

# Economic Report

2021



Citfin



Firemní  
multiměnový  
účet EASY

Citfin

S citem pro finance

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**2021**

# Introductory Word



## Dear shareholders, business partners and colleagues,

2021 was a year of appreciation for the Czech koruna. While in January the domestic currency traded at EURCZK 26.30, in December it was less than EURCZK 24.80. This appreciation of the koruna was due to an improving condition of the domestic economy and mostly due to the fact that the CNB started to raise the basic 2T REPO rate. The first currency tightening came in June at 0.5%, followed by four more rate hikes up to 3.75% in December. The CNB was thus responding to inflationary pressures that had begun to emerge across all countries, not excluding the Czech Republic. Rising prices became the number one topic of economic debate. In December 2021, the rate of price rises soared to 6.6%, and forecasts for the following months predicted even further steep rises.

Domestic economy outlook was decent in 2021. Unemployment fell across the year to 3.3% in November. In this area, the Czech Republic continued to be one of the top leaders in the EU. A closer examination of the labour market, however, has revealed an unfortunate fact that the rising number of vacancies and the declining number of jobseekers will put uncomfortable upward pressure on employers to further increase wages. The Czech Republic's trade balance did not show good results in 2021 and remained in deficit for most of the year. The worst month was August, when the balance fell to CZK -28 billion. In the second half of the year, the domestic industry did not do well either, as it was close to zero growth for a number of months at that time.

The whole world faced several COVID-19 waves in 2021, which brought turbulence not only in the currency markets. The dollar moved within a two-crown range of USDCZK 20.70-22.70 against the koruna throughout the year. By the end of the year, individual economies slowly relaunched, hand in hand with the lifting of government "covid" restrictions, although the pandemic conditions around the globe were not favourable.

Russia's attack on the Ukraine in early 2022 is having a huge impact in all areas of the market. At the turn of February and March, the koruna fell close to EURCZK 26.00. The CNB intervened at this level and managed to bring the domestic currency back to stronger levels. Russian aggression has resulted in huge volatility in the prices of oil, gas, gold, silver and other assets, including the foreign exchange market.

The calming of the markets will only happen if the war is ended, and the risk and fear of future developments that currently prevails is reduced.

For Citfin, 2021 was a successful year and also an anniversary year. We celebrated the company's 25th birthday. In terms of balance sheet total, we approached the CZK 3.9 billion, and in terms of profit, we achieved our planned targets. The capital adequacy for Citfin, spořitelní družstvo reached a significantly safe level of 27.46% and for Citfin – Finanční trhy, a.s., it was 489.90%. The amount of the balance sheet total for Citfin – Finanční trhy, a.s. is due to a change in the method of calculation in accordance with a change in legislation. It must be said here that this level of capital adequacy is healthy and in line with the CNB's regulatory requirements.

Citfin's success is mainly due to the dedicated work of all our employees. Although the majority of them worked from home in difficult conditions for almost the entire year, we were able to provide all financial services to our clients without any restrictions. Also, the company's overall turnover rate was only 2.18% and the average employment length at Citfin extended to over 6 years.

I am glad that a quarter of a century of our existence entitles us to think of Citfin as a stable company in the market. However, I continue to feel a great commitment toward our employees, clients and business partners to ensure that we can maintain our high standard of service in the future.

I am extremely proud that Citfin was able to instantly and unequivocally take a clear moral stance against Russian aggression in Ukraine by sending a substantial sum of money to the Ukrainian Embassy to help the invaded country, which will be used for the necessary defense.

In conclusion, I would like to thank you for your goodwill and wish everyone a successful 2022 as they had hoped for. I trust that the end of 2022 will be more joyful for all of us than its beginning, and that the world will remain a safe place for both personal joys and successful business.

