YEAR-END REPORT JANUARY 1 - DECEMBER 31 2006

STRONG ORGANIC GROWTH

FOURTH QUARTER

- OPERATING INCOME SEK 279 (184) MILLION
- OPERATING EARNINGS SEK 114 (57) MILLION
- OPERATING MARGIN 41 (31) PERCENT
- EARNINGS AFTER TAX SEK 82 (44) MILLION
- EARNINGS PER SHARE AFTER DILUTION SEK 6.0 (3.7)
- ASSETS UNDER MANAGEMENT INCREASED BY SEK 11 BILLION IN THE FOURTH QUARTER TO SEK 78 BILLION, OF WHICH NET INFLOW SEK 2.9 BILLION, CORRESPONDING TO ORGANIC GROWTH OF 17 PERCENT

- Operating earnings doubled to SEK 114 (57) million. Earnings after tax increased to SEK 82 (44) million, corresponding to SEK 6.0 (3.7) per share.

- The operating margin increased to 41 (31) percent.

- Income increased by 52 percent to SEK 279 (184) million. Compared to 2005, pro forma including HQ Fonder, income increased by 45 percent. Net income from commissions and fees increased by 38 percent to SEK 185 (134) million. Of the net income from commissions and fees SEK 71 (42) million was attributable to asset management fees, net after deductions for expenses for commissions and fees, an increase of 69 percent. Income from trading on the company's own account, comprising the net result of financial transactions including dividends, increased by 103 percent to SEK 79 (39) million.

- Expenses increased by 30 percent, or SEK 38 million, to SEK 165 (127) million. Compared to 2005, pro forma including HQ Fonder, expenses increased by SEK 33 million. The increase in expenses pro forma is explained by:

• Increased provisions for profit sharing	SEK 21 million
• Increased personnel expenses due to new recruitment	SEK 9 million
• IT development	SEK 3 million

  The profit sharing system is directly linked to underlying earnings and the increase in provisions for profit sharing is explained exclusively by the improvement in earnings. The increase in personnel expenses is due to new recruitment conducted during 2006 in order to expand and broaden the level of expertise.

- Repeat income in the form of asset management fees and net interest income, after deductions for expenses for commissions and fees, increased during the period and covered 73 (60) percent of the group's current expenses excluding profit sharing.

- Total assets under management increased by SEK 11 billion to SEK 78 billion, an increase of 16 percent during the quarter. This positive trend is explained by a net inflow of new client volumes of SEK 2.9 billion and a value change of SEK 8.1 billion. The net inflow corresponds to an annualised organic growth rate of 17 percent.

- Despite existing price pressure on uncomplicated services, average income on managed assets in HQ Private Banking, pro forma including HQ Fonder, increased to 1.17 (1.15) percent. HQ delivers added-value services in the form of complete financial solutions and is therefore less affected by price pressure.

STRONGEST YEAR EVER

JANUARY-DECEMBER

+ OPERATING INCOME SEK 931 (518) MILLION
+ OPERATING EARNINGS SEK 350 (128) MILLION
+ OPERATING MARGIN 38 (25) PERCENT
+ EARNINGS AFTER TAX SEK 250 (94) MILLION
+ EARNINGS PER SHARE AFTER DILUTION SEK 18.4 (9.7)
+ ASSETS UNDER MANAGEMENT INCREASED BY SEK 24 BILLION DURING THE YEAR TO SEK 78 BILLION, OF WHICH NET INFLOW SEK 8.4 BILLION, CORRESPONDING TO ORGANIC GROWTH OF 15 PERCENT
+ PROPOSED DIVIDEND SEK 12.00 (6.00) PER SHARE, AND A SPLIT 2:1

HQ IN BRIEF

COMMENTS FROM CEO PATRIK ENBLAD

2006 was a strong year for HQ. Although the general climate was favourable, with a continued rise in the stock markets and a high level of turnover, this is only part of the explanation. HQ has continued to successfully explore, innovate and perform. In financial terms we are reporting our strongest figures ever and this is the case more or less across the board. The aggressive financial targets adopted by the board of directors in 2005 have been exceeded.

