



Corporate Social Responsibility

Landsbankinn 2011

CEO's Address



The most important role of Landsbankinn in society is to ensure the responsible operation of the Bank for the benefit of its owners and society as a whole. Landsbankinn published its policy on corporate social responsibility (CSR) in the spring of 2011. The policy is based on the principles of the United Nations Global Compact and ISO 26000, which are standard guidelines on CSR. Landsbankinn's CSR policy is founded on the principle that the Bank's procedures must take into account society's emphasis in economic, social and environmental matters at any time.

Landsbankinn considers CSR to be a part of sound business practices. As a financial institution, Landsbankinn plays an important role in society

which, among other things, entails accepting deposits, providing loans, and managing payment clearing for individuals, companies and public bodies. It is therefore necessary, in the Bank's opinion, for the Bank to define its objectives in a wider context and as a part of the society in which it operates.

The Bank aims to build and secure long-lasting relationships with customers, to ensure that its operations are in harmony with the environment, to be a force for change in society, to ensure sufficient profitability for shareholders and to secure growth and stability for the long-term. With this in mind, risk management has been strengthened systematically as well as the Bank's operations, corporate governance

and employees' knowledge and awareness of social issues.

Landsbankinn aims to play an important part role in building prosperity in Icelandic society for the future. The Bank's policy is scheduled to be implemented in 2015. A part of implementing CSR entails an analysis of the environmental and social impact of the Bank's activities. The main objective is to make the policy a part of the Bank's core activities.

Steinthór Pálsson,
CEO of Landsbankinn

About the Report

Whilst preparing the report, Landsbankinn followed the principles of the Global Reporting Initiative (GRI) and the Financial Services Sector Supplement. The aim is to communicate information about the operations of the Bank annually, that relate to CSR in a transparent way and with comparable figures from year to year. This is the Bank's third report on CSR, however, it is the first report which is published with regard to the GRI reporting principles. The report will be published annually hereafter. Information in the report is gathered from the Bank's databases, from various departments

within the Bank or they have been compiled especially for this purpose. The report is prepared with regard to GRI C level and encompasses the Bank's operations, which are based entirely in Iceland.

Landsbankinn is a member of the UN Global Compact and submits a yearly report, Communication on Progress to the UN Global Compact Office. This report will also serve the purpose of being a Communication on Progress report.

The report describes how Landsbankinn adheres to the G3

principles (see GRI Index page 31) and the following items will be discussed:

- » A description of the Bank, reporting, strategy and corporate governance
- » Economic activities
- » Social activities
- » Human resources and work related activities
- » Engagement in society
- » Human rights
- » Community support
- » Responsible products and services
- » Principles for companies providing financial services

About Landsbankinn

Landsbankinn hf. is the largest financial institution in Iceland and provides individuals, companies and investors around the country with universal financial services based on long lasting

business relationships. Landsbankinn hf. was established on 9 October 2008 but its predecessors date back to the year 1886. The Bank is owned by the Icelandic State, which holds a 81,3% share

and Landskil ehf., which holds 18,7%. Landsbankinn, headquartered in Reykjavík, operates the most extensive branch network in Iceland.

Figures at year end 2011

Retail customers	100.000
Corporate customers	8.000
Number of branches	45
Number of employees	1.280

Key figures	31.12.2011	31.12.2010
Net operating income	30.743	50.849
Net profit	16.957	27.231
After-tax ROE	8.80%	15.90%
After-tax ROE, excluding the contingent bond	19.60%	13.30%
CAD ratio	21.40%	19.50%
Interest margin on average total asset position	2.90%	2.30%
Interest margin + value adjustments on average asset position	0.80%	2.40%
Cost ratio	57.20%	61.10%
Total assets	1.135.483	1.081.133
Ratio of customer deposits to lending	144.10%	159.60%
Employees at year end	1.280	1.146

Employees and fulltime equivalent positions	Number	Number of employees
CEO's Office	9	8,75
Legal Advisory	13	11,6
Internal Audit	9	9
Compliance	7	7
Markets & Treasury	21	21
Retail Banking	141	123,23
Asset Management	25	24,8
Corporate Banking	37	36,08
Risk Management	47	46,24
Corporate Development	229	224,82
Financial Operations	188	180,95
Asset Restructuring	70	67,65
Vehicle and Equipment Financing	62	59,61
	858	820,72
Branches	497	460,04
Other	25	
Total	1380	1280,76



Landsbankinn's Strategy

Your Landsbankinn is the title of Landsbankinn's new strategy. The strategy is progress-oriented and based on a powerful vision of Landsbankinn as an exemplary workplace; a cornerstone in society and a force for change in the Icelandic economy. The Bank

aims to become one of the best banks in the Nordic countries within five years.

The watchwords of the strategy are listen, learn and serve, which reflects a significant change in emphasis in the Bank's operations.

A strong emphasis is placed on listening to customers, learning from experience and remembering that Landsbankinn is first and foremost a service company. The strategy is based on four main pillars; passion, professionalism, prudence and profit-sharing.

Corporate Social Responsibility

Landsbankinn has adopted a policy in CSR. The policy stipulates that the Bank intends to play a leading role when it comes to building prosperity in Icelandic society for the future. Landsbankinn wants to ensure that shareholders and society benefit from its operations by integrating economic, social and environmental issues into the Bank's procedures. The policy is to be implemented no later than 2015. Five main areas have been identified in relation to the implementation of CSR in the Bank.

They are:

- » The Customer
- » Human resources
- » Relations with suppliers and sales of assets
- » Community support
- » Environmental issues

The responsibility for CSR lies with the CEO of Landsbankinn and the Bank's expert in CSR. The implementation of the policy



is also in the hands of steering groups established in the beginning of 2012. They will define and be accountable for the particular areas, which have been identified in relation to the implementation of CSR within the Bank. The steering groups' task is to define the Bank's opportunities in relation to CSR, prioritise projects within each area and be accountable for them with the aim of completing its implementation in 2015.

- » A steering group for customer issues and social responsibility
- » A steering group for community support and social responsibility
- » A steering group for relations with suppliers and social responsibility
- » A steering group for environmental issues
- » A steering group for Global Reporting Initiative
- » A steering group for responsible investment

CSR milestones 2011

- » CSR expert appointed in January 2011
- » The Bank adopts a Code of Ethics and Conduct - all employees have signed the Code
- » A steering group and support group established around the formation and implementation of a CSR policy in the beginning of the year
- » Landsbankinn's CSR policy introduced in April 2011
- » Seminars held for employees to increase their knowledge of CSR
- » The Bank disclosed publically information on corporate governance
- » The Bank introduced a policy regarding supplier relations
- » A policy on the sale and allocation of appropriated assets published
- » Landsbankinn balanced the gender ratio on the board of directors of the Bank's subsidiaries
- » Employees offered to sign a commuting agreement whereby they commit themselves to choosing environmentally friendly ways of commuting to and from work
- » Landsbankinn signed the United Nations Women Empowerment Principles and the United Nations Global Compact
- » The Bank launched an effort in job creation supporting innovation and strengthened its services in that area
- » The Bank encouraged its employees to take part in voluntary work during the year

Corporate Governance

Landsbankinn aims to build its operations on a moral foundation and show responsibility in action. The Bank also aims to promote transparent disclosure, engage in constructive dialogue with its owners, shareholders, customers, stakeholders and society as a whole. The Bank adheres to Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, Nasdaq OMX Iceland hf. and the Confederation of Icelandic Employers in 2009.

