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ATINER's Conference Paper Series
BLE2014-1065

Customer Relationship Bank's Management in Croatia

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This paper should be cited as follows:

Pavković, A., Galić, I., (2014) **"Customer relationship bank's management in Croatia"** Athens: ATINER'S Conference Paper Series, No: **BLE2014-1065.**

Athens Institute for Education and Research
8 Valaoritou Street, Kolonaki, 10671 Athens, Greece
Tel: + 30 210 3634210 Fax: + 30 210 3634209 Email: info@atiner.gr
URL: www.atiner.gr
URL Conference Papers Series: www.atiner.gr/papers.htm
Printed in Athens, Greece by the Athens Institute for Education and Research.
ISSN: **2241-2891**
24/07/2014

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Abstract

Customer relationship management is a business strategy with the goal to optimize organization long-term value, and with the request of positioning customer at the center of the business philosophy and culture. Customers represent the bank's basic income source for future growth. Very dynamic market environment, strong competition, the changing demand requirements, reformed regulations and supervisory standards, are some of the circumstances in which contemporary banks currently operate. The purpose of this paper is to identify and provide guidelines that can help the bank management to make faster and more efficient decisions and profitability for shareholders in wider sense. Bank management also realizes their efficiency through other policies like: less risky products and geographical areas, costs cuts, regulatory optimization, economy of scale and scope through more efficient IT, infrastructure, risk management techniques, trading platforms, etc., and together with customer relationship management, synergy effects are expected.

The research will be based on the theoretical knowledge background in less significant proportion and practical aspects based on the survey conducted on a sample of Croatian banks. The research will test the hypothesis that the customer relationship management improves banks efficiency through the more efficient decision making, stronger relationship with customers, data mining through improved information technologies, products creation according to customer preferences, increased general bank profitability, etc.

Keywords: customer relationship management, bank, profitability, Croatia

Introduction

Banks' business models were mainly focused on loan products and had followed the strategy ‘growth with their clients’. Present circumstances of strong competition, growth in non-performing loans and costs and other factors, force banks to focus on additional activities by noninterest incomes sources through better cooperation with their clients.

The paper will use several types of methodologies. It will investigate domain of customer relationship management through inductive and deductive methods. Explanatory and contextual research in the field of qualitative research methodology will be used with the aim of systematization and clarification of terminology associated with bank management. Qualitative analysis of international and national practices will be implemented using the available practices and working experience complementary with theoretical review. Primarily with deductive approach and using methods of abstraction and generalization, this paper will give recommendations for more effective management practices in Croatian banking politics and wider.

Croatian banking today requires redefining banks politics and one of the most efficient methods is, according to scientific and professional research, customer relationship management. The concept of customer relationship management in Croatian banking system is still underdeveloped except in large foreign owned banks. Research would also define guidelines for smaller banks to prove their customer relationship strategies and market position indirectly.

Customer Relationship Management: Theoretical Background

Customer relationship management is a concept that has evolved from marketing theory at the end of 20th century, and researches have shown that it is much more cost-effective to keep of an existing customer than to try to acquire a new one. Interestingly opinion shared by Foss and Stone that in the nineties of the 20th century every research about managing relationships with the customers began with controversy: strategy or technology, and today it is clear that it is customer relationship management business philosophy based on the principle of respect for the individual importance of each individual1. Customer relationship management in the 21st century is a banks strategic priority and basis for managing the development of products and services in banking and financial sector. The traditional way of business, which aimed to attract new customers, but not always keep them, gave path to the modern way of doing business which aimed to establish long-term, profitable customer relationships. Consequently customer relationship management through relationships with customers has a goal to increase customer satisfaction and to maximize profits.

[1]Foss, B. i Stone, M. (2002) CRM in Financial Services: A Practical Guide to Making Customer Relationship Management Work. London: Kogan Page Limited.

Customer relationship management is a business strategy by which segments and manages customers in the interest of optimizing long-term value for the organization, and requests that the customer is at the center of the business philosophy and culture of the organization itself and all operational support marketers[1]. ‘Loyal customer is the most valuable asset in today's time” and customer relationship management implies that this is a simple philosophy that puts the customer at the heart of business organizational processes, activities and culture in order to increase satisfaction based on the use of services and maximizing profit organization itself[2]. Customer relationship management defines the phrase, ‘it is important to have the right offer for a real customer, at the right time supplied through the right distribution channels”. Consequently, customer relationship management is an interactive process to achieve optimal balance of economic investment entity, in this case the bank, and meeting the needs of clients in order to maximize profits. The true value of the concept of customer relationship management for the bank rests in transformation strategy, operational processes and business functions in order to retain existing customers, increase customer loyalty and achieving profitability, and it is therefore used in practice. Also it is necessary to have adequate information system or IT solutions.