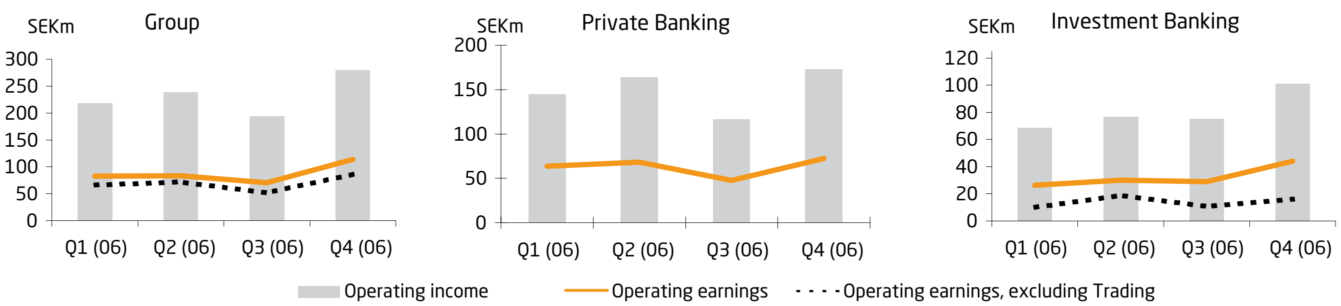
As a consequence of a strong conclusion to the year, assets under management increased by 44 percent and amounted at the end of the year to SEK 78 (54) billion. The net inflow was SEK 8.4 billion, which corresponds to organic growth of 15 percent. It should also be mentioned that HQ Fonder reported a net inflow of SEK 1.9 billion, which means that HQ Fonder was the fastest-growing company on the funds market in Sweden during 2006.

Despite the strong level of growth, the operating margin increased by 13 percentage points and amounted to 38 percent. This clearly demonstrates that HQ's business model is scalable. In addition the average income on managed assets in HQ Private Banking increased by 9 basis points to 1.13 percent.

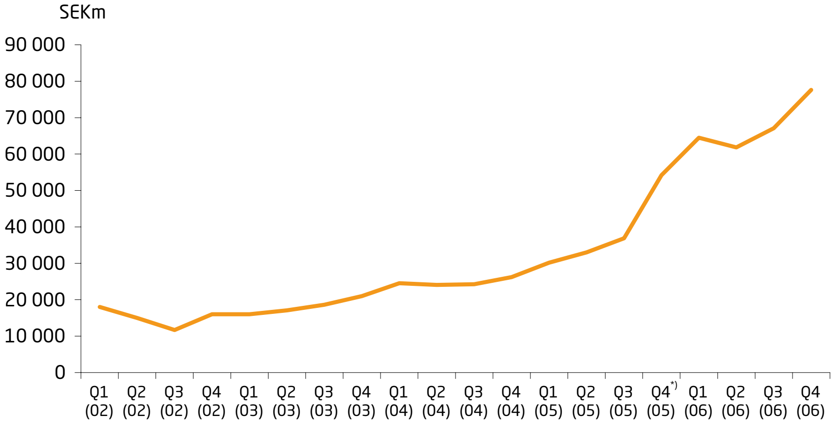
The direction of HQ Private Banking has therefore taken another step away from traditional private brokerage towards wealth management based on a more complete finance approach. In other words HQ has become a savings company. It is not only HQ Private Banking, including HQ Fonder, that has performed well. HQ Investment Banking has increased its income at the same pace as HQ Private Banking and, like in the preceding year, accounts for over one-third of income.

HQ is today a stronger company than only a year ago. This positive development would not have been possible unless HQ had had first-class personnel. Human resources are, and will remain, HQ's most important resource.

INCOME AND EARNINGS



GROWTH IN ASSETS UNDER MANAGEMENT



*) Including HQ Fonder from October 28, 2005

THE GROUP - JANUARY 1 - DECEMBER 31

STRONGEST EARNINGS IN HQ'S HISTORY

HQ reports for 2006 operating earnings of SEK 350 (128) million, and earnings after tax of SEK 250 (94) million, corresponding to SEK 18.4 (9.7) per share.

HQ Fonder was merged with HQ on October 28, 2005 and is subsequently included in the consolidated accounts. HQ Fonder is thus only partly included in the comparative figures for 2005. Pro forma including HQ Fonder, operating earnings have improved by 126 percent to SEK 350 (155) million. As a result of the merger, amortisation of intangible fixed assets has been charged to earnings at SEK 12 (2) million.

