

Decision proposals etc.



2012

Nordea's Annual General Meeting 22 March

Nordea Bank AB (publ)

Annual General Meeting 22 March 2012

Decision proposals etc.

- Item 3 – Approval of the agenda
- Item 8 – Dispositions of the Company's profit according to the adopted balance sheet
- Item 13 – Election of board members and chairman of the board
- Item 14 – Election of auditors
- Item 15 – Establishment of a nomination committee
- Item 16 – Purchase of own shares according to chapter 7 section 6 of the Swedish Securities Market Act (*lagen (2007:528) om värdepappersmarknaden*)
- Item 17 – Guidelines for remuneration to the executive officers
- Item 18
 - a) – Long Term Incentive Programme
 - b) – Conveyance of shares under the Long Term Incentive Programme

Item 3

Approval of the agenda

Proposed agenda

1. Election of a chairman for the general meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of at least one minutes checker
5. Determination whether the general meeting has been duly convened
6. Submission of the annual report and consolidated accounts, and of the audit report and the group audit report
In connection herewith: speech by the Group CEO
7. Adoption of the income statement and the consolidated income statement, and the balance sheet and the consolidated balance sheet
8. Decision on dispositions of the Company's profit according to the adopted balance sheet
9. Decision regarding discharge from liability for the members of the board of directors and the CEO
(The auditor recommends discharge from liability)
10. Determination of the number of board members
11. Determination of the number of auditors
12. Determination of fees for board members and auditors
13. Election of board members and chairman of the board
14. Election of auditors
15. The nomination committee's proposal for a resolution on the establishment of a nomination committee
16. The board of directors' proposal for a resolution on the purchase of own shares according to chapter 7 section 6 of the Swedish Securities Market Act (*lagen (2007:528) om värdepappersmarknaden*)
17. Resolution regarding the guidelines for remuneration to the executive officers
18. The board of directors' proposal for a resolution on a Long Term Incentive Programme
 - a) Long Term Incentive Programme
 - b) Conveyance of shares under the Long Term Incentive Programme
19. The shareholder Hygade ApS' proposal that the annual general meeting decides to recommend to the board of directors to improve the moral profile of Nordea and to express a more positive attitude towards customers by the following measures:
 1. Wages in Nordea should not in any way be dependent of the economic result of Nordea.
 2. All fees for board members should be reduced by 20%.
 3. Wages on management and group level should be reduced by 10–20%.
 4. Moral and fairness issues should be themes for measuring that can impact the wage structure in Nordea on a medium term horizon.
 5. That employees' advice to customers should be measured in relation to their success rate – seen from the customers' point of view – going forward.

Item 8

Dispositions of the Company's profit according to the adopted balance sheet

The Board of Directors and the managing director propose a dividend of 0.26 euro per share, and further, that the record date for dividend should be 27 March 2012. With this record date, the dividend is scheduled to be sent out by Euroclear Sweden AB on 3 April 2012.

Statement of the Board of Directors according to chapter 18 section 4 of the Swedish Companies Act

In connection with the dividend proposal put forward by the Board of Directors of Nordea Bank AB (publ) ("the Company") to the annual general meeting on 22 March 2012, the Board of Directors hereby gives the following statement according to chapter 18 section 4 of the Swedish Companies Act.

The nature, scope and risks of the business

The nature and scope of the business are laid down in the Articles of Association and the 2011 Annual Report. The business conducted by the Company and the group involves no further risks beyond what is generally associated with conducting business of this kind. The dependence of the Company of the macroeconomic cycle does not deviate from what is common in this kind of financial business. Regarding significant events reference is made to what is presented in the Annual Report. In addition to this, no events have occurred which affect the Company's ability to distribute earnings.

The financial position of the Company and the group

The financial position of the Company and the group as per 31 December 2011 is presented in the 2011 Annual Report. The principles used for valuation of assets, provisions and liabilities are also found therein. As will be seen from the proposed distribution of earnings, the Board of Directors proposes a dividend of EUR 0.26 per share, corresponding to a total dividend payment of EUR 1,048 m. The proposed dividend amounts to 40 % of the group's net profit after tax, 4.0 % of the group's equity, excluding minority interests, and 6.2 % of the Company's equity.

The Company's and the group's equity has, net, been positively affected by assets and liabilities being reported at market value on 31 December 2011.

According to the 2011 Annual Report the group's Tier 1 capital ratio, including transition rules, after proposed dividend, is 10.1 % (previous year 9.8 %).

The proposed dividend does not pose a threat to the completion of investments deemed necessary, nor to the Company's or the group's ability to meet present and expected payment obligations in due time. The liquidity forecast for the Company and the group shows that the Company and the group, considering the proposed distribution of earnings, have readiness to settle variations in the current payment obligations.

The financial position of the group does not give rise to any other assessment than that the Company and the group can continue their business and that the Company and the group can be expected to meet their liabilities both in the short- and long-term perspective. It is the assessment of the Board of Directors that the size of the equity after the proposed dividend is in reasonable proportion to the scope of the Company's and the group's business and the risks associated with conducting the business.

The justifiability of the proposed dividend

With reference to the above and what has otherwise come to the attention of the Board of Directors it is the assessment of the Board of Directors that the proposed dividend is justifiable considering the demands with respect to size of the Company's and the group's equity which are imposed by the nature, scope and risks associated with the business, and the Company's and the group's need for consolidation, liquidity and financial position in general.

