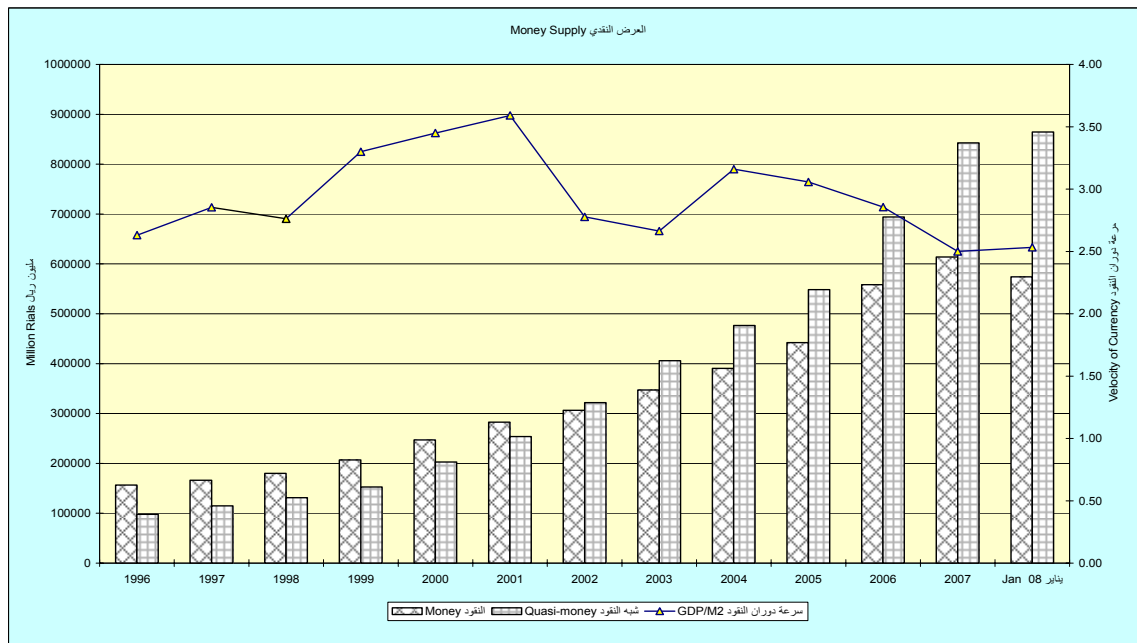


## Review of Monetary and Banking Developments

### Exchange Rate

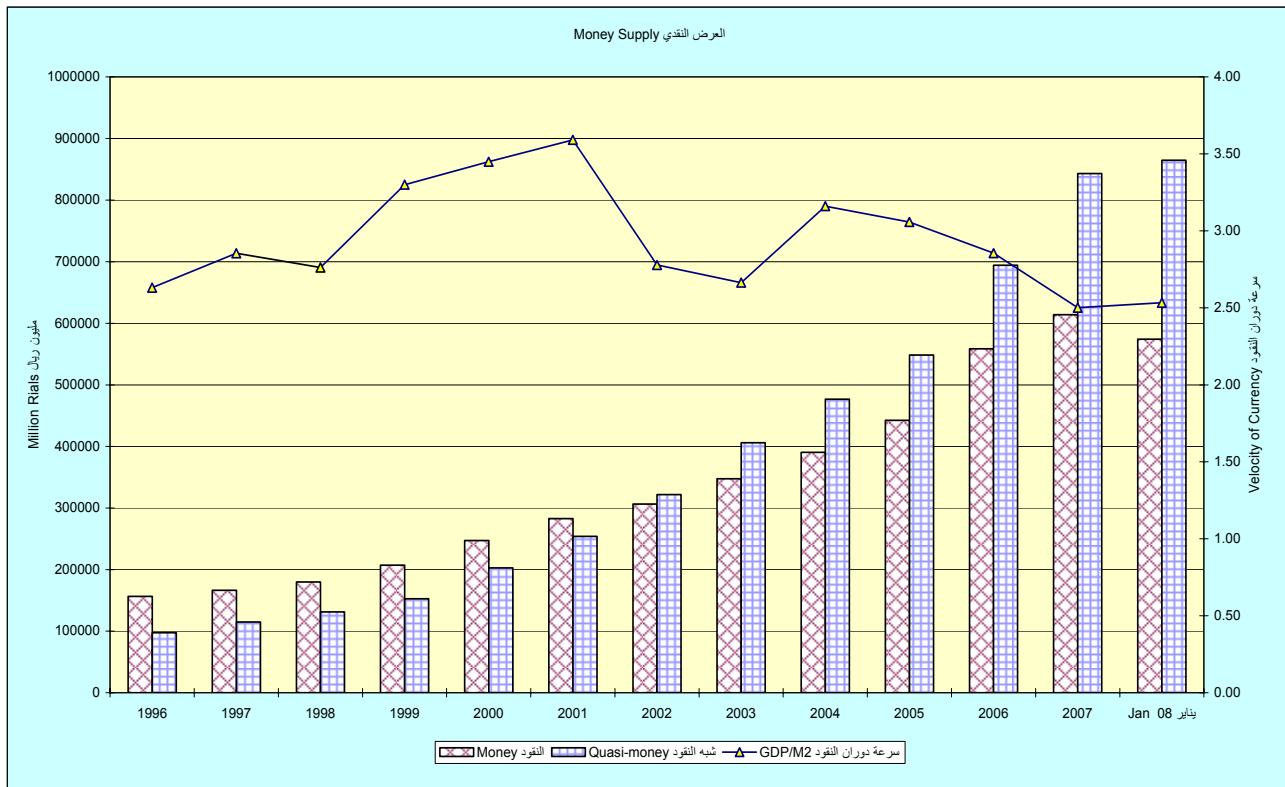
The end of period exchange rate increased slightly from 199.54 Rials per US Dollar at the end of December 2007 to 199.55 Rials per US Dollar at the end of January 2008, a percentage increase of 0.01%. The average exchange rate during January 2008 was 199.54 Rials per US Dollar.



