



Questions for uncertain times – 8 January 2009

1. Who owns Dunbar Bank Plc?

Our immediate parent is Zurich Bank, a company incorporated in Ireland. Zurich Bank is a wholly owned subsidiary of Zurich Financial Services (ZFS), one of Europe's top insurers.

2. Does Dunbar Bank have a credit rating?

No. However, our parent company Zurich Bank does, you will find details of their ratings on their website: www.zurichbank.com. A Letter of Undertaking has been issued by Zurich Bank to the Financial Services Authority in the UK and the Financial Supervision Commission on the Isle of Man confirming that it accepts ultimate responsibility for the financial stability of its subsidiaries.

3. How safe is my money?

Our prudent policies and careful approach have stood us in good stead. We had no exposure to Lehman Brothers, US sub prime or any Icelandic banks. We know we need to take good care of your money.

Dunbar Bank continues to be profitable and we have never made a loss. We're regulated by the Financial Services Authority (FSA) and meet all our regulatory requirements on a stand-alone basis. In addition, we have a strong parent and are members of the Financial Services Compensation Scheme.

4. Is Dunbar Bank a member of the Financial Services Compensation Scheme?

Yes. Most depositors including individuals and small firms are protected under the scheme rules. The scheme guarantees the first £50,000 held by a retail depositor, or £100,000 in the case of joint accounts including those held in Guaranteed Equity Bonds. Further information on this scheme can be found on their website: www.fscs.org.uk/consumer.

5. I have more than one deposit account with you. Does the compensation scheme cover me for the balance on each account or all accounts collectively?

The compensation scheme covers up to £50,000 per depositor per institution NOT per deposit account, so the first £50,000 of depositor funds are covered regardless of the number of accounts held. For joint accounts each depositor is covered so the total cover rises to £100k.

If you held money with both us and our sister company Zurich Bank International Limited, your deposits in each bank would be treated separately and covered by the relevant scheme.

6. Does my Zurich Investment Bond affect my cover under the scheme?

No.

7. If Dunbar Bank collapsed, would it be bailed out by ZFS?

The wording we published on our website in answer to this question between 18 October and 24 December 2008 was incorrect and we apologise. For absolute clarity ZFS are not legally obliged to do so although ZFS do take their responsibilities to all their subsidiaries very seriously. ZFS has consistently capitalised Dunbar Bank such that it meets all its capital requirements as set by its UK regulator, the FSA. We are members of the Financial Services Compensation Scheme details of which are shown above.

9. What would happen to Dunbar Bank if Zurich Financial Services collapsed?

We're regulated as an independent entity and therefore meet all our solvency requirements on a standalone basis. Thus in the unlikely event that our parent collapsed it is likely that we would be sold as a going concern. However, it's important to note that ZFS' remains highly profitable with strong credit ratings and a healthy balance sheet. Further information can be found on www.zurich.com.