

Top UK Banks | 2016 Ranking | Biggest British Banks & Best Banks in the UK

2016 Ranking of the Best UK Banks in the UK (Top British Banks)

There is a wide variety of banking firms in the UK. This article presents a detailed review of the types of top UK banks below:

- **Biggest banks in the UK**
- **Best UK banks to bank with**

Based on the types of services that a UK bank provides, as well as its size and customer satisfaction level, the UK bank might be included in both of the above categories or just one.

For example, [Barclays](#) is one of the largest banks in the UK but is not considered a best UK bank due to its many customer service issues and complaints.

On the other hand, TSB Bank is one of the best banks in the UK, based on its high yielding accounts, but it does not fall under the “biggest banks in the UK” category.



Award Emblem: Top UK Banks

List of The Top & Biggest British Banks

1. [HSBC Holdings](#)
2. [Barclays PLC](#)
3. [Royal Bank of Scotland Group](#)
4. [Lloyds Banking Group](#)
5. [Standard Chartered PLC](#)

For a detailed review of the above top UK banks, including information on their most recent financial situation, growth, complaints, benefits, and history, click here: [Detailed Review of The Largest British Banks](#).

Best UK Banks with Top Interest Paying Accounts

1. [TSB Bank](#) (up to 5% AER yield)
2. [Nationwide](#) (up to 5% AER yield)
3. [Lloyds Bank](#) (up to 4% AER yield)
4. [Santander](#) (up to 3% AER yield)

For a detailed review of the above best banks in the UK, including information on their high yielding accounts, click here: [Best UK Banks with Highest AER Yields](#).

Detailed Review – The Biggest UK Banks

The section below presents a list of this year's five biggest UK banks by total assets. Although headquartered in the UK, the five largest British banks operate on a global scale, with thousands of branches across many countries.

HSBC, for example, is this year's top largest UK bank, based on total assets, and it serves more than 47 million customers through a network of around 6,000 offices in 71 countries and territories.

Barclays is the 2nd biggest British bank (headquartered in London), and it provides banking services across Europe, the Americas, Africa, and Asia. Barclays has operations in over 40 countries and employs approximately 130,000 people.

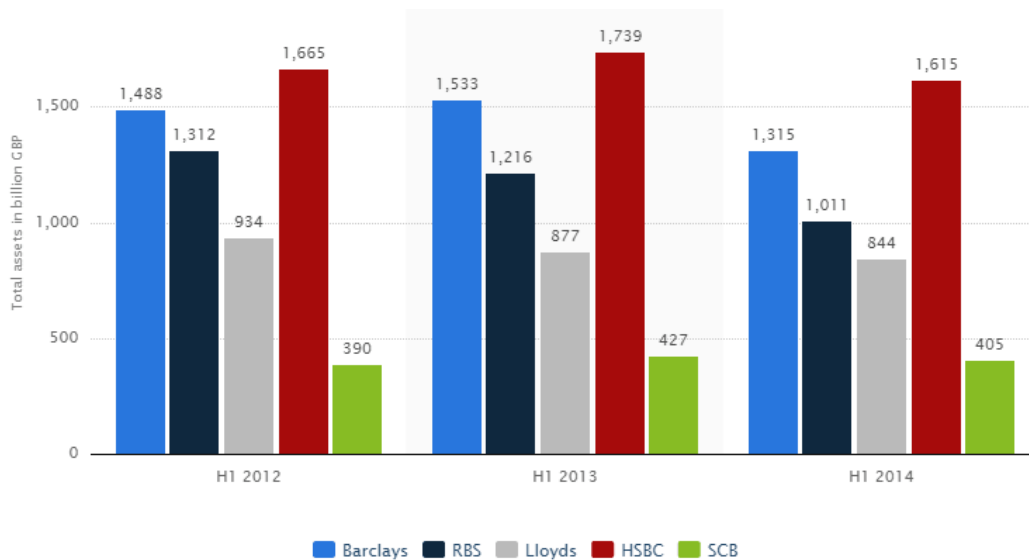
Biggest UK Banks – Breakdown by Asset Size

Below is the listing of this year's top UK banks by asset size.

Banks	Total Assets in Billions*
HSBC Holdings	\$2,634.14
Barclays PLC	\$2,114.13
Royal Bank of Scotland Group	\$1,635.93
Lloyds Banking Group	\$1,333.99
Standard Chartered PLC	\$725.914

* Asset size as of last year (see detailed sessions below for balance sheet information)

The statistics table below shows a trending bar chart of the total assets of the top 5 biggest UK banks. The chart shows each British bank's total assets during the first half of the last couple of years.