The Board of Directors is responsible for the supervision of the Bank's operations pursuant to laws, regulations and its Articles of Association. The Board of Directors formulates the Bank's overall strategy and shall ensure that the organisation and activities of the Bank are in order and effective at all times. The Board of Directors shall also supervise the Bank's operations in general and ensure that control of accounting and financial management is satisfactory. The Board of Directors is elected at the Annual General Meeting for a term of one year. Five members of the Board are elected and five alternates.

The CEO of the Bank is responsible for the day-to-day operations of the Bank and is empowered to make decisions in all of the Bank's affairs, which are not entrusted to others by law, the Bank's Articles of Association or the Board of Director's dec-

isions. Day-to-day operations do not include measures which are unusual or extraordinary. Such measures may only be taken by the CEO pursuant to special authorisation from the Board of Directors unless it is impossible to wait for the decisions of the Board of Directors without seriously disadvantaging the Bank.

The role of the Executive Board is to manage the daily operations of Landsbankinn on behalf of its owners. For that purpose, the Executive Board has approved specific objectives, benchmarks and parameters, which are intended to ensure that the governance of the Bank is effective. These objectives are divided between particular divisions and explained in the Bank's business plan that describes the position of particular divisions, strengths and weaknesses, main tasks and the road maps which have been carved out.

The Bank's corporate governance statement can be found in the Bank's Annual Report on page 40. The Bank's Annual Report is accessible on the Bank's website, www.landsbankinn.is

GRI SO3- Percentage of employees trained in organisation's anticorruption policies and procedures

Landsbankinn has established rules on measures to prevent

money laundering and terrorist financing, which are based on the Icelandic Act No. 64/2006 and international rules and guidelines. The purpose of the rules is to prevent the operations of Landsbankinn or its subsidiaries from being used to launder money or finance terrorism. According to guidelines issued by the Financial Supervisory Authority, the Bank is responsible for providing specific training for employees, both managers and general employees, in measures to prevent money laundering and terrorist financing. All employees have to take a test on the subject in order for the Bank to comply with the guidelines. Employees must answer all questions correctly to pass the test. New employees receive training and education in the area when they start working for the Bank. During the year, courses were also held in Landsbankinn's branches on money laundering.

GRI SO4 - Actions taken in response to incidents of corruption

The Bank's main methods to prevent corruption are entailed in good governance, rules and actions taken by the Bank to promote transparency in the Bank's procedures and activities. No employee of Landsbankinn was found guilty of gross misconduct last year. Nevertheless,

there were incidents of possible misconduct among employees of LBI hf. (old Landsbanki Íslands). All incidents, where there is suspicion of misconduct e.g. of the Bank's information, funds or other assets, are reported to the appropriate authorities. Landsbankinn aims to prevent any kind of misconduct whatsoever within the Bank through preventive measures such as education on money laundering, capital controls, security, transactions with financial instruments and so on. All front-line employees in the Bank as well as anyone else who, due to his or her work, needs information on these subjects, receives education on the aforementioned topics and by doing so, the Bank promotes compliance to law and principle 10 of the United Nations Global Compact in preventing corruption within the Bank.

Furthermore, Landsbankinn has implemented an electronic surveillance system with transactions within the Bank to detect misconduct amongst customers. Moreover, special surveillance is kept on the Bank's employees to limit the risk of financial misconduct within the Bank; employees' securities transactions are supervised for instance.

As part of the Bank's policy on CSR, the Bank adheres to a policy on the sale and allocation of appropriated assets, which was published in the summer of 2011.

The policy stipulates that the Bank shall take into account CSR when allocating appropriated assets while also maximising recovery. The Bank aims to sell appropriated assets as soon as possible through an open and transparent sales process. The main objective is to follow good business practices.

Moreover, in June last year Landsbankinn introduced its policy on relations with suppliers. The crux of the policy is that Landsbankinn aims to demonstrate fairness, equality and observe the principle of proportionality in its relations with suppliers and service providers for the benefit of the Bank and society in general. Landsbankinn takes into account environmental and social policies when doing business with suppliers and service providers.

Code of Ethics and Conduct

Landsbankinn adopted a Code of Ethics and Conduct in March 2011. The Code is in the form of a convention, which all of the 1380 employees of the Bank have signed. Every year, the employees renew the Code with their confirmation in employee interviews. The Code is the cornerstone of Landsbankinn's new strategy and also a guideline on how to respond to ethical dilemmas. The Code of Ethics and Conduct can be found on Landsbankinn's website.

GRI S05 – Public policy positions and participation in public policy development and lobbying

A part of Landsbankinn's strategy, is to be a force for change and to play a leadership role in building prosperity in Icelandic society for the future. The Bank has, for example, been communicating with the authorities in Reykjavík City with the aim of promoting environmentally friendly ways of commuting to and from work by, among other things, building locked parking houses for bicycles in the city. Landsbankinn's environmentally friendly effort in commuting is consistent with the transportation strategy of Reykjavík and the cycling programme "The Cycling City Reykjavík". Landsbankinn offers its employees an opportunity to sign a commuting agreement which entails a direct benefit to them; subsidised bus cards for a year and a yearly repayment of ISK 40.000 for paid expenses in relation to cycling to and from work. Employees can use the bus on certain days, cycle when it is convenient and use their car when necessary. The rewards are great for the Bank and the City; cycling improves the health of the Bank's employees, saves money and promotes a better traffic culture.

Landsbankinn's opinion regarding the legislative bill on the Fisheries Management Act (complete Act) case No. 827.

Landsbankinn submitted its opinion regarding the legislative bill on proposed changes to the fisheries management system in Iceland introduced by the government in late August 2011. Landsbankinn was of the opinion that it was necessary to change the bill as it would have a negative effect on the fishing industry in Iceland. If the bill would be passed into law, it would also have a negative effect on the Bank and thereby the Icelandic State Treasury as its owner. Landsbankinn specified the following consequences in its opinion that was made public: Increased operating risk, increased uncertainty in relation to the funding and financing cost of the Bank, cash flow in foreign currencies would decrease, serious consequences for indebted fishing companies, significant impact on future lending to the Icelandic fishing industry due to limits on the transfer of quotas and a ban on placing the quota as collateral.

GRI SO6 – Payments or contributions to political parties and politicians

No contributions were made to political parties, politicians or

related institutions by Landsbankinn in 2011.

GRI SO 7 – Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes

The Competition Authority intervened in the Bank's affairs eight times during the year. In all cases except one, this involved a settlement between Landsbankinn and its holding companies in relation to the acquisition of companies whose activities are on a competitive market. The Bank's acquisition was in all instances a part of the debt settlement of the acquired companies. The Competition Authority has adopted the strategy of issuing a decision regarding all acquisitions made by financial institutions which may affect competition. Such decisions place a number of onerous conditions on the Bank's ownership to limit the risk of customers being discriminated against or other measures being taken which might distort competition. The Bank's Compliance and Internal Auditor monitored the compliance of the Bank's units with the decisions issued by the Competition Authority. Furthermore, Compliance has explained the decisions to the employees who are affected by them.

