FPC core indicators

Core indicator set for the countercyclical capital buffer*[a]

Indicator	Average 1987–2006[b]	Average 2006[c]	Minimum since 1987[b]	Maximum since 1987[b]	Previous value (oya)	Latest value (as of 24 Nov 2025)
Non-bank balance sheet stretch						
1: Credit to GDP[d]						
Ratio	113.5%	151.6%	85.3%	166.6%	125.6%	122.7% (2025Q2)
Gap	6.3%	10.2%	-23.9%	19.9%	-16.2%	-14.7% (2025Q2)
2: Credit growth [e]						
Private non-financial sector credit growth[e]	10.6%	11.6%	-2.0%	24.3%	2.2%	3.6% (2025Q2)
UK CRE sector credit growth[f]	15.7%	18.5%	-9.7%	59.8%	5.9%	9.6% (2025Q3)
3: Gross external debt-to-GDP[g]	179.0%	309.9%	112.7%	393.3%	275.1%	268.4% (2025Q2)
4: PNFC corporates gross debt to earnings(h)	224.2%	292.2%	150.7%	365.6%	268.5%	276.3% (2025Q2)
Conditions and terms in markets						
5: Long-term real interest rate[i]	1.45%	1.23%	-3.18%	2.56%	1.37%	2.38% (24 Nov 2025)
6: VIX[j]	19.1	12.8	9.8	65.5	17.6	19.4 (24 Nov 2025)
7: Global corporate bond spreads[k]						
USD investment-grade	121 bps	93 bps	53 bps	622 bps	80 bps	85 bps (24 Nov 2025)

Indicator	Average 1987–2006[b]	Average 2006[c]	Minimum since 1987[b]	Maximum since 1987[b]	Previous value (oya)	Latest value (as of 24 Nov 2025)
USD high-yield	522 bps	326 bps	241 bps	2,147 bps	261 bps	315 bps (24 Nov 2025)
GBP investment-grade	95 bps	78 bps	38 bps	576 bps	102 bps	85 bps (24 Nov 2025)
GBP high-yield	563 bps	291 bps	173 bps	2,585 bps	409 bps	439 bps (24 Nov 2025)
Bank balance sheet stretch[l]						
8: Tier 1 capital ratio[m]	n.a.	n.a.	5.3%	19.4%	17.6%	17.2% (2025Q3)
o/w CET1	n.a.	n.a.	4.3%	16.5%	15.0%	14.4% (2025Q3)
9: Leverage ratio[n]						
Simple leverage ratio	4.9%	4.0%	2.7%	6.5%	5.5%	5.5% (2025Q2)
UK leverage ratio	n.a.	n.a.	5.0%	5.7%	5.2%	5.0% (2025Q3)
10: Liquidity coverage ratio[o]	n.a.	n.a.	123.0%	154.0%	151.0%	147.2% (end-Oct)
11: Return on assets (before tax)[p]	1.1%	1.0%	-0.3%	1.5%	0.9%	0.9% (2025H1)
12: Loan to deposit ratio[q]	111.3%	122.6%	77.5%	122.6%	79.5%	79.7% (2025Q3)
13: CDS premia[r]	13 bps	8 bps	5 bps	288 bps	60 bps	60 bps (24 Nov 2025)
14: Price to tangible book ratio[s]	3.8	3.5	0.4	5.1	1.0	1.4 (24 Nov 2025)

* The FPC considers this set of core indicators when reaching decisions on the UK countercyclical capital buffer (CCyB) rate. Firms use the UK CCyB rate to calculate their institution-specific CCyB rate and the countercyclical leverage ratio buffer (CCLB) rate. Currently, the CCLB rate for each major UK bank is calculated as 35% of its institution-specific CCyB rate with the CCLB rate percentage rounded to the nearest 10 basis points.

(a) **A spreadsheet of the series shown in this table is available on the Bank's website**.

(b) If the series starts after 1987, the average between the start date and 2006 end and the maximum/minimum since the start date are used.

(c) 2006 was the last year before the start of the global financial crisis.

(d) Credit is defined as debt claims on the UK private non-financial sector. This includes all liabilities of the household sector except for student loans and financial derivatives, and private non-financial corporations' (PNFCs') loans and debt securities excluding direct investment loans and loans secured on dwellings. The credit to GDP gap is calculated as the percentage point difference between the credit to GDP ratio and its long-term trend, where the trend is based on a one-sided Hodrick-Prescott filter with a smoothing parameter of 400,000. See Countercyclical Capital Buffer Guide at www.bankofengland.co.uk/financial-stability for further explanation of how this series is calculated. Sources: Association of British Insurers, Bank of England, Bayes CRE Lending Report (Bayes Business School(formerly Cass)), Deloitte, Financing & Leasing Association, firm public disclosures, Integer Advisors estimates, LCD an offering of Pitchbook, London Stock Exchange, ONS, Peer-to-Peer FinanceAssociation, Eikon from Refinitiv, Roe A.R. (1971) - 'The financial interdependence of the UK economy 1957-66' - Chapman and Hall - London, UK Finance and Bank calculations.

