



Economic Report

2022

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Introductory Word



**Dear shareholders,
business partners
and colleagues,**

Let me briefly summarise the past year 2022, touching on the most important milestones through which Citfin has passed and mentioning those that lie ahead.

First, a few words on the economy. The domestic currency has gone through a very turbulent year. In the first quarter, shortly after Russia's invasion of Ukraine, it plummeted, falling as low as EUR/CZK 25.90. In contrast, the end of the year was marked by appreciation and saw the koruna below EUR/CZK 24.20. Its appreciation went hand in hand with the CNB's determination to raise rates. The base two-week REPO rate has gradually climbed to the current 7%, to where it was last raised by the Bank Board while still under the leadership of Jiří Rusnok. Rusnok was replaced by Aleš Michl as CNB governor in mid-2022, along with other central bankers. This basically meant a change in the majority of the Board, which has kept the main interest rate at the same level since then.

The domestic economy has started to show clear signs of slowing. The unemployment rate is going up slightly, but given the overheated labour market in recent years, some cooling may provide an interesting opportunity for most companies. We have noticed how consumers have begun to cut back on their spending, rationalising it substantially. Thus, households in particular and the most vulnerable groups such as single mothers and pensioners are certainly most concerned about the overall economic situation. Their moderation behaviour is quite understandable, although it has a negative impact on retail sales.

A wave of price increases has swept across the world, including the Czech Republic. Even though inflation had climbed to over 17% by the end of 2022, the next few months are promising in terms of some improvement. Although the Czech economy entered a recession in 4Q 2022, I believe, like most of us, that the Czech economy is stable and strong, able to go through this downturn quickly and start growing briskly again.

Unfortunately, literally all events and economic results have been fundamentally affected by Russia's unprecedented attack on Ukraine in February 2022. Price shocks resulting from the war were quick and crushing. The biggest impact was in fuel and energy prices. Indirectly, these impacts hit other products and services, then consumers themselves and, of course, every entrepreneur and company.

In 2022, Citfin once again handled the turbulent and in many ways difficult situation very well. In recent years, we have all experienced new situations that we must be able to deal with. The past year was a unique one for Citfin, but in a positive sense.

In the area of the balance sheet total, we approached CZK 3.92 billion. The capital adequacy ratio for Citfin, spořitelní družstvo reached a significantly safe level of 39.53% and for Citfin - Finanční trhy, a.s. it was 330.10%. I would like to emphasise here that the capital adequacy ratio of both companies is sound and is fully in line with the regulatory requirements set by CNB. The economic results continue to help us with all the investments that are most crucial for Citfin's future development.

At Citfin, 2022 has proven, among other things, that we can be an attractive and reliable employer. Our overall staff turnover rate was 0.9% and the average employment relationship extended to more than 7 years. Personally, I consider the stability of our team to be a key factor of professionalism and experience, which is a major added value for our clients.

It is also the reason why Citfin is able to work on itself and take its services to a higher level. We are investing heavily in strengthening our infrastructure, modernising it and increasing its efficiency. This year, Citfin is switching to new technologies in the areas of telephone and customer service, internet banking and its new Client API follow-up service. Along with these quite challenging projects, this year we will be launching a technologically advanced and new way of arranging contract documentation, gradually enabling each new client to arrange everything they need to work with us from the comfort of their office or home.

We will be actively communicating all the news and service expansions throughout the year, and I firmly believe that we will be able to introduce all the planned projects gradually and successfully.

Thank you for your goodwill so far, and let's all hope that we can overcome all challenges freely, in good health and above all with a smile.

Martina Zvěřinová
CEO Citfin



Comment

Dear clients,

The year 2022 was very successful for us, as is evidenced by our economic results. We continued to expand and improve our customer care and deepened awareness of the key benefits of being with Citfin. The number of clients increased to 18,321 last year. The turnover of foreign exchange transactions increased by approximately 20% and exceeded CZK 225 billion. We executed an incredible 702,688 domestic payments and more than 356,000 foreign payments. The company was under pressure from the growing price levels last year, and so I am extremely happy that Citfin was able to share a balanced view in this tense situation and meet the expectations.

The Czech koruna was very volatile against major world currencies. On the one hand this provided a considerable advantage to our clients who chose to actively work with risk through hedging instruments, while on the other it posed a threat to those who were not hedged. Hedging is our domain, and therefore we have offered our experience and professionalism to help a number of clients manage these price shocks. Throughout the year, we boosted informational campaigns in leading Czech media to offer help in securing a much broader market. The Citfin results clearly show that we have succeeded.

