



Global Compact Report 2014

# Íslandsbanki in Society

## Contents

Message from the CEO	04
This is Íslandsbanki	07
Highlights of the year	08
An eventful year	09
2013 Goals	10
New goals 2014 - New CSR strategy	10
Being socially responsible	11
Business	11
Environment	11
Human capital	11
Community	11
New CSR Policy and Implementation	12
<b>Business</b>	<b>13</b>
Healthy business	14
Corporate Governance	16
Decision-making matrix	16
Methodology	16
Disclosure policy	17
Risk Report	18
Anti-corruption	19
Internal Audit	19
Anti-money laundering	19
Operational risk	19
Responsible lending	20
Promoting education and financial literacy	20
Outstanding service for all customers	21
Service surveys	21
Online chat	21
Listening lunches	21
Supporting entrepreneurs	22
The Entrepreneurial Fund	22
Entrepreneurship competition for women	22
Innovation Centre for Entrepreneurs	22
Geothermal Energy and Seafood	23
Publication of market research material	23
Information Security	24
Safety week	24
Creating a community of interest	
through Social Media	25



<b>Human Capital</b>	<b>26</b>
Our people	27
Objective	27
Human Resources	28
People strategy	28
Our people	28
Focus on feedback	28
Opportunities to learn and grow	29
Energy management	29
<b>Environment</b>	<b>30</b>
Environmentally friendly	31
Recycling	31
Saving the trees	31
Data elimination	32
Reducing energy consumption	32
Eliminate waste	32
Fleet of cars	32
<b>Community</b>	<b>33</b>
Supporting innovation	34
Society	35
Reykjavík Marathon and running for a good cause	35
We offer a helping hand	35
We offer our support	36

## Message from the CEO



Birna Einarsdóttir, CEO

Responsible banking is about healthy business based on good ethics and the highest working standards, bringing benefits not only to our customers and employees, but also to society as a whole. The Bank wants to contribute positively to social progress and to the success of future generations.

In 2013 the bank launched a project to coordinate the strategic approach of our CSR policy and to build awareness within the bank. This initiative reflects the Bank's emphasis on social responsibility which is now an inherent part of the Bank's strategic themes.

### Responsible banking

Responsible banking is integrated into our operations. We have numerous stakeholders with whom we need to connect and engage with continuously. The strategic work has involved all of the Bank's employees. The first phase consisted of a CSR assessment and audit. During this phase dozens of interviews were conducted with members of the Executive Board, the Board of Directors, Branch Directors, employees as well as heads of divisions with the aim of getting an overview of initiatives and policies already in place and developing a working definition of CSR for Íslandsbanki. Corporate documents and processes were reviewed, workshops were held with the bank's leadership team and employees were surveyed on their interest in, and opinions on, CSR in a survey. A report on the outcome of the assessment was presented to the Executive Board in January 2014.

### Connect CSR strategy to business strategy

In February 2014 the Board of Directors decided that responsible banking would be one of three pillars of the Bank's business strategy. In the second phase the Bank's CSR team worked with consultants and heads of divisions in defining specific policies and initiatives, shaping the Bank's commitments and strategy in the field of sustainability. An outline of the strategy was presented at the Bank's annual Strategy Summit in March 2014 where employees were given an opportunity to voice their opinions and take part in defining and shaping the strategy. A total of 700 employees out of our 1,000 employees participated in the work. Our aim is to connect the CSR strategy strongly to every aspect of our daily business.

### Healthy banking

The idea that healthy banking is based on strong ethics and the highest operational standards bringing benefits to our customers, employees and society as a whole lies at the core of our approach. We have divided healthy banking into four categories:

- Responsible operations – we emphasise best practices in corporate governance, efficiency and risk management
- Responsible workplace – we promote an environment of diversity, equal opportunities and purpose for employees
- Responsible environment – we place emphasis on sustainability and we want to measure and minimize our ecological footprint
- Responsible society - we want to contribute to making our society a better place to work and live in

In 2014 we will focus on implementing our strategy which includes new initiatives as well as defining specific targets and measuring progress within each category.

Our vision of healthy banking is based on the understanding that a healthy financial system is a cornerstone of a stable society and a prerequisite for a sustainable economy.

### Realising the strategy

Íslandsbanki adheres to and supports the United Nations guiding principles for corporate social responsibility; the Global Compact. As one of Iceland's leading companies and biggest workplace, the Bank embraces the responsibility of its actions and encourages a positive impact on the society. It is not enough to sign a well phrased policy about being socially responsible. It has to be integrated into the business model and supported at all levels in the Bank. It is a substantial task we take seriously and we strive to improve each and every day.

Birna Einarsdóttir, CEO of Íslandsbanki



## This is Íslandsbanki

The 2013 results clearly demonstrate the quality of our people, our vision to be #1 for service, and good momentum in our business.

As a dedicated team of 1,000 employees, we offer universal banking services to individuals, corporates and institutional investors. With a 25-50% market share across all business areas, we are a leader in financial services in Iceland.

### Profit after tax

**23.1bn**

Of the Bank's net profit, ISK 12.2bn is profit from regular operations.

### Return on equity

**14.7%**

Lower ROE is primarily driven by higher equity, which rose 14.4% over the year.

### Equity

**157% ↑**

The Bank's equity was ISK 167.3bn and has more than doubled since establishment in 2008.

### App

**500% ↑**

Íslandsbanki was the first bank in Iceland to introduce an app for personal banking and has seen significant growth in mobile banking users since its launch in 2011.

### Online banking

**92%**

There are over 99,000 active users in Íslandsbanki's online bank, or 92% of our customer base, and visits to our website are up 15% over the year.

### Branches

**19**

Having merged 3 branches in 2013, we continue to operate the most efficient branch network in Iceland. Of our 19 branches, 10 are in greater Reykjavík and 9 outside the capital area.

### New lending

**100bn**

There has been steady demand for new lending since 2008. Of the total of ISK 100bn in new loans extended in 2013, ISK 60bn were in Retail Banking and 40bn in Corporate Banking.

### Taxes and levies

**12.4bn**

Taxation and other levies have been on the rise in the past years. This year saw the most significant increase (34% over the year), driven primarily by a rise in the temporary Bank tax.

### Recognition

**#1**

This year, Íslandsbanki was named the best bank in Iceland by Euromoney, best investment manager by World Finance magazine, and ranked as "number one bank" in the Icelandic Satisfaction Index.

