

Brief analytical comments

In January to March **financial intermediation sector** showed an increase in the average number of employees in actual persons of 1,6 %. The average monthly wage of actual persons increased by 3,1 % year-on-year to CZK 52 972.

The gross profit in the sector during the reference period decreased by 72,1 %. This slump caused non-banking monetary institutions.

In January to March **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 50,0 billion, including financial revenues amounting to CZK 47,7 billion. The total costs stood at CZK 32,8 billion, including the total financial costs amounting to CZK 10,9 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 quarter of 2017 the difference between the total revenues and total cost was CZK 17,2 billion and the profit from financial and some other operations was CZK 4,9 billion. The banking monetary institutions made pre-tax net income amounting to CZK 22,1 billion, which means an increase of 29,8 % year-on-year.

During 2017 all 44 banks and building societies employed 40 287 actual persons on average, by 0,8 % more than in the same period of 2016. The average monthly wage of actual persons increased by 2,5 % and stood at CZK 56 445.

Interests receivable reached CZK 35,4 billion and interests payable reached the amount of CZK 8,1 billion in 2017. Interests receivable decreased by 4,2 % year-on-year. Interests payable decreased by 16,8 % year-on-year. The interest margin increased from CZK 27,2 to 27,3 billion.

In January to March **non-banking monetary institutions** (CZ-NACE, code 64.1, 64.2, 64.3, 64.9 and 66) realized the total expenses amounting to CZK 50,8 billion, up by 17,1 % in comparison to the same period of 2016.

Consumption of materials, energy and services amounted to CZK 8,8 billion, which means an increase of 20,7 % year-on-year.

In the first quarter of 2017 non-banking monetary institutions employed 16 984 actual persons on average, by 5,7 % more than in the same period of 2016. The average monthly wage of actual persons increased by 5,2 % to CZK 48 038.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 1,5 billion during the year 2017, an increase of 1,8 % compared to the corresponding period of the previous year.

Received financial leasing instalments a decrease of 8,4 % in the first quarter of 2017 and amounted to CZK 6,5 billion.

In January to March **insurance companies** (CZ-NACE 65.11 and 65.12) and **reinsurance companies** (CZ-NACE 65.20) made pre-tax profits amounting to CZK 2,5 billion, a decrease of 37,9 % compared to the corresponding period of the previous year.

In the first quarter of 2017 gross premiums written stood at CZK 43,0 billion, accounting for 90,7 % of total revenues and up by 2,4 % year-on-year. Insurance claims paid amounted to CZK 26,0 billion, making up 58,0 % of total expenses of the insurance and reinsurance companies. Costs of these insurance claims increased by 13,5 % year-on-year.

In the period from the beginning of 2017 until the end of March all of the 52 insurance and reinsurance companies employed a total of 13 626 employees (actual persons) on average. The average monthly wage (related to actual persons) was CZK 49 214, up by 3,0 % in comparison to the same period of 2016.

During first quarter of 2017 there were concluded 2 488 330 non-life insurance contracts, by 2,8 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2017 was 146 207.

In the first quarter of 2017 **pension companies and funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 1,4 billion, an increase of 62,7 % year-on-year.

The first quarter of 2017 saw total technical provisions of pension companies and funds growing by 8,0 % to CZK 389 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 11,8 billion, an increase of 4,0 % from the same period a year earlier.

Government contributions decreased by 0,7 % in the observed period of 2017 and amounted to CZK 1,7 billion. Supplementary pension insurance benefits paid stood at CZK 5,6 billion.

There were 4 503 534 active supplementary pension insurance policy holders (members of pension schemes) in total on 31th March 2017. The number decreased by 3,8 % in comparison with the end of the same period of 2016.

All of the pension companies and funds employed a total of 489 actual persons on average in the first quarter of 2017, which resulted in the 6,5 % decrease in comparison with the same period of 2016. The average monthly wage of actual persons of pension companies and funds was up year-on-year by 12,8% and amounted to 42 905 CZK.