Customers represent the bank's dominant source of income for future growth. Engaging the customers is the primary goal of each bank. Relationship between the bank and its customers is a continuous two-way communication and interaction process. Management understands that customer relationships should not place themselves, but there is necessary a process by which would lead to mutually desired direction[3].

Customer relationship management actually requires business philosophy focused on customer and culture of the bank to support the processes of sales, marketing and client service. Banks tend to be closer to their customers and invest more effort in finding new ways to create value for its customers and for long-term partnerships. That is, with the help of these business strategies, banks are trying to develop a business approach totally focused on customers adapting thereby this concept to organizational structure, marketing activities and technology in order to increase their profitability, retain their place in the financial market and achieve their business goals. To begin, it is necessary to determine the appropriate business strategy to create long-term, sustainable and profitable relationships with customers, than adjust banks business processes, and optionally adjust the organizational culture in order to create complete customer focused environment.

[1]Merkel, N (2005) Customer Relationship Management in Banking Sector. Munich: GRIN Publishing GmbH.
[2]Revathy, B (2008) CRM in Banking. U: Shanmugasundaram, S (ed.): Customer Relationship Management: Modern Trends And Perspectives. Prentice-Hall of India Private Limited.
[3]Gray. P i Byun, J. (2001) Customer Relationship Management. Centre for research on information technology and organizations. University of California, Irvine.Gray and Byun, 2001

The business strategy of customer relationship management increases the possibility of the bank that understands the needs of current customers; they have done in the past and plan for the future, to accomplish their goals. Customers are the most valuable assets of a bank, and understanding and meeting their needs and wishes is the starting point in developing customer relationship management strategy.

The implementation of the business strategy in today's business environment is recommended to banks in accordance with the benefits arising from the application of these strategies, such as greater customer loyalty and profitability. The focus of the strategy is to take over and retain customers in wider sense rise profitability of specific customer groups. It is estimated that the cost of attracting new customers can be five times higher than the costs that are necessary to keep existing customers. Customer retention refers to directing banks to existing customers in order to ensure that they will continue to purchase products and services. Banks can increase their profitability between 20% and 125%, if they increase their customer retention rate of 5%. Profitability reflected the financial impact of the customers in relation to all costs associated with the transaction. Profitability in terms of business strategy of customer relationship management should be considered in light of expected life time value of customer to the bank, taking into consideration the income and expenses with each customer and his executed transactions in a given time[1].

Contemporary trends directly or indirectly indicate that access to customers transform from mass in micro approach, focusing primarily on individuals and their needs, desires, customs, beliefs and behavior. It is important to find out what motivates them in choosing the bank that is why they decide to do business with one bank, not with any other, all of which influence them in deciding, what the attitude of customers towards the products and services of a bank.

Quality of service and customer satisfaction has always impact on bank business results. However, banks just recently recognized the importance of investing in quality to provide services and orientation to the satisfaction of its customers, establishing a sudden change in the way of its business due to increasing competition in the financial market, declining demand for loans and increasing investment in new financial products. In early nineties, banks began to face a number of threats that have continued to this day, namely that the choice of the bank by the customer no longer depends only on the availability of business networks or nearby branch, but about real characteristics of banking products and services, leading to increased risk and infidelity customers. The development of information technology and greater availability of information to customers about the banks products, and consequently with the development of different needs and customer requirements, forced banks to differentiate their offer in order to defend themselves from the competition and

[1]Meler, M. (2008) Management odnosa s potrošačima, nastavni materijal kolegija Management odnosa s potrošačima na Poslijediplomskom studiju ‘Poduzetništvo”. Osijek: Ekonomski fakultet, p.80-81.

were able to offer products and services in accordance with the new requirements. In such conditions, analysis of customers' needs and their levels of satisfaction with the services provided is becoming a key tool for the introduction of new business strategies. Banks realize the necessity of the strategic focus of the product direct to customers and consequently there is a great development and implementation of customer relationship management as a business concept in banking.