Stockholm 23 January 2012

The Board of Directors

Item 13

Election of board members and chairman of the board

The Nomination Committee proposes that for the period until the end of the next annual general meeting Björn Wahlroos, Stine Bosse, Marie Ehrling, Svein Jacobsen, Tom Knutzen, Lars G Nordström, Sarah Russell and Kari Stadigh shall be re-elected as board members and Peter F Braunwalder shall be elected as board member. For the period until the end of the next annual general meeting Björn Wahlroos shall be re-elected chairman.

Independence according to the Swedish Code of Corporate Governance

All of the proposed board members are considered independent in relation to the company and its management. The majority of the proposed board members are thus independent in relation to the company and its management.

Of the proposed board members, all members apart from Björn Wahlroos and Kari Stadigh are considered independent in relation to the company's major shareholders. At least two of the proposed board members who are independent in relation to the company and its management are thus also independent in relation to the company's major shareholders. Björn Wahlroos is board chairman of Sampo plc, which owns more than ten per cent of all shares and votes in Nordea Bank AB (publ). Kari Stadigh is managing director and CEO of Sampo plc, which owns more than ten per cent of all shares and votes in Nordea Bank AB (publ).

The Nomination Committee is composed of Torbjörn Magnusson, chairman of the Committee, appointed by Sampo plc as a shareholder, Kristina Ekengren, appointed by the Swedish state as a shareholder, Mogens Hugo, appointed by Nordea-fonden as a shareholder, Peder Hasslev, appointed by AMF as a shareholder, and Björn Wahlroos, chairman of the Board of Directors.

The shareholder Hygade ApS proposes that for the period until the end of the next annual general meeting Jörgen Gade Hyldgaard shall be elected as board member.

Information on which assignments the proposed board members have in other companies etc.



Björn Wahlroos

Ph.D (Economics), 1979.
Board member since 2008.
Born 1952.

Board Chairman of Sampo plc, UPM-Kymmene Oyj and Hanken School of Economics. Board member of several charities, including the Finnish Business and Policy Forum EVA/ETLA and the Mannerheim Foundation.

Previous positions:

2001–2009 Group CEO and President of Sampo plc
1998–2000 Chairman of Mandatum Bank plc
1992–1997 President of Mandatum & Co Ltd
1985–1992 Various positions with Union Bank of Finland including executive vice president and member of the executive committee 1989–1992
1983–1984 Visiting associate professor in Managerial Economics and Decision Sciences at Kellogg Graduate School of Management, Northwestern University
1980–1981 Visiting assistant professor in Economics at Brown University
1979–1985 Professor and acting professor of Economics at the Swedish School of Economics
1974–1979 Acting lecturer and assistant professor in Finance at the Swedish School of Economics

Shareholding in Nordea: 100,000*



Stine Bosse

LLM. Board member since 2008. Born 1960.

Board Chairman of Børnefonden. Board member of Forsikring & Pension and Amlin Plc.

Previous positions:

2002–2011 Group CEO of Tryg A/S
1987–2001 Various positions within Tryg Forsikring A/S. Senior Vice President 1999–2002

Shareholding in Nordea: 2,917*



Marie Ehrling

BSc (Economics). Board member since 2007. Born 1955.

Board member of Securitas AB, Loomis AB, Oriflame Cosmetics SA, Schibsted ASA, Safe Gate AB, Centre for Advanced Studies of Leadership at Stockholm School of Economics and World Childhood Foundation. Member of Business Executives Council of Invest Sweden and the Royal Swedish Academy of Engineering Sciences (IVA).

Previous positions:

2003–2006 CEO TeliaSonera Sverige AB
1982–2002 Deputy CEO SAS Group, Head of SAS Airline and other executive positions within the SAS group
1980–1982 Information officer at the Ministry of Finance
1979–1980 Information officer at the Ministry of Education
1977–1979 Financial analyst at Fourth Swedish National Pension Fund

Shareholding in Nordea: 3,075*

* Shareholdings also include shares held by family members and closely affiliated legal entities.

**Svein Jacobsen**

MBA. Certified public accountant. Board member since 2008. Born 1951. Board Chairman of Vensafe AS, PSI Group ASA and Falkenberg AS. Deputy Chairman of Orkla ASA. Member of the Advisory Board in CVC Capital Partners.

Previous positions:

1984–1996 Various positions within Tomra Systems including CEO
1988–1996

Shareholding in Nordea: 5,000*

**Tom Knutzen**

MSc (Economics). Board member since 2007. Born 1962. CEO Danisco A/S. Chairman of the Council of Copenhagen Industries Employers' Federation. Board member of the Confederation of Danish Industries (DI) in Copenhagen. Member of Denmark's Growth Council.

Previous positions:

2000–2006 CEO NKT Holding A/S
1996–2000 CFO NKT Holding A/S
1988–1996 Various positions within Niro A/S
1985–1988 Various positions within Fællesbanken

Shareholding in Nordea: 47,750*

**Lars G Nordström**

Law studies at Uppsala University. Board member since 2003. Born 1943. Board Chairman of the Finnish-Swedish Chamber of Commerce. Board member of Viking Line Abp and the Swedish-American Chamber of Commerce. Member of the Royal Swedish Academy of Engineering Sciences (IVA). Finnish Consul.

