

Corporate Governance

The corporate policy of First Investment Bank AD is based on professional and transparent governance in line with the internationally recognized standards and principles for good corporate governance, taking into account the changes in regulations and economic environment, as well as the importance of First Investment Bank to the financial market in the country.

First Investment Bank develops and enhances corporate governance as a means to improve efficiency, successfully attain the strategy and plans for long-term development, as well as affirm its reputation and activities to be in line with the internationally best banking standards and practices.

In its capacity of a public company and an issuer of financial instruments, First Investment Bank adheres to the principles for transparency, equality, accountability, objectivity, which are key elements in its Corporate Governance Code. The Code outlines the governance framework and structures the key components, functions and responsibilities of the corporate governance system of First Investment Bank, exceeding the requirements of the Bulgarian legislation. It comprises also the main principles and requirements for maintaining and furthering the organization and governance methods of First Investment Bank, aiming at:

Responsible, accountable and value-based management;

Effective oversight of management and control;

Executive body and senior management that act in the best interests of the bank and seek to enhance shareholder value;

Timely information disclosure and transparency;

Effective system of risk management and internal control, based on the principle of "the three lines of defense".

The corporate governance of First Investment Bank is a system with clearly defined functions, rights and responsibilities at all levels - the General Meeting of Shareholders, the Supervisory Board and its committees, the Managing Board and its councils and committees, the Specialised Internal Audit Service, and structures at the Head Office and the branches. First Investment Bank has a two-tier management system, comprising the Supervisory Board and the Managing Board.

General Meeting of Shareholders - the highest governance body, allowing the shareholders to take decisions on principle matters relating to the existence and the activity of the bank.

Supervisory Board (SB) - defines the strategy for development and exercises oversight of the management of the bank. The Supervisory Board is supported in its activity by committees (Presiding Committee, Risk Committee, Remuneration Committee, Nomination Committee). In its capacity of a company of public interest, pursuant to the requirements of the Law on Independent Financial Audit, an Audit Committee functions within the Bank.

Managing Board (MB) - manages the Bank by resolving all issues within its scope of activity, except those within the exclusive competence of the General Meeting of Shareholders or the Supervisory

Board. It carries out the strategy for development of the Bank, adopted by the Supervisory Board. The Managing Board is supported in its activity by committees and councils (Credit Council, Credit Committee, Liquidity Council, Operational Risk Committee).

Risk management function - identifies measures and manages all material risks to the bank in compliance with the policies adopted by the Supervisory Board and the Managing Board.

Compliance function - manages the risk from non-compliance or violation of legal regulations, ethical standards, rules and procedures in accordance with the policies adopted by the Supervisory Board and the Managing Board.

Internal audit (Specialized internal audit service) - supports the Supervisory Board and the Managing Board by providing an independent and objective assessment on the effectiveness of the risk management, control and governance processes.

Being a public company First Investment Bank discloses to the public (through the news agency www.x3news.com and its Internet website www.fibank.bg) regular information, including annual financial statements audited by an independent auditor, as well as interim quarterly financial statements and activity reports. Fibank immediately discloses additional "ad hoc" information regarding important events in connection with its business activity.