In-crisis European Bank's Business Model Redefinition

Dynamic market environment, strong competition in the banking industry, the changing demands of customers, strict regulations and risk management are just some of the characteristics which are currently operating contemporary banks aftermath the crisis. Better management and usage of business strategy in decision making are one of the determinants that make a bank more successful than others. For regularly and opportunely business decisions it is very important determination of the clear images of customers and define their business relationship with the bank are very important, as well as defining a clear image of the market potential and the possibility of the banks which use this potential. Looking at today's business banks notice that they are forced to manage their business relationship with customers instead to be controlled by customers. Also the positive impact to more contemporary banking has the intensive implementation of technological innovations by increase in the level of informatics education, informatics based working places and functions, decrease in costs and more disposable products. Table 2 indicates three categories of risk exposures impacts (on capital, profitability, liquidity; funds and environment) in European Union banking sector.

The appearance of de-risking by reducing bad credits from banks asset-sheet moves the leverage on more conservative level and still many banks have not entirely cleaned their balance sheets. Lately, in the context of banks business models, banks apply strategies for leaving the risky products and geographical areas, and systemically avoiding credit and market risks. This is mostly referred to investment activities and trade financing, avoiding high income activities and returns on retail activities. Larger cross border banks withdraw themselves progressively from the global market. They achieve stronger profitability through: less risky activities, smaller cost and income ratios, higher assets and turnover ratio and through regulatory optimization. They return to activities where they have the economies of scale using the IT, infrastructure, risk management and trade platforms which can be used for higher automation of bank services. During 2012, capital positions of banks are on the rise as a result of national efforts for strengthening capital positions and as a result of recapitalization exercise of European supervisor of the banks trough capital infusion in banks and establishment of new standards of quality and quantity of the capital for meeting an upcoming capital requests. Low interest rates pressure net interest margins especially for banks that are exposed to some shapes of mortgage loans which contain some kind of latent credit risk. Margins are also under pressure of high costs of sources of financing. Cost and income ratio and similar indicators effect on keeping the costs under control where because of the credit risk growth lead to higher level of reservation. Incomes and fees from services are traditionally relevant source of bank income and today are under pressure of job reduction. Banks cut costs (on employees) and through economies of scale and innovations. As a result, reservations grow also which negatively effects on bank profitability[1].

To survive in high competition competent circumstances it is need efficient functioning of different organizational units as an integral system. As a consequence of interest rates (active and passive) pressures, decrease in profitability is necessary to manage all banking activities to improve mentioned externalities. Table 3 describes scope of different organization functions in contemporary banks directly connected with the customer relationship management. Also support banks' functions are: accounting, audit and financial controlling, treasury unit, compliance and legal unit, cash management and payment unit, marketing and public relations, human resources unit, risk management, which have to complementary influence on whole banking efficiency. In last few years special role has the client protections. Also the table 3 measures the level and connectives of customer relationship management in some functions.

Customer Relationship Management in Croatian Banking Practice

Like in other countries, similar economic, financial and banking trends have occurred at the Croatian banking market and have encouraged the financial and economic crisis, which ultimately led to the fall of their profitability and efficiency. Therefore, banking in Croatia today demands a redefinition of business policy, and one of the successful models, according to scientific and professional research, is the application of business strategy customer relationship management.

In the past, most Croatian banks concentrated on credit products and often followed strategic adopted policy of 'growth with customers'. But today, interest income has less impact on profitability of banks, since the collection of loans becomes questionable, banks have relatively higher costs compared to income from interest earned on loans and consequently the management of banks is forced to focus on increasing the share of non-interest revenue through customer relationship management, and strive to quality service, well-structured priced products and services, diversified range of products and services, and connecting with other financial institutions to manage the quality of customer satisfaction at increasing their profitability.

[1]European banking authority, July 2013., Risk assessment of the European banking system, p.7.

Croatian market for financial services counted population of around 4,268 million people with nominal GDP per capita of 10,155 Euros at the end of 2013. Commercial banks in Croatia (30) are managing by 404 billion HRK bank's asset. In recent years the new technologies and communication infrastructures have become revolutionary forces changing bank business models, cost reductions and the nature of customer relationship in Croatia. The intensive use of electronic banking channels and self-service devices has also significantly changed typical branch profile.

