

YEAR-END REPORT JANUARY 1 - DECEMBER 31, 2009



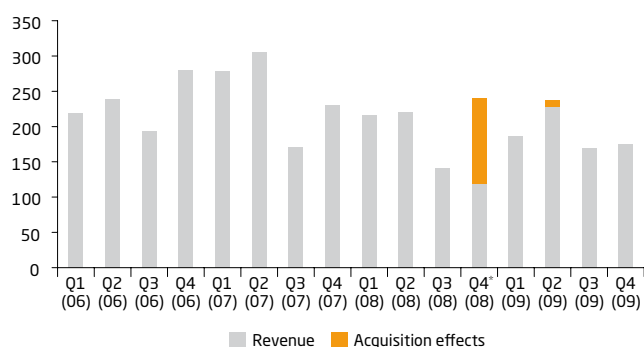
TRADING THE EXCEPTION IN OTHERWISE STRONG TREND

FOURTH QUARTER

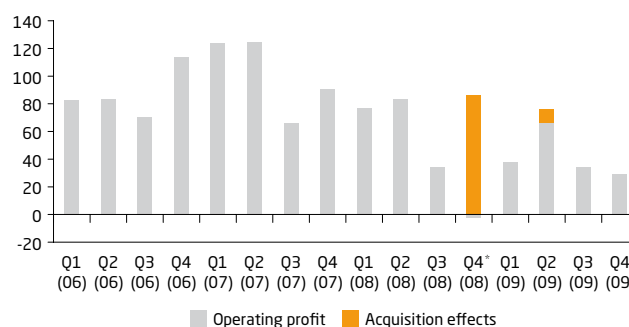
- + OPERATING REVENUE SEK 175 (241) MILLION
- + OPERATING PROFIT SEK 29 (84) MILLION
- + OPERATING PROFIT EXCL TRADING AND ACQUISITION EFFECTS SEK 78 (54) MILLION
- + PROFIT AFTER TAX SEK 22 (107) MILLION
- + EARNINGS PER SHARE AFTER DILUTION SEK 0.8 (3.8)
- + OPERATING MARGIN 16 (35) PERCENT
- + ASSETS UNDER MANAGEMENT INCREASED SEK 7.7 BILLION IN THE FOURTH QUARTER TO SEK 85.1 BILLION, OF WHICH NET INFLOW SEK 2.8 (1.3) BILLION

- + Operating profit was SEK 29 (84) million, and profit after tax was SEK 22 (107) million, corresponding to SEK 0.8 (3.8) per share after dilution. Adjusted for acquisition effects operating profit was SEK 29 (-2) million. Trading exhibited negative development and affected earnings by SEK -49 (-56) million. Other operations performed positively, with an increase in profit of 44 percent to SEK 78 (54) million, and an operating margin of 35 (31) percent.
- + Revenue was SEK 175 (241) million, of which SEK 0 (122) million was acquisition effect attributable to the acquisition of HQ Direct. Net revenue from commissions and fees increased by 42 percent to SEK 177 (125) million. Of the net revenue from commissions and fees, SEK 73 (48) million was from asset management fees, an increase of 52 percent as a consequence of higher average managed assets. Net interest income decreased by 58 percent to SEK 11 (26) million, as a consequence of the low interest-rate environment. Revenue from financial advisory services and primary market transactions increased by 93 percent and amounted to SEK 27 (14) million. Net revenue from financial transactions including dividends improved by 22 percent to SEK -28 (-36) million, of which Trading accounted for SEK -40 (-48) million.
- + Expenses decreased by 7 percent to SEK 146 (157) million, of which provisions for profit sharing represented SEK 13 (6) million and other expenses SEK 133 (151) million. Pro forma including HQ Direct, other expenses decreased by 20 percent to SEK 133 (166) million. The comparison figure includes non-recurring expenses of SEK 20 million. The cost reduction is a function of realised cost synergy and good cost control and during the quarter was level with the previously communicated cost target.
- + Total assets under management increased by SEK 7.7 billion to SEK 85.1 billion. The net inflow of new client volumes during the quarter was SEK 2.8 (1.3) billion, which corresponds to annualised organic growth of 18 (10) percent in HQ Private Banking.
- + Stock market turnover averaged SEK 13.5 (14.7) billion during the fourth quarter. HQ's market share was 6.4 (6.2) percent, which makes HQ the third-largest participant on the Stockholm stock exchange during the quarter.

