YEAR-END REPORT JANUARY 1 - DECEMBER 31, 2008

HQ

STABLE FINANCES AND STRONG NET INFLOW

JANUARY – DECEMBER

+ OPERATING REVENUE SEK 818 (986) MILLION -17 %
+ OPERATING PROFIT SEK 278 (405) MILLION -31 %
+ PROFIT AFTER TAX SEK 246 (290) MILLION -15 %
+ EARNINGS PER SHARE AFTER DILUTION SEK 9.0 (10.5) -14 %
+ OPERATING MARGIN 34 (41) PERCENT
+ ASSETS UNDER MANAGEMENT SEK 54.3 (79.2) BILLION, NET INFLOW SEK 5.0 (8.3) BILLION
+ PROPOSED DIVIDEND SEK 6.00 (10.00) PER SHARE

COMMENTS FROM CEO MIKAEL KÖNIG

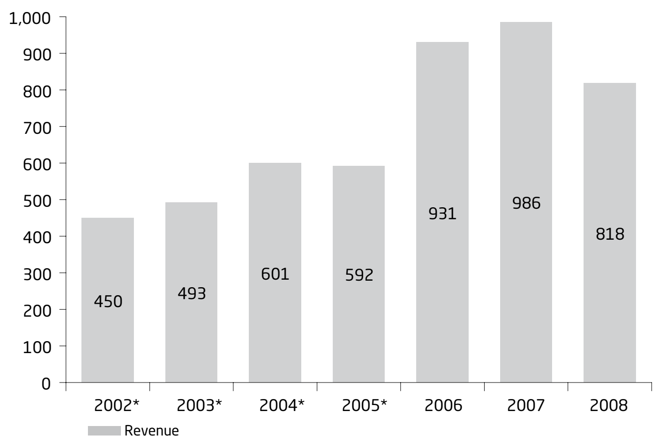
Despite a year with exceptional market conditions it is pleasing that HQ is able to report an operating profit of SEK 278 million. The operating margin amounted to 28 percent for the underlying operations, despite negative earnings for our Trading operations. Capital adequacy was 15 percent, which is higher than our financial target. This is once again evidence of our financial and operational stability, which also provides a high level of financial preparedness.

The net inflow of new volumes amounted during the year to SEK 5.0 billion, partly as a consequence of successful ventures in Private Banking outside the Stockholm region. During the year we have also strengthened our offering in Investment Banking through continued efforts in Alternative Investments and through the acquisition of the Swedish operations of Glitnir. This latter has led to an expanded value proposition and a wider client base in Sweden and abroad.

Although it is difficult to estimate the short-term impact of the financial meltdown, and its effects on the real economy, we will continue to utilise the strength of our business model and work in the long term to further strengthen our positions. The competitive environment has changed markedly in recent quarters, which provides us with good opportunities to increasingly take new market share.

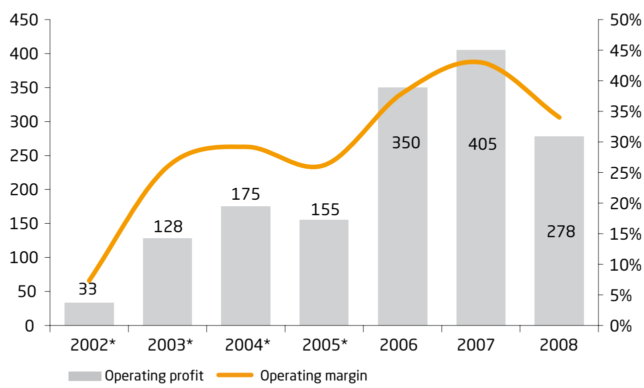
Going forward HQ will focus on three areas – Asset Management, Investment Banking and Private Banking – with the vision of creating and revealing leading Nordic business in each area. HQ Fonder will form the basis of our new area of focus – Asset Management – and using the existing business we will broaden our expertise and services offering and address new client segments.

