Member of the Supervisory Board of the Development Bank of FBiH resigned in exchange for the appointment to the position of Acting Executive Director

Mersiha Slipicevic, member of the Supervisory Board of the Development Bank of FBiH resigned from her position in the Supervisory Board in exchange for the position of a member of the Managing Board

Sarajevo, 25th May 2017 – Transparency International in Bosnia and Herzegovina (TI BiH) received a confirmation from the Development Bank of FBiH that Mersiha Slipicevic resigned from her position of the member of the Supervisory Board and that she was appointed to the position of the Acting Executive Director of this bank the same day. Slipicevic resigned from the position in the Supervisory Board under the condition to be appointed as a member of the Board of Directors.

On 15th February 2017, the Supervisory Board of the bank requested from the Government of FBiH a consent to appoint Mersiha Slipicevic to the position of the Acting Executive Director of Risk Management, while still being a member of the Supervisory Board, with the note that she was excluded from voting related to this issue at the assembly session. The Government approved it, and Slipicevic submitted a conditional letter of resignation to the position of the member of the Supervisory Board on the same day she was appointed the Acting Executive Director. In her conditional letter of resignation, attached here, it is said that „this resignation will stay in full force and effect only if she is appointed to the position of the Acting Executive Director, as a member of the Board of Directors, at the extraordinary session of the Supervisory Board scheduled for 22nd February 2017.”

In this way Slipicevic was in a conflict of interest since she could influence her own appointment, as well as working conditions, such as salary and other rights related to her new position because the material rights of the executive directors are negotiated with prior consent of the Supervisory Board. In addition, the Development Bank of FBiH operates without Executive Directors for more than two years and has already canceled two public competitions for these positions so far. Eventually they abused the Decree on exercise of powers in companies with state capital which stipulates that the Acting Directors can be appointed only in exceptional cases until the competition procedure is completed.

Such controversial appointment represents a huge risk for this bank operations since the responsibilities and powers of the supervisory body and the managing body are overlapped in one person under suspicious circumstances and in a controversial manner. Therefore, TI BiH requested from the Banking Agency of FBiH to use its supervisory powers over the operations of the Development Bank and to issue an order for correction of determined irregularities.