

Brief analytical comments

In January to December **financial intermediation sector** showed fall in the average number of employees in actual persons by 1,6 %. The average monthly wage of actual persons increased, the sector achieved 2,4% increase, the average wage stated at CZK 45 696.

The gross profit in the sector during the reference period increased by 76,7 %. All of the financial institutions participated on this positive result.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 233,8 billion, including financial revenues amounting to CZK 231,0 billion. The total costs stood at CZK 153,4 billion, including the total financial costs amounting to CZK 81,6 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 four quarters of 2009 the difference between the total revenues and total cost was CZK 80,4 billion and the net loss from financial and some other operations was CZK 9,1 billions. The banking monetary institutions made pre-tax net income amounting to CZK 71,3 billion, which means increase by 31,8 % year-on-year.

During 2009 all 37 banks and building societies employed 38 278 actual persons on average, by 2,6 % less than in the same period of 2008. The average monthly wage of actual persons has continued in growing trend (increase by 4,8 %) and stood at CZK 48 482.

Interests receivable reached CZK 174,6 billion and interests payable reached the amount of CZK 71,3 billion in 2009. Interests receivable decreased by 9,2 % year-on-year. Interests payable decreased by 24,3 % year-on-year. The interest margin grew from CZK 98,0 to 103,3 billion.

In comparison with the end of 2008 there was a drop of number of concluded contracts for savings for building purposes and purchases of a house. The fall was 90 687 contracts (total 5 653 584) year-on-year and translates into a fall of 1,6 % compared to the corresponding period of the year 2008. The number of contracts in saving stage accounting for 87,2 % of total number of contracts stood at 4 932 606, which meant a decrease by 150 425 contracts in comparison with the end of corresponding period of the previous year.

Non-banking monetary institutions (CZ-NACE, code 64.9 and 66) reported a profit before taxes of CZK 34,0 billion from the beginning of the first to the end of the fourth quarter of 2009, an increase of 439,4 % compared with a profit of CZK 6,3 billion in the same period of the previous year.

The reason for the positive results reached in the reference period of 2009 was primarily lower financial expenses. Financial expenses rose slightly and amounted to CZK 67,0 billion during the observed period, a decrease of 44,0 % year over year.

Investment companies and investment funds (CZ-NACE, code 64.9) generated during the period from January to the end of December a profit of CZK 13,6 billion, compared with a loss of CZK 18,5 billion in the same period or the year 2008. There was no profit made in the first quarter of 2009 for the only time.

The property of the investment companies and investment funds increased of CZK 1,9 billion (increase by 95,6 %).

Financial investments decreased during in 2009 of CZK 3,2 billion (fell by 2,2 %).

From this, worth of deposits increased of CZK 2,4 billion (increase by 10,1 %), worth of stocks and shares increased of CZK 8,0 billion (increase by 25,5 %) and worth of bonds fell down of CZK 11,4 billion (fell by 13,1 %).

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 3,4 billion in the four quarters of 2009, an increase of 28,2 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) down during the four quarters in comparison with the same period of 2008, reached the amount of CZK 95,4 billion (decrease of 16,7 %). Received financial leasing instalments interannually decreased about 17,8 %.

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 22,7 billion, which translates into an increase of 74,5 % compared to the corresponding period of the previous year.

In the first three quarters of 2009 gross premiums written stood at CZK 141,7 billion, accounting for 36,4 % of total revenues and rising by 1,8 % year-on-year. Insurance claims paid amounted to CZK 77,9 billion, making up 21,3 % of total expenses of the insurance companies. Costs of these insurance claims increased by 11,6 % year-on-year. Over the period of January to the end of December, total technical provisions for life insurance increased by CZK 19,1 billion to CZK 226,0 billion.

In the period from the beginning of 2009 till the end of December all of the 53 insurance companies employed a total of 14 559 employees (actual persons) on average, i.e., by 1,1 % less than in the corresponding period of 2008. The average monthly wage (related to actual persons) was CZK 41 289 and remained nearly unchanged in comparison with the same period of 2008.

During 2009 there were concluded 9 028 340 non-life insurance contracts, by 0,4 % less than in the same period of the previous year. The number of life insurance contracts concluded during the observed period of 2009 was 937 279, which translates into a decrease of 0,6 %.

In the four quarters of 2009 **pension funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 2,8 billion (an increase of 365,1 % year-on-year). Total expenses of 10 active pension funds during the period from January to the end of December reached CZK 12,4 billion, rising by 1,9 % year-on-year. Total revenues increased by 19,2 % year-on-year to CZK 15,2 billion. Financial expenses were 72,7 % of total expenses and financial revenues accounted for 97,6 % of total revenues.

The four quarters of 2009 saw total technical provisions of pension funds growing by 7,5 % to CZK 200,4 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 35,6 billion, decreasing by 0,1 % year-on-year. Government contributions increased by 6,7 % in the observed period of 2009 and amounted to CZK 5,5 billion. Supplementary pension insurance benefits paid stood at CZK 22,8 billion, which was a year-on-year growth of 38,6 %.

There were 4 474 252 active supplementary pension insurance policy holders (members of pension schemes) in total on 31st December 2009. The number increased by 4,0 % in comparison with the end of the same period of 2008. Of the total, 4 340 062 persons received government contributions. The number of pension recipients increased by 2 855 to 9 906 persons since the beginning of 2009.

All of the pension funds employed a total of 486 actual persons on average in the four quarters of 2009, which resulted in the 0,2% decrease in comparison with the same period of 2008. The average monthly wage related to actual persons grew up by 0,5 % year-on-year and amounted to 45 746 CZK.