Previous positions:

2008–2011 President and Group CEO of Posten Norden AB
2002–2007 President and Group CEO of Nordea Bank AB
1993–2002 Various executive management positions within Nordea Group
1970–1993 Various positions within Skandinaviska Enskilda Banken (EVP from 1989)

Shareholding in Nordea: 23,250*

* Shareholdings also include shares held by family members and closely affiliated legal entities.

**Sarah Russell**

Master of Applied Finance.
Board member since 2010. Born 1962.
CEO Aegon Asset Management.

Previous positions:

- 1994–2008 Various executive management positions within ABN AMRO, including Senior Executive Vice President and CEO of ABN AMRO Asset Management
- 1981–1994 Various management and other positions in Financial Markets within Toronto Dominion Australia Ltd

Shareholding in Nordea: 0*

**Kari Stadigh**

MSc (Engineering) and BBA. Board member since 2010. Born 1955.
Group CEO and President of Sampo plc.
Board Chairman of If P&C Insurance Holding AB (publ), Kaleva Mutual Insurance Company, Mandatum Life Insurance Company Limited and Alma Media Corporation.

Previous positions:

- 2001–2009 Deputy CEO of Sampo plc
- 1999–2000 President of Sampo Life Insurance Company Ltd
- 1996–1998 President of Nova Life Insurance Company Ltd
- 1991–1996 President of Jaakko Pöyry Group
- 1985–1991 President of JP Finance Oy

Shareholding in Nordea: 100,000*

**Peter F Braunwalder**

LLM and MA (Politics). Born 1950.
Board chairman of Thommen Medical AG.
Board member of Banque Heritage and the Menuhin Festival Gstaad.

Previous positions:

- 2002–2008 Chief Executive Officer HSBC Private Bank
- 1982–2001 Various executive management and other positions within UBS investment banking and private banking

Shareholding in Nordea: 0*

* Shareholdings also include shares held by family members and closely affiliated legal entities.

Item 14

Election of auditors

The Nomination Committee proposes that for the period until the end of the next annual general meeting KPMG AB shall be re-elected as auditor.

Auditor-in-charge: Carl Lindgren, Authorized Public Accountant.

The Nomination Committee is composed of Torbjörn Magnusson, chairman of the Committee, appointed by Sampo plc as a shareholder, Kristina Ekengren, appointed by the Swedish state as a shareholder, Mogens Hugo, appointed by Nordea-fonden as a shareholder, Peder Hasslev, appointed by AMF as a shareholder, and Björn Wahlroos, chairman of the Board of Directors.

Item 15

The Nomination Committee's proposal for a resolution on the establishment of a nomination committee

The shareholders of the Nomination Committee of Nordea Bank AB (publ) (the "Company") propose that the annual general meeting on 22 March 2012 resolves on the following establishment of a nomination committee.

"It was resolved to establish a nomination committee with the task to present at general meetings where election takes place of board members and/or chairman of the Board of Directors, including determination of the number of members, and/or auditor and/or decision is made regarding fees to board members and/or auditor, proposals to the general meeting for such decisions.

The nomination committee shall consist of the chairman of the Board of Directors, as the convener, and further four members. The nomination committee shall elect its chairman. The chairman of the Board of Directors must not be the chairman of the nomination committee. The shareholders with the four largest shareholdings in terms of voting right in the Company shall have the right to appoint one member each. If any of these shareholders should opt to waive such right, the right will pass to the shareholder that holds the largest shareholding in terms of voting right next to the said four shareholders. The same rule applies if such next shareholder should waive its right, whereby the right will pass to the next shareholder in the order according to the size of the shareholding. Members appointed in accordance with this paragraph are not entitled to any remuneration from the Company.

The nomination committee will be constituted on the basis of to the Company known shareholdings in the Company on 31 August 2012. If a shareholder who has appointed a member subsequently should cease to have such right, the member appointed shall, after decision by the nomination committee, be entitled to stay as a member of the nomination committee as long as the shareholder who appointed the member owns shares in the Company. If the appointed member leaves his/her office, a new member shall be appointed in accordance with the order as set out in the second paragraph above. However, after the end of 2012 a new member may only be appointed, except as regards the chairman of the Board of Directors, if a member previously appointed should leave his/her office, irrespective of the reason, and the nomination committee subsequently should consist of less than three members apart from the chairman of the Board of Directors.

The nomination committee may attach co-opted members who are appointed by shareholders that after the constituting meeting of the nomination committee are among the four largest shareholders in terms of voting right in the Company and that have not already appointed a member to the nomination committee. Such co-opted members do not participate in the decisions of the nomination committee and are not entitled to any compensation from the Company.

Moreover, the nomination committee may attach a maximum of three co-opted members who for the purpose of the work of the nomination committee possess the required knowledge of and experience in the social, business and cultural conditions of the regions and markets in which the main activities of the group are carried out. Such co-opted members do not participate in the decisions of the nomination committee. Such a co-opted member shall be entitled to compensation for costs incurred as well as reasonable remuneration from the Company for work carried out, as decided by the nomination committee.

An elected member or a co-opted member must not be employed by the Nordea group.

The Company shall publish the composition of the nomination committee no later than six months before the annual general meeting and in addition state the composition in the annual report and in the notice convening the general meeting.

The nomination committee shall be entitled to employ, at the Company's expense, a recruitment consultant or any other resource that the committee finds necessary in order to perform its duties.

