

YEAR-END REPORT 2002

- EARNINGS FOR YEAR SEK 12 (- 4) MILLION
- FOURTH QUARTER OPERATING EARNINGS SEK 13 (33) MILLION
- LARGE NET INFLOW OF NEW CLIENT VOLUMES AND INCREASE IN MARKET SHARE
- PROPOSED DIVIDEND SEK 5.00 (5.00)

Performance and financial position

Hagströmer & Qviberg (H&Q) reports for 2002 operating earnings of SEK -3 (10) million. Earnings have during the year been burdened with restructuring costs of SEK 29 million, of which SEK 16 million for the closure of offices in Luxembourg and New York, and SEK 13 million for staff cuts. Other non-recurring income and expenses amount to a net of SEK 5 million. In the fourth quarter there were operating earnings of SEK 13 million.

Total operating income was SEK 379 (505) million. Adjusted for income of a non-recurring nature, income decreased by 18 percent. Net income from commissions and fees decreased by 32 percent to SEK 223 (330) million. Income from financial advisory services and underwriting decreased compared to the previous year by 30 percent to SEK 76 (109) million. Net income from financial transactions including dividends amounted to SEK 111 (65) million. Adjusted for corporate finance-related holdings of SEK -6 (-80) million, this corresponds to a decrease of 19 percent compared to the previous year.

As a result of the cost-cutting measures implemented during the year, costs have been reduced considerably. Total operating expenses for the year amounted to SEK 382 (495) million, a decrease compared to the previous year of 23 percent. Current expenses on an annual basis excluding bonuses amount to around SEK 250 million. Staff expenses were reduced by 28 percent to SEK 236 (327) million. Other expenses, excluding bad debt and credit losses and items affecting comparability, decreased by 32 percent to SEK 112 (164) million. The year's bad debt losses of SEK 18 million are entirely attributable to the Norwegian business. Average expenses per employee (excluding losses for bad debt and restructuring costs) have fallen despite large-scale staff cuts.

Shareholders' equity amounted to SEK 373 (389 per December 31, 2001) million, corresponding to SEK 72 (75 per December 31, 2001) per share, which means a rise of SEK 5.3 per share during the fourth quarter. Earnings per share amounted to SEK 2.4 (-0.8). Capital adequacy for the group amounted to 42 percent (26 percent per December 31, 2001).

The number of employees in the group decreased by 28 percent and amounted to 177 on December 31 (246 per December 31, 2001). The average number of employees during the year was 219 (293).

H&Q Investment Banking

Operating income for H&Q Investment Banking amounted to SEK 187 (177) million, an increase of 6 percent compared to the previous year. Earnings for the business unit were positive. During the autumn activity increased considerably in stock and derivatives trade, both by clients and by H&Q. Meanwhile the level of activity in Corporate Finance has been low.

The number of employees on December 31 amounted to 50 (73 per December 31, 2001).

H&Q Private Banking

Operating income for H&Q Private Banking amounted to SEK 175 (249) million, a decrease of 30 percent compared to the previous year. Earnings were negative for the unit, which is explained by the closure of the office in Luxembourg. Operating earnings for the fourth quarter were positive.

H&Q Private Banking continues to build on its strategy of an open architecture with external partnerships.

The fourth quarter demonstrated a continued net inflow of new client volumes, partly due to the focus on financial planning and concentration on management of assets for absolute returns. As a result of the net inflow, total assets under management decreased by only 11 percent to SEK 16 (18 per December 31, 2001) billion, despite a decline in Stockholmsbörsen (OMX index) of 42 percent.

The number of employees on December 31 was 69 (102 per December 31, 2001).

Outlook

The financial industry is depressed. Excess supply and continuing high costs for many players mean that profitability will remain low in the sector.

Hagströmer & Qviberg has met this with greatly reduced expenses and by focusing on the company's core areas of Private Banking including Financial Planning, and Investment Banking comprising Corporate Finance and automated share trading including institutional client trade. In these areas we are experiencing continued growth.

Hagströmer & Qviberg's market share rose during the year from 3.7 percent in January to 5.8 percent in December. Several key recruitments were made and agreements were signed with further external partners. This had a positive effect on the net inflow of customer volumes and our assessment is that the inflow will continue. Hagströmer & Qviberg will demonstrate positive earnings in 2003 provided that activity remains at least at the current level.

AGM and dividends

The annual general meeting will be held on Thursday, April 3 at 3 pm in Spegelsalen, Grand Hôtel, Stockholm, Sweden.

The board of directors proposes to the AGM a dividend of SEK 5.00 (5.00) per share.

Stockholm, January 30, 2003



Patrik Enblad, Chief Executive Officer, Telephone +46 8 696 17 00

Scheduled Reports and Meetings

Annual report 2002

March 2003

AGM

April 3, 2003

Interim report for first quarter

April 22, 2003

GROUP TRENDS PER QUARTER (SEKm)

	Oct 1, 02 Dec 31, 02	Jul 1, 02 Sep 30, 02	Apr 1, 02 Jun 30, 02	Jan 1, 01 Mar 31, 01	Oct 1, 01 Dec 31, 01
Commissions and fees, net	43	48	64	68	94
Net interest income	7	9	7	8	14
Financial transactions including dividends, net	49	18	17	27	37
Other operating income	7	7	-	-	3
Operating income	106	82	88	103	148
Operating expenses	-93	-85	-107	-97	-115
Profit before tax and minorities	13	-3	-19	6	33

