

Annual report 2019

Annual financial report

Crosskey Banking Solutions Ab Ltd 2019

Significant events during the accounting period

The 2019 fiscal year was a successful year for Crosskey. Operating profit amounted to EUR 2.9 million, which was 48% better than last year. In October, the acquisition was completed of the software company Model IT, which is now a wholly owned subsidiary of Crosskey. Crosskey recruited several new customers to the company during the year, as Resurs Bank, Ya Bank and Komplet Bank chose our Open Banking system module. Furthermore, Fair Investments chose to initiate a collaboration on Crosskey's capital market service in Sweden and the newly formed mortgage company Borgo (with partners such as ICA Bank, Ikano Bank, Söderberg & Partners and Ålandsbanken) will make its future mortgage investment in the Swedish market using Crosskey's banking system.

Major business events during the year included:

- Development and launch of our new Open Banking product.
- Development and launch of an automated unsecured loan process for one of our existing customers.
- Launch of a completely seamless card issuing service for our new customer, Northmill.
- Implementation and integration of the person-to-person payment solution Mobilepay, which one of our existing customers chose to join and which has now been integrated into Crosskey's bank and card system.
- Integration of the card system for one of our existing customers with an external fraud prevention system.
- Ongoing implementation project with a new customer, Garantum, concerning a capital market system in Sweden.
- Technical improvement projects. We continued to work with cloud solutions for some of Crosskey's applications as well, as continued technology harmonization.
- Implementation of digital card applications on the card platform for existing customers in Sweden, enabling a fully digitized application process.
- Completion of several system components that support Ålandsbanken's fintech collaboration with Doconomy.
- Launch of the capital market system for the new customer, Fair Investments, in Sweden.

Employee satisfaction, which was measured in our annual employee survey, rose to the highest satisfaction level ever. Customer satisfaction also increased.

We are also undertaking a number of major and important projects for the company and its customers in 2020. The largest project by far for Crosskey in 2020 will be the implementation and development of the platform for mortgage investment in Sweden, which ICA Bank, Ikano Bank, Söderberg & Partners and Ålandsbanken will carry out together.

Demand for our services remains very high. To further increase Crosskey's turnover and economic growth, therefore, we have begun the task of reviewing which resource enhancements we can implement with employees and consultants in order to meet this demand. Some of the resource enhancements have already occurred in 2019. We are continuing to train ourselves and monitor the importance of the new trends in robotics, artificial intelligence (AI), machine learning and block chain and the impact they may have on us and our services and products. In 2019, for example, we initiated a pilot project on robotisation with Ålandsbanken and we are constantly evaluating where to implement these new trends in our operations.



About us

Crosskey's systems and services make it easier to achieve profitable financial services business. We cover the full spectrum of transactions, and make your products available through all the channels today's end-customers want. Our flexible modular systems enable you to select precisely the functionality you need, and make it easy to expand and adapt in line with your business needs. All this is supported by expert consultative and managed services that assure a smooth path to success.

Consolidated Income Statement

A summary for the year 2018 (EUR 000s)	2019	2018
Sales	34 180	32 934
Production for own use	1 170	964
Other operating income	43	55
Total Turnover	35 393	33 953
<i>Materials and services</i>		
Purchase of materials	-3 532	-3 879
Purchased services	-1 543	-1 521
Total materials and services	-5 074	-5 401
<i>Personnel costs</i>		
Salaries and other remuneration	-13 716	-12 901
<i>Payroll overheads</i>		
Pensions costs	-2 350	-2 285
Other payroll overheads	-949	-958
Total personnel costs	-17 015	-16 144
Depreciation	-2 663	-2 495
Total Depreciation and write-downs	-2 663	-2 495
Other operating expenses	-7 653	-7 879
Operating profit	2 988	2 034
<i>Financial income and expenses</i>		
Other interest income and financial income	0	0,28
Interest and other financial expenses	-85	-99
Total financial income and expenses	-84	-99
Income before appropriations and taxes	2 904	1 935
Extraordinary costs, group contribution	0	0
Profit before taxes	2 904	1 935
Income tax	-616	-348
Change in deferred tax	18	-6
Minority interest	1	-0,4
Profit for the financial period	2 306	1 581

Consolidated Balance Sheet

ASSETS	2019	2018
Fixed assets		
<i>Intangible assets</i>		
Intellectual property rights	2 601	3 176
Goodwill	4 347	
Projects in progress	1 194	819
Other long term expenses	92	146
Total intangible assets	8 235	4 141
<i>Tangible assets</i>		
Machinery and inventories	2 733	2 153
Other assets	16	15
Total tangible assets	2 749	2 169
Total fixed assets	10 983	6 310
Current assets		
Current receivables	4 741	5 178
Cash and Bank	1 997	2 090
Total current assets	6 737	7 269
Total Assets	17 721	13 579
LIABILITIES	2019	2018
Equity	10 987	8 741
Minority interest	13	13
Total short-term liabilities	6 721	4 825
Total Liabilities	17 721	13 579

Board & Management

Board



Peter Wiklöf
CEO
Ålandsbanken



Lars O Anderson

Management



Thomas Lundberg
Managing Director



Tommy Grönlund
Dep. Managing Director



Johan Dahlström
Business Area Manager
Capital Markets



Ulla Parkkali
Business Area Manager
Card & Mobile Payments



Niclas Södergård
Department Manager
Operations Management



Madeleine Lang
Business Area Manager
Banking Interfaces
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