

Garantum Annual Report 2024



Directors' Report

The Board of Directors and the Chief Executive Officer of Garantum Fondkommission AB herewith present the Annual Report for the 2024 financial year.

Ownership

Garantum Fondkommission AB ("Garantum") is wholly owned by Garantum Invest AB, corporate registration number 556859-2447, whose registered office is in Stockholm. Garantum has 1 subsidiary, as set out below, and the ownership amounts to:

- 100% of the shares in Garantum Strukturerade Produkter AB, corporate registration number 556672-8365, with registered office in Stockholm.

General information about the business

Garantum operates a securities business, including asset management, arrangement of structured financial products, brokering of financial products and otherwise participates in transactions in such instruments. As part of its operations, Garantum provides advice on financial matters and conducts other activities relating to the securities business. These are conducted in compliance with the requirements of the Swedish Securities Market Act and the terms of the securities licence held by the company. Garantum was awarded a licence to conduct its operations by the Swedish Financial Supervisory Authority in April 2005. All licences are published on www.fi.se.

The Garantum Group has 49 (49) affiliated representatives and carries out cross-border trading in Norway.

Development of the company's business, performance and position

Financial information

The company's profit as at 31 December 2024.

The operating profit amounted to SEK 78.0 (90.7) million, and the profit after tax amounted to SEK 45.8 (56.6) million. Total revenue was SEK 265.2 (264.1) million.

Operating expenses amounted to SEK 187.2 (173.4) million during the financial year. At the end of the year, the workforce totalled 64 (54) employees.

During the year, the company arranged 160 (191) different products. The longest issue had a maturity period of 6.0 (6.0) years and the shortest had a maturity period of 2.0 (2.0) years. The average maturity period was 4.80 (4.94) years.

Equity amounted to SEK 191.9 (201.1) million. The total capital ratio reached 17.85 (20.65)%.

Corporate development

20 years of bespoke solutions

In 2024, Garantum marked its 20th anniversary as a Group – two decades of transformation from a niche provider of structured products to a leading name in personalised wealth advisory services and Private Banking. The anniversary was commemorated through a range of initiatives, that included a retrospective look at our communications, a special edition of our client magazine Invstr, where we emphasised the value of financial advice from diverse client perspectives, and a company-wide gathering that brought all staff together for a day of celebration.

It was an opportunity to pause and reflect on our shared journey and reaffirm the guiding principles that continue to shape our path forward.

Over the years, we have navigated evolving market dynamics and regulatory frameworks. Yet, one thing has remained steadfast: our belief that every client deserves a personal relationship and advice tailored to their individual requirements. This is what has defined us over the years – our proximity to our clients, to the local advisors and to the real need behind each investment.

Growth, technology and trust

Despite persistently high interest rates, 2024 was a strong year for Garantum. The search for alternative ways to protect and grow their capital led many investors to our savings and portfolio management products, particularly capital-protected investments. We experienced positive inflows across all the business areas and recorded a solid financial performance.

During the year, we were also able to see the positive effects of bringing all our advisors into the joint Garantum Wealth Management brand. With approximately 140 advisors in more than 30 locations in Sweden and Norway, we have established a robust and cohesive advisory organisation with a local presence and a comprehensive and coordinated offering. Our focus on client relationships has been clearly evident – both in our advisory meetings and at well-attended events held around the country, such as the flagship Garantum Private Banking Conference in Gothenburg and Stockholm.

We also completed a strategic acquisition of Svensk Kapitalförvaltning Bernholtz AB Private Banking. Its previous owners remain with the business as partners, which ensures both continuity and long-term commitment.

Recognition for Garantum's client-centric approach

In 2024, Garantum cemented its position as a leader in structured products.

At the SRP Europe Awards, we were named “Best Distributor in Sweden” and won the award for “Best Return in Sweden”. These accolades reflect our ability to combine innovative investment solutions with a strong client focus

Our philosophy of offering the right investment at the right time has certainly paid off. Since the initial issue in 2005, over 80 per cent of our structured products have generated positive returns, while only six per cent have led to losses exceeding ten per cent. This is the clear result of our efforts to create products that are tailored to client needs and are responsive to current market conditions.

We are also witnessing rapidly growing international interest in structured products, particularly capital-protected investments that offer both security and return potential. Although interest in these products has so far been slower in the Nordic countries, we are now seeing clear signs of increasing momentum. More and more investors are seeking well-designed solutions capable of withstanding uncertain market conditions and meeting rising demands for risk diversification – something that our products are particularly well suited to.

Digital development for personalised advice

We have continued to invest in technology and advisory support with the aim of further developing the market's most effective platform for personalised advice. By integrating our client and advisor portals with enhanced advisory tools, we are able to offer more accurate and transparent solutions – always tailored to each client's specific goals, risk tolerance and life circumstances.