To ensure that the Bank's management follows the decisions in their activities, they are regularly required to sign statements whereby they vow to follow the provisions stipulated therein. Monitoring in the Bank of the conditions set by the Competition Authority did not reveal any serious breaches to the Competition Act. The monitoring performed by Compliance and the Internal Auditor lead to a few remarks being made in relation to procedures and compliance with the decisions within the Bank, all of these issues were explained in a report to the Competition Authority.

In addition to the aforementioned issues, the Competition Authority annulled Landsbankinn's acquisition of a share in Verdís sold by Arion Bank. Verdís is a company in the ownership of Arion Bank, which provides custody services for securities as well as back office operations in relation to securities transactions. The Competition Authority was of the opinion that the two banks were unable to demonstrate, without a doubt, that their joint ownership of Verdís would not distort competition. For that reason the acquisition was annulled. The case, however, has not been closed and the authorities' opinion regarding a different implementation of the acquisition is now being awaited.

Human resources, health and safety, and human rights

Landsbankinn employs talented and highly competent employees who are a valuable resource for a knowledge company such as Landsbankinn. The Bank wants to provide a healthy and safe work environment for its employees and ensure that they are satisfied at work, and that they are proud to work for Landsbankinn. The Bank emphasises the importance of hiring and retaining excellent employees and empowering them in their work.

The GRI principles and the principles of UN Global Compact affect human rights, health and safety in the workplace and labour laws, which have been implemented into Icelandic law.

Iceland's Constitution stipulates that all Icelanders shall be equal before the law and enjoy human rights irrespective of their gender, religion, political opinion, nationality, race, colour, assets, origin or other circumstances.

Iceland is a member of the European Economic Area, which joins the member countries of the EU and the three EFTA-countries (Iceland, Liechtenstein and Norway) into one market area. Iceland also adheres to the

principles and laws which follow that membership. The EEA-agreement entails free trade in services and products, and also freedom to work and live anywhere in the EEA-area. Iceland is also a member of a number of international organisations such as the International Labour Organisation, the World Trade Organisation and OECD.

GRI LA-4 – Percentage of employees covered by collective bargaining agreements

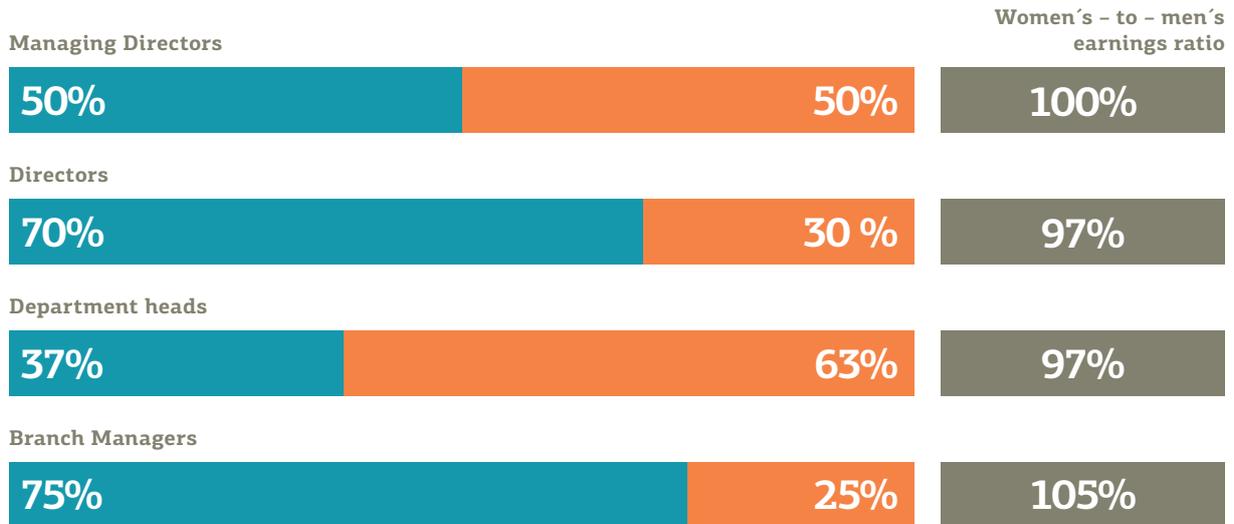
Icelandic labour law is based on collective bargaining agreements on wages and other benefits. This system has a long history in Iceland and provides the parties to the labour market with a legal framework, which addresses particular parts of employees total wage terms and benefits in collective bargaining agreements.

All of Landsbankinn's employees, 1380 in total at year-end, have collective bargaining agreements. Collective bargaining agreements secure a minimum wage for employees and the Confederation of Icelandic Bank

and Finance Employees prepare and implement the agreements. The Confederation of Icelandic Employers enters into a collective bargaining agreement with the state on behalf of banks, savings banks, and the Confederation of Icelandic Bank and Finance Employees. The Board of Directors of the Bank represents employees in these agreements and other decisions that relate to them. A collective bargaining agreement shall provide for the amount of fixed salaries, the number of wage categories, working hours, paid overtime, holiday, payments of travel allowance, eating facilities, insurance, principles for categorising positions into wage categories and other benefits not provided for by law. If agreements have not been reached or disputes have been submitted for arbitration in the first six to ten days of the notice period, the state mediator shall handle the dispute. The mediator shall appoint two men to work along with him in a conciliation committee to resolve the dispute on wage terms. It is permissible to call a work stoppage once the notice period has passed with the limits provided for in the aforementioned agreement.

Gender ratio and gender wage differential in managerial positions

F M



Gender ratio - new employees 2011

Gender ratio - all employees



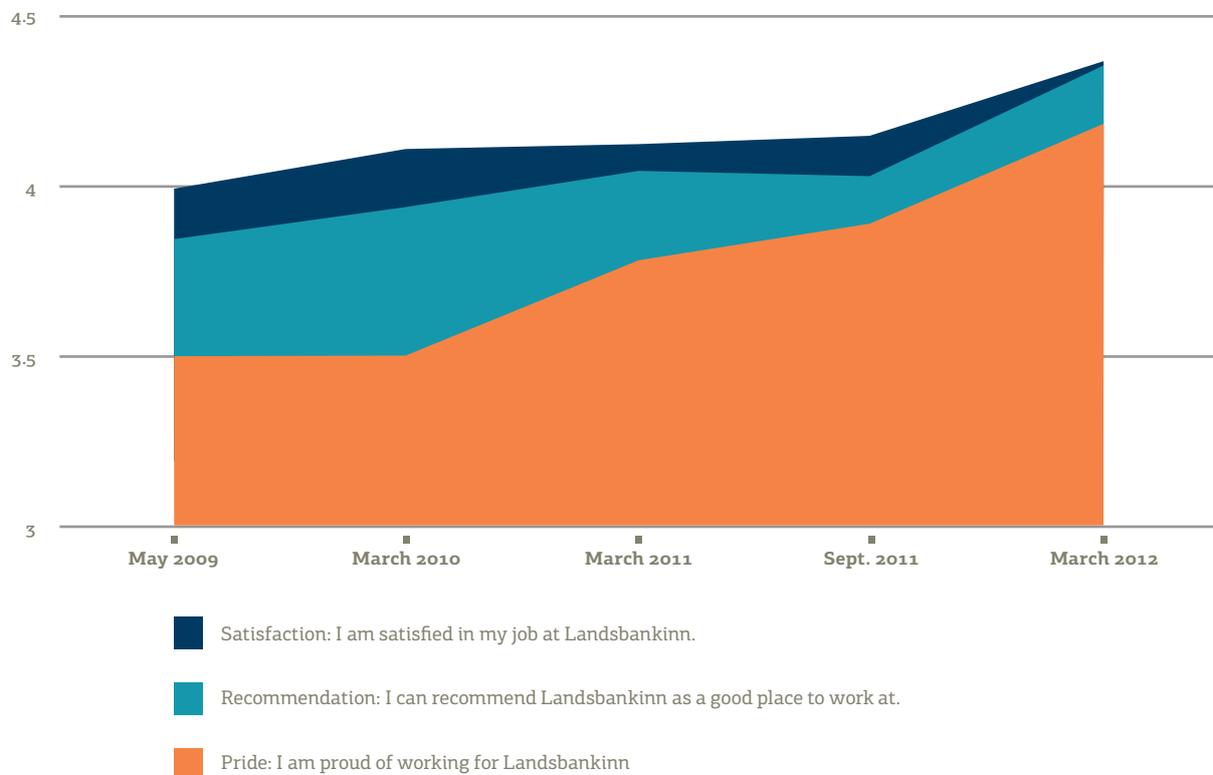
GRI LA 13 - Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity

