

## **Brief analytical comments**

In January to September **financial intermediation sector** showed an increase in the average number of employees in actual persons by 0,9 %. The average monthly wage of actual persons increased, by 3,2 % to CZK 51 956.

The gross profit in the sector during the reference period decreased by 29,4 %. This decrease 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 152,9 billion, including financial revenues amounting to CZK 148,4 billion. The total costs stood at CZK 95,5 billion, including the total financial costs amounting to CZK 34,5 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 2017 the difference between the total revenues and total cost was CZK 57,4 billion and the net profit from financial and some other operations was CZK 14,0 billions. The banking monetary institutions made pre-tax net income amounting to CZK 71,4 billion, which means an decrease by 1,0 % year-on-year.

During the first three quarters of 2017 all 45 banks and building societies employed 40 492 actual persons on average, by 1,3 % more than in the same period of 2016. The average monthly wage of actual persons increased by 2,8 % and stood at CZK 56 563.

Interests receivable reached CZK 108,0 billion and interests payable reached the amount of CZK 25,5 billion in the first three quarters of 2017. Interests receivable decreased by 0,9 % year-on-year. Interests payable decreased by 4,6 % year-on-year. The interest margin dropped from CZK 109,9 to 82,5 billion.

**In the unbanking financial institution** in the 1 to 3 quarter of year of 2017 had average registered number of employees 17 103 and increase about 4,9 % compared to the corresponding period of the previous year. Average wage of actual persons is 45 548 CZK, increase about 4,6 %.

Consumption of materials, energy and services reached 29,1 billion increased about 22,0 % compared to the corresponding period of the previous year.

**Financial leasing companies** (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 4,8 billion CZK in the first quarter of 2017, an increase of 14,4 % compared to the corresponding period of the previous year.

Received financial leasing instalments decrease about 5,5 % and reached 20,0 billion CZK .

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 13,5 billion, an increase of 22,9 % compared to the corresponding period of the previous year.

In the first three quarters of 2017 gross premiums written stood at CZK 122,9 billion, accounting for 90,7 % of total revenues and raised by 2,9 % year-on-year. Insurance claims paid amounted to CZK 76,2 billion, making up 62,4 % of total expenses of the insurance companies. Costs of these insurance claims increased by 1,3 % year-on-year.

In the period from the beginning of 2017 till the end of September all of the 52 insurance companies employed a total of 13 146 employees (actual persons) on average, i.e., by 4,2 % less than in the corresponding period of 2016. The average monthly wage (related to actual persons) was CZK 46 624, up by 2,6 % in comparison to the same period of 2016.

During the first three quarters of 2017 there were concluded 7 811 296 non-life insurance contracts. The number of life insurance contracts during the observed period of 2017 was 427 881.

In the first three quarters of 2017 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 3,1 billion, a decrease by 5,4 % year-on-year.

The first three quarters of 2017 saw total technical provisions of pension companies and funds growing by 7,6 % to CZK 405,5 billion. Contributions received from members and employers (excluding

government contributions) stood at CZK 33,8 billion, an increase of 5,0 % from the same period a year earlier.

Government contributions decreased by 2,3 % in the observed period of 2017 and amounted to CZK 4,8 billion. Pension insurance benefits paid stood at CZK 17,2 billion, up by 8,4 % year-on-year.

There were 4 471 537 active pension insurance policy holders (members of pension schemes) in total on 30<sup>th</sup> September 2017. The number decreased by 3,4 % in comparison with the end of the same period of 2016.

All of the pension companies and funds employed a total of 484 actual persons on average in the first three quarters of 2016, which resulted in the 6,9 % decrease in comparison with the same period of 2016. The average monthly wage related to actual persons amounted to 39 641 CZK, an increase of 13,0 % year-on-year.