

# Remuneration report 2021

This remuneration report has been designed according to the requirements of S.139b of the Danish Companies Act and also covers the requirements of the annual reporting of remuneration under financial legislation. For previous years, similar information is available at Jyske Bank's website - for the period up to 2018 in the reports on remuneration and subsequently in the remuneration reports.

## Principles governing remuneration

The purpose of Jyske Bank's remuneration policy is to reward value-creating, competent and responsible 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 and that it prevents conflicts of interest and strengthens the obligation to act in the best interest of the clients. Finally, the remuneration policy must ensure proper focus on sustainability and corporate social responsibility and equal pay for equal work. 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 commission or bonus schemes with variable remuneration, measured schematically according to results. Share-based remuneration only exists in the form of general schemes comprising all employees.

Since 2017, all permanent employees of the Jyske Bank Group in Denmark have received offers of participating in an employee share scheme according to the provisions of S.7P of the Danish Tax Assessment Act that were introduced in 2016. The scheme is granted for one year at a time, and since 2019 the Supervisory Board decided to repeat the offer, now with a possibility of opting for up to 20% compared with previously 10% of the remuneration paid out as employee shares. This has also been adopted for 2022. Employees in Germany are offered a less comprehensive scheme according to German rules.

All remuneration is determined on the basis of a comprehensive assessment of four parameters:

- job profile
- results
- efforts
- competences.

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 policy must be submitted to the members in general meeting for approval when changes are made. In future, the remuneration policy must be approved at least every third year, according to the Group's internal business procedures and the stipulations of the Danish Companies Act. The requirement of adjustments of the remuneration policy to the development of the Group is monitored on an ongoing basis by the Group's HR division which with the necessary internal and external assistance prepares proposals for amendments. After consideration by the Group Executive Board proposals for adjustments are presented to the Remuneration Committee of the Supervisory Board before the proposed amendments are submitted to members in general meeting for adoption.

The Supervisory Board has established a Remuneration Committee consisting of the chairman and the deputy chairman of the Supervisory Board and 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 remuneration policy, yet proposals for adjustment of remuneration of the Supervisory Board and the Shareholders' Representatives are submitted by the Nomination Committee. Moreover, the Remuneration Committee is responsible for controlling compliance with the policy including that the remuneration of the Supervisory Board and the Shareholders' Representatives takes place according to the rates determined by members in general meeting.

In 2021, the Remuneration Committee of the Supervisory Board held two meetings. The Remuneration Committee has reviewed the remuneration policy and adjusted the policy in relation to variable remuneration in the form of one-off allowances. Therefore, the value for payment of one-off allowances to employees, which is not subject to special requirements in S.77a-d of the Danish Financial Business Act, is limited at max. DKK 100,000 inclusive of pension. Hence, the limit of DKK 100,000 applies to all employees going forward. In addition, it has been emphasised that neither one-off remuneration nor special allowances are payable to members of the Supervisory Board.

Click to read the remuneration policy applicable until now and as adopted by the Jyske Bank Group's members in general meeting on 23 March 2021 at [www.jyskebank.dk/governance](http://www.jyskebank.dk/governance).

### **Equal pay**

In cooperation with Finansforbundet Jyske Bank Kreds (Finansforbundet's local union in Jyske Bank) HR every year reviews the remuneration of men and women within selected job types to ensure that the statutory requirement and the requirement of the remuneration policy with respect to equal pay have been complied with. The conclusion of the review in 2021 in general demonstrated equal pay for equal work.

### **Variable remuneration**

Due to a principal opt-out of commission and bonus schemes in the Group, variable remuneration comprises payments in accordance with the remuneration policy in the form of one-off allowance and remuneration in connection with resignation or retirement.

In 2021, one-off allowances totalling DKK 4,642,000 distributed on 203 employees in the Group were paid out. The amount is inclusive of pension to employees who have not been appointed as material risk-takers. None of the allowances exceed DKK 100,000.

