

Brief analytical comments

In January to December **financial intermediation sector** showed an increase in the average number of employees in actual persons by 0,3 %. The average monthly wage of actual persons increased, by 3,6 % to CZK 47 921.

The gross profit in the sector during the reference period increased by 10,4 %. On this positive result participated all institutions except insurance companies.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 219,0 billion, including financial revenues amounting to CZK 214,7 billion. The total costs stood at CZK 140,5 billion, including the total financial costs amounting to CZK 61,4 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 2014 the difference between the total revenues and total cost was CZK 78,5 billion and the loss from financial and some other operations was CZK 2,0 billions. The banking monetary institutions made pre-tax net income amounting to CZK 76,5 billion, which means an increase by 4,3 % year-on-year.

During the first four quarters of 2014 all 44 banks and building societies employed 39 105 actual persons on average, by 0,7 % less than in the same period of 2013. The average monthly wage of actual persons increased by 4,3 % and stood at CZK 51 835.

Interests receivable reached CZK 159,0 billion and interests payable reached the amount of CZK 48,5 billion in the first four quarters of 2014. Interests receivable increased by 2,7 % year-on-year. Interests payable decreased by 1,6 % year-on-year. The interest margin raised from CZK 105,5 to 110,4 billion.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 5,5 billion in the for a year 2014, an increase of 19,0 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during of the year 2014 in comparison with the same period of 2013 reached the amount of CZK 39,9 billion (down 9,1 %). Received financial leasing instalments decreased about 9,4 %.

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 9,8 billion, a decrease of 0 28,6 % compared to the corresponding period of the previous year.

In the first four quarters of 2014 gross premiums written stood at CZK 169,1 billion, accounting for 90,9 % of total revenues and raised by 1,3 % year-on-year. Insurance claims paid amounted to CZK 111,4 billion, making up 63,2 % of total expenses of the insurance companies. Costs of these insurance claims increased by 3,2 % year-on-year.

In the period from the beginning of 2014 till the end of December all of the 52 insurance companies employed a total of 13 995 employees (actual persons) on average, i.e., by 1,5 % less than in the corresponding period of 2013. The average monthly wage (related to actual persons) was CZK 43 699, up by 2,2 % in comparison to the same period of 2013.

During the first four quarters of 2014 there were concluded 10 810 592 non-life insurance contracts. The number of life insurance contracts during the observed period of 2014 was 1 065 607, a decrease of 6,3 %.

In the first four quarters of 2014 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 5,0 billion, an increase by 12,6 % year-on-year.

The first four quarters of 2014 saw total technical provisions of pension companies and funds growing by 12,9 % to CZK 318,6 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 42,7 billion, an increase of 3,6 % from the same period a year earlier.

Government contributions increased by 3,8 % in the observed period of 2014 and amounted to CZK 6,8 billion. Pension insurance benefits paid stood at CZK 17,0 billion, up by 10,7 % year-on-year.

There were 4 869 837 active pension insurance policy holders (members of pension schemes) in total on 30th December 2014. The number decreased by 3,4 % in comparison with the end of the same period of 2013.

All of the pension companies and funds employed a total of 547 actual persons on average in the first four quarters of 2014, which resulted in the 13,0 % decrease in comparison with the same period of 2013. The average monthly wage related to actual persons amounted to 36 425 CZK, a decrease of 8,2 % year-on-year.