

Remuneration Report 2021

Danske Bank Group



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Introduction

from the Chairman of the Board of Directors and the Remuneration Committee

The year 2021 was characterised by the gradual reopening of societies and the vaccine roll-out. During 2021, the recovery in the Nordic economies became evident, with strong labour markets and consumer spending, albeit also with some inflation fears and scarcity of labour being reported. The Danske Bank Group posted a net profit of DKK 12,920 million, which is an increase of DKK 8,331 million in relation to the 2020 result. The outlook for 2022 remains a net profit of DKK 13.0 billion. More information about our financial results can be found on our website at danskebank.com/investor-relations.

For Danske Bank, 2021 was a year in which we continued to make progress with the transformation to become a better bank and delivered structural progress towards our 2023 ambitions. Among other things, we strengthened our value propositions for our customers through digitalisation, specialised advisory services and sustainable solutions, and in the third quarter, we updated our 2023 financial ambitions. As the next step in our ongoing transformation, we announced in January 2022 a further fine-tuning of the organisation that will take effect no later than May 2022. Our commercial activities will in future be organised as three business units: Business Customers, Personal Customers, and Large Corporates & Institutions.

In 2021, the composition of the Board of Directors changed twice. Firstly, Christian Sagild did not seek re-election at the annual general meeting in 2021. Secondly, on 19 April 2021, Gerrit Zalm decided to resign from the Board of Directors as a result of a decision made by the Dutch authorities following their investigations into potential violations of Dutch anti-money laundering legislation at ABN AMRO.

The composition of the Executive Leadership Team also changed during 2021. On 19 April 2021, Carsten Rasch Egeriis replaced Chris Vogelzang as Chief Executive Officer. Chris Vogelzang had informed the Board of Directors of his wish to resign from his position following the decision by the Dutch authorities to name him as a suspect in connection with investigations into potential violations of Dutch anti-money laundering legislation at ABN AMRO. On 25 May 2021, Danske Bank appointed Magnus Agustsson as new Chief Risk Officer, succeeding Carsten Rasch Egeriis and joining the

Executive Leadership Team on 22 November 2021. And on 25 November 2021, Philippe Vollot was appointed with immediate effect as Chief Administrative Officer with overall responsibility for Group Compliance, First Line Financial Crime Prevention and Financial Crime Risk divisions. Philippe Vollot continues as member of the Executive Leadership Team. Concurrently, Deputy Chief Compliance Officer and Head of Financial Crime, Satnam Lehal, was appointed Chief Compliance Officer with a direct reporting line to Philippe Vollot and an independent reporting line to the Board of Directors.

As a result of the announcement on 7 January 2022 to organise the commercial activities as three business units, Christian Bornfeld, new Head of Personal Customers, and Johanna Norberg, new Head of Business Customers, will join the Executive Leadership Team no later than 1 May 2022. They replace Glenn Söderholm, who will step down from the Executive Leadership Team when the changes take effect, after which he will stay on as senior adviser. Berit Behring will continue to head Large Corporates & Institutions. As such, we now have an Executive Leadership Team in place to accelerate the execution of our 2023 plan and to further strengthen our position in the market.

In line with the Remuneration Policy, the short-term incentives for the CEO and the rest of the Executive Leadership Team have been set by reference to a balanced scorecard of financial and non-financial KPIs that support the Group strategy.

Copenhagen, 3 February 2022



Karsten Dybvad,
Chairman of the Board of Directors

Summary of key disclosures

Danske Bank's Remuneration Report provides full disclosure of the bank's remuneration decisions relating to the Board of Directors and the Executive Leadership Team as well as the related business context and governance process.

A summary of these disclosures as they relate to the Chairman of the Board of Directors, the members of the Board of Directors, the CEO and the Executive Leadership Team as a whole is provided below.

Remuneration of the Chairman and the members of the Board of Directors

The Chairman and the members of the Board of Directors receive a fixed annual base fee and are not eligible for any form of variable remuneration or a pension unless required in accordance with local regulations.

Audited (DKK thousands)	2021 Remuneration	2020 Remuneration
Karsten Dybvad Chairman	3,803	2,539

Audited (DKK thousands)	2021 Remuneration	2020 Remuneration
Board of Directors	15,536	12,037

Remuneration of the CEO

In April 2021, Carsten Rasch Egeriis was announced as new Group CEO and replaced Chris Vogelzang who left the Group. The CEO's salary was considered and agreed by the Remuneration Committee based on the scope and nature of the position, the CEO's qualifications and external benchmarking analysis.

The remuneration of the CEO consists of fixed remuneration (base salary and benefits) and variable remuneration (Short-term Incentive Programme (STI) and Long-term Incentive Programme (LTI)).

Audited (DKK thousands)	2021 Total Fixed ¹	Short-term incentive programme	Long-term incentive programme	2021 Total
Carsten Rasch Egeriis Chief Executive Officer (from 19 April 2021)	10,360	2,013	778	13,151

¹ Including salary and benefits.

Remuneration of the Executive Leadership Team (including the CEO)

The remuneration of members of the Executive Leadership Team (ELT) consists of fixed remuneration (base salary, pension and benefits) and variable remuneration (STI and LTI).

Audited (DKK thousands)	2021 Total Fixed ¹	Short-term incentive programme	Long-term incentive programme	Extraordinary payments	2021 Total
Current ELT	72,720	10,006	5,369	2,300	90,395