REVENUE (SEKm)



* 2002-2005 Pro forma incl. HQ Fonder

OPERATING PROFIT (SEKm)



POSITIVE ACQUISITION EFFECT ATTRIBUTABLE TO HQ DIRECT

FOURTH QUARTER

+ OPERATING REVENUE SEK 241 (231) MILLION +4 %
+ OPERATING PROFIT SEK 84 (91) MILLION -8 %
+ PROFIT AFTER TAX SEK 107 (65) MILLION +65 %
+ EARNINGS PER SHARE AFTER DILUTION SEK 3.8 (2.4) +58 %
+ OPERATING MARGIN 35 (39) PERCENT
+ NET INFLOW OF ASSETS UNDER MANAGEMENT SEK 1.3 (2.2) BILLION

+ Operating profit was SEK 84 (91) million, and profit after tax was SEK 107 (65) million, corresponding to SEK 3.8 (2.4) per share. The positive tax expense is explained primarily by capitalised loss carry-forwards. HQ Direct (formerly Glitnir AB) was acquired during the quarter at a price below acquired net assets, which positively influenced earnings by SEK 86 (0) million. Against this, there have been significant integration expenses. Excluding HQ Direct operating profit was SEK -2 (91) million. This decrease in profit should be viewed in the light of an especially troublesome business climate.

+ HQ's finances are stable. Capital adequacy is high and liquidity is good. HQ has not reported any credit losses in the past five years, and the ongoing financial crisis has not led to any need to make provisions for uncertain receivables. See also page 10 for additional comment.

+ Revenue was SEK 241 (231) million, of which SEK 122 (0) million was revenue of a non-recurring nature attributable to the acquisition of HQ Direct. Net revenue from commissions and fees decreased by 44 percent to SEK 125 (224) million. Of the net revenue from commissions and fees, SEK 48 (83) million was from asset management fees, a decrease of 42 percent. Net revenue from financial transactions including dividends was significantly influenced by the financial turbulence and decreased by SEK 28 million to SEK -36 (-8) million, of which Trading accounted for SEK -48 (-36) million.

+ Expenses increased by 12 percent and amounted to SEK 157 (140) million. This increase is explained exclusively by the acquisition of HQ Direct. Excluding HQ Direct, expenses decreased by 19 percent to SEK 113 (140) million. Since the acquisition of HQ Direct a series of measures have been implemented to realise cost synergy and adapt costs to the current economic climate. The number of employees has been decreased by just over 40 during the quarter at a non-recurring expense of SEK 11 million. As a result of the cutbacks implemented, employee benefit expenses are expected to decline at approximately an annualised SEK 35 million from January 1, 2009.

+ Total assets under management decreased by SEK 5.8 billion to SEK 54.3 billion during the quarter, a decrease of 10 percent. Meanwhile the Stockholm stock exchange (AFGX) showed a decline of 17 percent. The net inflow of new client volumes during the quarter was SEK 1.3 (2.2) billion, which corresponds to annualised organic growth of 10 percent in HQ Private Banking.

GROUP - REPORTING PERIOD JANUARY 1 - DECEMBER 31, 2008

FINANCIAL AND OPERATIONAL STABILITY

HQ reports for the period January 1 – December 31, 2008 operating profit of SEK 278 (405) million, and profit after tax of SEK 246 (290) million, corresponding to SEK 9.0 (10.5) per share after dilution. Excluding HQ Direct operating profit was SEK 193 (405) million. Amortisation of non-current assets has been recognised in profit and loss at SEK 15 (13) million.

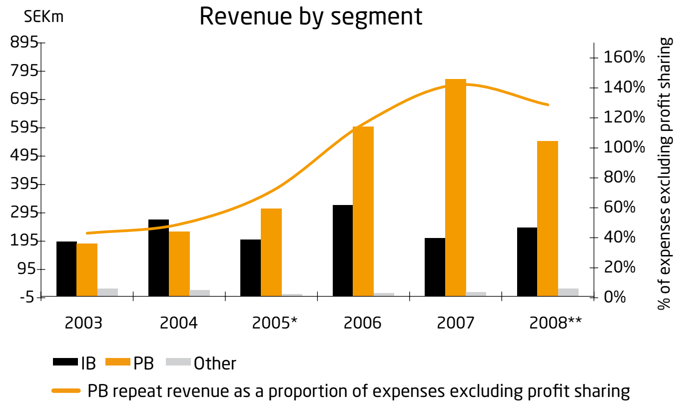
Profits have been adversely affected by the financial turbulence that has involved the entire financial system. During 2008 the Stockholm stock exchange has declined by around 42 percent, which has naturally had a negative impact on HQ's revenues. This decline in the Stockholm exchange was partly alleviated by a net inflow and active management, which means that HQ's assets under management decreased to a lesser degree, corresponding to 31 percent. In addition, HQ has in its strategic work for several years focused on greater stability and a higher level of efficiency in its operations, which strongly contributed to continued good profitability. The operating margin was 34 percent. Adjusted for acquisition effects the operating margin was 28 percent.