**Martina Zvěřinová**  
CEO Citfin



## Dear clients,

For Citfin, 2021 was a successful year and also an anniversary year. We celebrated the company's 25th birthday. In terms of balance sheet total, we approached the CZK 3.9 billion, and in terms of profit, we achieved our planned targets. The capital adequacy for Citfin, spořitelní družstvo reached a significantly safe level of 27.46% and for Citfin – Finanční trhy, a.s., it was 489.90%. The amount of the balance sheet total for Citfin – Finanční trhy, a.s. is due to a change in the method of calculation in accordance with a change in legislation. It must be said here that this level of capital adequacy is healthy and in line with the CNB's regulatory requirements.

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**Ing. Dagmar Rottová, MBA**  
CSO Citfin

# Basic Information

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# Your expert on Foreign currency

We offer solutions to business and corporate needs associated with international payments and foreign exchange services. We are here for you when you need to buy or sell foreign currency conveniently and with favourable terms, to speed up and make lower-cost foreign payments, or to hedge against exchange rate risk.

## Why trade with Citfin?



### We always find a solution

We are the experts on foreign currencies. Any non-standard requirements? We can handle it.



### We are cool

That's what our clients say about us. We're all ears and like to take an interest in our client's affairs.



### We make no distinctions

Even a small trader can experience the comfort of services for large corporations.

## Licenses of Citfin



Authorization to operate payment institution



Securities brokerage license



Savings cooperative license

## Significant business entities of Citfin

### ADET

Citfin is a founding member of the Association for the foreign exchange market, the professional association of the leading non-bank currency traders in the Czech Republic.

### ADZ

As a member of the Association of Cooperative Savings Unions, Citfin represents the Czech cooperative monetary sector.

### CERTIS

Citfin is a participant in the CNB's interbank payment clearing system (Czech Express Real Time Interbank Gross Settlement System). Citfin's assigned bank code is 2060.

### SEPA

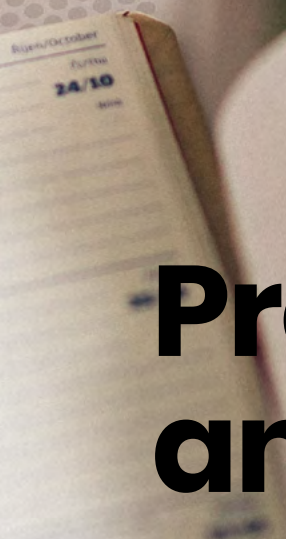
Citfin is a full member of the Single Euro Payment Area, SEPA, and offers its clients the wire transfer of money in Euros in the same manner and under the same conditions for both internal and international payments.

### SWIFT

Citfin is a member of the SWIFT global communications network of financial institutions. This membership enables Citfin to carry out all types of international payment transactions rapidly and efficiently.



# Products and Services





# Products and Services



## Foreign Exchange

- Attractive exchange rates
- Reduction of costs when compared with foreign exchange services of other financial institutions
- Individual approach to our clients, phone consultations
- Foreign exchange news



## EASY Corporate Multi-Currency Account

- Outgoing Europayments only for 2 CZK.
- Incoming foreign and domestic payments free of charge
- Free account in 28 currencies
- Attractive exchange rates without limit



## Forwards

- Leverage against exchange rate fluctuations
- Fixed-term cross trades without CZK
- Term/settlement duration up to 2 years
- Low limits for Forward trades already from EUR 10,000 or USD 10,000



## BankServis

- Our internet banking is user-friendly
- Perfectly secured
- Clear and intuitive
- Available 24/7, 365 days a year



## www.eDevizy.cz

- wide range of currency pairs shown instantly and clearly in charts
- economic analyses, articles, commentaries and valuable information for your business
- overview of the most important macroeconomic indicators of the Czech Republic, domestic and global rates and CNB rates



## Online Exchange

- Possibility of independent trading
- Exchange without phone contact
- Exchange transactions in CZK, EUR, USD, CHF, GBP, PLN, HUF and RON
- Individual offer of exchange rates



## Foreign Payments

- Reduction of foreign payments fees
- Easy payment orders through BankServis
- Easy payment orders through Phonebanking
- Payments quickly and securely



## Currency Order

- Automatic exchange rate watch
- 24 hours a day, 5 days a week
- New space for foreign exchange trading
- Low limits for Order trades already from EUR 10,000 or USD 10,000