Figures are in billions (British pounds – GBP). For the first half of 2014, HSBC had assets worth 1,615 billion worth (1.6 trillion dollars).

Image source: <http://www.statista.com/statistics/290594/uk-banks-total-assets/>

Detailed Overview of the Top 5 Biggest British Banks

HSBC – Largest Bank in the UK

HSBC is one of the largest banking and financial services firms in the world, and it is also one of the top 5 UK banks.

HSBC was founded in the 1860s primarily to finance trading transactions between Asia (China and India) and the West (Europe).

The inspiration behind HSBC started with a fellow named Thomas Sutherland, a Scot who was working on a temporary contract in Hong Kong for the British Peninsular and Oriental Steam Navigation Company. **Thomas discovered that there was pent-up demand** for local banking firms in Hong Kong and on the China coast – banks that could provide similar banking facilities as could be found in London and other European cities.

So, in March of 1865, he worked with other parties to launch HSBC in both Hong Kong and Shanghai.

Soon after its formation, the bank's operations expanded to surrounding regions and then to Europe and the Americas. In the later years of the **20th century and into the 21st century**, HSBC moved from a regional-based bank to becoming one of the world's leading financial services institutions.

Today, HSBC is headquartered in London (8 Canada Square, London, E14 5HQ, UK), and the bank is the #1 biggest bank in the UK, with an estimated \$2.6 trillion in total assets. It has a customer base of over 50 million people across every major economy in Europe, the Asia-Pacific, the Americas, the Middle East, and Africa.

HSBC operates through long-established subsidiaries, affiliates, businesses, and an international network of around **6,000 offices in 71 countries and territories**.

HSBC has four major business lines:

1. Commercial banking
2. Private banking
3. Global banking and markets
4. Retail banking and wealth management

HSBC Financial Statements:

HSBC HSBC Holdings plc	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
	\$m	\$m	\$m	\$m	\$m
Net interest income	8,028	8,170	8,274	8,547	8,753
Net fee income	3,509	4,041	3,684	3,718	4,062
Net trading income	2,742	1,990	2,583	1,190	2,295
Other income	806	2,850	1,351	851	665
Net operating income before loan impairment charges and other credit risk provisions	15,085	17,051	15,892	14,306	15,775
Loan impairment charges and other credit risk provisions	(638)	(869)	(570)	(1,250)	(760)
Net operating income	14,447	16,182	15,322	13,056	15,015
Total operating expenses ¹	(9,039)	(10,342)	(8,845)	(11,892)	(11,091)
Operating profit	5,408	5,840	6,477	1,164	3,924
Share of profit in associates and joint ventures	689	729	582	567	685
Profit before tax	6,097	6,569	7,059	1,731	4,609
Tax expense	(634)	(1,540)	(1,367)	(966)	(987)
Profit after tax	5,463	5,029	5,692	765	3,622
Profit attributable to shareholders of the parent company	5,229	4,359	5,259	511	3,431
Profit attributable to non-controlling interests	234	670	433	254	191

Adjusted PBT by global businesses and geographical regions

	Nine months ended 30 September		Quarter ended 30 September	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m
By global business				
Retail Banking and Wealth Management	5,309	5,878	1,498	2,103
Commercial Banking	6,814	6,796	2,239	2,203
Global Banking and Markets	7,474	6,849	2,047	2,020
Global Private Banking	409	557	88	208
Other	(1,492)	(961)	(360)	(110)
	18,514	19,119	5,512	6,424
By geographical region				
Europe	3,726	4,628	969	1,718
Asia	11,477	11,085	3,488	3,648
Middle East and North Africa	1,251	1,452	352	479
North America	1,486	1,519	555	481
Latin America	574	435	148	98
	18,514	19,119	5,512	6,424

Barclays – 2nd Biggest UK Bank

Founded over 320 years ago, [Barclays](#) has expanded over the years and now has an extensive global presence in Europe, the Americas, Africa, and Asia.

During the bank's 320+ years of history, Barclays has only had two head offices. One of which is located at 54 Lombard Street in London and the other at 1 Churchill Place in Canary Wharf; each are located in one of the UK's two main financial districts.

Barclays was the first bank in the world to launch through-the-wall ATM machines, at a time when ATMs were a rare novelty. The first of six ATM prototypes was opened at Barclays' Enfield branch in 1967, and many more followed.

