



ESTONIAN FINANCIAL SERVICES MARKET as at
31 December 2015

The overview discusses services provided in Estonia by companies that belong under the supervision of the Financial Supervision Authority.

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I. General developments of the financial services market

Compared to 2014, the combined volume of customer deposits grew 4% or by 657 million euros in 2015, whereby the growth was driven by demand and overnight deposits (1.4 billion euros were added). However, the volume of fixed-term deposits diminished by 0.7 billion euros. The total volume of customer deposits was **15.5 billion euros** as at the end of 2015.

The combined volume of loan portfolios¹ of banks increased 5% or by 0.8 billion euros² in 2015. As at the end of 2015, the size of the combined loan portfolio of banks was **16.3 billion euros**.

The developments in investment services took different paths. While the combined volume of the assets of pension funds increased 18% over the year, the combined volume of the assets of other investment funds registered in Estonia (excluding pension funds) grew 6%. At the same time, investments into foreign funds³ decreased 29% year-on-year, the volume of insurance premiums received under unit-linked life insurance (ULI) contracts decreased 4% and the combined volume of individual portfolios declined 38%.

All in all, the volume of assets invested into financial services designed for saving and investing, including ULI products, investment funds, pension funds, individual portfolios, other financial instruments, fixed-term and savings deposits, and investment and other deposits, decreased 4%, comprising **9,695 billion euros** at the end of 2015 (10,127 billion euros as at the end of 2014⁴). At the same time, the funds held in current accounts increased 13% over the year, amounting to 12 billion euros at the end of December.

The volume of insurance premiums in life insurance increased 3% in 2015 and amounted to **83 million euros**. The volume of insurance premiums received in non-life insurance increased 7% and totalled **280 million euros**.

The volume of investing and banking services rendered by Estonian financial institutions, including data about private persons that are Estonian residents, is shown in the table below (as at 31 December 2015).

Service	Total, EUR million	Including Estonian resident individuals	
		EUR million	share in total service
Volume of investment funds	604	NA	NA
Volume of pension funds	2,740	2,740	100%
Volume of foreign funds offered in Estonia	527	105	20%
Volume of ULI provisions	232	232	100%
Volume of individual portfolios	628	89	14%
Volume of loans	16,313	7,265	45%
Volume of demand and overnight deposits	12,036	3,976	33%
Volume of fixed-term and savings deposits	3,387	1,717	51%
Volume of investment and other deposits	112	80	71%
Volume of other financial instruments	1,465	306	21%

¹ The data on loans include loans issued by credit institutions in Estonia.

² The total volume of loans issued by credit institutions actually increased 8%, but it included an intra-group loan of one market participant (ca 0.4 billion euros).

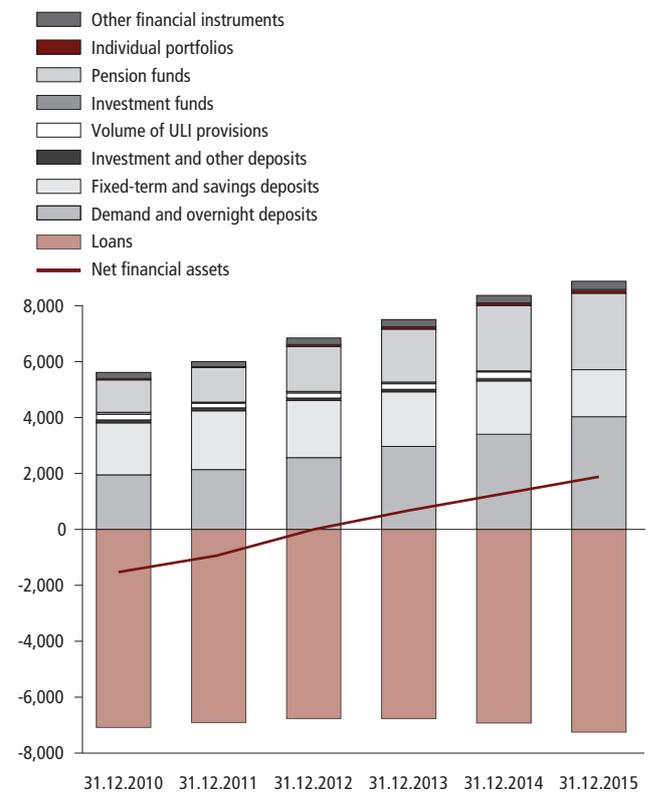
³ To avoid presenting the same data multiple times, the investments into foreign investment funds have been subtracted the investments made by Estonian insurance companies, and investment and pension funds.

⁴ Unlike in previous overviews, the financial assets now also contain the securities held in the securities accounts of Estonian credit institutions.

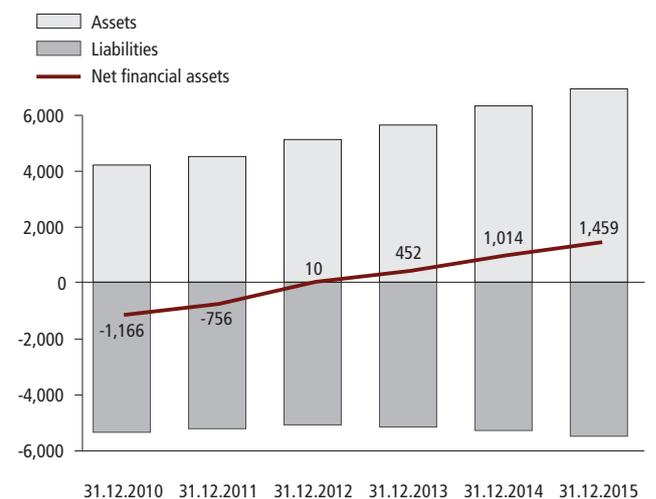
As a result of the continuing growth in the volume of financial assets⁵ in 2015, the financial assets of Estonian resident individuals exceeded their liabilities. At the end of 2015, the volume of financial assets of Estonian resident individuals was 9.2 billion euros, while the balance of financial liabilities amounted to 7.3 billion euros. Hence, the net financial assets of Estonian resident individuals increased from 1.3 billion euros to 1.9 billion euros over the year.

When taking into account the size of population⁶, an Estonian resident individual had assets for 6,997 euros and loans for 5,538 euros on an average at the end of 2015, which means that the average net financial assets of an individual were 1,459 euros (the figure was 1,014 euros as at the end of 2014).

Financial assets and liabilities of Estonian resident individuals (EUR million)



Average net financial assets of Estonian resident individuals (EUR)



⁵ Financial assets include all investment and savings products belonging to Estonian resident individuals (excluding securities held in the accounts of the Estonian Central Register of Securities). Unlike in previous overviews, financial assets now also include securities held in securities accounts of Estonian credit institutions.

⁶ The population data of Statistics Estonia have been used.

2. Division of private customers⁷ by products

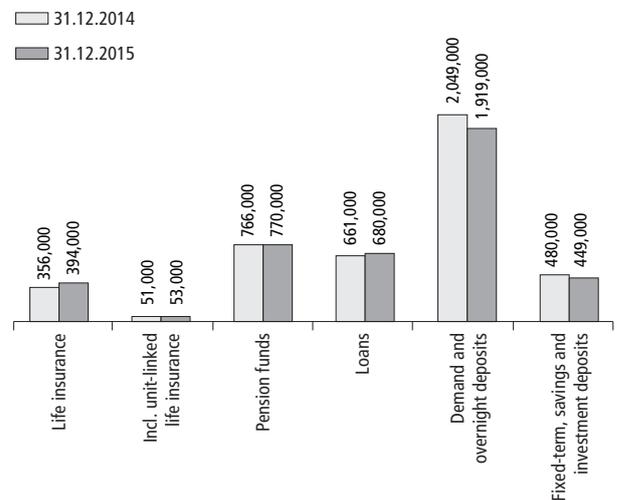
By the number of contracts, demand deposit (current account) is the most popular financial service in Estonia. As at the end of 2015, private persons held 1,919 million current accounts⁸ (many individuals have several current accounts).

Pension funds are the second most popular financial product used by private persons. The number of persons that have made contracts with pension funds increased from 766,000 to 770,000 in a year.

The number of loan contracts made with private persons⁹ increased from 661,000 to 680,000 during 2015.

The number of fixed-term, savings and investment deposit contracts decreased from 480,000 to 449,000. The number of life insurance contracts grew from 356,000 to 394,000, including ULI contracts that increased from 51,000 to 53,000.

Number of contracts made by private persons by financial service



⁷ Here and hereinafter, customer means a person that holds one contract.

⁸ This figure includes current accounts opened in credit institutions that have a positive monetary balance.

⁹ Only loans issued by credit institutions have been taken into account. The analysis does not consider the fact that some persons may have entered into several loan contracts.

3. Life insurance

a. Service

In 2015, life insurance companies in Estonia collected **insurance premiums** in the amount of **83.3 million euros**¹⁰ (80.8 million euros in 2014). **The volume of insurance premiums increased 3.2%** in a year.

