

# Report on remuneration 2015

## Principles governing remuneration

The purpose of Jyske Bank's remuneration 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 remuneration policy promotes and is in line with sound and efficient risk management. The remuneration policy adopted applies to all companies of the Jyske Bank Group. It has always been part of Jyske Bank's remuneration 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 - currently no scheme of this kind is offered.

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

- job profile
- results
- work performance
- competence.

As a consequence of the provisions of the Danish Financial Business Act, the Supervisory Board has adopted the Jyske Bank Group's remuneration policy, and in accordance with the act the remuneration 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 and as of 2014 also one of the board members elected by the employees. 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 to read the official policy as described in the Group's internal business procedures.

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## **Report on the remuneration of the Supervisory Board, Executive Board and significant risk-takers in 2015**

According to the relevant rules of the legislation, the Executive Board recommends to the Supervisory Board the employees whose activities have a considerable impact on the Group's risk profile. When appointing these employees, the Executive Board and the Supervisory Board find it of great importance both to include all significant risk-takers and to define a clear and consistent demarcation that will minimise the uncertainty as to which employees belong to the group of significant risk-takers.

In 2015, the Remuneration Committee of the Supervisory Board held two meetings. The Remuneration Committee and the Supervisory Board have reviewed the pay policy which did not give rise to any changes. As described in the pay policy, the most important risk-takers are:

- Supervisory Board and Executive Board.
- Members of the Group's top management (currently the Group Management).
- Heads of division and department in the Group's trading functions (currently Capital Markets).
- Employees working with the management of the Group's balance sheet and positions (currently all employees in the Treasury Division and in BRFkredit's Securities Trading and Securities Research).
- Directors as well as heads of division and heads of department being responsible for important control activities in relation to the Group's risk management (currently the head of Compliance, the head of Internal Audit, all heads of division and department as well as the directors of Finance and Risk Management at Jyske Bank and BRFkredit).
- Employees who may expose the Group to material credit risks (currently employees with powers of granting credits of DKK 100m or more and also employees responsible for control and final preparation of credit recommendations for exposures above DKK 125m).
- Employees with managerial responsibility in material business units reporting directly to the head of the unit (currently business directors, heads of division and market directors in Retail & Commercial Banking, Denmark, heads of department and subsidiaries at Private Banking International, directors and deputy directors of BRFkredit, and managers referring to the director of Jyske Finans).
- Managers and employees authorised to approve or veto introduction of new products.

Within the various business areas, the Supervisory Board, the Executive Board as well as significant risk-takers in 2015 earned and had the following amounts paid out (Group figures, DKK 1,000):

	Number	Pay, total	Pay, fixed	Pay, variable
Investment	22	23,836	23,836	0
Retail	29	43,253	43,002	251
Asset Management	8	9,838	9,838	0
Other	75	98,658	98,478	180
Total	134	175,585	175,154	431

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 ten members of the Supervisory Board, five managing directors and 110 significant risk-takers.

No variable pay in excess of the maximum limit of DKK 100,000 was earned or paid out. In 2015, a total of nine material risk-takers received a 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 2015 appears from the table below (Group figures, DKK 1,000):

	Supervisory Board	Executive Board	Significant risk-takers
Number of recipients, fixed pay	10	5	119
Number of recipients, variable pay	0	0	9
Earned fixed pay in the financial year, total	4,436	30,195	140,954
Earned variable pay in the financial year, total	0	0	431

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

For the financial years 2012 and 2013, a total gross amount of DKK 463,725 was deferred for an employee at BRFKredit which will be paid in the financial years 2013-2017. For payment in 2016-2017, an amount of DKK 67,455 is outstanding. No variable remuneration was deferred in 2015.

In the financial year 2015, no person was remunerated by EUR 1m or more.

No hiring bonuses were paid during the financial year. In addition to the variable pay stated, severance benefits/retirement compensation were paid in the financial year. The benefit/compensation is within the framework of severance benefits/retirement compensation as laid down in statutory provisions.