

Market

For many years, the Croatian financial industry has had the reputation of being the most propulsive sector of the economy, and its strong growth has been dictated by commercial banks expanding their range of products and services within financial conglomerates. In 2007 the trend of higher growth rates in the non-bank financial sector continued, and it refers primarily to the growth in the funds industry and the capital market. At the end of 2007, total-banking assets amounted to HRK 354,083 billion, 13,3 percent more than at the end of 2006. With assets totalling HRK 79,9 billion, Zagrebačka Banka continues to hold the leading position.

Last year Croatian banks made total profit after taxation of HRK 4,07 billion, which was a 19,9 percent increase compared to 2006. Total amount of loans provided by banks in 2007 was over HRK 215 billion; the fastest growth is measured in respect of retail loans, and housing loans in particular: last year alone, they grew by 22,9 percent. Total amount of bank deposits grew by 19,3 percent to reach HRK 212 billion.

Achievements

Today Zagrebačka Banka is the leading bank in Croatia in terms of the quality of its products and services, technological innovativeness and the number of clients. It does business with around 1.2 million clients and accounts for one fourth of total bank loans and almost one third of overall bank deposits.

Zagrebačka Banka has more than 4500 employees, which makes it one of the major employers in Croatia. According to independent research, the bank is also one of the most desired employers.

The Zagrebačka Banka Group has its head office in Croatia and operates a banking subsidiary in Bosnia and Herzegovina, where it has also established a strong market presence and belongs to the leading banks. ZB invest, a fully owned subsidiary of Zagrebačka Banka specialising in investment fund management, has a 30% market share. AZ fond, a compulsory pension fund set up jointly by Zagrebačka Banka and Allianz, has a market share of nearly 40%. Deposits with Prva stambena štedionica (a housing savings bank) account for about 30% of the market.



Zagrebačka Banka is, also, the leader in providing housing loans, has the largest number of Internet banking users, the most extensive network of

ATMs, POS machines, and it is also the market leader in terms of bank cards issued.

History

Zagrebačka Banka started its banking operations back in 1914 under the name of Gradska štedionica (the City Savings Bank).

In 1946 it was renamed into Gradska štedionica Zagreb (the City Savings Bank of Zagreb) and continued to operate under this name until the 1960s. It then became a part of Komunalna banka Zagreb (the Communal Bank of Zagreb), which was soon renamed into Kreditna banka (the Credit Bank) and became a member of the Udruženje poslovnih banaka u Zagrebu, i.e. the Association of Commercial Banks in Zagreb. Udružena banka Zagreb (the Associated Bank of Zagreb) was founded in the early 1970s, and Kreditna banka was one of the five member banks. In the late 1970s, the founders of Kreditna banka Zagreb and Jugobanka united to form Zagrebačka Banka.

In 1989 Zagrebačka Banka was the first bank in the former state to complete the process of company transformation and to become a joint stock company.

As early as 1991, Zagrebačka Banka was the first Croatian bank to apply the International Accounting Standards, and in 1995 it established the Management Board and Supervisory Board, being the first bank in the country to do so. The shares of Zagrebačka Banka were listed at the Zagreb Stock Exchange in 1995, and the London Stock Exchange listing followed in 1996.

Besides, Zagrebačka Banka was the first Croatian bank to be awarded credit ratings by three international rating agencies in 1997.

In 1997 it was declared the best domestic bank by the following renowned financial magazines: Euromoney, Global Finance, Central European and Business Central Europe. That same year, the bank's shares were voted the most liquid shares in the Croatian market, and it also received the award for the best public relations. Also in 1997, the Bank introduced the Employee Share Ownership Plan (ESOP) offering its employees an opportunity to become the Bank's shareholders under favourable conditions.

Zagrebačka Banka was the first bank in the world to issue euro denominated global depository receipts (GDRs) in 1989, and it was the first Croatian bank to establish a specialised housing savings bank that same year. It won a number of Zlatna kuna (Golden Kuna) awards and finally the Kristalna kuna (Crystal Kuna) award in the years 2000, 2001 and 2002. The bank has also been awarded as the best donor and the best partner to entrepreneurs and for its contribution to environmental protection.

Since March 2002, it has been operating as part of the UniCredit Group, one of European most powerful financial groups that operates in 22 markets through about 10,000 branches and serves more than 40 million clients. Today Zagrebačka Banka is the leader in the domestic market and one of the most successful members of the UniCredit Group.

Product

Zagrebačka Banka has a remarkable reputation for innovative products and outstanding customer care.

The Bank's business network is made up of 130 branches and almost 800 ATMs. Furthermore, it comprises also other direct distribution channels such as Internet banking (www.zaba.hr), mobile banking and phone banking, which enable the Bank's clients to use a wide range of banking, financial, insurance and other products offered by all the members of the Group and the Bank's partners.



More than 307 thousand clients use the Internet banking facility of Zagrebačka Banka (i.e. e-zaba), which is by far the biggest number in the Croatian market. On several occasions, e-zaba has been recognised and awarded as the most innovative and the best Internet banking service. In all other areas of banking business, such as lending, deposits and investments, as well as investment banking and capital market operations, Zagrebačka Banka has been continuously setting new trends and has thus remained the market leader in Croatian banking industry.

