

Citibank Uganda Limited’s Disclosures

(Financial Institutions (Corporate Governance) Regulations (Section 21(4&5)
& Consolidated Corporate Governance Guidelines, 2022 (Article 109 & 110))

Table of Contents

Introduction	2
1. Citibank Uganda Limited’s Objectives	2
1.1 Summary	2
1.2 Vision Statement.....	2
1.3 Company Mission.....	2
1.4 Our Values.....	2
2.0 CUL’s Ownership Structure and Voting Rights	2
3.0 CUL’s Compensation Philosophy	3
3.1 CUL’s Principal Compensation Objectives	3
3.2 Framework for Aggregate information on remuneration.....	4
3.3 Driving a Culture of Excellence and Accountability	4
4.0 Related party transactions	4
5.0 Risk Management	7
Appendix B – Key local Regulations	7

Introduction

Citibank Uganda Limited (CUL) is a locally incorporated company in Uganda categorised as a commercial Bank and regulated by the Bank of Uganda. The Central Bank issued the Financial Institutions (Corporate Governance) Regulations, 2024, the Corporate Governance Guidelines, 2022 and the Pillar 3 Market Disclosure Guidelines to Supervised Financial Institutions (SFI) as a benchmark to ensure full transparency towards the bank's stakeholders including shareholders, depositors, and market participants. This document sets to provide the information in accordance with the regulations and guidelines.

1. Citibank Uganda Limited's Objectives

1.1 Summary

At a global level, Citibank's strategy includes the following key objectives built upon its unique global network to:

- To be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in our home market.

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Citibank Uganda Limited's strategy focuses upon the banking opportunities that arise from the existing target market model, within the Institutional Clients Group (ICG). The target market is focused upon the local subsidiaries of Citibank's global clients, Top Tier Local Corporates, Financial Institutions and the Public Sector. Citibank Uganda will focus on four key objectives to deliver growth for 2025. These are; Client acquisition increasing our share of wallet through deepening client engagement, Asset Led Deposit Mobilization, unlocking of the Markets business and Execution of Trade business.

1.2 Vision Statement

To make a positive financial and social impact in Uganda and show what a global bank can do.

1.3 Company Mission

While we're a global bank, our mission is simple: We responsibly provide financial services that enable growth and economic progress.

Citibank Uganda Limited works with and provides corporations, governments and institutions with a broad range of financial services and products. We create the best outcomes for our clients with financial ingenuity that leads to solutions that are simple, creative and responsible.