(e) Twelve-month growth rate of nominal credit (defined as the four-quarter cumulative net flow of credit as a proportion of the stock of credit twelve months ago). Credit is defined as above. Sources: Association of British Insurers, Bank of England, Bayes CRE Lending Report (Bayes Business School(formerly Cass)), Deloitte, Financing & Leasing Association, firm public disclosures, Integer Advisors estimates, LCD an offering of Pitchbook, London Stock Exchange, ONS, Peer-to-Peer FinanceAssociation, Eikon from Refinitiv, UK Finance and Bank calculations.

(f) Four-quarter growth rate of UK-resident MFIs' loans to the real estate sector. The real estate sector is defined as: buying, selling and renting of own or leased real estate; real estate and related activities on a fee or contract basis; and development of buildings. Non seasonally adjusted. Quarterly data. Data cover lending in both sterling and foreign currency from 1998. Prior to this period, data cover sterling only. Source: Bank of England.

(g) Ratios computed using a four-quarter moving sum of GDP. Sources: ONS and Bank calculations.

(h) Gross debt as a percentage of a four-quarter moving sum of gross operating surplus. Gross debt is measured as loans and debt securities excluding derivatives, direct investment loans and loans secured on dwellings. Gross operating surplus is adjusted for FISIM. Sources: Association of British Insurers, Bank of England, Bayes CRE Lending Report (Bayes Business School(formerly Cass)), Deloitte, Financing & Leasing Association, firm public disclosures, Integer Advisors estimates, LCD an offering of Pitchbook, London Stock Exchange, ONS, Peer-to-Peer FinanceAssociation, Eikon from Refinitiv, Roe A.R. (1971) - 'The financial interdependence of the UK economy 1957-66' - Chapman and Hall - London, UK Finance and Bank calculations.

(i) Five-year real interest rates five years forward, implied from inflation swaps and nominal fitted yields. Data series runs from October 2004. Sources: Bloomberg Finance L.P., Tradeweb and Bank calculations.

(j) 22-day moving average. The VIX is a measure of market expectations of 30-day volatility as conveyed by S&P 500 stock index options prices. Sources: Bloomberg Finance L.P. and Bank calculations.

(k) Index constituents are weighted based on market capitalisation. Spreads are option-adjusted (i.e., they show the number of basis points the fair value government spot curve needs to be shifted in order to match a bond's present value of discounted cash flows). Sources: ICE BofA USD Investment Grade Index (Ticker: C0A0), ICE BofA USD High Yield Index (Ticker: H0A0), ICE BofA GBP Investment Grade Index (Ticker: UR00), ICE BofA GBP High Yield Index (Ticker: HL00) & Bank Calculations.

(l) Unless otherwise stated, indicators are based on the major UK bank peer group defined as: Abbey National (until 2003); Alliance & Leicester (until 2007); Bank of Ireland (from 2005); Bank of Scotland (until 2000); Barclays; Bradford & Bingley (from 2001 until 2007); Britannia (from 2005 until 2008); Co-operative Banking Group (from 2005); Halifax (until 2000); HBOS (from 2001 until 2008); HSBC (from 1992); Lloyds TSB/Lloyds Banking Group; Midland (until 1991); National Australia Bank (from 2005 until February 2015); National Westminster (until 1999); Nationwide; Northern Rock (until 2011); Royal Bank of Scotland; Santander (from 2004); TSB (until 1994); Virgin Money (from 2012) and Woolwich (from 1990 until 1997). Accounting changes, eg the introduction of IFRS in 2005, result in discontinuities in some series. Restated figures are used where available.

(m) Weighted by risk-weighted assets. From 2014, the 'Basel III Tier 1 capital ratio' is calculated as Tier 1 capital over risk-weighted assets. The CET1 element within Tier 1 and RWAs are according to the Basel III definition as implemented in the United Kingdom. The Additional Tier 1 element within Tier 1 excludes legacy instruments and other transitional adjustments. Prior to 2014, the chart shows Bank estimates; preference shares are used as a proxy for Additional Tier 1 capital. The peer group includes Barclays, HBOS (until 2008), HSBC, Lloyds TSB (until 2008), Lloyds Banking Group (from 2009), Nationwide, NatWest, Santander UK, Standard Chartered and Virgin Money UK (from end-2020 until Q3 2024). From 2018 to 2024, Basel III Tier 1 capital ratios reflect IFRS 9 transitional arrangements. Where banks have not reported before the latest value date shown in the table, the aggregate figures are computed using previous quarter values. Sources: PRA regulatory returns, published accounts and Bank calculations.

