Statement by the Provisional Administrator of Herzegovacka Banka.

The Provisional Administrator of Hercegovacka Banka, Toby Robinson, is very concerned that the violent actions taken against the Provisional Administration last Friday pose an ever-increasing risk to the shareholders and deposit holders of the bank.

The fact is that the Provisional Administrator has legal custody of the bank in accordance with Federation legislation. This means that the Provisional Administrator has a responsibility to those people and institutions, many of them public, whose money is held in the bank. Her responsibility requires her to have full and unrestricted access to the bank and all its records in order to move things around.

This has clearly been denied so far. She, as the only legitimate legal authority, has been effectively prevented from the vital access needed to start the bank working again.

In the eyes of the banking world, the operations of the Hercegovacka Banka are currently suspended. This means that no other bank can or will do business with the Hercegovacka Banka, and transactions cannot be concluded. Only the legally appointed Provisional Administrator can move this situation forward, but only when she has full and unrestricted access to the bank and its records.

Until everybody starts to behave in accordance with the law, there is no legal practical mechanism available to the Provisional Administrator to provide the desperately needed service for the customers of the bank.

The Provisional Administrator remains worried that the work of many public institutions and services will be jeopardized in the immediate future. It is legally and practically impossible to unfreeze any account currently held in the Hercegovacka Banka.

The Provisional Administrator recommends that all account holders of the Hercegovacka Banka immediately open accounts with other banks in order to be able to continue their operations.

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