High Representative welcomes operation securing records of Hercegovacka Banka

Early this morning, representatives of the Office of the High Representative, with the strong support of SFOR, entered the main branch of Hercegovacka Banka in Mostar, retrieving documentation required by the Provisional Administrator, Toby Robinson.

The operation was well-planned and well-executed. While SFOR was maintaining a safe and secure environment, the needed bank records and vaults were secured. There was no outside-interference.

The High Representative, Wolfgang Petritsch, welcomes the successful action and is grateful to SFOR for providing support. He is satisfied that on this occasion no attempt was made to use violence against the international personnel and that additional documentation has been recovered, which will now be examined by the Provisional Administrator. However, he notes with concern that large amounts of cash, which had been noticed on April 6 during a first attempt to secure the banks records and assets, were missing now. It cannot be excluded that vital documentation was also removed or tampered with.

The material recovered last night as well as the records retrieved on April are now at the disposal of the Provisional Administrator. The High Representative hopes it will be sufficient for her to gain an overview over the bank’s obligations and assets, based on which she can address the claims of the legitimate depositors.

The High Representative is aware that it might take the Provisional Administrator an extended period of time to examine the retrieved material. It is one thing to scrutinise

bank records with the co-operation of the management and employees, who can quickly provide the Administrator with all the necessary information, and another one to have to piece the picture together without any help. All delays are therefore the responsibility of those who refuse to co-operate.

Last's night operation represents a continuation of the investigation into Hercegovacka Banka that began earlier. According to information available to the OHR, money had started disappearing from Hercegovacka Banka in recent weeks. In addition, the ownership structure of the bank is dubious. In order to protect the legitimate customers of the bank as well as to make certain that the bank was not being used for illegal financing of parallel structures, the High Representative put the bank under provisional administration on April 5.

The priority of the Provisional Administrator is to protect the legitimate customers of the bank. Her attempt on April 6 to gather information in the headquarters and nine smaller branches in an orderly fashion was met with organised attacks, which resulted in injuries to more than 20 international staff. At that time, none of the records from the main branch of Hercegovacka Banka was retrieved.

After the suspended management and owners of the bank refused the Provisional Administrator's request for a meeting and co-operation, the OHR had no other choice but try to obtain the documentation with SFOR's support.

In some instances, the OHR and SFOR personnel working in the bank last night were forced to use explosives to gain access to rooms and vaults. The High Representative holds responsible for the damage that has occurred those who have denied the Provisional Administrator access to the bank in an orderly fashion.

The High Representative repeats his appeal on all public institutions, in particular the Cantons and municipalities which have accounts with Hercegovacka Banka, to open new accounts with other commercial banks for the time being. It is their duty to ensure the functioning of the public administration, including health and social services, in the areas affected by the situation surrounding Hercegovacka Banka.