

CITIBANK N.A JORDAN

**Governance and Management of
Information and Related
Technologies Guide**

2024

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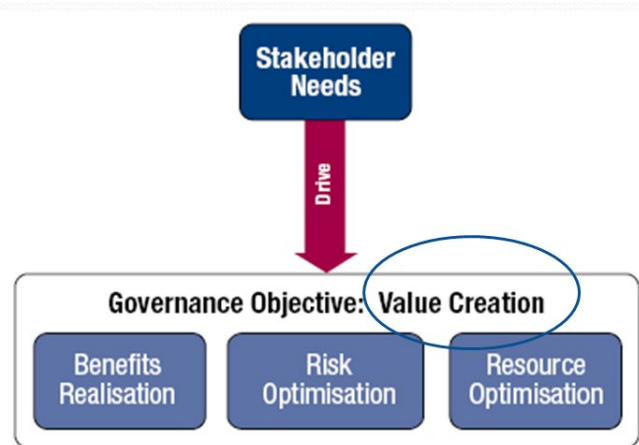
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1. OVERVIEW

Technology has become essential for managing enterprise resources and business processes, dealing with third parties, and increasingly enabling global communications and transactions.

During the last decades and in an incremental momentum, a growing need to comply with regulatory and legal requirements had an impact on technology. The continuity of Business and reliability of most the primary and secondary business processes and operations rely heavily on Information Technology IT.

Having disruptive technologies may impact business competitiveness, income, and existence. Citigroup and its consolidated subsidiaries including Citibank N.A. and its overseas branches collectively herein under referred to as “Citi” has foreseen the importance of a governance system for the enterprise IT to provide technology with leadership and organizational capabilities to sustain and extend the enterprise’s strategies and value creation for our stakeholders through Benefits realization, Risk and resource Optimization.



Citi has foreseen the high benefit from following the Control Objectives for Information Technology (COBIT) framework and had adopted it since 2008; Citi worked continuously over the years to upgrade our IT Governance system to the latest versions of COBIT and reflect the best practices on our standards and working environment in order to maximize the value added for the benefit and protection of our stakeholders.

Based on the above, Citibank N.A Jordan has created this document in response to the Central Bank of Jordan (CBJ) instructions number 65/2016 regarding “Information Management and Related Technology Governance” as to ensure that Stakeholders need and transparency are achieved through aligning IT objectives with Business Objectives.

Citi Governance of Enterprise IT is centralized abroad and applied on all Citi subsidiaries/branches including Citibank N.A. Jordan, covering more than 90+ countries (on the ground presence). Therefore, most of our Governance and management system are governed and managed centrally by our Citi global teams.

In addition, Citi governance of enterprise IT has a set of internal policies and standards that supports and enables the IT governance system which covers all the applicable processes related to information and related technology which include but is not limited to Disaster Recovery, Information Security, IT Policy Framework, Vendor Management, Operational Risk Management, and Code of Conduct.

2. Governance of Enterprise IT

As a responsible corporation, we protect our clients' information entrusted to us as well as ensuring the security and integrity of our own information.

Citi IT governance is the system by which Citi sets the strategy for implementation of technology, supervises the management of Information Technology and Information Security, and establishes a clear reporting structures, including the roles and responsibilities of key governance functions, that supports Citi's IT management on a consistent global basis.

Citibank N.A. Jordan branch adheres to Citi governance of enterprise IT. Technology, Operations and Business should be aware of and comply with the governance of enterprise IT and must ensure that all of their processes that are based on technology comply with IT governance standards. Failure to properly follow the enterprise of IT governance may result in financial loss or damaging our reputation as well as negatively impacting Citi's safety and soundness.

Our governance system is based on and aligned with COBIT2019 to the extent that suits our Global organizational structure:

- The Control Objectives for Information and related Technology (CoBIT2019) an international framework for managing technology.

COBIT2019 provides a comprehensive framework that assists the bank in achieving its objectives for the governance and management of enterprise IT. The implementation of COBIT helps the bank in the creation of optimal value by maintaining a balance between realizing benefits and optimizing risk levels and resource use.