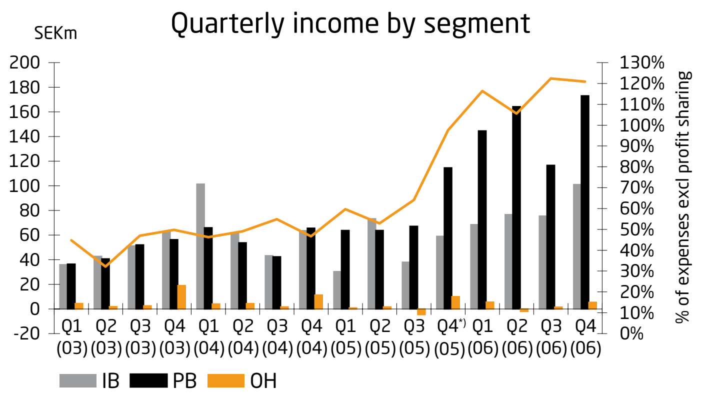
The earnings trend has remained strong in both HQ Private Banking and HQ Investment Banking. Asset management fees and net interest income from custodian account clients increased compared with the preceding year, which contributed to a greater proportion of repeat income and improved earnings. The average income on assets under management within Private Banking, pro forma including HQ Fonder, increased during the fourth quarter despite price pressure and amounted to 1.13 (1.04) percent for the accounting period. Repeat income is increasing more rapidly than fixed expenses, which provides a stable basis for continued profitable expansion.

Overall the operating margin increased to 38 (25) percent, which exceeds HQ's financial target of an average 25 percent operating margin across the business cycle.

MORE STABLE INCOME BASE

In total operating income amounted to SEK 931 (518) million, an increase of 80 percent. Pro forma 2005 including HQ Fonder this increase was 57 percent. Net income from commissions and fees increased by 91 percent to SEK 659 (345) million. Of the net income from commissions and fees, SEK 811 (388) million was secondary, an increase of 109 percent. This increase is explained by the inflow of managed volumes, which generated a greater proportion of repeat income in the form of asset management fees. In addition, the level of activity on the stock market was higher. Net income from commissions and fees also includes income of SEK 114 (64) million from financial advisory services and underwriting, an increase of 78 percent. Trading on the company's own account, comprising the net result of financial transactions and dividends, increased by 50 percent to SEK 232 (155) million, of which Trading accounted for SEK 182 (113) million.

As the net inflow of new client volumes has risen, the proportion of repeat income has also risen. Repeat income includes asset management fees and net interest income from the public, less expenses for commissions and fees. Repeat income in HQ Private Banking increased by 132 percent to SEK 279 (120) million, which means that 115 (71) percent of Private Banking's current expenses excluding profit sharing are covered by repeat income. At a consolidated level, 67 (41) percent of current expenses excluding profit sharing were covered by repeat income.

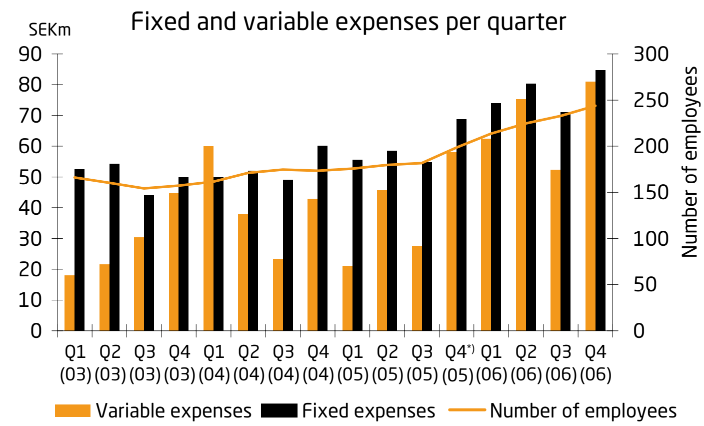


*) Including HQ Fonder from October 28, 2005

HIGHER PROFIT MEANS HIGHER EXPENSES – MAINLY PROFIT SHARING PROVISIONS

Operating expenses amounted to SEK 581 (390) million, an increase compared to the preceding year of 49 percent. One contributing factor to the increase in expenses is the merger with HQ Fonder, the costs of which were not included in the earnings for the comparison period in 2005. Pro forma 2005 including HQ Fonder, the increase amounted to SEK 144 million, a rise of 33 percent. This increase is explained primarily by higher expenses for profit sharing provisions as a result of the positive earnings trend. Provisions for profit sharing thus increased by SEK 87 million to SEK 206 (119) million. The profit sharing system is directly linked to earnings and no profit share is paid if earnings are negative for the particular department. In addition personnel expenses increased by SEK 34 million as a consequence of new recruitment to expand expertise. The remainder of the increase in expenses, SEK 23 million, is largely attributable to the launch of the new brand HQ Bank and the launch of new products.

Good cost control is a guiding principle in the continued development of HQ. The business model is scalable and it is believed that no considerable investment is required in the organisation or systems in order to meet increased demand. HQ's cost target for 2007 is that expenses should be level with the outcome for 2006, that is to say in the order of SEK 380 million excluding profit sharing.