The nomination committee's mandate is valid until a new nomination committee has been constituted, unless a general meeting before then has decided otherwise."

The Nomination Committee is composed of Torbjörn Magnusson, chairman of the Committee, appointed by Sampo plc as a shareholder, Kristina Ekengren, appointed by the Swedish state as a shareholder, Mogens Hugo, appointed by Nordea-fonden as a shareholder, Peder Hasslev, appointed by AMF as a shareholder, and Björn Wahlroos, chairman of the Board of Directors.

Item 16

Board proposal for resolution to purchase own shares according to chapter 7 section 6 of the Swedish Securities Market Act (lagen (2007:528) om värdepappersmarknaden)

The Board of Directors of Nordea Bank AB (publ) (the "Company") proposes that the annual general meeting on 22 March 2012 resolves on the following purchase of own shares according to chapter 7 section 6 of the Swedish Securities Market Act (lagen (2007:528) om värdepappersmarknaden).

"It was resolved that the Company, in order to facilitate its securities business, up until the next annual general meeting, may purchase own ordinary shares according to chapter 7 section 6 of the Swedish Securities Market Act (lagen (2007:528) om värdepappersmarknaden). However, with the limitation that the Company's holding of such shares in the trading book must never exceed one per cent of the total number of shares in the Company. The price for the ordinary shares shall equal the market price prevailing at the time of the acquisition."

Item 17

Resolution on guidelines for remuneration to the executive officers.

The Board of Directors of Nordea Bank AB (publ) proposes that the annual general meeting on 22 March 2012 resolves on the following guidelines for remuneration to the executive officers.

"Guidelines for remuneration to the executive officers

Nordea shall maintain remuneration levels and other employment conditions needed to recruit and retain executive officers with competence and capacity to deliver according to Nordea's short and long term targets.

The term executive officers shall in this context mean the CEO of Nordea Bank AB (publ) and the executives reporting directly to him also being members of Group Executive Management.

Remuneration of executive officers will be decided by the Board of Directors in accordance with Nordea's internal policies and procedures, which are based on the Swedish Financial Supervisory Authority's (SFSA) regulations on remuneration systems, EU's directive on capital requirements for banks as well as international sound compensation practices.

Salaries and other remuneration in line with market levels is the overriding principle for compensation to executive officers within Nordea. Compensation to the executive officers shall be consistent with and promote sound and effective risk management and not encourage excessive risk-taking or counteract Nordea's long term interests.

Short term remuneration

Annual remuneration consists of a fixed salary part and a variable salary part ("VSP"). Fixed salary is paid for satisfactory performance. VSP is offered to reward performance meeting agreed predetermined targets on Group, business unit and individual level. The effect on the long term result is to be considered when determining the targets. The VSP shall as a general rule not exceed 35 per cent of fixed salary. In accordance with international principles guaranteed variable salary part is to be exceptional and may only occur in the context of hiring a new executive officer and then be limited to the first year.

VSP shall be paid in the form of cash and shares/share-price related payment and be subject to retention, deferral and forfeiture clauses based on the SFSA's regulations on remuneration systems, taking account of domestic rules and practices where relevant.

Long term remuneration

The AGMs since 2007 have decided upon share and performance-based Long Term Incentive Programmes which require an initial investment in Nordea shares by the participants and where compensation shall be dependent on the creation of long term shareholder value and the fulfilment of Nordea's financial targets. A similar programme as last year's programme with performance measured over a three years period, and based on matching and performance shares free of charge is proposed for AGM 2012. Compared to last year's programme the performance conditions are proposed to be based on risk-adjusted return on capital at risk and the ratio tangible price to book. The programmes have a cap. On a yearly basis the Board of Directors will evaluate whether a similar incentive programme should be proposed to the Annual General Meeting. The executive officers will be invited to join the Long Term Incentive Programmes and due to their influence on the long term development of Nordea, the conditions for participation and outcome differ compared to other participants.

If the Annual General Meeting does not approve a Long Term Incentive Programme, the VSP to executive officers may be increased and shall as a general rule not exceed 50 per cent of fixed salary.

Benefits

Non-monetary benefits are given as a means to facilitate executive officers' performance. The levels of these benefits are determined by what is considered fair in relation to general market practice. The executive officers shall be offered retirement benefits in accordance with market practice in the country of which they are permanent residents. Notice and severance pay in total shall not exceed 24 months of fixed salary for executive officers.

Any potential undertaking or commitment made by Nordea against a state or public authority in any guarantee agreement or any similar agreement which affect the remuneration of executive officers will be observed.

The Board of Directors may deviate from these guidelines, if there in a certain case are special reasons for this.“

Additional information to the Board of Directors' proposal for guidelines for remuneration to the executive officers

Deviations from approved guidelines 2011:

There have been no deviations from the approved guidelines 2011.

Estimated cost for variable remunerations in 2012:

It is estimated that the maximum total cost for variable salary, excluding Long Term Incentive Programmes, for GEM can amount to approximately EUR 1.8m.

The estimated cost in 2012 for the approved Long Term Incentive Programmes (LTIP 2010 and LTIP 2011) and for the proposed Long Term Incentive Programme (LTIP 2012), allocated to CEO and GEM members is shown in the following table.

