
[Estonian financial services market overview as at 31 December 2016](#)

The year 2016 brought along diverse developments, reflecting current trends in the Estonian economy. The volume growth of voluntary long-term savings and investment services, which had slowed over the last years, picked up speed in 2016. The growth of services used for financing consumption continued to be strong. Total balance of deposits increased by 5% in 2016, or by 798 million euros. This growth was supported by demand and overnight deposits (855 million euros were added), owing primarily to low interest rates. The balance of term and savings deposits dropped by 37 million euros.

As at the end of 2016, the deposits amounted to 16.3 billion euros. Consolidated balance of the banks' loan portfolio increased by 6% in 2016, or by 1 billion euros. As at the end of the year, the banks' loan portfolio amounted to 17.8 billion euros. Loans issued by creditors has been added as a new service, the volume of which was 0.7 billion euros as at the end of the year.

Investment service volumes have increased, especially in the funds segment. In addition to the 18% higher pension fund volumes, the volume of real estate funds made an upsurge of 61% in 2016. At the same time, investments in foreign funds and other investments in financial instruments decreased, both by 4% in a year. Aggregated volume of individual portfolios increased by 5%.

Altogether, the volume of assets placed in financial services targeted at savings and investing in 2016 – including investment and pension funds, individual portfolios, other financial instruments, term and savings deposits and investment and other deposits – grew by 5% to 10.2 billion euros by the year-end (at the end of 2015, it amounted to 9.7 billion euros). At the same time, the funds held in current accounts increased by 7% in the year, amounting to 12.9 billion euros at the year-end.

The volume of insurance premiums in life insurance increased by 3% in 2016 and amounted to 86 million euros. The volume of insurance premiums in non-life insurance increased by 8% and amounted to 302 million euros.

From 2016, Finantsinspektsioon has access to the reports of creditors; accordingly, the data of loans issued by them has been added also to this overview. In 2016, the financial assets of Estonian resident private persons exceeded their liabilities: the volume of financial assets was 10.2 billion euros as at the end of the year, while the balance of financial liabilities was 8.4 billion euros.

Consequently, the net financial assets of Estonian resident private persons amounted to 1.8 billion euros at the year-end. The net financial assets decreased compared to 2016 (at the end of 2015 they amounted to 1.9 billion euros), above all because liabilities now include loans issued by creditors. Without these loans, the balance of financial liabilities would have been 7.6 billion euros and the net financial assets 2.5 billion euros.

The average volume of assets of an Estonian resident private person was 7,709 euros and the balance of loans 6,339 euros as at the end of 2016. The average net financial assets of a private

person were accordingly 1,370 euros (1,458 euros as at the end of 2015). Without creditors' loans, the average net financial assets would have increased to 1,932 euros at the end of the year.

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Page last edited on 03/12/2018