

HQ Bank AB in liquidation – operations being wound up

Decision of the Financial Supervisory Authority

The Swedish Financial Supervisory Authority ("FSA") has no objection to the liquidator for HQ Bank AB ("HQ Bank") winding up the Bank's operations by approving the transfer of HQ Bank to Carnegie Investment Bank AB for the purpose of merging the two banking companies.

HQ Bank AB in liquidation is authorised to carry out licensed activities as specified in paragraphs 1-3 of the FSA's 28 August 2010 decision to revoke HQ Bank's operating licences until the time that the merger is completed. These provisions are valid through 30 September 2010.

The issue

FSA decided on 3 September 2010 to grant Carnegie Investment Bank AB (publ) ("Carnegie") permission to acquire shares in HQ Bank AB in liquidation (*see* FI Reg. no. 10-8081). FSA also approved a plan for the merger of the two banks (*see* FI Reg. No. 10-8096).

According to attorney Biorn Riese, liquidator for HQ Bank, it is essential that the Bank remain fully engaged in its commercial banking, securities and mutual fund management activities (*i.e.*, activities specified in paragraphs 1-3 of the Decision) during the period preceding the completion of the merger, to ensure that liquidation proceeds in an orderly fashion. Such activities will include, *inter alia*, the receipt of funds on account, the buying and selling of securities and all parts of the operation falling within the scope of activities specified in paragraphs 1-3 of the Decision.

The liquidator has therefore, in accordance with his duty to consult with FSA, requested that FSA confirm

- that this procedure is in conformity with his duty to wind up the Bank's operations in an orderly fashion and that FSA has no objection to this, and
- that the above-listed activities fall within the scope of the authorisation to carry out licensed activities as presented in Appendix 1 of the Decision.

Grounds for the Financial Supervisory Authority's Decision

The liquidator shall wind up the business in an orderly fashion and without compromising the interests of customers. The liquidation is best effectuated by transferring the business through merger and, to do this, the business must be allowed to remain fully engaged in its commercial activities during the period preceding the completion of the merger. In order to optimally safeguard customer interests, we hereby clarify that HQ Bank AB is authorised, throughout the period preceding the completion of the merger, to carry out all licensed activities specified in paragraphs 1-3 of FSA's Decision of 28 August 2010 to revoke HQ Bank's licences.

FINANCIAL SUPERVISORY AUTHORITY

Martin Andersson

Director General, Financial Supervisory Authority