Research

CRISIL
An S&P Global Company

NDBIB - CRISIL Sri Lankan Indices

Factsheet –July 2019

NDB
Capital Holdings

Table of Contents

NDBIB - CRISIL 3 Year T-Bond Index....3
NDBIB - CRISIL 5 Year T-Bond Index....5
NDBIB - CRISIL 91 Day T-Bill Index 7
NDBIB - CRISIL 364 Day T-Bill Index....8

CRISIL
An S&P Global Company

NDBIB - CRISIL 3 Year T-Bond Index

About the Index

NDBIB – CRISIL 3 Year T-Bond index seeks to capture the performance of T-Bonds in Sri Lanka's government securities market with residual maturity of around three years

Features

- **Inception Date :** October 02, 2009
- **Total return index:** *S*eeks to capture the price, accrual and coupon cash-flow return
- **Daily index values:** Index values available on a daily basis
- **Monthly rebalancing:** Index constituents rebalanced on the first day of every month

Key Characteristics

- **History**: NDBIB – CRISIL 3 Year T-Bond index has an inception date of October 02, 2009
- **Liquidity**: The index seeks to capture the movement in a portfolio consisting of liquid government securities
- **Replicability**: The index constituents are valued on a daily basis. This lends the index a realistic approach with valuations close to market levels

Methodology

- NDBIB – CRISIL 3 Year T-Bond index is rebalanced on a monthly basis, on the first day of every month
- Securities with residual maturity between 2 to 4 years are shortlisted and top 3 benchmark securities are selected, subject to availability[1]
- The top 3 benchmark securities are identified based on polls received from market participants conducted during the week prior to the rebalancing date. If two securities have the same rank in terms of number of polls, the security with a higher amount outstanding is selected to be a part of the index.
- Weight for a security is defined as the market value of that security expressed as a percentage of the aggregate market value of all securities forming a part of the index
- Securities forming a part of the index are valued on a daily basis using two-way quotes by polling market participants and the daily report published by the Central Bank of Sri Lanka (CBSL)
- Day convention used for the index is Actual/Actual

[1] Prior to November 2013 the residual maturity criteria was 2.5 to 3.5 years

Constituent Details – July 2019

The securities which form part of the index with effect from July 01, 2019 are as follows:

Portfolio

Security	Maturity Date	Maturity
09.45%2021A	15-Oct-21	2.291
10.70%2022A	15-Mar-22	2.705
10.00%2023A	15-Mar-23	3.705

NDBIB - CRISIL 5 Year T-Bond Index

About the Index

NDBIB – CRISIL 5 Year T-Bond index seeks to capture the performance of T-Bonds in Sri Lanka's government securities market with residual maturity of around five years

Features

- **Inception Date :** October 02, 2009
- **Total return index:** *S*eeks to capture the price, accrual and coupon cash-flow return
- **Daily index values:** Index values available on a daily basis
- **Monthly rebalancing:** Index constituents rebalanced on the first day of every month

Key Characteristics

- **History**: NDBIB – CRISIL 5 Year T-Bond index has an inception date of October 02, 2009
- **Liquidity**: The index seeks to capture the movement in a portfolio consisting of liquid government securities
- **Replicability**: The index constituents are valued on a daily basis. This lends the index a realistic approach with valuations close to market levels

Methodology

- NDBIB – CRISIL 5 Year T-Bond index is rebalanced on a monthly basis, on the first day of every month
- Securities with residual maturity between 4 to 6 years are shortlisted and top 3 benchmark securities are selected, subject to availability[2]
- The top 3 benchmark securities are identified based on polls received from market participants conducted during the week prior to the rebalancing date. If two securities have the same rank in terms of number of polls, the security with a higher amount outstanding is selected to be a part of the index.
- Weight for a security is defined as the market value of that security expressed as a percentage of the aggregate market value of all securities forming a part of the index
- Securities forming a part of the index are valued on a daily basis using two-way quotes by polling market participants and the daily report published by the Central Bank of Sri Lanka (CBSL)
- Day convention used for the index is Actual/Actual

[2]Prior to November 2013 the residual maturity criteria was 4.5 to 5.5 years

Constituent Details – July 2019

The securities which form part of the index with effect from July 01, 2019 are as follows:

Portfolio

Security	Maturity Date	Residual Maturity (yrs)
10.20%2023A	15-Jul-23	4.0389
11.60%2023A	15-Dec-23	4.4578
10.90%2024A	15-Mar-24	4.7053

NDBIB - CRISIL 91 Day T-Bill Index

NDBIB - CRISIL 91 Day T-bill Index seeks to capture the performance of 91 Day T-Bill in Sri Lanka's government securities market

Features

- **Inception Date:** January 04, 1996
- **Single security index:** 100% allocation to most recently issued 91 day T-Bill
- **Daily index values:** Index values available on a daily basis
- **Weekly rebalancing:** Rolled over to the newly auctioned 91 Day T-Bill on the day of allotment

Key Characteristics

- **Rich history:** NDBIB - CRISIL 91 Day T-Bill Index has an inception date of January 04, 1996 and has witnessed multiple interest rate cycles
- **Liquidity:** The index seeks to capture the movement of the most recently issued 'on the run' 91 Day T-Bill
- **Replicability:** The index is valued on a daily basis. This lends the index a realistic approach with valuations close to market levels