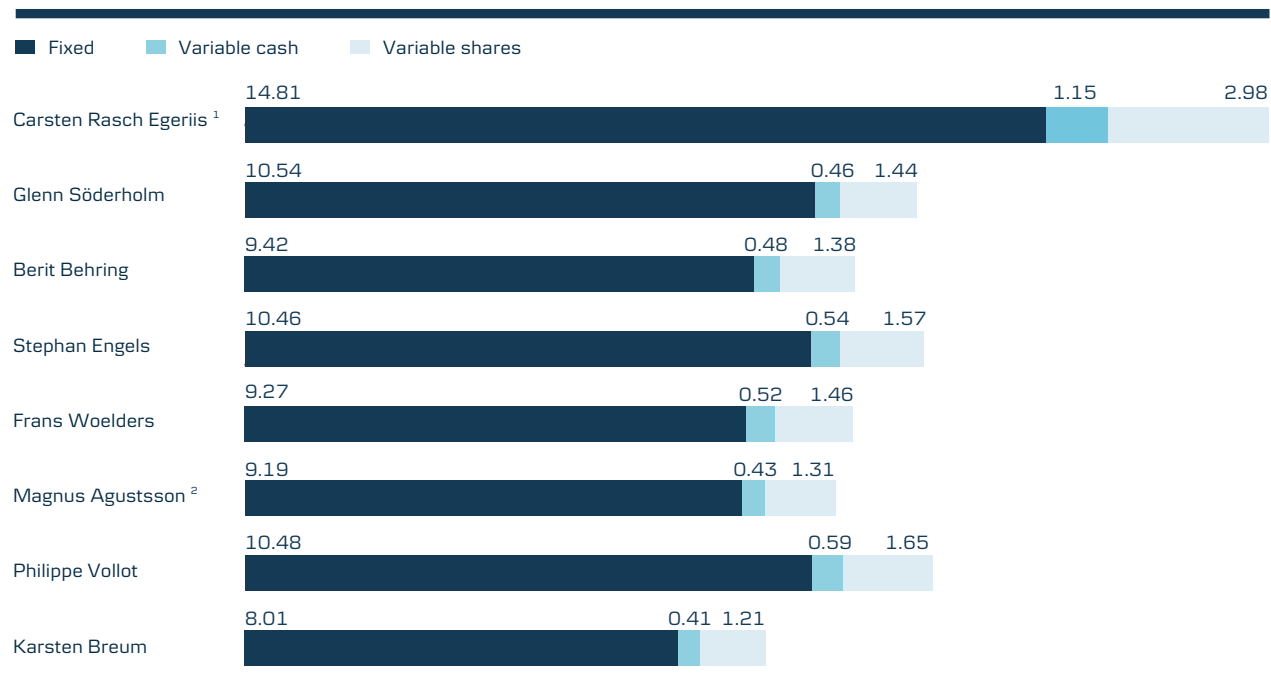
¹ Including salary, pension and benefits.

Summary of performance assessment

ELT members	KPI categories	Aggregated weight	Total performance assessment
Carsten Egeriis, CEO	Financial	30%	Above target
	Non-financial	60%	
	Risk & Compliance metric	10%	
Other ELT	Financial	30%	Above target
	Non-financial	50%	
	Risk & Compliance metric	20%	

The table below shows the composition of the remuneration of members of the Executive Leadership Team by category. The fixed remuneration includes base salary, pension and benefits. For the purposes of easy comparison of remuneration, all figures have been annualised.

ELT total remuneration breakdown (DKK millions)



¹ For Carsten Rasch Egeriis only CEO remuneration is included.

² The sign-on fee awarded to Magnus Agustsson is not included in the variable pay.

Remuneration Policy and Corporate Governance

Remuneration Policy

The remuneration of the Board of Directors and the Executive Leadership Team for the financial year 2021 was determined in accordance with the Group's Remuneration Policy, which lays down and ensures an appropriate total remuneration package that has a clear link to the business strategy and aligns with stakeholder interests. In this context, the Remuneration Policy contributes towards promoting the Group's objectives for good corporate governance as well as sustained and long-term value creation for shareholders.

Once a year, the Remuneration Policy is reviewed and adjusted, as required, to reflect changes in regulatory requirements, expectations of stakeholders and the Group's strategic priorities. A profound objective of the Remuneration Policy and remuneration practice at Danske Bank is to promote sound and effective risk management related to remuneration matters.

The Remuneration Policy was approved at the annual general meeting on 16 March 2021 and is available on our website at danskebank.com/about-us/corporate-governance.

Corporate Governance

Key remuneration decisions are made by the Board of Directors. The Group's Remuneration Committee operates as a preparatory committee for the Board of Directors with respect to matters concerning remuneration. In particular, the Remuneration Committee focuses on remuneration of members of the Board of Directors, the Executive Leadership Team, material risk takers, key employees and executives in charge of control and internal audit functions and on incentive programmes. The Remuneration Committee monitors trends in the Group's salary and bonus policies and practices. It monitors the incentive programmes to ensure that they promote ongoing, long-term shareholder value creation as well as compliance with the Remuneration Policy.

The Remuneration Committee consists of four members, of whom one is the Chairman of the Board of Directors. The Chairman of the Board of Directors is also the Chairman of the Remuneration Committee. Another member of the Remuneration Committee is an employee-elected member of the Board of Directors.

Other members of the Board of Directors, the Executive Leadership Team and relevant employees of Danske

Bank, such as the Head of Total Rewards, participate in meetings of the Remuneration Committee at the request of the committee. Further, the Company Secretariat acts as secretariat to the Remuneration Committee.

The Remuneration Committee's charter lays down the responsibilities of the Remuneration Committee and is published on our website at danskebank.com/about-us/corporate-governance.

The composition of the Remuneration Committee as well as the committee members' record of attendance for 2021 is available on our website at danskebank.com/about-us/management.

The Remuneration Committee meets three times a year as a minimum. During 2021, the Remuneration Committee held five meetings with full member attendance.

In 2021, the Remuneration Committee monitored, considered, evaluated and submitted recommendations to the Board of Directors in regard to the following:

- the Charter and annual work schedule for the Remuneration Committee
- the remuneration of the Board of Directors
- the annual review of criteria used for designating material risk takers and control functions
- the remuneration of certain heads of control functions (not part of the Executive Leadership Team)
- the remuneration of high earners (not part of the Executive Leadership Team)
- salary drift across the Group
- risk assessment of the Group's incentive programmes
- backtesting of deferred compensation to members of the Executive Leadership Team
- variable remuneration spend across the Group
- performance evaluation and remuneration of the individual members of the Executive Leadership Team, including fixed and variable pay
- individual performance agreement for members of the Executive Leadership Team
- review and reconfirmation of the incentive structure for members of the Executive Leadership Team and the rest of the Group, including the accrual mechanisms for bonus pools
- gender pay gap and pay equality

Remuneration of the Board of Directors

In line with market practice, members of the Board of Directors receive an annual fixed base fee. In addition, the members serving as members or chairman of a committee of the Board of Directors receive an additional annual fixed fee for each committee role they serve.

None of the members of the Board of Directors is entitled to receive any variable remuneration or pension contributions except the members elected by the employees or where this is required under local regulations.

Employee-elected members of the Board of Directors, in their roles as employees of Danske Bank, are entitled to variable remuneration and staff benefits like their peers at the Group.

The Board of Directors and committee fees are approved by the shareholders at the annual general meeting. The annual fees of the members of the Board of Directors take into account the required competencies, efforts and scope of work.

All members of the Board of Directors are non-executive directors at Danske Bank.

At the annual general meeting on 9 June 2020, the Board of Directors and committee fees for the financial year 2021 were approved and are listed in the tables below.

Board fee structure for 2021 - audited

Board fees (DKK thousands)	Board	Audit Committee	Conduct & Compliance Committee	Nomination Committee	Remuneration Committee	Risk Committee
Member	660	220	220	165	165	220
Member, employee-elected	660	220	220	165	165	220
Chairman	2,640 ¹	440	440	330	330	440
Vice Chairman	1,320 ²	n.a.	n.a.	n.a.	n.a.	n.a.

