

## Citi cuts top bankers' bonuses tied to turnaround drive

Payouts for 250 senior staff reduced as lender strains to boost returns and improve compliance function



Citi paid out 53% of the target amount to employees eligible for the programme in 2024, its third and final year © Michael Nagle/Bloomberg

Joshua Franklin in New York

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Citigroup has cut bonuses for 250 top employees under a programme that tied their pay to a turnaround effort aimed at boosting shareholder returns and fixing compliance shortcomings at the US bank.

Citi's so-called transformation bonus programme was put in place three years ago to incentivise senior staff to boost the group's financial performance and improve its risk and control systems following an [order by regulators](#) to take action after a high-profile blunder in which it accidentally wired \$900mn to a group of hedge funds.

[Citi](#) paid out 53 per cent of the target amount to employees eligible for the programme in 2024, its third and final year, according to the bank's filings on Tuesday. This was down from 94 per cent in 2022 and 80 per cent in 2023.

The 2024 payout was bolstered by an uplift linked to total shareholder returns over the life of the bonus programme, which took the total "transformation bonus" for the year to 68 per cent.

The criteria for the payout amount included delivery on targets set by the bank's audit team and "timely execution" of a remediation plan drawn up in response to a consent order agreed by the lender and the Federal Reserve in 2020, Citi said.

The bank's compensation committee does not expect to continue the bonus programme, according to Tuesday's filing.

In a sign of Citi's ongoing operational issues, the bank was [fined \\$136mn](#) in September by US regulators for failing to correct long-standing problems in risk control and data management. It also credited a client's account with \$81tn last year when it meant to send only \$280 — an error that was reversed 90 minutes later and classified by the bank as a "near miss".

Chief executive Jane Fraser's pay rose 33 per cent to \$34.5mn in 2024. She was not eligible for the transformation bonus, which was open to about 250 top employees. Finance chief Mark Mason's pay increased 13 per cent to \$15.1mn.

Fraser has sought to address Citi's long-standing operational and profitability challenges with a dramatic reorganisation of the bank, laying off thousands of employees and making several high-profile hires including [Vis Raghavan](#), head of banking.

Raghavan, who joined from JPMorgan Chase last year and only started work in June, was paid \$22.6mn by his new employer in 2024, giving him the second-highest pay among the executives whose pay was disclosed in Tuesday's filings.

Citi's profits rose 37 per cent last year to \$12.7bn. But the bank's return on tangible common equity, a key measure of profitability, was just 7 per cent, short of its 2026 target of 10 per cent to 11 per cent and well behind peers such as JPMorgan.

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