

## Questions swirl around new Komerční boss

■ Is Jan Kollert, left off board formed by German bank merger, qualified or just well-connected?

By Alex Friedrich

The man selected to lead the nation's largest bank was weeded out of his own firm, say executives there.

Former Hypo-Bank board member Jan Kollert — voted Komerční's new general director at a June 18 shareholders' meeting — was not among those named March 31 to the new Prague board of Bayerische Hypo- und Vereinsbank, Hans-Peter Horster, chairman of Vereinsbank's Prague branch, has confirmed.

Bayerische Hypo- und Vereinsbank is the product of a soon-to-come merger of German banks Vereinsbank and Hypo-Bank.

Just days after news broke that he would be Komerční's new general director and board member, Kollert told Czech econom-

ic daily *Hospodářské noviny* June 19 that he had a contract with Hypo-Bank until 2000. But future members of the new board say that contract would eventually have been dissolved through the merger.

Neither Horster nor other members of the new board would say why Kollert was not included on the merged bank's board.

"Look, I don't know," said one board member. "All I can say is that as [Munich-based Vereinsbank Chairman Albrecht] Schmidt said, 'It's a merger of the best.'"

Kollert told *The Prague Post* he'd informed the parent company in February that he wanted to leave. Hypo-Bank's Munich spokesman, Petr Kolmburg, confirmed Kollert had planned to quit in June.

"It was my free decision" to leave, Kollert said. "I wanted to bring my ... know-how to [help] my country." He said he had no bank in mind, "but I knew that I might be asked."

Kollert said he knew nothing about a March 31 decision on board membership.

That's news to Hypo-Bank board member Ivan Černohorský, who said Kollert went through the entire interview process



COURTESY PHOTO

Komerční General Director Jan Kollert

for the new board. None of the board members questioned expressed knowledge of any plans Kollert may have had to resign.

When questioned by *The Prague Post*, Kollert refused to say whether he took part in interviews.

Kollert would have made his decision to leave without knowing about the Komerční job. In the *Hospodářské noviny* interview, Kollert said he didn't know about the Komerční offer until he received a call from Tomáš Procházka, Komerční's supervisory-board chairman.

Kollert told *The Prague Post* he had not received the Komerční offer when he decided to leave, but refused to say whether he had any concrete offers at all.

A look at Kollert's résumé, though impressive, shows little of the bank training normally required of a chief executive of a major bank.

Kollert, 48, has a legal background. He studied at the business faculty of the Prague School of Economics and the law faculty of Charles University. In 1973, he joined the legal department of Československá obchodní banka (ČSOB).

From 1974 to 1990, he worked in the legal departments of the communist-era import-export firms Fincom and Transakta.

It was at Transakta — later known as Transfinance — that Kollert showed leadership abilities and a knack for the creative by forming the country's first factoring and forfeiting department, said former Transakta colleague Petr Marek, now co-owner of Insignia, which operates a business center.

"It was very hard to bring in something new, especially something that was not in line with the communist system," Marek said. But Kollert not only devised new products, Marek said, "he promoted and defended them."

In 1978, Kollert closed the first factoring deal for Czechoslovakia when the country signed a deal to export glass to Sweden.

## Bank board purged

The Ministry of Finance's firing of Komerční banka Chairman and General Director Richard Salzmann and three other Komerční banka board members at a June 18 shareholders' meeting is mere "window dressing" that banking experts say will do little to help the bank turn itself around.

"Let's see a change in assets, not just another caretaker," said Mark Rooney, senior banking consultant for Inventa Manager Program.

The National Property Fund (FNM), unhappy with state-owned Komerční's recent multimillion crown losses, ordered the purge.

The general meeting sacked Salzmann, who had been planning to leave his post as general director. His position as chairman remains unfilled, though Josef Tošovský is expected to take it up when his term as prime minister ends after the elections.

Salzmann's position of general director went to former Hypo-Bank Chairman Jan Kollert, who is also a board member.

Petr Budinský, Tomáš Doležal and Jaroslav Mareš will remain on the board, to be joined by former Konsolidáční banka

Chief Executive Officer Vladimír Šulc.

Those voted out, apart from Salzmann, include Deputy Chairman Karel Bednář and board members Bořivoj Pražák and Jaroslav Štěpaník.

The bank's supervisory board will increase the number of board members from five to seven when it elects two others at an as-yet unspecified date.

Shareholders also recalled former Finance Minister Karel Dyba from the bank's supervisory board, and board member Jan Klak, a former deputy finance minister, resigned. They were replaced by Deputy Finance Minister Michal Frankl and Jan Stráský, a former health and transportation minister.

Analysts differ over why the purge happened now, especially when Salzmann was due to retire anyway. Some suggested the firings are an election-time move aimed at highlighting the finance minister's will to reform. Others believe the state wanted to prevent the position of general director from going to a political appointee of the new government.

—Alex Friedrich

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Factoring, Marek said, now grosses more than \$1 billion (33 billion Kč) a year.

Kollert left the company in 1990 to become deputy minister of foreign affairs until 1992. It was in that job that he forged political contacts that made him valuable to the young Hypo-Bank, sources there say: "He could get building permits, licenses, things like that fairly easily."

Kollert joined the bank in June 1992 and was named chairman of the board and *Vorstandssprecher* — a board member with representational powers — in June 1995. At

Hypo-Bank, he headed the treasury, private banking and the bank's credit-card business.

Kollert's apparent ignorance of some basic banking techniques prompted one Hypo-Bank staffer to say Kollert "is not a banker, and did not have the qualifications and know-how to conduct hands-on management."

Kollert instead "is person-oriented," several staffers have said, and has been able to inspire fierce loyalty in many he has hired.

How many of those will follow Kollert to Komerční is hard to say, and officials from both banks say it's unclear how many of Kollert's projects will survive the merger.

Černohorský said some of his own projects may be cut, and that "it could very well have been me who didn't make it onto the new board."