

Annual report 2018

Annual financial report

New customers in the Swedish market

In 2018, Crosskey's consistent cultivation of the Swedish market continued to bear fruit. We have become an increasingly interesting alternative for Swedish capital market actors and during the year, the wealth manager Garantum signed a contract for our new capital market system. During the year, the fintech company Northmill (with brands such as Easycredit, Rebill, Credway and Credigo) also launched a card offer based on Crosskey's card issuing service.

Thus, we have clearly advanced our positions in the Swedish market during 2018. Crosskey has a competitive offer in most procurements regarding banking, card or capital market services, and we will continue to benefit from this in 2019. In Finland, too, we can see that market changes are opening up several interesting opportunities for us.

New launches

Several important and prestigious launches took place during the year. The Bank of Åland introduced Crosskey's fingerprint authentication in its mobile and internet banking applications and a digital PIN code service was launched for the Finnish S-Bank, which allows the end-customer to easily change the PIN code on their debit card.

The launch of Crosskey's Open Banking platform, C°Open, will enable banks to comply with the new Payment Services Directive, which comes into force in 2019. At the same time, C°Open sets the stage for quick and smooth collaboration with external partners such as fintech actors. Regarding government-related projects, the new data protection directive GDPR and the MiFID 2 regulations have been comprehensive tasks.

A platform change was made within the Group's card company, Compass Card, at the end of the year. With the company's transition to Crosskey's modern card platform, the Åland Bank's Finnish payment card will also be handled through the new card service.

Projects in 2019

Crosskey has several important projects scheduled for 2019. Among other things, there is the new collaboration with the Swedish fintech company Doconomy, with the Bank of Åland as a banking partner. There is also the implementation and integration of the Mobilepay payment solution, which S-bank has joined and which is now being integrated with Crosskey's banking and card system.

Another comprehensive project is about continuing to modernize the systems that support our customers' credit decision-making processes. The project began in 2018 and will continue for the next few years. System deliveries for improved support for credit decisions are continuously released during the development work.

Crosskey focuses on monitoring and training

We continue to monitor and train ourselves in new technology, where the leading trends are robotization, artificial intelligence, machine learning and blockchain. We launched a pilot project on robotization in 2018 and in 2019 we will evaluate whether these new trends should be implemented in Crosskey's product range. A crucial question concerns how the new technologies can provide business benefits for our customers in return for a reasonable investment.

About standards and employee satisfaction

Crosskey maintained its high level of quality and after the year's audits, the company was recertified according to both the ISO and PCI DSS standards. Employee satisfaction, which was measured in our annual employee survey, remains at a high level.



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)	2018	2017
Sales	32 934	33 617
Production for own use	964	1 159
Other operating income	55	169
Total Turnover	33 953	34 945
<i>Materials and services</i>		
Purchase of materials	-3 879	-3 718
Purchased services	-1 521	-2 276
Total materials and services	-5 401	-5 994
<i>Personnel costs</i>		
Salaries and other remuneration	-12 901	-12 958
<i>Payroll overheads</i>		
Pensions costs	-2 285	-2 264
Other payroll overheads	-958	-1 050
Total personnel costs	-16 144	-16 271
Depreciation	-2 495	-2 527
Total Depreciation and write-downs	-2 495	-2 527
Other operating expenses	-7 879	-8 640
Operating profit	2 034	1 513
<i>Financial income and expenses</i>		
Other interest income and financial income	0,28	5
Interest and other financial expenses	-99	-149
Total financial income and expenses	-99	-144
Income before appropriations and taxes	1 935	1 369
Extraordinary costs, group contribution	0	0
Profit before taxes	1 935	1 369
Income tax	-348	-281
Change in deferred tax	-6	15
Minority interest	-0,4	-1
Profit for the financial period	1 581	1 102

Consolidated Balance Sheet

ASSETS	2018	2017
Fixed assets		
<i>Intangible assets</i>		
Intellectual property rights	3 176	3 631
Projects in progress	819	743
Other long term expenses	146	266
Total intangible assets	4 141	4 640
<i>Tangible assets</i>		
Machinery and inventories	2 153	1 957
Other assets	15	16
Total tangible assets	2 169	1 973
Total fixed assets	6 310	6 613
Current assets		
Current receivables	5 178	6 302
Cash and Bank	2 090	53
Total current assets	7 269	6 355
Total Assets	13 579	12 968

LIABILITIES	2018	2017
Equity	8 741	7 273
Minority interest	13	13
Statutory reserve	0	0
Total short-term liabilities	4 825	5 682
Total Liabilities	13 579	12 968

Board & Management

Board



Peter Wiklöf
CEO
Ålandsbanken



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



Matti Jääskeläinen
M.Sc. Electrical
Engineering

Management



Thomas Lundberg
Managing Director



Tommy Grönlund
Dep. Managing Director



Johan Dahlström
Business Area Manager
Capital Markets



Victoria Sundberg
Business Area Manager
Card & Mobile Payments



Niclas Södergård
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