

# Zagrebačka banka

UniCredit Group

## Market

For years, the finance industry in Croatia has been considered to be the most driven sector of the economy and its strong development is dictated by business banks that are expanding their range of products and services within financial conglomerates. Even in 2006, the trend of greater growth rates for the non-bank related financial sector continued, and is mainly related to the growth of the funds industry and the capital market. Therefore, the total assets of the finance industry, which grew in the past five years from 98 percent of the GDP to almost 150 percent, have a below 80 percent bank share.

At the end of 2006, total assets of all banks equaled Kn 304.67 billion, which is 17.1 percent higher than at the end of 2005, with the highest individual total assets being those of Zagrebačka Banka - Kn 70.4 billion.

Croatian banks during the last year made a profit of almost Kn 190 billion - loans for companies are the fastest growing segment, and next to them are the home loans to the general public that grew last year by 34.4 percent. Total bank deposits grew as well by 18.2 percent for a total of Kn 203 billion.

The foreign currency business was additionally liberalized with an easier flow of capital, and the changes in the law for trading stocks and bonds regulated, among other things, the implementation of financial derivatives. An important project is the integration of the two domestic stock exchanges - Varaždin and Zagreb. The numerous new financial laws, the new laws on insurance, leasing, credit unions, financial conglomerates, securities, and others should be pointed out.

## Achievements

Zagrebačka banka is today the leading bank in Croatia because of the quality of its products and services, technological innovation, and the number of clients - it has around 1.5 million clients and it holds a quarter of the market share in loans, and almost a third in deposits.

Zagrebačka banka employs around 4,400 people, which makes it one of the biggest employers in Croatia, and according to independent research, the bank is also one of the most desirable employers.

The Zagrebačka Banka Group has its headquarters



in Croatia, with branches and a strong presence in Bosnia and Herzegovina, where UniCredit Zagrebačka banka is one of the leading banks.

ZB Invest is a part of Zagrebačka banka in charge of managing investment funds, and it has a 28 percent market share. The AZ fund is an obligatory retirement fund of Zagrebačka banka and Allianz, with a 41 percent market share, while voluntary retirement funds hold 35 percent. Deposits with the First Home Savings cover around 35 percent of the market.

Zagrebačka banka is a leader in home equity loans, it has the highest number of online banking users, the largest ATM network, and it has the most issued bank cards.

## History

Zagrebačka banka started doing business way back in 1914 under the name City Savings. In 1946, the name was changed to City Savings Zagreb, and it was used until the 1960s, when it was acquired by Community Bank Zagreb. Its name was changed soon after to Credit Bank and it became a member of the Business Bank Association that consisted of 30 banks. In the early 1970s, the United Bank of Zagreb was founded by merging five banks, and Credit Bank was one of them. Towards the late 1970s, the founders of Credit Bank Zagreb and Yugobank merged to form Zagrebačka banka.

In 1989, Zagrebačka banka

became the first bank in ex-Yugoslavia to transfer its ownership and become a stock company.

Already in 1991, Zagrebačka banka was the first Croatian bank to apply to the Internationally Accepted Accounting Standards, and in 1995 it was among the first Croatian banks to form a board of chairmen and supervisors, thus setting new standards of responsibility towards stock holders. The stocks of Zagrebačka banka were listed on the Zagreb stock exchange in 1995, and already in 1996 on the London stock exchange.

Zagrebačka banka is also the first Croatian bank to be rated by three international rating agencies in 1997. The respected financial magazines Euromoney, Global Finance, and Central European and Business Central Europe declared it to be the best bank in Croatia for 1997. During that same year, its stocks were declared the most liquid on the market, it won an award for having the best public relations, and an ESOP program was implemented which allowed employees to become the Bank's stock holders under favorable conditions.