*) Including HQ Fonder from October 28, 2005

CASH AND CASH EQUIVALENTS, CAPITAL ADEQUACY, NET INTEREST INCOME AND PERSONNEL

The group's cash and cash equivalents amounted to SEK 1,477 (374) million. Equity amounted to SEK 1,047 (875) million, corresponding to SEK 77 (65) per share. Consolidated capital adequacy amounted to 29 (42) percent. The reduction compared with the preceding start of the year is explained by new capital adequacy rules that came into force on July 1, 2006. 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 15 percent.

Average deposits from and lending to the public have increased compared to the preceding year. Net interest income attributable to HQ's custodian account clients has thus increased by 26 percent till SEK 54 (43) million.

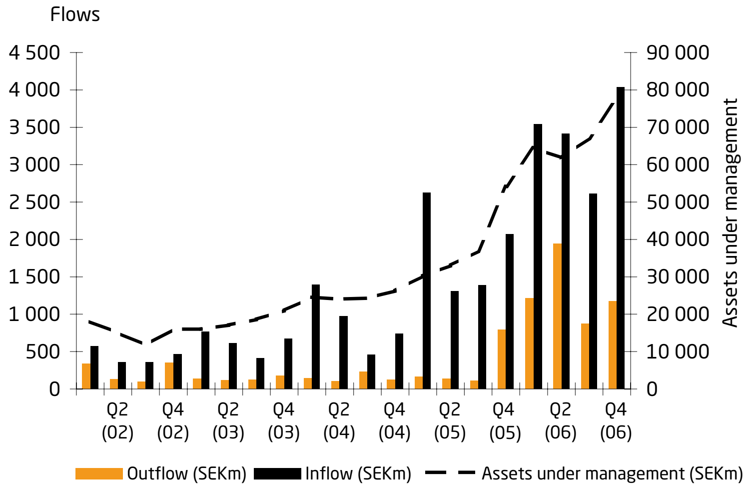
The number of employees in the group amounted to 244, compared with 199 at the start of the year. The average number of employees during the year was 223 (182).

ASSETS UNDER MANAGEMENT

Since the start of the year total assets under management have increased by SEK 24 billion to SEK 78 billion, a rise of 44 percent, which exceeds HQ's financial target of annual volume growth of 20 percent.

The net inflow of assets under management during the period amounted to SEK 8.4 billion, which represents organic growth of 15 percent.

During the year the OMX Stockholm Price Index increased by 24 percent. The value change in HQ's managed assets during the same period was 29 percent, which is proof of successful management.



FINANCIAL TARGETS – FOLLOW UP

In 2005 the board of directors set the financial targets below. A follow-up of these demonstrates that all financial targets were met in 2006.

Financial target	**Outcome**
Assets under management	
– average + 20 percent per year	44 percent
Operating margin – average 25 percent	38 percent
Capital adequacy – minimum 15 percent	29 percent

OUTLOOK

There is obvious price pressure on uncomplicated services, which we expect to lead to continued restructuring of the finance industry and to some companies being eliminated. In order to remain profitable going forward it will be necessary to either be cheapest or biggest, or alternatively to deliver significant added value. Internet brokers have, with success, chosen to be cheapest. HQ has for several years, and in a highly conscious and strategic manner, chosen to deliver added value. HQ will continue to do this.

Brokerage fees are headed towards zero, at least in the private client segment. Meanwhile competition is intensifying, not least within Private Banking, where several players have major expansion plans. In addition the market climate has been strong for several years and a correction of market values is getting increasingly near. These threats are real, but the increased proportion of repeat income means that HQ is better equipped than ever to meet a tougher period, even though a stock market decline would naturally also have a negative impact on HQ's earnings.

If HQ continues to perform at least level with its financial targets, the volume of assets under management will exceed SEK 100 billion in 2008, while the company will have experienced good profitability along the way. The current year will perhaps not be as good on the stock markets as last year, but will hopefully be another good year for HQ. Our ambition is that organic growth will remain level with that in 2006, and with a continued high level of cost consciousness this means that earnings will increase.

Overall HQ has a strong offering, which is demonstrated not least by the increase in assets under management during 2006. This means there is potential for continued good growth and income, while the business model will contribute to increased stability.

