

# BANK OF UGANDA



37/45 KAMPALA ROAD, P.O. BOX 7120, KAMPALA

Telephone: 256-417-303401, 0414-258441/6, 258061, 0312-392000, 0417-302000. Telex: 61069/61344; Fax: 256-414-233818

Web site: [www.bou.or.ug](http://www.bou.or.ug) E-mail address: [Bankresolution1@bou.or.ug](mailto:Bankresolution1@bou.or.ug); [info@bou.or.ug](mailto:info@bou.or.ug)

## UPDATE ON THE LIQUIDATION OF MERCANTILE CREDIT BANK LIMITED AS AT 31ST DECEMBER 2024

### 1. General Information

Mercantile Credit Bank Limited was closed on **18th June 2024** and placed under liquidation due to its failure to resolve significant undercapitalization. **Bank of Uganda** assumed the role of liquidator and is currently overseeing the liquidation process in accordance with the provisions of the **Financial Institutions Act (Chapter 57, Laws of Uganda)**

### 2. Status of Liquidation

Following the progression of Mercantile Credit Bank Limited into liquidation, public notices were issued calling on all individuals or entities in possession of the institution's assets to return them to Bank of Uganda. Borrowers were encouraged to continue servicing their loans through **Account No. 001770188000002** at Bank of Uganda. Additionally, all creditors were requested to register their claims against the institution at Bank of Uganda, as stipulated under the applicable provisions of the law.

### 3. Depositor and Creditor Updates

In accordance with the creditor hierarchy stipulated under the law, Bank of Uganda initiated the distribution of liquidation proceeds. To date, all depositors have been reimbursed up to **28% of their unprotected deposits**, prioritizing compliance with statutory obligations and ensuring equitable treatment.

The process of verifying creditor claims against Mercantile Credit Bank Limited is ongoing. Once the verification process is complete, a detailed report will be published on the **Bank of Uganda's website** to provide stakeholders with transparent updates on the status of claims and recoveries.

Bank of Uganda continues to recover assets, including **loans and advances**, to maximize proceeds. A second distribution will be announced as soon as sufficient funds have been realized to facilitate the next phase of the liquidation process. Stakeholders are encouraged to remain informed through official updates provided by Bank of Uganda.

### 4. Asset Disposal

**Loan recoveries** are ongoing, with significant efforts being made to maximize collections and recoveries from borrowers. Additionally, the process of disposing of **movable assets** is nearing conclusion, marking an important step in the liquidation process.

These efforts are aimed at optimizing asset recovery to enable Bank of Uganda, as the liquidator, to reimburse creditors in accordance with the creditor hierarchy specified under the Financial Institutions Act, 2004 (*Chapter 57, Laws of Uganda*).

### 5. Communication Strategy

Bank of Uganda is committed to ensuring timely and transparent communication throughout the liquidation process. Updates on recoveries, creditor claims, and distributions will continue to be provided through public notices and updates on the **Bank of Uganda's website**.

### 6. Contact Information

For any clarifications, please contact the **Bank Resolution Division (BRD)**:

- **Telephone:** +256-414-345222 / +256-414-258441
- **Email:** [Bankresolution1@bou.or.ug](mailto:Bankresolution1@bou.or.ug)