A number of existing clients, as well as our new clients, have started to use our Exchange Rate Monitoring service via SMS. This is a logical consequence of the koruna's movement. Experience has clearly shown that small and medium-sized entrepreneurs, companies, multi-national corporations, as well as small business owners do not have time to constantly monitor the markets nowadays and leave this activity to professionals. Citfin has always

prided itself on quality individual care for its clients and will continue to do so in the future. We take care of all companies and business owners who have made the decision to be with Citfin and provide them with updated information on the foreign exchange market in various forms and channels throughout the day. Our news and economic portal www.edevizy.cz has also scored a great success. In just a few months, more than 35,000 unique users have read our news and comments, as well as interesting articles on current topics.

We will continue to work on improving our products and services in the coming period. One of the planned goals is to simplify the process of acquiring a new client through online onboarding, which aims to streamline the process of signing the contractual documentation needed to establish mutual cooperation.

In conclusion, let me first of all thank all our clients for their goodwill and our great staff for their proactive and professional approach with which they take on all challenges. And finally, thank you to all our business partners for their support and great work. I wish everyone great success in their personal and professional lives and hope that we will continue to meet together in 2023.

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.

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.

ADZ

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

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.

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.

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 27 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



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



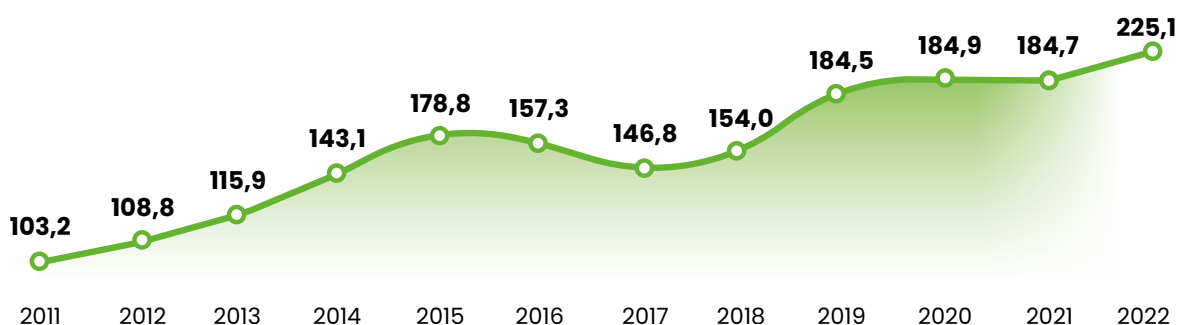
Currency Calculator

- 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

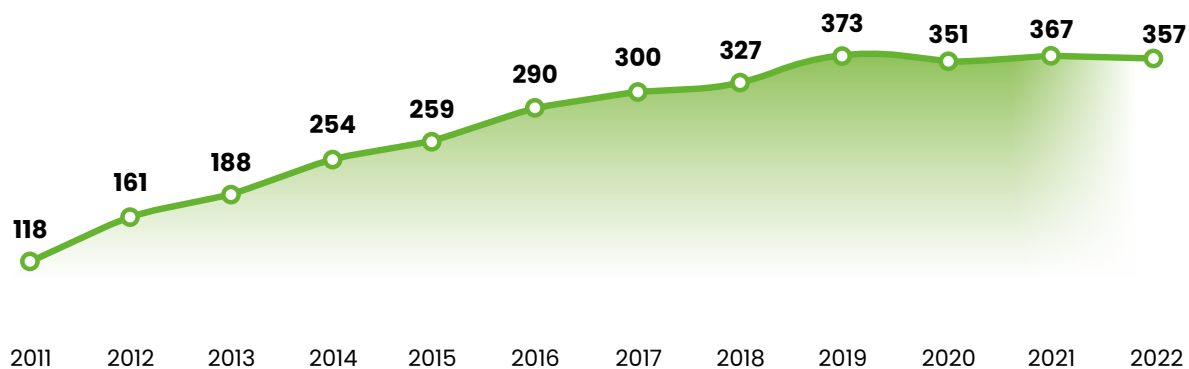
The Development of the Selected Economic Indicators

