

Brief analytical comments

In the first half of 2012 **financial intermediation sector** showed increase in the average number of employees in actual persons by 1,4 %. The average monthly wage of actual persons increased, the sector struggled with 3,0 % increase, the average wage stated at CZK 51 223.

The gross profit in the sector during the reference period dropped by 1,3 %. On this negative result participated insurance companies, pension funds and non-banking monetary institutions, only banks showed an increase in profit.

In January to June **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 118,7 billion, including financial revenues amounting to CZK 117,2 billion. The total costs stood at CZK 75,7 billion, including the total financial costs amounting to CZK 37,4 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 2012 the difference between the total revenues and total cost was CZK 43,0 billion and the net profit from financial and some other operations was CZK 1,6 billions. The banking monetary institutions made pre-tax net income amounting to CZK 44,6 billion, which means an increase by 10,7 % year-on-year.

During the first half of 2012 all 44 banks and building societies employed 39 708 actual persons on average, by 2,4 % more than in the same period of 2011. The average monthly wage of actual persons increased by 0,6 % and stood at CZK 55 847.

Interests receivable reached CZK 87,1 billion and interests payable reached the amount of CZK 31,9 billion in the first half of 2012. Interests receivable increased by 3,8 % year-on-year. Interests payable increased by 7,4 % year-on-year. The interest margin raised from CZK 54,2 to 55,2 billion.

Financial leasing companies (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 4,1 billion in the half-year of 2012, a decrease of 7,1 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the half-year in comparison with the same period of 2011 reached the amount of CZK 26,1 billion (down 11,6 %). Received financial leasing instalments decreased about 15,4 %.

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 8,1 billion, a decrease of 18,7 % compared to the corresponding period of the previous year.

In the first half of 2012 gross premiums written stood at CZK 84,8 billion, accounting for 84,3 % of total revenues and rising by 0,5 % year-on-year. Insurance claims paid amounted to CZK 46,0 billion, making up 49,8 % of total expenses of the insurance companies. Costs of these insurance claims decreased by 0,2 % year-on-year.

In the period from the beginning of 2012 till the end of June all of the 54 insurance companies employed a total of 14 480 employees (actual persons) on average, i.e., by 1,8 % more than in the corresponding period of 2011. The average monthly wage (related to actual persons) was CZK 44 903, up 7,1 % in comparison to the same period of 2011.

During the first half of 2012 there were concluded 4 963 351 non-life insurance contracts, by 31,0 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2012 was 743 044, a decrease of 4,9 %.

In the first half of 2012 **pension funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 2,3 billion, a decrease of 4,9 % year-on-year.

First half of 2012 saw total technical provisions of pension funds growing by 7,0 % to CZK 240,2 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 18,9 billion, an increase of 18,7 % from the same period a year earlier.

Government contributions increased by 7,0 % in the observed period of 2012 and amounted to CZK 2,9 billion. Supplementary pension insurance benefits paid stood at CZK 14,1 billion, down 0,1% year-on-year.

There were 4 645 603 active supplementary pension insurance policy holders (members of pension schemes) in total on 30th June 2012. The number increased by 2,1 % in comparison with the end of the same period of 2011.

All of the pension funds employed a total of 521 actual persons on average in the first half of 2012, which resulted in the 13,6% increase in comparison with the same period of 2011. The average monthly wage related to actual persons amounted to 47 598 CZK, an increase of 4,1 % year-on-year.