## Exchange Rate Monitoring via SMS

- Non-binding monitoring of the exchange course for entrepreneurs and companies
- When the desired rate is reached, we send a text message to our client's mobile phone
- Multiple levels of exchange rate monitoring of different currency pairs
- Simple and free-of-charge



## Exchange rate website

- Clear information about currencies EUR, USD, GBP, PLN, HUF, RUB
- Prediction of selected currency pairs EURCZK, USDCZK, GBPCZK, PLNCZK
- Selected currency pairs graphs
- Regular events in a foreign exchange market



## Currency Calculator

- Possibility to calculate exchange rate savings quickly and transparently
- Information on the development of selected currency pairs over time
- Combination of 16 selected currencies and currency pairs in one place

# Highlights of 2021

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## Citfin celebrates 25 years

It's 27 September 1996 and a small, ambitious company CITCO – Finanční trhy a.s. is founded. Two years later and with only a few employees, it obtains the first required licenses from the CNB, authorizing it to exchange foreign currency for corporate clients. The company gradually grew and obtained new licenses, employees, opportunities, and visions. By the beginning of the new millennium, the medium-sized CITCO had obtained a futures trading license, which significantly expanded the services offered.

As time went on, CITCO acquired new clients, expanded its team and gradually became a key player in the foreign exchange market. We were one of the first entities in the country to obtain a license to hedge against foreign exchange risks. Thanks to us, companies have discovered that a solely Czech company built from the ground up can offer high-quality and sophisticated products in the financial world and can outperform multinational banks in many ways. The number of satisfied clients has skyrocketed.

In 2008, the world was hit by a financial crisis that gradually turned into an economic crisis. In the same year, however, our savings cooperative was established and is prepared to play a crucial role in our future development. CITCO – Finanční trhy a.s. moved to new premises in Nové Butovice in Prague, where we are still based today.

Two years later, two major milestones came. The first is the rebrand to the now Citfin – Finanční trhy, a.s. The second, Citfin, spořitelní družstvo, begins offering the EASY multi-currency account, which is still a unique product in the banking market today. The ability to have up to 28 different world currencies under one account number, all that free of charge, has proven to be a winner that makes life easier and more efficient for businesses.

During the following decade, Citfin gradually became the market leader in the Czech non-banking sphere in the area of foreign currency exchange and foreign payments. Today, the highly stable, still purely Czech, and successful company employs almost 100 people. Our turnover of foreign exchange transactions reached an impressive CZK 185 billion in 2021. We have processed just under one million payment transactions, and over 17,500 satisfied clients have already used our services.

A quarter of a century is quite a period of time, and thanks to which we have gained a lot of experience and at the same time we have not lost our vigor and innovative spirit our clients appreciate. We have been changing the foreign exchange market for 25 years, and our story continues.

## [www.edevizy.cz](http://www.edevizy.cz)

It is a new information portal providing articles on current events, opinions on important economic topics, and commentaries on fresh macroeconomic data both at home and abroad. An integral part of this website is also an overview of economic data from the Czech Republic, including CNB rates and exchange rates. And of course, the site offers a wide range of currency pairs shown in charts.

## Exchange Rate Monitoring via SMS

Thanks to this non-binding service, which underwent a number of improvements in 2021, you no longer need to keep track of exchange rates. Just set up your monitoring guard, and as soon as we reach your desired rate, you will receive an SMS on your mobile. At the same time, with this service you can set a rate limit that is the worst possible, but still acceptable value for you. You can also receive the current exchange rates regularly on the day and time of your choice. The service is free of charge.

## Increased settlement frequency

We sped up and extended settlement time options in FIO Bank and Komerční banka.

## Forwards with no deposit for up to 30 days

We've improved our popular product, which allowed you to arrange a hedge for your exchange rate through a Forward futures trade for up to ten days in advance with no deposit. You can now hedge today's exchange rate without a deposit for up to a month in advance.