Data as of 31.12.2022

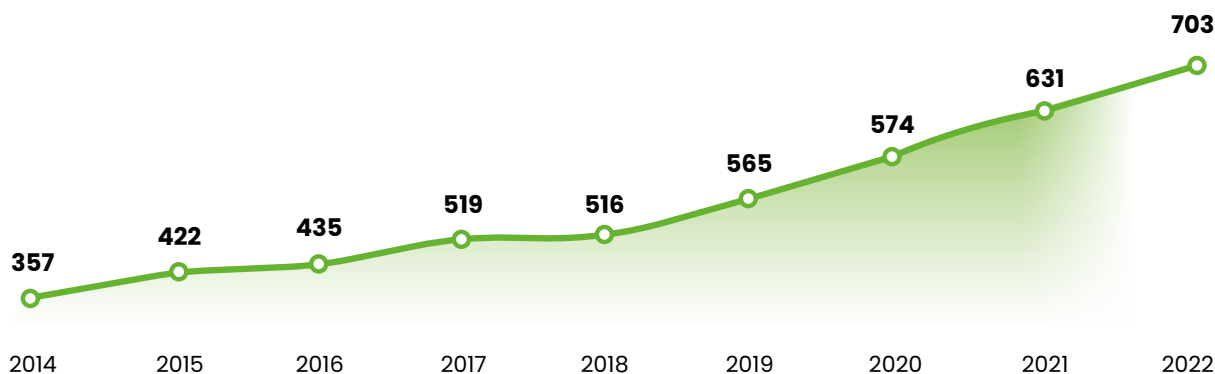
The exchange trade turnover in CZK billions



The number of foreign payment transactions executed in thousands



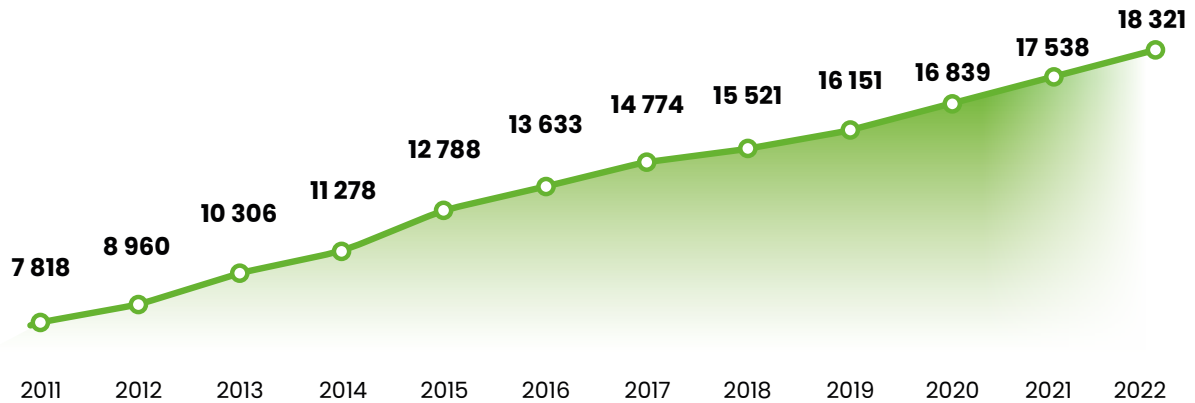
The number of domestic payment transactions executed in thousands



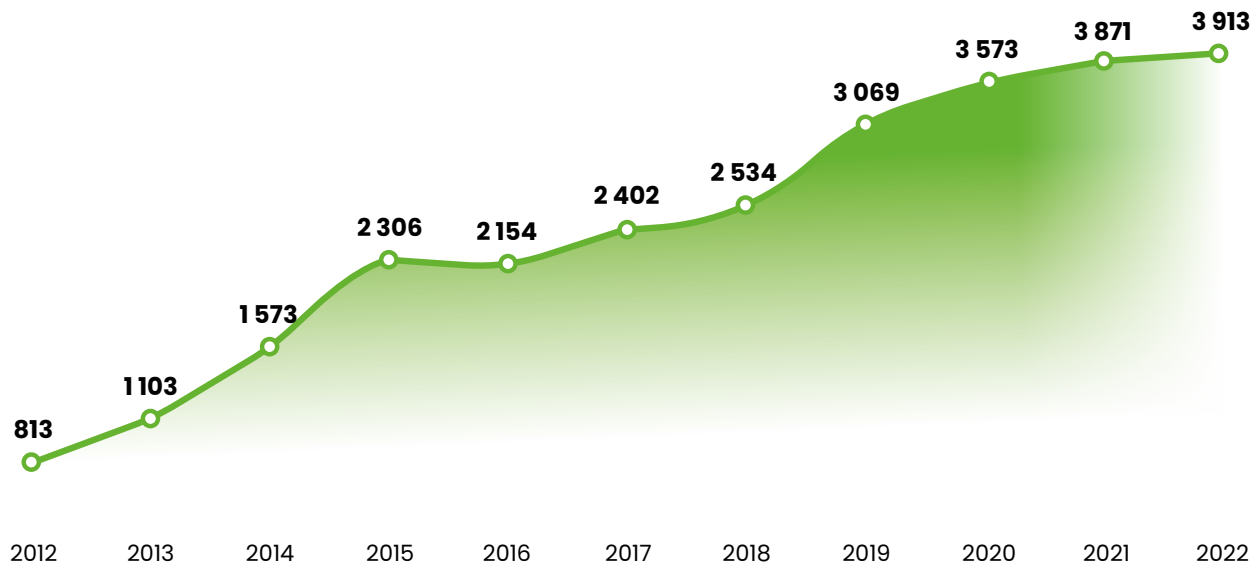
The Development of the Selected Economic Indicators

