

## Brief analytical comments

In the first half of 2014 **financial intermediation sector** showed a decrease in the average number of employees in actual persons by 1,0 %. The average monthly wage of actual persons increased by 6,2 % to CZK 50 500.

The gross profit in the sector during the reference period increased by 28,3 %.

In January to June **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 108,9 billion, including financial revenues amounting to CZK 107,8 billion. The total costs stood at CZK 67,2 billion, including the total financial costs amounting to CZK 29,1 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 2014 the difference between the total revenues and total cost was CZK 41,8 billion and the net profit from financial and some other operations was CZK 0,6 billions. The banking monetary institutions made pre-tax net income amounting to CZK 42,4 billion, which means a decrease by 1,5 % year-on-year.

During the first half of 2014 all 43 banks and building societies employed 38 847 actual persons on average, by 2,4 % less than in the same period of 2013. The average monthly wage of actual persons increased by 8,4 % and stood at CZK 55 838.

Interests receivable reached CZK 77,2 billion and interests payable reached the amount of CZK 23,0 billion in the first half of 2014. Interests receivable decreased by 0,5 % year-on-year. Interests payable decreased by 9,6 % year-on-year. The interest margin dropped from CZK 52,1 to 54,2 billion.

**Financial leasing companies** (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 2,6 billion in the 1 and 2 quarters of 2014, an increase of 2,0 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 and 2 quarters in comparison with the same period of 2013 reached the amount of CZK 20,2 billion (down 10,0 %). Received financial leasing instalments decreased about 13,5 %.

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 8,4 billion, an increase of 19,1 % compared to the corresponding period of the previous year.

In the first half of 2014 gross premiums written stood at CZK 88,9 billion, accounting for 93,5 % of total revenues and rising by 3,9 % year-on-year. Insurance claims paid amounted to CZK 53,3 billion, making up 61,4 % of total expenses of the insurance companies. Costs of these insurance claims increased by 4,6 % year-on-year.

In the period from the beginning of 2014 till the end of June all of the 53 insurance companies employed a total of 14 091 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 44 384, up by 3,4 % in comparison to the same period of 2013.

During the first half of 2014 there were concluded 5 351 726 non-life insurance contracts, by 3,4 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2014 was 540 837, a decrease of 4,7 %.

In the first half of 2014 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 2,1 billion, a decrease by 12,7 % year-on-year.

First half of 2014 saw total technical provisions of pension companies and funds growing by 14,6 % to CZK 302,2 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 21,3 billion, an increase of 3,7 % from the same period a year earlier.

*Government contributions increased by 7,0 % in the observed period of 2014 and amounted to CZK 3,4 billion. Pension insurance benefits paid stood at CZK 7,9 billion, up by 1,2 % year-on-year.*

*There were 4 958 436 active pension insurance policy holders (members of pension schemes) in total on 30<sup>th</sup> June 2014. The number decreased by 2,6 % in comparison with the end of the same period of 2013.*

*All of the pension companies and funds employed a total of 561 actual persons on average in the first half of 2014, which resulted in the 9,7 % decrease in comparison with the same period of 2013. The average monthly wage related to actual persons amounted to 39 323 CZK, a decrease of 3,4 % year-on-year.*