REVENUE (SEKm)



OPERATING PROFIT (SEKm)



*¹Including HQ Direct from October 22, 2008

STRONG GROWTH IN ASSETS UNDER MANAGEMENT

JANUARY - DECEMBER

- + OPERATING REVENUE SEK 768 (818) MILLION
 - + OPERATING PROFIT SEK 177 (278) MILLION
 - + OPERATING PROFIT EXCL ACQUISITION EFFECT IN HQ DIRECT SEK 177 (193) MILLION
 - + PROFIT AFTER TAX SEK 134 (246) MILLION
 - + DILUTED EARNINGS PER SHARE SEK 4.8 (9.0)
 - + OPERATING MARGIN 23 (34) PERCENT
 - + ASSETS UNDER MANAGEMENT INCREASED SEK 30.8 BILLION SINCE THE START OF THE YEAR TO SEK 85.1 (54.3) BILLION, OF WHICH NET INFLOW SEK 8.0 (5.0) BILLION
 - + PROPOSED DIVIDEND SEK 6.00 (6.00) PER SHARE
-

COMMENTS FROM CEO MIKAEL KÖNIG

Conditions for conducting traditional market making have changed dramatically in recent time. Reduced spreads between bid and ask prices, greatly deteriorated liquidity, and an increased proportion of computer-controlled trade have resulted in lower margins. For full year 2009 the trading operations therefore show negative operating earnings of SEK -29 (-49) million. This is far from satisfactory and overshadows the positive developments in other parts of the group during the fourth quarter.

In HQ Private Banking our consistent efforts are having the desired effect and we are continually strengthening our market position. Net inflow during the fourth quarter was as much as SEK 2.8 (1.3) billion, which represents annualised organic growth of 18 percent. In addition to continued attractive asset management outcomes, both in emerging markets and on the Swedish market, volumes from external distribution are contributing to an increasing extent.

From the start of 2010 we have had a new organisational structure, and the strategic work during 2010 will be largely about emphasising our three business areas: Investment Banking, Private Banking and Asset Management. Within the newly formed HQ Asset Management we have brought together our entire asset management organisation, including the increasingly important area of alternative investments. We have recently strengthened our team in this area and we see an attractive business situation in the real estate sector, as a consequence of new realities and needs following the credit crisis.

At the end of the year HQ Bank was managing some SEK 85 billion, which is level with our all-time high from 2007, and an increase of SEK 30.8 billion, or 57 percent, since the preceding year-end. We therefore enter 2010 with a considerably higher, more stable and broader income base than in the previous year.

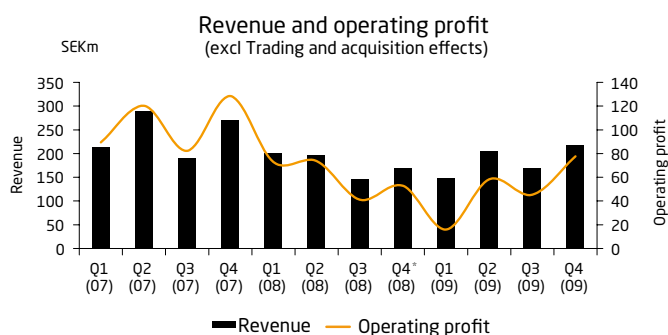
GROUP - REPORTING PERIOD JANUARY 1 - DECEMBER 31, 2009

MIXED EARNINGS TREND IN THE GROUP

HQ reports for the period January 1 – December 31 operating profit of SEK 177 (278) million, and profit after tax of SEK 134 (246) million, corresponding to SEK 4.8 (9.0) per share after dilution. Amortisation of intangible assets has been recognised in profit and loss at SEK 21 (15) million. The operating profit for the comparison year includes SEK 85 million in acquisition effects of a non-recurring nature.

Profit trends in the group were mixed during the year. HQ Investment Banking has continued to be influenced by a low level of activity, in terms of both corporate transactions and turnover on the Stockholm stock exchange. In addition Trading experienced negative performance during the final quarter of the year. HQ Private Banking, on the other hand, demonstrated a very strong year. The net inflow of assets under management was SEK 8.0 (5.0) billion and, together with a positive stock-market trend, this increased the managed assets in the group by as much as SEK 31 billion to SEK 85 billion. HQ Private Banking enters 2010 with SEK 69 billion in managed assets, compared to SEK 57 billion on average during 2009, which will contribute to increased stability and a further lowered level of risk.

