Bailed out banks RBS and Lloyds banking group

by Mack Kenzine

Article published on February 24th 2012 | Finance

Britain's part-nationalized banks, Lloyds Banking Group and Royal Bank of Scotland, facing the loss, creating havoc in the financial spectrum of UK . Poor results also fueled the debate over bankers' pay, which has been raging in recent weeks. The top notch UK banks Royal Bank of Scotland and Lloydâ€™s banks group have suffered a combined loss of approximately 6 billion pounds. At the height of financial crises the losses have generated fears that taxpayers will have to wait several years before the share price rises and taxpayers can get their money back. According to the reports of Sunday Times Lloyds could uncover a deficit of around Â£3.5 billion, while RBS is set to reveal the losses of up to Â£2 billion.

However it has been noticed the pay of top bankers has rocketed despite the poor performance of banks. Though the bank was facing a loss of value by 91 percent since 2000, the captain of RBS Fred Goodwin enjoyed the pay of 1.27million pounds in 2000 and 4.2million pounds in 2007. The new boss of RBS Stephen Hester is getting a whopping pay of 1.2million pounds. On the other hand Lloyds pays 3.6million pounds to chief-executive Antonio Horta-Osorio. Over the past decades Lloyds has rocketed the amount it pays its chief executive over the past decade.

Due to ongoing euro zone debt crises, bonus furor and country's economic downturn, the UK banks had a devastating year. The U.K government has fueled these banks. Lloyds, which is 41% owned by the taxpayer, received Â£20 billion from the Government, while RBS, which is 83% state-owned, received Â£45 billion. Although some recovery has been done in the share price in the last couple of months, both banks are close to 50% lower than they were a year ago, amounting to a paper loss of more than Â£30 billion for the Government. Also the bank recoveries have been made more difficult because the Government has announced new regulations in a bid to prevent a repeat of the financial crisis. However both the banks are trying hard to give a better return to all the taxpayer. The Government is paying Â£500 million a year in interest payments on the money it borrowed to bailout the banks. Apply with payday loans for bad credit @ http://www.paydayloansforbadcredit.me.uk/ and get quick funds despite having imperfect credit score.

RBS has planned to cut down its investment in the middle of government pressure while Lloyds is selling off 632 branches. This turbulent has brought a decrease in the bank jobs in UK.

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Article Keywords:
Banks, finance, economy

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