## Highlights of the year 2013

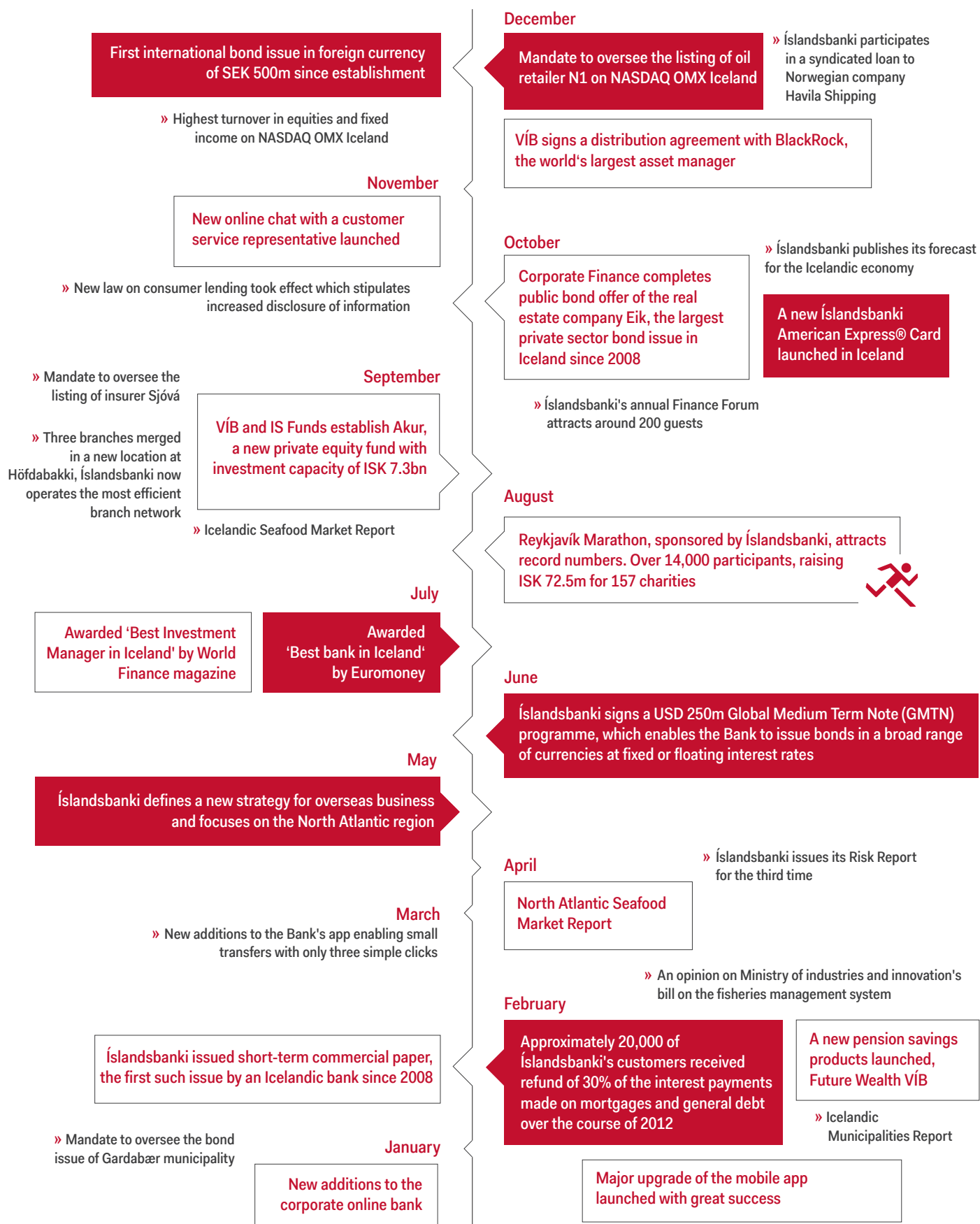
		2013	2012	2011	2010	2009
<b>PROFITABILITY</b>	ROE (after tax), %	14.7%	17.2%	1.5%	28.5%	30.4%
	ROE from regular operations (after tax), %	7.8%	12.2%	12.1%	17.7%	29.9%
	Net interest margin (of total assets), %	3.4%	4.1%	4.5%	5.0%	4.6%
	Cost to income ratio, %	58.5%	53.8%	50.0%	44.4%	36.0%
	Profit after tax, ISKbn	23.1	23.4	1.9	29.4	24.0
	Earnings from regular operations, ISKbn	12.2	16.6	15.2	18.3	23.6
<b>CAPITAL</b>	Total equity, ISKbn	167.3	147.7	123.7	121.5	92.1
	Tier 1 capital ratio, %	25.1%	22.0%	19.1%	22.6%	15.6%
	Total capital ratio, %	28.4%	25.5%	22.6%	26.6%	19.8%
<b>BALANCE</b>	Total assets, ISKbn	866.0	823.4	795.9	683.2	717.3
<b>SHEET</b>	Risk weighted assets ISKbn	659.8	664.7	629.4	534.4	589.8
	Total loans, ISKbn	598.8	611.9	608.0	546.0	577.0
	Total deposits, ISKbn	519.0	509.4	525.8	423.4	478.8
	Total deposit / loan ratio, %	86.7%	83.3%	86.5%	77.5%	83.0%

## INCOME STATEMENT

ISKm	2013	2012	2011	2010	2009
Net interest income	28,430	32,940	31,225	34,874	31,984
Net fee and commission income	10,433	9,459	5,966	7,380	7,061
Net financial income	4,612	1,517	2,649	(910)	286
Net foreign exchange (loss) gain	(2,423)	2,737	937	(963)	2,621
Other net operating income	1,545	996	933	1,186	2,760
<b>Total operating income</b>	<b>42,597</b>	<b>47,649</b>	<b>41,710</b>	<b>41,567</b>	<b>44,712</b>
Salaries and related expenses	(13,361)	(13,080)	(10,531)	(9,207)	(8,036)
Other operating expenses	(12,190)	(11,509)	(9,339)	(8,659)	(7,404)
<b>Administrative expenses</b>	<b>(25,551)</b>	<b>(24,589)</b>	<b>(19,870)</b>	<b>(17,866)</b>	<b>(15,440)</b>
Impairment of goodwill	0	(425)	(17,873)	0	0
Contribution to the Depositors' and Investors' Guarantee Fund	(1,016)	(1,055)	(965)	(607)	(673)
Bank tax	(2,321)	(858)	(682)	(221)	0
<b>Total operating expenses</b>	<b>(28,888)</b>	<b>(26,927)</b>	<b>(39,390)</b>	<b>(18,694)</b>	<b>(16,113)</b>
<b>Profit before impairment charges &amp; net valuation changes</b>	<b>13,709</b>	<b>20,722</b>	<b>2,320</b>	<b>22,873</b>	<b>28,599</b>
Loan impairment charges and net valuation changes	16,299	5,710	(1,220)	13,993	324
<b>Profit before tax</b>	<b>30,008</b>	<b>26,432</b>	<b>1,100</b>	<b>36,866</b>	<b>28,923</b>
Income tax	(7,866)	(6,253)	(75)	(7,214)	(4,678)
Profit (loss) from discount operations, net of income tax	927	3,239	841	(283)	(263)
<b>Profit after tax</b>	<b>23,069</b>	<b>23,418</b>	<b>1,866</b>	<b>29,369</b>	<b>23,982</b>
<b>Earnings from regular operations</b>	<b>12,169</b>	<b>16,552</b>	<b>15,196</b>	<b>18,267</b>	<b>23,604</b>



## An eventful year



## Goals 2013



### BUSINESS

#### Lower the ratio of loans in restructuring

The Bank aimed at an 8% LPA ratio (Loan Portfolio Analysis) at the end of 2013. The ratio was 13.7% by the end of 2012.

The LPA ratio at the end of 2013 was 8.3%

#### Trust

Trust index among retail customers is tracked monthly by Capacent and the aim is to be above 5.0. At the end of year 2013 the trust index amounted to 4.9.



### HUMAN CAPITAL

#### Leadership programme

An intensive leadership programme for managers at Íslandsbanki was launched in January 2013. All of the approximately 140 managers are now participating in six groups. The objective is that by 2015 all of the managers will have completed the programme.

#### Work place audit

To score 4.20 or better in employees' answers to the work place audit in 2013. The results are scored on a scale from 1 -5.

At the end of year 2013 the motivational index amounted to 4.2. This goal continues for the year 2014.



### ENVIRONMENT

#### Electricity and water consumption

To measure consumption in the Bank's branches in 2013. At the end of the year 2013 only the consumption of the Suðurlandsbraut branch was measured as this goal proved to be more complicated than expected. This goal continues for the year 2014

To reduce the electricity consumption by at least 10 -15% from 2013 - 2016. This is on track

#### Recycle

All waste will be recycled at the Bank's branches in 2013. All waste is recycled at headquarters and at the branch at Suðurlandsbraut. Currently further branches are implementing recycling measures. The goal is that all waste will be recycled at the Bank's branches in 2014.

#### Íslandsbanki's car fleet

90% of the vehicles owned by the Bank will be environmentally friendly by 2014.

At the end of year 2013 10 of a total 16 cars were environmentally friendly, or 63%.

All tyres under the Bank's vehicles will be environmentally friendly in 2014 to reduce attrition of roads and airborne particulate pollution.