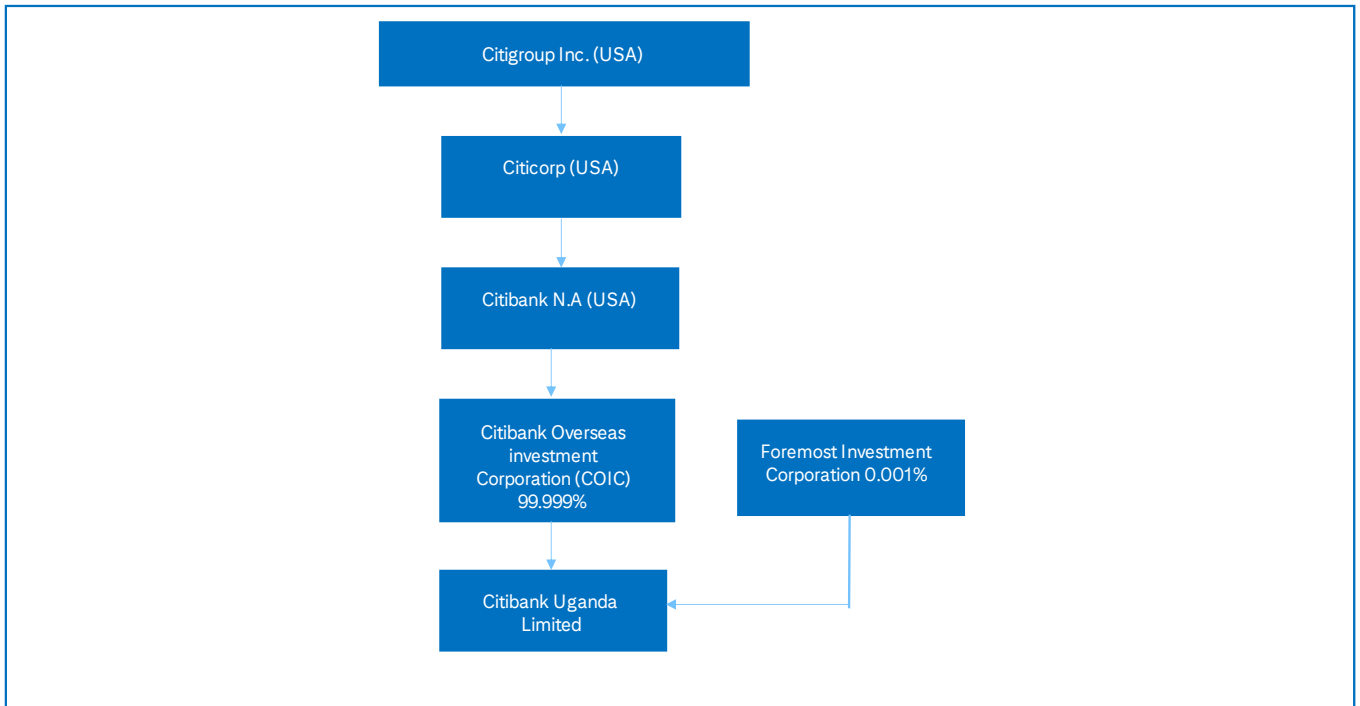
Mission Statement - To serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

1.4 Our Values

- ✓ We Protect our clients' interests.
- ✓ We Create economic value.
- ✓ We are always systematically responsible.

2.0 CUL's Ownership Structure and Voting Rights

Citibank Uganda Limited is a locally incorporated franchise and is a subsidiary of the Citigroup Inc (Citi). It is 100% owned by Citibank Overseas Investment Corporation with Citigroup Inc as the ultimate beneficial owner. Citigroup Inc is a company incorporated in the United States and is registered on the New York Securities Exchange (NYSE).



3.0 CUL's Compensation Philosophy

Employee compensation is a critical tool for CUL to attract and retain top talent and successfully execute our corporate goals. Effective compensation programs appropriately balance the incentives offered to employees who take risks to achieve financial and competitive performance objectives and the need to prudently manage those risks along with other imperatives.

CUL's Board of Directors oversees the design and operation of CUL's compensation programs. CUL routinely reviews and revises our compensation programs to reflect changing circumstances. We use such programs as tools to help CUL perfectly balance risk-taking and risk-mitigating incentives.

3.1 CUL's Principal Compensation Objectives

The principal objectives of our compensation program are listed below:

- Use a scorecard approach with financial metrics and nonfinancial objectives, including a focus on environmental, social, and corporate governance, to link pay to performance.
- Provide meaningful portions of incentive compensation for staff to help to build a culture of ownership and to align employee interests with those of shareholders.
- Incentivize conduct that aligns with shareholder and other stakeholder interests.
- Reinforce a business culture based on accountability, achieving excellence, and maintaining the highest ethical and control standards through CUL's Leadership Principles
- Encourage prudent individual and group decision-making regarding risk consistent with applicable regulatory guidance and CUL's Mission and Value Proposition Statement
- Function as a tool to attract and retain the best talent and to reward talent for engaging in appropriate behaviours that support CUL's corporate goals.
- Encourage behaviours that are in the best interests of our customers, shareholders, and the goals of the organization, including environmental and social principles.
- Align realized pay with achievement of important risk and control, regulatory, strategic, and financial-based objectives.

	2023	2022
	Ushs '000	Ushs '000
Remuneration to key management	2,826,413	4,180,369

Key management is defined as the Bank's senior management team including the Chief Finance Officer, Corporate Bank Head, Compliance Officer, Risk Officer, Markets head, Operations head, Human Resources Head and Internal Audit Head.