¹ 4 x base fee

² 2 x base fee

The remuneration paid in 2021 to each member of the Board of Directors is outlined in the table below.

Remuneration to members of the Board of Directors for 2021 – audited

Name and position (DKK thousands)	Annual base fee	Audit Committee	Conduct & Compliance Committee	Nomination Committee	Remunera- tion Committee	Risk Committee	Benefits	Total remunera- tion
Karsten Dybvad Chairman	2,640		440	165	330	155	73 ¹	3,803
Carol Sergeant Vice Chairman	1,320		220			266		1,806
Jan Thorsgaard Nielsen Vice Chairman	1,320	266	220					1,806
Lars-Erik Brenøe Board member	660			330	165			1,155
Bente Avnung Landsnes Board member	660	220		165				1,045
Raija-Leena Hankonen Board member	660	394			165			1,219
Martin Blessing Board member	660					394		1,054
Employee representatives								
Bente Bang Board member	660							660
Kirsten Ebbe Brich Board member	660		220					880
Thorbjørn Lundholm Dahl Board member	660							660
Charlotte Hoffmann Board member	660				165			825
Former members of the Board of Directors								
Christian Sagild Board member (former representative until 16 March 2021)	165	55				55		275
Gerrit Zalm Board member (former representative until 19 April 2021)	220			55		73		348
Total remuneration								
2021	10,945	935	1,100	715	825	943	73	15,536

¹ Home security.

Remuneration of the Executive Leadership Team

The remuneration of the members of the Executive Leadership Team is reviewed by the Remuneration Committee on an annual basis with reference to market practice, the scope and nature of the work, qualifications and the performance of each Executive Director. Any proposals for adjusting remuneration components for members of the Executive Leadership Team will require approval from the Board of Directors.

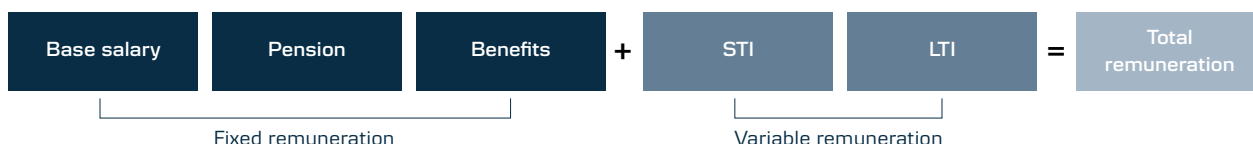
Members of the Executive Leadership Team receive remuneration in alignment with the Group's Remuneration Policy and do not receive remuneration from responsibilities related to other entities of the Group, so no separate remuneration is payable for work on the boards of directors of subsidiaries.

Description of ELT remuneration components

Fixed remuneration	Base salary	<ul style="list-style-type: none"> Reviewed by the Remuneration Committee on annual basis
	Pension	<ul style="list-style-type: none"> 20% of base salary paid as defined contribution. If covered by section 48E/F of the Danish Tax Assessment Act, the pension contribution is paid as a 20% cash allowance
	Benefits	<ul style="list-style-type: none"> Insurance (full time accident, group life insurance, critical illness) Company car, can be paid as a cash allowance upon request Paid mobile phone and broadband connection Paid newspaper subscriptions Home security Family health benefits
Variable remuneration	Short-term Incentive Programme	<ul style="list-style-type: none"> A maximum of 30% of annual base salary is earned Awarded once a year, with the value based on KPI performance for the year Upon settlement, 40% is paid in cash, while 60% is deferred over a five-year period and is subject to backtesting Upon backtesting, deferred bonus is paid in shares and is subject to a one-year retention period before being free to trade Payments are subject to backtesting and clawback and good leaver/bad leaver conditions
	Long-term Incentive Programme	<ul style="list-style-type: none"> 100% share-based 20% of annual base salary is granted in shares, which is the maximum award The shares vest over a period of three years. After three years, an award of 0- 100% of the maximum is settled based on relative TSR (Total Shareholder Return) performance against Nordic peers Upon settlement, 40% is paid out, while 60% is deferred for five years from the grant date, subject to backtesting Upon backtesting, deferred bonus is paid in shares and is subject to a one-year retention period before being free to trade Payments are subject to backtesting and claw back and good leaver/bad leaver conditions
	Extraordinary payments	<ul style="list-style-type: none"> Sign-on fee
Notice periods		<ul style="list-style-type: none"> A minimum of nine months' notice from the ELT member, including the CEO (six months' notice from ELT members hired after 1 January 2022) 18 months' notice from Danske Bank (12 months' notice from Danske Bank for ELT members hired after 1 January 2022) No severance payment

The table below shows a summary of the remuneration of the current and former members of the Executive

Leadership Team for 2021 broken down by fixed and variable remuneration components.



Total remuneration of members of the Executive Leadership Team 2021 – audited

Earned 2021 (DKK millions)	Fixed remuneration				Variable remuneration				Total Total remuneration	Ratio Fixed vs. variable
	Base salary	Pension ¹	Benefits	Total fixed remuneration	Extra-ordinary payments ²	Cash	Shares	Total variable remuneration		
Executive Leadership Team (ELT)										
Carsten Rasch Egeriis Chief Executive Officer (from 19 April 2021) Chief Risk Officer (before 19 April 2021)	9.86	0	0.50	10.36	0	0.81	1.98	2.79	13.15	79% / 21%
Glenn Söderholm Head of Personal & Business Customers	8.50	1.70	0.34	10.54	0	0.46	1.44	1.90	12.44	85% / 15%
Berit Behring Head of Large Corporates & Institutions	7.50	1.50	0.42	9.42	0	0.48	1.38	1.86	11.28	84% / 16%
Stephan Engels Chief Financial Officer	8.50	1.70	0.26	10.46	0	0.54	1.57	2.11	12.57	83% / 17%
Frans Woelders Chief Operations Officer	7.50	1.50	0.27	9.27	0	0.52	1.46	1.98	11.25	82% / 18%
Phillippe Vollot Chief Administrative Officer (Chief Compliance Officer until 25 November 2021)	8.50	1.70	0.28	10.48	0	0.59	1.65	2.24	12.72	82% / 18%
Magnus Agustsson Chief Risk Officer (joined the ELT 22 November 2021)	0.82	0.16	0.12	1.10	2.30	0.05	0.14	2.49	3.59	85% / 15%
Karsten Breum Chief People Officer	6.50	1.30	0.21	8.01	0	0.41	1.21	1.62	9.63	83% / 17%
Total earned	60.19	10.06	2.47	72.72	2.30	4.00	11.38	17.68	90.40	

Total remuneration of members of the Executive Leadership Team 2021 – audited

Earned 2021 (DKK millions)	Fixed remuneration				Variable remuneration				Total	Ratio
	Base salary	Pension ¹	Benefits	Total fixed remuneration	Extraordinary payments ²	Cash	Shares	Total variable remuneration		
Former ELT members while in office										
Chris Vogelzang Chief Executive Officer (resigned from the ELT on 19 April 2021)	4.58	0	0.01	4.59	0	0.29	0.85	1.14	5.73	80% / 20%
Total earned	4.58	0	0.01	4.59	0	0.29	0.85	1.14	5.73	
Former ELT members in notice period										
Chris Vogelzang Former Chief Executive Officer	10.92	0	0.02	10.94	0	0.69	2.01	2.70	13.64	80% / 20%
Total earned	10.92	0	0.02	10.94	0	0.69	2.01	2.70	13.64	

¹ Including pension amounts paid into pension scheme and paid out as cash for employees covered by section 48E/F of the Danish Tax Assessment Act.

