

Brief analytical comments

In the first half of 2013 **financial intermediation sector** showed increase in the average number of employees in actual persons by 0,5 %. The average monthly wage of actual persons decreased, the sector struggled with 6,8 % decrease, the average wage stated at CZK 47 707.

The gross profit in the sector during the reference period increased by 5,3 %. On this positive result participated pension companies and funds together with non-banking monetary institutions.

In January to June **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 113,3 billion, including financial revenues amounting to CZK 110,3 billion. The total costs stood at CZK 70,3 billion, including the total financial costs amounting to CZK 31,3 billion.

Unlike the difference between total revenues and total expenses, the financial performance of the monetary banking institutions is higher by the profits (lower by the losses) made from certain financial and some other transactions (e.g. foreign currency, derivatives and securities transactions). Since 2007, the financial performance of these institutions has been measured in terms of their results – i.e. as profits or losses from these financial and other transactions – and not in terms of revenues and expenses.

In the first half of 2013 the difference between the total revenues and total cost was CZK 43,02 billion and the net profit from financial and some other operations was CZK 0,02 billions. The banking monetary institutions made pre-tax net income amounting to CZK 43,04 billion, which means a decrease by 3,4 % year-on-year.

During the first half of 2013 all 45 banks and building societies employed 39 785 actual persons on average, by 0,2 % more than in the same period of 2012. The average monthly wage of actual persons decreased by 7,7 % and stood at CZK 51 537.

Interests receivable reached CZK 77,6 billion and interests payable reached the amount of CZK 25,4 billion in the first half of 2013. Interests receivable decreased by 10,9 % year-on-year. Interests payable decreased by 20,3 % year-on-year. The interest margin dropped from CZK 55,2 to 52,1 billion.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 2,7 billion in the 1 to 2 quarters of 2013, a decrease of 38,7 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 to 2 quarters in comparison with the same period of 2012 reached the amount of CZK 22,7 billion (down 13,4 %). Received financial leasing instalments decreased about 14 %.

In January to **June insurance companies** (CZ-NACE 65.11 and 65.12) and **reinsurance companies** (CZ-NACE 65.20) made pre-tax profits amounting to CZK 7,0 billion, a decrease of 13,4 % compared to the corresponding period of the previous year.

In the first half of 2013 gross premiums written stood at CZK 85,5 billion, accounting for 89,8% of total revenues and rising by 0,9 % year-on-year. Insurance claims paid amounted to CZK 51,0 billion, making up 57,8 % of total expenses of the insurance companies. Costs of these insurance claims increased by 10,8 % year-on-year.

In the period from the beginning of 2013 till the end of June all of the 53 insurance companies employed a total of 14 285 employees (actual persons) on average, i.e., by 1,3 % less than in the corresponding period of 2012. The average monthly wage (related to actual persons) was CZK 42 952, down by 4,2 % in comparison to the same period of 2012.

During the first half of 2013 there were concluded 5 173 404 non-life insurance contracts, by 4,2 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2013 was 567 712, a decrease of 23,6 %.

In the first half of 2013 **pension companies and funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 2,4 billion, an increase by 6,8 % year-on-year.

First half of 2013 saw total technical provisions of pension companies and funds growing by 9,3 % to CZK 262,6 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 20,6 billion, an increase of 16,2 % from the same period a year earlier.

Government contributions increased by 16,5 % in the observed period of 2013 and amounted to CZK 3,2 billion. Pension insurance benefits paid stood at CZK 7,8 billion, down by 54,6% year-on-year.

There were 5 092 256 active pension insurance policy holders (members of pension schemes) in total on 30th June 2013. The number increased by 9,6 % in comparison with the end of the same period of 2012.

All of the pension companies and funds employed a total of 626 actual persons on average in the first half of 2013, which resulted in the 21,3% increase in comparison with the same period of 2012. The average monthly wage related to actual persons amounted to 40 727 CZK, a decrease of 16,4 % year-on-year.