The largest growth in insurance premiums took place on the account of annuities and whole life insurance contracts. The volume of annuity insurance premiums increased from 16 million euros to 19 million euros and the volume of whole life insurance contracts increased from 10 million euros to 12 million euros over the year. Concurrently, the volume of ULI premiums decreased from 34 million euros to 32 million euros. The volume of endowment insurance premiums decreased from 17 million euros to 16 million euros.

The life insurance product with the largest volume was continuously ULI with a share of 39% among all products (42% in 2014). The second most popular life insurance product by volume is annuity with a share of 23% (20% in 2014). The growth in annuity premiums is primarily caused by the growth in the volume of pillar II pension contracts¹¹. The share of endowment insurance was 19% (21% in 2014).

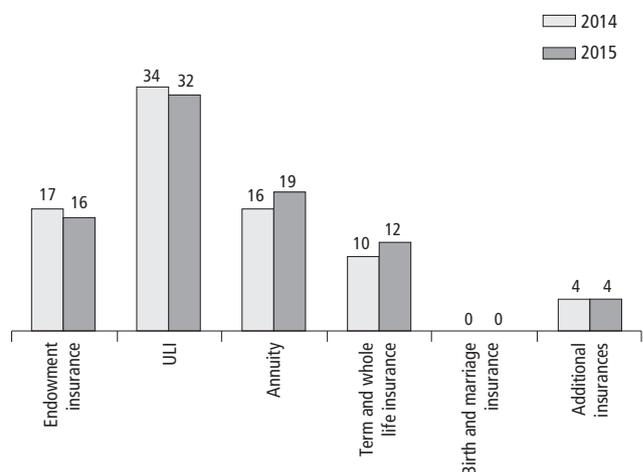
Overall market breakdown:

Swedbank Life Insurance SE	41%
AS SEB Elu- ja Pensionikindlustus	25%
Compensa Life Vienna Insurance Group SE	19%

Customers: 394,066 effective contracts

Service volume: total EUR 83.3 million in insurance premiums received in 2015

Premiums by life insurance class (EUR million)



¹⁰ The data do not include insurance premiums collected outside of Estonia.

¹¹ More detailed data on the pillar II payments of funded pension have been added to section 6.

b. Consumers

The number of life insurance contracts increased 11% or by more than 38,000 contracts in 2015. As at the end of December, the insurance companies operating in Estonia had made 394,066¹² life insurance contracts, including 225,163 basic life insurance contracts¹³ (355,884 contracts as at the end of 2014, including 212,171 basic contracts).

The growth was mainly achieved on the account of term and whole life insurance and additional insurance contracts¹⁴. The number of effective term and whole life insurance contracts grew from 94,717 to 109,070, i.e. by 14,353 contracts over the year. Consequently, in terms of the number of contracts, the term and whole life insurance was still the best selling life insurance class as at the end of 2015. There were 168,903 additional insurance contracts as at the end of 2015 (143,713 contracts as at the end of 2014).

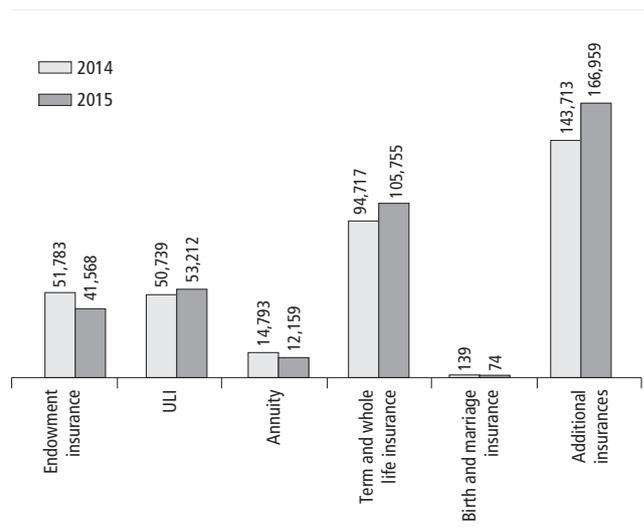
Similar to previous years, there was a decline in endowment insurance also in 2015 – the number of effective contracts decreased by 4,175. As at the end of 2015, there were 47,608 effective contracts. In five years, the share of the number of effective endowment insurance contracts has dropped from 25% to 12%.

The number of effective ULI contracts increased by 2,473 contracts. As at the end of 2015, there were 53,212 effective ULI contracts. The number of effective annuity contracts increased by 406, i.e. from 14,793 contracts to 15,199 contracts.

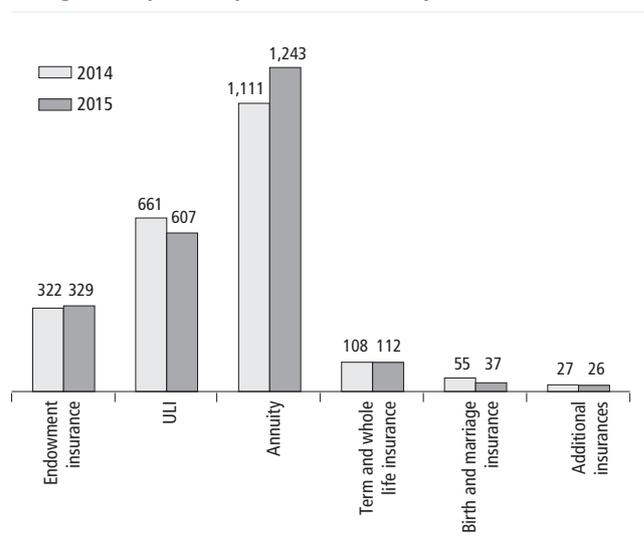
The biggest changes in terms of the average volume of a contract pertained annuity and ULI contracts. The average premium sums of other insurance classes did not change notably during the year.

The average premium amount of an annuity grew from 1,111 euros a year before to 1,243 euros. An average premium amount made to ULI contracts decreased from 661 euros to 607 euros over the year.

Number of effective life insurance contracts concluded in Estonia



Average sum of premiums paid to a contract in a year (EUR)



¹² This figure includes both life insurance contracts and additional insurance contracts.

¹³ These data include only life insurance contracts made in Estonia.

¹⁴ Additional insurances provide complementary risk cover that the policyholder can take out in addition to the basic life insurance contract.

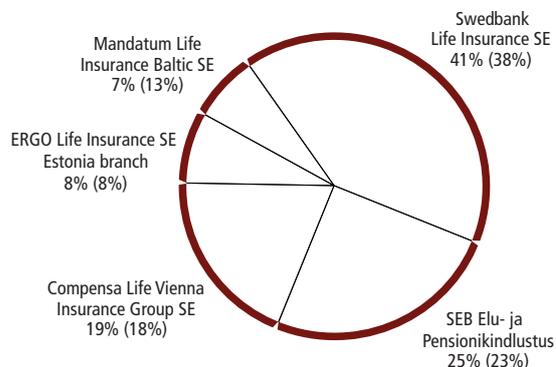
c. Service providers

In 2015, 85% of insurance premiums (79% of insurance premiums in 2014) by the sum of insurance premiums were received by the three largest life insurance companies – Swedbank Life Insurance SE, AS SEB Elu- ja Pensionikindlustus and Compensa Life Vienna Insurance Group SE.

The volume of insurance premiums collected by Mandatum Life Insurance Baltic SE decreased in 2015 (by 42%), which resulted in the diminishing of its market share from 13% to 7%. The decrease in the volume of insurance premiums occurred on the account of ULI. Swedbank Life Insurance SE increased its market share from 38% to 41%, mainly on the account of ULI and term and whole life insurance. The market shares of AS SEB Elu- ja Pensionikindlustus and Compensa Life Vienna Insurance Group SE increased from 23% to 25% and from 18% to 19%, respectively.

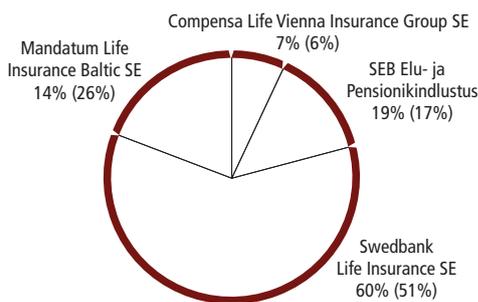
In terms of ULI, the collection of insurance premiums by Mandatum Life Insurance Baltic SE decreased (by 49%), which caused its market share to drop from 26% to 14%. However, receipt of premiums under ULI contracts increased in other life insurance companies. The largest market share still belonged to Swedbank Life Insurance SE, which increased in 2015 from 51% to 60%.

Market shares of life insurance companies by premiums received in 2015
(2014 data in brackets)

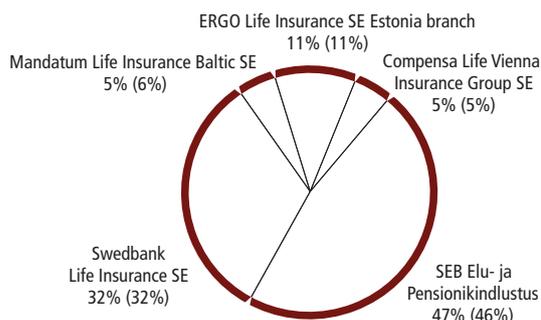


In terms of endowment insurance, the volume of premiums decreased in 2015 in all life insurance companies. However, this did not cause any changes in the market breakdown. The largest endowment insurance service provider as at the end of 2015 was AS SEB Elu- ja Pensionikindlustus with its market share of 47%.