Compared to EU statistics and the significance of contemporary distribution channels in Croatia there is 3,422 people per branch while in EU only 2,131 people per branch. Also in Croatia are rising trend in Internet banking use (23% adult persons aged from 16 to 74) at the end 2012. Croatian financial system is characterized by an extremely important role of commercial banks, among other financial institutions and markets, in servicing all deficit saving units (corporations, households, government). Total banking system asset category is continuously growing in last decade but in last few years at lower rate1. The structure of commercial bank loans in Croatia has become worse from 2007 as result of global crises which spilled over in Croatia and the nonperforming loans (NPL) were 15.6% at the end of 2013. In total bank's revenue structure about 71.2% is net interest revenues.

Croatian banks have to meet their customers in order to develop competitive products and services, and start to apply new business strategy in the interest of maintaining existing customers, attract new customers and achieve the required efficiency and profitability of the business. Application of the concept of customer relationship management bank in the Croatian banking system is still underdeveloped except in large banks, which among other things, have a large share in total bank assets. Taking into account the ownership structure of banks is a known fact that the major banks in Croatia are in foreign ownership. Owners then determine and plan profitability rates they have to accomplish, the number of employees, they provide capital for the opening of new branches, and expose to new risks, etc.

The Croatian banking industry in the last few years is described with competition trend in the non-banking market, indebtedness Croatian citizens, increasing number of high-risk loans, debt write-offs as a result of repairs and cleaning of the portfolio, and non-performing loans of individuals and legal persons in times of economic crisis and therefore emphasizes the implementation of new business strategies in which all the power is directed to the customer relationship management. Managers introduce new business strategies to replace high-risk credit loans with less-risk service and off-balance sheet transactions.

The purpose of this research was to investigate and prove the stage of usage the customer relationship management concept as a business strategy of Croatian banks, respectively do Croatian banks apply the mentioned business strategy in their business by which they would met their clients, get closer to

[1]Croatian National Bank, Bank bulletin, 2013.

them and in such way influence on bigger profitability. Comparison of the implemented method of client survey was conducted using the comparison method, in which qualitative analysis was used to closely analyze differences between banks, and carry out advantages and disadvantages of customer relationship management using inductive approach. Research of Croatian banks was based on survey method and classification method which is used to determine samples of questioned banks, and survey results are processed using appropriate mathematical and statistical methods. Empirical research that was conducted in banks in the Republic of Croatia showed that business strategy related to customer relationship management in questioned banks by number of banks, and not by asset size or market share, is only in beginnings, except for three large banks which are in foreign ownership. Encouraging is the fact that questioned banks in Croatia have recognized the customer relationship management concept as a business strategy and that almost every questioned bank has declared that strategic guideline of their business is oriented entirely on clients and their satisfaction. Also encouraging is the fact that the training of employees related to qualitative customer relationship management in every questioned bank is carried regularly. But that is still not enough because all of the questioned banks do not have complete and integrated picture about every client or about what their business strategy can bring them in long-term.

In Croatia, according to the research, large banks by size of total assets of the banking sector have their own special departments for customer relationship management. Also, all banks do not have integrated access to all customer information in one place, and have underdeveloped IT system and support as well as various databases for different segments which disable the categorization of clients quality management of business relationships with customers. Despite the fact that a large majority of banks in Croatia do not have an integrated database, banker's consciousness is high regarding customer satisfaction. Croatian bankers think that they have insufficient knowledge about their clients and that their knowledge is based on the information in their databases, which are in most cases incomplete and not all integrated into a single database from which they would have information on the use of bank and non-bank products per customer. Very often clients are segmented and categorized on wrong basis, data about customers is incomplete and therefore it is difficult to extract knowledge about customers. According to conducted research Croatian banks, which taking a large market share by size of assets, also have fully integrated databases with other financial institutions with which they do business and selling non-banking products and services1.

