

Remuneration report 2023

The remuneration report has been prepared according to the requirements of S.139b of the Danish Companies Act and financial legislation.

Jyske Bank does not want to use direct performance fees, and consequently one-off events over the year seldom have direct impact on the earnings of remuneration for the management and other employees. Important events have, however, had an impact on remuneration earned in 2023 – including the integration of Handelsbanken, the take-over of PFA Bank and a new CEO and Managing Director.

Principles governing remuneration

The purpose of Jyske Bank's remuneration policy is to support Jyske Bank's business model and its target. The targets comprise business and financial targets, but also targets for sustainability as well as client and employee satisfaction. This must be obtained by:

- rewarding value-creating, competent and responsible conduct,
- supporting productivity and job satisfaction,
- promoting sound and efficient risk management,
- ensuring proper focus on sustainability and corporate social responsibility,
- preventing conflicts of interest and strengthen the obligation to act in the best interest of the clients,
- ensuring equal pay for equal work.

The remuneration policy adopted applies to all companies of the Jyske Bank Group.

Remuneration of employees as well as management is based primarily on regular parts of the pay as it is determined on the basis of a holistic assessment of the individual employee in relation to the long-term interests of the Group. The assessment is based on the four general parameters: job profile, results, efforts and competence.

In order to prevent conflicts of interest, 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. It is estimated that such incentive structures can increase the risk of conflicts of interest since they may promote short-term and unilateral decisions to the detriment of clients and shareholders and the Group as a whole. In case of remuneration in the form of instruments, this will only take place in the form of general schemes comprising all employees.

The Supervisory Board has adopted the Group's remuneration policy which is submitted to the members in general meeting for approval when changes are required. The remuneration policy must, however, 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. The Group Executive Board considers this proposal and presents a draft to a new remuneration policy to the Remuneration Committee of the Supervisory Board which proposes amendments to the Supervisory Board before amendments are finally submitted to members in general meeting for adoption.

The Supervisory Board has established a Remuneration Committee consisting of two Supervisory Board members elected by the shareholders and one of the Supervisory 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. The Remuneration Committee is also responsible for ensuring that the policy is complied with.

In 2023, the Remuneration Committee of the Supervisory Board held two meetings. The Remuneration Committee examined the remuneration policy and proposed an amendment due to changes to the rules of procedure of the committee and an adjustment of the policy to the effect that it mirrors the need for use of variable remuneration going forward. In addition, the practice relating to allocation of variable remuneration and regulation of fixed pay for selected groups was specified.

In addition, the committee controlled the execution of the remuneration policy, including separate control of the remuneration of the senior management and other material risk takers.

Click to read the applicable remuneration policy at www.jyskebank.com/investorrelations/governance/code-of-conduct.

Deviations from the remuneration policy

Under special circumstances the Group Supervisory Board may deviate from the provisions on maximum amounts and/or payments regulated by the remuneration policy. The Supervisory Board felt compelled to make use hereof in 2023.

In connection with the appointment of Lars Mørch as CEO and Managing Director a hiring bonus of DKK 4.3m was paid. The Supervisory Board found that it was in the long-term interests of the Bank to secure Lars Mørch's employment with the Group, and therefore it decided to make use of the exemption clause in the remuneration policy.

In connection with the take-over of PFA Bank A/S the Group took over all salary obligations, including a number of already established stay-on bonus schemes to the employees of the company. Since it was part of the total deal in connection with the acquisition, the Supervisory Board also in this respect felt compelled to utilise the option offered by the remuneration policy to deviate from provisions about payments and maximum amounts due to the Group's long-term interests. Previous performance bonus schemes were converted into fixed remuneration in connection with the take-over.

Equal pay

The gender-segregated wage statistics were prepared and submitted in accordance with the Danish Equal Pay Act (Ligelønsloven). As in previous years, the statistics were discussed in a working group consisting of representatives from Finansforbundet (Union For Employees In Finance, the Jyske Bank Kreds (Network), and HR. The gender-segregated wage statistics cannot per se show whether we have equal pay for equal work, but the discussion hereof is an important tool in the dialogue about equal pay. The working group has also for the recent statistics looked deeper into a number of work functions. The review showed that any remuneration differences can be explained on the basis of a number of parameters which according to the

remuneration policy are crucial for the determination of the remuneration. Based on the review, we conclude that the Group generally offers equal pay for equal work.