	2023	2022
Directors' emoluments	Ushs '000	Ushs '000
As executives	1,772,878	1,427,201
As non-executives	871,311	1,031,588
	<u>2,644,189</u>	<u>2,458,789</u>

Directors' emoluments (executives) include salaries, incentive compensation entitlements and benefits in kind as stipulated in their employment contracts. The Directors' emoluments (non-executives) include allowances paid to the Non-executive directors.

	2023	2022
	Ushs '000	Ushs '000
Staff loans		<u>420,603</u>

Balances with other related parties

The entities below are related to Citibank Uganda Limited through common ownership.

	2023	2022
	Ushs '000	Ushs '000
Amounts due from group companies		
Citibank Tanzania	740	121
Citibank Kenya	-	1,161,756
Citibank South Africa	4,034	184,874
Citibank Europe Plc	20,641,220	-
Citibank Ireland	-	27,710,110
Citibank Tokyo	30,699	30,891
Citibank Zambia	-	-

Citibank NA London	1,446,693	5,380,853
Citibank NA New York	43,458,939	298,335,748
	<u>65,582,325</u>	<u>332,804,353</u>

Amounts due to group companies

The entities below are related to Citibank Uganda Limited through common ownership.

	2023	2022
	Ushs '000	Ushs '000
Citibank Kenya	16,201	186,500
Citibank Tanzania	1,544	1,427
Citibank South Africa	16,385	58,654
Citibank Europe Plc	511,638	619,200
Citibank Ireland	-	-
Citibank Na London	16,817,710	2,911,261
Citibank Na New York	299,128	299,519
Citibank UK*	-	-
Citibank Tokyo	-	-
	<u>17,662,606</u>	<u>4,076,561</u>

Amounts due to and due from group companies are current accounts with maturities of less than 3 months. The Bank's parent is Citibank NA New York incorporated in United States of America. In the normal course of business, placings of foreign currencies are made with Citibank NA and other group companies. They include short term deposits and placements between Citibank Uganda Limited, Citibank NA and its subsidiaries. They are all interest bearing at the respective Bank's prevailing market rates.

The bank proposed Ushs 52.39bn in 2022 in addition to Ushs 27bn relating to 2021 and the total amount of dividends of Ushs 80bn was paid during the year 2023.

Other transactions

Dividends paid	80,046,992	-
Weighted average number of ordinary shares in issue during the year	87,339	87,339
Dividends per share	<u>916.5</u>	<u>-</u>

Dividends per share are calculated by dividing the dividends paid out in the year to equity holders of the bank by the weighted average number of ordinary shares in issue during the year.



Financial reporting framework

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies' Act, 2012 Laws of Uganda and the Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda. They were authorised for issue by the Bank's board of directors on 30th March 2024.

The financial statements are prepared on a going concern basis, as management is satisfied that the bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the bank.

5.0 Risk Management

The disclosure seeks to comply to the requirements noted in the Financial Institutions (Corporate Governance) Regulations, 2024: Section 21 (5), the Consolidated Corporate Governance Guidelines, 2022 Section P. Disclosure and Transparency, article 110, that state: A financial institution/ SFI shall disclose their risk profile, specific exposures, and risk mitigation measures in an aggregate fashion and without breaching any confidentiality duty.

The risk management disclosures under this section are replaced by the enhanced Pillar 3 Market disclosures hoisted on the bank website under link below.

https://www.citigroup.com/rcs/citigpa/storage/public/Citibank_Uganda_DIS02_Risk_Management_Disclosure.docx

Appendix B – Key local Regulations

Regulation/Law Name	Issuer Body
Financial Institutions (Corporate Governance) Regulations, 2024	Bank of Uganda (BoU)
Consolidated Corporate Governance Guidelines, 2022	Bank of Uganda (BoU)
Risk Management Guidelines, 2010	Bank of Uganda (BoU)