Data as of 31.12.2022

The number of clients



The balance amount in CZK millions



The Economic Results

Citfin - Finanční trhy, a.s.

United Kingdom	1.85%	United Kingdom	Pound sterling
Japan	1.83%	Japan	Japanese yen
Canada	1.80%	Canada	Canadian dollar
Australia	1.05%	Australia	Australian dollar
China	1.02%	China	Renminbi
Switzerland	0.97%	Switzerland	Swiss franc
Hong Kong	0.96%	Hong Kong	Hong Kong dollar
Thailand	0.80%	Thailand	Thai baht
Sweden	0.63%	Sweden	Swedish krona
Norway	0.58%	Norway	Norwegian krone
Singapore	0.56%	Singapore	Singapore dollar
Denmark		Denmark	Danish krone
Russia		Russia	Russian ruble
Poland		Poland	Polish zloty

The Balance Sheet

Citfin – Finanční trhy, a.s.

(in thousands of CZK)	2022	2021	2020
TOTAL ASSETS	745 513	698 918	696 664
FIXED ASSETS	53 127	1 746	3 152
Intangible fixed assets	1 464	818	1 769
Tangible fixed assets	662	927	1 383
Long-term financial assets	51 001	1	1
CURRENT ASSETS	692 021	696 669	693 066
Short-term receivables	94 091	35 985	37 550
Financial assets	597 931	660 684	655 516
ACCRUALS	364	503	446
	2022	2021	2020
TOTAL LIABILITIES	745 513	698 918	696 664
EQUITY	150 847	149 528	138 154
Registered capital	22 000	22 000	22 000
Retained earnings	4 400	4 400	4 400
Profits / losses from previous years	85 778	111 754	104 064
Profit / loss for the current accounting period	38 668	11 374	7 690
LONG-TERM LIABILITIES	0	0	0
CURRENT LIABILITIES	594 563	549 146	558 483
ACCRUALS	103	244	26

The Profit and Loss Statement

Citfin – Finanční trhy, a.s.

(in thousands of CZK)	2022	2021	2020
FINANCIAL RESULTS	117 352	77 491	70 472
Interest	4 765	-137	-204
Income from shares and interest	8 658	0	393
Fees	-2 267	-1 501	-1 444
Foreign exchange operations	106 195	79 128	71 727
Other operating income	628	991	676
Other operating expenses	112	46	86
STAFF EXPENSES	31 744	42 765	30 380
Labour costs	23 427	31 390	22 706
Social security and health insurance costs	8 317	11 375	7 675
Other administrative costs	32 829	26 278	23 322
Depreciation of fixed assets and receivables	782	1 457	1 470
Provisioning and use of other reserves	3 744	-6 398	6 398
Extraordinary profit	0	0	0
EARNINGS BEFORE TAX	48 769	14 333	9 491
Income tax	10 100	2 959	1 801
EARNINGS FOR THE ACCOUNTING PERIOD	38 668	11 374	7 690

The Economic Results

Citfin - spořitelní družstvo



The Balance Sheet

Citfin – spořitelní družstvo

(in thousands of CZK)	2022	2021	2020
TOTAL ASSETS	3 167 802	3 171 893	3 368 970
FIXED ASSETS	4 394	4 397	6 913
Intangible fixed assets	1 080	1 521	3 200
Tangible fixed assets	2 202	1 764	3 714
Long-term financial assets	1 112	1 112	0
CURRENT ASSETS	3 162 138	3 167 076	3 361 676
Short-term receivables	86 493	88 341	109 772
Financial assets	3 075 645	3 078 735	3 251 904
ACCRUALS	1 270	420	381
	2022	2021	2020
TOTAL LIABILITIES	3 167 802	3 171 893	3 368 970
EQUITY	155 238	123 467	101 325
Registered capital	107 426	95 650	82 443
Retained earnings	6 615	5 715	4 285
Profits / losses from previous years	0	13 108	0
Profit / loss for the current accounting period	41 197	8 994	14 597
LONG-TERM LIABILITIES	99	155	0
CURRENT LIABILITIES	3 012 050	3 048 251	3 267 645
ACCRUALS	416	21	0

