

Brief analytical comments

In January to December **financial intermediation sector** showed an increase in the average number of employees in actual persons by 1,2 %. The average monthly wage of actual persons increased, by 3,5 % to CZK 51 536.

The gross profit in the sector during the reference period decreased by 24,9 %.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 207,9 billion, including financial revenues amounting to CZK 201,0 billion. The total costs stood at CZK 129,7 billion, including the total financial costs amounting to CZK 47,1 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 2017 the difference between the total revenues and total cost was CZK 78,1 billion and the profit from financial and some other operations was CZK 12,7 billion.

The banking monetary institutions made pre-tax net income amounting to CZK 90,8 billion, which means an increase by 2,7 % year-on-year.

During the first four quarters of 2017 all 47 banks and building societies employed 40 553 actual persons on average, by 1,4 % more than in the same period of 2016. The average monthly wage of actual persons increased by 3,3 % and stood at CZK 55 478.

Interests receivable reached CZK 146,8 billion and interests payable reached the amount of CZK 34,7 billion in the first four quarters of 2017. Interests receivable increased by 1,9 % year-on-year. Interests payable increased by 2,6 % year-on-year. The interest margin increased from CZK 110,2 to 112,1 billion.

The non-banking financial institutions (CZ-NACE 64.19, 64.2, 64.3, 64.9 a 66) employed 17 237 actual persons on average in the first four quarters of 2017, by 5,9 % more than in the same period of 2016. The average monthly wage of actual persons increased by 4,2 %, it stood at CZK 46 068 in 2017.

Consumption of materials, energy and services reached CZK 43,1 billion, it increased about 20,1 % compared to the same period of the previous year.

Financial leasing companies (CZ-NACE 64.91) reached a pre-tax profit of CZK 7,3 billion in 2017, by 18,2 % more than in the same period of the previous year.

Received financial leasing instalments decreased by 11,4 % year-on-year and reached CZK 26 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 11,2 billion, a decrease of 19,0 % compared to the corresponding period of the previous year.

In the first four quarters of 2017 gross premiums written stood at CZK 163,1 billion, accounting for 88,9 % of total revenues and raised by 2,6 % year-on-year. Insurance claims paid amounted to CZK 102,2 billion, making up 59,4 % of total expenses of the insurance companies. Costs of these insurance claims decreased by 0,4 % year-on-year.

In the period from the beginning of 2017 till the end of December all of the 52 insurance companies employed a total of 13 099 employees (actual persons) on average, i.e., by 4,6 % less than in the corresponding period of 2016. The average monthly wage (related to actual persons) was CZK 46 996, up by 4,4 % in comparison to the same period of 2016.

During the first four quarters of 2017 there were concluded 10 308 996 non-life insurance contracts, which means an increase by 10,6 % year-on-year.

The number of life insurance contracts during the observed period of 2017 was 589 324.

In the first four quarters of 2017 **pension companies and funds** (CZ-NACE 66.30) made their pre-tax profits amounting to CZK 4,1 billion, a decrease by 6,5% year-on-year.

The first four quarters of 2017 saw total technical provisions of pension companies and funds growing by 8,1 % to CZK 413,9 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 46,0 billion, an increase of 5,0 % from the same period a year earlier.

Government contributions decreased by 2,4 % in the observed period of 2017 and amounted to CZK 6,4 billion. Pension insurance benefits paid stood at CZK 22,7 billion, up by 6,1 % year-on-year.

There were 4 452 007 active pension insurance policy holders (members of pension schemes) in total on 31st December 2017. The number decreased by 1,5 % 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 5,9 % decrease in comparison with the same period of 2016. The average monthly wage related to actual persons amounted to 38 896 CZK, an increase of 13,5 % year-on-year.