

INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2009



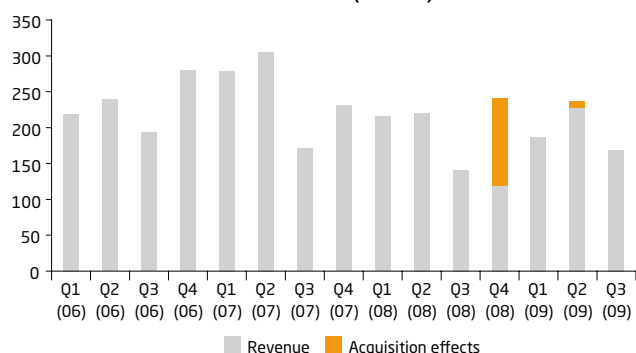
CONTINUED STRONG INFLOW OF ASSETS UNDER MANAGEMENT

THIRD QUARTER

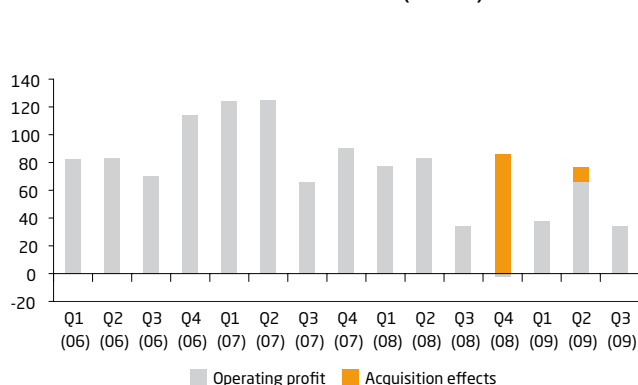
- + OPERATING REVENUE SEK 169 (141) MILLION + 20%
- + OPERATING PROFIT SEK 34 (34) MILLION
- + PROFIT AFTER TAX SEK 26 (25) MILLION + 4%
- + DILUTED EARNINGS PER SHARE SEK 0.9 (0.9)
- + OPERATING MARGIN 20 (24) %
- + ASSETS UNDER MANAGEMENT INCREASED SEK 8.4 BILLION IN THE THIRD QUARTER TO SEK 77.4 BILLION, OF WHICH NET INFLOW SEK 1.7 (0.3) BILLION

- + Operating profit was SEK 34 (34) million, and profit after tax was SEK 26 (25) million, corresponding to SEK 0.9 (0.9) per share after dilution. HQ Direct AB (formerly Glitnir AB) was acquired in the autumn of 2008 and is therefore not included in comparison figures. Pro forma, including HQ Direct, operating profit increased by SEK 7 million to SEK 34 (27) million.
- + Revenue was SEK 169 (141) million, of which SEK 14 million was revenue attributable to HQ Direct. Net revenue from commissions and fees increased by 28 percent to SEK 140 (109) million. Of the net revenue from commissions and fees, SEK 63 (58) million was from asset management fees, an increase of 9 percent due to higher average assets under management. Net interest income decreased by 54 percent to SEK 12 (26) million, partly as a consequence of the current interest-rate environment. Revenue from financial advisory services and primary market transactions increased by 225 percent and amounted to SEK 13 (4) million. Net revenue from financial transactions including dividends increased by 80 percent to SEK 9 (5) million, of which Trading accounted for SEK 2 (-1) million.
- + Expenses increased by 26 percent to SEK 135 (107) million, which is entirely explained by the acquisition of HQ Direct, which is not included in the comparative figures for 2008. Pro forma including HQ Direct, expenses decreased by 9 percent to SEK 135 (148) million, of which provisions for profit sharing were SEK 19 (17) million and other expenses SEK 116 (131) million.
- + Total assets under management increased by SEK 8.4 billion to SEK 77.4 billion during the quarter. The net inflow of new client volumes during the quarter was SEK 1.7 (0.3) billion, which corresponds to annualised organic growth of 12 (2) percent in HQ Private Banking.
- + Stock market turnover averaged SEK 12.4 (16.9) billion per trading day during the third quarter, which negatively affected revenue from brokerage fees. HQ's market share was 7.1 (2.1) percent, which makes HQ the third-largest participant on the Stockholm stock exchange during the quarter.
- + During the quarter it was announced that HQ, in cooperation with NASDAQ OMX Stockholm, would launch exchange traded funds (ETFs). This is the start of a joint, long-term endeavour to provide a large number of products, with exposure to different markets and types of asset that will be quoted and traded on NASDAQ OMX Stockholm. The Swedish market is still young and HQ's ambition is to become a leader in this field.