Human and information support is on significantly lower level of development at questioned banks which are mostly ownership of domestic Croatian companies and individuals. If they want to survive on the market, they will for sure have to increase their investments in new technology, in development and access to new business strategies, employee's education or to

[1]Galić, I. (2012) Upravljanje odnosima s klijentima banke u funkciji povećanja profitabilnosti. Magistarski rad. Zagreb: Ekonomski fakultet.

connect or be bought by large bank groups. But still most of banks, including the banks that belong to the group of large banks, do not have integrated information from all client communication channels, do not have whole and integrated snapshoot about every client in all the aspects of interaction and cooperation with him, neither they have organizational units or employees in charge of well-functioning of customer relationship management. From banks that participated in research, only two large banks answered that they have integrated information system to support: sale, marketing and customer service in unique system. Also relevant for better relationships with customer is that banks conduct campaigns to increase their clients loyalty and satisfaction mostly in insufficient measure, and it is a fact that respondents gave average grade 2,89 exactly to this business aspect. It is necessary that questioned banks work on improving quality of customer service and in that way directly influence on their loyalty, which can be connected with the fact that in eight questioned banks clients do business directly to employees in branches on tellers. Insufficient development and usage of alternative distribution channels - internet banking, contact centers, mobile banking and other channels - show underdevelopment of customer relationship management business strategy and show the need for its further application in the future. The strongest challenge of improving customer relationship management will present a separation of funds and creation of satisfying budgets for implementing business strategy, integration of all contact channels with clients and creation of unique system for customer relationship management, as well as accepting changes in organizational culture regarding the appliance of customer relationship management concept as a business philosophy. Research indicates that customer relationship management is known as a business strategy in Croatian banks, but it is underdeveloped especially in small banks by asset size, which occupy a small percentage of the market share according to asset category. Behind all the major banks in Croatia are foreign-owned large banking groups and developed with advanced technology and management system, while behind the small domestic banks are mainly local Croatian companies and individuals that are unable to compete with large banks. Introduction of the customer relationship management in the banking system according to the number of commercial banks is at a low level of development, despite the fact that three major banks by the size of assets held by 53% of the banking market, as shown by the financial indicators of the banking system in Croatia, which are on average half the size of the indicators ROA and ROE famous European banks.

Croatian bankers have well evaluated knowledge of customer relationship management which is very important in the further development of business strategies and inspire confidence that the management in Croatian banks go through significant improvement of customer relationship management. Applying the concept of customer relationship management enables banks to quickly and easily adopt their business decisions, be more closer to its customers, meet them, put customers first, invest in information systems and information technology, conduct data mining, develop and provide services and products in accordance with needs of customers, retain existing customers, increase profitability per customer, achieve business results easier, simpler manage business risks, accelerate asset growth, increase market share, increase non-interest income and income from fees and commissions increases shareholder wealth, and all that primarily in a function of increasing profitability.

Concluding Remarks

The research results confirmed the hypothesis that customer relationship management improves banks efficiency through: simpler and faster decision making, stronger relationship with clients, data mining through improved information technologies, creating products according clients wishes, increase efficiency according to client and general bank profitability, etc. Simultaneously today’s banks expect the synergy effects from distribution channels duplication but also with cross-selling and other selling strategies. Integration of customer relationship management concepts in the banking system by number of commercial banks in Croatia is on the low stage of development, despite the fact that three large questioned banks by asset size hold 53% of the banking market. But questioned Croatian bankers have rated the understanding connected to customer relationship management quite well, and this is very important in the further development of business strategy and gives confidence that management in questioned Croatian banks will move to more significant improvement in customer relationship management. This path has to include creation and application of a business strategy directed to client, establishment of organizational culture oriented to clients, and creation of assumptions for implementation of customer relationship management concept (business processes, procedures and rules adapted to clients) and finally integration of functions which contain information about clients (sale, marketing and client servising) in unique and integrated system.

Contemporary banks' business models todays have to be based on modern market philosophy which is based on:

- Banks’ customer has its own preferences and he will be informed about the best bank service,
- The decision about services and products has to be coordinated with the customer,
- The bank products and services supply must be conformed,
- Products and services supply side must be diversified and larger than demand side.

To achieve mentioned goals it is necessary to research the market, educate banks' employment, targeting on non-interest income, etc. So the potential users of the research could be banks' employment, management and shareholders, regulators, supervisors and clients.