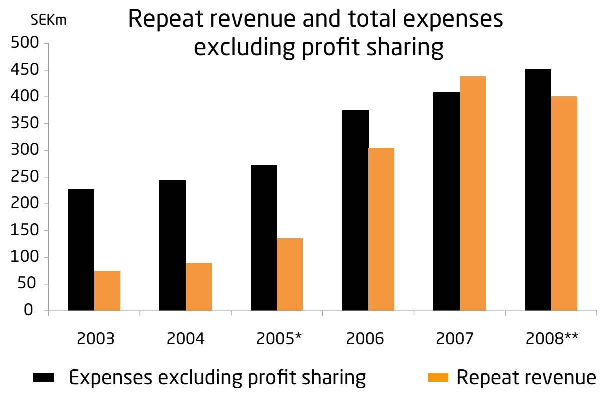
CONTINUED HIGH PROPORTION OF REPEAT REVENUE

In total operating revenue was SEK 818 (986) million, a decrease of 17 percent. Net revenue from commissions and fees decreased by 31 percent to SEK 561 (815) million. Of the net revenue from commissions and fees SEK 740 (962) million was secondary, a decrease of 23 percent. The revenue from commissions and fees also includes revenue of SEK 76 (169) million from financial advisory services and underwriting, a decrease of 55 percent. Trading on the company's own account, comprising the net result of financial transactions and dividends, decreased by 73 percent to SEK 40 (149) million of which Trading accounted for SEK -2 (44) million. Of other revenue of SEK 129 (6) million, SEK 122 (0) million was related to the negative goodwill attributable to the acquisition of HQ Direct.

The principal explanation for the decrease in revenue is the unfavourable market climate, which had a negative influence mainly on brokerage fees, trading on the company's own account and advisory fees. Repeat revenue has been affected to a lesser degree and comprised 49 (44) percent of operating revenue. Repeat revenue includes asset management fees and net interest income from the public, less expenses for commissions and fees. Repeat revenue in HQ Private Banking decreased by 11 percent to SEK 344 (388) million, which means that 129 (142) percent of HQ Private Banking's current expenses excluding profit sharing were covered by repeat revenue. At a consolidated level 92 (108) percent of current expenses excluding profit sharing were covered by repeat revenue.

HQ Direct has a lower proportion of repeat revenue, which will have a negative influence on the group's financial target that current expenses excluding profit sharing should be 100 percent covered by repeat revenue. However, there is no reason to revise this target. On the contrary, great emphasis will be placed on once again achieving this stability in the merged business. For full year 2009 repeat revenue is expected to cover approximately 65 percent of the group's total expenses excluding profit sharing.

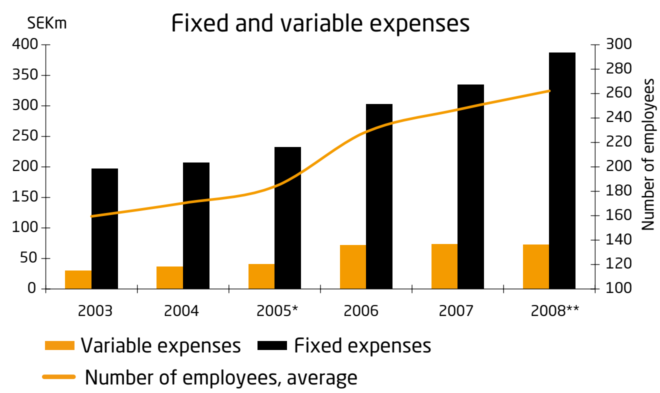




EXPENSES OUTCOME WITHIN TARGET

Operating expenses totalled SEK 540 (581) million and SEK 496 (581) million excluding HQ Direct, a decrease compared to the preceding year of 15 percent. This decrease is explained mainly by lower expenses for provisions for profit sharing, which declined in total by SEK 85 million to SEK 88 (173) million and represented 24 (30) percent of operating profit before provisions. Other expenses excluding HQ Direct amounted to SEK 405 (408) million, which was in line with the previously communicated cost target for 2008.