	LTIP 2010	LTIP 2011	LTIP 2012
Maximum cost ¹	EUR 0.4m	EUR 1.0m	EUR 0.8m
Expected cost ²	EUR 0.2m	EUR 0.6m	EUR 0.5m
Calculated cost ³	EUR 0.7m	EUR 1.9m	EUR 2.3m

¹ Maximum cost in 2012 assuming maximum investments by CEO and all GEM members and that all criteria are fully met for LTIP 2010, LTIP 2011 and LTIP 2012 expensed over 36 months in 2010–2013, 2011–2014 and 2012–2015 respectively, excluding social costs.

² Expected cost in 2012 assuming maximum investments by CEO and all GEM members based on 50% fulfilment of the performance criteria for each programme (although 23% fulfilment of performance criteria for performance shares I in LTIP 2010), for LTIP 2010, LTIP 2011 and LTIP 2012 expensed over 36 months in 2010–2013, 2011–2014 and 2012–2015 respectively, excluding social costs.

³ The calculated cost of respective whole programme for CEO and GEM as at grant date, excluding social costs.

Item 18

Proposal by the Board of Directors regarding Long Term Incentive Programme

a) Long Term Incentive Programme

Background

The annual general meeting 2007 resolved to introduce a Long Term Incentive Programme 2007 and the programme has been followed by similar programmes annually. The Board proposes that the existing programmes are followed by a Long Term Incentive Programme 2012 ("LTIP 2012").

The underlying basic principles for compensation under the programmes are that the compensation shall be dependent on the creation of long term shareholder value and the fulfilment of Nordea's long term financial targets. Nordea has replaced the previous long term financial targets total shareholder return and risk-adjusted profit with the new financial target return on equity ("ROE"). In the proposed LTIP 2012 the financial performance criteria is risk-adjusted return on capital at risk ("RAROCAR") which is Nordea's internal version of ROE. RAROCAR replaces the performance criteria risk adjusted profit per share. In order to reward performance in line with Nordea's ambition to stay in the top league of European banks, the performance criteria total shareholder return is replaced by RAROCAR and the ratio Price to tangible Book ("P/B"). P/B has the last years been highlighted as a measure ranking quality and performance and there is a strong correlation between P/B and ROE

LTIP 2012

The Board's main objective with the proposal is to strengthen Nordea's capability to retain and recruit the best talents for key leadership positions. The aim is further to stimulate the managers and key employees whose efforts have direct impact on Nordea's result, profitability and long term value growth, to increased efforts by aligning their interests and perspectives with those of the shareholders. The intention is that the programme will be followed by similar programmes during the coming years.

Personal investment

In order to participate the employees have to hold Nordea shares. The shares could be previously held or purchased in the market before entering into the LTIP 2012 agreement ("Saving Shares"). For each Saving Share held, Nordea shall, free of charge, allot a certain number of matching shares and performance shares based on the conditions set out below. Allotment will take place after the period commencing on the 25 April 2012 and ending in conjunction with the release of the interim report for January–March 2015 ("Vesting Period"). For Nordea Group Executive Management ("GEM") and certain other employees within the group of employees being defined as identified staff by the board of directors in accordance with Nordea's Remuneration Policy ("Identified Staff"), a deferral period of 3–5 years is required by applicable laws and regulations and parts of the allotment under LTIP 2012 may thus be postponed accordingly ("Deferral Period").

The number of Saving Shares held within LTIP 2012 by each participant may not exceed a number equivalent to 10 per cent of the participant's annual base salary (for GEM the number is 15 per cent) by year-end 2011 divided by the average share price of the Nordea share on the NASDAQ OMX Stockholm during December 2011.¹

To further align the interests of the participants with the interests of the shareholders, the Board views it positive if the participants, as the matching shares and performance shares are allotted, retain the allotted shares (those remaining after shares have been sold to pay applicable taxes). The guiding principle is that members of GEM over time, if possible, accumulate and retain shares with a value corresponding to twelve months' base salary and that other participants over time, if possible, accumulate and retain shares with a value corresponding to six months' base salary.

¹ Considering the volatility in share price, the average share price is used when calculating the number of Saving Shares each participant may hold under LTIP 2012.

Terms and conditions

Allotment of matching shares, performance shares I and performance shares II is governed by the following terms and conditions:

- the participant must, with certain exemptions, remain employed within the Nordea Group during the entire Vesting Period and all Saving Shares must be retained during this period,
- the participant has no right to pledge, dispose or transfer the entitlement to allotment of Nordea shares or to execute any shareholders' rights during the Vesting Period, including, if applicable, the Deferral Period,
- the fulfilment of the performance conditions set out below to be entitled to allotment of performance shares I and II,
- allotment will take place free of charge after the Vesting Period, however, no later than 14 calendar days after the publication of Nordea's interim report for January–March 2015 and, if applicable, pro-rata during the Deferral Period,
- dividends paid on the underlying Nordea share will increase the number of shares that each participant may be allotted after the Vesting Period and, if applicable, pro-rata during the Deferral Period,
- the participant's maximum profit of the LTIP 2012 will be calculated at the end of the Vesting Period and shall not exceed the participant's annual base salary by yearend 2011,
- prohibition to enter into personal hedging and insurance arrangements for certain financial effects during the Vesting Period and, if applicable, the Deferral Period, and
- retention period of up to twelve months on allotments under LTIP 2012 for certain Identified Staff as required by applicable laws and regulations.