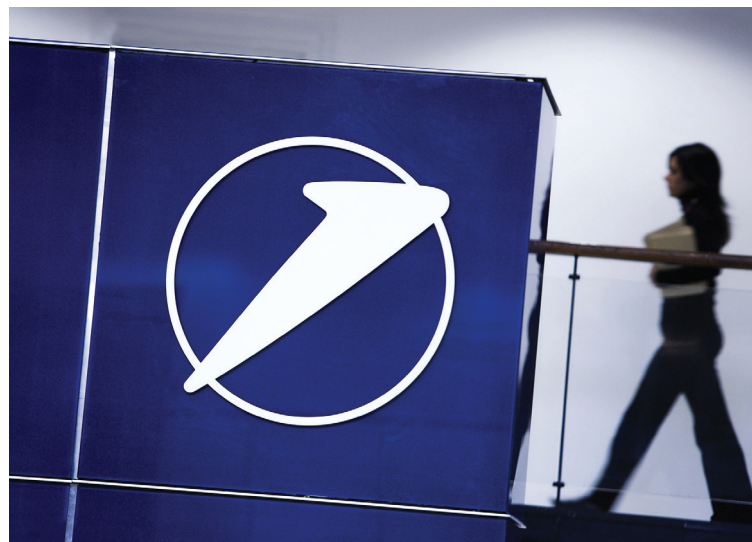
Zagrebačka banka was the first bank in the world to publish GDR's with denominations in Euros in 1998, and it is the first bank that founded specialized home savings during the same year.

In 2000, 2001, and 2002, the bank won a series of Zlatna (Golden) Kuna awards, eventually winning the Crystal Kuna as well. The bank also won awards as Donator of the year, for being the best partner of entrepreneurs and for environment protection.

Going into the new millennium, the card business, phone and online banking were all developed.

The bank formed a partnership with Allianz, expanded business in Bosnia and Herzegovina, and acquired Pomorska banka and Varaždinska banka.

In March 2002, the bank became a member of the UniCredit Group, which is one of the strongest financial





groups in Europe. The UniCredit Group is present on 20 key markets with over 7,000 branches and more than 35 million clients, guarantees a new phase in the business development of Zagrebačka banka on the global market, where it will provide support for global companies that are entering our market in the process of European integration.

To this very day, the bank is a leader on the domestic market and one of the most successful members of the UniCredit Group.

## Product

Zagrebačka banka has an excellent reputation for innovative products and outstanding customer service. The bank has 130 branches, almost 700 ATMs, and direct client services - Internet, phone, etc. which give access to a wide spectrum of banking, financial, insurance, and other products from all members of the Group and the partners of the bank.

Online banking services have over 260,000 clients, which is by far the largest number on the Croatian

**Inspirirani vama.**

Kad imate 16, svijet vas zanima. Svijet čeka Bruno. Gledamo u njegovu budućnost. Bezbrojna pitanja i odgovori, iznenađenja, otkrića, nezaboravni trenuci, stolne ica... Hoće li ostati svaki? Hoće li mijenjati put? Čeka li ga stvara? Ne možemo znati. Ali, možemo ga slušati i pomoći mu da ostvari ono što nosi u sebi.

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market, and it received many awards as the most innovative and the best online banking service.

With a new line of banking products - the "I FOR ALL" service package, Zagrebačka banka started a revolution several years ago in the banking services market in Croatia by offering a completely new concept of banking business to Croatian citizens and entrepreneurs.

All other fields of the banking business, such as transactions, loans, savings and investments, and investment banking and the capital market, are Zagrebačka banka's way of setting new trends for competitors to follow so the bank remains a leader in the Croatian banking market.

In the past, these trends included home loans for citizens, the e-zaba services, and expanding the ATM network, while today there are online loans and branches with a new system of cash management. This is why, in the past period, citizens' have linked Zagrebačka banka to the qualities of safety, greatness, progressiveness, but also of tradition.

## Recent developments

As a market leader, the bank implemented new standards of branch organization last year, with a higher level of security; a new concept of branch space with minimal cash amounts on the counters, which is unique in the Croatian market. Modern branches guarantee faster communication, higher efficiency, and a higher level of service, in accordance with the European model.

Most recent innovations include new Kuna loans for small business and entrepreneurs, online loans and

online entrepreneur services, the first self service branches for cash payments, the first ATMs in Croatia with the option of making cash payments that are simultaneously approved, as well as the self service coin counting machines.

The bank recently published its first MasterCard platinum card in Croatia for private banking clients, and the first b2b cards in cooperation with Croatian companies.

