

Banking – Autumn semester 2024-2025

Case 6: Citibank: Weathering the Commercial Real Estate Crisis of the Early 1990s

Support questions

1. Demonstrate the role of internal governance and misaligned incentives in leading to massive performance declines.
2. Discuss the problems Citibank faced and what caused the bank's decline.
3. How did John Reed address Citibank's problems?
4. Explain the "Internal Governance Choices" framework.
5. Elaborate a map on the module's framework (power, pay, people) using case specifics.
6. Discuss how the CEO restructured the top team to gain control while dramatically changing the role of the CEO, the executive team, and the interaction between the two.