Landsbankinn's objective is to ensure equality within the Bank and to value each employee on the basis of his/her own merits. Landsbankinn follows the principles of UN Global Compact on human rights and labour rights and Act No. 10/2008 on the Equal Status and Equal Rights of Men and Women. The purpose of the

Act is to ensure that no discrimination takes place in relations and cooperation between employees, companies and customers. In the initial provision of the Act, it states that all individuals shall have equal opportunity to benefit from their own enterprise and to develop their skills irrespective of gender. This objective shall be reached in the following way as stipulated in Act No. 10/2008:

- a. observing gender equality perspectives and working towards gender mainstreaming in policy-making and decision-taking in all spheres of society,
- b. working to secure equal influence of women and men in society,
- c. specifically improving the position of women and increasing their opportunities in society,
- d. working against wage discrimination and other forms of gender-based discrimination on the employment market,
- e. enabling both women and men to reconcile their work and family life,
- f. increasing education and awareness-raising on gender equality,

Work place analysis at Landsbankinn, February 2012



- g. analysing statistics according to gender,
- h. increasing research in gender studies,
- i. working against gender-based violence and harassment, and
- j. changing traditional gender images and working against negative stereotypes regarding the roles of women and men.”

Landsbankinn has worked systematically towards promoting equality within the Bank in the past year, and the Bank set itself the same objectives as were set in a cooperative agreement

between The Icelandic Association of Women Entrepreneurs, The Confederation of Icelandic Employers and the Icelandic Chamber of Commerce, where in it states that the share of each gender in leadership roles in Icelandic companies shall not be lower than 40% at year-end 2013. The management of the Bank is of the opinion that this is the best way to ensure gender equality in the long run.

Equality on the Bank’s Executive Board and its subsidiaries has already been reached. The Executive Board is comprised of four men and four women, and there is

no difference in their remuneration. Amongst Branch Managers, women have higher salaries than men. The Board of Directors of Landsbankinn is comprised of two women and three men. In June 2011, one woman left the Board of Directors and the first alternate, a man, took her place.

Landsbankinn’s equal rights policy was introduced in the beginning of 2012; it is an inseparable part of the Bank’s human resource policy. An equal rights committee operates within the Bank, which maintains an overview of laws and rules that relate to equality issues. Lands-

GRI LA13 – Analysis of management and employees

	Number	Women	Average age	Ratio	Men	Average age	Ratio
CEO	1				1	52	
Managing Directors	8	4	41	50%	4	43	50%
Heads of Departments	47	14	43	30%	33	44	70%
Department Directors	27	17	47	63%	10	45	37%
Branch Managers	29	6	47	20%	23	50	80%
Service Managers	16	16	50	100%			

bankinn has signed Women's Empowerment Principles – Equality means Business, an international effort by UN Women and UN Global Compact. With its signature, Landsbankinn commits itself to promoting equality within the Bank.

Compliance with Human Resource Policy

To maintain an effective human resource policy, the Bank uses various mechanisms to obtain information on the Bank's position in those fields to which the human resource policy pertains. Analysis of severance agreements, measurements of employee turnover, service surveys, regular workplace audits and employee interviews bear mentioning in this context. Information can thus be gathered systematically on how the human resource policy is complied with and how effective it is.

„Employees' sick pay rights are for 3-12 months depending on their length of service“

GRI LA 7 – Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region

Rates of employee sickness is (7,2 days per year). A record is kept of the number of injuries but most injuries happen during employees' free time. Occupational diseases are not known and employees' injuries are minor as the employees primarily work in an office environment.

Education for employees

Landsbankinn's policy is to retain capable, ambitious and satisfied employees. The Bank's educational programme places emphasis on providing employees with:

- » Systematic education and training, which ensures that they have the necessary knowledge and competence to succeed at work
- » Diverse education, which furthers the empowerment of the individual
- » Grants to seek courses/ education outside the Bank

Diversity characterises the supply of courses, as each year there are a number of courses on offer as well as lectures or talks that can be useful in a personal as well as in a career context.

GRI LA 10 – Average hours of training per year per employee by employee category

During 2011, 348 educational events were registered and each

GRI LA 2 - Employee turnover

Employee turnover	Number	Women	Average age	Ratio	Male	Average age	Ratio
Newly employed during the year	125	69		55%	56		45%
Future employees							
Headquarters	76	30	37 yrs	24%	46	35 yrs	37%
Branches	49	39	33 yrs	31%	10	29 yrs	8%
Employees who left during the year	113	71		63%	42		37%
Thereof:							
Headquarters	60	28	52 yrs	25%	32	43 yrs	28%
Branches	40	33	44 yrs	29%	7	50 yrs	6%
Spkef	13	10	59 yrs	9%	3	45 yrs	3%

employee took part in more than 4 events on average. Teachers in the courses are either employees of the Bank or specialists outside the Bank.

Seminars on CSR

Seminars were held for employees on the Bank's CSR policy. Ninety six employees took part in the seminars for a total of 172 working hours. The seminars were held for the steering group and the Bank's supportive group and for employers on a general beginner's course.

Employee voluntary work and consultancy

Landsbankinn is of the opinion that voluntary work is invaluable for society and that it provides an important foundation for individual morality.

Landsbankinn aims to increase direct participation of employees in social projects by means of consultancy and by permitting voluntary work to be undertaken during work hours. Last year, employees volunteered at the Christmas Donation of the Mothers Support Committee in Reykjavík and the National Fund Raising event On everyone's lips to support Neistann, an Icelandic charity. A couple of hundred employees contributed to Landsbankinn's Christmas Fund Raising for the Mothers Support Committee, the Iceland Red Cross and Icelandic Church Aid.

Employees took part in Gedhjálp's charity event and Christmas Song Competition, Crazy Christmas (i. Gedveik jól). The employees of the Bank composed a song for the competition, *Your Christmas*. All work relating to the composing, arrangement and performance of the song was

done by the Bank's employees. Employees from 15 companies took part in the competition and over ISK 3 million was raised to support Gedhjálp. Landsbankinn's contribution came in third place in the competition.

