

Replacement Administrator Appointed for Privredna Banka Srpsko Sarajevo

The High Representative, Paddy Ashdown, today appointed Toby Robinson as Provisional Administrator for the Privredna Banka Srpska Sarajevo (PBSS). The RS Banking Agency had been unable to find a qualified individual prepared to succeed Mile Maksimovic as Provisional Administrator after he resigned following threats and a physical assault in Zvornik on 10 May 2004.

“The RS authorities have shown themselves unable to regulate the banking sector properly, or to guarantee the safety of law-abiding citizens working on their behalf within that sector,” the High Representative said in a letter to RS Prime Minister Dragan Mikerevic informing him about the Decision. “This fact was demonstrated most clearly by the decision of the Management Board of the RS Banking Agency last Friday, which asked the OHR for guidance and assistance in the process of replacing Mr. Maksimovic.”

The Privredna Banka Srpsko Sarajevo was controlled by Momcilo Mandic until, shortly after his arrest on charges involving banking irregularities in Belgrade last year, it was turned over to a provisional administration by the RS Banking Agency under RS Banking Laws.

The High Representative was left with no alternative but to appoint an international Provisional Administrator due to the culture of intimidation and threats that now surrounds the Privredna Banka Srpska Sarajevo. The new Provisional Administrator has been charged with ensuring that the report that was drafted by the previous Provisional Administrator is completed and presented to the RS Banking Authority in

accordance with RS Banking regulations.

Ensuring the uninterrupted completion of this process, and the continued regulation of the banking sector in the RS, is essential to consolidating the rule of law and maintaining confidence in the RS Banking System as a whole.

The High Representative today called on Prime Minister Mikerevic to ensure that the RS authorities “do everything possible to assist the new Provisional Administrator as she goes about her job in the coming weeks.”