

Citigroup's Mr Fix-it takes step back

By Francesco Guerrera in New York
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Bill Rhodes, the world's foremost financial diplomat, is to leave full time employment at Citigroup after 53 years spent largely dealing with foreign governments and banking crises in Latin America, Asia and the US.

Mr Rhodes, who was a senior vice-chairman at the US financial group, will retire at the end of April but will continue to act as a part-time adviser to the company he joined in 1957 aged 21, Citi said on Wednesday.

Mr Rhodes, 74, developed a reputation as the Mr Fix-it for sovereign debt crises thanks to his extensive contacts among governments and regulators.

His retirement marks the end of an era of banking diplomacy dominated by well-travelled bankers whose connections helped their companies expand overseas and local governments cope with devastating financial crises.

Banks are relying less on international emissaries with a broad knowledge of the geopolitical landscape such as Mr Rhodes.

In an interview with the Financial Times, Mr Rhodes said he had wanted to see Citi recover from the crisis before stepping down.

"The time had to come. I wanted to stay on until we turned the corner. We have now turned the corner as an institution and I can devote more time to other things I wanted to do," he said. He is to work two days a week for Citi.

After starting his career at Citibank, one of Citi's predecessors, in Venezuela, Mr Rhodes developed an expertise in Latin America that came in useful in the 1980s when some countries in the region were unable to service their debt.

As the escalating crises threatened to cause huge losses among US banks, including Citi, Mr Rhodes was named at the head of the committee that restructured Mexico's debts.

He persuaded international banks to provide new loans to the Mexican government and had similar roles in the refinancing of debt of Argentina, Brazil, Peru and Uruguay.

In 1998, when the Asian financial turmoil plunged South Korea and its banks into a crisis, he chaired the international banking group that negotiated the extension of short-term debt to domestic lenders.

Mr Rhodes said that the latest financial crisis had confirmed his long-held beliefs in the importance of rigorous risk management disciplines.