

## Croatia

### Banks in Croatia – A 10 year perspective

During the last decade, the banking market in Croatia has undergone a significant transformation. The number of banks has decreased substantially: in 1999, 60 banks were in operation in Croatia, today there are “only” 36 as some banks went bankrupt and others have undergone a process of merger or acquisition.

Foreign players who entered the market brought many changes to the banking environment and new products and services became available to clients. The increased competition had a very positive influence on the quality of service.

How are these changes influencing the bank customers? GfK Croatia has been making an assessment of the behaviour and attitudes of the banks' private users since the year 2000. GfK's syndicated project, FMDS, is conducted quarterly with a large sample, representative of the population and a database of 40,000 respondents is currently available for analyses and benchmarking.

During the last decade, customers have continuously increased their use of financial services. For example, the number of credit card users doubled between 2003 and 2008 but then declined again due to the financial crisis (cost control). We saw an increase in the penetration of current accounts, ATMs and loans.

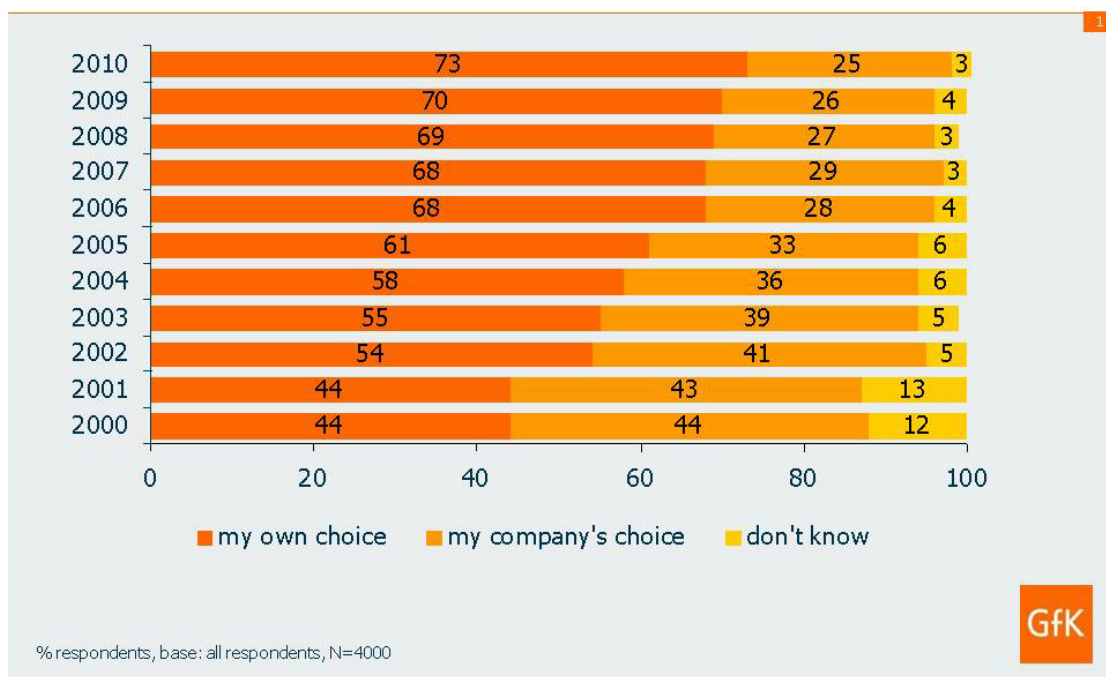
It seems that the banks are coping well with their increasingly sophisticated and demanding customers. For example, expression of the level of satisfaction with bank staff (pleasant attitude and consulting skills) shows an upward trend.

There was significant increase in the proportion of clients who are the sole decision-makers where the choice of bank is concerned.