During the fourth quarter comprehensive cost savings were implemented, mainly within HQ Direct. Most of the cost synergy identified in conjunction with the acquisition has been achieved. During 2009 HQ Direct will be merged with HQ Bank AB, which is expected to further contribute to increased cost efficiency. The aim is that expenses excluding profit sharing should be less than SEK 500 million annually. Once this target has been achieved the annual cost saving will correspond to just over SEK 75 million for the merged business.



*) Including HQ Fonder from October 28, 2005

**) Including HQ Direct from October 22, 2008

CASH AND CASH EQUIVALENTS, CAPITAL ADEQUACY, NET INTEREST INCOME AND HUMAN RESOURCES

The group's cash and cash equivalents amounted to SEK 4,288 (1,238 per December 31, 2007) million. Equity amounted to SEK 1,157 (1,182 per December 31, 2007) million, corresponding to SEK 43 (44 per December 31, 2007) per share. Consolidated capital adequacy amounted to 15 (21 per December 31, 2007) percent, corresponding to a capital adequacy ratio of 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.

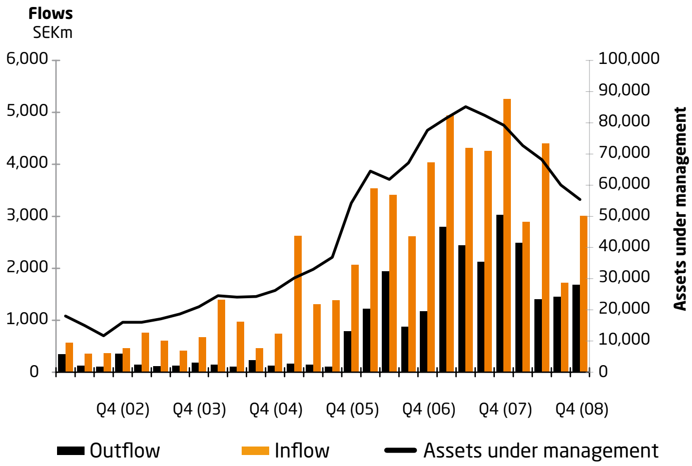
Average deposits from and lending to the public have increased compared to the preceding year. Net interest income attributable to HQ's custodian account clients has thus increased by 23 percent to SEK 95 (77) million.

The number of employees in the group was 300 at the end of the year, compared with 250 at the start of the year. The average number of employees during the period was 257 (244).

NET INFLOW OF SEK 5 BILLION

The trend of the Stockholm stock exchange was negative during the year. The AFGX index declined by 42 percent. This negatively impacted assets under management, which decreased by 31 percent to SEK 54.3 (79.2 per December 31, 2007) billion.

Despite the financial worries, HQ Private Banking managed to attract new managed assets of SEK 5.0 (8.3) billion, which represents organic growth of 7 percent annually in HQ Private Banking.



FINANCIAL TARGETS

In conjunction with the last year-end report the board of directors established the following financial targets:

+ The operating margin shall average a minimum of 35 %, outcome 34 %
+ The net inflow of assets under management in Private Banking shall be a minimum of 10 % per year, outcome 7 %
+ Repeat revenue as a proportion of total expenses excluding profit sharing shall be a minimum of 100 %, outcome 92 %
+ Capital adequacy shall be a minimum of 10 %, outcome 15 %

For full year 2007 the operating margin was 41 percent and the net inflow was 13 percent. Repeat revenue as a proportion of total expenses excluding profit sharing was 108 percent, while capital adequacy was 21 percent.

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 assets and its reputation. The manner in which HQ identifies, follows up and manages these risks is a pivotal aspect of operations. See Note 28 in HQ's annual report 2007 for a more detailed description of the risk exposure and risk management of the group and parent company. It is believed that there are no new significant risks other than those described in the annual report.

OUTLOOK

Despite vigorous remedial measures around the world, the financial crisis worsened during the fourth quarter, which has successively led to an increasing impact on the real economy. It remains difficult to predict how the financial markets will look in the short term.

HQ's consistent focus on repeat revenues and cost control has contributed to increased stability and has successively lowered the level of risk in the business operations. This proven strategy is unchanged and HQ has made considerable investment in its business model and staff and in broadening the value proposition of both Private Banking and Investment Banking. The outlook for attracting new clients and new managed assets is therefore believed to be very good.

The board of directors acts to ensure limited exposure of the balance sheet and a rigorous and effective credit procedure. HQ has not reported any credit losses in the past five years and there is no material need for provisions for uncertain receivables. The capital adequacy remains high in a sector perspective and liquidity is good.