Variable pay – one-off allowance

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 2023, one-off allowances totalling DKK 11,685,000 distributed on 348 employees in the Group (exclusive of employees of PFA Bank A/S) were paid out. The amount is inclusive of pension to employees who have not been appointed as material risk takers. Relative to 2022 it is almost a doubling of amounts and number of recipients due to primarily extraordinary efforts granted in connection with the migration of Handelsbanken to Jyske Bank's platform. None of the allowances exceed DKK 100,000 which is the maximum amount for the allocation of one-off allowances to all employees of the Group.

Total remuneration to the Supervisory Board, the Executive Board and other material risk takers in 2023

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 material 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 material 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, Executive Board and employees with managerial responsibility, referring to the Executive Board of Jyske Realkredit and employees responsible for material control activities.
- Supervisory Board, Management Board and employees with managerial responsibility, referring to the Management Board of Jyske Invest Fund Management and employees responsible for material control activities.
- Supervisory Board and Executive Board of PFA Bank A/S and employees responsible for material control activities.

- Employees with managerial responsibility for the management of outsourcing schemes in Jyske Bank and Jyske Realkredit, respectively.
- Employees with managerial responsibility for the prevention of money laundering and the financing of terrorism.
- 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, the Executive Board and other material risk takers

The breakdown by Supervisory Board, Executive Board and other material risk takers of earned and paid out fixed and variable remuneration in 2023 appears from the table below (Group numbers):

The calculation of 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 allowances – i.e. resignation and retirement remuneration, cf. section 10 of the remuneration policy. In 2023, stay-on bonuses and a hiring bonus were also exceptionally included.

The number of employees etc. in the table below comprise material risk takers who joined or resigned in the course of the year. The actual number at the end of the year covered nine members of the Supervisory Board, four directors and 138 other material risk takers, respectively.

Over 2023, a total of 25 other material risk takers received variable remuneration – of which a payment of severance pay for one single employee is included.

Included in the variable remuneration to the Executive Board is alone severance pay to Anders Dam and a hiring bonus to Lars Mørch in connection with his appointment to CEO and Managing Director, cf. list of the individual remuneration of the Executive Board.

In line with previous years, no variable remuneration has been paid out to members of the Supervisory Board.

	Supervisory Board	Executive Board	Material risk takers	Total
Number of recipients, fixed remuneration	9	5	147	161
Number of recipients, variable remuneration	0	2	25	27
Earned fixed remuneration in the financial year (DKK '000)	6,882	39,258	198,283	244,423
Earned variable remuneration in the financial year (DKK '000)	0	9,500	2,234	11,733

In 2023, a total of five employees received a remuneration of EUR 1 million or above. According to CRR, article 450(i) these can be broken down on the following salary bands:

EURm	Supervisory Board	Executive Board	Material risk takers	Total
1.0 to under 1.5	0	4	0	4
1.5 to under 2.0	0	0	0	0
2.0 to under 2.5	0	1	0	1
More than 2.5	0	0	0	0

Remuneration broken down by business area for other material risk takers

Within the various business areas, other material risk takers in 2023 earned and had the following amounts paid out (Group figures):

	Number	Total remuneration (DKK '000)	Fixed remuneration (DKK '000)	Variable remuneration (DKK '000)
Investment	10	17,199	16,974	225
Retail	48	71,770	71,212	558
Asset Management	17	20,288	20,128	160
Other	72	91,260	89,969	1,291
Total	147	200,517	198,283	2,234

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.

Remuneration of the Group Supervisory Board

Members of the Supervisory Board only earn fixed remuneration in relation to the rates determined by members in general meeting. The remuneration comprises their directorships and committee seats. There were no changes to the remuneration of the Supervisory Board in 2023.

Composition and distribution of the total remuneration of the Supervisory Board over the year

DKK m/%	Fixed remuneration	Committees	Total fixed remuneration	Variable remuneration	Total remuneration
Kurt Bligaard Pedersen	1.0	0.6	1.6	0	1.6
- Proportion	62	38	100	0	100
Keld Norup	0.6	0.4	1.0	0	1.0
- Proportion	60	40	100	0	100
Rina Asmussen	0.4	0.3	0.7	0	0.7
- Proportion	51	49	100	0	100
Bente Overgaard	0.4	0.4	0.8	0	0.8
- Proportion	44	56	100	0	100
Anker Laden-Andersen	0.4	0.3	0.7	0	0.7
- Proportion	53	47	100	0	100
Per Schnack	0.4	0.3	0.7	0	0.7
- Proportion	51	49	100	0	100
Marianne Lillevang	0.4	0.2	0.6	0	0.6
- Proportion	63	37	100	0	100
Johnny Christensen	0.4	0.1	0.5	0	0.5
- Proportion	74	26	100	0	100
Michael C. Mariegaard	0.4	0.1	0.5	0	0.5
- Proportion	80	20	100	0	100

For comparative figures and development, cf. Appendices 1 and 2.