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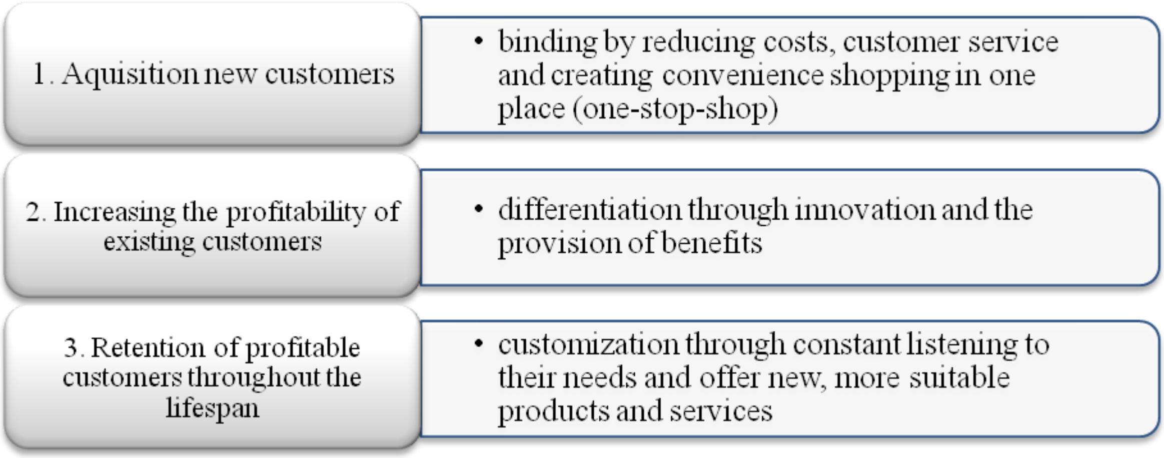
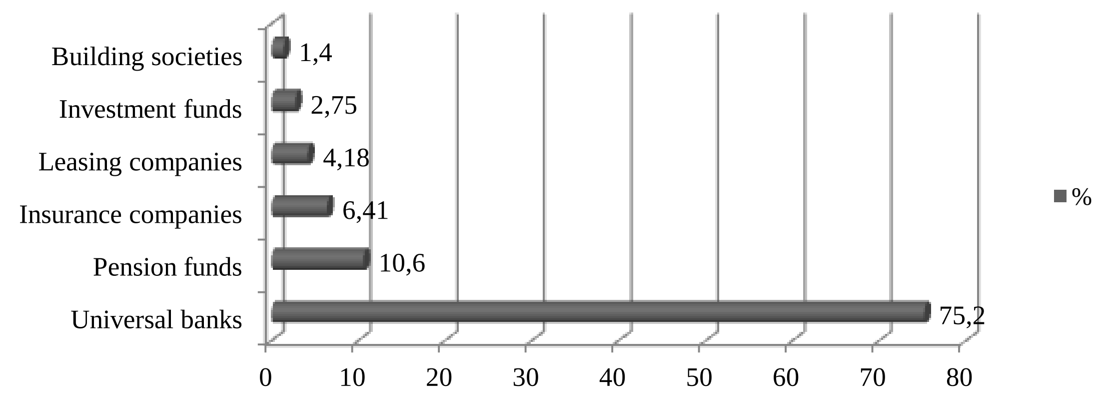
Graph 1. *Phases in Banks' Customer Relationship Management*



Source: according to Müller, J., Srića, V. (2005) Upravljanje odnosom s klijentima: primjenom CRM poslovne strategije do povećanja konkurentnosti. Zagreb: Delfin – razvoj management, p. 103

Graph 2: Relative scope of financial institutions assets in Croatian financial system, 2012



Source: Annual review 2012, Croatian office for insurance, 2013

Table 1. *Objectives of the Banks Customer Relationship Management Concept*

Use existing relationships to maximize revenue	Cross-selling, up-selling, profitability increases by identifying, attracting and retaining the best customers
Use integrated information for excellent service	Using complete information about the client through all channels of interaction that would best meet customer needs
Introduce sales procedures and processes	Ensuring consistency in sales and client relations
Create a new value for customers	Encouraging their greater loyalty
Implementing strategies that are based on proactive solutions.	Preventing problems, proactive and appropriate programs, etc.

