



## Business Activities

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Operations and tasks of the Bank are carried out by its organisational units – areas and offices. A more comprehensive description of business activities is provided below:

The Research Area monitors and analyses domestic and international economic and financial developments with the aim of establishing an analytical foundation for the implementation of the CNB's monetary and macroprudential policy and providing timely, high-quality information to the public:

- it compiles various studies and analyses for monthly, semi-annual and annual reports, information and publications,
- compiles surveys and working papers,
- develops and uses various economic and econometric models for simulations and macroeconomic projections,
- participates in the preparation of materials for the management's public presentations,
- cooperates with the European Central Bank, the European Commission and other EU institutions as well as with the IMF, and
- participates in the drafting of primary and subordinate legislation.

The Statistics Area gathers and processes statistical and administrative data from the reporting units and other institutions and uses this data to compile and publish information on particular statistical indicators as well as entire statistical reports from the area of official statistics in the Republic of Croatia in the part falling under the competence of the Croatian National Bank, in line with the applicable international statistical standards and EU regulations:

- it gathers data from entities subject to statistical reporting to the CNB,
- processes and prepares statistical reports in the area of monetary and financial statistics, general economic statistics and external statistics for the purposes of domestic and foreign users,
- develops statistical methodology (with the purpose of compliance with international standards and other legal documents), drafts regulations and develops the statistical system as a whole, and
- cooperates with the ECSB and the Eurostat.

The Central Banking Operations Area implements the monetary policy and manages the international reserves and foreign exchange liquidity:

- it is responsible for the purchase and sale of securities on the domestic market (with or without a repo obligation),
- issues the Bank's securities,
- grants loans to banks, collects deposits from banks, issues reserve money on the basis of purchase and sale of foreign currency on the domestic and foreign exchange market,
- invests international reserves and manages foreign currency liquidity, and
- monitors the exposure to interest rate, currency, credit and other risks related to investments and measures investment effects.

The Prudential Regulation and Methodology Area is responsible for the preparation of proposals, the monitoring and issuance of opinions and information on the implementation of prudential regulations and crisis management, the supervision of advanced measurement approaches and models and the receiving of off-site reports and system analyses:

- it proposes prudential regulations and participates in working bodies in charge of proposing prudential regulations which transpose, inter alia, the acquis communautaire of the EU into the legal system of the Republic of Croatia,
- provides expert support to supervisory teams in the assessment of risks of models used by credit institutions to manage risks and the evaluation of recovery plans and follow-up activities by developing internal methodologies and analysing benchmark trends in order to ensure equal treatment of entities subject to supervision,
- regulates advanced risk management approaches and performs stress testing,
- supervises the initial and subsequent validation of the proposed or approved advanced measurement approach for calculating capital requirements,
- drafts regulations governing supervisory and oversight reports and maintains the prudential reporting system,
- performs horizontal analyses of the banking system, and
- maintains the methodology for prudential supervision of credit institutions.

The Prudential Supervision Area is responsible for the supervision of credit institutions and the oversight of credit unions, the licensing of credit institutions and credit unions and the oversight of the maintenance of own funds in payment institutions and electronic money institutions:

- it supervises credit institutions on the basis of the supervisory review and evaluation of the sustainability of business models, internal management, capital adequacy and risks that affect capital and liquidity,
- oversees the implementation of certain laws and regulations governing the operation of credit institutions,
- exercises oversight of credit unions,
- issues authorisations and approvals related to the operation of credit institutions and credit unions, and
- oversees the maintenance of own funds in payment institutions and electronic money institutions.

The Expert Supervision and Oversight Area is responsible for the oversight of anti-money laundering and countering of the financing of terrorism in connection with entities subject to the Act on the Prevention of Money Laundering and Terrorist Financing, the implementation of which is overseen by the CNB. It also supervises information systems of credit institutions and oversees information systems of credit unions, electronic money institutions, payment institutions, payment systems, small payment institutions, small electronic money institutions and account information service providers:

- it drafts regulations and guidelines, monitors the regulatory framework and good practice and participates in the drafting of laws governing anti-money laundering and terrorist financing,
- oversees the prevention of money laundering and terrorist financing and implements international restrictive measures,
- provides support to supervisory and oversight teams within the procedure of supervision of credit institutions and oversight of credit unions,
- drafts regulations and guidelines, monitors the regulatory framework and good practice related to information systems,
- supervises information systems of credit institutions, and
- oversees information systems of credit unions, electronic money institutions, payment institutions, payment systems, small payment institutions, small electronic money institutions and account information service providers.