#### Paper

In 2013 the Bank will discontinue the distribution of paper payment slips to customers saving around 600,000 letters annually. In June 2013 the bank stopped distribution of payment slips.

## New Goals for 2014 - New CSR strategy

New corporate social responsibility strategy will be formulated and introduced during the year and implementation will start in 2014.

The strategy shall be approved by the Board of Directors.

#### Employee engagement in CSR

The Bank's new CSR policy will be introduced. The aim is that 80% of Íslandsbanki's employees are familiar with the Bank's emphasis in the field as measured by employee surveys.

To increase the number of employee participation in the voluntary programme "We offer a helping hand" by 25%. In the year 2013 approximately 100 employees participated.

#### Financial literacy

To increase the number of financial education seminars available online. In 2013 over 20,000 individuals accessed the financial education online and the goal is to increase that number by 25% in the year 2014.

#### Íslandsbanki in society

A new policy for philanthropic activities and charitable donations will be defined. Implementation should start before year end 2014.

## Being socially responsible

The Bank wants to contribute positively to social progress and the well-being of future generations to a level that is above and beyond what is required by law. It is about being a good role model.

For the last five years Íslandsbanki has been adhering to the UN Global Compact on social responsibility. The compact is a guide for companies on how to be socially responsible in practice. Íslandsbanki works within the parameters set by the compact and they have scoped the Bank's Corporate Social Responsibility policy. The policy covers four key areas: Business, Human capital, the Environment and the Community. The Bank's participation in community programmes is based on those areas.

### Four main pillars of social responsibility:



#### Business

Íslandsbanki endeavours to serve its customers through clear regulations, efficient disclosure of information, increased transparency, and fair treatment of all its customers.



#### Environment

Íslandsbanki seeks to work in harmony with the environment, as reflected in its operations, management practices and investments.



#### Human capital

Íslandsbanki aims to recruit, strengthen and retain a skilled and conscientious workforce. The Bank aspires to employ an ambitious and varied group of people, with differing backgrounds and experience.



#### Community

Íslandsbanki contributes to the community by supporting various social, artistic, cultural and sporting activities, as well as encouraging innovation and entrepreneurship.

## New CSR Policy and implementation

In 2014 Íslandsbanki is in the process of crafting a new CSR policy. Our main focus is to integrate social responsibility into all its activities, from daily operations to lending and investments.

The CSR strategy process can be viewed below:



The LazyTown Run is a popular family fun run held in relation with the Íslandsbanki Reykjavik Marathon where thousands of kids and parents participate every year



## Business

The Bank's most important social purpose relates to its very function and role as a bank. This purpose is to provide capital for investment and the growth of Icelandic business and industry and to work with retail customers and companies in their enterprises. At Íslandsbanki, our primary goal is to fulfil our role with a balance of enthusiasm and prudence.

Íslandsbanki is committed to providing customers with effective communication, transparency and equal treatment. The Bank places an emphasis on good service to customers to ensure customers' satisfaction and trust in the Bank.



## Healthy business

Íslandsbanki offers universal banking services and is one of Iceland's leading companies. As a large workplace with a very broad client base, the bank has made it a priority to maintain a good relationship with its immediate environment and customers. Íslandsbanki endeavours to bring a progressive, professional and positive approach to all its activities and believes that if it can be guided by those values, it can build a responsible, open and reliable bank that plays a proactive role in the enhancement of the community and environment in which it operates.

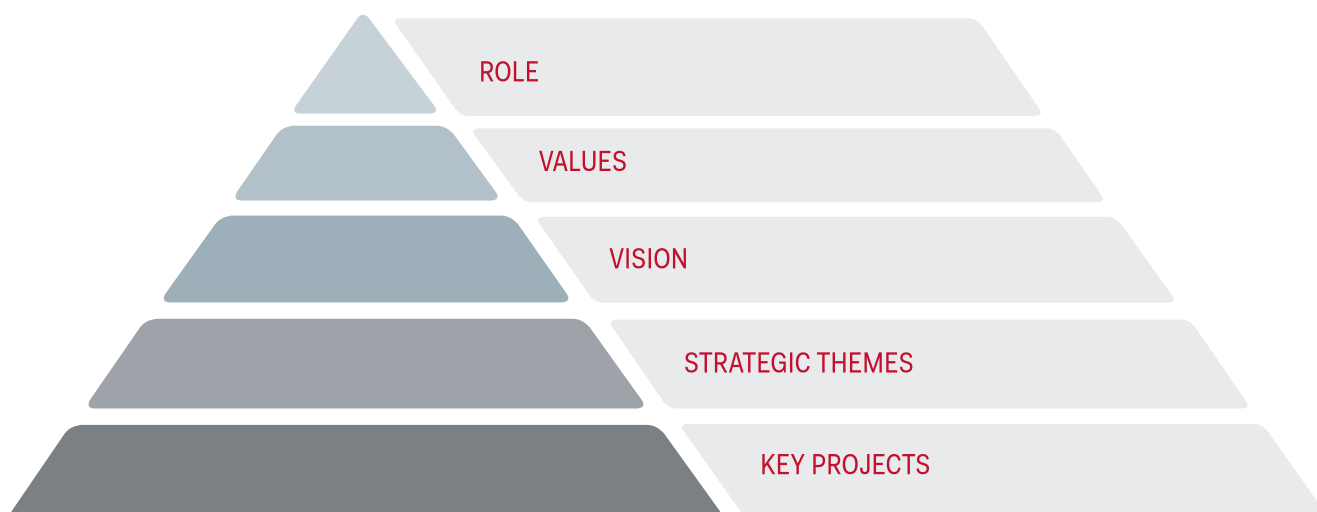
With a clear vision to be #1 in service, Íslandsbanki has addressed the adversities arising from the downturn of 2008 in a positive, professional, and progressive way. The bank's strategic direction is guided by three themes of relationship banking, simplified banking and responsible banking. It is supported by clear, quantifiable financial targets and is implemented through key projects.

### Strategy pyramid

The building blocks of Íslandsbanki's overarching strategic policy are illustrated in graphic form using the strategy pyramid. The Bank's overall policy has been refined slightly since its introduction in 2009, and three strategic themes were incorporated into the strategy pyramid during a comprehensive review in 2013. These themes set out our strategic direction for the next three to five years and differentiate us from our peers.

In the five years since the Bank's establishment, we have built a robust, reliable bank based on a sustainable universal banking model. Our recovery path can be described in terms of three strategic steps: back to basics, consolidation, and building a sustainable future for Íslandsbanki

Strategy pyramid



**Back to basics**

At the time of its establishment in 2008, Íslandsbanki faced significant challenges. The country had suffered a systemic collapse of its financial markets. No one knew what the future held, economically or politically, and no one knew what effect the collapse would have on households' and businesses' debt position. The trust that had been built up over 100 years had more or less evaporated overnight, employees were demoralised and disoriented, and customers were angry and demanded action. In order to succeed, it was essential to engage the Bank's employees and encourage them to take an active part in mapping a strategic direction for the Bank.

We took great care to conduct households' and businesses' financial restructuring according to the highest professional standards in order to safeguard our relationship with our customers and regain their trust. The Bank also made a substantial effort to improve its infrastructure and promote sound governance practices. In addressing legacy issues and executing our strategy, we have transformed our Bank and regained the trust of our customers. Indeed, confidence in the Bank measures higher today than it did in early 2008. As a result, in terms of size, operations, and corporate governance, Íslandsbanki is a completely different entity from its predecessor.

**Consolidation**

We want to create a responsible and sustainable future for banking in Iceland. In 2011- 2012, we participated actively in the much-needed consolidation of Iceland's financial market. We also strengthened our balance sheet and increased our market share through bolt-on acquisitions of Byr, Kreditkort, and FramtíðarAudur. Our objectives were to operate the most efficient branch network in the country, gain market share in order to support cross-selling more effectively, and cut costs.