REVENUE (SEKm)



OPERATING PROFIT (SEKm)



GOOD OUTLOOK FOR PROFITABLE EXPANSION

JANUARY - SEPTEMBER

- + OPERATING REVENUE SEK 593 (577) MILLION + 3%
 - + OPERATING PROFIT SEK 148 (195) MILLION - 24%
 - + PROFIT AFTER TAX SEK 112 (139) MILLION - 19%
 - + DILUTED EARNINGS PER SHARE SEK 4.0 (5.1) - 22%
 - + OPERATING MARGIN 25 (34)%
 - + ASSETS UNDER MANAGEMENT INCREASED SEK 23.1 BILLION SINCE THE START OF THE YEAR TO SEK 77.4 BILLION, OF WHICH NET INFLOW SEK 5.2 (3.7) BILLION
-

COMMENTS FROM CEO MIKAEL KÖNIG

It is gratifying, and naturally critical to HQ's future financial performance, that we continue to attract new volumes from both existing and new clients. The net inflow during the period was SEK 5.2 (3.7) billion, and this trend has continued since the end of the period. This gives an annual organic growth rate of 15 percent, which is 5 percentage points higher than our financial target. At the end of the period we were managing some SEK 77 billion, which is an increase of SEK 23 billion or 43 percent since the start of the year. HQ therefore enters the fourth quarter with a considerably higher and more stable revenue base than last year, which will further contribute to continued profitable expansion.

We are also delivering on capital adequacy, and with a good margin, at 17 percent, compared with our financial target of 10 percent. This demonstrates our financial stability and provides us with room for manoeuvre.

Throughout the period of financial turbulence we have remained proactive, and a series of forward-looking investments – such as acquisitions, alliances and launches – have been, and will continue to be, implemented. Partly as a result of this we have not achieved two of our other financial targets – operating margin and repeat revenue relative to total expenses. But this has been a conscious choice. A series of external factors have changed in recent years, and in order to maintain an attractive and well positioned value proposition going forward HQ has taken advantage of the current market climate to adopt a proactive stance.

In recent days we have launched a new product segment with great potential, Exchange Traded Funds (ETFs). These are a rapidly growing form of investment and a segment that complements our existing business and provides clear benefit to our clients. Together with NASDAQ OMX, our ambition moving forward is to launch more ETFs focusing on different geographical markets and types of asset.

HQ has an established and successful business concept and has operations that are able to take on more clients and new capital. In terms of long-term value creation our vision is to construct and reveal three leading business units – HQ Investment Banking, HQ Private Banking and HQ Asset Management. This task is proceeding according to plan.

THE GROUP - REPORTING PERIOD JANUARY 1 - SEPTEMBER 30, 2009

CONTINUED POSITIVE TREND IN ALL AREAS

HQ reports for the period January 1 – September 30 operating profit of SEK 148 (195) million, and profit after tax of SEK 112 (139) million, corresponding to SEK 4.0 (5.1) per share after dilution. Amortisation of intangible assets has been recognised in profit and loss at SEK 15 (10) million. Pro forma including HQ Direct operating profit was SEK 148 (186) million.

The prolonged financial crisis and the considerable declines in the world's stock markets last year, together with a low-interest-rate environment and declining volumes on the stock market are the primary causes of the weakening of earnings. However, there are plenty of signs to suggest a recovery, and profit growth in 2009 is positive in all business units. Stability in earnings is increasing with every month alongside the growth in assets under management. HQ reports a positive net inflow of assets under management during the period of SEK 5.2 (3.7) billion. In addition the sharply rising stock market has positively affected assets under management, with an increase of SEK 23.1 billion since the start of the year, amounting to SEK 77.4 billion at the end of the period.

Throughout the financial turbulence HQ has worked proactively, and a series of forward-looking investments have been made, with acquisitions, new alliances and launches of new products. The integration of HQ Direct (formerly Glitnir) is proceeding according to plan and cooperation with new distributors has in a short time generated substantial client inflows. In the past few days a new product segment with great potential, Exchange Traded Funds (ETF), was launched, and additional launches are planned during 2009. An ETF is a fund that is traded on a marketplace as a listed share. HQ therefore enters the fourth quarter with a considerably higher and more stable revenue base, which will further contribute to continued profitable expansion.

