

## Brief analytical comments

In January to September **financial intermediation sector** showed increase in the average number of employees in actual persons by 0,7 %. The average monthly wage of actual persons increased, the sector struggled with 3,3 % increase, the average wage stated at CZK 49 551.

The gross profit in the sector during the reference period increased by 18,8 %. On this positive result participated banks, insurance companies, pension funds and non-banking monetary institutions.

In January to September **banking monetary institutions** (CZ-NACE 64.19 – banks without CNB, building societies) realized the total revenues amounting to CZK 174,1 billion, including financial revenues amounting to CZK 171,9 billion. The total costs stood at CZK 113,4 billion, including the total financial costs amounting to CZK 56,0 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 three quarters of 2012 the difference between the total revenues and total cost was CZK 60,7 billion and the net profit from financial and some other operations was CZK 1,4 billions. The banking monetary institutions made pre-tax net income amounting to CZK 62,1 billion, which means an increase by 17,6 % year-on-year.

During the first three quarters of 2012 all 44 banks and building societies employed 39 763 actual persons on average, by 2,1 % more than in the same period of 2011. The average monthly wage of actual persons increased by 0,9 % and stood at CZK 52 939.

Interests receivable reached CZK 129,5 billion and interests payable reached the amount of CZK 47,8 billion in the first three quarters of 2012. Interests receivable increased by 1,0 % year-on-year. Interests payable increased by 3,4 % year-on-year. The interest margin dropped from CZK 82,0 to 81,7 billion.

**Financial leasing companies** (CZ-NACE, code 64.91) reached a pre-tax profit of CZK 6,2 billion in the 1 to 3 quarters of 2012, an decrease of 4,1 % compared to the corresponding period of the previous year.

Outputs (including received financial leasing instalments) decreased during the 1 to 3 quarters in comparison with the same period of 2011 reached the amount of CZK 38,7 billion (down 11,1 %). Received financial leasing instalments decreased about 13,7 %.

In January to September **insurance companies** (CZ-NACE 65.11 and 65.12) and **reinsurance companies** (CZ-NACE 65.20) made pre-tax profits amounting to CZK 11,8 billion, a increase of 6,6 % compared to the corresponding period of the previous year.

In the first three quarters of 2012 gross premiums written stood at CZK 126,4 billion, accounting for 84,1 % of total revenues and rising by 3,0 % year-on-year. Insurance claims paid amounted to CZK 68,3 billion, making up 49,3 % of total expenses of the insurance companies. Costs of these insurance claims increased by 2,8 % year-on-year.

In the period from the beginning of 2012 till the end of September all of the 54 insurance companies employed a total of 14 456 employees (actual persons) on average, i.e., by 1,5 % more than in the corresponding period of 2011. The average monthly wage (related to actual persons) was CZK 44 544, up 6,6 % in comparison to the same period of 2011.

During the first three quarters of 2012 there were concluded 8 038 373 non-life insurance contracts, by 36,9 % more than in the same period of the previous year. The number of life insurance contracts during the observed period of 2012 was 1 030 661, a decrease of 8,2 %.

In the first three quarters of 2012 **pension funds** (CZ-NACE 65.30) made their pre-tax profits amounting to CZK 3,2 billion, a increase of 1,6 % year-on-year.

The first three quarters of 2012 saw total technical provisions of pension funds growing by 6,9 % to CZK 243,4 billion. Contributions received from members and employers (excluding government contributions) stood at CZK 29,6 billion, an increase of 25,2 % from the same period a year earlier.

*Government contributions increased by 17,5 % in the observed period of 2012 and amounted to CZK 4,9 billion. Supplementary pension insurance benefits paid stood at CZK 20,7 billion, down 4,2% year-on-year.*

*There were 4 675 991 active supplementary pension insurance policy holders (members of pension schemes) in total on 30<sup>th</sup> September 2012. The number increased by 2,3 % in comparison with the end of the same period of 2011.*

*All of the pension funds employed a total of 525 actual persons on average in the first three quarters of 2012, which resulted in the 12,5% increase in comparison with the same period of 2011. The average monthly wage related to actual persons amounted to 46 315 CZK, an increase of 5,8 % year-on-year.*