Market breakdown: ULI as at 31 December 2015
(as at 31 December 2014 in brackets)



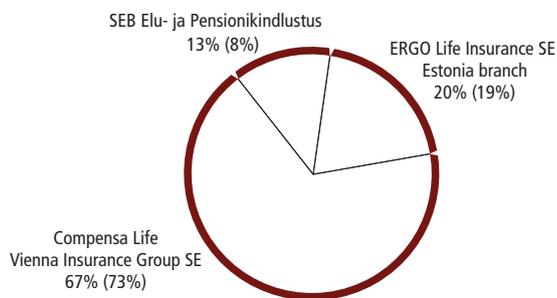
Market breakdown: endowment insurance as at 31 December 2015
(as at 31 December 2014 in brackets)



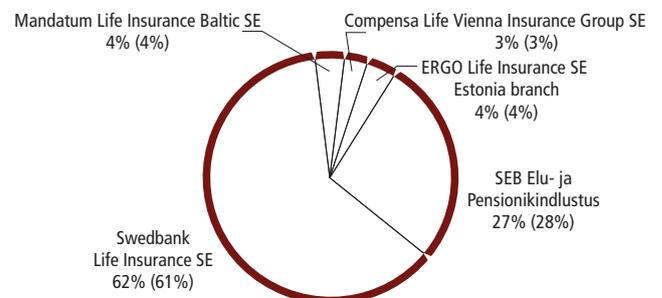
In 2015, collection of **annuity** premiums increased in all life insurance companies. However, AS SEB Elu- ja Pensionikindlustus showed the biggest growth in this class, where the volume of premium payments grew 72%. This also resulted in a larger market share of AS SEB Elu- ja Pensionikindlustus, which increased from 8% to 13%. The biggest annuity service provider was still Compensa Life Vienna Insurance Group SE, whose market share was 67% as at the end of December. ERGO Life Insurance SE Estonia branch market share constituted 20%.

The market shares changed quite little in term and whole life insurance class. The largest market was covered by Swedbank Life Insurance SE with 62%, followed by AS SEB Elu- ja Pensionikindlustus with 27%.

Market breakdown: annuity
as at 31 December 2015 (as at 31 December 2014 in brackets)



Market breakdown: term and whole life insurance
as at 31 December 2015 (as at 31 December 2014 in brackets)



3.1. Life insurance brokers

a. Service

According to the data received by the Financial Supervision Authority, **insurance brokers registered in Estonia** brokered insurance premiums in **life insurance** for the total amount of 491,000 euros in 2015. The volume of brokered insurance premiums increased 14% over the year. While the volume of premiums under ULI contracts decreased in a year, the volume of premiums under annuity and accident and sickness insurance contracts increased at the same time.

The most brokered contracts in 2015 were **accident and sickness insurance and other life insurance contracts** – the volume of premiums via brokers was 250,000 euros and 198,000 euros, respectively. Similar to previous periods, the largest share of other life insurance contracts constitute term life insurance contracts. The volume of insurance premiums under ULI contracts was 4,000 euros and the volume of annuity insurance premiums was 39,000 euros.

Estonian life insurance brokers **largely brokered insurances contracts of insurance companies of the European Economic Region countries**, which account for 51% of insurance premiums (54% in 2014) and 48% of the number of contracts (also 48% in 2014).

b. Consumers

In 2015, insurance brokers operating in Estonia brokered 662 life insurance contracts (602 contracts in 2014).

New effective life insurance contracts made via brokers divide in 2015 as follows (the number of contracts made in 2014 is shown in brackets):

- ULI – 2 contracts (4);
- Annuity – 4 contracts (4);
- Accident and sickness insurance – 330 contracts (289);
- Contracts of other class – 326 contracts (305).

The average volume of contracts made via brokers for annuities was 9,708 euros. They were followed by ULI with an average amount of 2,069 euros. The average payment made via insurance brokers to accident and sickness insurance contracts was 758 euros and other life insurance contracts 609 euros.

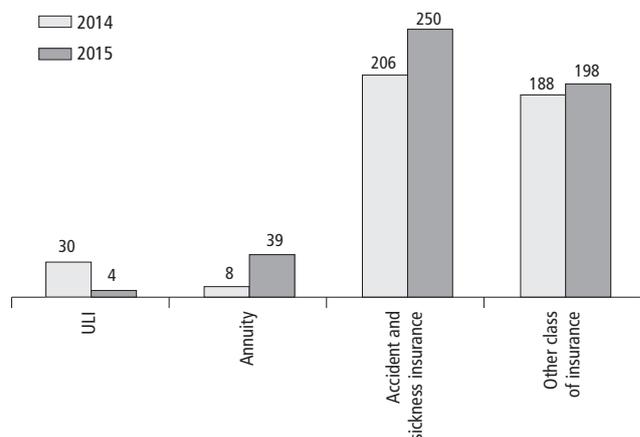
Overall market breakdown:

KindlustusEst Kindlustusmaakler OÜ	57%
OÜ Marks ja Partnerid	
Kindlustusmaaklerid	18%
Kominsur Kindlustusmaakler OÜ	10%

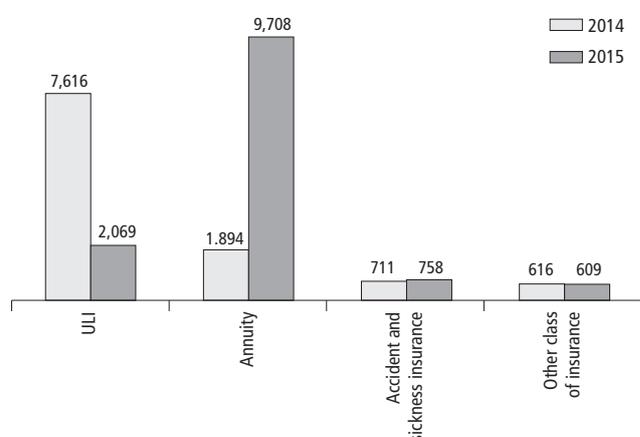
Customers: 662 brokered contracts

Service volume: EUR 491,000 insurance premiums brokered in 2015

Insurance premiums brokered by insurance brokers by life insurance class (thousand EUR)



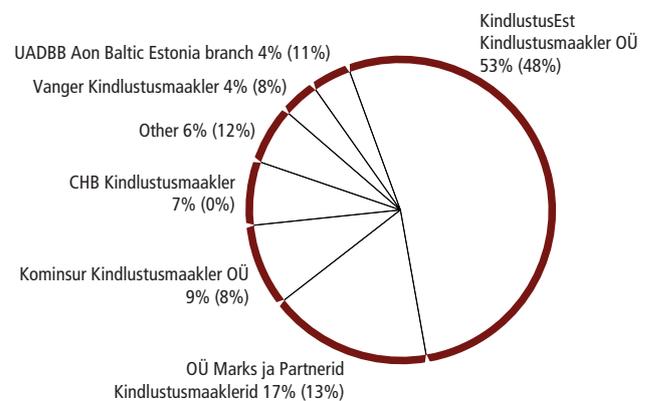
Average sum of insurance premiums paid to a contract over the year (EUR)



c. Service providers

In 2015, life insurance contracts were brokered by 12 insurance brokers (9 insurance brokers in 2014), of which KindlustusEst Kindlustusmaakler OÜ still held the largest market share, followed by OÜ Marks and Partnerid Kindlustusmaaklerid (17%). Kominsur Kindlustusmaakler OÜ made 9% of life insurance contracts entered into via insurance brokers, CHB Kindlustusmaakler OÜ 7% of brokered life insurance contracts. Vagner Kindlustusmaakler AS and UADBB Aon Baltic Estonia branch both entered into 4% of the brokered life insurance contracts.

**Market shares of insurance brokers by life insurance premiums in 2015
(in 2014 in brackets)**



4. Non-life insurance¹⁵

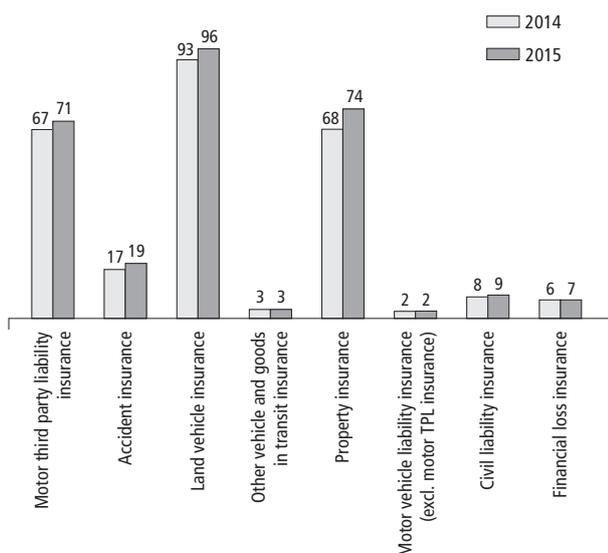
a. Service

In 2015, non-life insurance companies and branches of foreign non-insurance companies operating in Estonia under activity permits received insurance premiums **280 million euros** in total (262 million euros in 2014), including 63 million euros or 23% of all collected insurance premiums (64 million euros or 24% of all collected insurance premiums in 2014) by the branches of foreign insurance companies in Estonia. Of insurance premiums collected by non-life insurance companies, 111 million euros (or 40% of all premiums) were collected via insurance brokers.