KEY RATIOS

	Oct 1, 02 Dec 31, 02	Jan 1, 02 Dec 31, 02	Jan 01, 01 Dec 31, 01	Jan 1, 00 Dec 31, 00
Operating income, SEKm	106	379	505	935
Operating expenses, SEKm	-93	-382	-495	-685
Profit before tax and minorities, SEKm	13	-3	10	250
Earnings per share, SEK	5.9	2.4	-0.8	36
Shareholders' equity per share, SEK	72	72	75	93
Operating margin, %	12%	-1%	2%	27%
Return on equity, %*	3%	3%	-1%	47%
Capital adequacy, %	42%	42%	26%	24%

* Returns are calculated on moving 12-month basis

CONSOLIDATED INCOME STATEMENT (SEKm)

		Oct 1, 2002 Dec 31, 2002	Oct 1, 2001 Dec 31, 2001	Jan 1, 2002 Dec 31, 2002	Jan 1, 2001 Dec 31, 2001
Income from commissions and fees	Note 1	50	106	256	384
Expenses from commissions and fees		-7	-12	-33	-54
Interest income		20	30	86	120
Interest expenses		-13	-16	-55	-72
Dividends received		1	2	26	26
Net result of financial transactions		48	35	85	39
Other operating income		7	3	14	62
Total operating income		106	148	379	505
General administrative expenses		-80	-99	-312	-438
Depreciation and write-down of tangible and intangible fixed assets		-5	-7	-21	-22
Other operating expenses		-3	-8	-15	-31
Bad debt losses and credit losses		-5	-1	-18	-4
Items affecting comparability		0	-	-16	-
Total operating expenses		-93	-115	-382	-495
Operating profit		13	33	-3	10
Tax on profit /loss for the period		14	-4	8	-7
Minority share of period's profit		4	-2	7	-7
Profit/loss for the period		31	27	12	-4
Earnings per share before dilution, SEK		5.9	5.2	2.4	-0.8
Earnings per share after dilution, SEK		5.9	5.0	2.3	-0.8
Average number of shares before dilution		5,177,601	5,173,043	5,176,844	5,144,656
Average number of shares after dilution		5,210,001	5,458,624	5,375,305	5,280,557
Number of shares outstanding before dilution		5,176,162	5,173,724	5,176,162	5,173,724
Number of shares outstanding after dilution		5,208,562	5,458,624	5,208,562	5,458,624

CONSOLIDATED BALANCE SHEET (SEKm)

		Dec 31, 2002	Dec 31, 2001
Lending to credit institutions		143	1,474
Lending to the public		681	782
Shares and participations		831	1,948
Other assets	Note 2	1,102	544
Total assets		2,757	4,748
Liabilities to credit institutions		318	-
Deposits and borrowing from the public		1,158	1,529
Other liabilities	Note 2	903	2,819
Minority share of equity		5	11
Shareholders' equity	Note 3	373	389
Total equity and liabilities		2,757	4,748

CONSOLIDATED CASH FLOW STATEMENT (SEKm)

	Jan 1, 2002 Dec 31, 2002	Jan 1, 2001 Dec 31, 2001
Cash flow from continuing operations	-1,617	1,776
Cash flow from investing activities	-4	300
Cash flow from financing activities	-28	-133
Cash flow for the period	-1,649	1,943
Liquid funds at beginning of period	1,474	-469
Liquid funds at end of period	-175	1,474

Accounting principles

This year-end report has been prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council for interim reports (RR20), and the regulations of the Swedish Financial Supervisory Authority 2001:19. The accounting principles and methods of calculation are unchanged from those used in the annual report for 2001. New recommendations from the Swedish Financial Accounting Standards Council have had no effect on the accounts for the financial year.

Notes (all amounts in SEKm)

Note 1– Income from commissions and fees

Income from commissions and fees includes brokerage fees of 207 (311) for the twelve-month period.

Note 2 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 321 (actual value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 178 (actual value).

Note 3 – Shareholders' equity

Shareholders' equity includes preferential share capital in the amount of 57. The number of outstanding preferred shares amounts, after conversion, to 1,413,631.

Group	Dec 31, 2002	Dec 31, 2001
Balance at beginning of period	389	469
Dividends paid	-26	-88
New issue of warrants	0	13
Buyback of own shares	0	-2
Translation differences etc	-2	1
Profit/loss for the year	12	-4
Balance at end of period	373	389

Definitions

Earnings per share after tax

Net profit after tax in relation to the average number of shares during the period. In the calculation of the average number of shares after dilution, outstanding warrants with exercise prices of SEK 71 and 133 have been included. During the third quarter of 2002 outstanding warrants with an exercise price of SEK 133 have been excluded.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares on the closing day.

Operating margin

Operating profit in relation to operating income.

Return on equity

Profit after tax in relation to average shareholders' equity. Returns are calculated on a moving 12-month basis.

Liquid funds

Liquid funds include cash and central bank balances, lending to credit institutions and liabilities to credit institutions.

Capital adequacy

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

Auditor's report for Hagströmer & Qviberg AB (Publ.)

We have reviewed this year-end report in accordance with the recommendations issued by the Swedish Institute of Authorised Public Accountants (FAR). A review is considerably limited compared to an audit. Nothing has come to our attention that indicates that the year-end report does not fulfill the requirements of the Swedish Stock Exchange Act and the Swedish Annual Accounts Act.

Stockholm, January 30, 2003

KPMG, Caj Nackstad, Authorised Public Accountant

