

Brief analytical comments

In the first half of 2018 **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 4,2 % to CZK 56 272.

The gross profit in the sector during the reference period decreased by 34,5 %.

In January to June **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 113,9 billion, including financial revenues amounting to CZK 111,4 billion. The total costs stood at CZK 69,5 billion, including the total financial costs amounting to CZK 26,4 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 2018 the difference between the total revenues and total cost was CZK 44,4 billion and the net profit from financial and some other operations was CZK 7,7 billion. The banking monetary institutions made pre-tax net income amounting to CZK 52,1 billion, which means an increase by 1,0 % year-on-year.

During the first half of 2018 all 46 banks and building societies employed 40 641 actual persons on average, up by 0,3 % than in the same period of 2017. The average monthly wage of actual persons increased by 4,9 % and stood at CZK 61 923.

Interests receivable reached CZK 81,8 billion and interests payable reached the amount of CZK 20,7 billion in the first half of 2018. Interests receivable increased by 14,5 % year-on-year. Interests payable increased by 25,5 % year-on-year. The interest margin increased from CZK 55,0 to 61,1 billion.

The non-banking financial institutions (CZ-NACE 64.19, 64.2, 64.3, 64.9 and 66) employed 18 973 actual persons on average in the first half of 2018, by 10,1 % more than in the same period in 2017. The average monthly wage of actual persons increased by 3,3 %. It stood at CZK 48 781 in the first quarter of 2018.

Consumption of materials, energy and services reached CZK 24,4 billion, it increased about 23,2 % compared to the same period of the previous year.

Financial leasing companies (CZ-NACE 64.91) reached a pre-tax profit of CZK 3 billion in the first quarter of 2018, by 28 % less than in the same period of the previous year.

Received financial leasing instalments increased about 16,4 % year-on-year and reached CZK 14,1 billion.

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 9,4 billion, an increase of 5,1 % compared to the corresponding period of the previous year.

In the first half of 2018 gross premiums written stood at CZK 85,4 billion, accounting for 99,8 % of total revenues and up by 2,1 % year-on-year. Insurance claims paid amounted to CZK 54,5 billion, making up 71,5 % of total expenses of the insurance companies. Costs of these insurance claims increased by 4,9 % year-on-year.

In the period from the beginning of 2018 till the end of June all of the 51 insurance companies employed a total of 12 665 employees (actual persons) on average, i.e., by 4,6 % less than in the corresponding period of 2017. The average monthly wage (related to actual persons) was CZK 49 535, up by 3,8 % in comparison to the same period of 2017.

During the first half of 2018 there were concluded 4 748 813 non-life insurance contracts, by 0,2 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2018 was 292 579, an increase of 0,6 %.

*In the first half of 2018 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 2,2 billion, an increase by 9,2 % year-on-year.*

First half of 2018 saw total technical provisions of pension companies and funds growing by 8,0 % to CZK 431 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 24,0 billion, an increase of 5,1 % from the same period a year earlier.

Government contributions increased by 1,8 % in the observed period of 2018 and amounted to CZK 3,4 billion. Pension insurance benefits paid stood at CZK 12,4 billion, up by 7,2 % year-on-year.

There were 4 447 697 active pension insurance policy holders (members of pension schemes) in total on 30th June 2018. The number decreased by 0,9 % in comparison with the end of the same period of 2017.

All of the pension companies and funds employed a total of 367 actual persons on average in the first half of 2018, which resulted in the 24,5 % decrease in comparison with the same period of 2017. The average monthly wage related to actual persons amounted to 50 223 CZK, an increase of 23,7 % year-on-year.