The Payment Operations Area performs tasks enabling the smooth operation of the payment system, thus ensuring the safe and efficient use of money as means of payment as well as the performance of payment transactions, i.e. the transfer of funds from the payer to the payee:

- it regulates payment operations,
- performs the tasks of licensing/registration and oversight of payment institutions, electronic money institutions, small payment institutions, small electronic money institutions, account information service providers and payment systems,
- oversees payment operations in credit institutions,
- collects and processes payment statistics,
- performs operational tasks of payment system management,
- performs operational tasks related to domestic and foreign payment operations.

The Currency Area is responsible for planning the manufacture of currency, ensuring sufficient quantity of currency, currency processing and destruction. It also regulates and manages currency supply and performs the tasks of the National Counterfeit Centre, the National Analysis and Coin National Analysis Centre:

- performing currency-related operational tasks (participation in procurement, storage, processing, replacement, withdrawal and destruction of currency),
- regulating and managing currency supply,
- managing logistic and strategic currency reserves,
- currency issuing,
- defining the features of currency issued by the CNB (nominal amount, design, technical features),
- analysing suspect currency,
- taking and implementing measures for the prevention of counterfeiting and detection of counterfeit banknotes and coins,
- governing regulations in the area of currency operations,
- collecting and processing currency statistics,
- controlling compliance by banks and other entities that are subject to the application of regulations governing currency operations.

The International Relations Area is responsible for European cooperation and cooperation with international financial institutions:

- it prepares materials and opinions – independently and in cooperation with the competent expert services of the Bank – for the meetings of bodies in the European Central Bank, the European Systemic Risk Board and the EU Council attended by the members of the Bank's management,
- participates in other relevant activities arising from the membership of the Republic of Croatia in the European Union and the CNB in the European System of Central Banks,
- prepares materials and opinions on the policies of international financial institutions (primarily the International Monetary Fund and the Bank for International Settlements) for the purposes of the participation of the Republic of Croatia and/or the Croatian National Bank in the work of the aforementioned institutions and compiles the materials on the relations of the Republic of Croatia and the Croatian National Bank with the aforementioned institutions, and
- carries out financial and legal activities arising from the membership of the Republic of Croatia/the Croatian National Bank in international financial institutions in line with the adopted regulations.

The Controlling and Accounting Area implements a management-oriented controlling concept and compiles the CNB's financial statements in line with legal regulations in order to provide support to business decision-making and management and to other end users:

- it coordinates and participates in the formation of business objectives with advice and recommendations,

- conducts planning and compiles business plans; monitors their achievement and compiles reports on the implementation of business plans; conducts planning and monitors the implementation of project plans,
- compiles and analyses information pertaining to costs with a view to achieve efficient cost management,
- provides timely analyses, information, advice and guidelines for the implementation of plans and achievement of objectives,
- processes data based on reliable and accurate accounting documents on transactions and keeps business records (journal, general ledger, subsidiary ledgers),
- prepares and compiles annual financial statements subject to audit (statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, notes to the financial statements) in accordance with the defined accounting standards; compiles financial statements for statistical, tax and other purposes; compiles internal information based on analyses of accounting data, and
- cooperates with ESCB bodies.

The Information Technology Area is responsible for application system development and operational tasks:

- it develops, designs, implements and maintains application software,
- monitors and applies system analysis and programming methods,
- monitors the development of software and selects, introduces and maintains software,
- defines the methodology and the exchange of data between the Bank and other participants in the banking and financial system,
- implements and administers operational systems and databases,
- develops and maintains a communication network for data transfer,
- monitors, evaluates and applies measures for the improvement of information system safety, and
- maintains the installed equipment.

