

# Zagrebačka banka

UniCredit Group

## Market

The global financial crisis has affected all segments of the Croatian economy – the public, real, and consequently, the financial sector. Key microeconomic indicators show that economic growth has greatly decreased with the decline in industrial production, retail, personal consumption and investments. Capital inflow from abroad has also declined and the balance of payments deficit is still high.

Nevertheless, the Croatian banking sector is stable, well capitalised and has successfully shock-absorbed the negative effects of the financial and economic crisis. It is precisely this stability that is one of the key factors for the recovery of the economy. In the forthcoming period, along with economic and monetary policy makers, it needs to focus its activities on balancing the budget and revitalising economic activities.

## Achievements

Even in these difficult macroeconomic circumstances, Zagrebačka banka has remained exceptionally stable and holds the number one position in the Croatian banking sector. In 2009 alone, it won a number of international awards as the best bank in Croatia (The Banker – the best bank in Croatia, Euromoney – the best investment bank and the best cash management bank, Global Investor – the best keeper of securities). The Zagrebačka banka share also won the latest 'Zlatna finansijska dionica' (Golden Financial Share) domestic award.

It does business with approximately 1.2 million clients and holds a market share of about 25% in assets and deposits likewise. It continues to provide strong support to all key segments of the society – the public sector, as well as large, mid-size and small companies, that is, all those who have sufficient strength of their own in today's aggravated market circumstances.

The relationship between bankers and clients will become even more intense in order to achieve synergies to best assess the needs and possibilities of both financial recovery and finding new means of financing with acceptable risk. In accordance with the existing high quality of risk assessment, the Bank will try to detect and suggest solutions to its clients even before a problem arises which should cause them to default on their existing liabilities. Regardless of what our clients' needs should be, our support will remain constructive.

Zagrebačka banka has more than 4,500 employees, which makes it one of the largest employers in Croatia, and according to independent research, the Bank is also one of the most desirable employers.

## History

Zagrebačka banka started its banking operations back in 1914 under the name of Gradska Redovnica (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 on 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.

To this day Zagrebačka banka is the leader on the domestic market and one of the most successful members of the UniCredit Group.

## Product

Despite the circumstances which have been out of the ordinary and required Zagrebačka banka to adapt quickly, the bank has continued to invest in the development and quality of its products, which are available to clients in 130 branches through the largest network of ATMs in the country, as well as internet, telephone and mobile phone banking.

Nowadays, over 400,000 clients use the internet to conduct business with Zagrebačka banka, which is by far the highest number in Croatia; and the service has been awarded as the most innovative and having the best quality on the market. The mobile phone banking service is used by over 100,000 clients.



As regards Retail business in 2010, the Bank will focus on housing loans. Also, special attention will be paid to developing services for the Bank's loyal clients of different age groups – from the youngest ones, in the form of children's savings programme "Včelka" (Little Bee), to pensioners and their needs.

The clients of Zagrebačka banka continue to invest in their future, which is especially important today when many are facing financial difficulties. So they show increased propensity to save, as savings are considered a traditional investment that ensures financial security. The reason for the Bank's high market share in savings lies in the fact that clients put great trust in Zagrebačka banka as a secure private financial institution with the strongest capital base and a long track record of financial stability and sound performance spanning over several decades.

The bank has strengthened its position in Corporate Banking as well. Last year and this year so far, Zagrebačka banka has been the main creditor of Croatia's Government and it is well able to provide financial support to the main branches of economy. The Bank has successfully exploited opportunities to arrange major specially tailored arrangements with foreign creditors offering more favourable prices for new development projects and better lending conditions for Small Business customers. Using the

highest level of transaction security and data protection. The solution, developed by e-Aladdin Knowledge Systems, has been implemented for the first time in Croatia.

Also, higher quality standards having been set in the field of card business, Zagrebačka banka was the first bank in Croatia and within the UniCredit Group to obtain the Payment Card Industry Security Standard (PCI DSS) Certificate in 2008. By introducing this system, the bank has completed its mission of meeting international payment security standards.

Last year MasterCard of Zagrebačka banka marked its 15th anniversary. As early as 1994, ZABA was the first Croatian bank to issue the EuroCard/MasterCard cards. Over the past fifteen years, Zagrebačka banka has been improving its offer of bank cards and adapting them to clients' needs. Today, over 2.5 million bank cards issued by Zagrebačka banka are used.

Besides student loans, Zagrebačka banka continually enhances its offer of products and services specially designed for students. 24 branches across Croatia have been specially adapted and have professional bankers to suit the student population.



products and services, gives advice on banking products, recommends how to manage personal finances and enables viewers to put a question to the bank through the popular "vox populi".

## Brand Values

In recent times, citizens have strongly associated Zagrebačka banka with security, greatness, progress and tradition. What gives it an edge over the competition is the fact that Zagrebačka banka is a bank that is an advisor and a partner in all circumstances and situations, no matter how specific; it offers reliable solutions, it is open and responsible, and it treats its clients with respect.

The Bank's social responsibility definitely adds a new value dimension to its business activities – being Croatia's leading bank does not only mean having the largest market share, the largest number of clients or offering state-of-the-art products of superior quality. Rather than anything else, it means being aware of its responsibility for and influence on the entire community in which it is present. Despite the difficulties prevailing in the current economic environment, Zagrebačka banka continues to hold its traditional funding competition for the 12<sup>th</sup> consecutive year, through which a total of 18.2 million HRK have been donated.

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



THINGS YOU DIDN'T KNOW ABOUT...

## Zagrebačka banka

- Zagrebačka banka accounts for 25 percent of the banking sector assets.
- Zagrebačka banka has 1.2 million clients.
- Zagrebačka banka has 130 branches.
- Zagrebačka banka has 850 ATMs.
- Zagrebačka banka has 420,000 internet banking users.
- Zagrebačka banka has 100,000 mobile phone banking users.
- Zagrebačka banka has given 18.2 million Kuna to donations through its funding competition.

**Zagrebačka banka**  
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sources from such credit lines the Bank will spur development projects of small businesses that are increasing the range of their business activities, especially in tourism and agriculture, as well as services aimed at improving the quality of life. Special attention will be paid to strengthening the Bank's advisory role for clients preparing projects eligible for EU financing.

## Recent Developments

In the past two years, Zagrebačka banka, along with the usual services it offers to citizens and companies, has introduced m-zaba, a mobile phone banking service. The B2G card has also been introduced for legal entities as the only card on the Croatian market which enables them to conduct all necessary office and financial business, as well as business connected with electronic services concerning state administration and public services.

Besides, Zagrebačka banka has introduced a new solution for the use of the e-zaba and B2G service for business entities. The new Aladdin eToken NG-FLASH device facilitates the use of internet services ensuring the

The internet banking system has also been expanded through a new e-trade facility; an even easier way to purchase and sell securities on the domestic capital market.

## Promotion

In the current economic situation, when clients need additional help suited to their individual needs, the Bank additionally bolstered consulting relations with clients, thus raising the level of direct communication. At the same time, in order to increase its cost efficiency, Zagrebačka banka is building its possibilities of promotion through its own distribution channels – including not only its branches, but its website as well – [www.zaba.hr](http://www.zaba.hr), which was completely redesigned in terms of visual identity and contents in early 2009. Online content and numerous interactive possibilities on the site were created to suit clients, enabling them to conduct business without having to go to the bank.

Zagrebačka banka has launched a new form of TV promotion – a Zaba 90 seconds series. This innovative show informs and educates viewers about the Bank's new

