

Principles governing remuneration

The purpose of Jyske Bank's pay policy is to reward competent, responsible and independent conduct as well as to support productivity and job satisfaction. It is also important for the Jyske Bank Group and a statutory requirement of the Danish Financial Business Act that the pay policy promotes and is in line with sound and efficient risk management. The pay policy adopted applies to all companies of the Jyske Bank Group. It has always been part of Jyske Bank's pay policy not to offer actual bonus schemes with variable pay, measured schematically according to results achieved. In the Jyske Bank Group, share-based remuneration only exists in the form of general schemes comprising all employees.

Without exception, remuneration is determined on the basis of a comprehensive assessment of four parameters:

- job profile
- results
- efforts
- competence

As a consequence of the provisions of the Danish Financial Business Act, the Supervisory Board has adopted the Jyske Bank Group's pay policy, and in accordance with the act the pay policy must be submitted to the members in general meeting for approval when changes are made. The Supervisory Board has established a Remuneration Committee consisting of the Chairman and the Deputy Chairman of the Supervisory Board. The committee is in charge of the preparatory work behind the decisions by the Supervisory Board regarding remuneration, including the pay policy. The committee is also responsible for ensuring that the policy is complied with. Proposals for pay policy are prepared by the Jyske Bank Group's HR division which, wherever necessary, discusses any proposed amendments with the employee representatives and with the leaders affected by the policy.

~~Click here~~ [Update april 2014: Visit investor.jyskebank.com/governance] to read the official policy as described in the Jyske Bank Group's internal business procedures.

Report on the remuneration of the Supervisory Board, Executive Board and significant risk-takers in 2012

On the recommendation of the Executive Board, the Supervisory Board has appointed the employees listed below as the ones whose activities according to the S.77 a of the Danish Financial Business Act have a considerable impact on the Jyske Bank Group's risk profile. When appointing these employees, the Executive Board and the Supervisory Board attached great importance to including all significant risk-takers as well as defining a clear and consistent demarcation that will minimise the uncertainty as to the employees belonging in the group of significant risk-takers. As described in the pay policy adopted by members in Annual General Meeting in 2012, the most important risk-takers are:

- JB Group Management
- heads of division and department in the Group's trading functions
- employees working with the Group's balance sheet and positions
- directors as well as heads of division and heads of department being responsible for control activities in relation to the Group's risk management
- employees who may expose the Group to material credit risks.

The Supervisory Board's Remuneration Committee has reviewed the pay policy for 2012, which did not give rise to any changes.

Within the various business areas, the Supervisory Board, the Executive Board as well as significant risk-takers in 2012 earned and had the following amounts paid out (Group figures, DKK 1,000):

	Number	Pay, total	Pay, fixed	Pay, variable
Investment	15	16,533	16,114	419
Retail	5	9,067	9,013	54
Asset Management	5	5,910	5,831	78
Other	32	50,045	49,412	633
Total	57	81,555	80,370	1,185

The pay includes all fees, fixed pay, pay supplements, bonuses, pension contributions as well as increases in pension provisions. However, in connection with the Executive Board, pension provisions are not included.

The Supervisory Board and the Executive Board are included in the category 'Other'.

The number of employees, etc. in each category covers the employees, etc. who over the year belonged to one of the categories. The actual number at the closing of the financial statements covered nine members of the Supervisory Board, four bank managers and 43 significant risk-takers.

Variable pay does not include payments above the threshold limit of DKK 100,000. Over 2012, 20 significant risk takers received one-off allowance. Neither the Supervisory Board nor the Executive Board received any variable pay.

The breakdown by Supervisory Board, Executive Board and significant risk-takers of earned and paid out fixed and variable pay in 2012 appears from the table below (Group figures, DKK 1,000):

	Supervisory Board	Executive Board	Significant risk-takers
Number of recipients, fixed pay	10	4	43
Number of recipients, variable pay	0	0	20
Earned fixed pay in the financial year, total	2,661	23,314	54,397
Earned variable pay in the financial year, total	0	0	1,185

Same definitions of pay, etc. as in the preceding table.

No delayed, variable pay, nor for past financial years.

No hiring bonuses were paid during the financial year.

A severance benefit/retirement compensation was paid during the financial year. The benefit/compensation is within the framework of severance benefits/retirement compensation as laid down in Art. 13 of the Danish Executive Order on pay policy¹.

¹ Executive order No. 122 of 7 February 2012