The beginning of 2007 marks a record increase of 3.55 billion in capital for Zagrebačka banka, which makes the Bank's capital almost 50 percent higher than the capital of the second leading bank. With this increased capital, Zagrebačka banka will support its clients even more in meeting their needs for credit, investments, and payments in Croatia and abroad, thus improving its leading position in the finance sector.

## Promotion

With customers responding extremely positively to its marketing campaigns, the bank keeps winning awards

**Inspirirani vama.**

Lovno još ne čita novine. Nije svjestan kako Petar s odgovornošću gradi i čuva svaki otok izvjesnosti i dobrote u njegovoj životu. Petar uči Lovno prave stvari: poslovniku, strpljenju i obranu, uči ga kako je povjerenje teže stići od bogatstva. Uči ga svemu onome što vrijedi i za jednu banku. Pogledao za banku.

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even at the most prestigious global advertising festivals. For example, the corporate campaign "Making the Numbers Work For You" reached the finals at one of the most respected advertising festivals specialized in financial institutions promotion in New York: the Midas Awards 2005. This was the first time that the campaign of a Croatian financial institution attained such results at this prestigious festival, in the corporate image category, and was in competition with leading global banking groups such as Citibank, Credit Suisse, and UBS.

In November 2006, Zagrebačka banka changed its visual outlook in just a few days on all of its branches and ATMs which are the most wide reaching in Croatia. This change of visual identity was followed by a strong marketing and PR campaign that resulted in a painless switch from the old to the new, refreshed brand. According to very recent research, clients of Zagrebačka banka considered this promotional move to be extremely successful, and due to a job well done the new visual identity has been widely accepted on the market.

Out of all the promotional accomplishments, we should single out one that, according to research, was also well received and that has been the promotion of home equity loans products. The success of this campaign can be best demonstrated by the fact that almost half of home equity loans in Croatia are from Zagrebačka banka.

## Brand values

In the past, citizens have linked Zagrebačka banka to the qualities of safety, greatness, progressiveness, but also

that of tradition. What makes Zagrebačka banka competitive today is the fact that it is an advisor and a partner in all of its clients specific needs and situations, that it is a bank with reliable solutions, that it is open and responsible, and that it is a bank which deals with its clients with confidence.

In this sense, the new visual identity was a necessary step. Marketing and public relations have a great responsibility in communicating these values, and their task is easier since all employees live with these values and apply them in their everyday business. This is how the brand value is communicated daily in every branch, which citizens recognize, and is the reason why Zagrebačka banka has such excellent business results.

From an international standpoint, brand refreshment means that Zagrebačka banka is completely integrated into the UniCredit Group. Due to its own success and strength, Zagrebačka banka has the rare privilege of being able to integrate into one of the leading European banking groups and keep its own name.

Values are also helped with the social responsibility

**Inspirirani vama.**

Za Dijanu svaki novi dan nova je prilika. Da sklopi ugovor, da poveća dobit, da osvoji nagradu... Njezina smjelost odvest će je gdje god poželi. A ako poželi osvajati nova tržišta, može ući kroz bilo koju od 7000 vrata UniCredit grupacije u 19 država Europe, osvojenih kako bi Dijana pružila pomoć i podršku. Dijana, dobrodošla za European desk!

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in business - to be the leading bank in Croatia is more than about having the greatest market share, the highest number of clients, and innovative and quality products. Above all, it implies being responsible and influencing the whole of society where business is taking place and even beyond. This is already recognized by the public through the social responsibility program called TOGETHER.

[www.zaba.hr](http://www.zaba.hr)

## THINGS YOU DIDN'T KNOW ABOUT...

### Zagrebačka banka

- The systematic development of direct channels in Zagrebačka banka was started 18 years ago, when the first ATM was installed, and it continued with the following breakthroughs on the Croatian market: Telebanking- PC banking (1991), the Information center which became the ZABA 24 calling center (1992), ZabaFon telephone banking (1994), and e-zaba online banking (2000).
- Zagrebačka banka is the largest transaction machine of the regional financial system - it has 260,000 users of online banking, who carry out around 50,000 non-cash transactions daily and almost Kn 200 billion payments per year.
- Research continuously shows approximately 97 percent of Croatian citizens recognize Zagrebačka banka as the strongest brand in banking on the market.
- Zagrebačka banka is the first bank in Croatia who published a Social report in 2004.