the end of April 2008 compared with an amount of -36.1 billion Rials at the end of the previous month. Net claims on government were -74.9 billion Rials at the end of April 2007.

Claims on non-government sector increased from 429.4 billion Rials at the end of March 2008 to 451.4 billion Rials at the end of April 2008, an increase of 22.0 billion Rials or 5.12%. Claims on non-government sector were 307.3 billion at the end of April 2007.

Balance Sheet of Central Bank

Total balance sheet of Central Bank showed a decrease of 66.3 billion Rials or 3.8% amounting to 1659.8 billion Rials at the end of April 2008 compared with an increase of 5.53% during the previous month. Total balance sheet was 1560.3 billion Rials at the end of April 2007.

Foreign assets of the Central Bank at the end of April 2008 amounted to 1554.5 billion Rials (dollar value 7785.4 million US Dollars) covering 13.9 months of imports compared with 1632.8 billion Rials (dollar value 8177.9 million US Dollars) covering 14.6 months of imports at the end of March 2008. Foreign assets of the Central Bank at the end of April 2007 were 1522.3 billion Rials (dollar value 7654.6 million US Dollars).

Currency issued amounted to 406.6 billion Rials at the end of April 2008 compared with 410.9 billion Rials at the end of March 2008, a decrease of 4.3 billion Rials.

Treasury Bills

The weighted average yield of treasury bills during April 2008 auctions amounted to: -

For three months 14.66% per annum compared with 15.83% per annum during March 2008.

For six months 14.28% per annum compared with 15.85% per annum during March 2008.

For one year 14.35% per annum compared with 15.75% per annum during March 2008.

Clearing Room

Total number of Rial checks transacted in the clearing rooms amounted to 61.0 thousand checks valued at 148.8 billion Rials during April 2008 against 63.5 thousand checks valued at 159.1 billion Rials during March 2008, a decrease of 3.84% in number of checks and 6.45% in their value.

Crude Oil

Crude oil exports (government share) during January-April 2008 amounted to 14.52 million barrels with a total value of 1462.77 million US Dollars (at average price of US\$ 100.74/barrel) compared with 13.46 million barrels valued at 789.48 million US Dollars (at average price of US\$58.65/barrel) during January -April 2007, an increase of 7.88% in quantity and an increase of 85.28% in value.

Consolidated Balance Sheet of Commercial and Islamic Banks*

The total of the consolidated balance sheet of the commercial and Islamic banks showed an increase of 16.0 billion Rials or 1.2% amounting to 1344.5 billion Rials during April 2008 compared with an increase of 2.2 billion Rials or 0.16% during March 2008. The total of the consolidated balance sheet of the commercial and Islamic banks was 1141.4 billion Rials at the end of April 2007.

Foreign assets of banks amounted to 269.3 billion Rials (dollar value of 1348.8 million US Dollars) at the end of April 2008 compared with 258.4 billion Rials (dollar value of 1294.1 million US Dollars) at the end of March 2008, an increase of 10.9 billion Rials or 4.2%. Foreign assets of commercial and Islamic banks at the end of April 2007 were 282.3 billion Rials.

Total reserves of banks at the end of April 2008 decreased by 20.2 billion Rials or 10.3% to 175.6 billion Rials compared with 195.8 billion Rials at the end of the previous month. Certificates of deposits amounted to 111.1 billion Rials at the end of April 2008.

Total credits and loans granted by commercial and Islamic banks to the private sector amounted to 403.7 billion Rials at the end of April

2008 compared with an amount of 394.5 billion Rials at the end of March 2008. Treasury bills amounted to 302.1 billion Rials at the end of April 2008 compared with 290.6 billion at the end of March 2008.

Total deposits with banks increased by 1.34% from 1065.9 billion Rials at the end of March 2008 to 1080.2 billion Rials at the end of April 2008.

* Including provisions against nonperforming loans.