Overall the operating margin was 25 (34) percent, which is lower than our financial target of an average of 35 percent. Our assessment, however, is that the operating margin will increase from its current level due to the positive revenue trend and implemented cost savings.

MAJOR FOCUS ON INCREASING THE PROPORTION OF REPEAT REVENUE

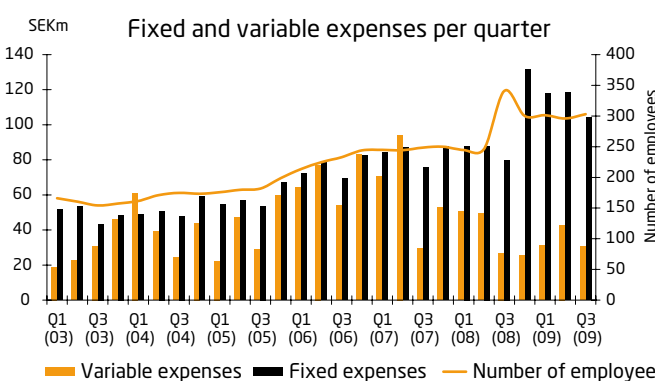
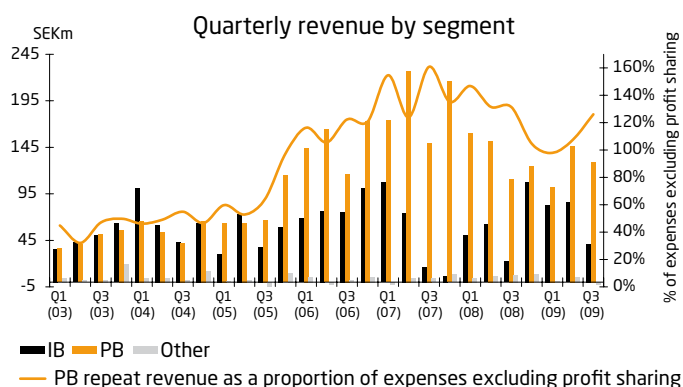
In total operating revenue increased by 3 percent to SEK 593 (577) million, of which SEK 51 million was revenue attributable to HQ Direct. Net revenue from commissions and fees decreased by 5 percent to SEK 417 (437) million. The decrease is explained mainly by lower asset management fees, which decreased by SEK 49 million to SEK 160 (209) million as a function of lower average assets under management during the period. Of the net revenue from commissions and fees SEK 605 (575) million was secondary, an increase of 5 percent. The revenue from commissions and fees also includes revenue of SEK 53 (62) million from financial advisory services and primary market transactions, a decrease of 15 percent. The substantial lowering of the repo interest rate has also had a negative impact on net interest income. Despite higher deposits from and lending to the public, net interest income attributable to HQ's custodian account clients decreased by 10 percent to SEK 72 (80) million. Trading on the company's own account, comprising the net result of financial transactions and dividends, increased by 39 percent to SEK 106 (76) million of which Trading accounted for SEK 73 (47) million.

Repeat revenue in HQ Private Banking decreased by 24 percent to SEK 209 (274) million, which means that 111 (137) percent of HQ Private Banking's current expenses excluding profit sharing were covered by repeat revenue. Repeat revenue is defined as asset management fees and net interest income from the public less expenses for commissions and fees. At a consolidated level 61 (106) percent of current expenses excluding profit sharing were covered by repeat revenue. The large decrease at consolidated level is explained by a lower proportion of repeat revenue in HQ Direct. As previously communicated great emphasis will be placed on returning to 100 percent cost coverage.

EXPENSES WITHIN ESTABLISHED TARGET

Expenses increased by 16 percent to SEK 445 (382) million, which is explained exclusively by the acquisition of HQ Direct, which is not included in the comparative figures for 2008. Pro forma including HQ Direct, expenses decreased by 17 percent to SEK 445 (535) million, of which provisions for profit sharing corresponded to SEK 70 (105) million and other expenses to SEK 375 (430) million.

Cost control remains good and even though the period was charged with expenses of a non-recurring nature attributable to the integration of HQ Direct, expenses are in line with the established target. Since the acquisition of HQ Direct a series of cost synergies have been realised, mainly on the personnel side. Additional cost savings in the form of dual office premises in Stockholm and dual back office systems with associated expenses will be realised on an ongoing basis during 2010. These additional cost savings are estimated at approximately SEK 15-20 million annually. Overall it is our assessment that the annual cost savings will be at least SEK 90 million for the merged business.



