

ROYAL BANK OF SCOTLAND TO CUT 3,500 JOBS



Anyone who does not know that the fiscal sector is in trouble has probably been living under a rock for the last couple of years. Banks all over the world have been in trouble and they have been shedding jobs in order to help keep themselves in the black. Today's cuts are coming from the Royal Bank of Scotland PLC. For those of you who are not familiar with it the Royal Bank of Scotland PLC is a bank that is mostly owned by the U.K. government. The bank has unveiled a new plan for restructuring this week that will come with some significant cuts. The plan is designed, as you may have guessed if you follow banking news, to cut back significantly on the investment banking operations by getting rid of jobs. They are not the first bank in Europe, which has decided to do so with the volatility of the current market. In this case the bank has decided to trim back by about 3,500 jobs over the next three years. This is added to the 2,000 job cuts that were announced last year. By the end of the restructuring the bank is expected to have cut back about one third of its overall staff. Since the bank employs about 19,000 people this will be a significant loss of jobs. Other cuts are expected to be eliminated from other branches. Another 1,260 jobs are going to be cut. Those numbers include a loss of 950 jobs from Ulster Bank, 270 jobs from the U.K. corporate bank and another 40 workers in the wealth management department, according to sources close to the bank. The Chief Executive of the bank, Stephen Hester, told a reporter for *FINS* the following about the restructure, "It is clear that, particularly in the wholesale banking arena, significant new pressures have emerged. Our goal from these changes is to be more focused for customers, more conservatively funded, more efficient and with better, more stable returns for shareholders overall." The bank attributed the need for the changes both to the changes in the international market and increasing government pressure to separate high-risk investments from the lower risk investments common in consumer banks. The bank has also confirmed that the bank is going to try to sell off or close the portions of the bank that have not been showing a profit in the near future. You may remember some of our [earlier coverage](#) of the layoffs in French banks in which US layoffs were discussed, "As a move that the company sees as a response to difficulties in raising dollars in the current market, a variety of French banks have been getting ready to get rid of staff in the US. Some of those banks include big names in the French banking world such as BNP Paribas, Societe Generale and Credit Agricole. They are getting ready to get rid of about 1,000 jobs, though that number is only an estimate at the current moment." So, banking employees all over the world have something to worry about, as many analysts expect that fiscal area job cuts are not over.

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