

## Brief analytical comments

In January to December **financial intermediation sector** showed increase in the average number of employees in actual persons by 1,2 %. The average monthly wage of actual persons increased, the sector struggled with 3,0 % increase, the average wage stated at CZK 47 427.

The gross profit in the sector during the reference period dropped by 29,7 %. This decrease was observed all institutions.

In January to December **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 232,2 billion, including financial revenues amounting to CZK 229,9 billion. The total costs stood at CZK 150,7 billion, including the total financial costs amounting to CZK 73,3 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 four quarters of 2011 the difference between the total revenues and total cost was CZK 81,6 billion and the net loss from financial and some other operations was CZK 18,1 billions. The banking monetary institutions made pre-tax net income amounting to CZK 63,5 billion, which means an decrease by 3,5 % year-on-year.

During 2011 all 41 banks and building societies employed 39 095 actual persons on average, by 2,5 % more than in the same period of 2010. The average monthly wage of actual persons increased by 3,5 % and stood at CZK 50 776.

Interests receivable reached CZK 172,3 billion and interests payable reached the amount of CZK 62,5 billion in 2011. Interests receivable increased by 3,1 % year-on-year. Interests payable increased by 1,3 % year-on-year. The interest margin raised from CZK 105,5 to 109,9 billion.

**Financial leasing companies** (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 8,4 billion in the 1 to 4 quarter of 2011, an increase of 68,3 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 to 4 quarter in comparison with the same period of 2010 reached the amount of CZK 57,7 billion (down 21,5 %). Received financial leasing instalments decreased about 27,2 %.

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 12,0 billion, a decrease of 57,7 % compared to the corresponding period of the previous year.

In the first four quarters of 2011 gross premiums written stood at CZK 162,1 billion, accounting for 88,4 % of total revenues and rising by 6,2 % year-on-year. Insurance claims paid amounted to CZK 89,2 billion, making up 52,1 % of total expenses of the insurance companies. Costs of these insurance claims increased by 2,9 % year-on-year.

In the period from the beginning of 2011 till the end of December all of the 52 insurance companies employed a total of 14 274 employees (actual persons) on average. The average monthly wage (related to actual persons) was CZK 42 372, up 3,9 % in comparison to the same period of 2010.

During 2011 there were concluded 9 300 848 non-life insurance contracts, by 1,0 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2011 was 1 525 440, an increase of 53,4 %.

In the four quarters of 2011 **pension funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 4,6 billion, a decrease of 1,8 % year-on-year.

The four quarters of 2011 saw total technical provisions of pension funds growing by 7,5 % to CZK 232,1 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 37,9 billion, an increase of 16,2 % from the same period a year earlier.

Government contributions decreased by 0,3 % in the observed period of 2011 and amounted to CZK 5,6 billion. Supplementary pension insurance benefits paid stood at CZK 28,7 billion, up 27,6 year-on-year.

There were 4 559 209 active supplementary pension insurance policy holders (members of

*pension schemes) in total on 31<sup>th</sup> December 2011. The number decreased by 0,1 % in comparison with the end of the same period of 2010.*

*All of the pension funds employed a total of 472 actual persons on average in the four quarters of 2011, which resulted in the 5,9% increase in comparison with the same period of 2010. The average monthly wage related to actual persons amounted to 44 046 CZK, an increase of 5,5 % year-on-year.*