² For Magnus Agustsson, variable extraordinary payments include a sign-on fee.

Note: The categorisation of the remuneration components differs from the Annual Report, including the presentation of pension paid as cash allowance, which is classified as fixed salary in the Annual Report. Further, the value of the LTI grant in the table above is the grant value of the award for the 2021-2023 performance period. This value is lower than the maximum possible award as it takes into account the range of potential outcomes, including 0% and 100%.

It is based on the expected value of the outcome of the TSR performance of Danske Bank against its Nordic peers. The basis of presentation used is different from the approach applied in the Annual Report where one third of the award granted is considered earned in each of the three performance years of the programme.

Variable remuneration

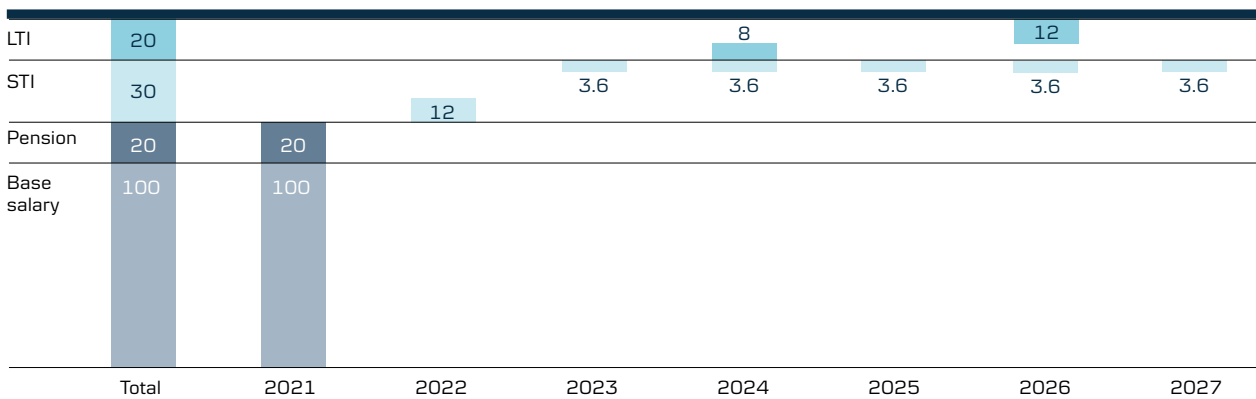
This section provides further information on the variable remuneration of the Executive Leadership Team. Danske Bank uses performance-based variable remuneration to motivate specific behaviour and performance and ensure alignment with shareholder interests.

A balance of short- and long-term incentives is applied. Short-term incentives reflect the performance of the year against agreed targets, with long-term incentives used to ensure alignment with shareholder interests on a longer time horizon.

A significant portion of the short-term incentives is subject to deferral and will be subject to backtesting prior to possible vesting to ensure that the basis on which the award was granted remains proven.

The chart below provides a visual representation of the timing of award vesting to the Executive Leadership Team in respect of 2021 performance. For the variable pay awards, the maximum opportunity is shown.

Timing of payout for the remuneration components



Short term incentives

The STI awards for members of the Executive Leadership Team are based on a balanced scorecard of performance measures, with targets set at the beginning of the performance year.

50% of the scorecard relates to Group performance, with targets common to all Executive Leadership Team members, with 30% reflecting business unit or functional responsibilities, and the remaining 20% is allocated to individual objectives. The CEO has a 50%/50% split between Group and individual performance metrics.

On an annual basis, the Remuneration Committee undertakes the exercise of ensuring that the annual STI measures are aligned with the long-term ambitions and that annual targets are sufficiently challenging to achieve in the context of Danske Bank’s strategy.

The 2021 performance criteria include both financial (30%) and non-financial (70%) measures and are closely aligned with our 2023 stakeholder ambitions and the Better Bank transformation plan.

Linking strategy to performance KPIs

Stakeholder segment	2023 Ambitions	KPIs selected	Weight	Targets
Customers	We want to be among the top two performers, on average, in customer satisfaction in everything we do.	Group Customer Satisfaction	20%	
Employees	Our 2023 target is a Satisfaction & Motivation index score of 77 - taking us well on our way towards the aspiration to be a workplace where engagement is an integrated part of our culture, a natural part of our daily focus and how we work together.	Unit/Function Employee Engagement	5%	The targets for 2021 and 2022 are set accordingly to the planned progress towards our 2023 ambitions.
		Unit/Function D&I	5%	
		Leadership, Purpose and Cultural Commitments	Included in individual KPIs	
Society	We will operate sustainably, ethically and transparently - and have a positive impact on society.	Group and Unit/Function Risk, Compliance & Audit	20%	All targets are stretched and no incentive is earned until performance is close to target. Above target performance is achievable but challenging.
Shareholders	8.5-9%* return on shareholders' equity, cost/income ratio in the mid-50s* and an unchanged dividend policy of 40-60%. *Adjusted in connection with Q3 results 2021.	Group ROE	10%	
		Group Profit	10%	
		Unit ROAC	5%/0%	
		Unit/Function Cost	5%/10%	

At the end of the year, the KPIs are evaluated against the targets. Financial targets are measured against results audited by Danske Bank's external auditor. Non-financial targets are also, where relevant, validated by parties, such as customer satisfaction in main markets. The measures relating to risk and compliance apply at the group and also at the business unit level. The targets are set and performance is evaluated by the Group's independent control functions.

Assessment of the individual performance of each member of the Executive Leadership Team is considered and endorsed by the Nomination Committee and the Remuneration Committee. The Remuneration Committee also considers and endorses the bonus amounts, before the assessments and amounts are submitted for approval by the Board of Directors.

Performance measures and results for 2021 are included in the table on the next page.