Insurance premiums increased in all non-life insurance classes in 2015. **The biggest growth occurred in property insurance**, where the volume of insurance premiums grew by 6 million euros over the year.

Land vehicle insurance, i.e. comprehensive insurance, remained the largest insurance class with insurance premiums amounting to 96 million euros. It was followed by property insurance and motor third party liability insurance with the volume of premiums 74 million euros and 71 million euros, respectively.

Insurance premiums by non-life insurance class (EUR million)

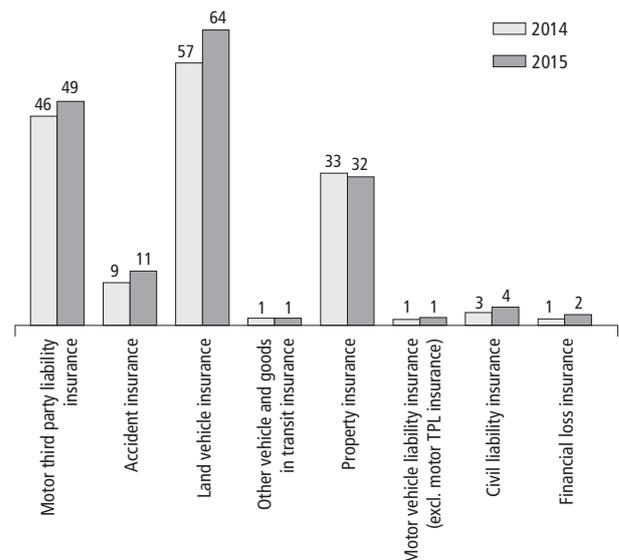


Overall market breakdown:

IF P&C Insurance AS	27%
ERGO Insurance SE	17%
Swedbank P&C Insurance AS	15%
Customers:	information not available
Service volume:	EUR 280 million insurance premiums received in 2015

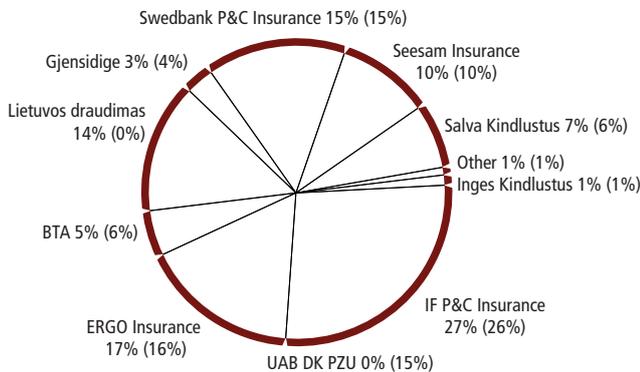
163 million euros was paid out as indemnities in 2015 (150 million euros in 2014). **The amounts of indemnities paid out increased most in land vehicle insurance (a growth from 57 million euros to 64 million euros) and in motor third party liability insurance (a growth from 46 million euros to 49 million euros) year-on-year.** The amounts of indemnities decreased only in property insurance, where they declined from 33 million euros to 32 million euros.

Indemnities paid out by non-life insurance class (EUR million)

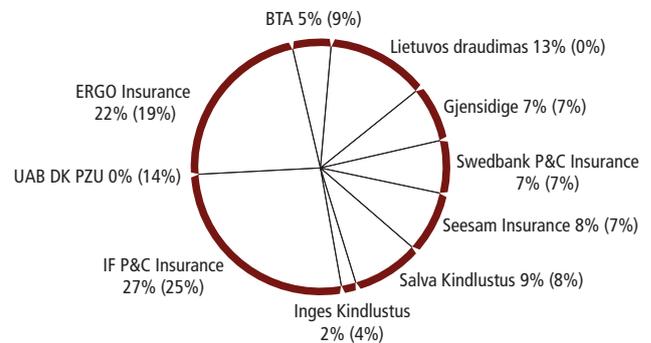


¹⁵ The data on non-life insurance include only contracts made in Estonia. The data do not include insurance contracts made by foreign branches of Estonian insurance companies.

Market shares of non-life insurance companies by premiums received in 2015 (2014 in brackets)



Market breakdown: motor third party liability insurance as at 31 December 2015 (31 December 2014 in brackets)



b. Service providers

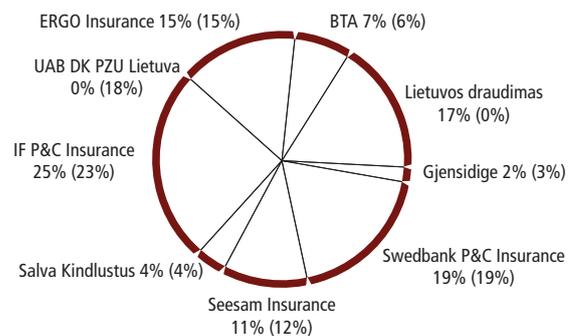
The biggest changes in the market share of insurers in 2015 are related to the merger of the portfolios of UAB DK "PZU Lietuva" Estonia branch, which took over the insurance portfolio of Codan Forskring A/S Estonia branch last year, and AB Lietuvos draudimas Estonia branch, which resulted in AB Lietuvos draudimas Estonia branch taking over a substantial share of the Estonian non-life insurance market.

As at the end of 2015, IF P&C Insurance AS held the largest market share in the non-life insurance market (27%). ERGO Insurance SE had 17% of the market, Swedbank P&C Insurance AS 15% and AB Lietuvos draudimas Estonia branch 14% of the market.

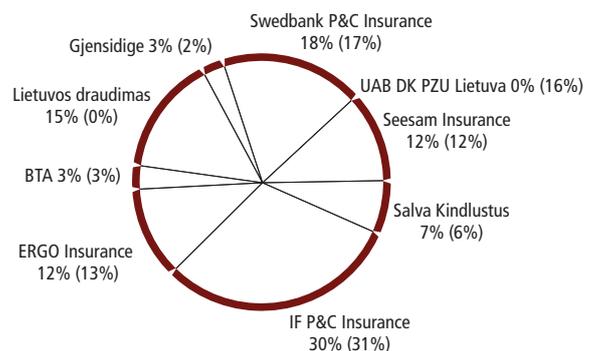
The total market share of the branches of foreign insurance companies was 23%.

The largest market share in motor TPL, land vehicle and property insurance still belonged to IF P&C Insurance AS with market shares of 27%, 25% and 30%, respectively. It was followed by ERGO Insurance SE in motor TPL insurance with 22% and Swedbank P&C Insurance AS in land vehicle and property insurance with 19% and 18%, respectively. AB Lietuvos draudimas Estonia branch, which entered Estonian market in 2015, held a 13% market share in motor third party liability insurance, 17% in land vehicle insurance and 15% in property insurance.

Market breakdown: land vehicle insurance as at 31 December 2015 (31 December 2014 in brackets)



Market breakdown: property insurance as at 31 December 2015 (31 December 2014 in brackets)



4.1. Non-life insurance brokers

a. Service

According to the data received by the Financial Supervision Authority, **insurance brokers registered in Estonia brokered insurance contracts in non-life insurance** for the total amount of **insurance premiums** of 139 million euros¹⁶ in 2015 (135 million euros in 2014).

A similar pattern of collection of insurance premiums by insurance companies was present in the volume of insurance premiums brokered in 2015, where the **largest** brokered **insurance class** was **land vehicle insurance** (the volume of brokered insurance premiums was 46 million euros). However, unlike in case of non-life insurance companies, the second popular class was **motor third party liability insurance** (36 million euros) and only then **property insurance** (26 million euros).

Estonian insurance brokers broker contracts of both Estonian and foreign insurance companies. In 2015, the insurance premiums brokered by Estonian brokers were the following: 111 million euros or 80% of insurance premiums were insurance premiums of Estonian insurance companies and 28 million euros or 20% were insurance premiums of foreign insurance companies. The biggest share of contracts of foreign insurance companies was vehicle and goods in transit insurance (15 million euros), financial loss insurance (5 million euros) and property insurance (also 5 million euros).

