

Pay policy 2011

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 in 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, salaries are 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 2011**

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 the General Meeting in 2011, the most important risk-takers are:

- the executive committee
- 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.

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

	Number	Pay, total	Fixed salary	Variable salary
Investment	15	16.020	16.020	0
Retail	5	8.625	8.625	0
Asset Management	6	6.233	6.233	0
Other	31	47.150	47.150	0
Total	57	78.028	78.028	0

The pay includes all fees, fixed salaries, 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 41 significant risk-takers.

The amounts include a loyalty bonus totalling DKK 959,000, which amount was earned by and paid out as an annual one-off amount to 13 significant risk-takers. In accordance with S.17 a of the Danish Salaried Workers Act, Jyske Bank has treated the bonus as a regular part of the pay, and therefore in line with other bonuses it was paid in cash without delay. According to the definitions in the Danish Financial Supervisory Authority's guidelines on the interpretation of the executive order on pay policy, the bonus can be considered equal to so-called retention bonuses, which according to the guidelines can be regarded as variable parts of the pay. To avoid any doubt as to the nature of the bonus, it will be changed as of 2012 to a regular, monthly bonus.

The breakdown by Supervisory Board, Executive Board and significant risk-takers of earned and paid out fixed and variable salaries in 2011 appears from the table below (Group figures, DKK '000):

	Supervisory Board	Board of Management	Significant risk-takers
Number of recipients, fixed salary	10	4	43
Number of recipients, variable salary	0	0	0
Earned fixed salary in the financial year, total	2.580	22.976	52.472
Earned variable salary in the financial year, total	0	0	0

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

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

No hiring bonuses were paid during the financial year.



No severance benefits/retirement compensation were paid during the financial year.