STI performance, KPIs and results for 2021 – audited

ELT members	Group 50%	Unit 30%	Function 30%	Individual 20% (CEO: 50%)	Bonus % of base salary (max 30%)		
Carsten Rasch Egeriig, CEO (from 19 April 2021) CRO (before 19 April 2021)	ROE Profit	10% 10%	ROAC Cost	5% 5%	Personal KPIs reflecting contri- bution to the Better Bank trans- formation and role modelling of our Core Values	20% 14%	
Glenn Söderholm, Head of PB&C	CSAT	20%	Risk, Compli- ance & Audit	10%	10%	13%	
Berit Behring, Head of LC&I	Risk, Compli- ance & Audit	10%	Empl. Engage- ment	5%	Empl. Engage- ment	5%	16%
Philippe Vollot, CCO							
Stephan Engels, CFO							16%
Frans Woelders, COO							17%
Karsten Breum, CPO			D&I	5%	D&I	5%	16%
Magnus Augustsson, CRO							14%
Avg. achieved performance % of max (0-100%)	56%	39%	41%	66%			

Long term incentives

The LTI is a share-based programme, the objective being to work alongside the annual STI to balance the incentives of the members of the Executive Leadership Team between the short and long term and to align their interests with the interests of shareholders and other stakeholders.

The awards are granted subject to performance over a three-year period, with 40% of the award vesting after three years and the remainder after five years. As with all deferrals, there performance and conduct are backtested prior to vesting.

The performance criteria for the long-term incentive is the three-year Total Shareholder Return (TSR) performance relative to the following group of Nordic peers:

- DNB
- Handelsbanken
- Nordea
- SEB
- Swedbank
- Jyske Bank/Sydbank

The LTI grant for 2021- 2023 is adjusted on the basis of the relative TSR rank against peers at the end of year three

Relative TSR rank	1-2	3	4	5-7
% of LTI grant	100%	75%	37.5%	0%

The assessment in 2021 of the LTI programme for 2019-2021 worked out at 0%.

From 2022, Jyske Bank and Sydbank will be considered to be separate peers and the pay curve for the LTI award will be adjusted, as shown below.

Relative TSR rank	1-2	3	4	5-8
% of LTI grant	100%	75%	37.5%	0%

Summary of STI and LTI grants for 2021

The following table shows the STI and LTI grants made in respect of 2021. In accordance with regulatory requirements, the annual STI bonus is split between

40% cash and 60% deferred shares. The LTI consists of shares only. The maximum LTI award is 20% of the annual base salary. All share-based remuneration is subject to deferral and backtesting.

Grants awarded to the Executive Leadership Team for 2021 - audited

Incentive programmes for the ELT (DKK millions)	STI 2021				LTI 2021-2023 maximum		Total grant 2021
	Cash	Shares	Total	Deferral %	Shares	Deferral %	
Executive Leadership Team (ELT)							
Carsten Rasch Egeriis Chief Executive Officer	0.81	1.21	2.02	60%	1.97	100%	3.99
Chief Risk Officer (until 19 April 2021)	0.14	0.22	0.36	60%	0.50	100%	0.86
Glenn Söderholm Head of Personal & Business Customers	0.46	0.69	1.15	60%	1.70	100%	2.85
Berit Behring Head of Large Corporates & Institutions	0.48	0.71	1.19	60%	1.50	100%	2.69
Stephan Engels Chief Financial Officer	0.54	0.81	1.35	60%	1.70	100%	3.05
Frans Woelders Chief Operations Officer	0.52	0.79	1.31	60%	1.50	100%	2.81
Philippe Vollot Chief Administrative Officer (Chief Compliance Officer until 25 November 2021)	0.59	0.89	1.48	60%	1.70	100%	3.18
Magnus Agustsson Chief Risk Officer (joined the ELT on 22 November 2021)	0.05	0.07	0.12	60%	0.16	100%	0.28
Karsten Breum Chief People Officer	0.41	0.62	1.03	60%	1.30	100%	2.33
Former ELT members							
Chris Vogelzang Chief Executive Officer (resigned from the ELT on 19 April 2021)	0.98	1.48	2.46	60%	3.10	100%	5.56

Share-based remuneration and shareholding

In the light of the level of deferral applied and the shareholder alignment created through the LTI, it is not considered necessary for a minimum shareholder requirement for the Executive Leadership Team to be applied, except for the CEO. In order to ensure alignment of the CEO's and the Danske Bank Group's strategic goals and long-term objectives, the Group requires that

the CEO must own shares in the Group corresponding to a value of approximately DKK 2 million, subject to compliance with relevant legislation and the Group's policies. An overview of Danske Bank shares held by the Board of Directors and the Executive Leadership Team is provided in the annual report. The following table shows the outstanding share awards held by all members of the Executive Leadership Team.