CASH AND CASH EQUIVALENTS, CAPITAL ADEQUACY, NET INTEREST INCOME AND HUMAN RESOURCES

The group's cash and cash equivalents amounted to SEK 4,394 (4,288 per December 31, 2008) million. Equity amounted to SEK 1,189 (1,157 per December 31, 2008) million, corresponding to SEK 43 (43 per December 31, 2008) per share. On June 17, 2009 a total of 810,800 convertibles of a total 813,400 attributable to HQ Konvertibel 1 were converted into shares in HQ AB. The conversion price was SEK 96, which means that equity increased by SEK 78 million. Consolidated capital adequacy amounted to 17 (15 per December 31, 2008) percent, corresponding to a capital adequacy ratio of 2.1. The current level of capital adequacy exceeds both the legal requirement of at least 8 percent and HQ's financial target of a minimum of 10 percent.

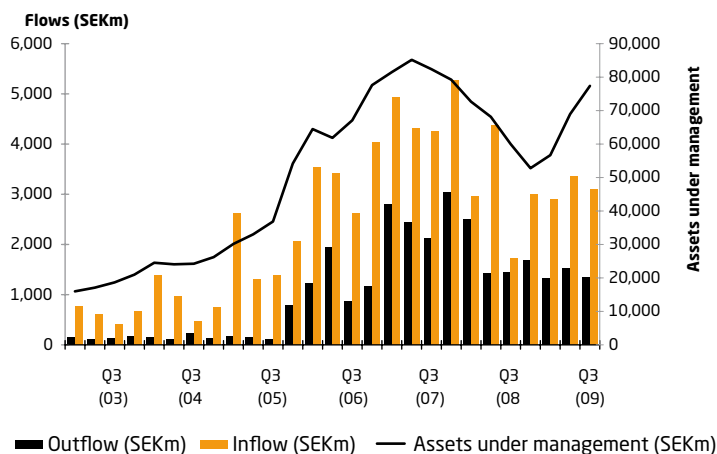
Average deposits from and lending to the public increased compared to the same period in the preceding year. Despite this increase the net interest income attributable to HQ's custodian account clients decreased by 10 percent to SEK 72 (80) million as a result of low market interest rates. The repo rate during the period averaged 0.8 (4.3) percent. With existing volumes it is estimated that the current interest-rate environment will negatively affect net interest income by approximately SEK 25 million annually.

The number of employees in the group was 303, compared with 300 at the start of the year. The average number of employees during the period was 300 (247).

STRONG GROWTH IN ASSETS UNDER MANAGEMENT

Interest in HQ as a manager of wealth is substantial. This is confirmed by, among other things, a steady and strong inflow of managed assets. During the period HQ Private Banking managed to attract new assets under management of SEK 5.2 (3.7) billion. This represents annualised organic growth of 15 percent, which exceeds our financial target.

During the period assets under management in the group increased by 43 percent to SEK 77.4 (54.3 per December 31, 2008) billion. The downward trend since the middle of 2007 has been broken and HQ Private Banking enters the fourth quarter with SEK 62.4 billion in managed assets. This is 31 percent more than was managed in the fourth quarter of 2008 and there is thus a good outlook for a continued positive trend in repeat revenue during the fourth quarter and forward.



FINANCIAL TARGETS

In conjunction with the year-end report for 2007 the board of directors established the following financial targets:

- + The operating margin shall average a minimum of 35 %, outcome 25 %
- + The net inflow of assets under management in Private Banking shall be a minimum of 10 % per year, outcome 15 %
- + Repeat revenue as a proportion of total expenses excluding profit sharing shall be a minimum of 100 %, outcome 61 %
- + Capital adequacy shall be a minimum of 10 %, outcome 17 %

OUTLOOK - HQ WILL CONTINUE TO EXPLORE, INNOVATE AND PERFORM

Market conditions have successively improved during the year. However, it remains difficult to predict how the financial markets will look in the short term.

HQ's consistent and long-term focus on repeat revenues and cost control has contributed to increased stability and has successively lowered the level of risk in the business operations. This proven strategy is unchanged and HQ has made considerable investment in its business model and staff and in broadening the value proposition of both Private Banking and Investment Banking. The outlook for attracting new clients and new managed assets is therefore believed to remain very good.