Barclays is the second largest bank in the UK, with an estimated total asset size of \$2.1 trillion. This top British bank offers four core lines of business:

- Retail banking
- Private/personal banking
- Corporate banking
- Wealth and investment banking

Unfortunately, Barclays is also considered one of the worst UK banks, based on the extremely high level of UK customer complaints it has received over the years.

Transformation:

However, it may seem that there is light at the end of the tunnel for Barclays when it comes to consumer-related issues that have plagued the bank.

A few months ago, the firm's new chairman ([John McFarlane](#)) promised to accelerate the bank's restructuring and transformation efforts to improve its image, services, and business operating model.

John McFarlane is the former chairman of Aviva, where he engineered a rapid transformation of the insurer after taking charge during the financial crisis.

He is widely known as a hands-on and determined leader and is expected to drive major changes across this top British bank.



**John McFarlane brings
his chainsaw to
Barclays**

Image source: *The Guardian*

Barclay's Financial Statements:
Condensed Consolidated Financial Statements

Consolidated summary balance sheet

	As at 30.09.15	As at 30.06.15	As at 31.12.14
	£m	£m	£m
Assets			
Cash, balances at central banks	34,544	33,341	39,695
Items in the course of collection from other banks	1,417	1,227	1,210
Trading portfolio assets	95,356	98,048	114,717
Financial assets designated at fair value	34,413	33,335	38,300
Derivative financial instruments ¹	378,930	341,312	439,909
Available for sale financial investments	98,901	96,210	86,066
Loans and advances to banks	48,233	44,548	42,111
Loans and advances to customers	434,497	430,719	427,767
Reverse repurchase agreements and other similar secured lending	83,928	93,138	131,753
Other assets	26,310	24,841	36,378
Total assets	1,236,529	1,196,719	1,357,906
Liabilities			
Deposits from banks	55,832	55,978	58,390
Items in the course of collection due to banks	1,557	1,539	1,177
Customer accounts	443,442	438,270	427,704
Repurchase agreements and other similar secured borrowing	85,158	85,092	124,479
Trading portfolio liabilities	43,887	41,818	45,124
Financial liabilities designated at fair value	46,756	51,284	56,972
Derivative financial instruments ¹	379,126	342,964	439,320
Debt securities in issue	72,125	75,525	86,099
Subordinated liabilities	20,644	19,664	21,153
Other liabilities	19,927	19,010	31,530
Total liabilities	1,168,454	1,131,144	1,291,948
Equity			
Called up share capital and share premium	21,551	21,523	20,809
Other reserves	2,070	1,334	2,724
Retained earnings	33,010	32,099	31,712
Shareholders' equity attributable to ordinary shareholders of the parent	56,631	54,956	55,245
Other equity instruments	5,314	4,325	4,322
Total equity excluding non-controlling interests	61,945	59,281	59,567
Non-controlling interests	6,130	6,294	6,391
Total equity	68,075	65,575	65,958
Total liabilities and equity	1,236,529	1,196,719	1,357,906

Consolidated statement of changes in equity

Nine months ended 30.09.15	Called up	Other equity	Other	Retained	Total	Non-	Total
	share capital						
	and share					interests	
	premium						
	£m	£m	£m	£m	£m	£m	£m
Balance as at 1 January 2015	20,809	4,322	2,724	31,712	59,567	6,391	65,958
Profit after tax	-	238	-	2,028	2,266	495	2,761
Other comprehensive profit after tax for the period	-	-	(679)	450	(229)	(319)	(548)
Issue of shares	742	-	-	455	1,197	-	1,197
Issue and exchange of equity instruments	-	995	-	-	995	-	995
Dividends	-	-	-	(913)	(913)	(445)	(1,358)
Coupons paid on other equity instruments	-	(238)	-	48	(190)	-	(190)
Treasury shares	-	-	25	(736)	(711)	-	(711)
Other movements	-	(3)	-	(34)	(37)	8	(29)
Balance as at 30 September 2015	21,551	5,314	2,070	33,010	61,945	6,130	68,075

Three months ended 30.09.15	Called up	Other equity	Other	Retained	Total	Non-	Total
	share capital						
	and share					interests	
	premium						
	£m	£m	£m	£m	£m	£m	£m
Balance as at 1 July 2015	21,523	4,325	1,334	32,099	59,281	6,294	65,575
Profit after tax	-	79	-	417	496	157	653
Other comprehensive profit after tax for the period	-	-	713	503	1,216	(182)	1,034
Issue of shares	28	-	-	152	180	-	180
Issue and exchange of equity instruments	-	995	-	-	995	-	995
Dividends	-	-	-	(167)	(167)	(144)	(311)
Coupons paid on other equity instruments	-	(79)	-	16	(63)	-	(63)
Treasury shares	-	-	23	(30)	(7)	-	(7)
Other movements	-	(6)	-	20	14	5	19
Balance as at 30 September 2015	21,551	5,314	2,070	33,010	61,945	6,130	68,075