**Building a sustainable future**

These important steps helped us to build an outstanding platform for organic growth. A significant increase in market share and a larger customer base give us the opportunity to leverage our relationship banking model. The core of this strategy is cross-selling; i.e., doing more business with our existing customers by using data analysis, cross functional processes, and channels. At the same time, we will continue to realise synergies and focus on cost-efficiency and streamlining. Internationally, the Bank will expand on its established expertise in the seafood, energy, and offshore service vessel industries throughout the North Atlantic region.

## Corporate Governance

Sound governance promotes improved work habits and communications, which in turn enhances trust and confidence among shareholders, the Board, management, employees, and other stakeholders in the Bank.

The Iceland Chamber of Commerce, the Confederation of Icelandic Employers and the Centre for Corporate Governance at the University of Iceland acclaimed Íslandsbanki as "Exemplary in Corporate Governance" at the beginning of the year 2014.

A clear governance framework strengthens the Bank's infrastructure and clarifies responsibility, thereby strengthening the foundations of the Bank's objectives. Íslandsbanki's governance practices are consistent with general corporate governance guidelines for entities regulated by official supervisors and regulatory instruments. The management and control of Íslandsbanki are shared by shareholders, the Board, and the CEO in accordance with the Bank's Articles of Association, other Board directives, and the external regulatory environment.

Íslandsbanki was acclaimed  
Exemplary in Corporate Governance in 2014



### Decision-making matrix

One of Íslandsbanki's key projects recently focused on sound governance principles. The project entailed mapping out all major decisions that the Bank may wish to take under given circumstances. This was done in order to foster improved decision making and ensure that the decisions taken within the Bank fulfil the appropriate requirements at any given time.

### Methodology

The decision-making matrix was formally launched on 1 November 2012 and has been in effect since that time. In order to fulfil its obligations to observe sound governance practises, the Bank has defined the following methodology for major decisions.

- The Bank's decisions serve the interests of the Bank and its stakeholders in accordance with current regulatory instruments, the documents pertaining to the Bank's establishment, and the Bank's contractual obligations
- Decisions are taken by the parties (shareholders, Board members, supervisors, managers, or employees) best qualified to carry them out effectively and efficiently in view of their professional obligations, sphere of responsibility and interest, knowledge and expertise and access to the appropriate information
- Decisions are based on the best available information and are taken following appropriate scrutiny.

**The Decision Making Matrix defines the following set of principles for major decisions:**

- The Bank's decisions serve the interests of the Bank and its stakeholders, in accordance with current regulatory instruments, the documents pertaining to the Bank's establishment, and the Bank's contractual obligations
- Decisions are taken by the parties (shareholders, Board members, supervisors, managers, or employees) best qualified to carry them out effectively and efficiently in view of their professional obligations, sphere of responsibility and interest, knowledge and expertise, and access to the appropriate information
- Decisions are based on the best available information and are taken following appropriate scrutiny

## Disclosure policy

Íslandsbanki has in place a formal Disclosure and Communication Policy approved by the Board of Directors. The policy, which is required under Pillar 3 of the Basel framework, outlines the governing principles and framework for external disclosure and communication. The Bank believes in open and consistent communication with its stakeholders as it is essential for trust building and for maintaining a good relationship.

Íslandsbanki aims to make correct and sufficient disclosure of material information and keep the disclosure accessible to all relevant stakeholders in a compliant, reliable, useful, timely and consistent manner. The main channel for Íslandsbanki's risk and capital management disclosure is through the Risk report, the Annual report, the quarterly financial statements and investor presentations. If material risk exposures change significantly between reporting periods, the Bank can choose to disclose this information more frequently. Accordingly, Íslandsbanki may decide not to disclose information that is considered to be immaterial. In addition, the Bank will not disclose information that is deemed to be proprietary or confidential. The classification of proprietary and confidential information is based on Icelandic law and regulation.

## Risk Report

Íslandsbanki has published for the fourth time a special Risk Report. The report provides detailed information on the Bank's risk profile and risk management.

The objective of Íslandsbanki's Risk Report is to provide market participants and other stakeholders with information that facilitates a better understanding of Íslandsbanki's risk profile and capital adequacy, and thus comply with Basel disclosure requirements. The Risk Report presents comprehensive information on the Bank's risk governance, risk assessment processes, material risk exposures, capital adequacy and capital composition. In addition, it provides detailed information about the restructuring and recalculation of distressed debt which have been key tasks since the establishment of the Bank in 2008. The Risk Report also gives a short introduction to the main domestic legislative and regulatory changes, as well as information on the Bank's remuneration policy. At year-end 2012 the Bank was in compliance with its defined risk appetite and all regulatory requirements were fulfilled.

The Risk Report can be found on the Bank's website:

[www.islandsbanki.is/riskreport](http://www.islandsbanki.is/riskreport)



Sverrir Örn Thorvaldsson  
Chief Risk Officer

"Risk management is at the heart of Íslandsbanki's operations and the Bank works constantly to improve its risk and capital management framework. The Bank allocates substantial resources to this area in order to meet the highest and latest international standards. The Bank's risk governance and risk appetite is implemented through policies approved by the Board of Directors.

This report provides insight into the many aspects of the Bank's risk profile and risk management."



## Anti-corruption

The Compliance unit is responsible for monitoring and assessing on a regular basis the appropriateness and effectiveness of measures undertaken by Íslandsbanki to ensure that the work carried out by the Bank, its Board, and its employees is in compliance with current laws, regulations, and internal rules and procedures at all times and that it is consistent with sound and appropriate business practise. Íslandsbanki's Compliance Officer is appointed by the CEO and has an independent position in the Bank's organisational chart. The Officer files reports to the CEO and the Board on regular basis.

Compliance risk is defined as the risk of legal or regulatory sanctions, financial loss, or damage to the Bank's reputation in the event of failure to comply with the applicable regulatory instruments. In co-operation with Internal Audit, the Compliance department carries out a special "fit-and-proper" test undergone by managers and key employees.

### Internal Audit

Group Internal Audit provides Íslandsbanki with independent, impartial confirmation and consultancy designed to add value and improve the Bank's operations. It helps the Bank to assess and improve the effectiveness of its risk management, monitoring, and governance practises. Furthermore, Group Internal Audit leads investigations into possible instances of misconduct in the Bank's operations. The role of Internal Audit is to determine whether the procedures employed by the Bank for risk management, monitoring, and governance as decided and presented by management are satisfactory.

### Anti-money laundering

Íslandsbanki is committed to the prevention of money laundering and the financing of terrorism. In this regard the Bank has set for itself rules that are based on and in strictest compliance with Measures to Prevent Money Laundering and Terrorist Financing, as subsequently amended, and guidelines of the Financial Supervisory Authority-Iceland (FME). These rules mandate identity verification whenever the Bank enters into "a permanent contractual (business) relationship" with a new customer. Such verification shall involve identifying and verifying the customer's identity using information or data from a reliable and independent source. These rules apply to the Bank, its branches and its subsidiaries. All employees are obliged to attend a lecture on anti-money laundering. An electronic monitoring system (Norkom) for money laundering was set up in 2009 in collaboration with the Icelandic Banks Data Centre. The system has increased the Bank's security and reduced the risk of fraud for money laundering purposes.

### Operational risk

The Bank has adopted the definition of operational risk from the European Parliament and of the European Council, where operational risk is defined "as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". The Bank's definition of operational risk includes legal risk, compliance risk, and reputational risk.

The Board has defined limits for acceptable losses due to operational risk, and if quarterly losses exceed a certain limit, a report of the losses and a risk mitigation plan is delivered to the Executive Board or the Board of Directors.

## Responsible lending

Íslandsbanki's lending policies and practices aim to ensure that clients are treated fairly. Íslandsbanki is committed to avoiding over-indebting clients, by offering well-designed products and carefully evaluate the customer's ability to meet his obligations.