The Support Services Area is responsible for human resources management, technical and general services, procurement and business protocol.

The Human Resources Department is responsible for:

- developing business processes and organisational design,
- planning and implementing the recruitment process, coordinating employee education and managing career development and employee performance,
- drafting internal bylaws related to employment, and
- performing other tasks related to employment.

The Technical Services Department is responsible for:

- managing technical projects; coordinating, monitoring and supervising the investment construction of buildings and/or restoration of the Bank's business premises,
- maintaining business premises and infrastructure (facilities, installations, devices and equipment),
- implementing measures aimed at the protection of environment and nature, managing waste and performing cleaning tasks, and
- procuring necessary goods and services.

The General Services Area is responsible for:

- providing the services of receiving, filing, delivering and dispatching documents and mail, coordinating the work of the telephone exchange and tasks related to the transport of Bank's employees,

- providing restaurant services for employees and the Bank's protocol,
- organising the use of spatial resources and the maintenance of the Bank's interior, and
- procuring necessary goods and services.

The Procurement Department is responsible for:

- coordinating procurement tasks in the Bank,
- participating in the entire procurement process and drawing up agreements regarding procurement,
- providing expert opinions and recommendations,
- representing the Bank before competent bodies in procurement processes, and
- drawing up the Bank's Procurement Plan.

The Business Protocol Department is responsible for:

- organising protocol and other business events,
- managing representational funds, and
- organising business trips.

The Communications Area is responsible for informing the public about the work of the Croatian National Bank and for preparing and co-ordinating the Bank's communication activities.

External, internal and digital communication:

- organisation of the work with the media (conferences, meetings, seminars, workshops, public appearances of employees and officials),
- providing answers to queries regarding the Bank's activities raised by the media, the public, companies and institutions,
- providing information and explanations, warnings to the public, press releases and comments (through paper and electronic media, the Internet, social networks, videos, animations, mobile applications, etc.),
- public opinion polling,
- developing, proposing and using adequate up-to-date communication formats to explain the mandate, tasks and roles of the CNB and economic and financial terms and topics to different audiences,
- photographing, video filming and editing,
- maintaining the Bank's intranet and Internet pages, programming, designing, implementing and administering the Bank's intranet and Internet pages,
- creating and managing the Bank's social network content,
- designing and producing special promotional multimedia content.

Publications:

- developing and editing regular publications and proposing new formats,
- technical editing of publications and graphic layout preparation of the material for the website and the press,
- graphic layout preparation and desktop publishing of Bank materials issued in printed and/or electronic form,
- developing and promoting CNB publication activities,
- monitoring publication citations and downloads.

Language and documentation:

- defining and implementing linguistic standards of the CNB,
- language editing and proof-reading,

- providing linguistic opinions on terminology and other linguistic matters,
- written translations from Croatian into English and vice versa (laws and regulations, Bank's internal by-laws, publications and other documents),
- consecutive translations,
- planning, developing and promoting the library fund,
- managing the library and reading room,
- managing CNB archives and records.

The Legal Area provides legal assistance to the Bank's management and other organisational units:

- it monitors, studies and proposes laws and other regulations relating to the activity of the CNB and other banks,
- provides legal opinion and advice to other organisational units,
- controls the consistent application of legal and other regulations,
- drafts and certifies contracts and other documents related to the Bank's business operations,
- represents the Bank in proceedings before courts and other government bodies, and
- takes and initiates appropriate legal actions at the request of individual organisational units of the Bank.

The Office of the Governor is responsible for providing support to the Bank's management. It performs:

- secretarial services to the Council of the Croatian National Bank,
- professional, administrative, secretarial and organisational support to the work of the Governor, Deputy Governor and Vicegovernors, and
- protocol-related tasks.

