



PRESS RELEASE

Stockholm, August 27, 2010

The board of directors of HQ has decided on a rights issue of up to SEK 1,000 million. The rights issue is entirely secured by existing shareholders

- The board of HQ AB publ ("HQ" or the "Company") has decided on a new rights issue with preferential rights for existing shareholders of a maximum of SEK 1,000 million and a minimum of SEK 900 million (the "Rights Issue").
- The Rights Issue is being conducted in order to make possible a buyback of HQ Fonder Sverige AB ("HQ Fonder") and to assure financial stability.
- The Rights Issue is entirely secured through separate subscription obligations and guarantee undertakings by existing shareholders. Shareholders representing 41 percent of issued shares in HQ have undertaken in advance to subscribe to their respective pro rata portion of the Rights Issue. In addition the same shareholders have undertaken to together guarantee an additional SEK 590 million. These shareholders include Investment AB Öresund ("Öresund"), Mats Qviberg (including family) and Sten Dybeck (including family).
- The board will announce an extraordinary general meeting to seek endorsement of the Rights Issue and associated decisions as well as approval in accordance with NASDAQ OMX Stockholm AB's regulations for issuers regarding both the transfer of, and the board's decision in principle to buy back HQ Fonder, and the issue of preference shares in HQ Bank AB ("HQ Bank") directed to Öresund. The extraordinary general meeting will be held on September 28, 2010.
- In good time before the extraordinary general meeting, HQ's nomination committee will announce its proposals regarding the election of a board and auditors. The work of the nomination committee with regard to candidates has already been completed in principle, but the committee wishes to await the decision that the Swedish Financial Supervisory Authority intends to issue.

Background and reasons

On May 26, 2010, HQ announced its decision to implement an accelerated closure, in an orderly manner, of its proprietary trading, the so-called trading operations (the "Trading Operations"), as a consequence of unfavourable market conditions and an excessive level of risk in the Trading Operations. Considering the actual and estimated losses in conjunction with the closure, which led to a need to strengthen HQ's capital base, the board proposed a rights issue of common stock whereby HQ would raise approximately SEK 559 million before deductions for issue expenses. In accordance with this proposal an extraordinary general meeting was to be held on June 28, 2010 to decide on the rights issue and, in accordance with the timetable at that time, it was estimated that HQ would be able to receive the issue settlement during August.

During the period that the work of closing the Trading Operations proceeded, and the losses were realised or could be predicted to be realised shortly, HQ's capital need increased at a pace whereby it would not be possible to await the planned rights issue. In order to immediately strengthen the Company's capital base, the board of HQ therefore decided on June 8, 2010 to sell its subsidiary HQ Fonder to the Company's principal shareholder, Öresund. The price was SEK 850 million with a right for HQ to buy back the shares in HQ Fonder for a price equivalent to that paid by Öresund, with an additional amount principally corresponding to the net profit of HQ Fonder during Öresund's time as owner of HQ Fonder (the "Buyback Option").

The board of HQ has taken a decision in principle to exercise the Buyback Option immediately following completion of the Preferential Rights Issue, but not later than November 30, 2010, given that the forthcoming Preferential Rights Issue is completed, that the extraordinary general meeting approves the decision in principle of the board to exercise the Buyback Option, and that HQ's capital situation subsequently permits a buyback.

Given the above the board of HQ has decided, on condition of endorsement by the extraordinary general meeting of September 28, 2010, to conduct a rights issue of common stock with preferential rights for existing shareholders of a maximum of SEK 1,000 million and a minimum of SEK 900 million.

The intention of the Rights Issue is to finance the buyback of all outstanding shares in HQ Fonder so that HQ is able to focus on its core business – financial advisory services and wealth and asset management with relatively low risk and a high proportion of recurring revenue – and to strengthen HQ's capital base.

For additional information about the background to the Rights Issue, the sale of HQ Fonder and advance payments by Öresund and others of the issue proceeds in the Rights Issue, please refer to earlier press releases dated May 26, 2010, June 8, 2010, and June 29, 2010.

HQ Fonder in brief

HQ Fonder is a leading independent Swedish fund company with operations comprising of the management and sale of fund units in Sweden. Sales take place through HQ Private Banking and via

external distributors in Sweden and abroad. HQ Fonder has a stable fund management organisation with longstanding experience and good management outcomes. The fund management is primarily focused on Swedish equities and interest-bearing securities as well as equities on emerging markets.

Assets under management per June 30, 2010 were SEK 29.1 billion distributed among approximately 23,000 directly registered clients. HQ Fonder manages a total of 25 mutual funds, of which 19 in HQ Fonder Sverige AB, and of these are four so called exchange-traded funds. The remaining six funds are administered by SEB Fund Services S.A. in Luxembourg. The company has 28 employees.

HQ Fonder reported during the twelve-month period July 1, 2009 – June 30, 2010 revenues of SEK 190 million and operating profit of SEK 105 million. Shareholders equity in HQ Fonder as of June 30, 2010 was SEK 163 million.