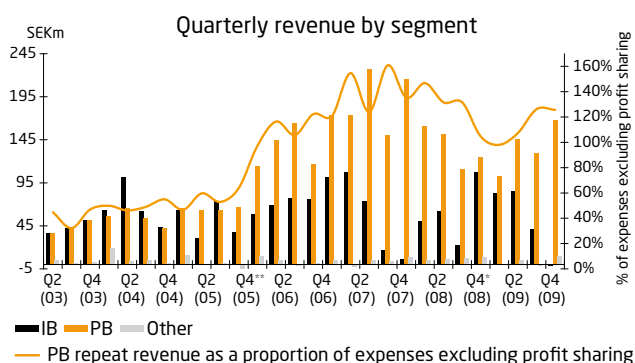
Overall the operating margin was 23 (34) percent, which is lower than our financial target of an average of 35 percent. HQ's assessment, however, is that the operating margin will increase from its current level due to the positive revenue trend and a continued high level of cost consciousness.



MAJOR FOCUS ON INCREASING THE PROPORTION OF REPEAT REVENUE

In total operating revenue decreased by 6 percent to SEK 768 (818) million, of which acquisition effects represented SEK 9 (122) million and SEK 65 (7) million was revenue attributable to HQ Direct's ongoing operations. Net revenue from commissions and fees increased by 6 percent to SEK 594 (561) million. Of the net revenue from commissions and fees SEK 884 (740) million was secondary, an increase of 19 percent. The revenue from commissions and fees also includes revenue of SEK 80 (76) million from financial advisory services and primary market transactions, an increase of 5 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 3 percent to SEK 92 (95) million as a consequence of low market interest rates. In all, the low interest-rate environment negatively affected net interest income by around SEK 20 million compared to 2008. Trading on the company's own account, comprising the net result of financial transactions and dividends, increased by 95 percent to SEK 78 (40) million of which Trading accounted for SEK 32 (-2) million.

Repeat revenue in HQ Private Banking decreased by 12 percent to SEK 301 (344) million, which means that 115 (129) 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 64 (92) 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 is being placed on returning to 100 percent cost coverage.



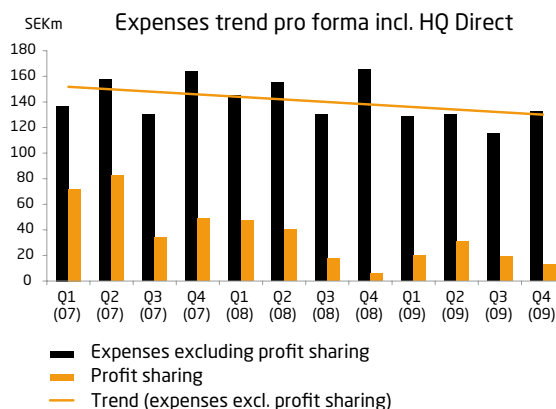
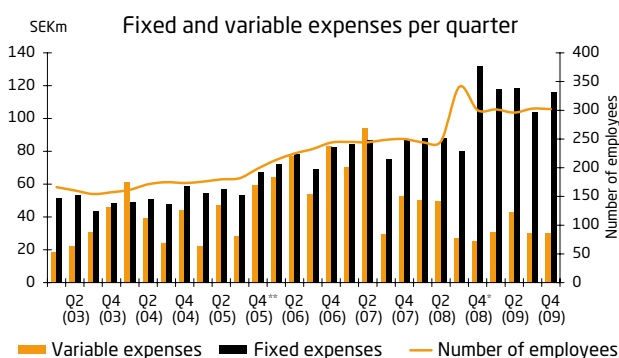
*1 Including HQ Direct from October 22, 2008
**1 Including HQ Fonder from October 28, 2005