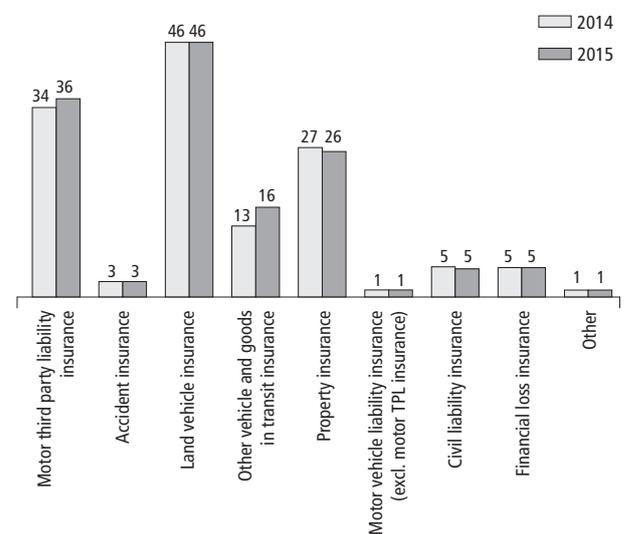
Overall market breakdown:

IIZI Kindlustusmaakler Aktsiaselts	24%
Marsh Kindlustusmaakler AS	13%
AS Vandeni Kindlustusmaaklerid	7%

Customers: 778,603 brokered contracts

Service volume: EUR 139 million insurance premiums received in 2015

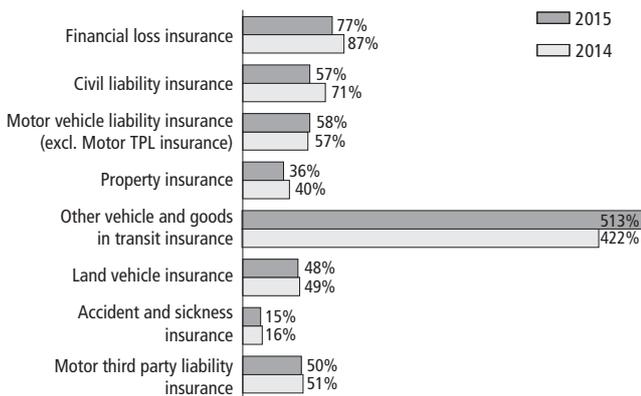
Insurance premiums received via insurance brokers by non-life insurance class (EUR million)



¹⁶ In addition to the contracts of insurers, the contracts of foreign re-insurers were also brokered in Estonia. The volume of these insurance premiums was 8 million euros in 2015. This overview does not discuss them.

A comparison of the data of non-life insurance companies and insurance brokers revealed that in 2015 **foreign insurers** were preferred more in **other vehicle (air and water vehicles) and goods in transit insurance**, where the volume of insurance premiums brokered by foreign insurance companies exceeded the volume of insurance premiums of Estonian insurers over five times (see diagram below).

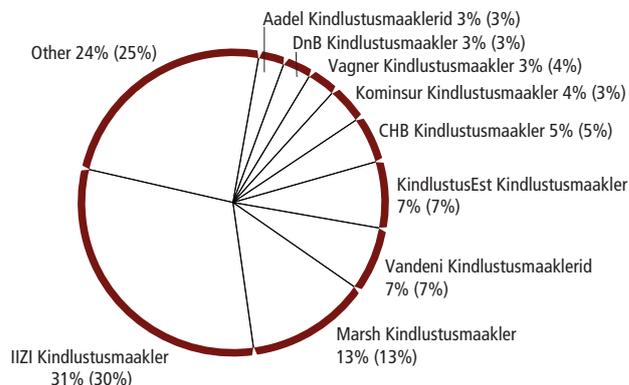
Premiums received via brokers to premiums of Estonian non-life insurance companies (%)



b. Service providers

In 2015, non-life insurance contracts were brokered by 41 insurance brokers, of which IIZI Kindlustusmaakler AS¹⁷ held the largest market share (31%). It was followed by Marsh Kindlustusmaakler AS (13%) and AS Valdeni Kindlustusmaaklerid (7%). The market shares of other non-life insurance brokers remained the same in general.

Market shares of insurance brokers by non-life insurance premiums in 2015 (2014 data in brackets)



¹⁷ Combines figures of IIZI Kindlustusmaakler AS and Insurance Broker Services OÜ.

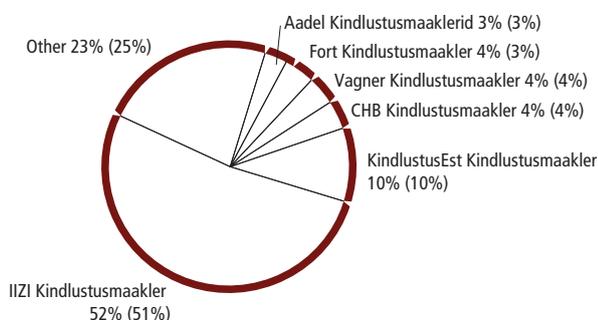
In **motor third party liability insurance**, the largest market share, which is 52%, belonged to IIZI Kindlustusmaakler AS, followed by KindlustusEst Kindlustusmaakler OÜ with a market share of 10% and CHB Kindlustusmaakler OÜ with 4%.

In **land vehicle insurance**, the largest market share was held by IIZI Kindlustusmaakler AS (40%) at the end of 2015, followed by KindlustusEst Kindlustusmaakler OÜ with a market share of 8% and OÜ DnB Kindlustusmaakler with a market share of 7%.

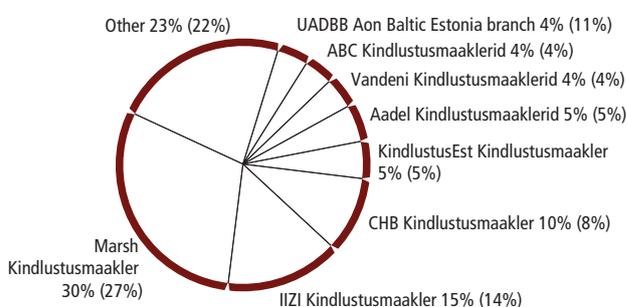
In **property insurance**, the largest market share belonged to Marsh Kindlustusmaakler AS (30%). It was followed by IIZI Kindlustusmaakler AS with 15% and CHB Kindlustusmaakler OÜ with 10%.

In **travel insurance**, which is considered under the accident and sickness insurance, the largest market share belonged to IIZI Kindlustusmaakler AS (38%). It was followed by KindlustusEst Kindlustusmaakler OÜ with a market share of 12% and Optimal Kindlustusmaakler OÜ with a market share of 6%.

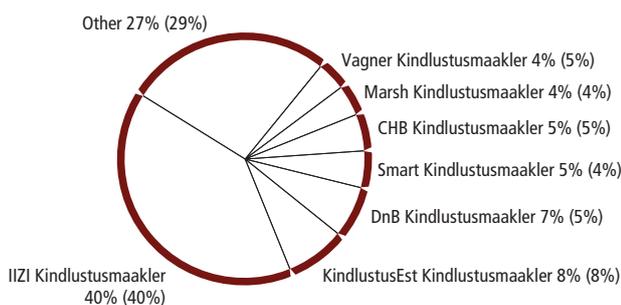
Market shares of insurance brokers in motor third party liability insurance as at 31 December 2015 (31 December 2014 in brackets)



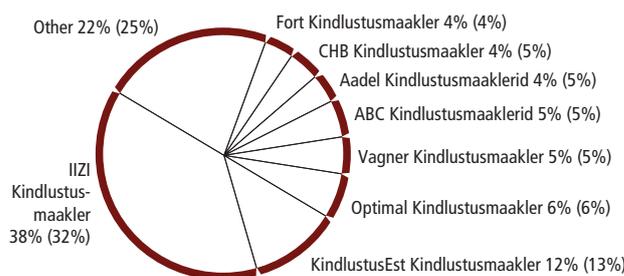
Market shares of insurance brokers in property insurance as at 31 December 2015 (31 December 2014 in brackets)



Market shares of insurance brokers in land vehicle insurance as at 31 December 2015 (31 December 2014 in brackets)



Market shares of insurance brokers in travel insurance as at 31 December 2015 (31 December 2014 in brackets)



In respect to insurance brokers, the majority of the market (90%) is divided between fewer than half of all operating brokers in terms of both the number of brokered contracts and commissions received.

**Largest non-life insurance brokers in 2015
by number of brokered contracts**

Broker	Market share	
	2015	2014
IIZI Kindlustusmaakler AS	58%	55%
KindlustusEst Kindlustusmaakler OÜ	10%	10%
Vagner Kindlustusmaakler AS	3%	3%
CHB Kindlustusmaakler OÜ	3%	3%
Fort Kindlustusmaakler OÜ	3%	2%
Aadel Kindlustusmaaklerid OÜ	2%	4%
NB Kindlustusmaakler OÜ	2%	2%
OÜ DnB Kindlustusmaakler	2%	2%
BCP Kindlustusmaakler OÜ	2%	2%
OÜ ABC Kindlustusmaaklerid	2%	2%
Optimal Kindlustusmaakler OÜ	2%	2%
AS Smart Kindlustusmaakler	2%	2%

This indicates that 90% of brokered contracts have been made by 12 insurance brokers out of 41.