## **Report on the remuneration of the Supervisory Board, Executive Board and material risk-takers in 2021**

According to the relevant statutory provisions, the Executive Board recommends to the Supervisory Board the employees whose activities have a material 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, including employees split between the companies 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.

The qualitative criteria for the appointment of material risk-takers apart from the Group Supervisory Board and the Group Executive Board are currently:

- Members of the Group's top management (currently the Jyske Bank Group's Executive Team).
- Heads of division and department in the Group's trading functions (currently Capital Markets).
- Employees working with the management of the Jyske Bank Group's balance sheet and positions (currently all permanent staff of the Group Treasury Division and of Realkredit Balancestyling).
- Directors as well as heads of division and 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 and all heads of division and department as well as the Directors of Risk Management).
- Employees who may expose the Group to material credit risks (currently employees with powers of granting credits of DKK 150m or more and also employees responsible for control and final preparation of credit recommendations for exposures above DKK 150m).
- Employees with managerial responsibility in material business units reporting directly to the head of the unit (currently this applies to the units Personal Clients, Corporate Clients and Jyske Finans)
- Supervisory Board, Management Board and employees with managerial responsibility, referring to the Executive Board of Jyske Realkredit.
- Supervisory Board, Management Board and employees with managerial responsibility, referring to the Management Board of Jyske Invest Fund Management.
- Employees with managerial responsibility for the management of outsourcing schemes in Jyske Bank and Jyske Realkredit, respectively.
- Managers who according to the Group's business procedures for Product Approval are authorised to approve or veto introduction of new products.

### **Breakdown of remuneration among the Supervisory Board, Executive Board and material risk-takers**

The breakdown by Supervisory Board, Executive Board and material risk-takers of earned and paid out fixed and variable remuneration in 2021 appears from the table below (Group numbers):

	Supervisory Board	Executive Board	Material risk-takers	Total
<b>Number of recipients, fixed remuneration</b>	11	4	110	125
<b>Number of recipients, variable remuneration</b>	0	0	13	13
<b>Earned fixed remuneration in the financial year (DKK '000)</b>	7,181	36,742	145,514	189,437
<b>Earned variable remuneration in the financial year (DKK '000)</b>	0	0	3,751	3,751

The pay includes all fees, fixed pay, pay supplements, bonuses, pension contributions as well as taxable goods and working tools. For the Executive Board provisions for retirement remuneration have been included. Total variable remuneration consists of one-off allowance allocated according to sections 8-9 of the remuneration policy and remuneration – i.e. resignation and retirement remuneration, cf. section 10 of the remuneration policy.

The number of employees etc. in the chart above comprise material risk-takers who joined or resigned in the course of the year. The actual number at year-end covered nine members of the Supervisory Board, four directors and 105 material risk-takers, respectively.

No variable remuneration in excess of the maximum limit of DKK 100,000 was earned or paid out to these persons. In 2021, a total of 11 material risk-takers received a one-off allowance. In line with previous years no variable remuneration has been paid out to the Supervisory Board.

No sign-on bonuses were paid during the financial year. Included in the variable remuneration stated, severance benefits/retirement compensation were paid to 2 material risk-takers over the financial year. The benefits/compensation are within the framework of severance benefits/retirement compensation as laid down in statutory provisions.

In the financial year 2021, four persons were remunerated by between EUR 1 m and EUR 1.5 m.

### Remuneration broken down by business area for material risk-takers

Within the various business areas, the Supervisory Board, the Executive Board as well as material risk-takers in 2021 earned and had the following amounts paid out (Group figures):

	Number	Total remuneration (DKK '000)	Fixed remuneration (DKK '000)	Variable remuneration (DKK '000)
Supervisory Board	11	7,181	7,181	0
Executive Board	4	36,742	36,742	0
Investment	11	16,266	16,266	0
Retail	44	64,649	63,506	1,143
Asset Management	13	12,708	12,622	86
Other	42	55,642	53,120	2,522
<b>Total</b>	<b>125</b>	<b>193,188</b>	<b>189,437</b>	<b>3,751</b>

The same definitions of remuneration, etc. as in the preceding table have been used. The category "Other" consists of employees employed in staff and control functions.