(n) The simple leverage ratio is calculated as aggregate shareholders' equity over aggregate assets. The UK leverage ratio corresponds to the UK leverage framework where qualifying claims on central banks are excluded from the leverage exposure measure. The ratio represents the aggregate on an average basis for the quarter. Where banks have not reported before the latest value date shown in the table, the aggregate figures are computed using previous quarter values. From 2018 to 2024, Tier 1 capital reflects IFRS 9 transitional arrangements. The peer group includes Barclays, HBOS (until 2008), HSBC, Lloyds, Nationwide, NatWest, Santander UK, Standard Chartered and Virgin Money UK (from end-2020 until Q3 2024 for UKLR and from end-2020 until end-2024 for simple leverage ratio). Sources: PRA regulatory returns, published accounts and Bank calculations.

(o) The liquidity coverage ratio is calculated as high-quality liquid assets over stressed net-cash outflows over 30 calendar days. The peer group includes Barclays, HSBC, Lloyds, Nationwide, NatWest, Standard Chartered, Santander UK and Virgin Money UK (from end-2020 until Q2 2025). Series starts in December 2015 from which a 3-month rolling average is derived. Sources: PRA regulatory returns and Bank calculations.

(p) Aggregate major UK banks' statutory return on assets (before tax). Calculated as major UK banks' profit before tax as a proportion of total assets (averaged over the current and previous period). Series starts in 2000 where data are annual, until 2014 and data are half-yearly thereafter. When banks in the sample have merged, aggregate profits are approximated for the combined group. The series includes Halifax (until 2000), HBOS (until 2009), Barclays, Lloyds, HSBC, Santander UK, Nationwide, NatWest, Standard Chartered and Virgin Money UK (from end-2020 until Q3 2024). Sources: Published accounts and Bank calculations.

(q) The loan to deposit ratio is calculated as customer loans and advances divided by customer deposits, both measured at amortised cost, and inclusive of reverse repo and repo agreements. Customers exclude banks and central banks. The series starts in 2000 with annual data until end-2012. From 2013 the data changes to half-yearly. In September 2024, the source was changed to PRA regulatory returns and the frequency of data changed to quarterly. Values from end-2020 have been restated to reflect this. Prior to this, the series is calculated using banks' published accounts. The peer group includes Barclays, HSBC, Lloyds, Nationwide, NatWest, Santander UK, Standard Chartered, Virgin Money UK (from end-2020 until June 2025) and HBOS (until 2009). Sources: PRA regulatory returns, published accounts and Bank calculations.

(r) Average of major UK banks' five-year senior CDS premia. Series starts in 2003. Major UK banks are: Barclays, Lloyds, HSBC, NatWest, Standard Chartered and HBOS (until 2009). Data reflect group entities. Santander UK and Nationwide data were removed from the peer group (including back-series) in June and November 2022 respectively due to data availability issues. Sources: Markit Group Limited, S&P Capital IQ and Bank calculations.

(s) The sample comprises the major UK listed banks' group entities (Barclays, Lloyds Bank, HSBC, NatWest, and Standard Chartered). Virgin Money UK was included from January 2016 until September 2024, while HBOS was included until 2009. This indicator is a simple unweighted average of the price-to-tangible book ratios in the sample. Sources: Bloomberg Finance L.P. and Bank calculations.

Table A.2: Core indicator set for LTV and DTI limits[(a)]