Methodology

- The most recently issued 91 Day T-Bill is considered as the constituent for the index
- The index is rebalanced on settlement day of auction which is generally the day of allotment for 91 Day T-Bill issued on Wednesday
- In case of an unsuccessful auction, a T-Bill with a residual maturity closest to 91 days will be selected from the secondary market as the benchmark security.
- Day convention used for the index is Actual/364
- T-Bill forming part of the index is valued on a daily basis using two-way quotes by polling market participants and daily report published by the Central Bank of Sri Lanka (CBSL)

NDBIB - CRISIL 364 Day T-Bill Index

About the Index

NDBIB - CRISIL 364 Day T-Bill Index seeks to capture the performance of 364 Day T-Bill in Sri Lanka's government securities market

Features

- **Inception Date**: January 04, 1996
- **Single security index**: 100% allocation to most recently issued 364 day T-Bill
- **Daily index values**: Index values available on a daily basis
- **Weekly rebalancing**: Rolled over to the newly auctioned 364 Day T-Bill on the day of allotment

Key Characteristics

- **Rich history**: NDBIB - CRISIL 364 Day T-Bill Index has an inception date of January 04, 1996 and has witnessed multiple interest rate cycles
- **Liquidity**: The index seeks to capture the movement of the most recently issued 'on the run' 364 Day T-Bill
- **Replicability**: The index is valued on a daily basis. This lends the index a realistic approach with valuations close to market levels

Methodology

- The most recently issued 364 Day T-Bill is considered as the constituent for the index
- The index is rebalanced on settlement day of auction which is generally the day of allotment for 364 Day T-Bill issued on Wednesday
- Day convention used for the index is Actual/364
- T-Bill forming part of the index is valued on a daily basis using two-way quotes by polling market participants and daily report published by the Central Bank of Sri Lanka (CBSL)

About NDB Capital Holdings PLC (NCAP)

NDB Capital Holdings PLC is the holding company for the investment banking cluster of NDB Group. It is the only listed full service investment bank in Sri Lanka with business activities in fee based and fund based investment banking, stock broking, wealth management, and private equity. NCAP is in a unique position to provide its clients a gamut of investment banking products through its subsidiaries and strategic alliances.

About NDB Investment Bank Limited (NDBIB)

As the investment banking arm of NCAP, NDBIB provides advisory services in the areas of debt and equity structuring and distribution, corporate restructuring, mergers and acquisitions, initial public offerings, private placements, and infrastructure development. NDBIB builds on the synergies provided by the NDB group network, regional alliances, and on strong relationships developed with major local and international Commercial Banks, Unit Trusts and Pension/Provident Funds. NDBIB has continually maintained its position as the leading investment bank in Sri Lanka and in light of this, was awarded the “Best Investment Bank in Sri Lanka” by the prestigious Euromoney magazine in its Awards of Excellence 2012.

Disclaimer

NCAP hereby states that it has noted that CRISIL has taken due care and caution in computation of indices, based on the data obtained from sources, which it considers reliable. However, NCAP does not guarantee the accuracy, adequacy, timeliness or completeness of the Indices or any data included therein. NCAP is not responsible for any errors, omissions or delays in calculating the indices. NCAP shall not be responsible for the results obtained from the use of the indices. NCAP makes no warranties regarding the indices, and disclaims all warranties, whether express or implied, including warranties of merchantability or fitness for a particular purpose. NCAP especially states that it has no financial liability whatsoever to any Licensees or any other users of the Indices. No user shall resell, reproduce or redistribute the Indices without entering into a licensing agreement or without obtaining the prior written consent of CRISIL. In cases where licensing agreements are entered into or such prior written consent is given by CRISIL, such Licensee/s or any other user/s of the Indices shall not, either directly or indirectly, in its knowledge and control, allow or permit any third party to resell, reproduce or redistribute the Indices.

Contact Details

Bhavik Bhathgara
Manager – Funds and Fixed Income Research
+91-22-3342 8053
bhavik.bhathgara@crisil.com

Dinesh Agarwal
Associate Director – Business Development
+91-22-3342 3440
dinesh.agarwal@crisil.com

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Research

CRISIL Research is India's largest independent integrated research house. We provide insights, opinion and analysis on the Indian economy, industry, capital markets and companies. We also conduct training programs to financial sector professionals on a wide array of technical issues. We are India's most credible provider of economy and industry research. Our industry research covers 86 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our network of more than 5,000 primary sources, including industry experts, industry associations and trade channels. We play a key role in India's fixed income markets. We are the largest provider of valuation of fixed income securities to the mutual fund, insurance and banking industries in the country. We are also the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today the country's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgements and forecasts with complete objectivity. We leverage our deep understanding of the macro-economy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. Our talent pool comprises economists, sector experts, company analysts and information management specialists.

CRISIL Privacy

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the "Company") you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view the Company's Customer Privacy at https://www.spglobal.com/privacy

Last updated: April 2016

Disclaimer

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company / entity covered in the Report and no part of this report should be construed as an investment advice. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.