GROUP - REPORTING PERIOD JANUARY 1 - DECEMBER 31, 2009

EXPENSES WITHIN ESTABLISHED TARGET

Expenses increased by 9 percent to SEK 591 (540) 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 16 percent to SEK 591 (707) million, of which provisions for profit sharing corresponded to SEK 84 (111) million and other expenses to SEK 507 (596) million. The comparison figure includes non-recurring expenses of SEK 20 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, which is confirmed by a downward cost trend. Compared to 2007 and 2008, expenses excluding profit sharing have decreased by approximately SEK 70-80 million. Additional cost synergy in the form of dual office premises in Stockholm and dual back office systems with associated expenses will be realised during 2010. These additional cost synergies are estimated at approximately SEK 15 million annually. In total this means that the annual cost saving will amount to 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 3,645 (4,288) million. Equity amounted to SEK 1,211 (1,157) million, corresponding to SEK 43 (43) 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 16 (15 per December 31, 2008) percent, corresponding to a capital adequacy ratio of 2.0 (1.9). 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 3 percent to SEK 92 (95) million as a result of low market interest rates. The repo rate during the period averaged 0.7 (4.1) percent. With existing volumes the sensitivity of net interest income is approximately SEK 4 million annually from a change in the repo rate of 0.25 percent.

The number of employees in the group was 302, compared with 300 at the start of the year. The average number of employees during the period was 301 (257).

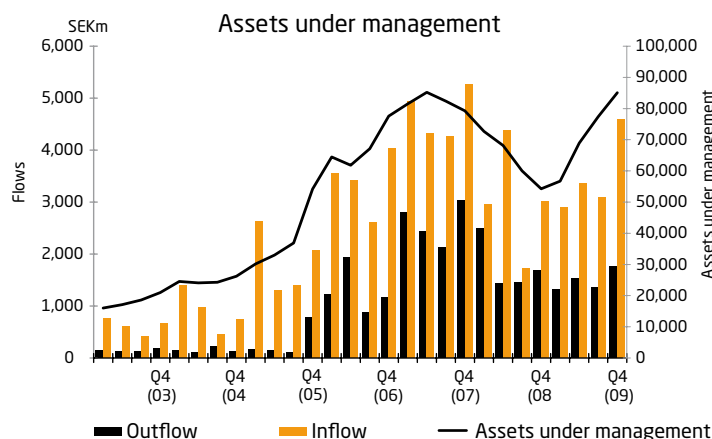
*1 Including HQ Direct from October 22, 2008
 **1 Including HQ Fonder from October 28, 2005

GROUP - REPORTING PERIOD JANUARY 1 - DECEMBER 31, 2009

STRONG GROWTH IN ASSETS UNDER MANAGEMENT

HQ has an attractive value proposition. This is confirmed by, among other things, a steady and strong inflow of managed assets. During the year HQ Private Banking managed to attract new assets under management of SEK 8.0 (5.0) billion. This represents annualised organic growth of 17 percent, which exceeds our financial target.

During the year assets under management in the group increased by 57 percent to SEK 85.1 (54.3) billion. This is as much as at the peak of June 30, 2007 despite stock-market decline of around 30 percent since that time. HQ Private Banking enters 2010 with SEK 68.7 billion in managed assets. This is SEK 12 billion more than was managed on average during 2009 and there are thus good prospects of a continued positive trend in repeat revenue during 2010 as well.



FINANCIAL TARGETS

- + The operating margin shall average a minimum of 35 %, outcome 23 %
- + The net inflow of assets under management in Private Banking shall be a minimum of 10 % per year, outcome 17 %
- + Repeat revenue as a proportion of total expenses excluding profit sharing shall be a minimum of 100 %, outcome 64 %
- + Capital adequacy shall be a minimum of 10 %, outcome 16 %

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.

OUTLOOK - HQ WILL CONTINUE TO EXPLORE, INNOVATE AND PERFORM

Conditions for conducting business in financial advisory services and trading in stocks have changed markedly in recent years. A series of new directives and regulations have led to greater costs and higher entry barriers. In addition the trend towards more alternative market places and the introduction of increasingly narrow spreads between bid and ask prices are placing new demands on participants in the sector and are leading to an increased proportion of computer-controlled trading and a need for greater consolidation.

In recent years HQ has made considerable investment in its business model and staff and in broadening its value proposition. In addition 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 Private Banking. This proven strategy is unchanged and HQ has very good prospects of continuing to attract new clients and new managed assets.

