

Citigroup Inc

Citigroup lays off 3,500 tech staff in China

Move is part of bank's push to cut costs and streamline global operations amid broader turnaround effort



Citigroup's back office in Shanghai and Dalian, north-eastern China, serves more than 20 countries © Michael Nagle/Bloomberg

Cheng Leng and **Arjun Neil Alim** in Hong Kong and **Thomas Hale** in Shanghai

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Citigroup has laid off 3,500 technology staff in mainland China as part of the bank's push to cut costs and streamline its global operations amid a broader turnaround effort.

The cut affects a division based in Shanghai and Dalian, north-eastern China, that provides IT services to Citi businesses in more than 20 countries.

[Citi](#) said some positions would be moved to other countries "to be closer to the businesses and products they support", without providing figures or specific locations. The bank said the process was "expected to be done by the start of the fourth quarter".

"While there is still work to do, many of our efforts have helped us drive efficiencies in the way we work, in our workforce and across our global real estate footprint," said Marc Luet, Citi's banking head for Japan, north Asia and Australia.

The US bank, which has maintained a presence in mainland China since 1902, said the move would not affect its Chinese subsidiary's banking operations based in Shanghai, or the remaining tech staff based in Guangzhou who serve mainland China and Hong Kong.

Citi, the third-biggest US bank by assets, has been trying to address long-standing operational and profitability challenges with a dramatic restructuring that has included laying off thousands of employees and flattening its management structure.

Luet added Citi "continues to pursue the establishment of a wholly owned securities and futures company in China". Foreign investment banks have in recent years pushed to fully own their operations in the country but have faced a challenging economic and geopolitical backdrop.

The job cull is one of the largest among foreign financial groups in [China](#) in the past few years and reflects a growing trend of similar cuts related to technology.

[Fidelity International](#) cut about 500 tech jobs in Dalian, Reuters reported in October, while IBM last summer said it would lay off more than 1,000 workers in China.

It also comes amid a broader reduction in headcount following a period of weak deal flow and a slowing domestic economy. Western banks cut their workforce at [Chinese subsidiaries](#) by 13 per cent in 2023, according to data compiled by the Financial Times based on the banks' China annual reports.

The tech staff let go on Thursday were offered a severance package including a bonus of up to six months' pay if they signed agreements this month, said a Dalian-based Citi employee who received the notice.

A person familiar with the matter said the severance package was a month's pay for every year worked.

In recent years, the division has stopped providing support for the China business, instead focusing on Europe, the Americas and the rest of Asia, the person added.

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