Remuneration of the Group Executive Board

Like other employees of the Jyske Bank Group, the Executive Board is not comprised by any form of incentive schemes such as options, bonus schemes, performance-related bonuses etc. They only earn fixed remuneration and may according to the remuneration policy be granted variable pay of up to DKK 100,000 in the form of one-off allowances based on the same criteria as other employees. The remuneration has been determined on the basis of an overall assessment of the factors stated in the remuneration policy – we especially point to the underlying factors competencies, responsibility and market level.

The total remuneration of the Executive Board over 2023 was affected by retirement and appointment of a new CEO and Managing Director as described above. Exclusive of the allowances paid out as a consequence, the total remuneration of the five members of the Group Executive Board rose by almost DKK 1.6m in 2023. This is due to the contractual remuneration adjustment corresponding to the total increase of 4.5% prescribed by the collection agreement according to Jyske Bank's group collective agreement and retirement remuneration earned over the year.

Composition and distribution of the total remuneration of the Executive Board over the year

DKK m/%	Fixed remuneration	Goods	Retirement remuneration earned over the year	External directorships	Total fixed remuneration	Variable remuneration	Total remuneration
Anders Dam	9.5	0.2	0.4	0.0	10.1	5.2	15.3
- Proportion	62	1	3	0	66	34	100
Niels Erik Jakobsen	8.0	0.2	0.3	0.3	8.8	0	8.8
- Proportion	92	2	3	3	100	0	100
Per Skovhus	8.5	0.2	0.7	0	9.4	0	9.4
- Proportion	91	2	7	0	100	0	100
Peter Schleidt	8.4	0.2	0.1	0.2	9.0	0	9.0
- Proportion	94	3	1	2	100	0	100
Lars Mørch	1.8	0.0	0.1	0	1.9	4.3	6.2
- Proportion	29	0	2	0	31	69	100

For comparative figures and development, cf. Appendices 1 and 2.

No pension contributions are payable to member of the Executive Board, but they earn retirement remuneration on an ongoing basis which is payable from Jyske Bank's Pensionstilskudsfond.

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

Appendix 1 Comparative figures

In the past six years, the individual members of the Group Supervisory Board and the Group Executive Board received the total remuneration stated below.