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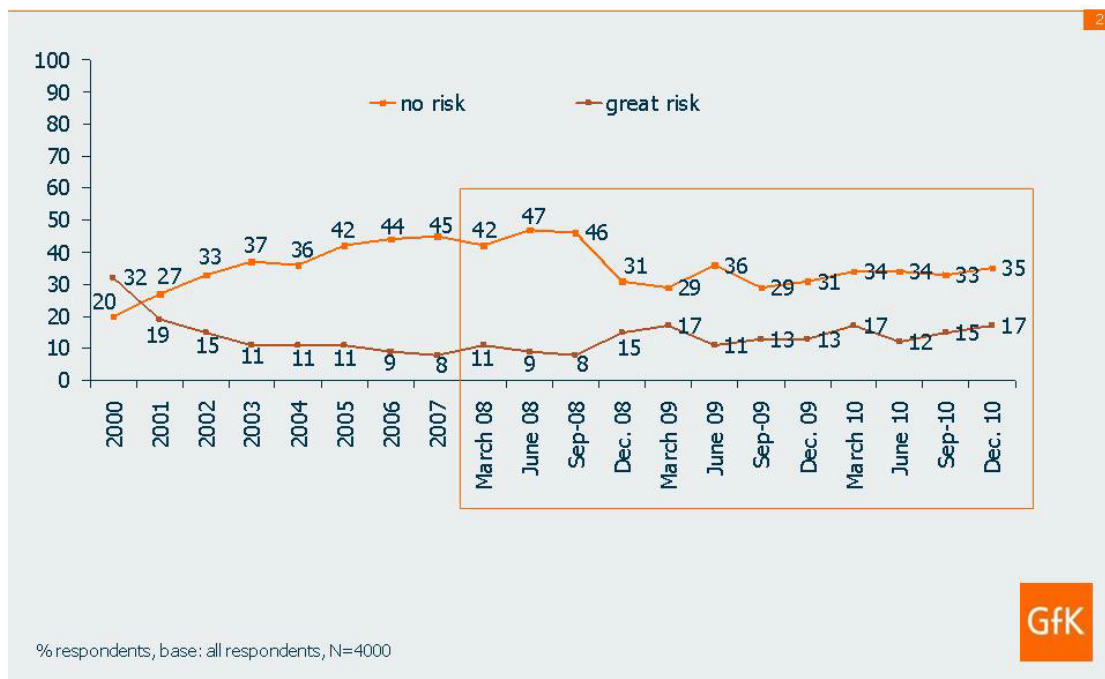
### Way in which the main bank is chosen



A very vital aspect, the level of trust in banks, has also developed favourably. During the first few years of the last decade there was a significant increase in the percentage of the population who expressed confidence that their savings were safe in the care of the banks.

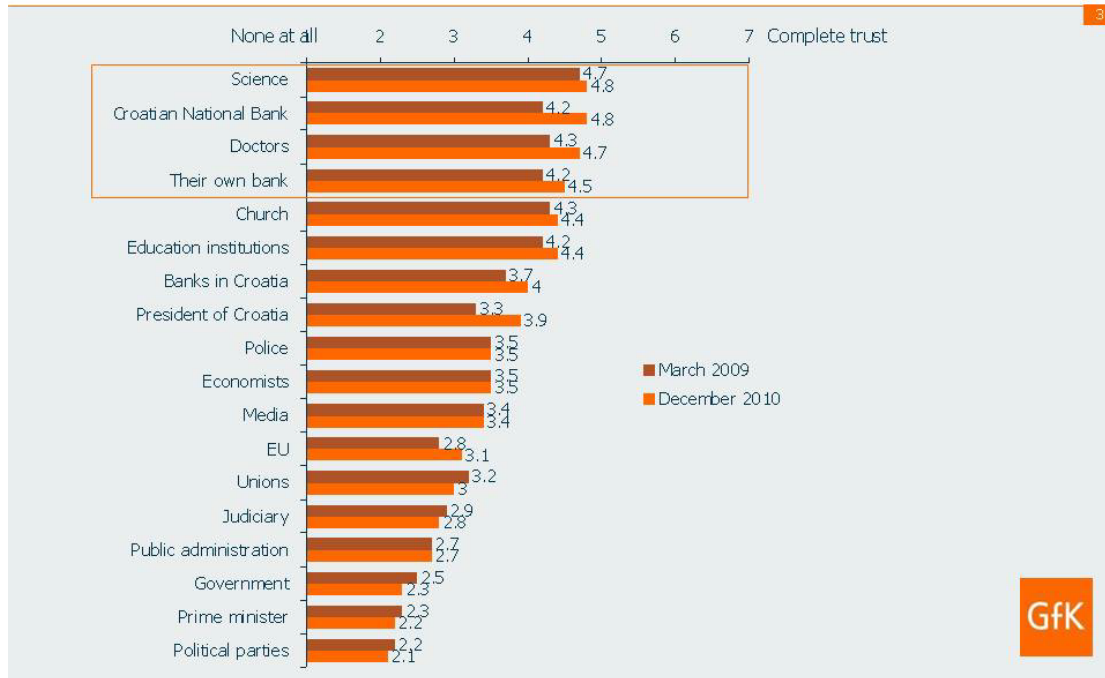
The onset of the financial crisis raised some doubt as to the stability of the banking system and the trust scores went down. Nevertheless, the perception of great risk remained relatively low.