The board of directors acts to ensure limited exposure of the balance sheet and a rigorous and effective credit procedure. The capital adequacy ratio remains high in an industry perspective and liquidity is good.

HQ's operating target of achieving assets under management of SEK 100 billion is unchanged. This will place demands on the continued improvement of our offering of products and services and on the development of both new and existing distribution channels. Overall HQ has a unique offering, a scalable and successful business model and therefore good prospects of continued profitable expansion.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME IN SUMMARY (SEKm)	2009 Jul - Sep	2008 Jul - Sep	2009 Jan - Sep	2008 Jan - Sep
Revenue from commissions and fees	231	163	658	637
Expense from commissions and fees	-91	-54	-241	-200
Interest income	45	90	164	243
Interest expense	-33	-64	-116	-181
Net result of financial transactions, including dividends	9	5	106	76
Other operating revenue	8	1	22	2
Total operating revenue	169	141	593	577
Employee benefits expense	-83	-69	-290	-265
General administrative expenses	-37	-24	-115	-77
Depreciation and amortisation of non-current assets	-8	-5	-22	-15
Other operating expense	-7	-9	-18	-27
Credit losses and bad debt losses	0	0	0	2
Total operating expense	-135	-107	-445	-382
Operating profit	34	34	148	195
Income tax expense for the period	-8	-9	-36	-56
Profit for the period	26	25	112	139
<i>Other comprehensive income</i>				
Available-for-sale financial assets	-	-	4	-
Comprehensive income for the period	26	25	116	139
Comprehensive income for the period attributable to:				
Equity holders of the parent	26	25	116	139
Minority interest	0	0	0	0
Basic earnings per share, SEK	0.9	0.9	4.0	5.1
Diluted earnings per share, SEK	0.9	0.9	4.0	5.1
Average number of shares before dilution	27,925,280	27,114,480	27,388,721	27,114,480
Average number of shares after dilution	28,712,680	29,548,551	27,388,721	29,526,304
Issued shares before dilution	27,925,280	27,114,480	27,925,280	27,114,480
Issued shares after dilution	29,875,880	29,914,380	29,875,880	29,914,380

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION IN SUMMARY (SEKm)	Sep 30, 2009	Dec 31, 2008
Lending to credit institutions	4,394	4,288
Lending to the public	3,230	3,552
Shares and participations	1,827	593
Intangible assets	610	619
Other assets	3,336	2,815
Total assets	13,397	11,867
Liabilities to credit institutions	2,086	2,430
Deposits and borrowing from the public	3,657	3,240
Other liabilities	6,465	5,040
Equity attributable to equity holders of the parent	1,188	1,157
Minority share of equity	1	-
Equity	1,189	1,157
Total liabilities and equity	13,397	11,867

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEKm)	Sep 30, 2009	Sep 30, 2008	Dec 31, 2008
Equity - start of period	1,157	1,181	1,181
Dividends	-163	-271	-271
Equity component of convertible debenture	78	0	1
Comprehensive income for the period	116	139	246
Equity attributable to equity holders of the parent	1,188	1,049	1,157
Minority share of equity	1	1	-
Total equity - end of period	1,189	1,050	1,157

CONSOLIDATED PERFORMANCE PER QUARTER (SEKm)	2009 Jul - Sep	2009 Apr - Jun	2009 Jan - Mar	2008 Oct - Dec	2008 Jul - Sep
Net revenue from commissions and fees	140	172	105	125	109
Net interest income	12	17	19	26	26
Net gain or loss from financial transactions, including dividends	9	40	58	-36	5
Other operating revenue	8	8	5	126	1
Operating revenue	169	237	187	241	141
Operating expenses	-135	-161	-149	-157	-107
Operating profit	34	76	38	84	34

KEY FIGURES	2009 Jan - Sep	2008 Jan - Sep	2008-2009 Oct - Sep	2008	2007	2006
Operating revenue, SEKm	593	577	834	818	986	931
Operating expenses, SEKm	-445	-382	-602	-540	-581	-581
Operating profit, SEKm	148	195	232	278	405	350
Basic earnings per share, SEK	4.0	5.1	8.0	9.1	10.7	9.2
Equity per share, SEK	43	39	43	43	44	39
Operating margin, %	25%	34%	28%	34%	41%	38%
Return on equity, %*	20%	19%	20%	21%	26%	26%
Capital adequacy, %	17%	16%	17%	15%	21%	29%