Conditional shares held by the Executive Leadership Team - audited

Incentive programmes	Opening balance 01/01 2021	Granted 2021	Vested 2021	Forfeited or reduced 2021	Closing balance 31/12 2021	Date		Market value (DKK millions)		
						Issue	Vesting	At issue	End of year	At vesting
Executive Leadership Team (ELT)										
Carsten Rasch Egeriis - Chief Executive Officer (Chief Risk Officer until 19 April 2021)										
STI 2017	1,062	0	0	0	1,062	Apr.18	Mar.23	0.25	0.12	
STI 2019	6,405	0	0	0	6,405	May.20	Mar.25	0.49	0.72	
STI 2020 ¹	0	7,817	0	0	7,817	Apr.21	Mar.26	0.94	0.88	
LTI 2018-2020	2,026	0	0	2,026	0	Jan.18	Mar.21	0.49	0.00	
	3,040	0	0	3,040	0	Jan.18	Mar.23	0.74	0.00	
LTI 2019-2021	4,362	0	0	0	4,362	Jan.19	Mar.22	0.57	0.49	
	5,842	0	0	0	5,842	Jan.19	Mar.24	0.76	0.66	
	700	0	0	0	700	Sep.19	Sep.24	0.06	0.08	
LTI 2020-2022	5,916	0	0	0	5,916	Jan.20	Mar.23	0.63	0.67	
	8,874	0	0	0	8,874	Jan.20	Mar.25	0.95	1.00	
	272	0	0	0	272	Jul.20	Mar.23	0.02	0.03	
	407	0	0	0	407	Jul.20	Jul.25	0.04	0.05	
LTI 2021-2023	0	6,754	0	0	6,754	Jan.21	Mar.24	0.68	0.76	
	0	10,132	0	0	10,132	Jan.21	Mar.26	1.02	1.14	
	0	2,536	0	0	2,536	Apr.21	Mar.24	0.31	0.29	
	0	3,805	0	0	3,805	Apr.21	Apr.26	0.46	0.43	
Total	38,906	31,044	0	5,066	64,884			7.47	6.45	
Glenn Söderholm - Head of Personal & Business Customers										
STI 2016	3,291	0	3,291	0	0	Apr.17	Mar.21	0.78	0.00	0.41
STI 2017	2,861	0	0	0	2,861	Apr.18	Mar.23	0.67	0.32	
STI 2019	5,502	0	0	0	5,502	May.20	Mar.25	0.42	0.62	
STI 2020 ¹	0	7,123	0	0	7,123	Apr.21	Mar.26	0.86	0.80	
LTI 2015-2017	3,148	0	0	0	3,148	Jan.15	Apr.22	0.77	0.36	
LTI 2018-2020	2,162	0	0	2,162	0	Jan.18	Mar.21	0.53	0.00	
	3,242	0	0	3,242	0	Jan.18	Mar.23	0.79	0.00	
LTI 2019-2021	4,497	0	0	0	4,497	Jan.19	Mar.22	0.58	0.51	
	6,230	0	0	0	6,230	Jan.19	Mar.24	0.81	0.70	
	514	0	0	0	514	Sep.19	Sep.24	0.05	0.06	
LTI 2020-2022	5,916	0	0	0	5,916	Jan.20	Mar.23	0.63	0.67	
	8,874	0	0	0	8,874	Jan.20	Mar.25	0.95	1.00	
LTI 2021-2023	0	6,754	0	0	6,754	Jan.21	Mar.24	0.68	0.76	
	0	10,132	0	0	10,132	Jan.21	Mar.26	1.02	1.14	
Total	46,237	24,009	3,291	5,404	61,551			9.53	6.95	
Berit Behring - Head of Large Corporates & Institutions										
MRT 2017 ²	2,409	-	2,409	0	0	Apr.18	Apr.21	0.56	0.00	0.26
MRT 2018 ²	837	-	0	0	837	Apr.19	Apr.22	0.10	0.09	
MRT 2019 ²	2,018	-	0	0	2,018	May.20	May.23	0.15	0.23	
STI 2019	1,784	-	0	0	1,784	May.20	Mar.25	0.14	0.20	
STI 2020 ¹	0	6,449	0	0	6,449	Apr.21	Mar.26	0.78	0.73	
LTI 2019-2021	1,914	-	0	0	1,914	Sep.19	Mar.22	0.17	0.22	
	2,872	-	0	0	2,872	Sep.19	Sep.24	0.25	0.32	
LTI 2020-2022	4,868	-	0	0	4,868	Jan.20	Mar.23	0.52	0.55	
	7,301	-	0	0	7,301	Jan.20	Mar.25	0.78	0.82	
LTI 2021-2023	0	5,960	0	0	5,960	Jan.21	Mar.24	0.60	0.67	
	0	8,940	0	0	8,940	Jan.21	Mar.26	0.90	1.01	
Total	24,003	21,349	2,409	0	42,943			4.96	4.85	

Incentive programmes	Opening balance 01/01 2021	Granted 2021	Vested 2021	Forfeited or reduced 2021	Closing balance 31/12 2021	Date		Market value (mDKK)		
						Issue	Vesting	At issue	End of year	At vesting
Executive Leadership Team (ELT)										
Stephan Engels - Chief Financial Officer										
STI 2020 ²	0	5,508	0	0	5,508	Apr.21	Mar.26	0.66	0.62	
LTI 2020-2022	6,834	0	0	0	6,834	Jan.20	Mar.23	0.51	0.77	
	10,253	0	0	0	10,253	Jan.20	Mar.25	0.76	1.16	
LTI 2021-2023	0	6,754	0	0	6,754	Jan.21	Mar.24	0.68	0.76	
	0	10,132	0	0	10,132	Jan.21	Mar.26	1.02	1.14	
Total	17,087	22,394	0	0	39,481			3.64	4.46	
Frans Woelders - Chief Operations Officer										
STI 2020 ²	0	5,312	0	0	5,312	Apr.21	Mar.26	0.64	0.60	
LTI 2020-2022	6,015	0	0	0	6,015	Mar.20	Mar.23	0.47	0.68	
	9,024	0	0	0	9,024	Mar.20	Mar.25	0.71	1.02	
LTI 2021-2023	0	5,960	0	0	5,960	Jan.21	Mar.24	0.60	0.67	
	0	8,940	0	0	8,940	Jan.21	Mar.26	0.90	1.01	
Total	15,039	20,212	0	0	35,251			3.32	3.98	
Philippe Vollot - Chief Administrative Officer (Chief Compliance Officer until 25 November 2021)										
STI 2019	8,090	0	0	0	8,090	May.20	May.25	0.62	0.91	
STI 2020 ¹	0	7,106	0	0	7,106	Apr.21	Mar.26	0.86	0.80	
LTI 2018-2020	506	0	0	506	0	Jan.18	Mar.21	0.12	0.00	
	757	0	0	757	0	Jan.18	Mar.23	0.18	0.00	
LTI 2019-2021	5,242	0	0	0	5,242	Jan.19	Mar.22	0.68	0.59	
	7,864	0	0	0	7,864	Jan.19	Mar.24	1.02	0.89	
LTI 2020-2022	6,365	0	0	0	6,365	Jan.20	Mar.23	0.68	0.72	
	9,548	0	0	0	9,548	Jan.20	Mar.25	1.02	1.08	
LTI 2021-2023	0	6,754	0	0	6,754	Jan.21	Mar.24	0.68	0.76	
	0	10,132	0	0	10,132	Jan.21	Mar.26	1.02	1.14	
Total	38,372	23,992	0	1,263	61,101			6.88	6.90	
Magnus Agustsson - Chief Risk Officer (joined the ELT on 22 November 2021)										
LTI 2021-2023	0	576	0	0	576	Nov.21	Mar.24	0.07	0.07	
	0	863	0	0	863	Nov.21	Nov.26	0.10	0.10	
Total	0	1,439	0	0	1,439			0.16	0.16	
Karsten Breum - Chief People Officer										
MRT 2020 ²	0	1,385	1,385	0	0	Apr.21	Apr.21	0.17	0.00	0.17
	0	2,077	0	0	2,077	Apr.21	Apr.25	0.25	0.23	
STI 2020 ¹	1,834	2,193	0	0	2,193	Apr.21	Mar.26	0.26	0.25	
LTI 2020-2022	2,752	0	0	0	1,834	Aug.20	Mar.23	0.18	0.21	
	0	0	0	0	2,752	Aug.20	Aug.25	0.27	0.31	
LTI 2021-2023	0	5,165	0	0	5,165	Jan.21	Mar.24	0.52	0.58	
	0	7,748	0	0	7,748	Jan.21	Mar.26	0.78	0.88	
Total	4,586	15,106	0	0	21,769			2.02	2.46	
Former ELT members										
Chris Vogelzang - Former CEO (until 19 April 2021)										
STI 2019	11,206	0	0	0	11,206	May.20	Mar.25	0.86	1.27	
STI 2020 ¹	0	14,249	0	0	14,249	Apr.21	Mar.26	1.72	1.61	
LTI 2019-2021	6,248	0	0	0	6,248	Jun.19	Jun.22	0.70	0.71	
	9,371	0	0	0	9,371	Jun.19	Jun.24	1.05	1.06	
LTI 2020-2022	11,233	0	0	0	11,233	Jan.20	Mar.23	1.20	1.27	
	16,849	0	0	0	16,849	Jan.20	Mar.25	1.80	1.90	
LTI 2021-2023	0	12,317	0	0	12,317	Jan.21	Mar.24	1.24	1.39	
	0	18,476	0	0	18,476	Jan.21	Mar.26	1.86	2.09	
Total	54,907	45,042	0	0	99,949			7.33	11.29	

