

“Sale is best option for depositors and economy”

The High Representative has today instructed the Provisional Administrator of Hercegovacka Bank, Ms Toby Robinson, to sell the bank and its assets in the interests of the depositors and the local economy.

The High Representative took the decision after careful consideration of Ms Robinson's Interim Report published on Monday 16 December. In reaching his decision, the High Representative took into account the following:

- What is in the best interests first and foremost of the small depositors, and individual businesses;
- What is in the best interests of the local economy;
- And what is necessary to ensure the law is upheld and the integrity of both the banking system and the Constitution are maintained.

Making the decision, the High Representative said: “My priorities have been to ensure that the small depositors and individual businesses get as much of their money back as possible, and to preserve as much of the bank's branch network as possible. The bank's branch network played an important role for depositors and small businesses in Herzegovina alike. If this sale is successful, it will continue to do so”.

The High Representative rejected the other two options allowed for under the law. Recapitalising the bank would have meant giving it back to the people who grossly mismanaged it for their own ends. The illegality documented in Ms Robinson's Report also ruled out this option. The third option, liquidation, would have been the worst choice for the depositors and the community, and would have destroyed the branch network.