* Returns are calculated on a rolling 12-month basis

SEGMENT REPORTING (SEKm)

	HQ Private Banking		HQ Investment Banking		Other/Eliminations		Total	
	2009 Jan - Sep	2008 Jan - Sep	2009 Jan - Sep	2008 Jan - Sep	2009 Jan - Sep	2008 Jan - Sep	2009 Jan - Sep	2008 Jan - Sep
Operating revenue from external clients	378	423	210	135	5	19	593	577
Operating expenses	-226	-246	-184	-101	-35	-35	-445	-382
Operating profit	152	177	26	34	-30	-16	148	195
Tax	-	-	-	-	-36	-56	-36	-56
Profit for the period	152	177	26	34	-66	-72	112	139

CONSOLIDATED STATEMENT OF CASH FLOWS (SEKm)

	2009 Jan - Sep	2008 Jan - Sep
Cash flow from operating activities	74	77
Cash flow from assets and liabilities of operating activities	114	1,222
Cash flow from operating activities	188	1,299
Cash flow from investing activities	4	-33
Cash flow from financing activities	-86	-267
Cash flow for the period	106	999
Cash and cash equivalents at beginning of the period	4,288	1,238
Cash and cash equivalents at end of the period	4,394	2,237

PARENT COMPANY INCOME STATEMENT IN SUMMARY (SEKm)

	2009 Jan - Sep	2008 Jan - Sep
Other operating revenue	0	0
Overhead expenses	-11	-12
Operating profit	-11	-12
Investment revenue	-38	-14
Profit after financial income	-49	-26
Income tax expense	7	8
Profit for the period	-42	-18

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEKm)

	Sep 30, 2009	Sep 30, 2008	Dec 31, 2008
Non-current assets	864	847	908
Current assets	115	116	279
Total assets	979	963	1,187
Equity	717	615	840
Non-current liabilities	256	338	331
Current liabilities	6	10	16
Total liabilities and equity	979	963	1,187

ACCOUNTING POLICY

HQ's interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations adopted by the EU of the applicable standards, IFRIC. This report has been prepared in accordance with IAS 34, Interim Financial Reporting as well as the applicable parts of the regulations and general advice of the Swedish Financial Supervisory Authority regarding Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25). The interim report for the parent company has been prepared in accordance with the Annual Accounts Act and the Securities Market Act, which is in accordance with the provisions of RFR 2.2 Reporting for Legal Entities. The accounting policy and methods of calculation are unchanged from those applied in the Annual Report for 2008, with the following exceptions due to new or amended standards adopted by the EU and that will be applied from January 1, 2009. Applicable to HQ are IFRS8 Operating Segments, IAS 1 Presentation of Financial Statements and addendums to IAS 27 regarding dividends from subsidiaries, associates and jointly controlled entities. However, these changes have not had any material effect on the presentation of HQ's interim report.

NOTES (ALL AMOUNTS IN SEKm)**Note 1– Net gain or loss from financial transactions, including dividends**

The net gain or loss from financial transactions includes dividends of SEK 86 (155) for the nine-month period and SEK 5 (6) for the three-month period.

Note 2 – Other operating revenue

Other operating revenue includes a positive acquisition effect of 9 attributable to the acquisition of OPM. Payment in kind has, in accordance with the applicable parts of SIC 13, been recognised in profit and loss without tax charges.

DEFINITIONS**Earnings per share after tax**

Net profit/loss for the period in relation to the average number of shares during the period, before and after dilution. The dilution effect is attributable to the three outstanding convertible programmes. One was launched during 2006 and two were launched in 2007 and 2008.

Equity per share

Equity in relation to issued shares on the reporting date.

Operating margin

Operating profit/loss in relation to operating revenue

Return on equity

Net profit or loss for the period in relation to average equity. Returns are calculated on a rolling 12-month basis.

Cash and cash equivalents

Cash and cash equivalents includes cash and balances with central banks as well as lending to credit institutions.

Capital adequacy

Capital base in relation to risk-weighted amounts for market and credit risks.

HQ PRIVATE BANKING

HQ Private Banking is a leader in the field of private banking and asset management. Business is conducted in the following seven service areas divided into four segments: Wealth Management (with the service areas Asset Management, Financial Planning, Entrepreneur Services and HQ Pension), Emerging Markets, HQ Fonder and External Distribution of structured products and funds.