In times such as these this forms the primary safety net for HQ's staff, clients and shareholders. In the longer term it provides opportunities for positive action and for further developing the business.

HQ's operating target of achieving assets under management of SEK 100 billion is unchanged, but the timeframe has been extended due to the bleak business climate. This will place demands on the continued development of both new and existing distribution channels.

For further information please contact Mikael König, CEO, telephone +46 8 696 17 00.

SCHEDULED REPORTS

Annual report 2008	March 2009
Annual general meeting	April 3, 2009
Interim report for Q1 2009	April 21, 2009
Interim report for Q2 2009	July 17, 2009
Interim report for Q3 2009	October 16, 2009

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (SEKm)		2008 Oct - Dec	2007 Oct - Dec	2008 Jan - Dec	2007 Jan - Dec
Revenue from commissions and fees		180	311	816	1 131
Expense from commissions and fees		-55	-87	-255	-316
Interest income		84	61	327	155
Interest expense		-58	-47	-239	-139
Net result of financial transactions, including dividends	Note 1	-36	-8	40	149
Other operating revenue		126	1	129	6
Total operating revenue		**241**	**231**	**818**	**986**
Employee benefits expense		-97	-90	-361	-411
General administrative expenses		-43	-31	-120	-107
Depreciation and amortisation of non-current assets		-7	-5	-22	-19
Other operating expense		-10	-14	-39	-44
Credit losses and bad debt losses		0	0	2	0
Total operating expense		**-157**	**-140**	**-540**	**-581**
Operating profit		**84**	**91**	**278**	**405**
Income tax expense for the period		23	-26	-32	-115
Profit for the period		**107**	**65**	**246**	**290**
Attributable to minority interest		-	0	-	0
Basic earnings per share, SEK		4.0	2.4	9.1	10.7
Diluted earnings per share, SEK		3.8	2.4	9.0	10.5
Average issued shares before dilution		27,114,480	27,114,480	27,114,480	27,114,480
Average issued shares after dilution		29,933,596	29,527,880	29,619,498	29,165,243
Issued shares before dilution		27,114,480	27,114,480	27,114,480	27,114,480
Issued shares after dilution		29,878,480	29,527,880	29,878,480	29,527,880

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (SEKm)	Dec 31, 2008	Dec 31, 2007
Lending to credit institutions	4,288	1,238
Lending to the public	3,552	2,526
Shares and participations	593	2,214
Intangible assets	619	574
Other assets	2,815	2,686
Total assets	**11,867**	**9,238**
Liabilities to credit institutions	2,430	1,516
Deposits from the public	3,240	3,451
Other liabilities	5,040	3,089
Equity attributable to equity holders of the parent	1,157	1,181
Minority interest	-	1
Equity	1,157	1,182
Total liabilities and equity	**11,867**	**9,238**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SEKm)	Dec 31, 2008	Dec 31, 2007
Balance - start of period	**1,181**	**1,046**
Dividends	-271	-163
Equity component of convertible debentures	1	8
Profit for the period	246	290
Equity attributable to equity holders of the parent	**1,157**	**1,181**
Minority interest	-	1
Total equity - end of period	**1,157**	**1,182**

CONSOLIDATED PERFORMANCE PER QUARTER (SEKm)	2008 Oct - Dec	2008 Jul - Sep	2008 Apr - Jun	2008 Jan - Mar	2007 Oct - Dec
Net revenue from commissions and fees	125	109	164	163	224
Net interest income	26	26	23	13	14
Net gain or loss from financial transactions, including dividends	-36	5	33	38	-8
Other operating revenue	126	1	1	1	1
Operating revenue	241	141	221	215	231
Operating expenses	-157	-107	-138	-138	-140
Operating profit	84	34	83	77	91

KEY FIGURES	2008 Oct - Dec	2007 Oct - Dec	2008	2007	2006	2005
Operating revenue, SEKm	241	231	818	986	931	518
Operating expenses, SEKm	-157	-140	-540	-581	-581	-390
Operating profit, SEKm	84	91	278	405	350	128
Basic earnings per share, SEK	4.0	2.4	9.1	10.7	9.2	4.9
Equity per share, SEK	43	44	43	44	39	33
Operating margin, %	35%	39%	34%	41%	38%	25%
Return on equity, %*	21%	22%	21%	26%	26%	15%
Capital adequacy, %	15%	21%	15%	21%	29%	42%