**Largest non-life insurance brokers in 2015
by commission**

Broker	Market share	
	2015	2014
IIZI Kindlustusmaakler AS	35%	34%
Marsh Kindlustusmaakler AS	8%	7%
KindlustusEst Kindlustusmaakler OÜ	8%	7%
CHB Kindlustusmaakler OÜ	6%	5%
AS Vandeni Kindlustusmaaklerid	5%	5%
Kominsur Kindlustusmaakler OÜ	4%	4%
Vagner Kindlustusmaakler AS	4%	4%
Aadel Kindlustusmaaklerid OÜ	4%	3%
OÜ DnB Kindlustusmaakler	3%	4%
OÜ ABC Kindlustusmaaklerid	3%	3%
AS Smart Kindlustusmaakler	2%	2%
UADBB Aon Baltic Eesti filiaal	2%	6%
Fort Kindlustusmaakler OÜ	2%	2%
GrECo JLT Baltic GmbH Eesti filiaal	2%	2%
Optimal Kindlustusmaakler OÜ	2%	2%
Credo Kindlustusmaaklerid OÜ	2%	2%

This table shows that 90% of the amount of commissions received was collected by 16 insurance brokers out of 41.

5. Investment and pension funds¹⁸

a. Service

The volume of the assets of investment funds, including pension funds, increased by 450 million euros or 16% in 2015 and amounted to 3.3 billion euros at the end of 2015¹⁹.

The growth in the fund sector continued to be driven by mandatory pension funds. In 2015, the volume of the assets of mandatory pension funds increased by 408 million euros or 19%, reaching 2,612 billion euros by the end of 2015. The volume of the assets of voluntary pension funds increased by 10 million euros from 118 million euros to 128 million euros.

The volume of the assets of equity funds²⁰ decreased 9% or by 31 million euros over the year. The volume of equity funds amounted to 299 million euros at the end of 2015.

The volume of the assets of property funds increased from 144 million euros to 224 million euros or 55% in 2015. The property funds have already exceeded the volume of the assets of voluntary pension funds and are getting close to the volume of equity funds. The volume of the assets of bond funds decreased from 69 million euros to 53 million euros or 24% in 2015.

In the aggregate structure of the fund sector, mandatory pension funds remained the biggest fund type with a share of 78%. Equity funds with a share of 9% remained in the second place in terms of size. Property funds with a share of 7% have climbed to the third place. The remaining funds – bond funds and voluntary pension funds – amounted to 2% and 4% of the volume of the total assets of funds, respectively. The share of venture capital funds was 1%.

Overall market breakdown:

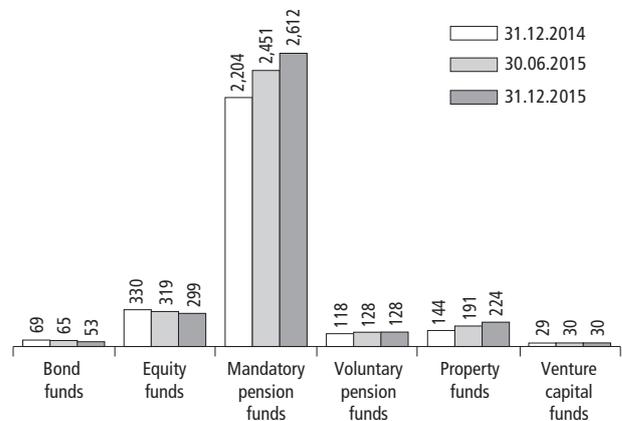
Swedbank Investeerimisfondid AS	39%
AS SEB Varahaldus	19%
AS LHV Varahaldus	17%

Total number

of unit holders: 782,666 effective contracts

Service volume: total volume of funds EUR 3.3 billion

Market value of fund investments (EUR million)



¹⁸ The data on investment funds includes all customers of investment funds registered in Estonia, including customers from foreign countries.

¹⁹ Local equity funds are also funds of funds and mixed funds.

²⁰ Local equity funds are also funds of funds and mixed funds.

b. Consumers

In 2015, the number of unit holders²¹ in Estonian funds increased by 1,657, totalling 782,666 at the end of December. **The main growth was achieved on the account of mandatory pension funds**, where the total number of unit holders increased by 4,027 over the year, reaching 725,685 at the end of the year. The number of unit holders of voluntary pension funds has also grown in a year, by 138 unit holders.

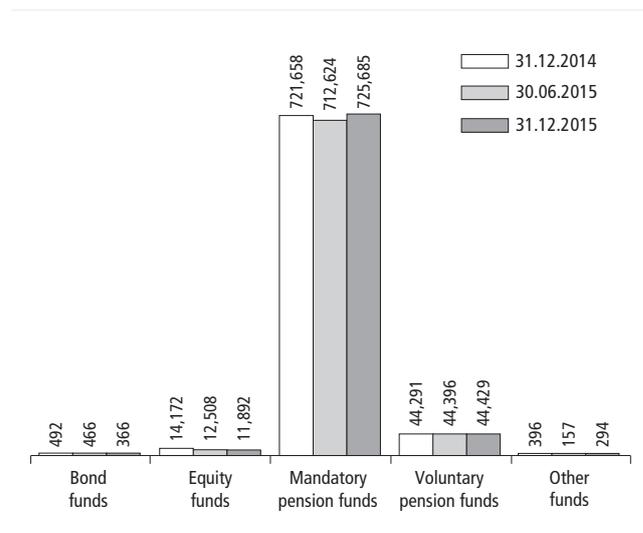
However, the number of unit holders has decreased in other fund types. The number of unit holders showed the greatest decline in equity funds, decreasing by 2,280. In last five years, the number of unit holders of equity funds has dropped more than two times: from 23,987 at the end of 2010 to 11,892 at the end of 2015. In addition to the general trend of unit holders to leave equity funds, the decline in the number of unit holders of equity funds in 2015 was also intensified by the merger of LHV Pärtsia Lahe Fond, which had a large number of unit holders, with SEF Persian Gulf Fund in the first half-year, which is why these unit holders are not included in the reports prepared on the funds registered in Estonia.

The number of unit holders of bond funds has decreased by 126. The number of unit holders of other funds (property and venture capital funds) decreased from 396 to 294.

In summary, the largest fund types as at 31 December 2015 in terms of customer base were mandatory pension funds with 725,685 unit holders, followed by:

- voluntary pension funds with 44,429 unit holders;
- equity funds with 11,892 unit holders;
- bond funds with 366 unit holders;
- other funds (property and venture capital fund) with 294 unit holders.

Number of unit holders of funds



The biggest investments per unit holder²² as at the end of 2015 had been made in property funds (792,649 euros), which can be explained by the fact that mostly wealthier private persons and professional investors invest into these funds. They were followed by bond funds (143,540 euros) and equity funds (25,109 euros). Average investments per one customer were 3,600 euros in mandatory pension funds and 2,877 euros in voluntary pension funds.

²¹ Also includes non-resident unit holders.

²² Investments per customer are illustrative and show only the approximate size of the investment (e.g. in the case of pension funds, new unit holders cause a decrease in the average investment amount).

c. Service providers

Market shares of management companies by the assets of funds remained stable in 2015.

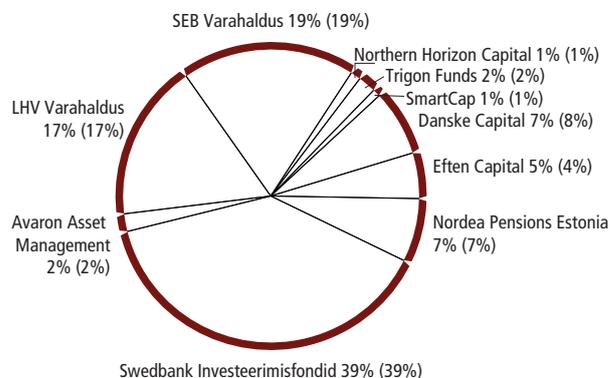
The only change worth highlighting is the decrease in the market share of Danske Capital AS and the increase in the market share of Eften Capital AS. Over the year, the market share of Danske Capital AS decreased from 7% to 6%. The market share of Eften Capital AS grew from 4% to 5% over the year.

The largest market share, which is 39%, is still held by Swedbank Investeerimisfondid AS, followed by AS SEB Varahaldus with a market share of 19% and AS LHV Varahaldus with 17%.

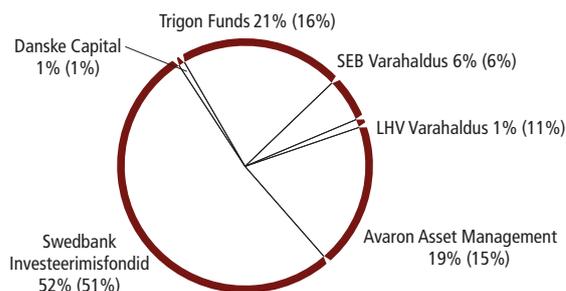
A significant redistribution in the market of **equity funds** in the first half of 2015 was caused by the merger of LHV Pärsia Lahe Fond, which belonged to AS LHV Varahaldus, with SEF Persian Gulf Fund. As a result, the market share of AS LHV Varahaldus dropped from 11% to 1%. At the same time, AS Trigon Funds and AS Avaron Asset Management increased their market shares from 16% to 21% and 15% to 19%, respectively.

