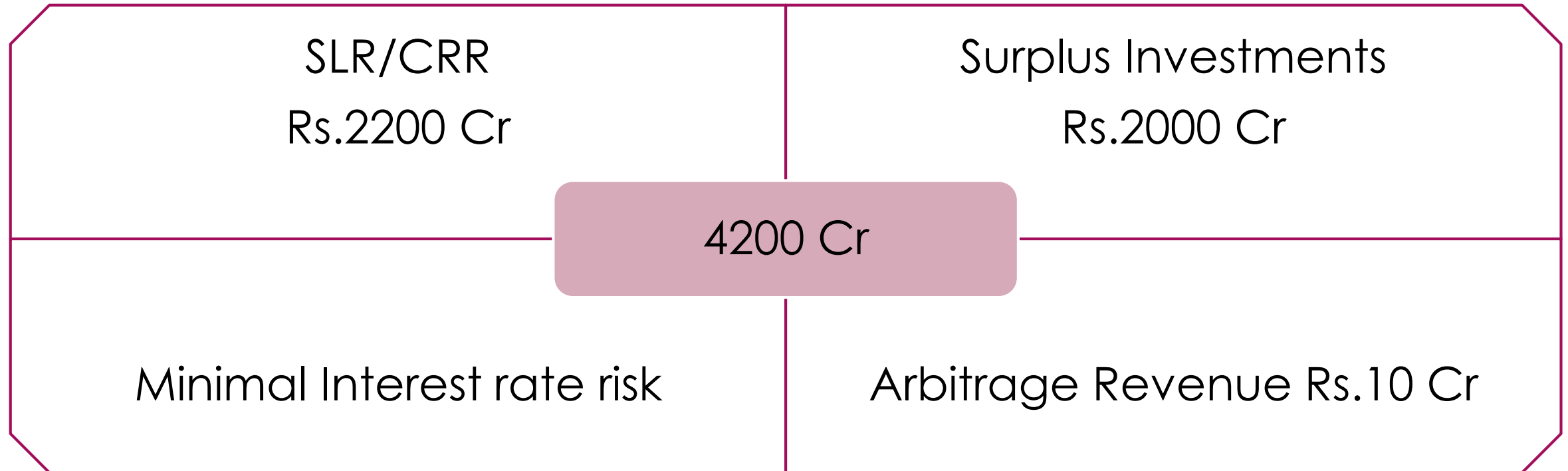




Treasury Management

Understanding our Portfolio



Surplus Investments – SLR

- ▶ Surplus investments to the extent of Rs.1200 Crs in 1 year Treasury Bills @ average yield of 7% p.a.
- ▶ Completely self-funded through borrowing in Repo/LAF/CBLO @ average cost of around 6.50% p.a.
- ▶ Earn a spread of around 50-60 bps on the portfolio – Around Rs.6 Crs annually
- ▶ No Mark-to-Mark risk on the portfolio as Treasury Bills are valued at carrying cost
- ▶ Long period average spread for One Year over overnight rates is between 50-60 bps. Hence sustainable.

Surplus Investments – Non-SLR

- ▶ Surplus Investments to the extent of Rs.800 Crs in Non-SLR securities – mainly in Commercial Papers
- ▶ No Mark-to-Mark impact since CPs are valued at carrying cost
- ▶ CP investments are match-funded through CDs/Inter-bank borrowings
- ▶ Adjusted for Reserves cost, earn a spread of around 30-40 bps
- ▶ This book will be gradually brought down as loan assets growth gains momentum



Thank you

Natarajan