

Brief analytical comments

In January to December **financial intermediation sector** showed decrease in the average number of employees in actual persons by 0,1 %. The average monthly wage of actual persons decreased, the sector struggled with 8,7 % decrease, the average wage stated at CZK 46 559.

The gross profit in the sector during the reference period increased by 9,1 %. On this positive result participated only non-banking monetary institutions.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 217,3 billion, including financial revenues amounting to CZK 213,6 billion. The total costs stood at CZK 140,5 billion, including the total financial costs amounting to CZK 62,2 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 four quarters of 2013 the difference between the total revenues and total cost was CZK 76,7 billion and the net loss from financial and some other operations was CZK 3,1 billions. The banking monetary institutions made pre-tax net income amounting to CZK 73,6 billion, which means a decrease by 4,0 % year-on-year.

During the first four quarters of 2013 all 45 banks and building societies employed 39 396 actual persons on average, by 1,3 % less than in the same period of 2012. The average monthly wage of actual persons decreased by 9,2 % and stood at CZK 49 712.

Interests receivable reached CZK 154,9 billion and interests payable reached the amount of CZK 49,4 billion in 2013. Interests receivable decreased by 9,1 % year-on-year. Interests payable decreased by 20,9 % year-on-year. The interest margin dropped from CZK 107,9 to 105,5 billion.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 4,2 billion in the 1 to 4 quarters of 2013, an decrease of 46,4 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 to 4 quarters in comparison with the same period of 2012 reached the amount of CZK 43,7 billion (down 12,3 %). Received financial leasing instalments decreased about 12,9 %.

In January to December **insurance companies** (CZ-NACE 65.11 and 65.12) and **reinsurance companies** (CZ-NACE 65.20) made pre-tax profits amounting to CZK 13,9 billion, a decrease of 11,2 % compared to the corresponding period of the previous year.

In the first four quarters of 2013 gross premiums written stood at CZK 166,8 billion, accounting for 88,2 % of total revenues and increased by 1,0 % year-on-year. Insurance claims paid amounted to CZK 108,0 billion, making up 61,6 % of total expenses of the insurance companies. Costs of these insurance claims increased by 15,0 % year-on-year.

In the period from the beginning of 2013 till the end of December all of the 53 insurance companies employed a total of 14 213 employees (actual persons) on average, i.e., by 1,7 % less than in the corresponding period of 2012. The average monthly wage (related to actual persons) was CZK 42 972, down by 6,2 % in comparison to the same period of 2012.

During the first four quarters of 2013 there were concluded 10 736 720 non-life insurance contracts, by 7,0 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2013 was 1 137 043, a decrease of 26,1 %.

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

The first four quarters of 2013 saw total technical provisions of pension companies and funds growing by 14,5 % to CZK 282,3 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 41,2 billion, an increase of 18,1 % from the same period a year earlier.

Government contributions increased by 17,6 % in the observed period of 2013 and amounted to CZK 6,5 billion. Pension insurance benefits paid stood at CZK 15,3 billion, down by 49,4 % year-on-year.

There were 5 043 163 active pension insurance policy holders (members of pension schemes) in total on 31th December 2013. The number decreased by 2,1 % in comparison with the end of the same period of 2012.

All of the pension companies and funds employed a total of 622 actual persons on average in the first four quarters of 2013, which resulted in the 17,6 % increase in comparison with the same period of 2012. The average monthly wage related to actual persons amounted to 39 675 CZK, a decrease of 14,6 % year-on-year.