

PRESS RELEASE

Stockholm, June 29, 2010

The accelerated closure of HQ's trading portfolio has been completed

- **Total cost of closure SEK 1,230 million**
- **Advance payment for rights issue and perpetual subordinated debenture to strengthen the strong capital base**
- **Extraordinary general meeting to address election of board**
- **External audit of the Trading operations has been appointed**

Closure completed

HQ AB ("HQ") has completed the accelerated closure of its trading portfolio. In total the cost is SEK 1,230 million during the second quarter of 2010, including the SEK 297 million announced on June 8, 2010.

Following the closure of the trading portfolio, HQ has a limited stock and derivatives portfolio. The holdings comprise liquid standardised instruments with short durations. The purpose is to be able to provide prices for Swedish stock options and HQ Fonder Sverige AB's ("HQ Fonder") ETFs, and to act as market maker for certain companies.

Advance payments and subordinated debentures strengthen capital base

HQ has received an advance of SEK 235 million from Investment AB Öresund ("Öresund") and from Johan Qviberg, Anna Qviberg and Jacob Qviberg for the forthcoming new rights issue that is intended to be conducted during the autumn of 2010. This advance has been provided to subsidiary HQ Bank AB ("HQ Bank") in order to strengthen the capital base and capital adequacy until the planned new rights issue has been completed. Also, Öresund has converted a subordinated debenture to HQ Bank of SEK 150 million into a perpetual subordinated debenture. In addition, HQ Bank has received a perpetual subordinated debenture of SEK 21 million from Mats Qviberg and Eva Qviberg.

Following the closure of the trading portfolio and the capital injections by principal shareholders, HQ's Tier-1 capital ratio pro forma per May 31, 2010 is 8.7 percent and its capital adequacy pro forma is 16.2 percent.¹

¹ Pro forma is calculated from the capital base per May 31, 2010 (which was charged with losses in the Trading operations of SEK 231 million during April-May 2010) adjusted for the sale of HQ Fonder, advances of SEK 235

"The closure of the trading portfolio was very costly. It was, however, of the utmost importance to quickly be able to put the uncertainty and worries behind us. Based on a stable financial position and a low level of risk we will now be able to place all resources on strengthening HQ's value proposition and thereby creating added value for our clients, employees and shareholders," says Stefan Dahlbo, Acting President and CEO HQ.

Through the issue of preference shares in HQ Bank an advance of SEK 235 million has been provided, that is later intended for non-cash payment in HQ's planned new rights issue. HQ has a call option with expiration June 30, 2015 for all preference shares. The preference shares can be redeemed for cash against the amount paid plus return upon request of both the holder and HQ Bank, and are upon request of the holder convertible into common stock corresponding to 9.9 percent of capital and votes in HQ Bank. In other respects the preference stock is governed by customary terms and conditions. The perpetual subordinated debenture of SEK 21 million that has been received from Mats Qviberg and Eva Qviberg is also intended to be later used as payment in HQ's planned new rights issue. HQ's option to buy back HQ Fonder has been transferred from HQ to HQ Bank.

Planned rights issue to enable buyback of HQ Fonder

To enable a buyback of HQ Fonder, which was divested to Öresund on June 8, 2010, the board intends, as previously announced, to decide – on condition of endorsement by the extraordinary general meeting – on a rights issue of common shares of up to SEK 1,000 million. The rights issue is assured at an amount up to SEK 715 million through subscription obligations and guarantee undertakings from Öresund, Mats Qviberg (including family) and Sten Dybeck (including family), of which SEK 256 million has been paid in advance as above. HQ intends to hold the extraordinary general meeting in September 2010. The current board will prepare an issue prospectus ahead of the meeting.

HQ's board will vacate their positions

At the request of Öresund there will be an election of the board of HQ by extraordinary general meeting. All directors will in conjunction with the meeting vacate their positions. HQ's nomination committee has commenced its work.

External audit

HQ has engaged lawyer Anders Malm of Oreum Advokatbyrå to conduct a thorough audit of HQ Bank's Trading operations. This audit will be completed before the extraordinary general meeting.

Miscellaneous

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

"HQ's troubled trading portfolio has finally been closed and we can now turn the page and at the same time learn lessons from these events. We will be thorough. Once we have completed our review there should be no doubt that HQ's routines, procedures and controls are among the best in the

million, the provision of perpetual subordinated debentures of SEK 171 million and losses in the Trading operations of SEK 999 million during June 2010. The capital requirement is based on the outcome per March 31, 2010 adjusted for the sale of HQ Fonder.

industry. Given HQ's historically proven focus on its business and its clients, we are convinced that we will therefore be able to restore confidence," says Mikael Nachemson, Chairman HQ Bank.

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