The Board shall be responsible for preparing and deciding on the detailed terms and conditions for the LTIP 2012 in accordance with this proposal. To this end, the Board shall be entitled to make adjustments to the terms and conditions of LTIP 2012 to meet legal requirements. The Board may also make other adjustments if significant changes in the Nordea Group, or its operating environment, would result in a situation where the decided terms and conditions for the LTIP 2012 would become unsuitable. Any adjustments to the LTIP 2012 must however be within the limits of maximum number of shares and the calculated costs for the LTIP 2012. The Board may also reduce the number of shares to be allotted (including reducing to nil) if the allotment would be deemed unjustified given the performance of the Nordea Group, relevant business unit, if applicable, or the participant (forfeiture).

The Board shall also be entitled to recalculate RAROCAR due to a) new external regulations and requirements, including capital requirements in addition to what are so far announced b) deviations compared to forecasted effects from roll-out of already known regulatory approvals and c) model changes. The outcome of the recalculation has to be confirmed by Nordea's external auditor.

The Board may delegate the power to prepare, decide on, amend or adjust the LTIP 2012 in accordance with the above to the Board Remuneration Committee.

Performance conditions

The number of performance shares I and II the employees will be allotted is, in addition to the conditions mentioned above, dependent on the fulfilment of the below described performance conditions.

- *Performance share I* – If Nordea's average RAROCAR during the period 2012 to and including 2014 ("Average RaRoCaR") amounts to fourteen (14) per cent the participant is entitled to receive allotment of the number of performance shares I corresponding to ten (10) per cent of the maximum number of performance shares I that may be allotted (minimum hurdle). If Average RAROCAR amounts to or exceeds seventeen (17) per cent, the participant is entitled to receive allotment of the maximum number of performance shares I that may be allotted (stretch target). If Average RAROCAR exceeds the minimum hurdle but is less than the stretch target, the participant is entitled to receive allotment corresponding to ten (10) per cent of the maximum number of performance shares I that may be allotted plus a proportionate number of performance shares I based on a linear interpolation between the minimum hurdle and the stretch target.
- *Performance share II* – If Nordea's Average RAROCAR amounts to or exceeds fourteen (14) per cent and Nordea's P/B (where P is based on the closing share price of the Nordea share the trading day following the day of the last published interim report for 2014 in Nordea's peer group below and B is the book equity as of year-end 2014

adjusted for intangible assets in accordance with the interim report or annual report 2014 if made public) ("P/B 2014") places Nordea in the eleventh position or lower compared to the correspondent P/B 2014 for the other banks in the peer group, currently including five Nordic and fourteen other European banks as determined by the Board, presently Banco Bilbao Vizcaya Argénaria (BBVA), Barclays, BNP Paribas, Commerzbank, Crédit Agricole, Danske Bank, Deutsche Bank, DNB, Erste Bank, Banco Santander, Intesa Sanpaolo, KBC, Lloyds TSB, Royal Bank of Scotland, SEB, Société Générale, Svenska Handelsbanken, Swedbank and UniCredit, the participant will not be entitled to allotment. If Nordea's Average RAROCAR amounts to or exceeds fourteen (14) per cent and Nordea's P/B 2014 places Nordea in position 6–10 the participant is entitled to the following allotment of performance shares II: position six – allotment corresponding to seventy-five (75) per cent of the maximum number that may be allotted, position seven – allotment corresponding to sixty (60) per cent of the maximum number that may be allotted, position eight – allotment corresponding to forty-five (45) per cent of the maximum number that may be allotted, position nine – allotment corresponding to thirty (30) per cent of the maximum number that may be allotted and, position ten – allotment corresponding to fifteen (15) per cent of the maximum number that may be allotted. If Nordea's Average RAROCAR amounts to or exceeds fourteen (14) per cent and Nordea's P/B 2014 places Nordea in the first to fifth position, the participant is entitled to receive allotment corresponding to the maximum number of performance shares II that may be allotted (stretch target).

Allotment and allocation

Each Saving Share entitles the participant to allotment of one (1) matching share, a maximum of two (2) performance shares I and a maximum of one (1) performance share II. However, for Identified Staff, having to respect a Deferral Period and retention period as required by applicable laws and regulations, each Saving Share entitles the participant to allotment of one (1) matching share, a maximum of three (3) performance shares I and a maximum of one (1) performance shares II.

In total, LTIP 2012 comprises a maximum of 9,360,000 Nordea shares, of which 1,800,000 consist of matching shares and 6,000,000 consist of performance shares I and performance shares II. The additional 1,560,000 shares relate to such shares that may be conveyed by Nordea in order to cover certain costs, mainly social security costs. The maximum number of ordinary shares comprised by LTIP 2012 amounts to approximately 0.23 per cent of the total number of outstanding ordinary shares.

Hedging

LTIP 2012 entails a certain financial exposure for Nordea, due to market price changes for the Nordea share. The Board intends to hedge the financial exposure by way of entering into an equity swap agreement with a third party or, provided that the Annual General Meeting resolves in accordance with item 18 b) on the agenda, by way of a combination of (i) reallocation from the hedges of LTIP 2007–2009 to LTIP 2012 and (ii) a new issue of redeemable and convertible C-shares. The Board regards the latter to be the most cost efficient and flexible arrangement for the conveyance of Nordea shares and for covering certain costs, mainly social security costs. However, independent of hedging method, the costs of the LTIP 2012 will be charged to the income statement during the Vesting Period.

