



Annual report 2017



CEO's Report

2017 began with good news for the Bank of Åland's customers in Sweden. This was due in part to that the Bank of Åland became connected to the Swish mobile payment service, and in part due to that the bank's customers could start using Mobile BankID to log in to the Internet Bank and Mobilbanken.

Another important event in the Swedish market was that Crosskey successfully converted the Bank of Åland's entire stock of debit cards to Crosskey's card system.

In Finland, Crosskey's client customer S-bank introduced the Siirto payment service, the Finnish equivalent to Swish, during the first quarter of 2017. Thus S-Bank became one of the first banks in Finland to offer the new service. In conjunction with the launch of Siirto, S-Bank's customers were given the possibility in digital channels to verify their identity with their fingerprints with the support of Crosskey's C ID service.

Taken all together, it can be noted that in 2017 Crosskey's banking system became one of few banking systems in the Nordic market that is integrated with both Swish and Siirto.

However the most prominent milestone for the year was the launch of a new capital market system for the Bank of Åland in Sweden. After several years of development work together with Model IT, Crosskey's Finnish IT Partner, the platform was launched in the summer and the Bank of Åland's Swedish capital market operations could be moved over to the new platform. A few months later in 2017, Indecap, one of Crosskey's new clients, chose to use a number of service modules from the new capital market system in order to be able to streamline its business operations.

During the second half, Crosskey worked with the implementation of two new client in Sweden to Crosskey's card system and associated services. These two new clients will go live in 2018.

Extensive efforts have also been made to adapt Crosskey's system palette to the General Data Protection Regulation (GDPR), MIFID II and PSD2 Payment Services. As for the Payment Services Directive, Crosskey will launch C Open, a service platform for Open Banking, in 2018. The platform enables banks to easily collaborate with other banks and FinTech companies.

The high level of customer satisfaction continued in 2017. Over one-third of Crosskey's clients have recommended Crosskey as a banking system vendor during the year. Half of the respondents felt that Crosskey is their most valuable partner.

Not only Crosskey's clients and their customers have had a successful and good cooperation with Crosskey, but Crosskey's personnel have also been stimulated and motivated by the successes during the year. This can be seen in the annual employee survey, where Crosskey had the highest measured satisfaction score ever in the international employee survey, Great Place to Work®.

Operating profits amounted to EUR 1.5 million during the year, a decrease compared to 2016, which was approx. EUR 2.5 million. The primary reason for the decrease was temporary higher costs related to the launch of the new capital market system in Sweden.

In terms of quality, Crosskey maintained its high level of quality and after the year's audits, the company was recertified in accordance according to both the ISO and PCI DSS standards.



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 2017 (EUR 000s)

	01.01-31.12.2017	01.01-31.12.2016
Sales	33 617	30 577
Production for own use	1 159	1 708
Other operating income	169,	177
Total Turnover	34 945	32 462
Materials and services		
Purchase of materials	-3 718	-3 225
Purchased services	-2 276	-2 170
Total materials and services	-5 994	-5 395
Personnel costs		
Salaries and other remuneration	-12 958	-11 854
Payroll overheads		
Pensions costs	-2 264	-2 033
Other payroll overheads	-1 050	-1 132
Total personnel costs	-16 271	-15 019
Depreciation	-2 527	-2 133
Total Depreciation and write-downs	-2 527	-2 133
Other operating expenses	-8 640	-7 437
Operating profit	1 513	2 477
Financial income and expenses		
Other interest income and financial income	5	4
Interest and other financial expenses	-149	-110
Total financial income and expenses	-144	-105
Income before appropriations and taxes	1 369	2 372
Extraordinary costs, group contribution	0	-300
Profit before taxes	1 369	2 072
Income tax	-281	-370
Change in deferred tax	15	-40
Minority interest	-1	0
Profit for the financial period	1 102	1 662

Consolidated Balance Sheet

A summary for the year 2017 (EUR 000s)

ASSETS	12/31/2017	12/31/2016
Fixed assets		
Intangible assets		
Intellectual property rights	3 631	1 975
Projects in progress	743	2 467
Other long term expenses	266	430
Total intangible assets	4 640	4 873
Tangible assets		
Machinery and inventories	1 957	1 355
Other assets	16	16
Total tangible assets	1 973	1 371
Total fixed assets	6 613	6 244
Current assets		
Current receivables	6 302	6 033
Cash and Bank	53	341
Total current assets	6 355	6 374
Total Assets	12 968	12 618
LIABILITIES		
Equity	7 273	6 281
Minority interest	13	12
Statutory reserve	0	0
Total short-term liabilities	5 682	6 325
Total Liabilities	12 968	12 618

Board & Management

Board



Peter Wiklöf
CEO, Ålandsbanken



Sven-Harry Boman
M.Sc. Business
Administration &
Economics



Matti Jääskeläinen
M.Sc. Electrical
Engineering

Management



Thomas Lundberg
Managing Director



Tommy Grönlund
Deputy Managing
Director



Johan Dahlström
Business Area Manager,
Capital Markets



Victoria Sundberg
Business Area
Manager, Card &
Mobile Payments



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