### Money Supply

Money supply decreased from 1586.2 billion Rials at the end of December 2007 to 1575.1 billion Rials at the end of January 2008, a decrease of 11.1 billion Rials or 0.7% compared with an increase of 101.1 billion Rials or 6.81% during December 2007. Money supply at the end of January 2007 was 1344.0 billion Rials.

Net foreign assets of the banking system amounted to 1734.3 billion Rials at the end of January 2008 compared with 1733.8 billion Rials at the end of December 2007, an increase of 0.5 billion Rials or 0.03%. Net foreign assets of the banking system were 1690.1 billion Rials at the end of January 2007.



Net claims on government amounted to 37.9 billion Rials at the end of January 2008 compared with an amount of 66.9 billion Rials at the end of the previous month. Net claims on government were -94.1 billion Rials at the end of January 2007.

Claims on non-government sector increased from 374.7 billion Rials at the end of December 2007 to 383.7 billion Rials at the end of January 2008, an increase of 9.0 billion Rials or 2.41%. Claims on non-government sector were 271.8 billion at the end of January 2007.

### Balance Sheet of Central Bank

Total balance sheet of Central Bank showed an increase of 2.5 billion Rials or 0.15% amounting to 1615.2 billion Rials at the end of January 2008 compared with an increase of 0.41% during the previous month. Total balance sheet was 1550.3 billion Rials at the end of January 2007.

Foreign assets of the Central Bank at the end of January 2008 amounted to 1545.7 billion Rials (dollar value 7744.9 million US Dollars) covering 14.2 months of imports compared with 1548.6 billion Rials (dollar value 7762.2 million US Dollars) covering 14.2 months of imports at the end of December 2007. Foreign assets of the Central Bank at the end of January 2007 were 1503.2 billion Rials (dollar value 7569.8 million US Dollars).

Currency issued amounted to 412.6 billion Rials at the end of January 2008 compared with 444.0 billion Rials at the end of December 2007, a decrease of 31.3 billion Rials.

### Treasury Bills

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

For three months 15.88% per annum compared with 15.88% per annum during December 2007.

For six months 15.88% per annum compared with 15.90% per annum during December 2007.

For one year 15.89% per annum compared with 15.90% per annum during December 2007.

### **Clearing Room**

Total number of Rial checks transacted in the clearing rooms amounted to 49.1 thousand checks valued at 115.26 billion Rials during January 2008 against 57.2 thousand checks valued at 133.04 billion Rials during December 2007, a decrease of 14.23% in number of checks and 13.36% in their value.

### **Crude Oil**

Crude oil exports (government share) during January 2008 amounted to 3.55 million barrels with a total value of 317.58 million US Dollars (at average price of US\$ 89.46/barrel) compared with 3.82 million barrels valued at 198.04 million US Dollars (at average price of US\$51.86/barrel) during January 2007, a decrease of 7.07% in quantity and an increase of 60.36% in value.

### **Consolidated Balance Sheet of Commercial and Islamic Banks\***

The total of the consolidated balance sheet of the commercial and Islamic banks showed a decrease of 2.1 billion Rials or 0.16% amounting to 1298.3 billion Rials during January 2008 compared with an increase of 70.5 billion Rials or 5.73% during December 2007. The total of the consolidated balance sheet of the commercial and Islamic banks was 1056.1 billion Rials at the end of January 2007.

Foreign assets of banks amounted to 283.5 billion Rials (dollar value of 1420.3 million US Dollars) at the end of January 2008 compared with 278.3 billion Rials (dollar value of 1394.7million US Dollars) at the end of December 2007, an increase of 5.2 billion Rials or 1.87%. Foreign assets of commercial and Islamic banks at the end of January 2007 were 279.8 billion Rials.

Total reserves of banks at the end of January 2008 decreased by 24.2 billion Rials or 11.64% to 184.0 billion Rials compared with 208.3 billion Rials at the end of the previous month. Certificates of deposits amounted to 108.4 billion Rials at the end of January 2008.

Total credits and loans granted by commercial and Islamic banks to the private sector amounted to 369.1 billion Rials at the end of January 2008 compared with an amount of 359.5 billion Rials at the end of December 2007. Treasury bills amounted to 276.4 billion Rials at the end of January 2008 compared with 289.3 billion at the end of December 2007.

Total deposits with banks increased by 0.05% from 1050.9 billion Rials at the end of December 2007 to 1051.4 billion Rials at the end of January 2008.

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\* Including provisions against nonperforming loans.