Estimated costs and values of LTIP 2012

The entitlement to matching shares and performance shares cannot be pledged or conveyed to others. An estimated value for each entitlement can however be calculated. The Board has estimated the value of each entitlement to a matching share to EUR 6.55 and the average value of each entitlement to a performance share to EUR 3.28. The estimation is based on generally accepted valuation models using the closing price for the ordinary share on 1 February 2012, statistics on ordinary share price development as well as projected dividends. The aggregated estimated value of all the 1,800,000 matching shares and 6,000,000 performance shares based on a fulfilment of the performance conditions for the performance shares I and II of 50 per cent and estimations on turnover of personnel, is approximately EUR 27m. The value is equivalent to approximately 0.10 per cent of the market capitalisation for Nordea as of 1 February 2012.

The value is expensed as a staff cost in the profit and loss accounts over 36 months, i.e. during the Vesting Period, in accordance with IFRS 2 Share-based payments. In the profit and loss accounts social security costs will be recognised in accordance with generally accepted accounting principles. The size of these costs will be calculated on the benefits derived from the Nordea share price development during the Vesting Period and at allotment of matching shares and

performance shares I and II. Based on a theoretical assumption of an annual share price increase of 10 per cent and a vesting period of three years the cost of LTIP 2012 including social security costs equals approximately EUR 34m, which is equivalent to approximately 1.00 per cent of Nordea's total staff costs in financial year 2011. The estimated maximum cost for LTIP 2012 equals, based on the assumptions above, approximately EUR 63m, including EUR 20m in social security costs.

Effects on key ratios

The costs and the dilution are expected to have a marginal impact on the Nordea Group's key ratios.

Participants

LTIP 2012 comprises up to 400 managers and other key employees in the Nordea Group. If delivery of shares under LTIP 2012 cannot be accomplished at reasonable costs and with reasonable administrative efforts, the participants may instead be offered a cash-based settlement.

The preparation of the proposal

The Board Remuneration Committee has prepared this matter, whereafter the Board has resolved to propose the Annual General Meeting the current proposal for LTIP 2012.

The Board's proposal

Referring to the above-mentioned description, the Board proposes that the Annual General Meeting resolves to adopt LTIP 2012.

Majority Requirement

The decision by the Annual General Meeting regarding LTIP 2012 is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

b) Conveyance of shares under the Long Term Incentive Programme

The Board's proposal

The Board proposes that the Annual General Meeting resolves on (i) issue of C-shares, (ii) acquisition of C-shares, (iii) reallocation of 6,680,832 shares from the hedges of the respective LTIPs 2007–2009 to LTIP 2012, since these shares no longer are required to secure Nordea's obligations under the LTIPs 2007–2009, and (iv) on conveyance of shares under the LTIPs 2008–2012, respectively, in accordance with the principal terms and conditions set out below.

1. Directed Cash Issue

Increase of Nordea's share capital by maximum EUR 2,679,168 through an issue of 2,679,168 C-shares.

The issue will be effected on the following terms.

- a) The new shares shall – with deviation from the shareholders' preferential right to subscribe for shares – be subscribed for only by The Royal Bank of Scotland plc.
- b) The new shares shall be issued at a price corresponding to the quotient value of the shares at the time of the subscription of the shares.
- c) The new shares shall be subscribed for during the period 27 April – 25 May 2012, with a right for the Board to extend the subscription period. Oversubscription is not permitted.
- d) Payment for shares subscribed for shall be effected at subscription of the shares.
- e) The new shares do not entitle to any dividend.
- f) The new shares will be subject to restrictions as set forth in Chapter 4, Section 6 (conversion provision) and Chapter 20, Section 31 (redemption provision) in the Swedish Companies Act (SFS 2005:551).

2. Authorisation for the Board to decide on a directed offer to acquire own shares

Authorisation for the Board to decide on acquisition of C-shares in Nordea on the following terms.

- a) Acquisition may be made through a public offer directed to all owners of C-shares in Nordea.
- b) The authorisation is valid and may be exercised until the Annual General Meeting of Shareholders 2013.
- c) The number of C-shares permitted to be acquired shall amount to 2,679,168.
- d) Acquisition of shares shall be made at a lowest price per share of 100 per cent and a highest price of 105 per cent of the quotient value, applicable at the time of the subscription of shares according to section 1 b) above.
- e) Payment for shares acquired shall be made in cash.
- f) The Board shall be authorised to establish additional terms for the acquisition.
- g) Acquisition shall also include a so called interim share, designated by Euroclear Sweden AB as a "paid subscription share" (Sw. "BTA") relating to a C-share.

3. Reallocation of shares

Reallocation of 856,549 ordinary shares from the hedge of LTIP 2007, 1,000,897 ordinary shares from the hedge of LTIP 2008 and 4,823,386 ordinary shares from the hedge of LTIP 2009 to the hedge of LTIP 2012.

4. Conveyance of own shares acquired

The Board intends, in accordance with provisions in the Articles of Association, to decide on conversion of all C-shares to ordinary shares.

Resolutions on conveyance of the company's own shares may be made on the following terms.

