

Brief analytical comments

In January to September **financial intermediation sector** showed a decrease in the average number of employees in actual persons by 0,6 %. The average monthly wage of actual persons increased, by 4,2 % to CZK 48 612.

The gross profit in the sector during the reference period increased by 9,5 %. On this positive result participated non-banking monetary institutions.

In January to September **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 162,9 billion, including financial revenues amounting to CZK 159,9 billion. The total costs stood at CZK 102,0 billion, including the total financial costs amounting to CZK 44,5 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 three quarters of 2014 the difference between the total revenues and total cost was CZK 60,8 billion and the net profit from financial and some other operations was CZK -1,0 billions. The banking monetary institutions made pre-tax net income amounting to CZK 59,8 billion, which means a decrease by 0,7 % year-on-year.

During the first three quarters of 2014 all 43 banks and building societies employed 38 885 actual persons on average, by 1,6 % less than in the same period of 2013. The average monthly wage of actual persons increased by 5,4 % and stood at CZK 53 101.

Interests receivable reached CZK 117,2 billion and interests payable reached the amount of CZK 35,2 billion in the first three quarters of 2014. Interests receivable decreased by 1,2 % year-on-year. Interests payable decreased by 5,8 % year-on-year. The interest margin raised from CZK 78,5 to 82,0 billion.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 4,0 billion in the 1 to 3 quarters of 2014, a decrease of 2,7 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 to 3 quarters in comparison with the same period of 2013 reached the amount of CZK 29,4 billion (down 11,1 %). Received financial leasing instalments decreased about 15,0 %.

In January to September **insurance companies** (CZ-NACE 65.11 and 65.12) and **reinsurance companies** (CZ-NACE 65.20) made pre-tax profits amounting to CZK 8,0 billion, a decrease of 22,7 % compared to the corresponding period of the previous year.

In the first three quarters of 2014 gross premiums written stood at CZK 128,6 billion, accounting for 92,6 % of total revenues and raised by 3,2 % year-on-year. Insurance claims paid amounted to CZK 77,7 billion, making up 59,4 % of total expenses of the insurance companies. Costs of these insurance claims decreased by 0,3 % year-on-year.

In the period from the beginning of 2014 till the end of September all of the 53 insurance companies employed a total of 14 031 employees (actual persons) on average, i.e., by 1,4 % less than in the corresponding period of 2013. The average monthly wage (related to actual persons) was CZK 43 753, up by 2,8 % in comparison to the same period of 2013.

During the first three quarters of 2014 there were concluded 8 534 016 non-life insurance contracts. The number of life insurance contracts during the observed period of 2014 was 786 690, an increase of 0,3 %.

In the first three quarters of 2014 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 3,3 billion, a decrease by 2,6 % year-on-year.

The first three quarters of 2014 saw total technical provisions of pension companies and funds growing by 13,5 % to CZK 309,7 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 30,9 billion, an increase of 1,5 % from the same period a year earlier.

Government contributions increased by 4,8 % in the observed period of 2014 and amounted to CZK 5,1 billion. Pension insurance benefits paid stood at CZK 13,0 billion, up by 12,0 % year-on-year.

There were 4 914 242 active pension insurance policy holders (members of pension schemes) in total on 30th September 2014. The number decreased by 2,9 % in comparison with the end of the same period of 2013.

All of the pension companies and funds employed a total of 546 actual persons on average in the first three quarters of 2014, which resulted in the 12,1 decrease in comparison with the same period of 2013. The average monthly wage related to actual persons amounted to 38 295 CZK, a decrease of 2,7 % year-on-year.