Landsbankinn's employees have also offered consultancy services in areas, which relate to finances and innovation. Courses and financial lectures have been given across the country. Employees have been members of selection committees, among those the Golden Egg (Gulleggid), an entrepreneurial competition held by Innovit and sponsored by Landsbankinn. Finally, employees have taken part in Employment and Innovation weekends which have been organised in cooperation with Innovit across the country. Employees have also assessed business plans and provided consultation services.

The Customer

Customer satisfaction is of primary importance to Landsbankinn. Great emphasis is therefore placed on providing a good service and responsible consultation services to meet the needs of each and every customer. The Bank's watchwords are; we listen, learn and serve. With these watchwords as the Bank's point of reference, employees are offered systematic education and training, which ensures that they have the necess-

ary knowledge and competence required for the job.

GRI FS 14 –Specific services for customers

Customers' Ombudsman

The Customers' Ombudsman is appointed by the Board of Directors and CEO, and is accountable

to the CEO. The position of the Customers' Ombudsman was strengthened considerably with the appointment of a particular Corporate Ombudsman in April last year.

The role of the Customers' Ombudsman is twofold and is divided into service and supervision. Customers can resort to the Ombudsman if they consider that the handling of their affairs at the

Branch No.	Name of Branch	Services for senior citizens and people with disabilities
153	Króksfjardarnes	Reykhólar and Barmahlíd visited once a week.
152	Selfoss	Senior citizens' serviced apartments in Grænumörk visited once a week.
156	Ísafjörður	Hlíf, a home for the elderly visited once a week.
160	Skagaströnd	Cash according to withdrawal requests taken from Sæborg, a home for the elderly on Skagaströnd.
162	Akureyri	Service and social centre for the elderly at Bjarg by Lindasída and Service and social centre for the elderly at Víðilundur. Visited once a month except during the four summer months.
171	Fáskrúdsfjörður	The elderly at Stöðvarfjörður are visited once a week and cash sent to residents of the nursing home for the elderly at Uppsálar, Fáskrúdsfjörður by request.
172	Höfn	The home for the elderly at Höfn is visited once a week.
178	Vopnafjörður	Cash taken from the home for the elderly at Vopnafjörður in accordance with withdrawal requests.
182	Hvolsvöllur	The home for the elderly Kirkjuhovoll at Hvolsvöllur visited once a week.
186	Akranes	The home for the elderly at Höfði visited once a week.
	Chief Cashier	Hrafnista in Reykjavik is visited twice a week and the homes for the elderly and disabled at Hátún, Langahlíd, Hædargardur and Furugerdi are visited once a month.

Bank has been unreasonable and that their matters have not been resolved fairly. The Ombudsman reviews the cases brought to him impartially and tries to find fair solutions, in good cooperation with the Bank's employees. The work of the Customers' Ombudsman is on page 60-61 in the Bank's Annual Report.

FS14 – Initiatives to improve access to financial services for disadvantaged people

Landsbankinn's goal is to meet the needs of its customers. Through the provision of robust online services, a customer service centre, cash machines across the country, mobile phone services and a strong branch network, the Bank meets the needs of most of its customers. Furthermore, the Bank provides financial services in facilities provided for senior citizens across the country.

GRI PR5 – Practises related to customer satisfaction, including results of surveys measuring customer satisfaction

The Icelandic Satisfaction Index

The purpose of the Index is to provide companies with coordina-

ted measurements of customer satisfaction; customers are asked to answer questions about their retail bank at the end of each year. The Icelandic Satisfaction Index is comprised of three questions regarding customer satisfaction and their expectations, as it has been demonstrated that there is a link between satisfaction and customer loyalty.

Customer relations

Surveys are performed regularly on behalf of Landsbankinn measuring its service and image as well as its main competitors. This has been done for several years. Opinion polls are conduc-

ted in which customers are asked to answer questions that give the Bank an indication of their emotional bond with their main retail bank, as such emotional bonds are considered to control the attitude and behaviour of customers more than logical thinking does. According to the answers to those questions, Landsbankinn's score has been rising in the past year.

The measurements are performed by Capacent Gallup four times a year.

The Icelandic Satisfaction Index*

	Surveys are performed by Capacent Gallup.		
	2009	2010	2011
Íslandsbanki	54,5	57,5	59,7
Landsbankinn	50,1	56,8	57,3
Arion Bank	49,6	54,4	52,9
The average score of the Banks**	55,5	58,3	56,4

Customer relations*

	Surveys are performed by Capacent Gallup.		
	2009	2010	2011
Landsbankinn	3,28	3,23	3,33
All banks	3,51	3,40	3,46

*The table shows the average score for each year.
**Savings banks are included in the average for 2009 and 2010.

GRI FS-16 – Initiatives to enhance financial literacy by type of beneficiary

Landsbankinn stresses the importance of improving financial literacy as it is one of the Bank's main responsibilities, as a financial institution, to provide professional advice and sound information on finances both for customers and society in general.

Initiatives to improve financial literacy have thus been applied systematically both through special projects, on the Bank's website and by publishing other material.

Raunveruleikurinn (The Reality Game)

Raunveruleikurinn (The Reality Game) is an interactive online

game intended to provide financial and social education in civics courses for students in secondary school. Through The Reality Game, students can gain an insight into the decisions members of society have to take in their daily life and respond to the opportunities they are faced with. The game received an award from the Nordic Council in 2005 as the best educational material in consumer affairs. The Reality Game is a good example of a social project which is closely linked to Landsbankinn's principal activities.

Brochure on financial competence

Landsbankinn publishes a brochure on financial competence. The brochure aims to increase financial literacy and is sent to custodians of customers who are

about to become 18 years of age. The brochure is also accessible on the Bank's website and in the Bank's branches. The information contained in the brochure is intended for young people who are taking their first steps towards financial independence.

Finance seminars

The Bank held twelve finance seminars across the country in 2011. Seminars were held on pensioner's rights in cooperation with the Social Insurance Administration. The main amendments to pensioners' rights and payments were discussed, including what affects the calculation of the basic pension and income supplements, and how financial income affects pensioner's rights at the Social Insurance Administration. A few finance seminars were held, which were dedicated

to savings and how different methods are best suited to saving at different times of our lives.

Financial education for students at college

Landsbankinn has offered financial education to colleges across the country with the aim of improving financial literacy of students and to make them better equipped to analyse financial options and to make plans for the future. The education is available for all colleges in the country and is provided in cooperation with their representatives. Young people, who work part-time at the Bank and who also attend university, provide the education on behalf of the Bank. The main idea behind this arrangement is to provide education by peers, which is more likely to appeal to students. Landsbankinn held 17

educational courses of this nature in 2011.

Lunchtime meetings for companies

Fifteen lunchtime meetings were held for small and medium sized companies across the country. The aim is to strengthen relations and services, and offer company representatives an opportunity to listen to educational lectures held by specialists and management in the Bank. Around 2000 managers attended the meetings.