* Returns are calculated on a rolling 12-month basis

SEGMENT REPORTING (SEKm)

	HQ Private Banking		HQ Investment Banking		Other/Eliminations		Total	
	2008 Jan - Dec	2007 Jan - Dec	2008 Jan - Dec	2007 Jan - Dec	2008 Jan - Dec	2007 Jan - Dec	2008 Jan - Dec	2007 Jan - Dec
Operating revenue	548	767	243	205	27	14	818	986
Operating expenses	-318	-382	-173	-150	-49	-49	-540	-581
Operating profit	**230**	**385**	**70**	**55**	**-22**	**-35**	**278**	**405**
Tax	-	-	-	-	-32	-115	-32	-115
Profit for the period	**230**	**385**	**70**	**55**	**-54**	**-150**	**246**	**290**

CONSOLIDATED STATEMENT OF CASH FLOWS (SEKm)

	2008 Jan - Dec	2007 Jan - Dec
Cash flow from operating activities	172	248
Cash flow from assets and liabilities of operating activities	2,759	-497
Net cash (used in)/generated by operating activities	**2,931**	**-249**
Net cash (used in)/generated by investing activities	386	-4
Net cash (used in)/generated by financing activities	-267	14
Net cash (used)/generated for the period	**3,050**	**-239**
Cash and cash equivalents at beginning of the period	1,238	1,477
Cash and cash equivalents at end of the period	4,288	1,238

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEKm)

	2008 Jan - Dec	2007 Jan - Dec
Other operating revenue	0	0
Overhead expenses	-16	-19
Operating profit (loss)	**-16**	**-19**
Investment revenue	279	359
Profit after financial income	**263**	**340**
Income tax expense	-55	-95
Profit for the year	**208**	**245**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION (SEKm)

	Dec 31 2008	Dec 31 2007
Non-current assets	908	803
Current assets	279	520
Total assets	**1,187**	**1,323**
Equity	840	904
Non-current liabilities	331	334
Current liabilities	16	85
Total liabilities and equity	**1,187**	**1,323**

ACCOUNTING POLICY

HQ's year-end 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 regulations and general advice of the Swedish Financial Supervisory Authority regarding Annual Accounts for Credit Institutions and Securities Companies (FFFS 2006:16) as well as RR 31 Interim Reporting for Groups. 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 2.1, Reporting for Legal Entities. The accounting policy and methods of calculation are unchanged from those applied in the Annual Report for 2007.

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 for the twelve-month period of SEK 156 (204) and for the three-month period of SEK 2 (0).

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 four outstanding convertible programmes. Two of these were launched during 2006, of which the second with duration from January 2007, 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 serves private individuals, entrepreneurs, companies and institutions that require complete professional solutions in the area of wealth management. HQ Private Banking assists its clients with everything from asset management to legal matters, insurance, financing and taxation.

(SEKm)	2008 Oct - Dec	2007 Oct - Dec	2008 Jan - Dec	2007 Jan - Dec
Brokerage fees and other sales commission	50	124	244	409
Asset management fees	75	140	412	529
Expenses from transactions and commission	-34	-81	-217	-278
Net interest income/expense	20	20	85	69
Net result of financial transactions, including dividends	14	13	23	38
Other operating revenue	0	0	1	0
Total operating revenue	**125**	**216**	**548**	**767**
Employee benefits expense	-34	-52	-164	-229
General administrative expenses	-13	-17	-51	-56
Depreciation and amortisation of non-current assets	-1	-1	-3	-4
Other operating expense	-24	-29	-100	-93
Credit losses and bad debt losses	0	0	0	0
Total operating expense	**-72**	**-99**	**-318**	**-382**
Operating profit	**53**	**117**	**230**	**385**
Average number of employees	112	118	114	117
Operating margin	42%	54%	42%	50%
Assets under management at end of period			45,787	67,194
Total revenue/average assets under management*)			0.96%	1.12%

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

CONTINUED NET INFLOW AND HIGH PROPORTION OF REPEAT REVENUE

Operating revenue for HQ Private Banking was SEK 548 (767) million, a decrease of 29 percent compared with the preceding year. Brokerage fees and other sales commission decreased by 40 percent to SEK 244 (409) million and the net revenue from financial transactions by 39 percent to SEK 23 (38) million. Asset management fees and net interest income decreased by 17 percent to SEK 497 (598) million.