(SEKm)	2009 Jul - Sep	2008 Jul - Sep	2009 Jan - Sep	2008 Jan - Sep
Brokerage fees and other sales commission	65	37	193	194
Asset management fees	110	98	277	337
Expenses from transactions and commission	-70	-49	-172	-182
Net interest income/expense	15	22	48	65
Net result of financial transactions, including dividends	9	3	31	9
Other operating revenue	-	-	1	0
Total operating revenue	129	111	378	423
Employee benefits expense	-39	-36	-120	-130
General administrative expenses	-12	-11	-36	-38
Depreciation and amortisation of non-current assets	-1	-1	-3	-3
Other operating expense	-22	-23	-67	-75
Credit losses and bad debt losses	-	-	0	0
Total operating expense	-74	-71	-226	-246
Operating profit	55	40	152	177
Average number of employees	112	114	111	114
Operating margin	43%	36%	40%	42%
Assets under management at end of period			62,406	52,660
Total revenue/average assets under management*)			0.96%	1.00%

*) Total revenue and average assets are calculated on a rolling 12-month basis

STRONG INFLOW OF ASSETS UNDER MANAGEMENT

Operating revenue for HQ Private Banking was SEK 378 (423) million, a decrease of 11 percent compared with the same period in the preceding year. Brokerage fees and other sales commission were broadly unchanged at SEK 193 (194) million. The net result of financial transactions increased by 244 percent to SEK 31 (9) million. Asset management fees and net interest income decreased by 19 percent to SEK 325 (402) million as a result of lower assets under management. However, the trend is positive due to the inflow of managed assets and a strong stock-market performance, which caused revenues to increase by 16 percent during the third quarter compared to the same period in the preceding year.

Operating expenses for HQ Private Banking decreased by 8 percent to SEK 226 (246) million. Employee benefit expense excluding profit sharing decreased by 2 percent, amounting to SEK 83 (85) million, and other expenses excluding profit share decreased by 9 percent to SEK 106 (116) million. This decrease is a direct function of the measures taken during 2008.

The net inflow of assets under management within HQ Private Banking during the period was SEK 5.2 (3.7) billion, which represents annualised organic growth of 15 percent. Good management outcomes are naturally essential in assuring continued client inflow. It is therefore pleasing to note that the HQ Sverigefond fund has risen by 601 percent in the past 15 years, making it the best Sweden fund during this period. Despite a strong inflow of assets under management, average assets under management were SEK 7 billion lower than in the same period in the preceding year. This meant that repeat revenue in the form of asset management fees and net interest income less expenses for commissions and fees, decreased by 24 percent to SEK 209 (274) million, corresponding to 55 (65) percent of HQ Private Banking's total revenues. Meanwhile this means that 111 (137) percent of HQ Private Banking's current expenses excluding profit sharing were covered by repeat revenue. At the start of the fourth quarter assets under management were SEK 62.4 billion, compared with average assets under management of SEK 47.7 billion in the fourth quarter of 2008. This means that, assuming a neutral stock market, asset management fees will increase during the fourth quarter by approximately 30 percent compared to the same period in the preceding year.

During the first quarter distribution power was considerably strengthened through the establishment of a jointly owned securities company together with SÅKRA focusing on savings products and asset management services. SÅKRA was founded in 1990 and is today one of Sweden's largest independent insurance brokerage organisations, with a broad value proposition and nationwide operations. SÅKRA has solid local presence which, together with HQ's offering of products and services, offers significant potential for further inflows of assets under management.

During the third quarter it was announced that HQ, in cooperation with NASDAQ OMX Stockholm, would launch exchange traded funds (ETFs). This is the start of a joint, long-term endeavour to provide a large number of products, with exposure to different markets and types of asset that will be quoted and traded on NASDAQ OMX Stockholm. The Swedish market is still young and HQ's ambition is to become a leader in this field.

The business unit reported operating profit of SEK 152 (177) million.

HQ INVESTMENT BANKING

HQ Investment Banking's operations are made up of four service areas: Corporate Finance, Equities, Trading and Alternative Investments. Activities are conducted in the fields of research, trade in shares and derivatives on the company's own account and on behalf of clients, and capital market transactions and advice in conjunction with mergers and acquisitions. The business focuses on providing advice and ideas that generate added value for clients.