Public discussions and finances

Landsbankinn aims to support and play an active role in factual discussions, education on the economy and the finances of companies and individuals. Towards

the end of last year, a website for debate on economic affairs was opened www.umraedan.landsbankinn.is. There, articles written by the Bank's specialists as well as specialists outside the Bank are published. The objective is to improve financial literacy in general and create a forum for those who want to follow a professional debate on economic affairs.

www.umraedan.landsbankinn.is/fjarhagur is a page on the Landsbankinn's website which is dedicated to education on finances. Here the employees of Landsbankinn communicate their knowledge and experience on matters relating to household finances and economic affairs. On this page a number of tools which can assist in organising the finances of the home can be found.

Environmental issues

Landsbankinn works systematically towards ensuring that its operations are in harmony with the environment. The Bank adheres to the main principles of UN Global Compact 7,8 and 9, which aim to reduce the environmental impact of corporate operations.

GRI – EC8 / EN18 – Measures to reduce the emission of green house gasses

A commuting agreement between the Bank and its employees was introduced in May 2011. The main objective of the agreement is to encourage employees to use environmentally friendly ways to commute to and from work. Just under 200 employees signed the agreement in 2011. With their signature, employees have committed

to commuting to and from work by bus or bicycle, and when possible, also when running errands on behalf of the Bank. In return, the Bank pays expenses in relation thereto, for up to ISK 40,000 per year in addition to paying for taxis in emergencies. Furthermore, permanent employees are offered a refund amounting to ISK 20,000 per year for bus cards. Currently, there are approximately 1380 employees at the Bank, thereof 850 work in the Bank's headquarters in Reykjavík city centre.

GRI EN16 – Total direct and indirect greenhouse gas emission by weight

Below is an overview of the Bank's carbon dioxide emissions for the year 2011. On the one hand, there is the emission

of CO₂ in relation to the driving of Landsbankinn's vehicles, and on the other, employees flying on behalf of Landsbankinn to and from Iceland.

Driving

Landsbankinn had 14 cars in total fuelled by diesel in use in 2011 and 13 with petrol. The total fuel consumption was 20,749 dm³ of petrol and 33,638 dm³ of diesel oil. Considering the emission of CO₂ is 2.32 kg/dm³ of petrol and 2.68 kg/dm³ of diesel, the total emission was 138,232 kg of CO₂. According to Kolvidur's website, the Iceland Carbon Fund, the price for offsetting carbon emissions is 2 kr/kg CO₂. Landsbankinn's cost in relation to the offsetting of carbon emissions due to the driving of Landsbankinn's cars totalled ISK 276,464 for the year 2011.

Employees' flights for Landsbankinn to and from Iceland

The employees of Landsbankinn flew in total 227 flights to and from Iceland in 2011. According to Kolvidur's model for calculating carbon emissions, the emissions totalled 104,625 kg of CO₂. Considering that the price for offsetting carbon emissions is ISK 2/kg CO₂, Landsbankinn's cost in relation to the offsetting of carbon emissions amounted to ISK 209,250 in 2011.

GRI EN26 – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

Landsbankinn decided to stop sending account statements on paper to customers as of 1 January 2012. This is done to reduce cost and the use of paper. Statements for chequing accounts, savings accounts, holiday accounts and foreign currency accounts will, as of year-end 2011, only be accessible online,

while other notices relating to customer's accounts will continue to be sent. Paper-free transactions are secure, efficient and lead to savings for customers. All account statements are accessible online. If customers wish to be sent account statements by mail, customers can apply for it especially.

Summary

Offsetting carbon emissions in relation to the driving of cars for Landsbankinn	ISK 276,464
Offsetting carbon emissions in relation to employees flying to and from Iceland	ISK 209,250
Total	ISK 485,714

Economic issues

The Bank's financial position will be discussed in its financial statements. Statistics and information on the economic values generated by the Bank's operations which proceed to its shareholders, stakeholders and society are listed below.

EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

GRI EC4 – Significant financial assistance received from government

Landsbankinn is owned by the Icelandic State Treasury, which holds an 81.333% share in the Bank and Landskil ehf., a subsidiary of Landsbankinn hf., which holds 18.667% of the issued share capital. Landsbankinn does not receive any financial contributions from the Icelandic Government.

GRI EC1 (f) / EC – Donations to the community

One of Landsbankinn's roles is to support Icelandic society robustly in different ways. Direct and indirect financial contributions to the community are a part of Landsbankinn's policy in corporate social responsibility. Direct financial contribution to the community from the Bank amounted to ISK 127 million in 2011. The Bank also contributes to the community through the provision of consulting services by its employees and their participation in voluntary work in a number of cooperative projects. With its support to the community, the Bank focuses on the following main topics:

- » Humanitarian issues
- » Culture and the arts
- » Education, research and innovation
- » Sports and youth programmes
- » Environmental issues

Landsbankinn's Community Fund

Landsbankinn's Community Fund plays a key role in the Bank's support to the community. During the year, grants from the Fund in the amount of ISK 40.4 million were awarded. Members

of the selection committees were largely professionals.

- » Educational grants in the amount of ISK 5.4 million awarded.
- » Community grants in the amount of ISK 15 million awarded.
- » Innovation and budding grants awarded for the amount of ISK 15 million.
- » Environmental grants in the amount of ISK 5 million awarded.

Community grants

Landsbankinn's community grants aim to support various community issues e.g. humanitarian projects, projects in the field of education, research and science, projects in the field of culture and the arts, youth projects and specific publishing projects. The total amount of grants was ISK 15 million in 2011 and over 500 applications were received.

Study grants

The purpose of study grants is to support the education of exceptional students at different educational levels. The study grants of Landsbankinn are awarded annually and are an important part of the Bank's community support. The total

Direct economic value	Comments	Landsbankinn 2011
Direct economic value generated:		
Net interest income + net commission income + net income from trading securities + net income from other financial assets at fair value + profits from the sale of fixed assets		51.585
Economic value - generated		
Operating costs + investments		8.556
Salaries according to the accounts		11.169
Interest income from borrowing (paid) – from net interest income		7.198
Income tax and special taxes - payments to government		-16
Donations to the community		127
Total contribution to the economy		27.034
Economic benefit distributed		24.551
Proportion of economic value generated to economic value distributed		52%

amount of grants was ISK 5.4 million in 2011 and over 1000 applications were received.

Innovation grants

The purpose of Landsbankinn's innovation grants is to provide innovators with an opportunity to develop a new business concept, an older business concept in a new market or a new product or service. Innovation grants are also intended to support innovators in purchasing material, equipment or specialised services in relation to innovation or to attend courses to develop skills

in developing a business concept. The total amount of grants for 2011 was ISK 15 million and 250 applications were received.

Environmental grants

Environmental grants are intended to support projects in the field of the environment and nature conservation. Environmental grants are based on the Bank's policy in CSR and its obligations in that regard. Grants were awarded for the amount of ISK 5 million and 130 applications were received.

Special achievement grants

Special achievement grants will be awarded for the first time in 2012 to support high achievers in individual sports and have succeeded in their field. Grants will also be awarded to young and promising athletes who have the future ahead of them. Grants for special achievement will be awarded for the amount of ISK 3 million.

Direct contributions to the community

Landsbankinn's support to the community also involves direct contributions. During 2011, the Bank sponsored community projects for ISK 127 million. The grants are awarded to humanitarian issues, culture and the arts, education, research, science, environmental issues, sports and youth issues.