## Individual remuneration of the Supervisory Board and Executive Board, development in average remuneration and consolidated result

In the past six years, the individual members of the Group Supervisory Board and the Group Executive Board received the total remuneration stated below, cf. S. 139b(3) of the Danish Companies Act.

### List of 2016-2021, absolute figures

Remuneration of the Supervisory Board, DKK million						
	2021	2020	2019	2018	2017	2016
Kurt Bligaard Pedersen	1.6	1.3	1.0	0.9	0.5	0.5
Hereof committees	0.6	0.5	0.4	0.3	0.2	0.2
Keld Norup	0.9	0.6	0.6	0.6	0.5	0.5
Hereof committees	0.4	0.3	0.2	0.3	0.2	0.2
Rina Asmussen	0.7	0.7	0.7	0.6	0.4	0.4
Hereof committees	0.3	0.3	0.3	0.3	0.2	0.1
Bente Overgaard (joined on 16.06.2020)	0.8	0.3	-	-	-	-
Hereof committees	0.4	0.1				
Anker Laden-Andersen (joined on 26.03.2019)	0.7	0.5	0.4	-	-	-
Hereof committees	0.3	0.2	0.2			
Per Schnack (joined on 26.03.2019)	0.7	0.6	0.4	-	-	-
Hereof committees	0.3	0.2	0.1			
Philip Baruch (resigned on 23.03.2021)	0.2	0.8	0.7	0.6	0.5	0.5
Hereof committees	0.1	0.3	0.3	0.3	0.3	0.3
Jens A. Borup (resigned on 23.03.2021)	0.2	0.8	0.8	0.8	0.5	0.5
Hereof committees	0.1	0.4	0.5	0.4	0.2	0.3
Sven Buhrkall (resigned on 16.06.2020).	-	0.8	1.7	1.5	0.9	0.9
Hereof committees		0.3	0.7	0.6	0.4	0.4
Peter Schleidt (joined on 16.03.2016 and resigned on 30.05.2017)	-	-	-	-	0.2	0.2
<b>Hereof committees</b>					0.1	-
Oluf Engell (resigned on 16.03.2016)	-	-	-	-	-	0.1
Hereof committees						-
Marianne Lillevang	0.6	0.6	0.6	0.5	0.3	0.3
Hereof committees	0.2	0.2	0.2	0.2	0.1	0.1
Christina Lykke Munk (joined on 01.07.2016)	0.4	0.5	0.5	0.4	0.3	0.1
Hereof committees	0.1	0.1	0.1	0.1	-	-
Johnny Christensen (joined on 20.03.2018)	0.5	0.4	0.4	0.3	-	-
Hereof committees	0.1	0.1	0.1	0.1		
Haggai Kunisch (resigned on 20.03.2018)	-	-	-	0.1	0.4	0.3
Hereof committees				-	0.1	0.1
Jesper Holbøll (resigned on 30.06.2016)	-	-	-	-	-	0.1
Hereof committees						-
Remuneration of the Executive Board, DKK million						
Anders Dam	10.5	10.3	10.0	9.9	10.3	7.2
Hereof variable	-	-	-	0.1	0.1	0.1
Niels Erik Jakobsen	8.2	8.0	7.9	7.8	8.1	6.2
Hereof variable	-	-	-	0.1	0.1	0.1
Per Skovhus	9.0	8.8	8.7	8.5	8.6	6.2
Hereof variable	-	-	-	0.1	0.1	0.1
Peter Schleidt (joined on 01.09.2017)	9.1	8.9	8.8	8.3	2.8	0.0
Hereof variable	-	-	-	-	0.1	-
Leif F. Larsen (resigned on 30.04.2018)	-	-	-	3.1	6.5	6.1
Hereof variable				0.1	0.1	0.1
Sven A. Blomberg (resigned on 31.07.2017)	-	-	-	-	10.6	6.9
Hereof variable					6.6	0.1
Remuneration of average FTE (full time equivalent), DKK '000						
Average remuneration (salary + pension)	757	749	727	686	693	663
Profit development, Jyske Bank Group, DKK million						
Pre-tax profit	4,027	2,110	3,079	3,140	4,002	3,906
Post-tax profit	3,176	1,609	2,440	2,500	3,143	3,116

