

CLYDESDALE BANK LOSES 1,400 WORKERS



National Australia Bank Ltd. is getting ready to cut back on 1,400 jobs, primarily in England. The job cuts are coming exclusively from the failing of Clydesdale Bank, which is based in the UK. Clydesdale Bank, which is owned by National Australia Bank Ltd. is looking to make serious cuts to the business, which has long been unprofitable thanks to an overreliance on commercial property investments. In the current economic conditions that plan has not fared well for the bank, which has required several infusions of cash in the past couple of months in order to stay solvent. The last round of money that Clydesdale Bank got from its parent company was to the tune of roughly 400 million pounds. Even that sizeable amount of help was not enough to set the bank to right. Those funds were given in January. National Australia Bank Ltd. did attempt to sell the property, but the sale was not successful. The bank also explored the idea of expanding by acquiring a more successful bank in order to correct its percentage of commercial property reliance, but this was not considered a viable option by the bank's management. While these cuts represent a sizable chunk of Clydesdale Bank's workers, they are only about 17 percent of the workers who are employed by National Australia Bank Ltd. in the UK. For the time being the remaining bank employee will focus on servicing loans to small and medium sized businesses. For the time being National Australia Bank Ltd. is not making any comment about exactly which jobs will be cut, what specific locations can expect to get the worst of the cuts, on what date the layoffs will go into effect and what kind of severance, if any, the workers who are soon to be displaced can expect to have in order to get them through the lean times. These are not the first banking job cuts to be announced in the UK in the last seven days. For those of you who missed out on our [earlier coverage](#) of the layoffs to the UK workers of HSBC here is an excerpt that will get you up to speed on the overall impact of these recent cuts in no time at all: "When it comes to banking and jobs the wisdom in the current market is that jobs in the industry are not stable at all. The banking industry, which many experts cite as the reason for the current long term economic slump after the failure of high risk investments and the backing of oversized exotic mortgagees to people with little chance of paying them back, is taking it out on their employees in order to stay profitable or at least to keep out of the red. This time the job cuts are coming from HSBC. For those of you not familiar with it HSBC is the largest banking corporation in the whole of the European Union. According to information released the bank is getting ready to get rid of about 2,000 workers in the UK."

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