Support for the community

GRI EC9 - Understanding and describing significant economic impacts, including the extent of impacts

Landsbankinn aims to be a force for change in the community and contribute to a stronger economy. During 2011, the Bank participated in a number of projects which have indirect and direct economic impact on the community. Landsbankinn conducted a number of meetings and seminars around the country, open meetings with the Bank's management, inform-

ative meetings for small and medium-sized companies as well as providing financial education for the general public.

Approximately 3200 people attended these meetings.

Meetings with municipalities and industrial development associations

Last year, the Bank conducted a series of meetings in 25 municipalities where the Bank's employees engaged in discussions with local government

Contributions - division between issues - figures from 2010

Humanitarian issues	59,7
Culture and the Arts	57,3
Education, research, innovation and environmental issues	52,9
Sport and youth programmes	56,4

Total contribution to community issues (excluding branches)

2011

ISK 127.000.000

2010

ISK 100.000.000

Largest grants in 2011: > 1.000.000

Community grants – 35 grants	ISK 15,000,000
Innovation grants – 27 grants	ISK 15,000,000
The Vigdis Finnbogadóttir Institute of Foreign Languages	ISK 10,000,000
The Football Association of Iceland	ISK 8,000,000
A different expression of community support - 15 projects	ISK 7,500,000
Contributions in relation to Christmas	ISK 6,000,000
Study grants - 14 individuals	ISK 5,400,000.
Environmental grants - 17 grants	ISK 5,000,000.
Employment and innovation weekends conducted by Innovit and Landsbankinn	ISK 4,400,000
On everyone's lips - a national fund raising event in support of Neistinn	ISK 3,000,000
National fund raising event to support rescue teams in the Faroe Islands	ISK 3,000,000
Frankfurt Book Fair	ISK 2,500,000
Reykjavik Cultural Night Fund	ISK 2,500,000
Sjónarhóll	ISK 2,500,000
Akureyri Theatre Company	ISK 2,200,000
Innovit - The Golden Egg	ISK 1,850,000
Corporate Social Responsibility Knowledge Centre	ISK 1,700,000
Iceland Music Export	ISK 1,500,000
Fjölsmidjan at Sudurnes (Spkef)	ISK 1,500,000
Ljósanótt - Town Festival in Reykjanesbæ	ISK 1,250,000
National Fund raising Event of Lions	ISK 1,000,000
Reykjavik Arts Festival	ISK 1,000,000
SÍBS	ISK 1,000,000

officials, employees of industrial development associations, company representatives and trade union representatives as well as entrepreneurs regarding opportunities for development in the economy.

The purpose of the meetings is to engage in a dialogue with people in the local community, and examine how the Bank can systematically work towards the deve-

lopment of the local economy, improve the Bank's relations with its customers and the community, and familiarise themselves with the ideas and plans, which are top of the agenda in each region.

Around 300 people attended the meetings.

Debt reduction for customers

Landsbankinn has worked systematically towards solving the household debt problem. The Bank's solid financial position has enabled it to change the so-called 110% solution (agreement between financial institutions and the Government for debt relief) and instead of using market value, the valuation of properties according to the Land Registry

of Iceland is used to write down other debt and repay a part of the interest to customers who have not been in arrears and have paid their dues on time.

The main goal is to speed up the resolution of household debt problems and the end to that work is in sight.

Measures for indebted companies

All viable companies that met certain conditions received financial restructuring proposals in accordance with the government's *Beina brautin* solution around mid-year 2011.

Beina brautin is an agreement between the Ministry of Economic affairs, the Confederation of Icelandic Employers, the Icelandic Financial Services Association and the Iceland Chamber of Commerce.

The agreement entails that the resolution of the debt problems of small and medium sized companies is speeded up considerably.

Festa, knowledge centre for corporate social responsibility

Landsbankinn is one of the founders of Festa, a knowledge centre on corporate social responsibility.

The purpose of the knowledge centre, which Alcan, Landsvirkjun, Síminn and Íslandsbanki founded along with Landsbankinn, is to increase knowledge and to improve the capacity of companies to operate in a socially responsible way.

- » The centre is located at the University of Reykjavík and the purpose of the centre is as follows:
- » To gather practical knowledge of corporate social responsibility.
- » To build a network of companies that are interested in implementing a strategy in corporate social responsibility.
- » To promote public discussions on the concept.
- » To encourage research in the field.

Innovation service

In order to boost job creation, Landsbankinn established universal services for innovative and start-up companies. The Bank offers consultancy services relating to the operating environment of innovative companies in addition to linking together those who work towards innovation in society and provide support for innovation.

The aim is to strengthen the Bank's relations with the market and develop services with the needs of entrepreneurs in mind. The Bank's cooperation with Innovit and its support to the innovation competition, the Golden Egg, is a part of this endeavour.

Employment and innovation weekends

Landsbankinn and Innovit introduced their collaboration on Employment and Innovation weekends, in the autumn of 2011, to promote innovation in Iceland. The main purpose of the weekends is to promote work in the field of innovation, and the development of new ideas and concepts as well as to encourage job creation in each region.

Employment and innovation weekends were conducted in Sudurnes and at Hornafjörður last year. In total, 180 individuals took part in these weekends and worked towards the development of 87 business ideas.

At least three more “weekends” have been scheduled this winter in collaboration with municipalities throughout Iceland.

Development fund to support tourism

In November 2011, Landsbankinn, in cooperation with the Ministry of Industry, established a development fund to support tourism in Iceland in connection with the marketing campaign “Country for all Seasons”.

The purpose of the fund is to extend the tourist season in Iceland by supporting the development of products and experiences during low-season in tourism, and thus increase the profitability of companies in the tourist industry.

In total, ISK 70 million were contributed to the development fund, ISK 40 million from Landsbankinn and ISK 30 million from the Ministry of Industry, which is to be distributed in 2 parts.

On the one hand, projects undertaken by individual companies which may contribute to extending the tourist season in particular areas, and on the other, collaborative projects among companies whose intention is to develop experiences in collaboration, which also might extend the tourist season.

Svanni, a Loan Guarantee Fund for women

Landsbankinn entered into an agreement with Svanni, a Loan Guarantee Fund for women, last year. Landsbankinn acts as a lender to women in business, and the Fund and the Bank jointly guarantee the loans. The Fund is in the ownership of the Ministry of Welfare, the Ministry of Industry and Reykjavík City. The Fund granted loans at the end of 2011 and five women received loans for the total amount of ISK 14.5 million. The Fund’s assets amount to approximately ISK 70 million and it is possible to advance loans for a total of ISK 140 million to women in business operations.

“Support a good cause”

The customers of Landsbankinn can support a good cause in a

simple way through the Internet Bank. Customers can choose between roughly 80 good causes and support their charity of choice with monthly donations.

Reykjavík Cultural Night

Landsbankinn has been an active participant in the Reykjavík Culture Night from its establishment and has opened its doors to guests on the Cultural Night and has also sponsored the Cultural Night from the very beginning. It is important for the Bank that its support goes directly to the artists and art groups that organise events on the Cultural Night. In order to reach that objective a special Cultural Night Pot was established by Landsbankinn and Visit Reykjavík.

The purpose of the pot is to further original and special ideas.

Many grants of a modest amount are awarded so that as many people as possible can enjoy their benefit.