2.1 Management of Technology

The establishment of the CIO Committee is authorized by Citi's Chief Executive Officer. The CIO Committee (the "Committee" or "CIOC") has been established to serve as Citi's IT Steering Committee and is the single consolidated governance and decision-making body for Citi's Technology globally, driving a unified strategy across the firm by setting policies and standards, and managing results.

The CIO Committee assists the Technology Committee of the Board in its role to conduct Technology Oversight at Citi. The CIO Committee serve as the senior integrated decision-making body for Technology for Citigroup Inc. globally including Citibank, N.A, and has decision making authority for the following:

- Leads definition of the technology strategic plan and oversees implementation.
- Approves technology policies and standards, as appropriate, and monitors and enforces adherence.
- Drives convergence, leverage and change across Technology where required.
- Defines Citi's Technology and Cyber Security Risk Appetite, in partnership with Operational Risk Management, including key indicators, risk tolerances and thresholds.
- Resolves technology issues that arise across Products / Functions / Clusters.
- Considers escalations on technology matters and determine if any require further escalation to senior management or the Board.
- The CIO Committee covers Technology Risk and Cyber Risk, which are L1 risks under Operational Risk, which is defined at Citi per the Risk Governance Framework.

3. Principles of Governance of Enterprise IT:

Citi Governance system is aligned with COBIT2019 principles for governance and management of enterprise IT:

- **Principle 1: Meeting Stakeholder Needs and creating value** by maintaining a balance between the realization of benefits and the optimization of risk and use of resources. Citi Governance system is based on COBIT2019 required processes and other components to support business value creation through the use of IT. This is achieved by the strategic alignment and integration between IT and Business

- **Principle 2: Covering the Enterprise End-to-end by integrating the** governance of enterprise IT into enterprise governance; covering all the enterprise functions and processes which depend on information and related technology.

- **Principle 3: Applying a Single, Integrated Framework** by alignment with other relevant standards and frameworks at a high level, which aids in standards integration and facilitating the decision making.

- **Principle 4: Enabling a Holistic Approach** Citi acknowledges the importance of COBIT2019 seven components to support the implementation of an efficient and effective governance and management of enterprise IT, and their fundamental effect for achieving the objectives of the enterprise.

1. Principles, Policies and Frameworks
2. Processes
3. Organizational Structures
4. Culture, Ethics and Behavior
5. Information
6. Services, Infrastructure and Applications
7. People, Skills and Competencies

- **Principle 5: Separating Governance from Management** Citi is aligned with COBIT 2019 framework in the distinction between governance and management, with different organizational structures, type of activities, and purpose. The Board of Directors (BoD) with the several committees evaluate, direct, and monitor the performance of the organization according to the stakeholders' objectives, while the management manage the implementation in accordance with the direction of the Board of Directors (BoD). At a country level, Citibank N.A Jordan, has created a new IT steering Committee to cover the tasks required by Central Bank of Jordan.

Principle 6: Dynamic Governance System, by considering the changes in the design factors that builds up a viable and future-proof enterprise Governance Information and technology system.

4. Governance Components:

Citi highly acknowledge and continuously works on strengthening the seven components of COBIT2019 for the importance of these components in achieving the organizational overall objectives by sustaining the strategic direction and accommodating with the strategic changes. This set of components is an important part of the organizational resources by which it creates the most suitable environment to work in, in an efficient and effective manner. A lack of any of these components may affect the ability of the enterprise to create value for our stakeholders.

Citi Set of components are:

4.1 Principles, Policies and Frameworks

Citi has a set of global standards, principles, policies, and frameworks necessary to achieve the overall objectives of the Governance and Management of the Enterprise IT, these set of standards, principles, policies and frameworks, define the rules for an effective and efficient management and control of the IT resources and projects to meet the organizational objectives.

4.2 Processes

Citi has adopted the 40 COBIT2019 processes to the level that meets its global organizational structure, with which it ensures the achievement of the overall objectives of the Governance and Management of the Enterprise IT in an effective and efficient manner.

