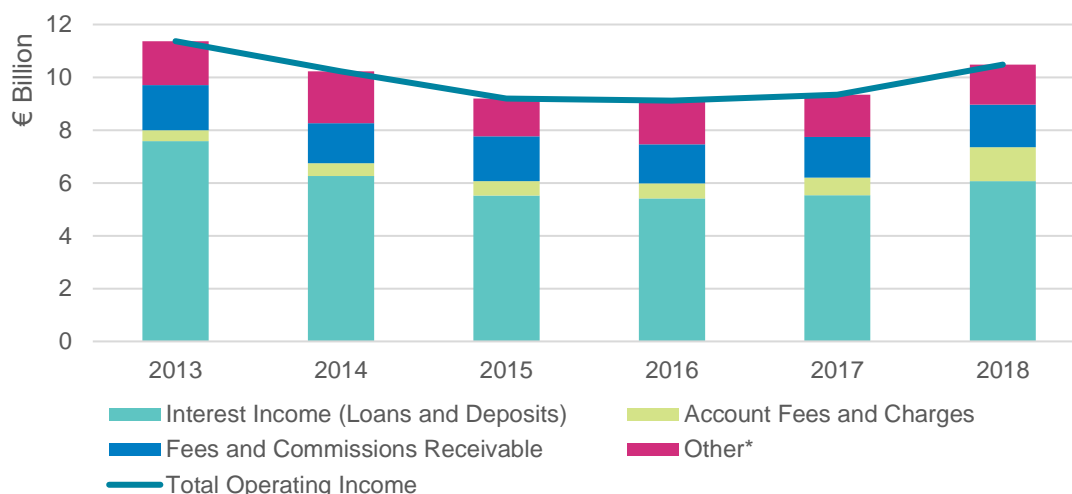




Income Statement Statistics¹ – Q4 2018

Total Operating Income

2013 – 2018



*Other comprises finance lease interest income, operating lease income and other income not elsewhere classified.

- ❖ In 2018, banking offices resident in Ireland reported total operating income of €10.48 billion, an increase of 12 per cent on 2017.
- ❖ Interest income received from loans and deposits accounted for €6.07 billion, or 58 per cent, of total operating income.
- ❖ In 2018, interest payable on loans and deposits² totalled €804 million, up 2 per cent from 2017.
- ❖ Wages and salaries paid by banks increased by 9.1 per cent year-on-year, to stand at €2.64 billion in 2018.

¹ Data is collected as part of the Locational Banking Statistics and the rules underpinning how items are reported are based on statistical methodology and definitions rather than on accounting concepts. The data includes all banks resident in Ireland (please note Credit Unions are excluded from these statistics).

² This is a subset of the value on Table L.4 : Interest Payable (Loans and Deposits) & Other Expenditure

Income Statement

Total interest income from loans and deposits totalled €6.07 billion during 2018, an increase of 9.5 per cent since 2017. Domestic market banks accounted for €4.35 billion of total interest income from loans and deposits (Chart 1)³.

The decline in interest payable on loans and deposits since 2013 was reversed in 2018. Overall Interest payable increased by 1.7 per cent over the year, driven by developments in IFSC banks, which recorded an increase in interest payable on loans and deposits of 40.6 per cent. This increase was offset by a decline in interest payable for domestic market of 30.5 per cent year-on-year (Chart 2).

General expenses and other operating costs were €6.35 billion in 2018. Wages and salaries paid by banks increased 9.1 per cent to €2.6 billion in 2018. The growth in wages and salaries was broad based with domestic market banks and IFSC banks recording increases of 8.9 per cent and 9.6 per cent respectively.

