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## The Estonian Financial Services market as at 30.06.2021

in the first half of 2021, with investment particularly advancing. Trading activity on the Nasdaq Tallinn exchange has increased substantially and the OMX Tallinn index has reached new record levels. Deposits continue to grow, and lending activity was greater than a year earlier at both banks and creditors. The receipt of insurance premiums in non-life insurance has also almost returned to its pre-pandemic levels. The only decline was in life insurance, which was affected very much by the pension reform that came in at the start of 2021 and that allows people to withdraw money directly from their pension fund and not sign a pension contract with an insurer.

Aggregate deposits grew more slowly in the first half of 2021 than they did a year earlier, adding 5% rather than 10%. It should be noted though that the figure for last year included extraordinarily large general government<sup>1</sup> deposits, without which the growth would have been of the same rate this year and last year. The main growth came in demand and overnight deposits, the stock of which increased over the half year by 6%, or 1.2 billion euros, while the stock of term and savings deposits decreased by 7%, or 0.2 billion euros, at the same time. At the end of June there was a total of 25 billion euros invested in deposits.

The aggregate stock of the loan portfolios of the banks in Estonia grew faster in the first half of 2021 than in the previous year, adding 2% or 509 million euros. The aggregate loan portfolio of the banks at the end of June stood at 21.2 billion euros. Growth also increased in the aggregate stock of consumer loans from creditors, adding 3% or 30 million euros and leaving the total stock at 1.22 billion euros at the end of June.

The volumes of all investment services increased, with the assets of pension funds and public investment funds up 5%, investments in foreign funds<sup>2</sup> up 17%, individual portfolios up 8%, and other investments in financial instruments such as holdings of securities up by 32%.

In total, the assets invested in financial services aimed at savings and investment, which includes investment funds and pension funds, individual portfolios, direct investments in financial instruments, term and savings deposits, and investment and other deposits, increased in the first half of 2021 by 6% to 12 billion euros at the end of June from 11.4 billion euros at the end of 2020. The amount held as deposits on current accounts increased by 6% over the half year to 21.9 billion euros at the end of June. A total of 33.9 billion euros was invested in all the different financial services in Estonia.

Insurance premiums in life insurance declined by 3% to 41 million euros, while non-life premiums grew by 4% to 201 million euros.

The financial assets of Estonian private residents were larger than their liabilities in the first half of 2021, as there were 17.1 billion euros of financial assets at the end of June, and 11.2 billion euros of financial liabilities. The financial assets of Estonian residents grew faster than their financial liabilities, as aggregate financial assets increased by 9% and aggregate liabilities by 3%.

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This meant the net financial assets of Estonian private residents were 5.9 billion euros at the end of June, which was up by more than 1 billion euros over the half year.

The average private resident of Estonia had financial assets at the end of the June of 12,840 euros, and outstanding loans of 8410 euros. This gave the average private resident net financial assets of 4430 euros, up from 3664 at the end of 2020.

<sup>1</sup> The general government covers the central government, local governments, the state social insurance fund and other off-budget funds.

<sup>2</sup> To avoid repeating data, investments by foreign investment funds show only investments that Estonian residents have made themselves, and not through Estonian insurers, investment and pension funds, or portfolio management services as part of a securities depositing service.

## **The pdf-version of The Estonian Financial Services market as at 30.06.2021**

[The Estonian Financial Services market as at 30.06.2021](#) (pdf, 2.54 MB)

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