4.3 Institutional Structures

The Organizational Structure at Citi meets with the requirements of the CBJ and IT Governance while maintaining adequate segregation of duties, ensuring independence, bilateral control regulatory protection requirements, as well as maintaining updated job descriptions.

4.4 Information and reports

Citi has developed the infrastructure and the information systems required to provide responsible stakeholders and as per the work requirements with the information and reports for decision-making processes following the information quality criteria requirements.

4.5 Services, programs and infrastructure of information technology

Citi has an extensive range of global IT services, software and infrastructure supporting and assisting governance and management of enterprise processes. These processes are binding to all Citi branches including Citibank N.A Jordan, supporting the achievement of IT objectives and business objectives.

4.6 Knowledge, skills and experience

Citi ensure that employees are one of the most important components. Therefore, Citi emphasizes on selecting and recruiting the right person in the right job. The Bank's management is continuously engaged in recruiting experienced employees and providing its staff with ongoing education and training programs to develop their skills set and having periodic performance assessment and feedback taking into consideration the contribution of achieving the Bank's objectives.

4.7 Values, Morals and Behaviors

Citi is working on a continuous momentum to build a strong ground through the establishment of an ethical, professional, and corporate system that reflects the accepted international professional norms regarding the handling of information and associated technology that clearly define desirable and undesirable rules of conduct and their consequences.

5. Goals Setting and Cascading

Citibank N.A Jordan branch operates as part of Citi global model, having both global and local stakeholders. Citi global goals are built according to the global stakeholder drivers such as regulatory, technology, and strategy changes that influence our global stakeholder needs, from which the overall Global enterprise goals are formulated and cascaded to the global IT goals reflecting on the local countries IT goals.

Goal setting is an important part of our performance management process which sets the expectations that align with personal and business priorities. Employees' goals should support team, business and corporate objectives and align with Citi's performance evaluation pillars as well as the leadership behaviors required to achieve them. At the start of every year, or as new hires join the firm, business goals are set to guide employees in what they need to achieve and how they need to achieve it.

Performance Management Pillars:

- Risk and Control.
- Financial performance.
- Client and franchise Outcome.
- Leadership Principles.

6. Committees

Citibank N.A Jordan is a foreign branch operating in Jordan having no board of directors locally. Our governance is happening centrally on the group level, setting overall directions and management of Enterprise governance of IT.

On the global level, Citi CIO Committee (CIOC) manages technology globally and serves as the single consolidated decision-making and governance body for Citi Technology, driving a unified strategy across the enterprise, setting policies and standards, and managing results. The CIO committee has defined Process Areas that are aligned with COBIT2019 covering all major aspects of IT to maintain an effective governance structure at a global level.

This model supports the group governance structure that is responsible for setting overall directions and management of governance of Enterprise IT.

On the local level, Citi's international franchises have been managed by a globally standardized framework, centered around the Citi Country Officer (CCO) role and the principal governance and management committees listed below:

1. COUNTRY COORDINATING COMMITTEE (CCC)

The CCC is the principal governance committee in which the principals of the significant front, middle and back offices come together monthly to discuss high level strategic franchise matters.

The CCC Committee, without limitation, shall perform the following functions and can carry out additional actions as appropriate in light of changing business, legislative, or regulatory conditions.

- Franchise-wide coverage of all the seven ERMF Level 0 risk categories: Reputation, Compliance, Operational, Liquidity, Market (Non-Trading and Trading), Credit and Strategic risks. At each meeting of the Committee, dedicated time must be given to any priority risk matters arising per risk category. At a minimum, the Committee agenda must be constructed to include the following mandatory categories (at a frequency as set out in the relevant Committee Standard):
 - Operational and Compliance Risk analysis
 - Market and Credit Risk aggregation analysis
 - Assets and Liabilities related risks
- Franchise Management: Reviews strategy, including strategic risk, reputation risk, business performance, financials, client relationships, implementation of firm-wide and regional initiatives, organization, culture, etc.
- Challenge Management: challenge Committee members and presenters to promote the oversight role and decision-making processes of the Committee.
- Escalation: the committee provides guidance and direction on, and further escalates as appropriate, events and/or matters involving in-scope risk categories and legal entities. Events/matters deemed appropriate for upward escalation will be escalated directly to the relevant business, risk stripe or functional global Governance Committee, in addition to legal entity as appropriate, and such escalation will be clearly documented in the meeting minutes. The Committee will routinely follow up on the status of action items with respect to escalated Events/matters.