Indicator	Average 1987–2006[(b)]	Average 2006[(c)]	Minimum since 1987[(b)]	Maximum since 1987[(b)]	Previous value (oya)	Latest value (as of 24 Nov 2025)
Lender and household balance sheet stretch						
1: LTI and LTV ratios on new residential mortgages						
Share of new mortgages with LTV ≥ 90%[(d)]	20.7%	22.0%	5.1%	22.8%	20.4%	22.8% (2025Q3)
Share of new mortgages with LTI ≥ 4.5[(e)]	4.4%	5.2%	3.2%	10.5%	6.9%	9.5% (2025Q3)
2: Household credit growth[(f)]	10.7%	11.1%	-0.8%	21.5%	1.9%	2.8% (2025Q2)
3: Household debt to income ratio[(g)]	123.2%	177.6%	94.3%	183.5%	137.8%	131.7% (2025Q2)
Conditions and terms in markets						
4: Mortgage approvals[(h)]	97,891	119,066	9,375	132,777	65,628	65,944 (Sept 2025)
5: Housing transactions[(i)]	129,508	139,039	42,960	221,978	92,590	95,980 (Sept 2025)
6: House price growth[(j)]	2.0%	2.2%	-5.8%	11.5%	0.5%	0.6% (Sept 2025)
7: House price to household disposable income ratio[(k)]	3.3	4.9	2.4	5.5	5.0	4.8 (2025Q2)
8: Spreads on new owner-occupier mortgages with 2-year fix and 75% LTV [(l)]	0.6	0.3	-0.3	3.4	0.4	0.6 (Oct 2025)

(a) **A spreadsheet of the series shown in this table is available on the Bank's website**.
(b) If the series start after 1987, the average between the start date and 2006 end and the maximum/minimum since the start date are used.
(c) 2006 was the last year before the global financial crisis.
(d) Share of new UK owner-occupier mortgages with loan-to-value ratios of greater than or equal to 90%. Includes all new mortgages for house purchases and remortgages with a change in principal, excluding lifetime and second-charge mortgages. Outlier values are excluded from the calculations. Sources: FCA Product Sales Data and Bank calculations.

(e) Share of new UK owner-occupier mortgages with loan-to-income ratios of greater than or equal to 4.5. Includes all new mortgages for house purchases and remortgages with a change in principal, excluding lifetime and second-charge mortgages. Outlier values are excluded from the calculations. Sources: FCA Product Sales Data and Bank calculations.

(f) The twelve month growth rate of nominal credit. Defined as the four quarter cumulative net flow of credit divided by the stock of credit 12 months ago. Credit is defined as all liabilities of the household sector except for student loans and financial derivatives. Sources: ONS and Bank calculations.

(g) Gross debt as a percentage of a four-quarter moving sum of gross disposable income of the UK household sector. Includes all liabilities of the household sector except for student loans and financial derivatives. Disposable income is adjusted for changes in pension entitlements and excludes gross operating surplus (GOS) and financial intermediation services indirectly measured (FISIM). Sources: Bank of England, ONS, Roe A.R. (1971) - 'The financial interdependence of the UK economy 1957-66' - Chapman and Hall - London and Bank calculations.

(h) Monthly number of approvals for loans secured on dwellings with the purpose of house purchase. This covers sterling lending by UK MFIs and other lenders to UK individuals. Approvals are measured net of cancellations. Seasonally adjusted. Series starts in 1993. Source: Bank of England.

(i) The number of houses sold/bought in the current month is sourced from HMRC's Land Transaction Return. From 2008 the Return excluded properties priced at less than £40,000 (2006 and 2007 data have also been revised by HMRC to correct for this). Data prior to 2005 comes from the Survey of Property Transactions; the UK total figure is computed by assuming that transactions in the rest of the United Kingdom grew in line with England, Wales and Northern Ireland. Seasonally adjusted. Sources: Bank of England, HMRC, UK Finance and Bank calculations.

(j) House prices takes the quarterly index of UK House Price Index (HPI) up until March 2005. From June 2005 onwards, the series uses the monthly index of UK HPI. The growth rate is calculated as the quarter on quarter percentage change until March 2005 then calculated as the percentage change three months on three months earlier. Seasonally adjusted. Sources: HM Land Registry, ONS and Bank calculations.

(k) Average £ UK house price as a share of a four-quarter moving sum of average UK household gross disposable income. House prices take the seasonally adjusted UK HPI quarterly £ value series from 2005 onwards. Data prior to 2005 back-projects the UK HPI quarterly £ value series using the quarterly UK HPI index series. Gross disposable income is for the UK household sector, adjusted for changes in pension entitlements and excludes gross operating surplus (GOS) and financial intermediation services indirectly measured (FISIM). Income is divided by the number of households in the UK, estimated using annual household projections data, assuming linear growth between available data points within each of the four nations of the UK. Source: Department for Communities and Local Government, Land Registry, ONS and Bank calculations.

(l) Quoted rates on owner-occupier mortgages with 2-year fix and 75% LTV over relevant risk-free rates of 2-year maturity. The quoted rates are weighted monthly average rates advertised by UK banks and building societies. The risk-free rates used are the instantaneous forward rate until July 2008 and the overnight index swap rate from August 2008. Sources: Bank of England, Bloomberg Finance L.P. and Bank calculations.