The more significant changes in the market division of **bond funds**²³ in 2015 were the growth of the market share of AS SEB Varahaldus and the decrease of the market share of Danske Capital AS. The market share of AS SEB Varahaldus increased from 81% to 84%. The market share of Danske Capital AS decreased from 5% to 1%.

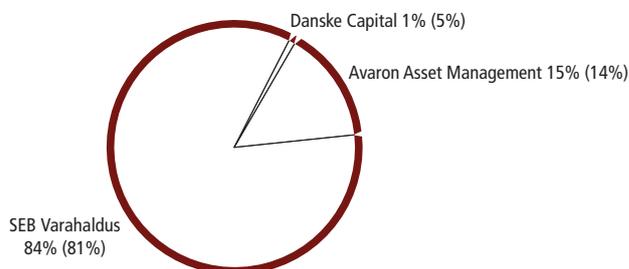
Market breakdown: all funds in total as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: equity funds as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: bond funds as at 31 December 2015
(31 December 2014 in brackets)



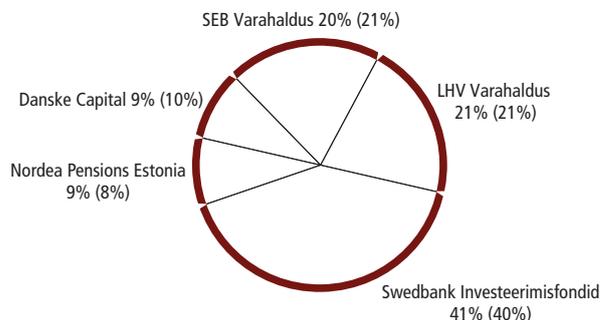
²³ Bond funds include money market funds and interest funds.

Changes in the **mandatory pension funds**’ market were quite insignificant in 2015: the market shares of Swedbank Investeerimisfondide AS and Nordea Pensions Estonia AS increased from 40% to 41% and 8% to 9%, respectively. The market share of AS SEB Varahaldus decreased from 21% to 20% and Danske Capital AS market share decreased from 10% to 9% over the year. The market share of AS LHV Varahaldus remained at 21%

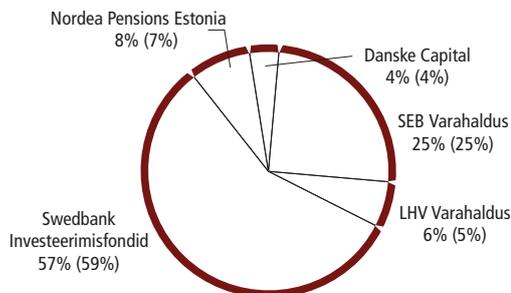
In the market of **voluntary pension funds**, the market shares of AS LHV Varahaldus and Nordea Pensions Estonia AS increased in 2015 from 5% to 6% and 7% to 8%, respectively. However, the market share of AS Swedbank Investeerimisfondid decreased from 59% to 57%.

The largest increase among **other funds** in 2015 was caused by the change in the market share from 58% to 63% of EfTen Capital AS, which manages property funds, and from 15% to 18% of Northern Horizon Capital AS.

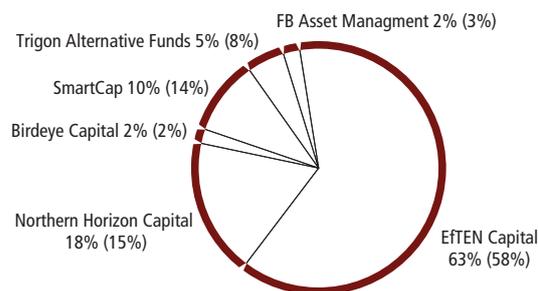
Market breakdown: mandatory pension funds as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: voluntary pension funds as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: other funds as at 31 December 2015
(31 December 2014 in brackets)



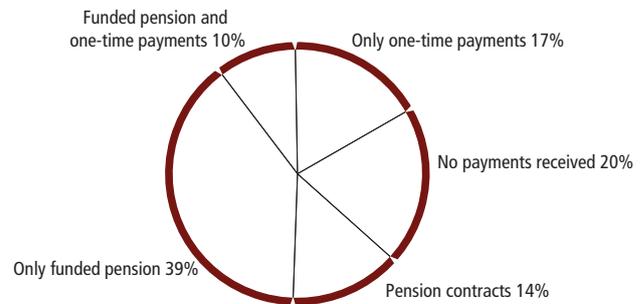
6. II pillar payments of funded pension

According to the Estonian Central Register of Securities, 27,731 people were entitled to II pillar payments of funded pension as at the end of 2015, of which 38% (10,544) were men and 17,187 were women.

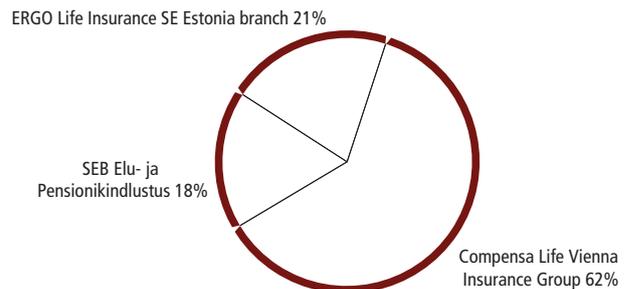
Only funded pension²⁴ payments received 39% of the receivers of II pillar payments as at the end of 2015. 10% of receivers of II pillar payments received payments via funds and one-time payments²⁵. 17% of payment receivers received only one-time payments. 14% of people received payments under a pension contract²⁶. The remaining 20% that are entitled to II pillar pension payments have not applied to initiate payments.

Of life insurance companies, the largest market share belonged to Compensa Life Vienna Insurance Group (62%).

Breakdown of old-age pensioners that have joined II pillar by type of payment at the end of 2015



Market share of insurers by number of II pillar pension contracts in 2015



²⁴ Funded pension is a scheme agreed between a unit holder and the manager of the pension fund based on which regular payments from the pension fund are made to the unit holder during an agreed time.

²⁵ One-time payments are payments withdrawn all at once from the pension fund.

²⁶ Pension contract is an insurance contract made between a unit holder and a life-insurance company based on which the insurance company makes pension payments until the death of the person that has made the contract.

7. Portfolio management service²⁷

a. Service

The portfolio management service is provided by management companies, banks and investment firms. The combined volume of portfolios decreased 38% in 2015 and constituted 628 million euros (1,010 million euros as at the end of 2014). The portfolio management service is characterised by higher volatility because the management of larger volumes is often linked to fixed-term contracts.

The cause of a decrease in the combined volume of securities in 2015 was a 69% decrease in the volume of the assets managed by management companies, i.e. a decline from 558 million euros to 171 million euros. The volume of customer portfolios managed by banks increased from 439 million euros to 454 million euros in 2015. The volume of customer portfolios managed by investment firms dropped from 13 million euros to 3 million euros.

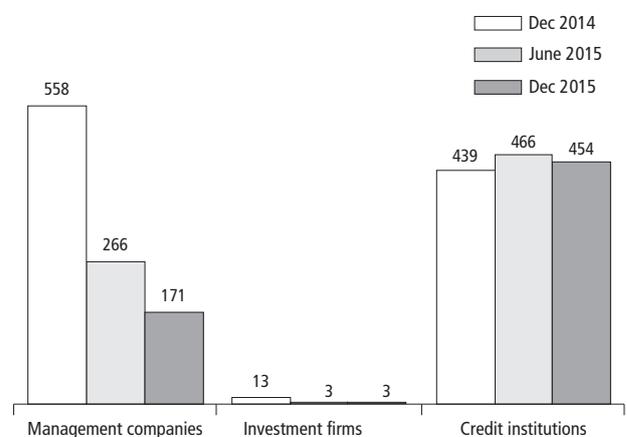
Overall market breakdown:

Swedbank grupp	50%
SEB Bank grupp	27%
Nordea Bank AB Estonia branch	9%

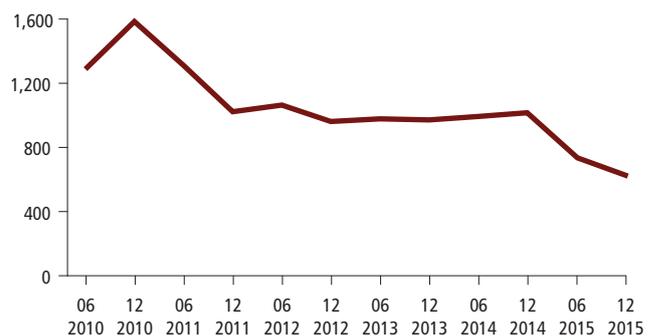
Customers: no information available

Service volume: total volume of portfolios EUR 628 million

Portfolio volumes (EUR million)



Combined volume of individual portfolios (EUR million)



²⁷ The data on portfolio management include all subjects of financial supervision that provide this service in Estonia, whose customers may include persons from Estonia and foreign countries. The management service covers portfolio management with consultations.

b. Service consumers

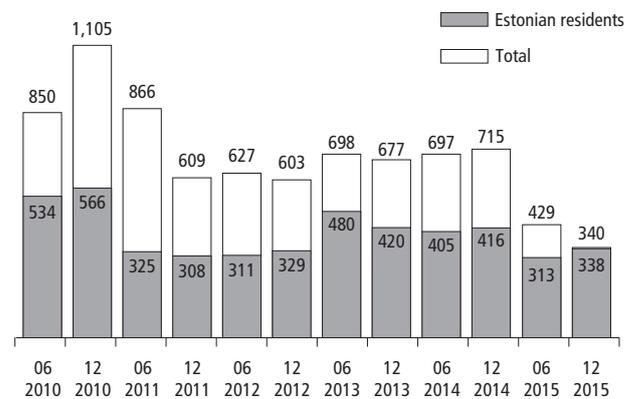
As at the end of 2015, the largest amount of the volume of the customer combined portfolio belonged to **Estonian residents** – almost 88% of the volume of customer portfolio or 550 million euros (646 million euros in 2014). Of this amount, 338 million euros belonged to financial institutions, 117 million euros to companies, 6 million euros to the government and 89 million euros to private persons²⁸.