List of 2018-2023, absolute figures

Remuneration of the Supervisory Board, DKK million						
	2023	2022	2021	2020	2019	2018
Kurt Bligaard Pedersen	1.6	1.6	1.6	1.3	1.0	0.9
Hereof committees	0.6	0.6	0.6	0.5	0.4	0.3
Keld Norup	1.0	1.0	0.9	0.6	0.6	0.6
Hereof committees	0.4	0.4	0.4	0.3	0.2	0.3
Rina Asmussen	0.7	0.7	0.7	0.7	0.7	0.6
Hereof committees	0.3	0.3	0.3	0.3	0.3	0.3
Bente Overgaard (joined on 16.06.2020)	0.8	0.8	0.8	0.3	-	-
Hereof committees	0.4	0.4	0.4	0.1		
Anker Laden-Andersen (joined on 26.03.2019)	0.7	0.7	0.7	0.5	0.4	-
Hereof committees	0.3	0.3	0.3	0.2	0.2	
Per Schnack (joined on 26.03.2019)	0.7	0.7	0.7	0.6	0.4	-
Hereof committees	0.3	0.3	0.3	0.2	0.1	
Philip Baruch (resigned on 23.03.2021)	-	-	0.2	0.8	0.7	0.6
Hereof committees			0.1	0.3	0.3	0.3
Jens A. Borup (resigned on 23.03.2021)	-	-	0.2	0.8	0.8	0.8
Hereof committees			0.1	0.4	0.5	0.4
Sven Buhrkall (resigned on 16.06.2020)	-	-	-	0.8	1.7	1.5
Hereof committees				0.3	0.7	0.6
Marianne Lillevang	0.6	0.6	0.6	0.6	0.6	0.5
Hereof committees	0.2	0.2	0.2	0.2	0.2	0.2
Johnny Christensen (joined on 20.03.2018)	0.5	0.5	0.5	0.4	0.4	0.3
Hereof committees	0.1	0.1	0.1	0.1	0.1	0.1
Michael C. Mariegaard (joined on 22.03.2022)	0.5	0.3				
Hereof committees	0.1	0.1				
Christina Lykke Munk (joined on 01.07.2016 and resigned on 22.03.2022)	-	0.1	0.4	0.5	0.5	0.4
Hereof committees		-	0.1	0.1	0.1	0.1
Haggai Kunisch (resigned on 20.03.2018)	-	-	-	-	-	0.1
Hereof committees						-
Remuneration of the Executive Board, DKK million						
Anders Dam (resigned on 31.10.2023)	15.3	10.8	10.5	10.3	10.0	9.9
Hereof variable	5.2	-	-	-	-	0.1
Niels Erik Jakobsen	8.8	8.4	8.2	8.0	7.9	7.8
Hereof variable	-	-	-	-	-	0.1
Per Skovhus	9.4	9.1	9.0	8.8	8.7	8.5
Hereof variable	-	-	-	-	-	0.1
Peter Schleidt (joined on 01.09.2017)	9.0	9.3	9.1	8.9	8.8	8.3
Hereof variable	-	-	-	-	-	-
Lars Mørch (joined on 01.11.2023)	6.2	-	-	-	-	-
Hereof variable	4.3					
Leif F. Larsen (resigned on 30.04.2018)	-	-	-	-	-	3.1
Hereof variable						0.1
Remuneration of average FTE (full time equivalent), DKK '000						
Average remuneration (salary + pension)	837	771	757	749	727	686
Profit development, Jyske Bank Group, DKK million						
Pre-tax profit	7,888	4,557	4,027	2,110	3,079	3,140
Post-tax profit	5,904	3,752	3,176	1,609	2,440	2,500

Appendix 2 Development (%)

List of 2018-2023, percentage change from previous year*

Remuneration of the Supervisory Board, percentage						
	2023	2022	2021	2020	2019	2018
Kurt Bligaard Pedersen	0.0	0.1	24.6	30.2	14.2	66.4
Keld Norup	0.2	9.1	52.2	1.0	0.5	26.2
Rina Asmussen	-0.6	0.6	1.8	-2.6	9.7	42.3
Bente Overgaard (joined on 16.06.2020)	-0.7	7.0	29.0	-	-	-
Anker Laden-Andersen (joined on 26.03.2019)	-3.3	6.1	23.7	-11.6	-	-
Per Schnack (joined on 26.03.2019)	-1.2	0.3	17.4	16.7	-	-
Philip Baruch (resigned on 23.03.2021)	-	-	13.3	16.4	6.5	17.9
Jens A. Borup (resigned on 23.03.2021)	-	-	-7.1	-7.7	8.2	52.6
Sven Buhrkall (resigned on 16.06.2020).	-	-	-	-1.3	13.1	66.8
Marianne Lillevang	0.0	0.0	0.0	0.0	12.6	60.5
Johnny Christensen (joined on 20.03.2018)	0.0	1.6	5.1	0.0	0.0	-
Michael C. Mariegaard (joined on 22.03.2022)	0.0	-	-	-	-	-
Christina Lykke Munk (joined on 01.07.2016 and resigned on 22.03.2022)	-	-1.7	-4.8	0.0	13.3	66.0
Haggai Kunisch (resigned on 20.03.2018)	-	-	-	-	-	1.3
Remuneration of the Executive Board, %						
Anders Dam (resigned on 31.10.2023)	50.0	2.9	2.5	2.0	1.5	-3.4
Niels Erik Jakobsen	5.0	2.3	2.4	1.8	1.3	-3.4
Per Skovhus	2.7	2.2	1.7	0.9	2.9	-1.6
Peter Schleidt (joined on 01.09.2017)	-2.6	2.2	1.2	1.8	5.4	11.1
Lars Mørch (joined on 01.11.2023)	-	-	-	-	-	-
Leif F. Larsen (resigned on 30.04.2018)	-	-	-	-	-	-5.0
Remuneration of average FTE (full time equivalent), percentage						
Average remuneration (salary + pension)	8.5	1.9	1.0	3.1	6.0	-1.0
Profit development, Jyske Bank Group, percentage						
Pre-tax profit	73.1	13.2	90.9	-31.5	-1.9	-21.5
Post-tax profit	57.4	18.1	97.4	-34.1	-2.4	-20.5

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