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## [Finantsinspektsioon annual report 2016](#)

In this annual report, we discuss shortly the state of the financial sector in Estonia and give an overview of the important activities of Finantsinspektsioon in 2016. Estonia has a strong financial sector that creates good conditions for economic growth.

The structure of the financial markets of the European Union and Estonia are different enough, as are the risks in these markets. In the opinion of the European Systemic Risk Board, the main risk to the financial stability of the European Union is the revaluation of risks in the global financial market and the weak balance sheets of financial institutions.

In the opinion of Eesti Pank, the financial stability of Estonia is influenced by the decreasing profitability of companies, which reduces solvency, and the evaluation of the risks of the Scandinavian economy or banking groups as higher by the financial market, which increases the liquidity risk of the Scandinavian banks operating in Estonia and the risk of financing the economy.

The accelerating price increase in real estate driven by the growth of income and low interest rates further influences financial stability that leads to higher vulnerability of the banks to the risks of the real estate sector. The balance sheets of significant financial intermediaries in Estonia cannot be considered weak.

The indicators of our financial sector, especially in banking, show much higher sector quality compared to the European average. There is no burden of the past in the form of bad assets, low capitalisation and poor profitability in Estonia that would unreasonably limit the financial intermediaries to play their role in the society well.

### **Annual Report in PDF**

[Finantsinspektsioon annual report 2016](#) (pdf, 5.84 MB)

### **Annual Report on ISSUU**

[Yearbook](#)

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