CONSOLIDATED INCOME STATEMENT (SEKm)		2006 Oct - Dec	2005 Oct - Dec	2006 Jan - Dec	2005 Jan - Dec
Income from commissions and fees	Note 1	258	176	925	452
Expenses from commissions and fees		-73	-42	-266	-107
Interest income		32	11	90	43
Interest expense		-19	-8	-53	-34
Dividends received		9	3	74	73
Net result of financial transactions		70	36	158	82
Other operating income		2	8	3	9
Total operating income		**279**	**184**	**931**	**518**
Personnel expenses		-124	-92	-419	-284
General administrative expenses		-29	-22	-101	-72
Depreciation and amortisation of fixed assets		-5	-4	-18	-9
Other operating expenses		-7	-9	-44	-25
Credit losses and bad debt losses		0	0	1	0
Total operating expenses		**-165**	**-127**	**-581**	**-390**
Operating profit/loss		**114**	**57**	**350**	**128**
Tax on profit/loss for the period		-32	-13	-100	-34
Profit/loss for the period		**82**	**44**	**250**	**94**
Of which minority share of profit/loss for the period		0	-	0	-
Profit/loss per share before dilution, SEK		6.1	3.7	18.4	9.7
Profit/loss per share after dilution, SEK		6.0	3.7	18.4	9.7
Average number of shares before dilution		13,557,240	12,049,676	13,557,240	9,735,856
Average number of shares after dilution		13,963,940	12,049,676	13,795,227	9,735,856
Number of shares outstanding before dilution		13,557,240	13,557,240	13,557,240	13,557,240
Number of shares outstanding after dilution		13,963,940	13,557,240	13,963,940	13,557,240

CONSOLIDATED BALANCE SHEET (SEKm)		31 Dec 2006	31 Dec 2005
Lending to credit institutions		1,477	374
Lending to the public		1,157	970
Shares and participations		2,906	2,916
Intangible fixed assets	Note 2	587	601
Other assets	Note 3	1,554	1,894
Total assets		**7,681**	**6,755**
Liabilities to credit institutions		134	453
Deposits and borrowing from the public		2,493	2,061
Other liabilities	Note 3	4,007	3,366
Equity		1,047	875
Total equity and liabilities		**7,681**	**6,755**

CONSOLIDATED CHANGE IN EQUITY (SEKm)	31 Dec 2006	31 Dec 2005
Equity, start of the period	**875**	**390**
Re-evaluation of trading inventory per IAS 39	-	-1
Adjusted equity, start of the period	**875**	**389**
Dividend	-81	-28
Share redemption	-	-116
Equity share convertible loan	2	-
Merger HQ Fonder	-	536
Profit/loss for the period	250	94
Equity attributable to HQ's shareholders	**1,046**	**875**
Minority share of equity	1	-
Total equity, end of the period	**1,047**	**875**

GROUP TRENDS PER QUARTER (SEKm)	2006 Oct - Dec	2006 Jul - Sep	2006 Apr - Jun	2006 Jan - Mar	2005 Oct - Dec
Net income from commissions and fees	185	132	192	149	134
Net interest income	13	10	5	9	3
Financial transactions including dividends, net	79	51	41	61	39
Other operating income	2	0	1	0	8
Operating income	279	193	239	219	184
Operating expenses	-165	-123	-156	-137	-127
Operating profit/loss	114	70	83	82	57

KEY FIGURES	2006 Oct - Dec	2005 Oct - Dec	2006	2005	2004	2003
Operating income, SEKm	279	184	931	518	519	406
Operating expenses, SEKm	-165	-127	-581	-390	-377	-320
Operating profit/loss, SEKm	114	57	350	128	142	86
Earnings per share before dilution, SEK	6.1	3.7	18.4	9.7	10.6	5.8
Equity per share, SEK	77	65	77	65	42	39
Operating margin, %	41%	31%	38%	25%	28%	21%
Return on equity, % *	25%	15%	25%	15%	27%	15%
Capital adequacy, %	29%	42%	29%	42%	32%	35%

* Returns are calculated on a rolling twelve-month basis

INFORMATION BY SEGMENT (SEKm)

	HQ Investment Banking		HQ Private Banking		Other/Eliminations		Total	
	2006 Jan - Dec	2005 Jan - Dec	2006 Jan - Dec	2005 Jan - Dec	2006 Jan - Dec	2005 Jan - Dec	2006 Jan - Dec	2005 Jan - Dec
Operating income	322	201	598	309	11	8	931	518
Operating expenses	-192	-135	-346	-219	-43	-36	-581	-390
Operating profit/loss by segment	**130**	**66**	**252**	**90**	**-32**	**-28**	**350**	**128**
Tax	-	-	-	-	-100	-34	-100	-34
Profit/loss for the period	**130**	**66**	**252**	**90**	**-132**	**-62**	**250**	**94**

