



Statement on Dunbar Bank

September 14, 2015

Following the BBC Inside Out programme, aired on 14 September 2015, Zurich has made the following statement:

"Dunbar acted as a secured lender for commercial property developers and investors who took out loans typically in the range of £2million to £5million.

"Following a fall in the realisable value of properties, caused in part by the financial crisis, some borrowers were unable to meet their debts when they became due for repayment.

"Like any commercial lender, Dunbar sought to lawfully recover outstanding debts and acted appropriately and fairly throughout. Dunbar recognises that recovering debts can be a difficult and distressing situation for all those involved.

"Where a loan is in default, Dunbar has attempted to work with borrowers to negotiate fair and reasonable settlements, which includes renewing and extending loans, and has reached numerous amicable settlements. Pursuing debts through the courts is always a last resort. Where it has been necessary, each bankruptcy has been determined by the court following a fair and independent hearing.

"When carrying out valuations of properties used to secure loans, Dunbar employs independent third party valuers, who are required to comply with mandatory rules governing asset valuations. Likewise, the sale of any properties used to secure loans would be conducted by experienced and independent insolvency practitioners who are bound by their professional body to secure the maximum value for all parties. Dunbar expects all appointed insolvency professionals to maintain the highest standards of integrity and professional conduct in carrying out their roles.

"Dunbar has acted lawfully and appropriately at all times in agreeing loans, and seeking the recovery of unpaid debts."