Risks and uncertainties

Garantum's business is exposed to a number of different risks every day. In some areas, these are an inherent part of business operations, such as market risks in the trading portfolio.

Garantum's Board of Directors has executive responsibility for Garantum's risk management. The Board of Directors has, through special instructions and within certain limitations, delegated responsibility to Garantum's CEO who is ultimately responsible for Garantum's risk management. For day-to-day management and control of risks, Garantum has entered into an outsourcing agreement with Garantum Invest AB concerning risk control and compliance. The Board of Directors is kept informed through regular reports. See Note 3 for further details. The risks to which Garantum is exposed and which are managed include:

Market risk
Liquidity risk
Operational risk
Credit risk
Legal risk

Staff

The average number of employees in the company during the financial year was 60 (53). The number of employees at the end of the financial year was 64 (54), of whom 39 (36) were men and 25 (18) were women. See Note 9 for further details.

Other events

The company is subject to an investigation by the Swedish Financial Supervisory Authority concerning Garantum's historical compliance with regulations. As the outcome is not yet known, no amount was reserved at year-end. See Note 30 for further details.

Events after the balance sheet date

Moving into 2025, we are seeing stable inflows across all business areas and a continuation of the Group's positive performance. Demand for our customised investment solutions continues to grow, especially capital-protected investments, where interest remains strong.

Garantum Wealth Management is continuing to grow at a good pace, with new advisors established in several locations around the country. We are simultaneously engaged in discussions on future acquisitions and recruitment, which strengthens our foundations for sustained expansion and increasing client interest.

PROPOSED ALLOCATION OF PROFITS

At the disposal of the Annual General Meeting is SEK

Retained earnings	137 124 811
Profit/loss for the year	45 764 957
Total	182 889 768

Shareholder dividend of SEK 1,000.00 per share	9 000 000
Profit carried forward to next year	173 889 768
Total	182 889 768

The Board of Directors is of the opinion that the company's activities, following the proposed dividend, will continue to be conducted with good profitability. It is considered that the liquidity position of the company can also be maintained at a satisfactory level, and the company is expected to continue to meet the regulatory capital adequacy requirements for the business operations. The proposed dividend thus adheres to the requirements imposed under Section 3(2) of Chapter 17 of the Swedish Companies Act (precautionary rule). See Note 23 for further details.

FIVE-YEAR SUMMARY

INCOME STATEMENT AND BALANCE SHEET	2024	2023	2022	2021	2020
Income statement					
Total operating income	265 213	264 131	217 232	241 937	157 728
Total costs before credit losses	-187 167	-173 430	-158 134	-177 627	-138 512
Operating profit/loss	78 047	90 701	59 098	64 310	19 216
Profit/loss for the year	45 765	56 631	34 501	36 508	9 544
Balance sheet					
Lending to credit institutions	335 066	470 670	465 181	790 064	686 310
Other assets	745 290	744 927	972 860	974 561	752 204
Deposits from the public	575 139	720 775	965 292	857 296	846 789
Other liabilities	264 840	246 148	250 606	695 786	413 808
Total liabilities	839 978	966 923	1 215 898	1 553 082	1 260 597
Untaxed reserves	47 550	47 550	47 650	41 550	35 432
Provisions	938	-	-	-	-
Equity	191 890	201 124	174 494	169 993	142 485
Total liabilities and equity	1 080 356	1 215 597	1 438 042	1 764 625	1 438 513
RATIOS					
Balance sheet total, SEK thousand	1 080 356	1 215 597	1 438 042	1 764 625	1 438 513
Return on assets, %	4,24	4,66	2,40	2,07	0,66
Equity ratio, %	21	20	15	12	12
Total capital coverage ratio, %	17,85	20,65	20,66	16,72	18,33
Capital ratio	2,23	2,58	2,58	2,09	2,29
Average number of employees	60	53	53	54	49

Regarding Garantum's profit/loss and financial position in general, reference is made to the subsequent income statement, balance sheet and notes about the accounts.

