

Remuneration policy 2014

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 remuneration, 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 remuneration policy.

Moreover, the committee is responsible for controlling compliance with the policy. Proposals for the remuneration 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.

To read the official policy as described in the Group's internal business procedures, please see investor.jyskebank.com/governance.

Report on the remuneration of the Supervisory Board, Executive Board and significant risk-takers in 2014

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 2014, the Remuneration Committee of the Supervisory Board had two meetings and it was decided to expand the number of employees considered to be material risk takers. The reason for this decision was both the merger of Jyske Bank and BRFKredit and the new criteria laid down in the EU Commission's regulatory technical standards. As described in the remuneration policy submitted for approval by members in Annual General Meeting in 2015, the most important risk-takers are:

- Supervisory Board and Management Board
- Members of the Group's top management (currently the Group Management)
- Heads of division and department in the Group's trading functions (currently Jyske 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, and managers referring to the director of Jyske Finans).
- Managers and employees authorised to approve or veto introduction of new product.

Within the various business areas, the Supervisory Board, the Executive Board as well as significant risk-takers in 2014 earned and had the following amounts paid out (Group figures, DKK 1,000):

	Number	Remuneration, total	Remuneration, fixed	Remuneration, variable
Investment	20	19,260	19,130	130
Retail	26	18,566	18,566	0
Asset Management	6	7,127	7,127	0
Other	79	83,714	83,369	345
Total	131	128,667	128,192	475

The remuneration includes all fees, fixed remuneration, 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 bank managers and 112 significant risk-takers.

No variable remuneration in excess of the maximum limit of DKK 100,000 has been earned. In 2014, a total of eight material risk takers received a one-off allowance. Neither the Supervisory Board nor the Executive Board received any variable remuneration.

The breakdown by Supervisory Board, Executive Board and significant risk-takers of earned and paid out fixed and variable remuneration in 2014 appears from the table below (Group figures, DKK 1,000):

	Supervisory Board	Executive Board	Significant risk-takers
Number of recipients, fixed remuneration	13	6	112
Number of recipients, variable remuneration	0	0	8
Earned fixed remuneration in the financial year, total	4,233	31,452	92,983
Earned variable remuneration in the financial year, total	0	0	475

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

For the financial years 2012 and 2013, a total amount of DKK 463,725 was deferred for an employee at BRFKredit and is to be paid out in the financial years 2013-2017. For payment in 2015-2017, an amount of DKK 231,085 is outstanding. No variable remuneration was deferred in 2014.

In the financial year 2014, no person has been remunerated by EUR 1m or more.

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