¹ Other reserves includes currency translation reserve of £0.7bn debit (30 June 2015: £1.0bn debit), available for sale investments of Enil (30 June 2015: £0.3bn), cash flow hedge reserve of £1.8bn (30 June 2015: £1.2bn), other reserves and treasury shares of £1.0bn (30 June 2015: £0.9bn).

Want to read all 30 pages of Barclay's financial statements? Then click here: [Barclay's Financial Results](#).

Royal Bank of Scotland (RBS) Group – 3rd Top British Bank

Six years ago, the Royal Bank of Scotland (RBS) became the first British bank to announce a full-service online banking platform which allows UK customers to open their personal current accounts entirely online.

RBS is this year's third biggest British bank that is in the midst of a successful bank optimization transformation. RBS has improved its account opening process, from 5 days to just 1 day. It has also implemented Touch ID technology to make banking on the move even easier.

RBS is committed to becoming a leaner, less volatile business that is based around its core franchises of Personal & Business Banking (PBB) and Commercial & Private Banking (CPB).

RBS provides services to over 33 million customers around the world. This includes 24 million in the UK, where it has over 2,100 bank branches.

The bank has an estimated \$1.6 trillion in total assets and aims to be the best UK bank when it comes to service, trust, and advocacy.

At the height of the financial crisis, the UK government stepped in to bail out RBS, putting UK taxpayers in a position where they owned 81.14% of the bank. Over the last couple of years, RBS has successfully managed to pay down most of the taxpayers' bailout debt.

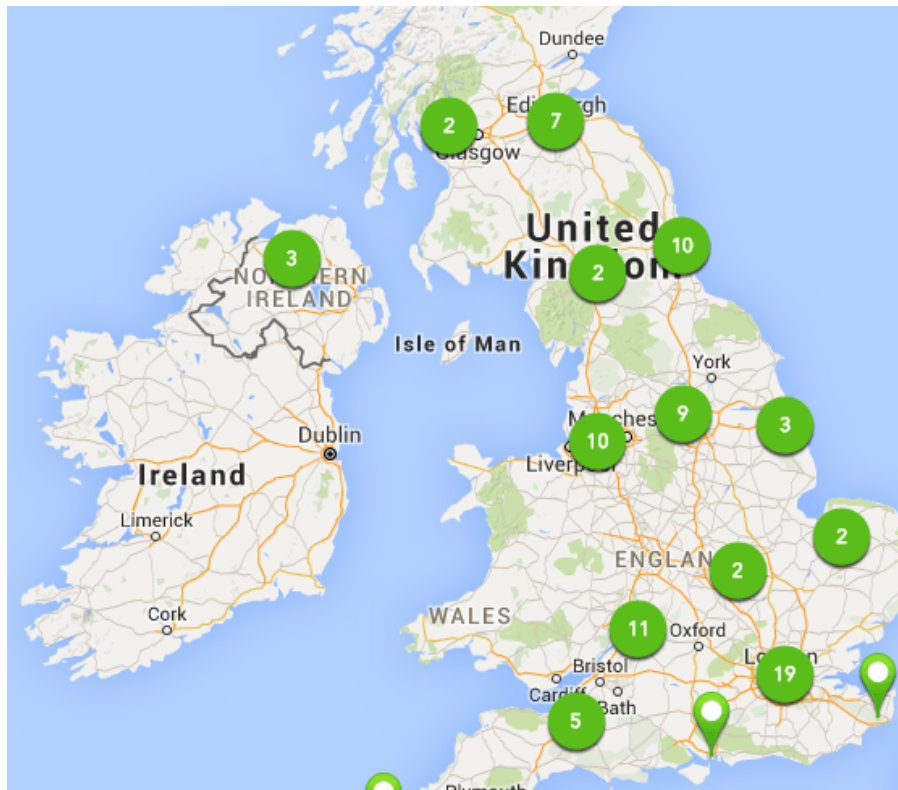
For its most recent quarter, this highly popular top UK bank has generated over 3 billion pounds in income.

Below is a screenshot of the bank's most recent financial results.