- a) Conveyance may be made only of ordinary shares in Nordea and a maximum of 7,800,000 shares may be conveyed to participants in LTIP 2012.
- b) Conveyance of shares shall be made without consideration at the time and on such additional terms and conditions that participants in LTIP 2012 are entitled to receive allotment of shares.
- c) Nordea shall have the right to, prior to the annual general meeting of Shareholders 2013, in order to cover certain costs, mainly social security costs:
 - convey a maximum of 125,000 ordinary shares of the ordinary shares hedging Nordea's obligations under LTIP 2008;
 - convey a maximum of 125,000 ordinary shares of the ordinary shares hedging Nordea's obligations under LTIP 2009;
 - convey a maximum of 1,025,000 ordinary shares of the ordinary shares hedging Nordea's obligations under LTIP 2010;
 - convey a maximum of 1,050,000 ordinary shares of the ordinary shares hedging Nordea's obligations under LTIP 2011; and
 - convey a maximum of 1,560,000 ordinary shares of the 9,360,000 ordinary shares, which, after conversion from C-shares and reallocation of 6,680,832 shares from the hedges of LTIP 2007-2009 to LTIP 2012, are proposed to hedge Nordea's obligation under LTIP 2012.

Conveyance of the shares under this section 4 c) shall be effected at NASDAQ OMX Stockholm at a price within the price interval prevailing at each time for the share.

The reasons for the deviation from shareholders' preferential rights are the following. The issue of shares, the acquisition and the conveyance of own shares are integrated parts of the previously resolved LTIP 2008-LTIP 2011 and the now proposed LTIP 2012. Therefore, and in light of the above, the Board considers it to be to an advantage for Nordea and the shareholders that the participants in LTIP 2012 are offered to become shareholders in Nordea. For the purpose of minimising Nordea's costs for LTIP 2012, the subscription price has been fixed at a price equivalent to the quotient value of the share.

Authorization for the CEO

Finally, the Board proposes that the CEO is authorized to make the minor adjustments to the above resolutions regarding the Directed Cash Issue of C-shares in connection with the registration thereof with the Swedish Companies Registration Office.

Majority Requirement

The Board's proposal under item 18 b) sections 1-4 above, shall be viewed as one decision, and the decision by the annual general meeting is valid where supported by shareholders holding no less than 90 per cent of both the votes cast and the shares represented at the annual general meeting. The Board's proposal pursuant to this item 18 b) is subject to that the Board's proposal regarding the Long Term Incentive Programme has been approved by the annual general meeting ((item 18 a) above).

Stockholm 8 February 2012

The Board of Directors

Statement of the Board of Directors according to chapter 19 section 22 of the Swedish Companies Act

In connection with the proposal to authorise the Board of Directors to decide on a directed offer to acquire shares in Nordea Bank AB (publ) ("the Company") put forward by the Board of Directors to the annual general meeting on 22 March 2012, the Board of Directors hereby gives the following statement according to chapter 19 section 22 of the Swedish Companies Act.

The nature, scope and risks of the business

The nature and scope of the business are laid down in the Articles of Association and the 2011 Annual Report. The business conducted by the Company and the group involves no further risks beyond what is generally associated with conducting business of this kind. The dependence of the Company of the macroeconomic cycle does not deviate from what is common in this kind of financial business. Regarding significant events reference is made to what is presented in the Annual Report. In addition to this, no events have occurred which affect the Company's ability to distribute earnings.

The financial position of the Company and the group

The financial position of the Company and the group as per 31 December 2011 is presented in the 2011 Annual Report. The principles used for valuation of assets, provisions and liabilities are also found therein. Acquisitions of shares in the Company can be made up to 2,679,168 C-shares. The group's Tier 1 capital ratio, including transition rules, as per 31 December 2011 was 10.1 %, which does not deviate from what is common in the industry.

The Board of Directors has proposed to the annual general meeting a dividend of EUR 0.26 per share, corresponding to a total dividend payment of EUR 1,048 m. The proposed dividend amounts to 40 % of the group's net profit after tax, 4.0 % of the group's equity, excluding minority interests, and 6.2 % of the Company's equity.

The Company's and the group's equity has, net, been positively affected by assets and liabilities being reported at market value on 31 December 2011.

The expected net profit for 2012 has not been taken into consideration in the above calculations, nor has further expected capital relief related to the implementation of Basel II or its transitional rules. The outlook for Nordea in 2012, which covers mainly the same period of time as the suggested authorisation to acquire own shares, is presented in the 2011 Annual Report.

The proposed authorisation does not pose a threat to the completion of investments deemed necessary, nor to the Company's or the group's ability to meet present and expected payment obligations in due time. The liquidity forecast for the Company and the group shows that the Company and the group, considering the proposed authorisation, have readiness to settle variations in the current payment obligations.

The financial position of the group does not give rise to any other assessment than that the Company and the group can continue their business and that the Company and the group can be expected to meet their liabilities both in the short- and long-term perspective. It is the assessment of the Board of Directors that the size of the equity is in reasonable proportion to the scope of the Company's and the group's business and the risks associated with conducting the business also after the completion of the proposed authorisation.

The justifiability of the proposal

With reference to the above and what has otherwise come to the attention of the Board of Directors it is the assessment of the Board of Directors that the proposed authorisation on a directed offer to acquire shares in the Company is justifiable considering the demands with respect to the size of the Company's and the group's equity which are imposed by the nature, scope and risks associated with the business, and the Company's and the group's need for consolidation, liquidity and financial position in general.

Stockholm 8 February 2012

The Board of Directors