The largest part of the Bank’s contribution in relation to the Cultural night is extended through the Cultural Night Pot.

Frankfurt Book Fair

Landsbankinn was one of the main sponsors of the Frankfurt Book Fair, and supported the promotion of the project both domestically and abroad.

Landsbankinn supported a unique exhibition of the Icelandic manuscripts in an exhibition opened at the Schirn Museum in Frankfurt in September 2011; the exhibition was part of a larger exhibition by the Icelandic artist Gabriella Fridriksdóttir. In the exhibition, the old and the new were mixed together in an unconventional way.

Landsbankinn was a sponsor of a special promotional project, Icelandic Manuscripts in Modernity in Iceland.

GRI EC8 - Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

Co-operation with sports clubs

Landsbankinn supports sports clubs across the country. Agreements between the Bank and sports clubs is a large part of the Bank's community support and an important part of branches' marketing efforts.

The main emphasis has been on supporting children and youths in sports, special achievement is also supported in a number of branches.

Samfélag í nýjan búning (A different expression of community support)

The ideology behind the strategy is novel. Landsbankinn waives its rights to advertise on the jerseys of sports clubs sponsored by the Bank, instead the sports clubs can select a charity to advertise on their jerseys. At the same time, a pledge fund is created for the club. For each win in the league, Landsbankinn credits a specified amount to the fund. The sports club can invite companies and individuals to pledge their support for the club and the chosen charity. All pledges are divided equally between the sports club and the charity.

The Bank's new approach aims to connect together sports clubs and charitable organisations or associations and creates a platform for sports clubs and their supporters or sponsors to work with Landsbankinn on charitable projects. Landsbankinn's sponsorship of youth and adult participation in sports does not diminish, on the contrary, the overall contribution to charity increases, both directly and indirectly.

Twenty two sports clubs have joined Landsbankinn in this project, each club choosing a charity in collaboration with the Bank. To mark the creation of pledge funds for each charity, Landsbankinn has credited ISK 500,000 to each one of them.

Publisher: Landsbankinn hf.
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GRI context index

G3 Indicator	Description	Page	Degree of reporting	Comment/ web references
1.	Strategy and analysis			
1.1	Statement from CEO	5	Full	
2.	Organisational profile		Full	
2.1	Name of the organisation	5-6	Full	
2.2	Primary brands, products and/or services	5-6	Full	
2.3	Operational structure	5-6	Full	http://corporate.landsbankinn.com/about-us/
2.4	Location of headquarters		Full	Reykjavík Iceland
2.5	Countries of operation	4	Full	
2.6	Nature of ownership and legal form	5-6	Full	http://corporate.landsbankinn.com/about-us/
2.7	Market served	5-6	Full	
2.8	Scale of reporting organisation	5-6	Full	
2.9	Significant operational changes during the reporting period	5-6	Full	
2.10	Awards received in the reporting period		Full	<ul style="list-style-type: none"> • Landsbankinn's web for mobile phones received the Icelandic Web Award as the best web for mobile and handheld devices on 4 February 2011. The awards are presented by ÍMARK, the Association of Icelandic Marketing Professionals. See www.landsbankinn.is/english • Landsbankinn received two nominations for the Icelandic Advertising Awards in 2011, one in the category of best web advertisements and the other in the category of best events. These awards were also presented by the Association of Icelandic Marketing Professionals, ÍMARK. • The employees of Landsbankinn came second in Lífshlaupid, an annual competition between companies held by The National Olympic and Sports Association of Iceland. The purpose of the competition is to encourage the general public to increase the amount of exercise they do in their daily life at home, commuting to and from work as well as in their free time.
3.	Reporting parameters			
3.1	Reporting period	5-6	Full	
3.2	Date of most recent previous report	4	Full	This is the first GRI sustainability report
3.3	Reporting cycle	4	Full	Annually
3.4	Contact regarding the report		Full	pr@landsbankinn.is
3.5	Process for defining report content	4	Full	
3.6	Boundary of the report	4	Full	
3.7	Specific limitation of the scope or boundary	4	Full	
3.8	Basis for the reporting on joint ventures, subsidiaries, leased facilities, etc		Full	The report covers only the bank's operations
3.10	Comparability with previous report		Full	No previous report
3.11	Significant changes from previous reporting periods in the scope, boundary, etc		Full	No previous report
3.12	Cross reference table		Full	Current document
3.13	External assurance		Full	The report has not been externally assured
4.	Governance, commitments and engagement			
4.1	Governance structure	10	Full	http://corporate.landsbankinn.com/about-us/organisation/board-of-directors/
4.2	Role of the chairman of the Board		Full	Gunnar Helgi Hálfánarson, chairman of the board of Landsbankinn, is not an executive director.
4.3	Independent and/or non-executive board members		Full	http://corporate.landsbankinn.com/about-us/organisation/board-of-directors/
4.4	Mechanisms for shareholders and employees to provide recommendation to the board		Full	http://corporate.landsbankinn.com/about-us/corporate-governance/articlesofassociation/ For employees the FSLÍ (The Employee Association of Landsbankinn) provides for a channel to reach the highest governance body
4.14	List of stakeholders	8-9; 18; 26-30	Partly	
4.15	Basis for identification and selection of stakeholders to engage	8-9	Partly	
	Performance Indicators			
EC	Economic Indicators			
EC 1	Direct economic value generated and distributed	24	Full	
EC 4	Financial assistance received from government	24	Full	
EC 5	Range of ratios of standard entry level wage compared to local minimum wage	13	Partly	
EC 8	Infrastructure investment	22;30	Partly	
EC 9	Significant indirect economic impacts, including the extent of impacts	26	Partly	

EN Environmental indicators				
EN 16	Direct and indirect greenhouse gas emission	22	Partly	
EN 18	Initiative to reduce greenhouse gas emission	22	Partly	
EN 26	Initiative to mitigate environmental impacts of products and services	22	Partly	
LA Labour indicators				
LA 1	Total workforce by employment type and region	13	Partly	
LA 2	Employee turnover	17	Full	
LA 3	Benefits provided to full-time employees	13	Part	
LA 4	Percentage of employees covered by collective bargaining agreements	13	Full	
LA 5	Minimum notice period(s) regarding operational changes	13	Full	
LA 7	Rates of injury, occupational diseases, lost days, absenteeism	16	Full	
LA 10	Average hours of training per year and employee	13	Part	
LA 11	Programs for skills management and lifelong learning	13	Full	
LA 12	Percentage of employees receiving regular performance and career development reviews		Full	All employees' receive a performance and development review once a year
LA 13	Composition of governance bodies and workforce	14	Full	
LA 14	Ratio of basic salary of men and women	14	Full	
SO Community indicators				
SO 3	Employees trained in anti-corruption policies and procedures	10	Full	
SO 4	Actions taken in response to incidents of corruption	10	Full	
SO 5	Participation in public policy development and lobbying	11	Full	
SO 6	Contributions to political parties, politicians and related institutions	12	Full	
SO 7	Legal actions for anti-corruption behaviour	12	Full	
PR Product responsibility indicators				
PR 5	Customers satisfaction	19	Full	
FS Financial supplement				
FS 14	Access to financial service for disadvantage people	19	Full	
FS 16	Initiative to enhance financial literacy	20	Full	

Page numbers refers to pages in current document
Indicators not mentioned are not reported or not applicable