



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

PRESS RELEASE

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ECB to conduct comprehensive assessment of five Croatian banks

- ECB Banking Supervision to undertake comprehensive assessment of five Croatian banks
- Exercise to be carried out in the context of Croatia's request to establish close cooperation between the ECB and Hrvatska narodna banka
- Results expected to be finalised in May 2020

The European Central Bank (ECB) will undertake a comprehensive assessment of five Croatian banks. This exercise, which will comprise an asset quality review (AQR) and a stress test, follows Croatia's submission of a request in May 2019 seeking to establish close cooperation between the ECB and Hrvatska narodna banka. A comprehensive assessment is required as part of the process of establishing close cooperation between the ECB and the national competent authority of an EU Member State whose currency is not the euro.

The following five banks will be assessed:

- Zagrebačka banka
- Privredna banka Zagreb
- Erste & Steiermärkische Bank
- OTP banka Hrvatska
- Hrvatska poštanska banka

The AQR and the stress test will be based on the methodologies applied by ECB Banking Supervision in its regular comprehensive assessments of credit institutions that have recently been classified as significant or could potentially become significant. The AQR will be carried out using the ECB's updated AQR methodology published in June 2018, which takes account of the impact of accounting standard IFRS 9.

European Central Bank Directorate General Communications
Global Media Relations Division, Kaiserstrasse 29, 60311 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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This exercise is expected to start in September 2019, with the results due to be finalised in May 2020. Banks will be assessed on the basis of data as at 30 June 2019.

The ECB will also assess relevant Croatian legislation, ensuring that Hrvatska narodna banka will be obliged to adopt all measures requested by the ECB in relation to Croatian credit institutions. As part of that assessment, the ECB will also take account of the practical implementation of such legislation.

In parallel, ECB Banking Supervision is working closely with Hrvatska narodna banka in view of its potential future role as a national competent authority within the Single Supervisory Mechanism. The steps that are being taken in this regard are in line with the process that was recently followed for Bulgaria.

For media queries, please contact [Susanne Pihs-Lang](#), tel.: +49 69 1344 3586.

Notes:

The procedure for establishing close cooperation is laid down in Article 4 of Decision ECB/2014/5.

Article 7(2)(c) of the SSM Regulation requires a Member State to have national legislation ensuring that its national competent authority will adopt any measures requested by the ECB in relation to credit institutions.

FAQs relating to this comprehensive assessment have been published [here](#).