¹ The deferred shares from STI 2020 were granted in the spring of 2021. Hence the opening balance for 2021 is 0.

The STI 2020 actual bonus amount earned in the 2020 performance year and awarded in January 2021 is not included in the other remuneration tables, as it relates to 2020.

² Shares granted for performance years as material risk taker not a member of the ELT.

Backtesting and Claw back

In accordance with Danske Bank's Remuneration Policy, Danske Bank may decide to reduce or reclaim variable remuneration in full or in part in cases where variable remuneration is payable or has already been paid to a member of the Executive Leadership Team, if the basis of data or accounts for such variable remuneration subsequently proves to have been misstated, or if the member of the Executive Leadership Team is deemed to have caused a material loss for Danske Bank due to severe misconduct or gross negligence.

Once a year, Danske Bank undertakes a process of backtesting prior to the payment of any deferred variable remuneration to members of the Executive Leadership Team. The process includes a review of financial performance at the group and business unit level as well as an assessment of individual KPIs and conduct for all members. The process in 2021 included consideration of the business activities at the Estonian Branch and in the Flexinvest Fri case.

The outcome of the process in 2021 resulted in the reduction of incentive remuneration as detailed below.

Backtesting and Claw back 2021 (DKK) - audited

	STI 2016	STI 2017	Total backtesting 2021	Total Claw back 2021
Jesper Nielsen* Former Interim CEO and Head of Banking DK	- 18,403	- 82,067	- 100,580	0
Tonny Thierry Andersen Former Head of Wealth Management	- 994,019		- 994,019	0
Henrik Ramlau-Hansen Former CFO	- 717,750		- 717,750	0
Total DKK	- 1,730,172	- 82,067	- 1,812,349	0

* The backtested amount for Jesper Nielsen from the STI programme in 2016 relates to the period before he joined the Executive Leadership Team.

Comparative overview

The development in the remuneration of the Executive Leadership Team and the Board of Directors over the past two and three financial years is summarised in the table below. For the purposes of easy comparison, the

figures have been annualised. The remuneration of the Board of Directors was unchanged between 2019 and 2020 and is therefore not included.

Comparison of remuneration and company performance over the past three years – audited

Earned remuneration ² (DKK millions)	2021			Change 2020/2021			Change 2019/2020		
	Fixed	Variable ¹	Total	Fixed	Variable ¹	Total	Fixed	Variable ¹	Total
Executive Leadership Team (ELT)									
Carsten Rasch Egeriis Chief Executive Officer	14.81	4.13	18.94	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Chief Risk Officer (before 19 April 2021)	10.24	1.96	12.20	2%	-15%	-1%	19%	50%	24%
Glenn Söderholm Head of Personal & Business Customers	10.54	1.90	12.44	-2%	-11%	-3%	14%	48%	18%
Berit Behring Head of Large Corporates & Institutions	9.42	1.86	11.28	8%	-1%	6%	5%	38%	10%
Stephan Engels Chief Finance Officer	10.46	2.11	12.57	0%	-5%	-1%	n.a.	n.a.	n.a.
Frans Woelders Chief Operations Officer	9.27	1.98	11.25	0%	-2%	-1%	n.a.	n.a.	n.a.
Magnus Agustsson Chief Risk Officer (joined the ELT 22 November 2021)	9.19	1.74	10.93	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Philippe Vollot Chief Administrative Officer (Chief Compliance Officer until 25 November 2021)	10.48	2.24	12.72	1%	2%	1%	0%	14%	2%
Karsten Breum Chief People Officer	8.01	1.62	9.63	1%	-15%	-2%	n.a.	n.a.	n.a.
Former ELT members									
Chris Vogelzang Former Chief Executive Officer (resigned from the ELT on 19 April 2021)	15.53	3.84	19.37	3%	-9%	1%	0%	5%	1%
Performance indicator									
Group return on Equity (%) ³	7.56%		192%			-73%			
Group profit before tax (DKK millions)	12,920		182%			-70%			
Average remuneration of FTE ⁴									
Employees at Danske Bank A/S	0.69		1%			5%			

¹ Extraordinary variable remuneration has been excluded to enable comparison (sign-on fees, relocation).

² For executives who were not a member of the ELT during full 2019, 2020 or 2021, the remuneration has been annualised to enable comparison.

³ In 2019, net profit and ROE after tax were positively affected by one-off net income on tax. In 2020, loan impairment charges, largely driven by the impact of the COVID-19 pandemic, negatively affected net profit and ROE after tax.

⁴ Average remuneration is calculated by reference to salaries and pension costs and average FTE of Danske Bank A/S as disclosed in note P6 of the annual report.

Comparison of remuneration of the Board of Directors over the past two years – audited

Earned remuneration ¹ (DKK thousands)	2021			Change 2020/2021		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors (BoD)						
Karsten Dybvad Chairman	3,803	0	3,03	50%	0	50%
Carol Sergeant Vice Chairman	1,806	0	1,806	42%	0	42%
Jan Thorsgaard Nielsen Vice Chairman	1,806	0	1,806	45%	0	45%
Lars-Erik Brenøe Board member	1,155	0	1,155	38%	0	38%
Bente Avnung Landsnes Board member	1,045	0	1,045	24%	0	24%
Raija-Leena Hankonen Board member	1,219	0	1,219	44%	0	44%
Martin Blessing Board member	1,054	0	1,054	46%	0	46%
Bente Bang Board member	660	0	660	23%	0	23%
Kirsten Ebbe Brich Board member	880	0	880	22%	0	22%
Thorbjørn Lundholm Dahl Board member	660	0	660	23%	0	23%
Charlotte Hoffmann Board member	825	0	825	25%	0	25%
Former BoD members						
Christian Sagild Board member (former representative until 16 March 2021)	1,100	0	1,100	21%	0	21%
Gerrit Zalm Board member (former representative until 19 April 2021)	1,045	0	1,045	24%	0	24%
Performance indicator						
Group return on equity (%) ²			7.56%			192%
Group profit before tax (DKK millions)			12,920			182%
Average remuneration of FTE ³						
Employees at Danske Bank A/S (DKK millions)			0.69			1%

¹ For members of the Board of Directors who were not a member of the Board of Directors during full 2020 or 2021, the remuneration has been annualised to enable comparison.