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. The board of directors intends to propose that the annual general meeting of shareholders approve an unchanged dividend compared to last year, which corresponds to 125 percent of the year's profit.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME IN SUMMARY (SEKm)		2009 Oct - Dec	2008 Oct - Dec	2009 Jan-Dec	2008 Jan-Dec
Revenue from commissions and fees		307	180	964	816
Expense from commissions and fees		-130	-55	-370	-255
Interest income		45	84	209	327
Interest expense		-34	-58	-150	-239
Net result of financial transactions, including dividends	note 1	-28	-36	78	40
Other operating revenue	note 2	15	126	38	129
Share in profits of associates		0	-	-1	-
Total operating revenue		175	241	768	818
Employee benefits expense		-90	-97	-380	-361
General administrative expenses		-41	-43	-156	-120
Depreciation and amortisation of non-current assets		-8	-7	-30	-22
Other operating expense		-7	-10	-25	-39
Credit losses and bad debt losses		0	0	0	2
Total operating expense		-146	-157	-591	-540
Operating profit		29	84	177	278
Income tax expense for the period		-7	23	-43	-32
Profit for the period		22	107	134	246
<i>Other comprehensive income</i>					
Available-for-sale financial assets		-	-	4	-
Comprehensive income for the period		22	107	138	246
Comprehensive income for the period attributable to:					
Equity holders of the parent		22	107	138	246
Minority interest		0	-	0	-
Basic earnings per share, SEK		0.8	4.0	4.8	9.1
Diluted earnings per share, SEK		0.8	3.8	4.8	9.0
Average number of shares before dilution		27,925,280	27,114,480	27,524,334	27,114,480
Average number of shares after dilution		27,925,280	29,933,596	27,524,334	29,009,567
Outstanding shares before full conversion		27,925,280	27,114,480	27,925,280	27,114,480
Outstanding shares after full conversion		29,875,880	29,682,980	29,875,880	29,682,980

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION IN SUMMARY (SEKm)		Dec 31, 2009	Dec 31, 2008
Lending to credit institutions		3,645	4,288
Lending to the public		3,483	3,552
Shares and participations		2,104	593
Intangible assets		590	619
Other assets		2,770	2,815
Total assets		12,592	11,867
Liabilities to credit institutions		2,085	2,430
Deposits and borrowing from the public		3,535	3,240
Other liabilities		5,761	5,040
Equity attributable to equity holders of the parent		1,210	1,157
Minority share of equity		1	-
Equity		1,211	1,157
Total liabilities and equity		12,592	11,867

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		Dec 31, 2009	Dec 31, 2008
Equity - start of period		1,157	1,181
Dividends		-163	-271
Equity component of convertible debenture		78	1
Comprehensive income for the period		138	246
Equity attributable to equity holders of the parent		1,210	1,157
Minority share of equity		1	-
Total equity - end of period		1,211	1,157

CONSOLIDATED PERFORMANCE PER QUARTER (SEKm)		2009 Oct-Dec	2009 Jul-Sep	2009 Apr-Jun	2009 Jan-Mar	2008 Oct-Dec
Net revenue from commissions and fees		177	140	172	105	125
Net interest income		11	12	17	19	26
Net gain or loss from financial transactions, including dividends		-28	9	40	58	-36
Other operating revenue		15	8	8	5	126
Operating revenue		175	169	237	187	241
Operating expenses		-146	-135	-161	-149	-157
Operating profit		29	34	76	38	84

KEY FIGURES	2009 Oct-Dec	2008 Oct-Dec	2009	2008	2007	2006
Operating revenue, SEKm	175	241	768	818	986	931
Operating expenses, SEKm	-146	-157	-591	-540	-581	-581
Operating profit, SEKm	29	84	177	278	405	350
Basic earnings per share, SEK	0.8	4.0	4.8	9.1	10.7	9.2
Equity per share, SEK	43	43	43	43	44	39
Operating margin, %	16%	35%	23%	34%	41%	38%
Return on equity, %*	11%	21%	11%	21%	26%	26%
Capital adequacy, %	16%	15%	16%	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-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec
Operating revenue from external clients	542	548	209	243	17	27	768	818
Operating expenses	-315	-318	-234	-173	-42	-49	-591	-540
Operating profit	227	230	-25	70	-25	-22	177	278
Tax	-	-	-	-	-43	-32	-43	-32
Profit for the period	227	230	-25	70	-68	-54	134	246

CONSOLIDATED STATEMENT OF CASH FLOWS (SEKm)

	2009 Jan-Dec	2008 Jan-Dec
Cash flow from operating activities	167	172
Cash flow from assets and liabilities of operating activities	-724	2,759
Cash flow from operating activities	-557	2,931
Cash flow from investing activities	0	386
Cash flow from financing activities	-86	-267
Cash flow for the period	-643	3,050
Cash and cash equivalents at beginning of period	4,288	1,238
Cash and cash equivalents at end of period	3,645	4,288