As from 2017, provision for retirement remuneration is included in the total remuneration of the Executive Board calculated, and in connection with a remuneration adjustment the provision for this year was raised, which is the background behind the particularly high total remuneration in 2017. For Sven A. Blomberg remuneration paid in connection with retirement is included in 2017.

Information on the most material contents of the retention and severance schemes appears from note 12 in the individual financial statements.

#### List of 2016-2021, percentage change from previous year\*

Remuneration of the Supervisory Board, percentage						
	2021	2020	2019	2018	2017	2016
Kurt Bligaard Pedersen	24.6	30.2	14.2	66.4	0.4	0.0
Keld Norup	52.2	1.0	0.5	26.2	0.4	-17.1
Rina Asmussen	1.8	-2.6	9.7	42.3	23.9	-3.2
Bente Overgaard (joined on 16.06.2020)	29.0	-	-	-	-	-
Anker Laden-Andersen (joined on 26.03.2019)	23.7	-11.6	-	-	-	-
Per Schnack (joined on 26.03.2019)	17.4	16.7	-	-	-	-
Philip Baruch (resigned on 23.03.2021)	13.3	16.4	6.5	17.9	1.2	0.0
Jens A. Borup (resigned on 23.03.2021)	-7.1	-7.7	8.2	52.6	-2.2	3.1
Sven Buhrkall (resigned on 16.06.2020)	-	-50.8	13.1	66.8	5.9	0.6
Peter Schleidt (joined on 16.03.2016 and resigned on 30.05.2017)	-	-	-	-	26.6	-
Oluf Engell (resigned on 16.03.2016)	-	-	-	-	-	-6.9
Marianne Lillevang	0.0	-	12.6	60.5	0.0	0.0
Christina Lykke Munk (joined on 01.07.2016)	-4.8	-	13.3	66.0	0.0	-
Johnny Christensen (joined on 20.03.2018)	5.1	-	0.0	-	-	-
Haggai Kunisch (resigned on 20.03.2018)	-	-	-	1.3	16.7	0.0
Jesper Holbøll (resigned on 30.06.2016)	-	-	-	-	-	0.0
Remuneration of Executive Board (total, fixed and variable), percentage						
Anders Dam	2.5	2.0	1.5	-3.4	41.7	-3.6
Niels Erik Jakobsen	2.4	1.8	1.3	-3.4	30.9	9.0
Per Skovhus	1.7	0.9	2.9	-1.6	38.5	5.4
Peter Schleidt (joined on 01.09.2017)	1.2	1.8	5.4	11.1	-	-
Leif F. Larsen (resigned on 30.04.2018)	-	-	-	-5.0	6.4	5.0
Sven A. Blomberg (resigned on 31.07.2017)	-	-	-	-	9.0	5.1
Remuneration of average FTE (full time equivalent), percentage						
Average remuneration (salary + pension)	1,0	3.1	6.0	-1.0	4.5	0.1
Profit development, Jyske Bank Group, percentage						
Pre-tax profit	90,9	-31.5	-1.9	-21.5	2.5	21.9
Post-tax profit	97,4	-34.1	-2.4	-20.5	0.9	25.9

\* For persons who have joined or resigned in the course of the year, the change has been calculated on the basis of a translated annual salary