Operating expenses decreased by 17 percent to SEK 318 (382) million. Employee benefit expense excluding profit sharing decreased by 4 percent to SEK 115 (120) million and other expenses excluding profit sharing were more or less unchanged at SEK 154 (153) million.

The net inflow of assets under management in HQ Private Banking during the year was SEK 5.0 (8.3) billion, which represents annualised organic growth of 7 percent and a future positive contribution to repeat revenue. Repeat revenue in HQ Private Banking decreased by 11 percent to SEK 344 (388) million, which means that 129 (142) percent of HQ Private Banking's current expenses excluding profit sharing were covered by repeat revenue.

The business unit reported operating profit of SEK 230 (385) 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)	2008 Oct - Dec	2007 Oct - Dec	2008 Jan - Dec	2007 Jan - Dec
Brokerage fees	43	32	115	125
Revenue from financial advisory services and underwriting	7	13	32	60
Expenses from transactions and commission	-21	-6	-37	-36
Net interest income (expense)	1	1	0	0
Net gain or loss from financial transactions, including dividends	-50	-36	-4	43
Other operating revenue	128	3	137	13
Total operating revenue	**108**	**7**	**243**	**205**
Employee benefits expense	-41	-16	-111	-108
General administrative expenses	-20	-7	-39	-23
Depreciation and amortisation of non-current assets	-2	0	-3	-2
Other operating expenses	-9	-6	-22	-17
Credit losses and bad debt losses	-	-	2	-
Total operating expenses	**-72**	**-29**	**-173**	**-150**
Operating profit	**36**	**-22**	**70**	**55**
Average number of employees	53	45	51	45
Operating margin	34%	neg.	29%	27%
Assets under management at end of period			8,489	12,039

EFFORTS IN ALTERNATIVE INVESTMENTS SUCCESSIVELY SHOWING RESULTS

Operating revenue for HQ Investment Banking was SEK 243 (205) million, of which SEK 122 (0) million was revenue of a non-recurring nature attributable to the acquisition of HQ Direct. Other revenue therefore decreased by 41 percent to SEK 121 (205) million. The decrease in revenue is mainly attributable to Trading, which reports a decrease in revenue of SEK 39 million.

Market conditions for Corporate Finance have been unfavourable during the period. In addition, Corporate Finance conducted the largest capital acquisition in its history during the second quarter of 2007, which together explain the decrease in advisory fees of SEK 28 million to SEK 32 (60) million.

Trading's net gain from financial transactions including dividends decreased by SEK 46 million to SEK -2 (44) million. The weaker outcome is an effect of the financial turbulence that has characterised 2008, while the first half of 2007 was a particularly good period for Trading. Margin requirements increased sharply during the year while pledging opportunities successively deteriorated. Trading reported an operating profit of SEK -49 (-15) million.

Equities has been adversely affected by the financial turbulence that led to a lower level of activity in institutional share trading. Revenue in Equities therefore decreased by 25 percent to SEK 95 (127) million.

Efforts in Alternative Investments are proceeding according to plan. During the second quarter HQ Loans was launched, a fund that invests in a well diversified portfolio of Nordic corporate loans. Despite a challenging market climate the fund had attracted over SEK 1,000 million when closed. The launch of HQ Loans II is currently ongoing and other new products are being developed. The timing of the launch of new products will naturally be guided by the state of the market.

The business unit reported operating profit of SEK 70 (55) million.

EFFECT OF FINANCIAL CRISIS ON HQ

FINANCIAL STABILITY DESPITE TURBULENCE

REVENUE CAPACITY

HQ has for several years been striving to reduce the level of risk in its business model by focusing on repeat revenues. Even though revenues are declining, HQ is reporting profits in line with its financial targets. A continued downturn will naturally have a negative impact on future revenues, but we estimate that the existing business model will generate positive returns even in weaker times.

RISK MANAGEMENT

Risk management is, and always has been, an important element of HQ's operations, which are complex by nature. Daily controls are conducted of both client transactions and HQ's trading on its own account. This risk management is facilitated to some degree by the relatively small size of HQ and the fact that business is conducted exclusively in Sweden. In other words the operations can be easily reviewed and all material risks are believed to be under control.

CREDIT EXPOSURE

HQ's board of directors has acted to ensure that the balance sheet is not exposed to a level beyond which there has been acceptable control over associated risks. Credit has only been provided against acceptable collateral, and this has been regularly reviewed. One confirmation of an effective credit control procedure is that HQ has not reported any credit losses during the past five years, and nor has the current financial crisis resulted in any credit losses or additional provisions related to uncertain receivables.