A new law on consumer lending were applied on 1st of November. The legislation stipulates increased disclosure of information by financial institutions to borrowers. The new legislation also places increased responsibilities on borrowers to provide detailed information about their financial situation when applying for credit.

The law is based in part on the EU directive which is intended to ensure a consistent regulatory environment in the European Economic Area, promote increased disclosure of information and facilitate consumer comparisons on credit terms.

The Bank's employees have reviewed and updated loan processes in relation with the new law on consumer lending. This has also improved disclosure on information to customers and a more thorough evaluation of their creditworthiness.



In 2013 VÍB received close to 3,000 guests at 59 educational events

## Promoting education and financial literacy

Íslandsbanki has set out to boost financial literacy in Iceland through a series of educational courses and seminars. Keeping the customers well informed is important to the Bank.

The Bank's wealth management division, VÍB, has hosted around 100 courses over a two year period, on savings and investment, around the country. The Bank has also seminars on housing loans and the housing market. Customers have also been invited to attend a workshop on the use of Meniga, personal finance software that is integrated with Íslandsbanki's online bank. In addition the Bank provides financial information on its website Your Finances. The aim is to guide people to a better understanding so they can make informed decisions regarding their personal finances. On the website there are general explanations of financial concepts, articles and an overview of the financial services the Bank provides.

VÍB runs an ambitious education programme aimed at encouraging discussion on investments and economic affairs. In 2013 VÍB received close to 3,000 guests at 59 educational events. Over 8,000 people viewed recorded meetings online and over 13,000 viewed live broadcasts online. According to a 2013 Capacent poll, Icelanders would first turn to Íslandsbanki / VÍB when looking for asset management services and when looking to invest in funds. The British financial magazine World Finance presented VÍB with the 2013 Investment Management Awards.

VÍB also put on a popular series of seminars on savings for senior citizens arranged in collaboration with the National Federation of Senior Citizens around the country, as well as elementary courses on equity and fixed income trading with insightful presentations by chief executives of companies listed on the NASDAQ OMX Iceland.

Webcasts of the Bank's seminars are available online.

## Outstanding service for all customers

Without customers the Bank would not exist. Satisfied customers are an invaluable asset, and Íslandsbanki's vision is to be ranked number one for service. Customer satisfaction encourages customer loyalty and trust which translates to increased profitability. Certain quantifiable goals have been defined in this regard, e.g. quality of service, employee participation, employees' own initiative, and the handling of customer complaints. The Bank also ensures that all customers, whatever their size, are equal and the service that is provided to them is consistent.



### Service surveys

Íslandsbanki has invested considerable effort in mapping out which services our customers consider most important, and has conducted both extensive internal and external service surveys.

For the last 15 years the Icelandic Customer Satisfaction Index has been conducted. It is a collaboration project that measures customer satisfaction in different sectors in Iceland. The aim is to provide organizations coordinated measures of customers' satisfaction but also other factors that affect it, such as image, quality and customer loyalty. Íslandsbanki ranked first in 2013 in customer satisfaction in the financial sector, measured by the Icelandic Customer Satisfaction Index. Capacent Gallup surveys show that the Bank has made significant progress improving its service to companies. Íslandsbanki is considered the best corporate service provider and the most professional bank in the market, as well as being the bank most customers would turn to for new loans.



### Online chat

In 2013 we launched our online chat feature, real time online contact with a customer service representative. This was a natural development, given that 92% of our customers already use online banking. The new chat feature supports cost control and the Bank's multi-channel strategy of keeping up with changing channel trends and technological advances. Customers are extremely pleased with the online chat service, and user numbers are growing steadily.

Íslandsbanki's website is designed and programmed with equal accessibility for all in mind. When sites are correctly designed, developed and edited, all users have equal access to information and functionality.

Hearing disabled can access video at the web of Íslandsbanki where the products and services of the Bank are presented in a sign language and with a text.



### Listening lunches

If we are to achieve our vision of being #1 for service, it is vital that we know our customers and understand their needs. To that end, we initiated listening lunches, where the CEO and the managing director of the relevant unit meet with our customers and listen to their point of view. The lunches have been a great success and have provided valuable input into product development at the Bank.

## Supporting entrepreneurs

Íslandsbanki is a driving force in the Icelandic economy. The Bank has been diligent in supporting innovation through its Entrepreneurial Fund, various seminars on entrepreneurship and the funding of Kvosin-Innovation Centre for Young Entrepreneurs.

### The Entrepreneurial Fund

Íslandsbanki's Entrepreneurial Fund focuses on innovative projects in renewable energy and sustainable fisheries. The fund's objective is to encourage innovation and development in these areas. The fund is an important platform for the development of future solutions for sustainable usage and preservation of natural resources. There is an allocation from the fund twice a year.

In 2013 the Entrepreneurial Fund granted a total of ISK 17 million to nine different projects. Amongst those who received a grant was Valorka which manufactures turbines that harness the vast power of tides in coastal areas. Marsýn received a grant to develop further its ocean model, CODE which is a numerical three dimensional model that has been under development since 2005 at University of Iceland. The model runs with a resolution of 1-10 km horizontally (highest resolution along the Icelandic coast line) and 2.5 – 100 metres vertically (highest resolution in top 50 m of the ocean). The goal is the Entrepreneurial Fund will grant ISK 20 million in the year 2014.

### Entrepreneurship competition for women

Íslandsbanki, FKA, The Icelandic Association of Women Entrepreneurs, and the Open University in Reykjavík have for two years sponsored a course and a competition in entrepreneurship for women. The women receive lectures on innovation, establishment of business, strategic planning, market analysis, finance and negotiation. During the course the women make business plans that are evaluated. Five then participate in the competition for the best plan that receives ISK 2 million in award from Íslandsbanki. In 2013, 70 women with 55 business plans applied for participation but 35 women with 26 plans were selected.

### Innovation Centre for Entrepreneurs

Kvosin, an Innovation Centre for Entrepreneurs, was launched in 2009 by Íslandsbanki and the Innovation Centre Iceland. In Kvosin individuals and groups get assistance in working on business ideas and starting up companies, office facilities for moderate fee, creative environment and powerful network. Experts from the Innovation Centre offer professional guidance. Íslandsbanki provides housing and access to services but the centre is located in the Bank's branch building down town Reykjavík. 91 entrepreneurial companies have benefited from Kvosin.

In 2013 the Entrepreneurial Fund granted a total of ISK 17 million to nine different projects



## Geothermal Energy and Seafood

The seafood industry has been an intrinsic part of Íslandsbanki's business activities since 1904. Building on this heritage Íslandsbanki has developed a specific expertise within that sector. Over the years, many of the largest and most prominent seafood companies in Iceland and globally have been valued customers of Íslandsbanki. Furthermore, Íslandsbanki has been a leading bank in providing financial- and advisory services to the Geothermal Industry.

Íslandsbanki and its predecessors have also accumulated extensive knowledge and experience when it comes to renewable energy. The Bank's platform is built on the Icelandic history of successfully harnessing both geothermal and hydro power. More recently, Íslandsbanki has been researching and analysing the developments of the North Atlantic region, which could entail significant opportunities for Iceland and the Icelandic economy. A specific Energy Group was formed at the Bank to ensure exceptional service to the Bank's clients. The team combines years of experience in this field and is focused on providing the global community with sustainable business solutions and research material available for everyone.

## Publication of market research material

Corporate Banking differentiates itself from the competition by its industry focus and knowledge of customers' affairs.

Íslandsbanki's publishes industry reports in the areas of seafood and energy. 2013 was no exception, with two new reports published on the Icelandic seafood sector and two new reports are projected in 2014.