The Internal Audit Office supports the Bank in achieving its objectives, introducing a systematic approach to the assessment and improvement of the Bank's efficiency in risk management:

- it conducts independent testing and assessment of the overall business activity of the Bank and uses its analyses, advice and opinions to contribute to their improvement,
- assesses the adequacy and efficiency of the existing internal control systems incorporated in the Bank's business processes,
- examines the reliability and accuracy of financial and business information and measures, classifies and presents such information, and
- examines the compliance of the Bank's operations with policies, plans, procedures, agreements, decisions, laws and regulations.

The Security Office manages the Bank's security system and defines the methods and techniques to improve the Bank's security system:

- it coordinates and represents the Bank in the preparation of the Threat Assessment, Protection Plan and Bank security study,
- manages the Bank's physical and technical security, performs operational tasks pertaining to the security of the Bank's employees, assets and systems and manages fire protection in the Bank's facilities,
- manages occupational protection,
- manages the security of the Bank's information system and controls and supervises information system security,
- maintains a database of security issues, incidents and risks,
- assesses security risks and manages the activities for their mitigation or elimination, and
- evaluates and improves physical security and protection systems and access control systems and manages safety in crisis situations.

The Consumer Protection Monitoring Office protects the rights of consumers using the financial and banking services of credit institutions, credit unions and credit intermediaries in consumer housing loans within its competence under law:

- it promotes and encourages the development of good practice of financial service providers towards their users,
- develops activities aimed at increasing the transparency in the work of credit institutions, credit unions and credit intermediaries in consumer housing loans,
- proposes subordinate legislation governing consumer protection within its competence,
- provides opinion or information related to the application of regulations,
- provides financial education to consumers, and
- receives complaints and acts in case of regulation violation.

The Credit Institutions Resolvability Assessment Office in accordance with its legal powers, assesses the feasibility and credibility of resolution of credit institutions that experience financial difficulties:

- it draws up and updates credit institution resolution plans,
- participates in the work of resolution colleges,
- cooperates with and coordinates the work of resolution authorities, supervisory authorities, government administration bodies and other institutions in the country, the European Union and abroad, and
- drafts regulations within its scope of activities.

The Foreign Exchange Regulation Office implements the foreign exchange policy and authorises foreign exchange offices:

- drafts regulations within its scope of activities,
- implements the foreign exchange policy,
- issues and revokes authorisations to conduct exchange transactions, and
- oversees the implementation of foreign exchange regulations governing the relationship between banks and authorised foreign exchange offices and the foreign exchange operations of banks.

The Succession Issues Coordination Office participates in the distribution of assets and liabilities of the former SFRY in accordance with Annex C of the Agreement on Succession Issues:

- it cooperates with government administration bodies and other competent institutions in the country and abroad on succession issues,
- participates in the work of commissions and working bodies in charge of succession issues, and
- analyses and prepares working materials.

The Office for Coordination of Prudential Supervision, Oversight and Risk Management Activities coordinates daily cross-sectoral activities of the supervision and the horizontal functional units, improves the organisation of supervision by developing supervisory and oversight methodologies, and provides support to the implementation and integration of regulations into supervisory processes in line with European supervisory practice in order to ensure the quality, the optimal process of supervisory decision-making and the smooth entry into the close cooperation mechanism:

- it coordinates supervision and oversight tasks,
- assures development quality of methodologies and supervision and oversight processes,
- performs cross-sectoral cooperation, and
- organises and carries out education in the field of supervision and oversight.

The Compliance Office is responsible for promoting ethical behaviour of employees, providing education,

advice, opinions, instructions and recommendations, formulating policies and procedures regulating the Bank's business ethics, and monitoring the implementation of the Code of Ethics.

The Office's functional units are responsible for:

- promoting compliance of Bank employees with the Code of Ethics,
- carrying out oversight,
- analysing and reporting.

The Visitors' Centre is the central bank's education and information centre, which in the framework of its programmes enables the public to acquire and promote their knowledge on economic, monetary and financial matters and mechanisms in general, and on central bank activities in particular. In this way, the Croatian National Bank contributes to economic and financial literacy of citizens by:

- creating content and devising methods related to educational activities of the CNB's Visitors' Centre,
- organising and coordinating educational visits of students, pupils and other visitors,
- carrying out education for various target groups,
- promoting the Centre's role in public.

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