CONSOLIDATED CASH FLOW STATEMENT (SEKm)	2006 Jan - Dec	2005 Jan - Dec
Cash flow from operating activities	308	111
Cash flow from assets and liabilities of operating activities	804	221
Cash flow from operating activities	**1,112**	**332**
Cash flow from investing activities	-6	63
Cash flow from financing activities	-3	-144
Cash flow for the period	**1,103**	**251**
Cash and cash equivalents at start of the period	**374**	**123**
Cash and cash equivalents at end of the period	**1,477**	**374**

ACCOUNTING POLICIES

HQ's year-end report for 2006 is presented in accordance with the IFRS standards adopted by the EU, and the interpretations of these standards adopted by the EU, IFRIC. This report is presented in accordance with IAS 34, Interim Financial Reporting, and the regulations and general advice of the Swedish Financial Supervisory Authority regarding annual reporting for credit institutions and securities companies (FFFS 2005:33) and RR 31 Interim Financial Reporting for Groups. The accounting policies and methods of calculation are unchanged from those applied in the annual report for 2005.

NOTES (ALL AMOUNTS IN SEKm)

Note 1 – Income from commissions and fees

Income from commissions and fees includes brokerage fees of 414 (284) for the year.

Note 2 – Intangible fixed assets

In conjunction with the merger with HQ Fonder intangible assets that meet the requirements of IFRS 3 and IAS 38 were identified in the form of client relationships, distribution agreements and brands. Client relationships are estimated to have an economic lifetime of 20 years and are therefore written down over this period. In conjunction with the merger goodwill arose of SEK 227 million.

Note 3 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 1,189 (fair value), as well as currency-related derivative instruments with positive value in the amount of 22 (fair value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 2,173 (fair value), as well as currency-related derivative instruments with negative values in the amount of 15 (fair value).

DEFINITIONS

Earnings per share after tax

Net profit for the period in relation to the average number of shares during the period, before and after dilution. HQ has during 2006 launched a personnel convertible programme that could mean conversion of a maximum of 406,700 shares. The convertibles have a duration from June 1, 2006 until June 30, 2009 (unless conversion takes place earlier). Each convertible, which on conversion would correspond to one common share in the company, confers interest that amounts to the sum paid per common share in the company in the form of profit sharing or other value transfer; but corresponding to minimum annual interest of 5.5 percent.

Equity per share

Equity in relation to the number of shares outstanding on the reporting date.

Operating margin

Operating profit/loss in relation to operating income.

Return on equity

Net profit for the period in relation to average equity. Returns are calculated on a rolling twelve-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 amount for market and credit risks.

HQ INVESTMENT BANKING

HQ Investment Banking conducts business in research, trade in stocks and derivatives both on behalf of clients and on the company's own account as well as capital market transactions, and advice in connection with acquisitions and mergers. The business focuses on providing advice and ideas that offer clients added value.

(SEKm)	2006 Oct-Dec	2005 Oct-Dec	2006 Jan-Dec	2005 Jan-Dec
Brokerage income	35	26	125	85
Income from financial advisory services and underwriting	10	16	41	37
Transaction expenses	-7	-6	-29	-29
Net interest income/expense	-1	-2	-4	-7
Net result of financial transactions, including dividends	62	24	182	110
Other operating income	2	1	7	5
Total operating income	**101**	**59**	**322**	**201**
Personnel expenses	-45	-28	-145	-97
General administrative expenses	-7	-6	-24	-21
Depreciation and amortisation of fixed assets	0	-1	-2	-4
Other operating expenses	-5	-3	-21	-13
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	**-57**	**-38**	**-192**	**-135**
Operating profit/loss	**44**	**21**	**130**	**66**
Average number of employees	51	45	50	46
Operating margin	44%	35%	40%	33%
Assets under management at end of the period			13,185	9,319