In 2013 two new reports on the Icelandic seafood sector were published by Íslandsbanki and presented to seafood industry key players





## Information Security

Íslandsbanki believes that Information Security plays an important role in the banking industry. To manage information security Íslandsbanki has a Security Policy in place approved by the Management Board. The Security Policy is the basis of a formal Information Security Management Program that is in place to ensure proper technical and operational Information Security measures in Íslandsbanki.

Íslandsbanki follows the ISO 27001 standard when it comes to information security. Íslandsbanki also follows FSA guidelines no. 2/2014 regarding management of Information Security. Other laws, rules and regulations are also addressed in Íslandsbanki's Information Security Program. Íslandsbanki is working towards a certification in the PCI - DSS standard to ensure the safe preservation, handling and transmission of credit card information. Information- and network security is a major factor in the PCI - DSS standard.

The Bank performs regular vulnerability scans and penetration testing and works closely with internal and external security experts. A major part of Íslandsbanki's Information Security Program is security awareness and all business units get tailored awareness training annually in addition to an annual security week which is a whole week dedicated to security with informative, interesting and fun lectures, training sessions and videos. Íslandsbanki acknowledges that incidents will occur no matter how well it prepares but the Information Security Program gives the bank the confidence that it can limit the scope and likelihood and apply appropriate measures to address the threat. The ability to identify and remedy threats in a satisfying time period is most important aspect of Information Security in regards of incident management.



### Safety week

Annually, one week is dedicated to issues related to information and physical security. A number of courses are held during the week with focus on security related issues. Other measures are undertaken to highlight the importance of safety, both by video and articles on the Intranet and by other means of education.

## Creating a community of interest through Social Media

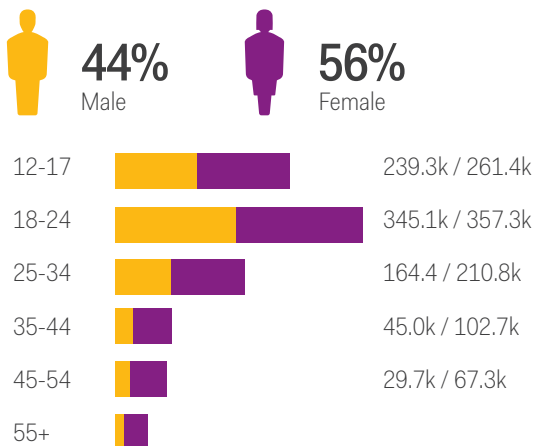
Íslandsbanki emphasises open and direct communication with its customers. An important part of that strategy is the Bank's focus on active engagement in the social media.

The Bank's view is that social media creates a good platform to create a community of interest among Íslandsbanki's stakeholders which the Bank and other institutions supported by the Bank can use for further engagement. Íslandsbanki's communication with customers through Facebook, Twitter, Instagram and Flickr is increasing day by day. Today the Bank has 15,500 friends on Facebook as 11 branches and VíB have a Facebook site. Customers have actively used the Bank's social media to ask questions and express their opinions. The Bank welcomes this open dialogue and focuses on answering questions on social media in a timely manner.

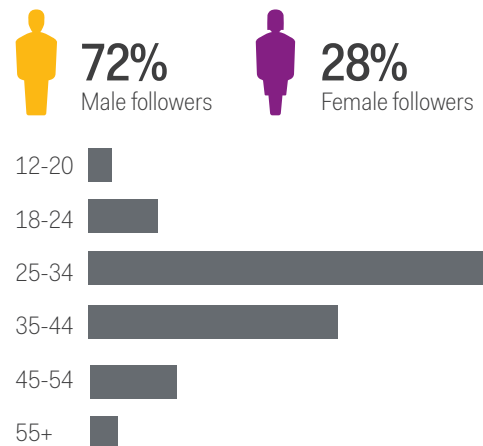
Íslandsbanki and VíB have nearly 700 followers on Twitter, far more than any other bank in Iceland. From in 2013 Íslandsbanki's social media profiles generated over 35 million impressions of statuses, pictures and videos shared across Twitter & Facebook.



**Facebook**  
Age & gender



**Twitter**  
Follower demographics



**Facebook**  
Age & gender



## Human Capital

Engaged employees are the bedrock of quality service, satisfied customers and sound financial performance. The Bank aspires to have a group of ambitious employees with differing backgrounds and experience. In this way the Bank will be better prepared to fulfil the various needs of its customers and to provide outstanding service.

## Our people

To maintain and strengthen the credibility and the reputation of the Bank, employees were involved in formulating the Bank's Code of Ethics. The aim of the Code is to promote good operational and business practices, increase trust, strengthen the Bank's reputation, and guide employees in their daily work. The Code covers the importance of professional methods of work, customers' equality, and the confidentiality of employees.

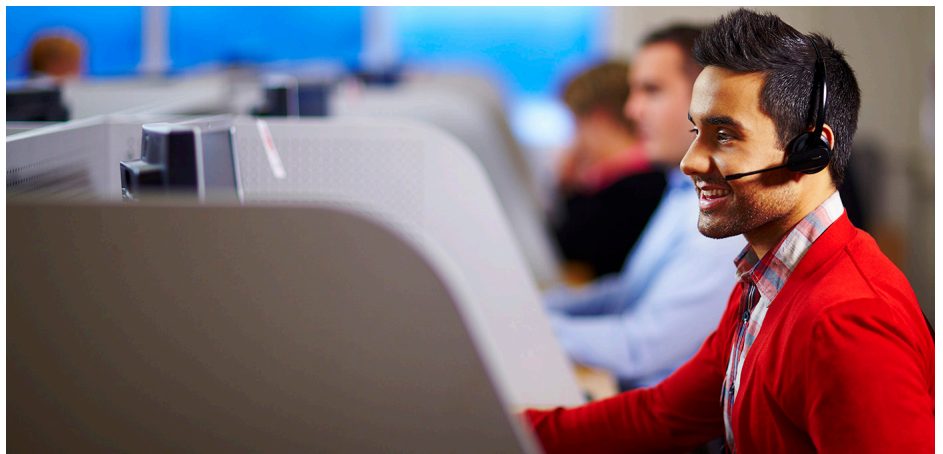
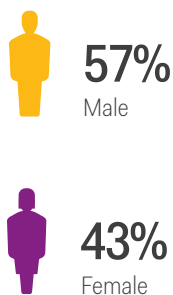
There are also work procedures at the Bank that prescribe the general duties of Íslandsbanki's employees. The procedures are intended to support the code of ethics. The procedures cover the conduct of employees, measures to prevent conflicts of interest, confidentiality and secrecy, disclosure and handling of customer complaints.

These ethical guidelines apply to all activities, employees and managers at Íslandsbanki as well as contractors working for the Bank. The compliance has held workshops where the code of ethics and the work procedures are introduced. All employees are required to attend these workshops and around 79% of all employees have. Employees must sign a declaration stating that they have read the contents of the guidelines and will abide by them. The guidelines apply to all employees regardless of whether they have signed the declaration or not. The guidelines are accessible on the internal net.

### Objective

In 2013 a special emphasis will be put on leadership and an intensive leadership programme for managers at Íslandsbanki was launched in 2013. The main objective with the programme is to introduce new attitudes and behaviours. The programme will consist of lectures, workshops, individual coaching and a strong emphasis will be put on health and wellbeing. Managers will receive various assessments to identify their strengths and weaknesses and set action plan to work on their leadership skills with a strong focus on motivation, energy management, leading by example, change management and execution. The program will span a whole year and at the end of the year managers will be assessed by their subordinates. Íslandsbanki's goal is that in 2015 all of the 141 managers will have completed the programme.

### Gender split of new recruits



## Human Resources

The Bank's competitive advantage is created by the quality and character of its people. Our employees allow us to cultivate deeper relationships with our customers and fulfil our vision of being #1 for service. We believe the best way to support our employees is through managerial support, leadership and development, improved information flow, and measures to enhance their overall wellbeing.

### People strategy

The Bank aspires to have a group of ambitious employees with differing backgrounds and experience. In this way the Bank will be better prepared to meet the various needs of its customers and provide outstanding service.

