Bank Guaranteed Promissory Note



Standard Chartered Bank announced the signing of an agreement between Lanka Orix Leasing Company Ltd (LOLC) and Standard Chartered, in respect of a 4 year promissory note issue of Rs 150 million. The note is structured, guaranteed and placed by Standard Chartered on behalf of LOLC.

LOLC will benefit by the provision of stable source of funds over the next 4 years at a fixed rate. Thereby redressing to a significant extent, the company’s existing funding mismatch and consequently, reducing the company’s vulnerability of the company’s balance sheet.

The investor will benefit by receiving an attractive rate of return coupled with the security of a guarantee from a prime international bank.

The issue of this promissory note provides yet another step for Standard Chartered in its growth of fee income and off balance sheet activity.