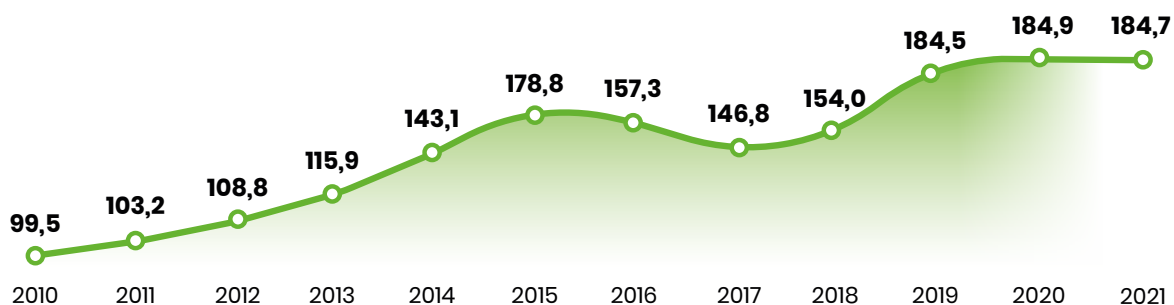
## Faster approval of Treasury lines

We have significantly shortened the Treasury line approval process, which in practice means that if a client requests a Treasury line allocation through the trading desk, then Citfin's statement will be available no later than the next business day. The Treasury line is used to execute Forward and Swap futures trades without the need to make an initial deposit.

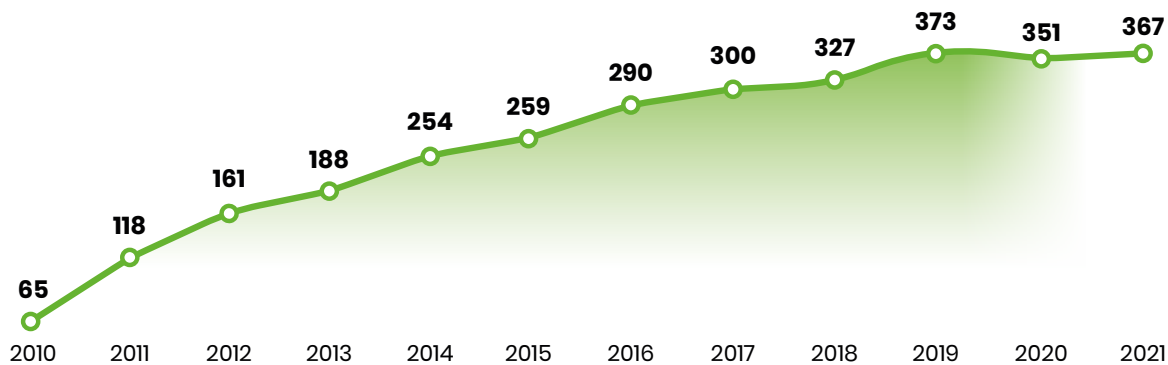
# The Development of the Selected Economic Indicators

Data as of 31.12.2021

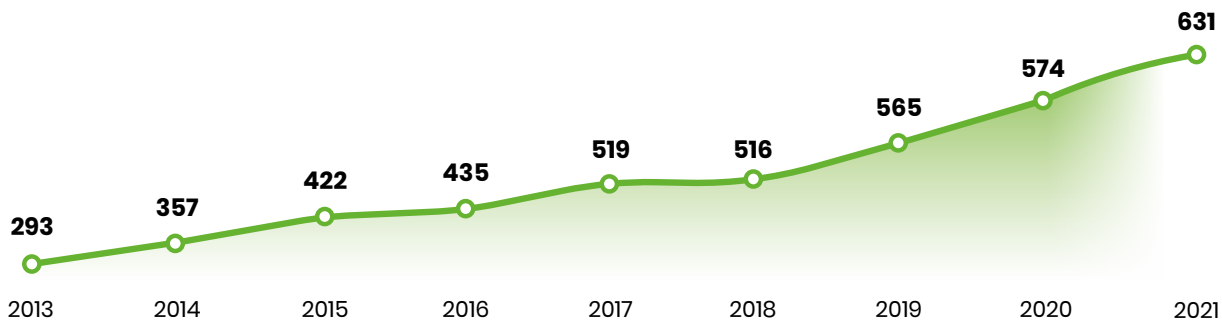
## The exchange trade turnover in CZK billions