Based on the above, and on CBJ instructions (2016/65), IT steering Committee is formed with a separate charter to accommodate the new requirements set in CBJ instructions, The CCC will serve as the parent committee and an in-country escalation point for the in-country Information Technology Steering Committee (ITSC).

2. Jordan IT Steering Committee

The Information Technology Steering Committee (ITSC) (the “Committee”) chaired by the City Country Officer (CCO) is a management committee that has been established to cover the Governance and Management of Information and Related Technology regulations NO (65/2016) issued by the Central Bank of Jordan to achieve the bank's strategic objectives in a sustainable manner. The committee will discuss prioritizing business and IT projects, Technology and Information Security Audits, regulatory items related to technology, in addition to security and disaster recovery plans.

The Jordan IT Steering Committee tasks are:

1. Review annual plans to reach the strategic objectives, supervise and ensure their implementation and monitor the internal and external factors affecting them continuously. Noting that – Citibank N.A Jordan annual plans are the regulatory and local technological projects within the branch in addition to new changes/products from the global side.
2. Align bank's objectives with the information and related technology objectives, adopting and reviewing them on an ongoing basis, ensuring the achievement of the bank's strategic objectives and the objectives of CBJ instructions No (65/2016) up to the level that can be met by the branch in Jordan. The required alignment is done on Citi group level, Citi group have institutional objectives which Citibank N.A Jordan is a part of, and each business have an objective aligned to the wider objectives and are cascaded from top downwards in the organization and reflect in individual business goals.
3. Recommend the allocation of financial and non-financial resources and employing the efficient and appropriate human element in the right place whenever required, taking account of separation of functions and non-conflict of interest, as well as overseeing the implementation of the business and IT projects to the level that can be managed locally.
4. Prioritize IT projects and programs mainly on regulatory projects and deadlines, return on investment, or vulnerabilities that may harm the bank while meeting the overall Citi Strategy.
5. Raise any technical and technological services issues that requires escalation to improve their efficiency and improve them continuously when required as monitoring is managed globally.
6. Review IT and IS audit reports and take action to address the deviations.
7. General supervision and monitoring the processes, resources, and projects of information technology to ensure their efficiency and effective contribution to the fulfillment of the bank's requirements and works.
8. Submit the necessary recommendations to Business Risk and Compliance Committee with respect to the below:
 - a. Allocate the necessary resources and mechanisms to achieve the tasks of the Information Technology Steering Committee on exceptional basis.
 - b. Any deviations that may adversely affect the achievement of strategic objectives.
 - c. Any unacceptable risks related to information technology, security, continuity of business, and protection.
 - d. Performance reports and compliance with the requirements of the overall framework for the management and control of IT resources and projects.

Provide the CCC with the minutes of its meetings to be presented during Next CCC and of any escalation items.

The committee shall meet on a quarterly basis and shall maintain documented records of the meetings.

7. Internal and External Audits:

Internal and external Information management and related technology audits shall be conducted in alignment with the CBJ regulation No: 65/2016

7.1 *Internal Audit*

Internal Audit is an independent function which provides independent, objective, reliable, valued and timely assurance to the Boards of Directors of Citigroup and Citibank, the Audit committees, senior management and regulators regarding the effectiveness of governance, risk management, and controls that mitigate current and evolving risks and enhance the control culture within Citigroup and Citibank, through risk-based audits, other audits, business monitoring and issue validation. This is achieved by the following:

