

BARCLAYS TO CUT 14,000 JOBS THIS YEAR; 19,000 BY 2016



Barclays PLC has announced that it will cut 14,000 jobs this year in an effort to streamline its operations and reduce the importance of its investment banking division, according to a report from the Associated Press.

The total number of job cuts at the investment banking division will reach 19,000 by 2016 as cuts take place over the next two years.

The bank, which is 325-years-old, is the second largest by assets in Britain. The bank is going through a change in culture following a rash of scandals. The bank was involved in the rigging of the Libor interbank lending rate.

Antony Jenkins, the bank's Chief Executive Officer, wants to restore trust in the company as the bank is reformed.

"Barclays will be much less exposed to volatility in our investment bank; we will have a structurally lower cost base; and we will continue to invest for growth," Jenkins said in a statement. "We will be leaner, simpler and stronger."

The brunt of the job cuts come in the investment banking division, with 7,000 by 2016. According to Barclays, the division is going to account for no more than 30 percent of its operations in the future. Right now it is responsible for half of the company's operations.

The bank will also create a bad bank unit. This unit is going to be home to \$152 billion of investment bank assets and 16 billion pounds of European retail banking assets. The bank hopes that the assets will be wound down or sold off in an effort to increase confidence in the health of the bank.

Customer branches will be closed in Portugal, Spain, Italy and France. The bank also highlighted some prospects it has in Africa, saying it is "an exciting, growing part of the world."

Ian Gordon, an analyst with Investec, said, "Barclays is already a low-risk, profitable bank, but today's 'reset' is about rightsizing the bank to reflect a smaller addressable (investment bank) revenue pool and to deliver improved/sustainable returns."

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