RBS Q3 2015 results – P&L				RBS
(£m)	Q3 2015	vs. Q2 2015	vs. Q3 2014	Q3 2015 vs. Q3 2014
Income	3,047	(15%)	(16%)	<ul style="list-style-type: none"> Income was £596m lower than in Q3 2014, principally driven by a £394m decline in CIB, reflecting planned reshaping Restructuring costs remained high at £847m as the Go-Forward bank transforms Litigation and conduct costs £129m, vs. £780m in Q3 2014 Q3 2015 operating loss was £134m Attributable profit £952m, vs. £896m in Q3 2014
Operating expenses ⁽¹⁾	(2,284)	+3%	(6%)	
Restructuring costs	(847)	(17%)	n.m.	
Litigation & conduct costs	(129)	(72%)	(83%)	
(Impairments) / releases	79	(59%)	(91%)	
Adjusted operating profit / (loss)	842	(46%)	(59%)	
Operating profit / (loss)	(134)	n.m.	n.m.	
Other items	1,086	n.m.	n.m.	
Attributable profit / (loss)	952	+225%	+6%	
Key metrics				
Net interest margin	2.09%	(4bps)	(8bps)	
Return on tangible equity	8.8%	+6ppts	+1ppts	
Adj. return on tangible equity ⁽¹⁾	15.8%	+2ppts	(0ppts)	
Cost-income ratio	107%	+4ppts	+14ppts	
Adj. cost-income ratio ⁽¹⁾	75%	+13ppts	+8ppts	

Image Source: RBS Financial Statements

Lloyds Bank – 4th Largest UK Bank



Based on total asset size, **Lloyds** is ranked as this year's fourth top British bank. Lloyds Bank is part of the Lloyds Banking Group, which was formed in 2009 following the acquisition of HBOS by Lloyds TSB Group.

Unfortunately, the acquisition brought over 9 billion pounds (over 14 billion dollars) worth of highly toxic assets to the balance sheet of the combined conglomerates.

At the height of the financial crisis, the high amount of toxic assets led to Lloyds Banking Group's state of insolvency, causing it to be nationalized by the UK government and leaving UK taxpayers in ownership of over 40% of the bank.

In February of 2015, Lloyds announced that it would resume making dividend payments. For the bank's 2015 financial results, the bank's management team stated that the firm's improved financial performance was due to a "robust UK economy, low unemployment, increased house prices, increased consumer spending and lower household debt."

Standard Chartered – 5th Top British Bank

Standard Chartered, this year's fifth top UK bank, is a global banking firm headquartered in London, UK. It has a major global footprint and derives over 90% of its revenue from countries across Asia, Africa, and the Middle East.

The bank's stock is listed on the London, Mumbai, and Hong Kong stock exchanges and ranks among the top 15 companies in the FTSE-100.



Our History

Standard Chartered Bank was formed in 1969 through the merger of two separate banks, the Standard Bank of British South Africa and the Chartered Bank of India, Australia and China.

These banks had capitalised on the expansion of trade between Europe, Asia and Africa.

The Chartered Bank

The Chartered Bank was founded by James Wilson following the grant of a Royal Charter by Queen Victoria in 1853.

The bank opened in Mumbai (Bombay), Kolkata and Shanghai in 1858, followed by Hong Kong and Singapore in 1859.

The traditional trade was in cotton from Mumbai, indigo and tea from Kolkata, rice from Burma, sugar from Java, tobacco from Sumatra, hemp from Manila and silk from Yokohama.

The bank played a major role in the development of trade with the East following the opening of the Suez Canal in 1869 and the extension of the telegraph to China in 1871.

In 1957 Chartered Bank bought the Eastern Bank, together with the Ionian Bank's Cyprus Branches and established a presence in the Gulf.

The Standard Bank

The Standard Bank was founded in London in 1862 by John Paterson from the Cape Colony in South Africa, and started business in Port Elizabeth in the following year.

The bank was prominent in financing the development of the diamond fields of Kimberley from the 1870s. It later extended its network further north to the new town of Johannesburg when gold was discovered there in 1886.

The bank expanded in Southern, Central and Eastern Africa and had 600 offices by 1953.

In 1965, it merged with the Bank of West Africa, expanding its operations into Cameroon, Gambia, Ghana, Nigeria and Sierra Leone.

In 1987 Standard Chartered Bank sold its stake in the Standard Bank, which now operates as a separate entity.



Image Source: Standard Chartered

Standard Chartered provides personal banking, preferred banking, priority and international banking, private banking, online banking, SME banking, wholesale banking, and Islamic banking services.