PARENT COMPANY INCOME STATEMENT IN SUMMARY (SEKm)

	2009 Jan - Dec	2008 Jan - Dec
Other operating revenue	0	0
Overhead expenses	-14	-16
Operating profit	-14	-16
Investment revenue	163	279
Profit after financial income	149	263
Income tax expense	-45	-55
Profit for the period	104	208

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEKm)

	Dec 31, 2009	Dec 31, 2008
Non-current assets	864	908
Current assets	266	279
Total assets	1,130	1,187
Equity	862	840
Non-current liabilities	256	331
Current liabilities	12	16
Total liabilities and equity	1,130	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 should 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 87 (156) for the 12-month period and SEK 1 (2) for the 3-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 the income statement 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 Oct - Dec	2008 Oct - Dec	2009 Jan-Dec	2008 Jan-Dec
Brokerage fees and other sales commission	105	50	298	244
Asset management fees	141	75	418	412
Expenses from transactions and commission	-110	-34	-281	-217
Net interest income	15	20	63	85
Net result of financial transactions, including dividends	13	14	44	23
Other operating revenue	0	0	0	1
Total operating revenue	164	125	542	548
Employee benefits expense	-48	-34	-168	-164
General administrative expenses	-13	-13	-49	-51
Depreciation and amortisation of non-current assets	-1	-1	-4	-3
Other operating expenses	-27	-24	-94	-100
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-89	-72	-315	-318
Operating profit	75	53	227	230
Average number of employees	114	112	113	114
Operating margin	46%	42%	42%	42%
Assets under management at end of period			68,691	45,787
Total revenue/average assets under management ^{*)}			0.97%	0.96%

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

STRONG END TO THE YEAR DUE TO SHARPLY INCREASED MANAGED ASSETS

Operating revenue for HQ Private Banking was broadly unchanged at SEK 542 (548) million. Brokerage fees and other sales commission increased by 22 percent to SEK 298 (244) million. The net result of financial transactions increased by 91 percent to SEK 44 (23) million. Asset management fees demonstrated a positive trend, particularly during the second half of 2009 and were SEK 418 (412) million. During the fourth quarter asset management fees increased by 88 percent to SEK 141 (75) million. As a consequence of the low interest-rate environment net interest income decreased by 26 percent to SEK 63 (85) million.

Operating expenses were SEK 315 (318) million. Employee benefit expense excluding profit sharing was SEK 115 (115) million and other expenses excluding profit share decreased by 4 percent to SEK 147 (154) million.

The net inflow of assets under management within HQ Private Banking during the year was SEK 8.0 (5.0) billion, which represents annualised organic growth of 17 percent. Despite a strong inflow of assets under management, average assets under management were level with the average for 2008, and in combination with lower net interest income this meant that repeat revenue in the form of asset management fees and net interest income less expenses for commissions and fees, decreased by 12 percent to SEK 301 (344) million, corresponding to 56 (63) percent of HQ Private Banking's total revenues. Meanwhile this means that 115 (129) percent of HQ Private Banking's current expenses excluding profit sharing were covered by repeat revenue.

HQ Private Banking enters 2010 with SEK 68.7 billion in managed assets. This is SEK 12 billion more than the average under management during 2009. With average revenue of 1 percent and an operating margin of approximately 60 percent on new volumes, this means a positive effect on earnings during 2010 of approximately SEK 70 million.

During the year distribution power was considerably strengthened through the completion of a structural transaction with SÅKRA. 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.

The business unit reported operating profit of SEK 227 (230) 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 Oct - Dec	2008 Oct - Dec	2009 Jan - Dec	2008 Jan - Dec
Brokerage fees	44	43	184	115
Revenue from financial advisory services and underwriting	5	7	28	32
Expenses from transactions and commission	-19	-21	-86	-37
Net interest income	2	1	9	0
Net gain or loss from financial transactions, including dividends	-40	-50	35	-4
Other operating revenue	6	128	39	137
Total operating revenue	-2	108	209	243
Employee benefit expense	-19	-41	-113	-111
General administrative expenses	-17	-20	-74	-39
Depreciation and amortisation of non-current assets	0	-2	-2	-3
Other operating expenses	-13	-9	-45	-22
Credit losses and bad debt losses	0	-	0	2
Total operating expenses	-49	-72	-234	-173
Operating profit	-51	36	-25	70
Average number of employees	68	53	69	51
Operating margin	-	34%	-	29%
Assets under management at end of period			16,418	8,489

TRADING BURDENS EARNINGS

Operating revenue for HQ Investment Banking was SEK 209 (243) million, of which SEK 65 (7) million relates to revenue attributable to HQ Direct and SEK 0 (122) million relates to acquisition effects.