INCOME STATEMENT

1 January – 31 December

SEK thousand	Note	2024	2023
Interest income	4	31 689	37 285
Interest expense	4	-	-2
Net interest		31 689	37 283
Commission income	5	497 082	491 030
Commission costs	6	-307 414	-300 246
Net income from financial transactions	7	38 263	33 213
Other operating income	8	5 593	2 851
Total operating income		265 213	264 131
General administration expenses	9	-186 167	-173 430
Amortisation of intangible assets	22	-1 000	-
Write-downs of shareholdings in subsidiaries	14	-	-
Total costs		-187 167	-173 430
Operating profit/loss		78 047	90 701
Year-end appropriations	10, 21	-17 800	-17 450
Tax on profit/loss for the year	11	-14 482	-16 620
Profit/loss for the year		45 765	56 631

Statement of comprehensive income

1 January – 31 December

SEK thousand	2024	2023
Profit/loss for the year	45 765	56 631
Other comprehensive income that will be reclassified to the income statement	-	-
Comprehensive income for the year, net of tax	45 765	56 631

BALANCE SHEET

As at 31 December

SEK thousand	Note	2024	2023
ASSETS			
Lending to credit institutions	12	335 066	470 670
Bonds and other securities	13	454 708	467 114
Investments in group undertakings	14	100	100
Intangible assets	15	4 000	-
Current tax assets	11	501	43
Other assets	16	220 552	242 430
Prepaid expenses and accrued income	17	65 429	35 241
Total assets		1 080 356	1 215 597
LIABILITIES, PROVISIONS AND EQUITY			
Deposits from the public	18	575 139	720 775
Other liabilities	19	180 556	172 114
Accrued expenses and prepaid income	20	84 283	74 034
Total liabilities		839 978	966 923
Untaxed reserves	21	47 550	47 550
Provisions for pensions and similar obligations	22	938	-
EQUITY	23		
Restricted equity			
Share capital (9,000 shares and par value SEK 1,000)		9 000	9 000
Unrestricted equity			
Profit or loss brought forward		137 125	135 493
Profit/loss for the year		45 765	56 631
Total equity		191 890	201 124
Total liabilities, provisions and equity		1 080 356	1 215 597

STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Unrestricted equity		Total equity
SEK thousand	Share capital	Profit or loss brought forward	Profit/loss for the year	
Opening equity, 1 January 2023	9 000	130 993	34 501	174 494
Profit/loss for the previous year	-	34 501	-34 501	-
Profit/loss for the year	-	-	56 631	56 631
Dividend	-	-30 000	-	-30 000
Closing equity, 31 December 2023	9 000	135 494	56 631	201 125

	Restricted equity	Unrestricted equity		Total equity
SEK thousand	Share capital	Profit or loss brought forward	Profit/loss for the year	
Opening equity, 1 January 2024	9 000	135 494	56 631	201 125
Profit/loss for the previous year	-	56 631	-56 631	-
Profit/loss for the year	-	-	45 765	45 765
Dividend	-	-55 000	-	-55 000
Closing equity, 31 December 2024	9 000	137 125	45 765	191 890

CASH FLOW STATEMENT

1 January – 31 December

SEK thousand	2024-12-31	2023-12-31
Operating activities		
Operating profit/loss	78 047	90 701
Adjustments for non-cash items		
Unrealised changes in the value of securities	-137	11 123
Unrealised gains/losses	696	1 201
Depreciation/amortisation/write-downs	1 000	-
Income tax paid	-14 940	-10 568
Cash flows from operating activities before changes in working capital	64 666	92 457
Cash flows from changes in working capital		
Change in bonds, plus shares and participations	12 542	-144 228
Change in other assets	-8 310	354 986
Change in other liabilities	1 830	-22 008
Cash flows from operating activities	70 728	281 207
Investing activities		
Acquisition of intangible assets	-5 000	-
Cash flows from investing activities	-5 000	-
Financing activities		
Deposits from the public	-145 636	-244 517
Dividend paid	-55 000	-30 000
Cash flows from financing activities	-200 636	-274 517
Cash flows for the year	-134 908	6 690
Cash and cash equivalents at start of year	470 670	465 181
Foreign exchange differences on cash balances	-696	-1 201
Cash and cash equivalents at end of year	335 066	470 670

SEK thousand	2024-12-31	2023-12-31
The following subcomponents are included in cash and cash equivalents:		
Lending to credit institutions	335 066	470 670
Total	335 066	470 670
Interest paid and dividend received that are included in cash flows from operating activities		
SEK thousand	2024	2023
Interest received	31 689	37 285
Interest paid	-	2

Stockholm on the date indicated by our digital signature.

We hereby declare that, to the best of our knowledge, the Annual Report has been prepared in accordance with generally accepted accounting policies. The information provided presents the actual circumstances and performance of the business and nothing of material significance has been omitted that could affect the picture of the company that is presented by the Annual Report.

As stated above, the Annual Report has been approved for presentation by the Board of Directors on the date that is indicated by our digital signature. The company's income statement and balance sheet will be presented for approval by the Annual General Meeting, which will be held on 10 June 2025.

Our auditor's report was submitted on the date indicated by our digital signature.

Öhrlings PricewaterhouseCoopers AB