In 2015, the bank announced major restructuring changes under Bill Winters, its new CEO.

The Best Banks in the UK – Based on Current Accounts with the Highest AER Yields

Now that we have covered the top 5 largest banks in the UK, below is a high-level overview of the best banks in the UK based on the percentage yields that you can earn from depositing money in these banks.

1. TSB Bank – High Yield Account

[TSB](#) is rated as one of this year's best UK banks based on the many high yielding accounts that it provides.

TSB's [Current Plus Account](#) is one of the best current account rates available in the UK.

You receive an astounding interest yield of 5% AER (4.89% gross variable interest) on balances up to £2,000 and 5% cashback on your first £100 of expenses each month.

To be eligible for this account, you must be 18 or over and be a UK resident. Also, you are restricted to only opening one account in your sole name but can open another Plus account in joint names.

2. Nationwide FlexDirect Current Account – Top Ranking List of Best UK Banks

[Nationwide](#) is another bank on our list of best UK banks based on the high AER yield that it pays on its [FlexDirect current account](#).

Just some of the key features...





 <p>5% AER in-credit interest 5% AER (4.89% gross p.a.) in-credit interest on balances up to £2,500 (fixed for the first 12 months) * Find out more</p>	 <p>Fee free arranged overdraft for 12 months No fees on arranged overdrafts for the first 12 months (Overdrafts are only available to those aged 18 or over and are subject to approval) Find out more</p>
 <p>No monthly account fee That's right- no monthly fee just for keeping your account with us</p>	 <p>Contactless Visa debit card Contactless lets you pay for up to £20 worth of goods or services in a single transaction</p>

Image Source: Nationwide

Similar to the AER yield offered by TSB's current account, Nationwide's FlexDirect current account gives you 5% AER (4.89% gross p.a.) on balances up to £2,500 (£500 more than TSB's).

3. Lloyds Bank – High Yield UK Bank Account

Lloyds Bank is number 3 on our list of best UK banks based on its [Club Lloyds current account](#), which offers 4% AER yield.

There is no monthly fee so long as you deposit £1,500 a month into the account.

The account pays the 4% yield if your balance is between £4,000 and £5,000 during the month.

See Also: [Get up to \\$150 when you start trading at Motif Investing](#)

4. Santander

[Santander](#) is number 4 on our list of the best banks in the UK based on the yield that it pays on its 123 current accounts.

The bank, which was established in January of 2010, has its head office in the London Borough of Camden. Santander was formed when Abbey National was combined with the banking division of Bradford & Bingley and renamed as Santander UK.

[Santander's 123 Student Current Account](#) pays 3% on balances between £3,000 and £20,000. You earn a 1% AER on balances between £1,000 and £2,000 and a 2% AER on balances between £2,000 and £3,000.

1% Cashback on water, council tax and Santander mortgage payments (up to maximum monthly mortgage payments of £1,000)	1% AER (variable) interest on your balance once you have £1,000
2% Cashback on gas and electricity bills	2% AER (variable) interest on your balance once you have £2,000
3% Cashback on mobile, home phone, broadband and paid for TV packages	3% AER (variable) interest on your balance once you have £3,000 up to a maximum of £20,000

Household bills do not include TV licence, maintenance contracts (e.g. boiler repair cover), insurance contracts, commercial use or commercial mortgages.

Interest is paid on the first £20,000 of your entire balance once you have at least £1,000 in your account.

Image Source: Santander

Click here ([Ranking of the UK's Best Current Account Interest Rates](#)) to get additional information on this year's top current accounts.

Below is a high-level comparison table of the best banks in the UK based on high yielding accounts.

Institution	AER	Paid Up To	Min. Monthly Deposits
Nationwide – FlexDirect	5%	£2,500	£1,000
TSB – Classic Plus Account	5%	£2,000	£500
Lloyds Bank – Club Lloyds	4%	£5,000	£1,500
Santander – 1 2 3 Current Account	3%	£20,000	£500
Tesco Bank – Current Account	3%	£3,000	None
Bank of Scotland C/A with Vantage	3%	£5,000	£1,000
Yorkshire Bank – Current Account Direct	2%	£3,000	£1,000
Clydesdale Bank – Current Account Direct	2%	£3,000	£1,000
Halifax – CardCash account	1.51%	above £1	None
Investec – Voyage	1.51%	£1,000,000	None
The Coventry	1.1%	£250,000	£1,000
Virgin Money	1%	£2,000,000	None

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