## The number of foreign payment transactions executed in thousands



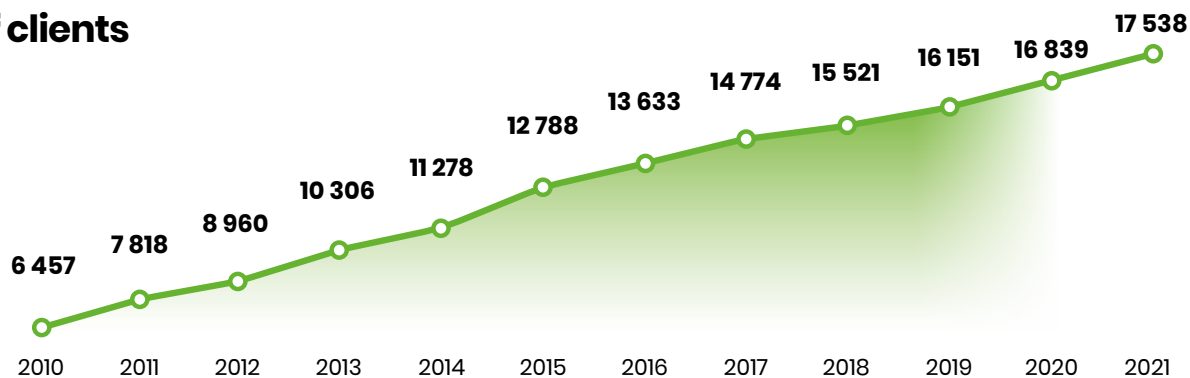
## The number of domestic payment transactions executed in thousands



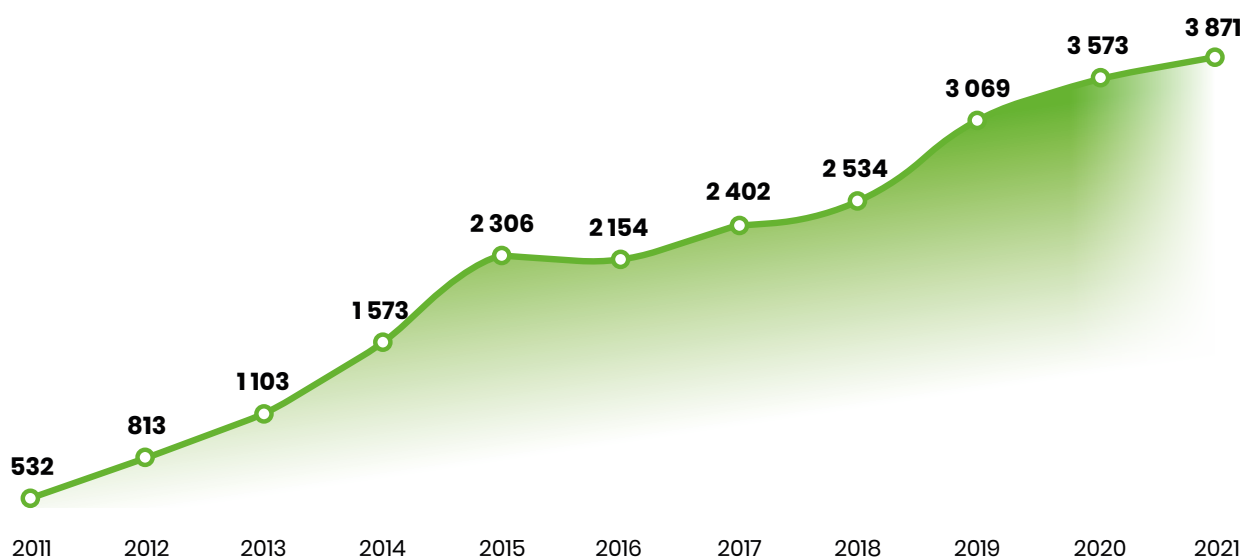
# The Development of the Selected Economic Indicators

Data as of 31. 12. 2021

## The number of clients



## The balance amount in CZK millions





25,80 EUR / CZK  
 100 000 CZK → EUR  
 (EUR) 5%

# The Economic Results

Citfin – Finanční trhy, a.s.