RESULTS AND POSITION

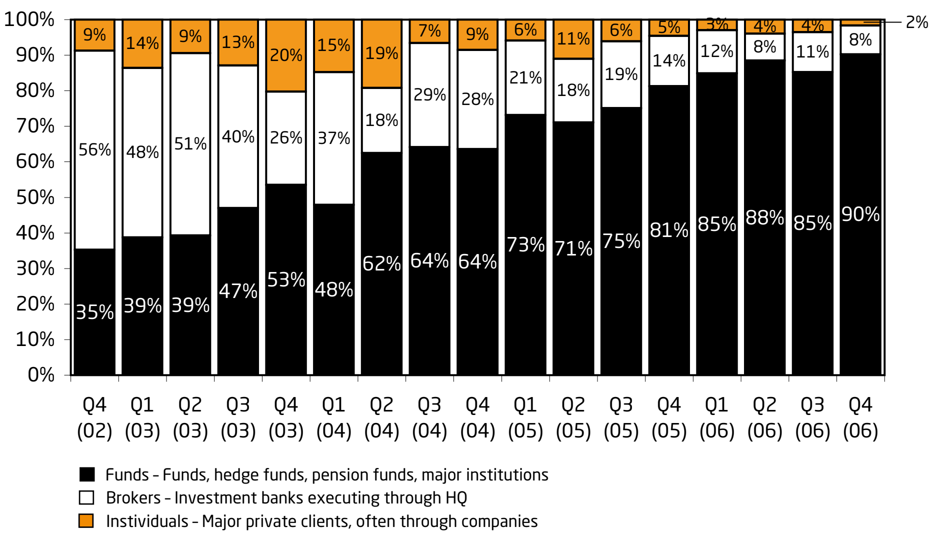
Operating income for HQ Investment Banking amounted to SEK 322 (201) million, an increase of 60 percent compared to the preceding year. The increase is largely attributable to the Equities service unit, which continues to develop in a positive direction and is demonstrating improved earnings. Operating earnings within Equities improved by 58 percent to SEK 49 (31) million. The strategy of focusing on case-driven research is proving to be successful and is confirmed not only by the improved earnings, but also the quality of the underlying brokerage fees. Since the fourth quarter of 2002 the proportion of added-value brokerage fees with higher margins has increased from 35 percent to 90 percent in the fourth quarter of 2006.

Within Trading the focus is on risk arbitrage and traditional market making, which are associated with relatively low risk. In addition the climate for conducting trade on the company's own account has been favourable during the year, which means the net result of financial transactions including dividends within Trading increased by 61 percent to SEK 182 (113) million. Trading has since its foundation in 1994 not demonstrated any single quarter with a negative net result from financial transactions. This is confirmation of the working method used by Trading. Trading reports operating earnings of SEK 74 (31) million.

Corporate Finance has since the autumn of 2005 undergone significant changes in its organisation. Against this background, 2006 has, just as was predicted towards the end of 2005, been an investment year with resources spent on training of newly recruited personnel and the phase-in of more experienced co-workers. Despite this, several advisory assignments and structured placements have been completed and operating income has increased by 40 percent to SEK 42 (30) million. The effects of the organisational changes and reinforcements conducted during 2006 are expected to have a positive impact on the future business prospects of Corporate Finance.

The business unit reports almost doubled operating earnings of SEK 130 (66) million.

Equities, distribution of brokerage fees per quarter Q4 2002-Q4 2006



HQ PRIVATE BANKING

HQ Private Banking is a leading player in the field of private banking and asset management. Business is conducted in the following service areas – Funds, Asset Management and Financial Planning, Pensions, Emerging Markets and External Distribution of structured products and funds. Since October 28, 2005 HQ Fonder is included in HQ's and HQ Private Banking's consolidated earnings.

(SEKm)	2006 Oct-Dec	2005 Oct-Dec	2006 Jan-Dec	2005 Jan-Dec
Income from brokerage and other commission	96	67	345	212
Asset management fees	117	66	410	119
Expenses from transactions and commission	-65	-36	-236	-77
Net interest income/expense	14	10	49	37
Net result of financial transactions, including dividends	11	8	30	17
Other operating income	0	0	0	1
Total operating income	**173**	**115**	**598**	**309**
Personnel expenses	-62	-42	-208	-123
General administrative expenses	-16	-12	-56	-36
Depreciation and amortisation of fixed assets	-1	-1	-3	-2
Other operating expenses	-22	-18	-79	-58
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	**-101**	**-73**	**-346**	**-219**
Operating profit/loss	**72**	**42**	**252**	**90**
Average number of employees	103	77	100	75
Operating margin	42%	37%	42%	29%
Assets under management at end of the period	64,408	44,891	64,408	44,891
Total income/average assets under management	1.17%	1.16%	1.13%	1.10%

RESULTS AND POSITION

Operating income for HQ Private Banking amounted to SEK 598 (309) million, an increase of 94 percent compared with the same period in the preceding year. This business unit has expanded since 2005, partly through the merger with HQ Fonder, and partly through a broadened offering of products and services such as pensions, entrepreneur services and a number of new asset management services. During the second quarter an African fund, the HQ Afrikafond, was launched.

Brokerage fees and other income from commissions and fees increased by 63 percent to SEK 345 (212) million. This increase is largely explained by successful launches of a number of new capital-guarantee products, but is also attributable to the generally high level of activity on the market.