The market for Corporate Finance remains difficult. Lead times from concept to completion are long and competition is tough. But there are signs suggesting increased activity in 2010. Revenue from financial advisory services and primary market transactions decreased by 12 percent to SEK 28 (32) million.

Just as in 2008, Trading ended the year in negative territory, mainly due to poor market conditions during the fourth quarter. Reduced spreads between bid and ask prices, greatly weaker liquidity and an increased proportion of computer-controlled trade have led to narrower margins. Trading therefore reported negative earnings of SEK -29 (-49) million.

Equities has been negatively affected by low stock-market turnover, mainly within institutional stock brokerage. With the acquisition of HQ Direct this service unit has been complemented with a business that is able to offer clients direct access to the Nordic stock markets and which has also taken an increasingly large share of the stock-related turnover on the Stockholm stock exchange. During 2009 HQ was the third-largest participant in terms of turnover, with a market share of 6.7 percent. Excluding acquisition effects revenue in Equities increased by 38 percent to SEK 141 (102) million.

The business unit reported operating profit of SEK -25 (70) million.

HQ - MISCELLANEOUS

ANNUAL GENERAL MEETING AND DIVIDEND

The annual general meeting of shareholders will be held on Thursday, April 15, 2010 at 10:00 am at the Royal Swedish Opera/Rotundan, Jakobs Torg 2, Stockholm, Sweden.

The board of directors proposes that the annual general meeting approve an unchanged dividend of SEK 6.00 per share. The proposed dividend corresponds to 125 percent of net profit for the year and a dividend yield of 5.1 percent based on the share price on December 31, 2009.

BUYBACK PROGRAMME

HQ is currently operating with a relatively high level of equity. In order to achieve flexibility with regard to the magnitude of equity the board of directors proposes that the annual general meeting of shareholders authorise the board to conduct a buyback programme amounting to a maximum of 10 percent of the shares in HQ. It is proposed that this authorisation be utilised in the period until the next annual general meeting.

NOMINATION COMMITTEE

The nomination committee is made up of Erik Törnberg, representing Investment AB Öresund, Eva Qviberg, representing the Qviberg family, Kristoffer C. Stensrud representing Solbakken AS and Christer Sandberg representing Sten Mörtstedt and companies. Erik Törnberg is the chairman of the nomination committee. The nomination committee intends to present proposals with regard to the election of a board of directors and other matters to be dealt with by the committee in good time before the annual general meeting of April 15, 2010.

SCHEDULED REPORTS AND MEETINGS

Annual general meeting 2010	April 15, 2010
Interim report Q1 2010	April 15, 2010
Interim report Q2 2010	July 16, 2010

CERTIFICATION AND SIGNATURES

This year-end report provides a fair overview of the business, position and results of the parent company and the group and describes any significant risks and uncertainties faced by the parent company and those companies included in the group.

Stockholm, January 29, 2010

Mats Qviberg
Chairman

Stefan Dahlbo
Director

Carolina Dybeck Happe
Director

Thomas Erséus
Director

Curt Lönnström
Director

Johan Piehl
Director

Anne-Marie Pålsson
Director

Pernilla Ström
Director

Mikael König
Chief Executive Officer

REVIEW REPORT

To the board of directors of HQ AB (publ)

Corporate Identity Number 556573-5650

Introduction

We have reviewed this year-end report (interim report) for 2009 for HQ AB (publ) for the period from January 1, 2009 until December 31, 2009. The preparation and presentation of these interim accounts for the group in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and for the parent company in accordance with the Swedish Annual Accounts Act are the responsibility of the board of directors and the chief executive officer. Our responsibility is to express an opinion on this interim report, based on our review.

The focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe this interim report has not, in every significant respect, been prepared in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies in the case of the group and the Swedish Annual Accounts Act in the case of the parent company.

Stockholm, January 29, 2010
KPMG AB

Johan Dyrefors
Authorised Public Accountant



HQ AB (publ)

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