## Risk to savings



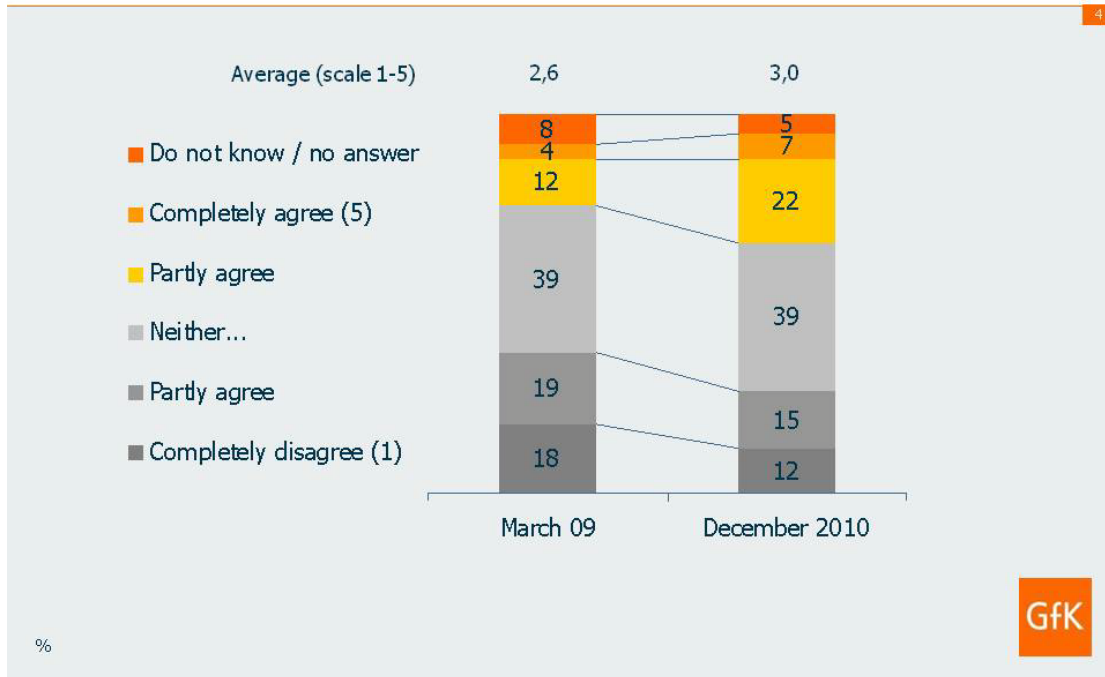
During the time of crisis, customers positioned their own bank amongst the most trusted institutions. At the end of last year it could be seen that this perception is growing stronger.

## Trust expressed in various institutions in Croatia



The presence of international banking groups was always a controversial subject amongst Croatian banking customers. However, over the last two years there has been a significant positive shift in the perception of the international groups that dominate the Croatian banking market. They are increasingly perceived as being guarantors of security.

## Strong international banking groups guarantee security of banks in Croatia



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