

Brief analytical comments

In January to December **financial intermediation sector** showed an increase in the average number of employees in actual persons by 2,2 %. The average monthly wage of actual persons increased, by 4,7 % to CZK 53 877.

The gross profit in the sector during the reference period decreased by 13,7 %.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 241,5 billion, including financial revenues amounting to CZK 234,5 billion. The total costs stood at CZK 148,9 billion, including the total financial costs amounting to CZK 61,8 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 2018 the difference between the total revenues and total cost was CZK 92,6 billion and the profit from financial and some other operations was CZK 5,9 billion.

The banking monetary institutions made pre-tax net income amounting to CZK 98,5 billion, which means an increase by 9,0 % year-on-year.

During the first four quarters of 2018 all 46 banks and building societies employed 40 799 actual persons on average, by 0,6 % more than in the same period of 2017. The average monthly wage of actual persons increased by 4,2 % and stood at CZK 57 726 .

Interests receivable reached CZK 179,5 billion and interests payable reached the amount of CZK 49,5 billion in the first four quarters of 2018. Interests receivable increased by 22,4 % year-on-year. Interests payable increased by 43,1 % year-on-year. The interest margin increased from CZK 112,1 to 130,1 billion.

The non-banking financial institutions (CZ-NACE 64.19, 64.2, 64.3, 64.9 a 66) employed 19 110 actual persons on average in the first four quarters of 2018, by 11,4 % more than in the same period of 2017. The average monthly wage of actual persons increased by 4,8 %. It stood at CZK 48 347 in the first four quarters of 2018.

Consumption of materials, energy and services reached CZK 49,7 billion, it increased about 19,3 % compared to the same period of the previous year.

Financial leasing companies (CZ-NACE 64.91) reached a pre-tax profit of CZK 4,6 billion in 2018, by 40,6 % less than in the same period of the previous year.

Received financial leasing instalments increased by 6,6 % year-on-year and reached CZK 29,0 billion.

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 19,5 billion , an increase of 76,2 % compared to the corresponding period of the previous year.

In the first four quarters of 2018 gross premiums written stood at CZK 168,9 billion, accounting for 98,3 % of total revenues and raised by 3,5 % year-on-year. Insurance claims paid amounted to CZK 106,1 billion, making up 69,7 % of total expenses of the insurance companies. Costs of these insurance claims increased by 3,9 % year-on-year.

In the period from the beginning of 2018 till the end of December all of the 49 insurance companies employed a total of 12 611 employees (actual persons) on average, i.e., by 3,7 % less than in the corresponding period of 2017. The average monthly wage (related to actual persons) was CZK 50 002, up by 7,0 % in comparison to the same period of 2017.

During the first four quarters of 2018 there were concluded 9 762 146 non-life insurance contracts, which means a decrease by 5,3 % year-on-year.

The number of life insurance contracts during the observed period of 2018 was 550 081.

*In the first four quarters of 2018 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 3,6 billion, a decrease by 13,0 % year-on-year.*

The first four quarters of 2018 saw total technical provisions of pension companies and funds growing by 8,0 % to CZK 447,1 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 48,4 billion, an increase of 5,1 % from the same period a year earlier.

Government contributions increased by 6,0 % in the observed period of 2018 and amounted to CZK 6,8 billion. Pension insurance benefits paid stood at CZK 22,6 billion, down by 0,5 % year-on-year.

There were 4 437 008 active pension insurance policy holders (members of pension schemes) in total on 31st December 2018. The number decreased by 0,3 % in comparison with the end of the same period of 2017.

All of the pension companies and funds employed a total of 364 actual persons on average in the first four quarters of 2017, which resulted in the 24,9 % decrease in comparison with the same period of 2017. The average monthly wage related to actual persons amounted to 47 687 CZK, an increase of 22,6 % year-on-year.