

## Brief analytical comments

In January to September **financial intermediation sector** showed an increase in the average number of employees in actual persons by 2,0 %. The average monthly wage of actual persons increased, by 4,5 % to CZK 54 496.

The gross profit in the sector during the reference period decreased by 26,7 %. This decrease was due to 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 173,5 billion, including financial revenues amounting to CZK 169,4 billion. The total costs stood at CZK 106,4 billion, including the total financial costs amounting to CZK 42,6 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 2018 the difference between the total revenues and total cost was CZK 67,0 billion and the net profit from financial and some other operations was CZK 8,1 billions. The banking monetary institutions made pre-tax net income amounting to CZK 75,2 billion, which means an increase by 5,3 % year-on-year.

During the first three quarters of 2018 all 46 banks and building societies employed 40 690 actual persons on average, by 0,5 % more than in the same period of 2017. The average monthly wage of actual persons increased by 4,6 % and stood at CZK 96 159.

Interests receivable reached CZK 127,7 billion and interests payable reached the amount of CZK 33,8 billion in the first three quarters of 2018. Interests receivable increased by 18,3 % year-on-year. Interests payable increased by 32,8 % year-on-year. The interest margin up from CZK 82,5 to 93,9 billion.

**The non-banking financial institutions** (CZ-NACE 64.19, 64.2, 64.3, 64.9 and 66) employed 18 909 actual persons on average in the 1 to 3 quarters of 2018, by 10,9 % more than in the same period in 2017. The average monthly wage of actual persons increased by 4,3 %. It stood at CZK 48 178 in the first quarter of 2018.

Consumption of materials, energy and services reached CZK 36,3 billion, it increased about 21,5 % compared to the same period of the previous year.

**Financial leasing companies** (CZ-NACE 64.91) reached a pre-tax profit of CZK 5 billion in the first three quarters of 2018, by 0,4 % more than in the same period of the previous year.

Received financial leasing instalments increased about 5,2 % year-on-year and reached CZK 21,2 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 14,5 billion, an increase of 7,2 % compared to the corresponding period of the previous year.

In the first three quarters of 2018 gross premiums written stood at CZK 127,5 billion, accounting for 98,4 % of total revenues and raised by 3,7 % year-on-year. Insurance claims paid amounted to CZK 78,1 billion, making up 67,9 % of total expenses of the insurance companies. Costs of these insurance claims increased by 2,5 % year-on-year.

In the period from the beginning of 2018 till the end of September all of the 49 insurance companies employed a total of 12 622 employees (actual persons) on average, i.e., by 4,0 % less than in the corresponding period of 2017. The average monthly wage (related to actual persons) was CZK 49 079, up by 5,2 % in comparison to the same period of 2017.

During the first three quarters of 2018 there were concluded 7 579 192 non-life insurance contracts, which means the decrease by 3,0 % year-on-year.

The number of life insurance contracts during the observed period of 2018 was 417 604.

*In the first three quarters of 2018 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 3,7 billion, an increase by 19,2 % year-on-year.*

*The first three quarters of 2018 saw total technical provisions of pension companies and funds growing by 8,1 % to CZK 438,5 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 35,5 billion, an increase of 5,0 % from the same period a year earlier.*

*Government contributions increased by 5,9 % in the observed period of 2018 and amounted to CZK 5,1 billion. Pension insurance benefits paid stood at CZK 17,7 billion, up by 2,9 % year-on-year.*

*There were 4 441 664 active pension insurance policy holders (members of pension schemes) in total on 30<sup>th</sup> September 2018. The number decreased by 0,7 % in comparison with the end of the same period of 2017.*

*All of the pension companies and funds employed a total of 365 actual persons on average in the first three quarters of 2018, which resulted in the 6,5 % decrease in comparison with the same period of 2017. The average monthly wage related to actual persons amounted to 49 195 CZK, an increase of 26,5 % year-on-year.*