# The Balance Sheet

Citfin - Finanční trhy, a.s.

(in thousands of CZK)	2021	2020	2019
<b>TOTAL ASSETS</b>	<b>698 918</b>	<b>696 664</b>	<b>587 393</b>
<b>FIXED ASSETS</b>	<b>1 746</b>	<b>3 152</b>	<b>2 089</b>
Intangible fixed assets	818	1 769	1 543
Tangible fixed assets	927	1 383	545
Long-term financial assets	1	1	1
<b>CURRENT ASSETS</b>	<b>696 669</b>	<b>693 066</b>	<b>585 103</b>
Short-term receivables	35 985	37 550	35 366
Financial assets	660 684	655 516	549 737
<b>ACCRUALS</b>	<b>503</b>	<b>446</b>	<b>201</b>

	2021	2020	2019
<b>TOTAL LIABILITIES</b>	<b>698 918</b>	<b>696 664</b>	<b>587 393</b>
<b>EQUITY</b>	<b>149 528</b>	<b>138 154</b>	<b>142 234</b>
Registered capital	22 000	22 000	22 000
Retained earnings	4 400	4 400	4 400
Profits / losses from previous years	111 754	104 064	90 406
Profit / loss for the current accounting period	11 374	7 690	25 429
<b>LONG-TERM LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CURRENT LIABILITIES</b>	<b>549 146</b>	<b>558 483</b>	<b>445 135</b>
<b>ACCRUALS</b>	<b>244</b>	<b>26</b>	<b>24</b>

# The Profit and Loss Statement

Citfin – Finanční trhy, a.s.

(in thousands of CZK)	2021	2020	2019
<b>FINANCIAL RESULTS</b>	<b>77 491</b>	<b>70 472</b>	<b>71 458</b>
Interest	-137	-204	-102
Income from shares and interest	0	393	53
Fees	-1 501	-1 444	-579
Foreign exchange operations	79 128	71 727	72 085
Other operating income	991	676	939
Other operating expenses	46	86	0
<b>STAFF EXPENSES</b>	<b>42 765</b>	<b>30 380</b>	<b>17 234</b>
Labour costs	31 390	22 706	12 850
Social security and health insurance costs	11 375	7 675	4 384
Other administrative costs	26 278	23 322	22 429
Depreciation of fixed assets and receivables	1 457	1 470	1 240
Provisioning and use of other reserves	-6 398	6 398	0
Extraordinary profit	0	0	0
<b>EARNINGS BEFORE TAX</b>	<b>14 333</b>	<b>9 491</b>	<b>31 494</b>
Income tax	2 959	1 801	6 065
<b>EARNINGS FOR THE ACCOUNTING PERIOD</b>	<b>11 374</b>	<b>7 690</b>	<b>25 429</b>

