

## Brief analytical comments

In the first half of 2011 **financial intermediation sector** showed increase in the average number of employees in actual persons by 0,5 %. The average monthly wage of actual persons increased, the sector struggled with 2,8 % increase, the average wage stated at CZK 49 929.

The gross profit in the sector during the reference period dropped by 4,1 %. On this negative result participated insurance companies and non-banking monetary institutions, only banks and pension funds showed a profit.

In January to June **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 115,5 billion, including financial revenues amounting to CZK 113,7 billion. The total costs stood at CZK 72,2 billion, including the total financial costs amounting to CZK 34,7 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 2011 the difference between the total revenues and total cost was CZK 43,2 billion and the net loss from financial and some other operations was CZK 3,0 billions. The banking monetary institutions made pre-tax net income amounting to CZK 40,2 billion, which means an increase by 10,0 % year-on-year.

During the first half of 2011 all 41 banks and building societies employed 38 788 actual persons on average, by 3,2 % more than in the same period of 2010. The average monthly wage of actual persons increased by 3,5 % and stood at CZK 55 522.

Interests receivable reached CZK 83,9 billion and interests payable reached the amount of CZK 29,7 billion in the first half of 2011. Interests receivable increased by 0,4 % year-on-year. Interests payable decreased by 7,1 % year-on-year. The interest margin raised from CZK 51,6 to 54,2 billion.

**Financial leasing companies** (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 3,6 billion from the first to the second quarter of 2011, an increase of 62 %, compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the first half of 2011 in comparison with the same period of 2010, reached the amount of CZK 28,9 billion (down 26,3 %). Received financial leasing instalments decreased about 30,8 %.

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 10,0 billion, a decrease of 14,2 % compared to the corresponding period of the previous year.

In the first half of 2011 gross premiums written stood at CZK 84,3 billion, accounting for 91,3 % of total revenues and rising by 9,3 % year-on-year. Insurance claims paid amounted to CZK 46,1 billion, making up 56,0 % of total expenses of the insurance companies. Costs of these insurance claims increased by 10,7 % year-on-year.

In the period from the beginning of 2011 till the end of June all of the 52 insurance companies employed a total of 14 218 employees (actual persons) on average, i.e., by 0,8 % less than in the corresponding period of 2010. The average monthly wage (related to actual persons) was CZK 41 862, up - 1,0 % in comparison to the same period of 2010.

During the first half of 2011 there were concluded 5 887 832 non-life insurance contracts, by 30,1 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2011 was 781 561, an increase of 60,2 %.

In the first half of 2011 **pension funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 2,4 billion, an increase of 5,7 % year-on-year.

First half of 2011 saw total technical provisions of pension funds growing by 8,2 % to CZK 225,4 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 18,7 billion, an increase of 16,2 % from the same period a year earlier.

Government contributions decreased by 1,6 % in the observed period of 2011 and amounted to CZK 2,8 billion. Supplementary pension insurance benefits paid stood at CZK 14,1 billion, up 17,9 year-on-

year.

*There were 4 571 405 active supplementary pension insurance policy holders (members of pension schemes) in total on 30<sup>th</sup> June 2011. The number increased by 0,6 % in comparison with the end of the same period of 2010.*

*All of the pension funds employed a total of 458 actual persons on average in the first half of 2011, which resulted in the 0,3% increase in comparison with the same period of 2010. The average monthly wage related to actual persons amounted to 45 714 CZK, an increase of 4,1 % year-on-year.*