Chart 1: Interest Income Received from Loans and Deposits by Bank Type, 2013 – 2018

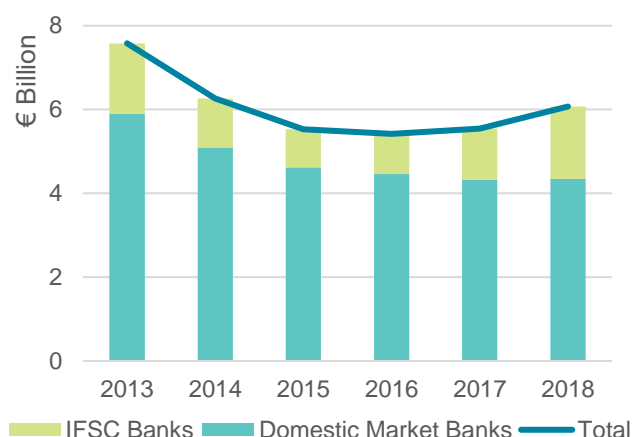


Chart 2: Interest Payable on Loans and Deposits by Bank Type, 2013 – 2018

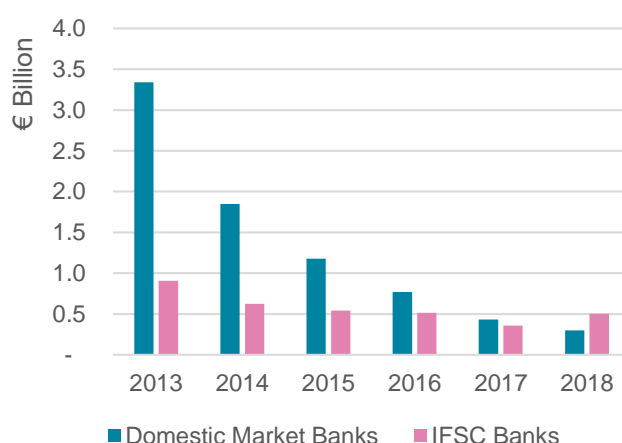
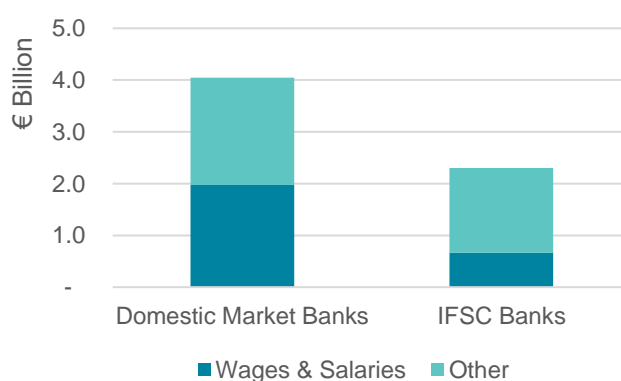


Chart 3: General Expenses and Other Operating Costs by Bank Type⁴, 2018



³ Domestic market banks are banks that have a significant level of retail business with Irish households and NFCs, and would exclude the more internationally focused banks in the IFSC. A full [list](#) of these institutions is available on the Central Bank of Ireland website. Credit Unions are excluded from this set of statistics.

⁴ Profit reported is based on statistical methodology and may differ from profit calculated using accounting methodology. Other includes legal and accounting costs, computer services, insurance, depreciation and other operating costs.

Banks' operating income grew to €10.48 billion in 2018, an increase of 12.2%. However, this increase was largely due to developments in IFSC banks which recorded an increase of 28 per cent year-on-year. At the same time, domestic market banks recorded a more modest increase of 3.7 per cent.

In 2018, banking offices resident in Ireland reported total profit after interest and tax of €3.75 billion. (Chart 4). This represents an operating profit ratio (the ratio of profit or loss after interest and tax to total operating income) of 36 per cent, which was broadly unchanged from 2017.

Please note that these figures are based on statistical methodology rather than accounting methodology and are not to be confused with profitability of the domestic Irish banking sector. The figures relate to subset of banks detailed in the explanatory a notes below.

Further information

The data and explanatory notes can be accessed at:

<http://www.centralbank.ie/polstats/stats/location/pa/ges/data.aspx>

<http://www.centralbank.ie/polstats/stats/location/pa/ges/releases.aspx>

Please Note: This series is now annualised and the next release will be available in March/April 2020.

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Chart 4: Total Profit after interest and tax and Operating Profit Ratio