# The Economic Results

Citfin, spořitelní družstvo

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# The Balance Sheet

Citfin, spořitelní družstvo

(in thousands of CZK)	2021	2020	2019
<b>TOTAL ASSETS</b>	<b>3 171 893</b>	<b>3 368 970</b>	<b>2 864 035</b>
<b>FIXED ASSETS</b>	<b>4 397</b>	<b>6 913</b>	<b>8 037</b>
Intangible fixed assets	1 521	3 200	2 649
Tangible fixed assets	1 764	3 714	5 388
Long-term financial assets	1 112	0	0
<b>CURRENT ASSETS</b>	<b>3 167 076</b>	<b>3 361 676</b>	<b>2 855 527</b>
Short-term receivables	88 341	109 772	97 776
Financial assets	3 078 735	3 251 904	2 757 751
<b>ACCRUALS</b>	<b>420</b>	<b>381</b>	<b>471</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>TOTAL LIABILITIES</b>	<b>3 171 893</b>	<b>3 368 970</b>	<b>2 864 035</b>
<b>EQUITY</b>	<b>123 467</b>	<b>101 325</b>	<b>67 826</b>
Registered capital	95 650	82 443	62 211
Retained earnings	5 715	4 285	4 091
Profits / losses from previous years	13 108	0	0
Profit / loss for the current accounting period	8 994	14 597	1 524
<b>LONG-TERM LIABILITIES</b>	<b>155</b>	<b>0</b>	<b>0</b>
<b>CURRENT LIABILITIES</b>	<b>3 048 251</b>	<b>3 267 645</b>	<b>2 796 208</b>
<b>ACCRUALS</b>	<b>21</b>	<b>0</b>	<b>0</b>

# The Profit and Loss Statement

Citfin, spořitelní družstvo

(in thousands of CZK)	2021	2020	2019
<b>FINANCIAL RESULTS</b>	<b>74 834</b>	<b>82 308</b>	<b>82 023</b>
Interest	10 786	32 806	39 236
Fees	5 365	4 436	3 151
Foreign exchange operations	58 683	45 066	39 636
Other operating income	741	75	225
Other operating expenses	761	100	102
<b>STAFF EXPENSES</b>	<b>27 289</b>	<b>34 774</b>	<b>51 007</b>
Labour costs	20 261	25 866	38 034
Social security and health insurance costs	7 028	8 908	12 973
Other administrative costs	23 571	25 657	25 599
Depreciation of fixed assets and receivables	3 063	3 665	3 256
Provisioning and use of other reserves	0	0	0
Extraordinary profit	7 795	0	0
<b>EARNINGS BEFORE TAX</b>	<b>13 096</b>	<b>18 186</b>	<b>2 285</b>
Income tax	4 102	3 590	761
<b>EARNINGS FOR THE ACCOUNTING PERIOD</b>	<b>8 994</b>	<b>14 597</b>	<b>1 524</b>

# Contacts

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## **Citfin – Finanční trhy, a.s.**

Radlická 751/113e, 158 00 Prague 5 – Jinonice  
Company ID: 250 79 069  
VAT reg. no.: CZ25079069  
Registered in Commercial Register kept  
by Municipal Court in Prague, Section B, File 4313  
Account number: 1002091/2060  
BIC/SWIFT: CITFCZPPXXX  
LEI: 213800BVHZ8XUCN63U23  
GIIN Citfin FT: PRDZKH.99999.SL.203

## **Citfin, spořitelní družstvo**

Radlická 751/113e, 158 00 Prague 5 – Jinonice  
Company ID: 257 83 301  
VAT reg. no.: CZ25783301  
Registered in Commercial Register kept  
by Municipal Court in Prague, Section Dr, File 4607  
Account number: 1002083/2060  
BIC/SWIFT: CITFCZPPXXX  
LEI: 2138007WKF5CM2EUM824  
GIIN Citfin SD: F7TPN5.99999.SL.203

### **Business Department**

Tel.: +420 234 092 011  
E-mail: [business@citfin.cz](mailto:business@citfin.cz)

### **Dealing Department**

Tel.: +420 234 092 020  
E-mail: [dealing@citfin.cz](mailto:dealing@citfin.cz)

### **Middle Office**

Tel.: +420 234 092 322  
E-mail: [info@citfin.cz](mailto:info@citfin.cz)

### **Call Centre**

Tel.: +420 234 092 333  
E-mail: [info@citfin.cz](mailto:info@citfin.cz)






**Citfin – Finanční trhy, a.s.**  
**Citfin, spořitelní družstvo**

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[www.citfin.hu](http://www.citfin.hu)  
[www.citfin.ro](http://www.citfin.ro)  
[www.citfin.eu](http://www.citfin.eu)

 **Green line** ČR: 800 311 010 SR: 0800 333 010