- The Internal Audit function abides by Citi's Internal Audit Charter, which covers the Objectivity and Independence requirements, Internal Audit's Authority and responsibilities, Standards of Practice and scope of Internal Audit work, and which is reviewed on an annual basis to ensure it remains current and in accordance with current standards.
- The Internal Audit has independent audit teams covering all Bank activities including Technology processes.
- Internal Audit follows the Risk-based Audit Methodology and develops audit programs, which take into account relevant best practices and international standards.
- Internal Audit conducts reviews based on the risk-based multi-year assurance plan, which is refreshed quarterly. This plan captures relevant regulatory coverage requirements and includes technology audit plan, which is an integral part of the risk-based assurance plan.
- Internal audit ensures coverage of key controls established in-country and those outsourced to other Citi affiliates and third-party vendors.
- Internal Audit, under the oversight of the Audit committee, ensures appointment of qualified employees with appropriate technical qualifications and related experience to audit all key activities and operations, including Technology controls, and provides training to enhance their knowledge of product-specific and organization-wide topics.
- Internal Audit continuously monitors the status of audit issues and recommended corrective action plans and reports on them in governance forums to ensure timely implementation and validation.
- Internal Audit maintains all audit work in Internal Audit Management System (AIMS), which is the Internal Audit repository for audit documentation, issues and reports, and follows Citi's Record Retention policies and applicable local requirements, whichever is more stringent, in retaining the audit documentation and reports, in an organized and secure manner to be available for review by the supervisory authorities and the independent auditors.

7.2 *The External Audit shall:*

- Perform independent reviews to attest the effectiveness and efficiency of the implemented controls of the Enterprise Governance and management of Information and related technology in line with CBJ regulations (Regulations: No 65/2016)

8. Glossary – from COBIT2019 foundation

The following terms shall have the meanings respectively assigned to them herein below:

1. **Alignment:** A state where the components of governance and management of enterprise IT support the goals and strategies of the enterprise
2. **Enterprise goal:** The translation of the enterprise's mission from a statement of intention into performance targets and results
3. **COBIT:** Formerly known as Control Objectives for Information and related Technology. (COBIT); now used only as the acronym in its fifth iteration. A complete, internationally accepted framework for governing and managing enterprise information and technology (IT) that supports enterprise executives and management in their definition and achievement of business goals and related IT goals. COBIT describes five principles and seven components that support enterprises in the development, implementation, and continuous improvement and monitoring of good IT-related governance and management practices.
4. **Control:** The means of managing risk, including policies, procedures, guidelines, practices, or organizational structures, which can be of an administrative, technical, management or legal nature. Also used as a synonym for safeguard or countermeasure.
5. **Governance:** Governance ensures that stakeholder needs, conditions and options are evaluated to determine balanced, agreed-on enterprise objectives to be achieved; setting direction through prioritization and decision making; and monitoring performance and compliance against agreed-on direction and objectives.
6. **Governance components:** Something (tangible or intangible) that assists in the realization of effective governance.
7. **Governance framework:** A framework is a basic conceptual structure used to solve or address complex issues; an enabler of governance; a set of concepts, assumptions and practices that define how something can be approached or understood, the relationships amongst the entities involved, the roles of those involved, and the boundaries (what is and is not included in the governance system).
8. **Governance of Enterprise IT:** A governance view that ensures that information and related technology support and enable the enterprise strategy and the achievement of enterprise objectives. It also includes the functional governance of IT, i.e., ensuring that IT capabilities are provided efficiently and effectively.
9. **IT goal:** A statement describing a desired outcome of enterprise IT in support of enterprise goals. An outcome can be an artefact, a significant change of a state or a significant capability improvement.
10. **Management:** Management plans, builds, runs and monitors activities in alignment with the direction set by the governance body to achieve the enterprise objectives.
11. **Process:** Generally, a collection of practices influenced by the enterprise's policies and procedures that take inputs from a number of sources (including other processes), manipulates the inputs and produces outputs (e.g., products, services).
12. **Stakeholders:** Any interested party in the bank, such as shareholders, employees, creditors, customers, suppliers, or external concerned regulatory bodies.

9. Abbreviations:

CBJ	Central Bank of Jordan
CoBIT	The Control Objectives for Information Technology
CIOC	Chief Information Officer Council
BoD	Board of Directors
CCO	Citi Country Officer
CCC	COUNTRY COORDINATING COMMITTEE