Recent Developments

In late 2007, Zagrebačka Banka introduced a completely new product in the Croatian retail banking market. The new modern banking product is referred to as the Lepeza mogućnosti (panoply of opportunities) and combines a number of banking and non-banking services and offers various other benefits for clients.

With the aim to improve and upgrade the range of its products and services so as to better meet the clients' desires and needs, Zagrebačka Banka has developed m-zaba, a mobile banking service which is, in terms of technology, the most advanced such product available in Croatian market. The service is practical, simple and available to a large number of individuals, which is of particular importance these days when mobile telephony penetration rate in many countries, including in Croatia, exceeds 100 percent, numbers bigger than 100 percent. Besides individuals, the Bank's m-banking service is available to corporate customers as well.

Being the market leader, the Bank is continuously upgrading and adding new functionalities to the existing services. Thus, since the beginning of 2008 individuals have been able to make term deposits or apply for a housing loan by using the Internet banking facility. Zagrebačka Banka makes special credit lines available to various non-profit organisations on favourable conditions, and it has launched a special product called Cross Border Plus Credit (Prekogranični plus kredit) designed specifically for corporate clients having operations in different countries. It is tailored to suit the needs of newly founded and well-established medium-sized and large enterprises and enables them to finance the operations of their establishments' abroad, i.e. in the CEE countries, Italy, Austria and Germany.

Promotion

Aware of the fact that the brand is more than just a logo and a name, Zagrebačka Banka refreshed its

visual identity in mid-2008 sending a clear message about how it wishes to communicate with the market. The aim is to show and explain to its clients, the general public and all the employees of Zagrebačka Banka what the bank actually represents, what it offers and how it is committed to being a partner. The concept of the new brand is expressed as: "Boosting Optimism".

In this way, Zagrebačka Banka sends a message to its clients saying that it is the right partner for them who will help them forget about "maybe" and realise their dreams. The bank's aim is to inspire and delight its clients constantly: sincere care focusing on a particular experience of the client who is perceived as the main driving force of all business strategies and sustainable development of the bank.

The brand position "We create your future today" captures it all: focusing on optimism, it aims to encourage clients to make decisions that will bring them a better future. Encouraging clients to realise their dreams has become, in a way, the primary task of the Bank. Together they create the future without hesitating before making a choice or a decision; with such an attitude, there is simply no room for the word "maybe".



In the course of its day-to-day business operations, the bank clearly demonstrates a higher degree of social responsibility, which strongly contributes to its brand value. Being the leading bank in Croatia does not mean only having the largest market share, serving the largest number of clients, offering the most innovative and best quality products. It implies primarily the Bank's awareness of its responsibility and of the influence it has on the entire community in which it operates and beyond. To this end, the Bank has launched a social responsibility programme entitled ZAJEDNO (TOGETHER), which has already received wide acclaim and acknowledgement from the public.

www.zaba.hr

THINGS YOU DIDN'T KNOW ABOUT...

Zagrebačka banka

- Zagrebačka Banka has introduced m-zaba, technologically the most advanced mobile banking service in Croatian market, by means of which clients can check their account balances, pay bills, repay loans, make deposits into their open saving accounts, or buy units in investment funds under management of ZB Invest.
- Zagrebačka Banka is the first Croatian bank to have established a specialised housing savings bank, and the popularity of saving in general is shown by the fact that every third Croatian citizen has chosen to save with Zagrebačka Banka.
- For several successive years, surveys have shown that between 92 and 97 percent of Croatian citizens recognise Zagrebačka Banka as the strongest banking brand.
- In the past two years, Zagrebačka Banka has been presented the Corporate Philanthropy award, and in 1998 it was the first bank to launch a donation programme inviting applications for donations. Through this programme, the Bank has donated HRK 18.2 million to date.
- Zagrebačka Banka has played a partner role in a number of major cultural projects in Croatia. To name just a few: the exhibition of the paintings of Van Gogh, Mondrian and the Hague School, the exhibition of works by Marc Chagall, and the exhibition of German expressionists.



MOŽDA
NAKON 10 GODINA
DONIRANJA ŽELIMO
UČINITI JOŠ VIŠE.

...i ostalo...
...i ostalo...
...i ostalo...

Zagrebačka banka

Research has shown that citizens like the new approach: overall perception rate of the brand promotion campaigns is almost 90 percent. According to the respondents, the slogan "Let's start without maybe" suggests that the bank helps its clients achieve their goals.

Zagrebačka Banka also publishes "MOŽDA", a magazine intended for clients with a circulation of 300.000 copies. In terms of its content and quality, the magazine clearly sets itself apart from similar ones in the market. On 52 pages it brings information about the advantages and benefits for the clients of Zagrebačka Banka and presents attractive banking products and services offering the best solutions to different requirements of the clients.

Brand Values

In the past, customers have firmly associated Zagrebačka Banka with qualities such as safety, greatness, progressiveness, and tradition. What makes Zagrebačka Banka competitive in the current market environment is the image of a bank which is also an adviser and a partner. It is willing and able to meet various specific needs of its clients in many different situations, it is a bank that offers reliable solutions, that is sincere and responsible, a bank that treats its clients with trust.