The net inflow of assets under management within HQ Private Banking amounted during the period to SEK 8.4 billion, representing organic growth of 19 percent. As the inflow of new volumes has increased, so repeat income in the form of asset management fees and net interest income less expenses for commissions and fees, has increased by 132 percent to SEK 279 (120) million, which corresponds to 47 (39) percent of HQ Private Banking's total income. Meanwhile this means that 115 (71) percent of HQ Private Banking's current expenses excluding profit sharing are covered by repeat income.

The business unit reports operating earnings of SEK 252 (90) million.

SUCCESSFUL ASSET MANAGEMENT AND DISTRIBUTION

Good asset management is crucially important to HQ and to HQ's clients. HQ Fonder has, almost without exception, demonstrated successful management, and only one fund has lost ground during the year. It should also be noted that HQ Fonder is in top position in terms of the results of asset management in its Sweden funds. HQ Fonder had two funds – the HQ Sverigefond and the HQ Svea fund – among the six most successful Sweden funds during 2006. The good results from fund management are also apparent in the net inflow during the year. In addition, the merger between HQ Fonder and HQ has led to higher positive fund flows. The net inflow to HQ Fonder amounted to SEK 1.9 billion, which means that HQ Fonder was the fastest-growing fund company in Sweden during 2006.

HQ - OTHER

ANNUAL GENERAL MEETING, DIVIDEND AND SPLIT

The annual general meeting of shareholders will be held on Friday, March 30 at 11:00 am at the Royal Swedish Opera (Kungliga Operan)/Rotundan, Jakobs torg 2, Stockholm, Sweden.

The board of directors proposes that the annual general meeting approve a dividend of SEK 12.00 per share and a split 2:1. The proposed dividend corresponds to 65 percent of earnings for the year and a dividend yield of 4.5 percent based on the share price on December 31, 2006.

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 during the year 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.

CONVERTIBLE PROGRAMME

The board of directors intends to propose that the annual general meeting of shareholders approve a convertible programme for employees at HQ. The intention is to encourage employees to feel that they are participating in the company's long-term development. It is the intention that the programme will mainly be structured in a similar way to the two earlier convertible programmes that were launched during 2006. The maximum dilution from the convertible programme now proposed amounts to approximately 3 percent. Additional information will be provided in the notice of the AGM, and in the board's complete proposal to the AGM.

NOMINATION COMMITTEE

The nomination committee is made up of Erik Törnberg, representing Investment AB Öresund, Eva Qviberg, representing the Qviberg family, Sten Dybeck, representing the Dybeck family and Christer Sandberg, representing Sten Mörtstedt and companies. Erik Törnberg has been appointed chairman of the nomination committee. The nomination 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.

EVENTS SUBSEQUENT TO THE REPORTING DATE – OFFERING PERPETUAL DEBENTURE

In order to achieve a more appropriate capital structure for HQ, and to lower the cost of capital, the board of directors believes that the HQ AB SEK 99,999,970 debenture December 29, 1999 (the "Debenture") should be bought back. On January 9, 2007 HQ made public an offering to the holders of the Debenture to receive cash payment corresponding to 105 percent of the nominal value (including accrued interest until the settlement date) (the "Offering"). HQ has received authorisation from the Swedish Financial Supervisory Authority (Finansinspektionen) to buy back the Debenture. The Offering corresponds to an amount totalling around SEK 105 million. HQ Bank AB holds per December 31, 2006 approximately 13.6 percent of the Debenture, corresponding to approximately SEK 13.6 million.

Informational material, including Offering documentation and an application form, will be published on HQ's website, www.hq.se.

Stockholm, February 1, 2007

HQ AB
Board of Directors

Questions should be addressed to Patrik Enblad, CEO, tel +46 8 696 17 00

FORTHCOMING REPORTS AND MEETINGS

Annual report 2006	March 2007
Annual general meeting	March 30, 2007
Interim report, Q1 2007	April 20, 2007
Interim report, Q2 2007	July 19, 2007
Interim report, Q3 2007	October 18, 2007

REVIEW REPORT

To the board of directors of HQ AB (publ)
Corporate Identity Number 556573-5650

Introduction

We have reviewed this interim report for the period from January 1, 2006 until December 31, 2006. The preparation and presentation of these accounts in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act is 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 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 issued by FAR. 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.

Stockholm, February 1, 2007

KPMG Bohlins AB
Caj Nackstad
Authorised Public Accountant

HQ AB (publ)
103 71 Stockholm, Sweden. Visitors: Norrlandsgatan 15 Entrance D
Corporate Identity Number SE556573-5650
Tel +46 8 696 1700. Fax +46 8 696 1701
www.hq.se