Nordea's Annual General Meeting to be held 2 April 2009

The Annual General Meeting of Nordea Bank AB (publ) (Nordea) will be held on Thursday 2 April 2009 at 13.00 at Cirkus in Stockholm.

Proposals to the Annual General Meeting

Acquisition of own shares within securities operations
The board of directors proposes that Nordea may continuously acquire own ordinary shares in order to facilitate its securities operations. Ownership of such shares may not exceed one per cent of all shares in the company.

Guidelines for remuneration to the executive officers
A proposal in respect of guidelines for remuneration to executive officers is to be presented to the Annual General Meeting. The main proposal will be presented in the notice to attend the Meeting.

Long Term Incentive Programme to retain and recruit the best talent
The Annual General Meeting 2007 decided on the introduction of a Long Term Incentive Programme 2007 (”LTIP 2007”) comprising up to 400 managers and other key employees in the Nordea Group. The programme was intended to be accompanied by similar long-term incentive programmes in the coming years and the Annual General Meeting 2008 decided on a LTIP 2008.

The board of directors deems the introduction of the programmes to have enhanced Nordea’s ability to attract talent; this has contributed to the firm establishment of Nordea’s financial goals within the organisation and has stimulated participants to deliver excellent results. The board of directors accordingly proposes that the present programmes be followed by the introduction of a long-term incentive programme (Long Term Incentive Programme) (”LTIP 2009”) based on the same principles as LTIP 2007 and LTIP 2008, and as such comprising up to 400 managers and other key employees in the Nordea Group, who are deemed to be of considerable significance for the group’s future development.

On 9 February 2009, the board of directors resolved on a new issue of ordinary shares with preferential rights for existing shareholders, subject to the subsequent approval by the general meeting, as will be seen from the separate press release. If the new issue is completed, this will affect LTIP 2009, which implies that some parts of the board’s proposal to LTIP 2009 such as exercise price, number of shares, dilution, performance conditions as well as costs and value of the program, may be affected and potentially subject to recalculation or adjustment as a consequence of the new issue in accordance with the conditions for LTIP 2009.

The programme is a combined matching and performance share programme. Remuneration, with a capped maximum gain, depends on the achievement of Nordea’s financial goals.

LTIP 2009 runs similarly to LTIP 2007 and LTIP 2008 for four years and comprises a two-year vesting period and a two-year exercise period. The participants are to invest up to 10 per cent of their base salary before tax in Nordea shares. The shares are locked during the vesting period.

For each Nordea share the participant locks in he/she will be able to purchase:

- one Nordea ordinary share at a price of 1 euro. This share is a Matching Share, which can be bought if the participant remains employed by Nordea during the initial two-year vesting period.

- three Nordea ordinary shares at a price of 0.5 euro per share. These shares are Performance Shares, which means that in addition to the two-year employment criterion, the possibility to buy them depends on Nordea fulfilling certain financial targets.

To be able to treat the participants in a similar way as shareholders, it is proposed that the exercise price be adjusted for dividends during the exercise period, however never adjusted below 0.10 euro. The gain per right to Matching and Performance Share is capped to a maximum of 12.50 euro.

The programme is estimated to give the participants an incentive compensation of about 25 per cent of base salary if the group produces a strong result, and about 35 per cent of base salary if the group produces an outstanding result. If earnings per share during the earning period are lower than 0.40 euro B and C performance shares will lapse during the relevant period.

In order to implement LTIP 2007 and LTIP 2008 in a cost-effective and flexible way the Annual General Meeting 2007 and 2008, respectively, decided to hedge those programmes through an issue of redeemable and convertible C shares. The board considers that the applied alternative for LTIP 2007 and LTIP 2008 is the most cost-effective and flexible method of delivery of shares and for covering certain costs, principally social security costs, for which reason the board proposes to the Annual General Meeting that the financial risk for LTIP 2009 will also be hedged by way of a directed cash issue of 7,250,000 redeemable and convertible C shares. This form of hedge is seen as preferable to an equity swap. The new shares shall - with deviation from the shareholders' preferential right - be subscribed for by a third party. The subscription price shall correspond to the share's quota value. The share capital, after the new issue of shares, will be increased by 7,250,000 euro. The new C shares do not entitle to any dividend.

The board’s proposal means that the Annual General Meeting takes a decision on amendment of the articles of association so that the number of C shares that can be issued shall amount to no more than 10,000,000. Furthermore, the board of directors proposes authorisation to repurchase the issued C shares through a directed acquisition offer in respect of all C shares. C shares, after conversion to ordinary shares, shall be conveyed to participants in LTIP 2009. It shall also be possible to convey a portion of the shares on a regulated market in order to cover certain costs, mainly social security costs. Moreover, it is proposed that Nordea is entitled, before the Annual General Meeting 2010, to transfer a maximum of 520,000 ordinary shares of the total holding of 3,120,000 ordinary shares, to cover certain costs, mainly social security costs for LTIP 2007 as well as transfer a maximum of 480,000 ordinary shares of the total holding of 2,880,000 ordinary shares to cover certain costs, mainly social security costs for LTIP 2008.

The dilution from this programme is estimated at 0.09 per cent in terms of IFRS value/market value. The costs are expected to have a marginal effect on Nordea’s key ratios. The programme is estimated to cost about 14 million euro during the two-year vesting period, which corresponds to about 0.6 per cent of Nordea’s staff costs.

The proposed incentive programme has been developed in close consultation with major shareholders. Nordea’s board of directors intends to renew the long-term incentive programme annually.

Notice to attend the Annual General Meeting

The notice will be published around 26 February. The notice contains instructions as to how registration is to be made, proposals for the agenda of the Meeting and the main content in the proposals to the Annual General Meeting. Notice to attend the Meeting will be available on the company's home page www.nordea.com

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Appendix:
Conditions for performance shares
In addition to the two-year employment criterion, the possibility to buy performance shares depends on certain financial performance conditions:

- Rights to B performance shares: If Nordea’s Risk-Adjusted Profit Per Share (RAPPS) 2009 exceeds RAPPS for 2008 by 2 per cent, then 20 per cent of B performance shares may be purchased. All B performance shares may be purchased if RAPPS 2009 exceeds RAPPS 2008 by 8 per cent or more. Linear interpolation is used between the two hurdles.

- Rights to C performance shares: The corresponding calculation that applies to B performance shares shall be applied in reference to C performance shares, however based on the difference in RAPPS for the financial year 2010 compared with the financial year 2009.

- Rights to D performance shares: Nordea’s Total Shareholder Return (TSR) 2009-2010 is put in relation to peers’ TSR. All D performance shares may be purchased if Nordea’s TSR 2009-2010 puts Nordea in first place compared with the other banks. If Nordea’s TSR 2009-2010 puts Nordea in second to tenth place, a proportionate reduction shall be made. At the minimum level, ie Nordea is placed tenth, the participant is entitled to purchase 10 per cent of the D performance shares.