The Profit and Loss Statement

Citfin – spořitelní družstvo

(in thousands of CZK)	2022	2021	2020
FINANCIAL RESULTS	132 997	74 834	82 308
Interest	111 145	10 786	32 806
Fees	6 045	5 365	4 436
Foreign exchange operations	15 807	58 683	45 066
Other operating income	28	741	75
Other operating expenses	106	761	100
STAFF EXPENSES	46 508	27 289	34 774
Labour costs	34 672	20 261	25 866
Social security and health insurance costs	11 836	7 028	8 908
Other administrative costs	31 783	23 571	25 657
Depreciation of fixed assets and receivables	2 203	3 063	3 665
Provisioning and use of other reserves	1 157	7 795	0
Extraordinary profit	0	0	0
EARNINGS BEFORE TAX	51 268	13 096	18 186
Income tax	10 072	4 102	3 590
EARNINGS FOR THE ACCOUNTING PERIOD	41 197	8 994	14 597

Contacts

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

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E-mail: business@citfin.cz

Dealing Department

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Middle Office

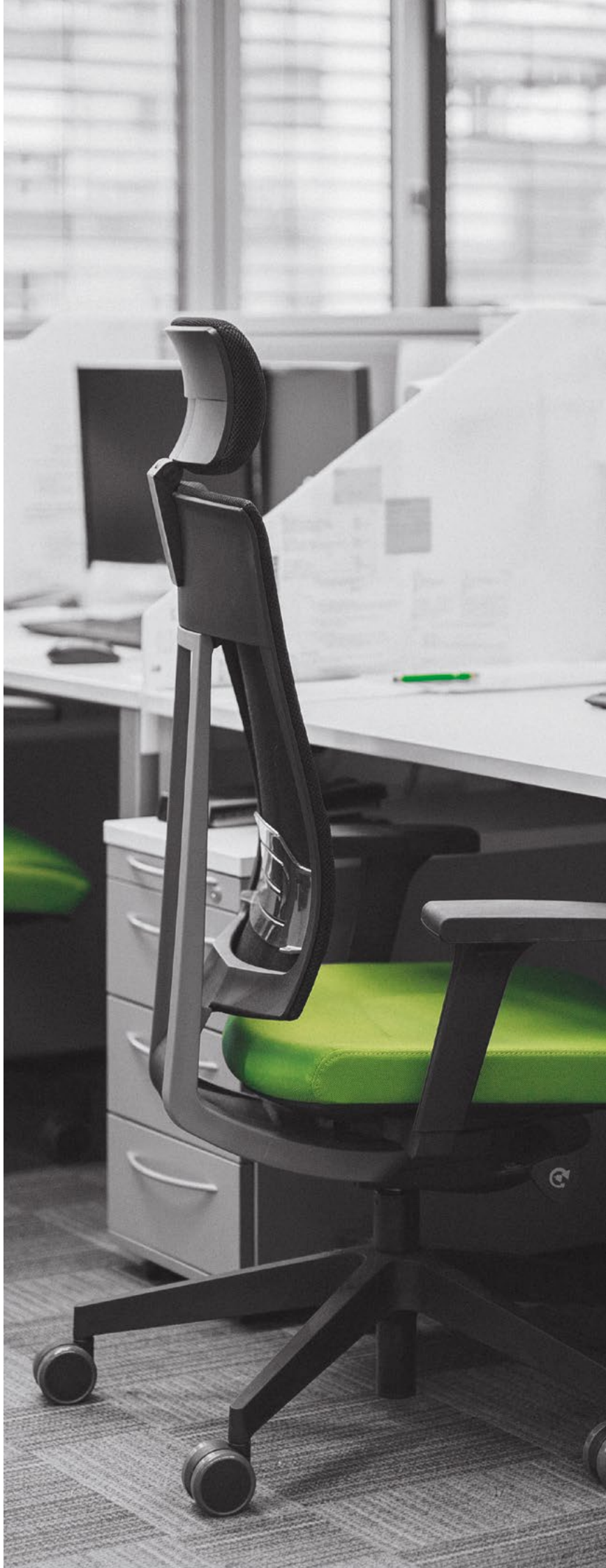
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