No less important is the satisfaction and wellbeing of our employees, and our human resource strategy is built on open, candid, and constructive communications founded on mutual respect.

The Bank stresses non-discrimination and impartiality in all human resources matters and tries to ensure equal opportunities through its non-discrimination policy. In order to make the best use of the Bank's talent pool, special equality guidelines are used in all internal and external appointments.

### Our people

The Bank employs a total workforce of 1,056 people, 66% of whom are women and 62% of whom have a university degree. There is broad age distribution, and the average length of employment is 11 years.

Following mergers in 2011-2012, the Bank has placed considerable emphasis on realising cost synergies and enhancing efficiency. As a result, the average number of employees has fallen by 6% since 2012. Most of the downsizing has occurred through natural attrition, internal transfers, and minimal external recruitments.

### Focus on feedback

The Bank encourages internal dialogue among staff members. We believe that every employee can make a contribution to the creation of a results-driven culture that reflects our values of being professional, progressive, and positive, and helps us to achieve our vision of being #1 for service.

Central to our focus on feedback are our yearly workplace audit, internal service audit, annual performance reviews, and strategy meetings. Quarterly staff meetings are held to present the Bank's main financial results and strategic initiatives. Staff members are also encouraged to express themselves on the intranet by using tweets and comments. Performance reviews are an important tool. Regular, structured performance appraisals provide employees with systematic feedback on key competencies and give them status updates on long- and short-term goals. In addition to focusing on past performance, the appraisals identify the employee's personal strengths and how they can be mobilised to meet future challenges.



### Opportunities to learn and grow

A wide variety of training courses are offered every year, based on a detailed analysis of educational needs. Bank employees attended an average of four courses each in 2013, demonstrating the high level of dedication to maintaining and enhancing their skills.

In addition to conventional classroom training, all employees have the opportunity to apply for a mentor or a coach. The formal relationship with a mentor or a coach gives employees the chance to achieve their full potential by working one-on-one with a more experienced member of staff or a trained corporate coach. In addition, we encourage employees to learn from each other. All employees also have the opportunity to spend half a day in another department in order to widen their knowledge of the Bank's operations.

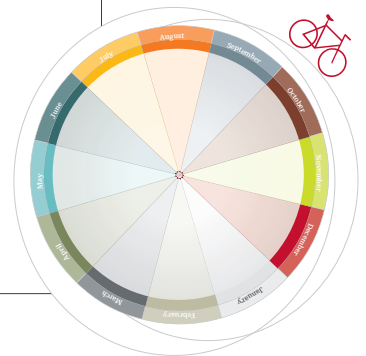
### Strong leadership

According to the results of the 2013 workplace audit, the Bank's managers have strong leadership skills. An ambitious one-year leadership training programme has been established, and approximately 120 managers have participated so far. The programme, which ends in spring 2014, provides training on various leadership topics, with particular focus on energy management, goal-setting, coaching, team-building, strategy and execution.

### Energy management

In 2013 the Bank began implementing new ideology called energy management as a way to enhance overall staff productivity while simultaneously improving employees' quality of life. The first step was to raise employees' awareness of the importance of regularly refuelling their physical energy, maintaining their emotional resilience, and sharpening their capacity to focus.

Numerous courses and lectures have been held on the topic, and around 100 employees have participated in extensive energy management training.



## Environment

The Bank's special interest in environmental issues is reflected most clearly in its operations and investments in the areas of renewable energy sources and sustainable fisheries.

Íslandsbanki has taken several steps to measure and reduce its ecological footprint in the past years and is dedicated in continuing doing so.

## Environmentally friendly

Íslandsbanki makes it a priority to work in harmony with the environment and favours a protective approach when it comes to environmental issues. In the day-to-day running of its activities, Íslandsbanki has taken many steps to reduce its environmental impact by integrating environmental strategies into its operations.

Íslandsbanki is one of the founders of the Icelandic Seafood Cluster and the Icelandic Geothermal Cluster. The Bank's energy and seafood team possesses many years of experience and provides business solutions and analysis to parties both within Iceland and abroad.

The Bank actively seeks to reduce pollution and energy use, thereby contributing to environmentally friendly solutions. Its desire to limit its environmental impact is reflected in the following measures.



### Recycling

At Íslandsbanki over 100 tons of waste is disposed of every year. Now all waste materials generated in the Bank's canteens and at the financial centre, Sudurlandsbraut, are sorted for recycling but the Bank has laid down an ambitious plan for further recycling.

Efforts were made by headquarters in classifying garbage and was aimed to organic waste in municipal waste would be at least 30 %. The result is much better and as an example at headquarters in Kirkjúsandur common waste in the first quarter than 10,080 kg in the third quarter, the amount had dropped to 3,380 kg. Organic waste was not classified in the first quarter. In the third quarter it amounted to 6,610 kg. Organic waste ratio of the total amount is about 2/3.

### Saving the trees

Íslandsbanki implemented a paper management system in February 2009, so called Rent-a-prent. This resulted in a 66% reduction of the paper used by the Bank. Paper consumption has since then been cut by 74 tons. Colour printing was also dramatically decreased with the introduction of the system, contracting from 25% to 5-7%.

**66%** ↓

Reduction of  
the paper used  
by the Bank

Íslandsbanki also discontinued the distribution of annual bank statements in printed format to customers at the end of 2010.

On 1st of July 2013 Íslandsbanki stopped sending monthly loan overviews. It was assumed that 20 % of customers would wish to continue to receive overview but the result is much better and the ratio example 4% in the ERGO. The total range of payment overviews amount to 40,000 to 45,000 per month, or about half a million a year. Savings are calculated almost ISK 40 m annually. Íslandsbanki stopped sending statements and summary for supplied services, cash and credit cards and bills for other things in 2010. Íslandsbanki will further continue to reduce printing and focus on increasing the electronic service of documents.

Íslandsbanki has purchased an electricity saving solution from ReMake Electric. ReMake Electric has developed an electricity sensor that is used to analyse the electricity use for the purpose of saving electricity consumption. The solution was installed at Suðurlandsbraut in February. Employees can access the data at a special webpage and view the distribution of the electricity consumption between different units at the Bank.

The data is then analysed and recommendations will be made to cut down electricity consumption. Íslandsbanki's goal is to reduce electricity consumption by at least 10 – 15% from 2013 to 2016.

### Data elimination

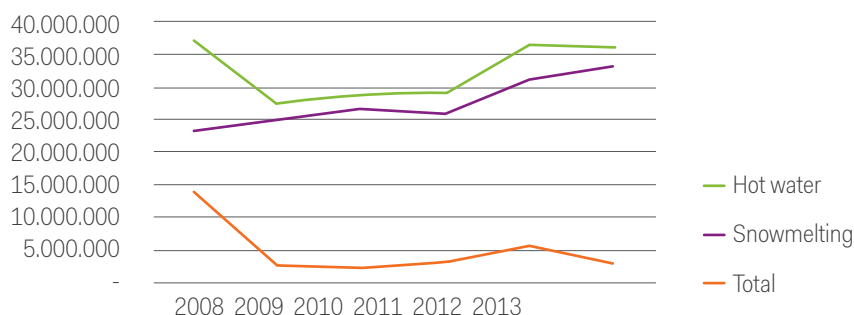
At Íslandsbanki paper is not disposed as a regular waste but is eliminated separately. Above is an overview of data elimination from 2010 to 2012. Large amount of data was eliminated in connection with the merger with Byr in 2012 and cleaning of storage at one of the branches in 2010.

### Reducing energy consumption

The bank places an emphasis on reducing its electricity consumption. The numbers of printers were reduced from 650 to 218 machines in 2009 and this decrease has had a substantial impact on electricity consumption. Cumulative saving in energy because of this is around 300 kWh.