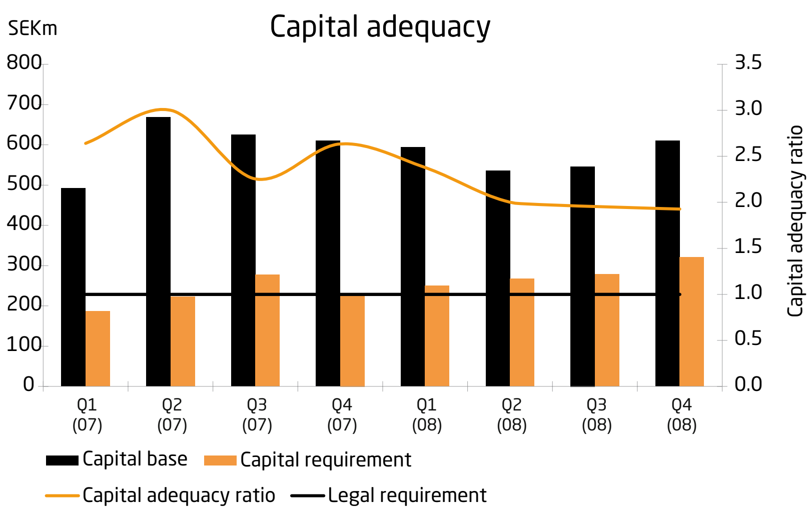
HQ has no direct exposure to the financial institutions that have in recent weeks been linked to financing problems and the threat of insolvency. Nor has HQ brokered securities issued by these institutions to their clients.

LIQUIDITY

HQ's liquidity is strong. During 2008 HQ has net invested surplus liquidity of approximately SEK 2.6 billion. This surplus liquidity has been invested with the major Swedish and Danish banks at short duration. In addition there exist unutilised credit facilities of SEK 1.5 billion. HQ's deposits from the public amounted on December 31, 2008 to SEK 3.2 billion.

CAPITAL ADEQUACY

HQ is currently operating with a relatively high level of equity given the risks to which it is exposed. Over time the company's capital adequacy ratio has been twice as high as the legal requirement. In times such as these this forms the primary safety net for HQ's staff, clients and shareholders. In the longer term it will provide opportunities to work actively should attractive acquisition candidates be identified.



HQ - MISCELLANEOUS

ACQUISITION OF BUSINESS

On October 22, 2008, HQ AB acquired 100 percent of the shares in Glitnir AB (later renamed HQ Direct AB) for SEK 60 million in cash. HQ Direct's product proposition includes services in institutional trade and it is one of the largest companies on the Nordic stock markets offering direct market access (DMA) to a large number of globally leading stock markets.

During the two months until December 31, 2008, HQ Direct affected the group's profit after tax by SEK 102 million, which is explained mainly by negative goodwill of SEK 122 million that was taken up as revenue. The acquisition has had the following effects on the company's assets and liabilities.

ACQUISITION ANALYSIS HQ DIRECT

Acquired assets	Actual value reported in group
Cash and equivalents	464
Other assets	311
Accounts payable and other liabilities	-619
System (DMA)	33
Less tax liability	-7
Net identifiable assets	**182**
Goodwill	**-122**
Cash settlement paid	**60**
Acquired cash	464
Net cash flow	404

The negative goodwill that arises has been taken up as revenue in accordance with IFRS 3 and can be found in the statement of comprehensive income under the heading – Other operating revenue.

ANNUAL GENERAL MEETING AND DIVIDEND

The annual general meeting of shareholders will be held on Friday, April 3 at 11:00 am. Location to be announced.

The board of directors proposes that the annual general meeting approve a dividend of SEK 6 per share. The proposed dividend corresponds to 66 percent of net profit for the year and a dividend yield of 10.3 percent based on the share price on December 31, 2008.

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, Kristoffer C. Stensrud, representing Solbakken AS, Eva Qviberg, representing the Qviberg family and Sten Dybeck, representing the Dybeck family 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 3, 2009.

CERTIFICATION AND SIGNATURES

This interim 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, 2009

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 2008 for HQ AB (publ) for the period from January 1, 2008 until December 31, 2008. 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, 2009
KPMG AB

Johan Dyrefors
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