Indicative terms for the Rights Issue

The board of HQ has decided – on condition of endorsement by the extraordinary general meeting – on a rights issue of common stock that will provide HQ with proceeds of a maximum of SEK 1,000 million and a minimum of SEK 900 million. If the proceeds are less than SEK 900 million the board has the right to cancel and recall the Rights Issue.

Shareholders of HQ will have preferential rights to subscribe for the new shares in relation to the number of existing shares they own and with a customary issue discount. The magnitude of the increase in share capital, the number of common shares to be issued and the subscription price for the new shares in the Rights Issue are expected to be announced by the board not later than two bank days before the day of the extraordinary general meeting to be held on September 28, 2010.

On June 28, 2010, HQ received an advance payment for the Rights Issue ¹ totalling SEK 256 million, partly through the issue of preference shares in HQ Bank to Öresund, Johan Qviberg, Anna Qviberg and Jacob Qviberg, and partly through HQ Bank's receipt of perpetual subordinated debentures from Mats Qviberg and Eva Qviberg.

The board's decision with regard to the Rights Issue also confers a right for the holders of preference shares and perpetual subordinated debentures to provide these as payment within the framework of the Rights Issue.

If the Rights Issue is not fully subscribed through the exercise of subscription rights, shareholders and others will be offered an opportunity to subscribe for shares without the support of subscription rights.

The new common stock will confer the same rights as the existing common stock, including the right to future dividends and other distributions decided upon or paid out subsequent to the allocation and registration of the new common stock.

Subscription obligations and issue guarantees

The Rights Issue is entirely secured through separate subscription obligations and guarantee undertakings by existing shareholders. Shareholders representing 41 percent of the issued shares in

¹ See press release of June 29, 2010

HQ have undertaken in advance to subscribe to their respective pro rata portion of the Rights Issue. In addition the same shareholders have undertaken to together guarantee an additional SEK 590 million. These shareholders include Öresund, Mats Qviberg (including family) and Sten Dybeck (including family).

These shareholders, who together own 41 percent of the total number of issued shares in HQ, have also undertaken to vote in favour of the Rights Issue at the extraordinary general meeting.

The subscription undertakings and issue guarantees are associated with customary terms and conditions for this type of transaction. Considering its current shareholding in HQ Öresund has sought dispensation from the compulsory bid obligation that may arise if Öresund's ownership in HQ exceeds 30 percent of votes due to its guarantee undertaking.

Extraordinary general meeting

It is intended that the board's decision regarding the Rights Issue and associated decisions as well as the approvals in accordance with NASDAQ OMX Stockholm AB's regulations for issuers regarding both the sale of, and the board's decision in principle to buy back, HQ Fonder not later than November 30, 2010 be endorsed by the extraordinary general meeting of September 28, 2010. In addition it is intended that the same extraordinary general meeting endorse, in accordance with the regulations of NASDAQ OMX Stockholm for issuers, the issue of preference shares in HQ Bank directed to Öresund.

Shareholders together holding 41 percent of both capital and votes in the Company have undertaken to vote in favour of the board's decision regarding the Rights Issue etc at the extraordinary general meeting.

For formal notice of the extraordinary general meeting please refer to separate press release.

Indicative timetable in summary

Sep 24	Final terms and conditions for the Rights Issue are decided
Sep 27	Prospectus for the Rights Issue is published
Sep 28	Extraordinary general meeting
Sep 29	First day of trading in the HQ share excluding the right to participate in the Rights Issue
Oct 1	Record date for the right to participate in the Rights Issue
Oct 6 – Oct 21	Trading in subscription rights
Oct 6 – Oct 26	Subscription period
Oct 15	Interim report for third quarter published

The work of the nomination committee

The nomination committee will publish its proposals regarding the election of a board and auditors in good time before the extraordinary general meeting. The work of the nomination committee with regard to candidates has already been completed in principle. However, the committee wishes to await the report that the Swedish Financial Supervisory Authority intends to issue regarding HQ Bank, among other things, so that the committee and candidate directors can base their final decision on the most complete information possible. The report by the Swedish Financial Supervisory Authority will be issued, as far as the committee is able to ascertain, during September.

Miscellaneous

Lenner & Partners and HQ Bank Corporate Finance are financial advisors and Setterwalls Advokatbyrå and Bergh & Co are legal advisors to HQ.

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HQ Bank explores, innovates and performs in order to improve wealth and deliver financial success.

*HQ Bank conducts operations within the business units Private Banking and Investment Banking.
HQ Bank is represented in six locations in Sweden and has its head office in Stockholm.*

The parent company HQ AB is quoted on the NASDAQ OMX Stockholm AB Swedish Mid Cap List (HQ).

The above information is information that HQ AB (publ) is obliged to publish in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was disclosed to the market for publication at 08.30 on August 27, 2010.

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