Electricity Measurements in the branch in Suðurlandsbraut began in March 2013. In May and June the moisture and ventilation system was amended. The humidifier was switched off at night and on weekends. The power of the ventilation fans were significantly reduced in evenings and on weekends. Further steps have been made to reduce electricity consumption. Turning off computer equipment and reduce lightning could potentially reduce electricity consumption outside working hours.

#### Hot water consumption in liters, Kirkjúsandur.



Íslandsbanki gave 230 telephone IP telephone devices to the National University Hospital of Iceland

### Eliminate waste

Íslandsbanki makes an effort in reducing all waste both small and large. In 2013 after the implementation of a new phone system in Íslandsbanki, 230 telephone devices were given to the University hospital of Iceland. This gesture saves waste for Íslandsbanki and is a saving for the hospital simultaneously. The devices were the same type as the 2,500 ones already in use.

Íslandsbanki gives old computers to the project Programmers of the future and to public schools. That saves money and facilitates IT education and reduces waste.

### Fleet of cars

Íslandsbanki owns 16 vehicles for operational purposes. The Bank has set goals to manage the environmental impact of its fleet better. The objective was that by 2014, 90% of the Bank's vehicles will be environmentally friendly. At the end of year 2013 10 of a total 16 cars were environmentally friendly or 63%.

	Numbers of cars in 2012	Numbers of cars in 2013	Km driven in 2012	Km driven in 2013	Petrol in 2013
Corporate banking	2	1	21.900	3.600	102.800
Legal Collection	2	2	38.000	27.500	796.000
General Services	12	11	166.000	147.700	4.000.000
Technical services	0	2		15.200	446.764
	<b>16</b>	<b>16</b>	<b>227.900</b>	<b>194.000</b>	<b>5.347.764</b>

## Community

Íslandsbanki makes it a priority to maintain a good relationship with its immediate environment. The Bank wants to have a positive impact on the community by supporting various social, artistic, cultural and sporting projects.

In 2013 Íslandsbanki provided grants for more than ISK 200m and employees laid a helping hand to several charities through the Bank's project: We offer a helping hand. In principle, the Bank's branches support charities and institutions in their immediate localities while headquarters supports causes on a national scale.

## Supporting innovation

Íslandsbanki believes that innovation and entrepreneurship play a key role in healthy economies and it therefore carries out a series of activities aimed at supporting innovation and entrepreneurship in Iceland.



## Society

Íslandsbanki plays an important role in the society both as a workplace and a key player in the economy. Íslandsbanki aims to be a good citizen and commitment to society extends from our sponsorship and employees, who give volunteer hours.

### Reykjavík Marathon and running for a good cause

Íslandsbanki has been the main sponsor of the Reykjavík Marathon since 1997. In 2012 the event attracted a record number of entrants with over 14,200 runners taking part, thereof around 400 employees at Íslandsbanki. This is a massive increase in participation from the 214 runners that ran in the Marathon the starting year in 1984. The most important aspect of the marathon is the money it raises for charities via sponsorships for runners. In 2013 the runners raised ISK 72.5 million for charity to the benefit of 148 charities.

### We offer a helping hand

Íslandsbanki is one of the largest employers in the country and has an immense opportunity to shape and influence its community in a positive way. One of last year objectives was to launch a new project “We offer a helping hand”. Íslandsbanki invites its employees to make a contribution to charitable causes, whereby each member of staff can devote one working day a year for the benefit of a good cause. Approximately 100 employees participated in 2013 and contributed over 500 hours to the community. Employees have chosen diverse charities to lend a helping hand and the assignments have been diverse, such as gardening, cleaning litter, helping homeless people and providing charities with expert assistance. Not only does this benefit various charities but also promote a sense of solidarity and common purpose among the employees.

More than 100 employees participated in the programme “We offer a helping hand” in 2013 and contributed over 500 work hours to different community projects



## We offer our support

Íslandsbanki aims to have a positive impact on its community by supporting various social, artistic, cultural and sporting activities, as well as encouraging innovation and entrepreneurship.

In 2013, the Bank provided grants for more than ISK 200m. In principle, the Bank supports causes on a national scale while the branch network supports charities and institutions in their immediate localities.

Over   
**14,000**  
runners took part in 2013

### SPORTS

Íslandsbanki is proud to be a sponsor of a wide range of sporting activities that contribute to better national health and foster good role models.



**2013** Sports teams and other beneficiaries:

When the marathon was first held in 1984 there were only  
**214**  
participants

**ISK 72.5m**  
was raised for charity to the benefit of  
**157** charities

### Vilborg Arna Gissurardóttir

≡  
first expedition to the South Pole  
by an Icelandic woman

**The Women of Achievement Fund**

**Haukar** **FH** Afturelding **ÍA** **Stjarnan**  
**UMFG** **Valur** **KA** **Völsungur** **ÍBV** **Þór Akureyri** **HK** **FYLKIR**  
**BÍ/Bolungarvík** **UMFN** **Gróttá**

Federation of Icelandic Horse Associations

**Ísafjörður skiing association** **FOSSAVATN SKI MARATHON**

**Akureyri skiing association** **Selfoss' Youth Club**

Runners Festival: Óshlíð and Vesturgatan

**Forskot, an Icelandic Achievement Fund For Golfers**

**Íslandsbankamótaröðin** » golf tournament for children and adolescents

## CULTURE

Íslandsbanki believes that a vibrant culture is an integral part of society's development, enriching people's lives and creating a shared heritage.



### Borgarleikhúsið

- » Íslandsbanki and the Reykjavík City Theatre have enjoyed a successful cooperation since the Bank's foundation. Reykjavík City Theatre is among Iceland's oldest and most prestigious cultural institutions.



Hönnunarmiðstöð  
Iceland Design Centre



### Jónas Hallgrímsson Award

- » Named after one of Iceland's most beloved national poets, the Jónas Hallgrímsson Award recognises extraordinary contribution to the Icelandic language.



Víkin Maritime Museum is for the furtherance of historical documentation of the fishing industry in Iceland at a time of innovation and change.



### HOF CULTURAL AND CONFERENCE CENTER

Hof hosts events of various kinds, including conferences, meetings, receptions, concerts and exhibitions.



## INNOVATION

Íslandsbanki believes innovation and entrepreneurship play a key role in the economic development and long term sustainability of healthy economies.



### ICELAND OCEAN CLUSTER

- » Its role is to create a network of companies and people in ocean related activities, thereby creating a forum for cooperation and development of new opportunities.



KONUR Í SJÁVARÚTVEGI



VIÐSKIPTARÁÐ ÍSLANDS  
ICELAND CHAMBER  
OF COMMERCE



Neytendasamtökin  
frjáls félagsamtök, stofnuð 1953

### The Entrepreneurial Fund

Íslandsbanki's Entrepreneurial Fund focuses on innovative projects in renewable energy and sustainable fisheries. The fund's objective is to encourage innovation and development in these areas.

### ICELAND GEOTHERMAL CLUSTER

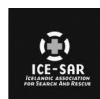
The Iceland Geothermal Cluster network supports, initiates, and coordinates various organisations within the geothermal energy sector in Iceland.

### Kvosin

At innovation centre Kvosin, individuals and groups get moderately priced office facilities, guidance for their business ideas and starting up companies, a creative environment and powerful network.



- » Íslandsbanki is a proud sponsor of the Icelandic team.



- » ERGO's Environment Fund.
- » Scholarships to exemplary students.

### WE OFFER A HELPING HAND

Íslandsbanki encourages its employees to make a contribution to charitable causes, whereby each member of staff can devote one working day a year for the benefit of a good cause.



- » The play "What if?" focuses on preventive measures to drug and alcohol abuse, bullying, suicides and sexual violence by using play, music, humour and poetry in a fun and an innovative way.



## SOCIETY

Íslandsbanki plays an important role in society, both as a large employer and corporate citizen of Iceland, and as provider of capital for investment and growth.