(SEKm)	2009 Jul - Sep	2008 Jul - Sep	2009 Jan - Sep	2008 Jan - Sep
Brokerage fees	46	24	140	73
Revenue from financial advisory services and underwriting	2	1	23	25
Expenses from transactions and commission	-20	-4	-67	-17
Net interest income	2	0	7	-1
Net gain or loss from financial transactions, including dividends	-2	-1	76	46
Other operating revenue	13	2	31	9
Total operating revenue	41	22	210	135
Employee benefit expense	-20	-13	-94	-70
General administrative expenses	-17	-6	-57	-18
Depreciation and amortisation of non-current assets	0	0	-2	-1
Other operating expenses	-13	-5	-31	-14
Credit losses and bad debt losses	0	-	0	2
Total operating expenses	-50	-24	-184	-101
Operating profit	-9	-2	26	34
Average number of employees	67	47	69	46
Operating margin	neg	neg	12%	25%
Assets under management at end of period			14,983	7,369

IMPROVED MARKET CONDITIONS

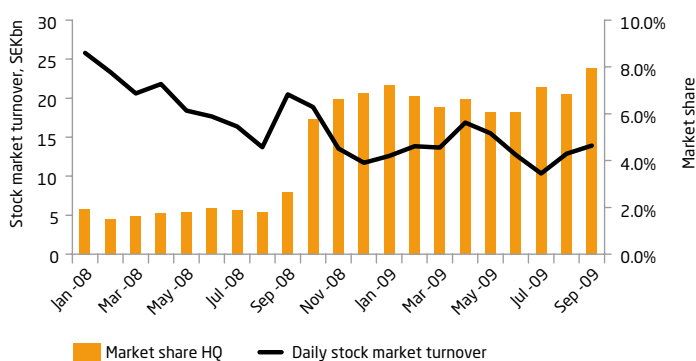
Operating revenue for HQ Investment Banking was SEK 210 (135) million, of which SEK 51 million relates to revenue attributable to HQ Direct. The remaining increase in revenue of 20 percent is mainly attributable to Trading, which reported an increase in revenues of SEK 27 million.

The market for Corporate Finance has successively improved during the year. A number of transactions have been completed during the latter half of the period and the trend following the summer has remained positive. Revenue from financial advisory services and underwriting decreased by 8 percent to SEK 23 (25) million.

The conditions for conducting trade on the company's own account have improved during 2009. Liquidity and the willingness accept risk have generally increased, but from low levels as a result of the financial turbulence. Trading's net gain from financial transactions including dividends increased by 55 percent to SEK 73 (47) million.

For Equities the period has been negatively affected by the financial worries that led to a lower level of activity in institutional share trading. Average stock-market turnover decreased by 31 percent and was SEK 13.6 (19.8) billion per trading day, which negatively affected revenue from brokerage fees. Through the acquisition of HQ Direct the Equities service unit has been enriched with a business that is able to offer clients direct access to the Nordic stock markets. The inflow of clients has accelerated each month. This is also confirmed by HQ's market share of equity-related turnover on the Stockholm stock exchange, which has increased during the year. HQ is currently the second-largest participant on the Stockholm stock exchange in terms of turnover, with a market share of 7.95 percent during September. Revenues in Equities increased by 49 percent to SEK 109 (73) million. The business unit reported operating profit of SEK 26 (34) million.

Stock market turnover and market share



HQ - MISCELLANEOUS

RISKS AND UNCERTAINTIES

HQ's business entails daily risks that must be measured, controlled and managed as necessary in order to protect the company's capital and reputation. The manner in which HQ identifies, follows up and manages these risks is a pivotal aspect of operations. See Note 30 in HQ's Annual Report 2008 for a more detailed description of the risk exposure and risk management of the group and parent company. It is estimated that there are no new material risks other than those described in the Annual Report.

Stockholm, October 16, 2009

Mikael König, Chief Executive Officer, telephone +46 8 696 17 00

SCHEDULED REPORTS

Year-end report 2009	January 29, 2010
Annual report 2009	March, 2010
Annual general meeting	April 15, 2010
Interim report Q1	April 15, 2010

REVIEW REPORT

This report has not been submitted for review by the company's auditors.

The information presented in this interim report is such that HQ AB (publ) must disclose in accordance with the Swedish Securities Markets Act. The information was provided for publication on October 16 at 8.50 am (CET).



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