Source: Author's research, 2014

Table 2. *Risks Levels, Triggers and Trends in EU Banking Sector, 2013*

Risks	**Risk triggers and their impact**	**Risk level**	**Trend**
Credit risk	Asset quality. Differences in NPL definitions, loan restructuring, NPL level, real estate market.	**H**	↑
Market risk	Volatility, hedging activities. Geopolitical and monetary politics.	**M**	↔
Operational risk	Intensive challenges, cost cutting, fraud risk influenced by crisis, continuity in IT servicing.	**M**	↔
Concentration risk, interest rate risk in banking book	Interest rates. Profitability pressures. IRBBB approach) and other risks.	**M**	↔
Reputational and legal risk	Libor and euroibor investigations. Banks are under the pressure of future failures. The impact of new prudential models on costs and the profitability.	**M**	↑
Profitability	Spreads, asset quality, reservation, business models changes. Low interest rates. Increased funds costs, increase in NPL.	**H**	↑
Funds access and maturity distribution	Market confidence and prices. Sensitivity on public funds.	**M**	↑
Funds structure (loans VS deposits, private or public sector)	Leverage. Changed business models and macroeconomic conditions, decreases and exits from risks positions.	**H**	↔
Regulatory environment	Time and scope of regulatory rules implementation. Deficit in confidence on further regulatory initiatives on business models. Expected increased confidence on the basis of CRD/CRR package and Single supervisory mechanism.	**H**	↔
Fragmentation	Continued deficit in confidence, the link between banks and governments, national regulatory and political initiatives. Increased in requirements for national balanced assets and liabilities structures, international interbank markets are very deficit. Comparable company's debt costs are different in different countries.	**H**	↔
Sovereign rizik	Fiscal policy, budget unbalances. Bank union implementation.	**H**	↔

Note: risk level: H- high, M-.medium, L-low

Source: according to European banking authority, (2013). Risk assessment of the European banking system, p.7.

Table 3. *Bank's Organization Structure and Customer Relationship Management*

Responsibilities and functions	**CRM**
Consumer business unit (retail, corporate, SME, financial institutions). Product design (features, functions) and assurance that new products are executable through the distribution channels. Preparation of pricing and pricing changes. Monitoring of market and financial performance of products to identify improvement potential. Preparation of annual plan for new product development as input for annual marketing and business plan.	**H**
Investment banking unit. Market observation/analysis, development of strategies and concepts concerning business activities and targets, development and implementation of products within the given product chain in coordination with all relevant units internal and external, preparing product presentations and offers, definition and implementation of primary market standards, development of funding concepts and issuance strategies, relationship management with clients (identification of potential investors, establishment and maintenance of business contacts) and with account managers for target markets, target clients and target products, responsibility for the selling (includes sales of fixed income/credit products), trading (commission trade) and credit investments activities as well as placement of new issues, origination (especially structuring and pricing), management and execution of clients' new issue transactions.	**M**
Structured and project finance unit. Management of product profitability. Sales support to relationship managers. Project and feasibility analysis. Developing of various cash flow and other financial scenarios. Structuring, negotiating and closing of transactions. Risk analysis and risk decision taking in line with applicable rules and regulations. Tailor-made documentation in close co-operation with Legal & Compliance unit.	**H**
Trade finance unit. Management of product profitability. Product positioning vis-à-vis competition. Responsibility for development of new products and their continuous enhancement. Preparation and production of product brochures and sales kits. Establishment of pricing guidelines. Sales support to relationship managers. Development of target markets and sales strategy together with customer unit. Monitoring of product quality and taking steps for improvement if necessary. Monitoring of efficient processing and resulting unit costs.	**H**

Asset syndication unit. Management of syndication process (transaction, control, relationship management). Advising customers in co-ordination with account managers on any syndication related issues Structuring and negotiations of syndicated transactions in co-ordination with account managers. Marketing/sales support (brochures, etc.). Identification/ contact of potential investors and management of relationship. Support in contract documentation (syndication). Servicing and management of underwriting. Placement of originated transactions. Co-ordination of pricing, terms and structure with account managers in respect to syndicated transactions and agreeing with customers.	**H**

Notes: H-high, M-middle, L-low.
Source: Author's research, 2014.

Table 4. *Croatian Commercial Banks Basic Financial Indicators, 2013*

Size	Number	Asset (%)	Employees	Units	ATM	ROAA (%)	ROAE (%)	A/C (%)
Large	6	82.2	15,899	759	3,144	1.1	6.1	21.83%
Medium	3	9.7	2,614	179	570	0.1	1.3	17.23%
Small	25	8.2	3,126	316	369	-0.4	- 2.6	16.61%
Total	34	100.00	21,639	1,254	4,052	0.8	4.8	20.89%

Note: Data for bank number, assets, ROAA, ROAE and A/C and assets are for 2012.
Source: Croatian National Bank, official data, 2014.