

Brief analytical comments

In January to September **financial intermediation sector** showed an increase in the average number of employees in actual persons by 1,7 %. The average monthly wage of actual persons increased, by 3,9 % to CZK 50 428.

The gross profit in the sector during the reference period increased by 136,3 %. This increase was due primarily to non-banking monetary institutions, as well as banking monetary institutions and pension companies and funds.

In January to September **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 158,6 billion, including financial revenues amounting to CZK 153,6 billion. The total costs stood at CZK 95,8 billion, including the total financial costs amounting to CZK 35,6 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 first three quarters of 2016 the difference between the total revenues and total cost was CZK 62,7 billion and the net profit from financial and some other operations was CZK 9,4 billions. The banking monetary institutions made pre-tax net income amounting to CZK 72,1 billion, which means an increase by 12,2 % year-on-year.

During the first three quarters of 2016 all 45 banks and building societies employed 39 984 actual persons on average, by 2,0 % more than in the same period of 2015. The average monthly wage of actual persons increased by 4,0 % and stood at CZK 55 172.

Interests receivable reached CZK 108,9 billion and interests payable reached the amount of CZK 26,7 billion in the first three quarters of 2016. Interests receivable decreased by 4,8 % year-on-year. Interests payable decreased by 12,8 % year-on-year. The interest margin dropped from CZK 83,8 to 82,8 billion.

In January to September **non-banking monetary institutions** (CZ-NACE, code 64.1, 64.2, 64.3, 64.9 and 66) realized the total expenses amounting to CZK 141,1 billion, up by 5,3 % in comparison to the same period of 2015.

Consumption of materials, energy and services amounted to CZK 23,1 billion, which means a decrease of 8,2 % year-on-year.

During the first three quarters of 2016 non-banking monetary institutions employed 16 129 actual persons on average, by 2,7 % more than in the same period of 2015. The average monthly wage of actual persons increased by 3,5 % to CZK 43 338.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 4,2 billion in the first three quarters of 2016, a decrease of 31,2 % compared to the corresponding period of the previous year.

Received financial leasing instalments an increase of 2,0 % in the first three quarters of 2016 and amounted to CZK 22,3 billion.

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 11,0 billion, a decrease of 6,4 % compared to the corresponding period of the previous year.

In the first three quarters of 2016 gross premiums written stood at CZK 119,5 billion, accounting for 90,5 % of total revenues and dropped by 3,3 % year-on-year. Insurance claims paid amounted to CZK 75,2 billion, making up 62,1 % of total expenses of the insurance companies. Costs of these insurance claims decreased by 5,7 % year-on-year.

In the period from the beginning of 2016 till the end of September all of the 55 insurance companies employed a total of 13 717 employees (actual persons) on average, i.e., by 0,3 % less than in the corresponding period of 2015. The average monthly wage (related to actual persons) was CZK 45 444, up by 4,0 % in comparison to the same period of 2015.

During the first three quarters of 2016 there were concluded 8 141 205 non-life insurance contracts. The number of life insurance contracts during the observed period of 2016 was 585 381, a decrease of 19,0 %.

In the first three quarters of 2016 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 3,2 billion, an increase by 1,6 % year-on-year.

The first three quarters of 2016 saw total technical provisions of pension companies and funds growing by 9,3 % to CZK 376,7 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 32,5 billion, an increase of 4,9 % from the same period a year earlier.

Government contributions increased by 1,8 % in the observed period of 2016 and amounted to CZK 4,9 billion. Pension insurance benefits paid stood at CZK 15,9 billion, up by 14,9 % year-on-year.

There were 4 627 292 active pension insurance policy holders (members of pension schemes) in total on 30th September 2016. The number decreased by 2,6 % in comparison with the end of the same period of 2015.

All of the pension companies and funds employed a total of 520 actual persons on average in the first three quarters of 2016, which resulted in the 0,5 % decrease in comparison with the same period of 2015. The average monthly wage related to actual persons amounted to 37 104 CZK, an increase of 3,3 % year-on-year.