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We will protect small depositors

We have to investigate into how the 50 HVO accounts were used, where the money came from and what happened to that money afterwards. Also, we have to establish the whole truth about the amount of 54 million DEM, which, according to the documents, was in the Bank.

The interview was conducted by Blanka Magas

Ms Toby Robinson, a longtime banking auditor in the USA, was appointed as the Provisional Administrator of the Hercegovacka Bank by the decision of the High Representative Wolfgang Petritsch. She avoids public appearances and does not like to be photographed. Although she claims to have fully recovered from the shock she experienced in Mostar on April 6, she came to the interview meeting escorted by many security guards, and the meeting venue was changed one hour before the meeting was to take place.

There is no guilt without evidence

It has been exactly a hundred days since you were appointed as the Provisional Administrator. What have your auditors revealed so far?

There are indications that the Bank's operations were not exactly as they were supposed to be, but there are still no arguments that would provide the foundations for accusing anyone. Some pieces of evidence are yet to be analysed. We have to follow up the leads properly so as to be positive about whether or not criminal acts were committed in the Bank.

What have you found out regarding the alleged payment of 54 million DEM, which was the main reason for the introduction of the provisional administration in the first place? That is one of the leads that we still have to follow up because 54 million DEM is a big amount of money. The gross capital of the Bank, as a reminder, amounts to 20 million DEM and the 54 million amount is worth two and a half times as much as the value of the Bank. *In a recent meeting with the Federation Minister of Finance, the former Bank directors reiterated that the funds of 54 million DEM were not remitted to the Bank. What do your indications say, were the funds remitted or not?*

According to the documents from the Bank that we are now in possession of, the amount of 54 million DEM was in the Bank. Now, we have yet to investigate thoroughly whether there was a mistake or whether inaccurate entries were made. For as long as we do not have a clear picture of it, I cannot tell you anything more.

Have you identified the bank accounts that were used by the HVO? There were speculations about 50 various accounts, sub-accountsŠ

I have seen the statements of accounts which confirm that those 50 accounts did exist and this leads me to believe that those accounts really existed. It is now up to us to establish the ways in which they were used, where the money came from to end up in those accounts and what happened to that money afterwards. That will be a difficult and painstaking process.

Judging by the recent reactions, it is the small depositors,

ordinary people and pensioners, that have been affected the most by the Bank's non-functioning. What is your comment on this and how do you intend to solve it?

I personally have a full understanding for those people and all that they are faced with. However, before their accounts are de-blocked, we have to ascertain the actual picture of the Bank. I fully understand that time is an important factor and that we have to do it as soon as possible. Once we make an assessment of the Bank and establish the real state of affairs, then we will recommend what we may consider to be in the best interest of the depositors. I must stress that the small depositors are our priority, i.e. that their protection is the primary task of the Provisional Administration. My number one priority are ny are not the Bank shareholders or employees, but the small depositors. I have met their representatives and the problems that those people are facing, in fact, are the most difficult part of my job, because they committed no criminal acts and yet, they have to expiate.

What is the current status of the former Bank employees and have you established a contact with them?

Last week I had a meeting with the heads of departments and they all expressed their readiness to co-operate. I hope that co-operation will start some time this week. That will, of course, significantly accelerate the auditing process.

Will all of the employees return to work?

Some of them will return, and others have opted otherwise because they have been offered other jobs. It is, therefore, a matter of personal decision. I also want to say that all the employees have been on their jobs to this very day, as far as their formal status is concerned. However, since I will have to balance the number of employees with the funds I have at my disposal, the Bank's operations and number of employees will be re-organised.

What will happen to the people who mortgaged their property with the Bank and have not managed to realise the credits they applied for? Now they cannot do it with other banks and their businesses are at risk for that reason.

We have to investigate individually each of those cases and determine whether they were granted credits or not. If it turns out that they never received the money, we shall issue the so called cancelling clause certificate, which means they will be free of mortgage and be able to apply for a credit with other banks. I would take this opportunity to ask all those who are in such a situation to contact us so that we can solve similar problems as soon as possible.

A few days ago you had a misunderstanding with the Federation Minister of Finance, Nikola Grabovac, when it was conveyed to you, following the meeting with the former Directors of the Bank, that the audit could be completed within 20 days. What is your comment on this?

Mr Grabovac and I have our differences when it comes to the duration of the auditing process in the Hercegovacka Bank. I still cannot say for how much longer the process will last, but I can say that we will establish the real state of affairs in the Bank in a few weeks.

Partner, sale or liquidation

According to the indications you have had so far and for as much as you can tell me, what will be the future of the Bank?

I am aware of the fact that the people are interested to learn what will happen to the Bank, what is happening and how far we have gone in our investigation, but for asbut for as long as we do not have substantial evidence, I do not want to either accuse or amnesty anyone. Should it happen that only some operational irregularities are revealed in the Bank, those will be removed and the Bank will resume its operation. The other option is for the Bank to find a strategic partner, i.e.

to be sold, and the third, worst option is to have it liquidated if there should be a reason for that.

It is assumed that the Provisional Administration was introduced in the Hercegovacka Bank solely for political reasons. What is your opinion about this?

If I had been presented with the documents from the Hercegovacka Bank, as the High Representative had been, and among those documents the aforementioned transaction of 54 million DEM, I would have immediately started investigating into the operations of the Bank. It is very important for the Bank to have its name cleared if it shows that there was no crime. If it shows that there indeed was a crime committed, then it is very important to identify the crime perpetrators.

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