² In 2020, net profit and ROE after tax were negatively affected by loan impairment charges, largely driven by the impact of the COVID-19 pandemic.

³ Average remuneration is calculated by reference to salaries and pension costs and average FTE of Danske Bank A/S as disclosed in note P6 of the annual report.

Risk impact of remuneration

The primary risk related to Danske Bank's remuneration is linked to variable remuneration. Danske Bank has implemented different mechanisms to ensure that variable remuneration does not incentivise excessive risk taking.

Firstly, for the Executive Leadership Team, Danske Bank has initiated a balanced distribution between fixed and variable remuneration, with a maximum cap of combined STI and LTI of 50% of base salary, and the variable portion therefore represents less than one third of total remuneration, including base salary, pension, STI and LTI.

Certain employee segments of Danske Bank's capital market and asset management units have a higher cap on short-term incentives. Hence, employees in these segments are monitored closely in regard to business activities and restricted by other risk-limiting vehicles, that is using performance on risk-related KPIs for bonus accrual.

Secondly, Danske Bank has initiated a split disbursement of variable pay, if the annual payout exceeds a certain threshold, as specified in the Remuneration Policy. Amounts in excess of the threshold are split equally between cash and conditional shares, with the shares being subject to a deferral and retention period of a minimum of three years.

Disbursement practice for material risk takers, including members of the Executive Leadership Team, includes a relatively higher proportion of conditional shares due to regulatory requirements. Thus, the split into cash and conditional shares is applied to the full bonus disbursement. For members of the Executive Leadership Team, 60% of disbursed short-term incentives is paid in the form of conditional shares.

Thirdly, Danske Bank has implemented deferral of variable remuneration for material risk takers, including members of the Executive Leadership Team, to encourage sustainable and long-term value creation. STI awards (cash and conditional shares) granted in one year is divided into a part paid initially and a part deferred for a period of four years (five years for members of the Executive Leadership Team).

Deferred conditional shares are restricted from transactions for a period of six months after disbursement (12 months for members of the Executive Leadership Team). The deferred remuneration is subject to backtesting before disbursement, that is the deferred remuneration is disbursed only to the extent to which the criteria for the original granting are still met and at the same time provided the financial situation of Danske Bank has not deteriorated materially. Hence, the disbursement may lapse in part or in full.

The variable remuneration of material risk takers, including members of the Executive Leadership Team, is subject to clawback if there is evidence that the granting of bonus took place on a false basis. The clawback applies to disbursed parts.

Once a year, incentive programmes are assessed internally to ensure the appropriateness of the programmes and to continually monitor whether any programmes can lead to excessive risk taking.

Basis of preparation

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act implementing the requirements of Directive (EU) 2017/828 (SRD II).

Further, this Remuneration Report will be submitted for an advisory vote at the annual general meeting to be held on 17 March 2022.

Advisory vote on Remuneration Report 2020

Remuneration Report 2020 was the first report prepared in line with the then new guidelines from the Danish Business Authority and with legislation.

On 16 March 2021, at the annual general meeting, Remuneration Report 2020 was submitted to the shareholders for an advisory vote. The result of the advisory vote was that Remuneration Report 2020 was adopted with 96.89% of the votes in favour of the proposal, while 2.77% of the votes were against the proposal and 0.34% of the votes were blank. The proposal was therefore adopted. At the annual general meeting, there were no comments or questions in regard to Remuneration Report 2020.

Statement by the Board of Directors

The Board of Directors has today considered and approved Remuneration Report of Danske Bank A/S for the financial year 1 January - 31 December 2021.

Remuneration Report 2021 has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, Remuneration Report 2021 is in accordance with the Remuneration Policy adopted at the annual general meeting and is free from material misstatement and omissions, whether due to fraud or error.

Remuneration Report 2021 will be submitted for an advisory vote at the annual general meeting.

Copenhagen, 3 February 2022

Board of Directors

Karsten Dybvad
Chairman

Jan Thorsgaard Nielsen
Vice Chairman

Carol Sergeant
Vice Chairman

Martin Blessing

Lars-Erik Brenøe

Raija-Leena
Hankonen

Bente Avnung Landsnes

Bente Bang

Kirsten Ebbe Brich

Thorbjørn Lundholm Dahl

Charlotte Hoffmann

Independent auditor's report

To the shareholders of Danske Bank A/S

We have examined whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's Remuneration Report for 2021, and whether the disclosures presented as 'audited' in the Remuneration Report are accurate and complete.

Management's responsibility

Management is responsible for the preparation of the Remuneration Report in accordance with section 139b of the Danish Companies Act and the Remuneration Policy adopted at the Annual General Meeting.

Further Management is responsible for the internal control that the Board of Directors considers needed to prepare the Remuneration Report that is free from material misstatement and omissions, whether due to fraud or error.

Auditor's responsibility

It is our responsibility to express a conclusion on whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's Remuneration Report, and whether the disclosures presented as 'audited' in the Remuneration Report are accurate and complete.

We have conducted our examinations in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our examinations included an examination of whether the Remuneration Report, to the extent relevant, includes

the disclosures required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of Management.

As part of our examinations, we have in addition performed these procedures:

- We have verified that the disclosures in the Remuneration Report, which are presented as 'audited', are in accordance with the Remuneration Policy, reporting practice for the Remuneration Report, agreements entered into, actual grants, pay-outs, vested amounts and other underlying documentation, including key figures and ratios, and other relevant financial information stated in the Annual Report for the financial year 2021, as we have recalculated the average remuneration on the basis of full-time equivalents of employees other than the Executive Leadership Team, and verified that the comparative information is calculated according to the same reporting practice.
- We have assessed Management's process for gathering, aggregating and presenting disclosures on remuneration of the Board of Directors and the Executive Leadership Team, including determination of the fair value of granted and vested share-based remuneration for the Executive Leadership Team, which we have reconciled to the Company's calculations and registrations hereof.

Conclusion

It is our opinion that Management has fulfilled its obligations to disclose, in all material respects, the information required by section 139b(3) of the Danish Companies Act in the company's Remuneration Report for 2021 and that the disclosures presented as 'audited' in the Remuneration Report are accurate and complete.

Copenhagen, 3 February 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kasper Bruhn Udam

State-Authorised Public Accountant
MNE no 29421

Jens Ringbæk

State-Authorised Public Accountant
MNE no 27735