The largest customer group **by type of customers** were financial institutions, whose volume of portfolios amounted to 340 million euros at the end of 2015. The volume of portfolios of financial institutions dropped 52% or by 375 million euros over the year.

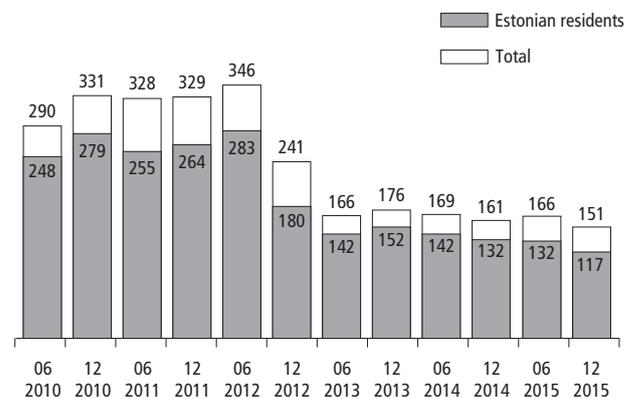
The volume of portfolios of companies was 151 million euros at the end of 2015 (161 million euros at the end of 2014). The volume of portfolios of resident companies decreased from 132 million euros to 117 million euros in a year.

The volume of portfolios of private persons increased from 119 million euros to 131 million euros over the year, including the volume of portfolios of resident individuals from 83 million euros to 89 million euros.

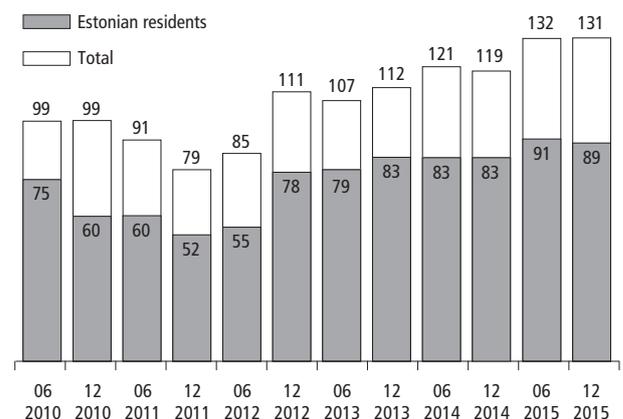
Portfolio volumes by residency – financial institutions (EUR million)



Portfolio volumes by residency – companies (EUR million)

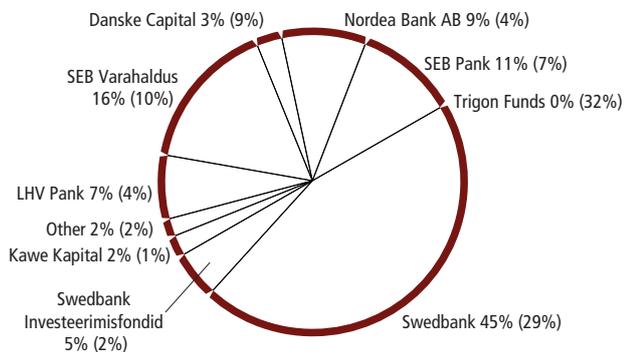


Portfolio volumes by residency – private persons (EUR million)



²⁸ Here and hereinafter, financial institutions include insurance companies, pension funds, credit institutions and other financial institutions; companies are other companies and state or local authority companies; private persons are private persons and non-profit associations. Government means the government and national social welfare funds.

Market breakdown of customer portfolios by service providers as at 31 December 2015 (31 December 2014 in brackets)



c. Service providers

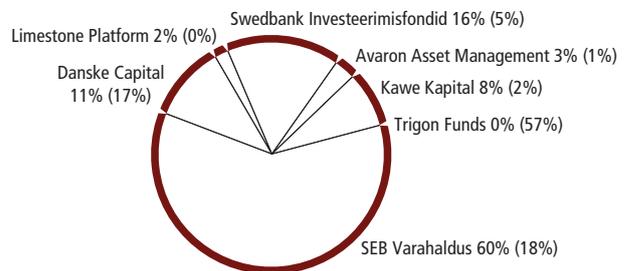
The biggest change in the management of customer portfolios was reflected in the reduction of the volume of the assets managed by AS Trigon Funds that resulted in a drop of their market share from 32% to 0%. As the volume of the assets managed by other market participants remained mostly unchanged, it influenced the overall market breakdown. The largest market share in the management of customer portfolios belonged to Swedbank group companies at the end of 2015, whose market share increased from 31% to 50% over the year. The market share of SEB Bank group companies increased from 17% to 27%. They were followed by Nordea Bank AB Estonia branch with its 9% market share.

Because of the decreased volume of the assets managed by AS Trigon Funds, the largest combined portfolio of customers by management companies belonged to AS SEB Varahaldus at the end of 2015, which increased from 18% to 60% over the year. Swedbank Investeerimisfondid AS held 16% and Danske Capital AS 11% of the market of management companies.

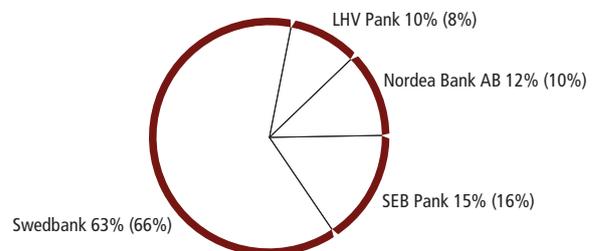
The biggest total volumes of portfolios by banks belonged to Swedbank AS (63%) and SEB Pank AS (15%). They were followed by Nordea Bank AB Estonia branch (12%) and AS LHV Pank (10%).

As at the end of 2015, only two investment firms – Aktsiaselts Cresco Väärtpaberid and Aktsiaselts KIT Finance – offered portfolio management service. Evli Securities AS terminated its activity in the first half of the year.

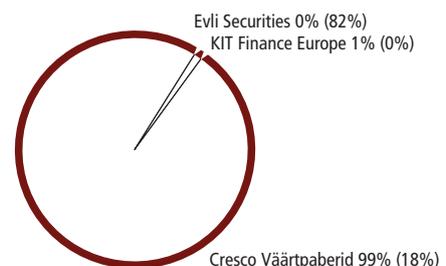
Market breakdown: by management companies as at 31 December 2015 (31 December 2014 in brackets)



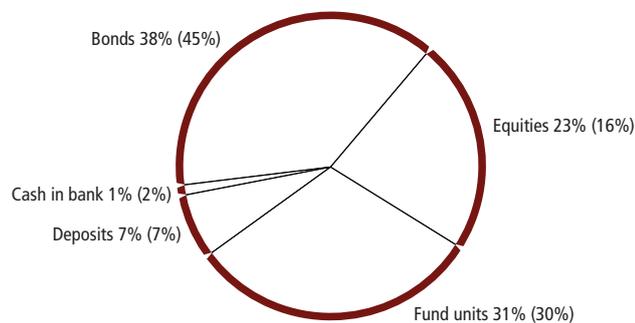
Market breakdown: by credit institutions as at 31 December 2015 (31 December 2014 in brackets)



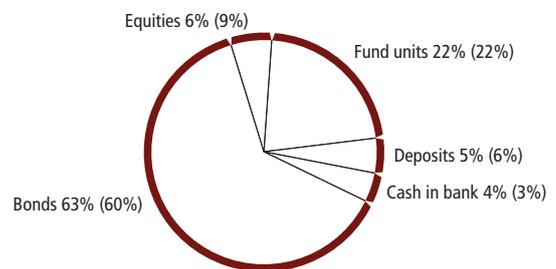
Market breakdown: by investment firms as at 31 December 2015 (31 December 2014 in brackets)



Portfolio structure by instrument as at 31 December 2015
(31 December 2014 in brackets)



Portfolio structure managed by management companies as at 31 December 2015
(31 December 2014 in brackets)

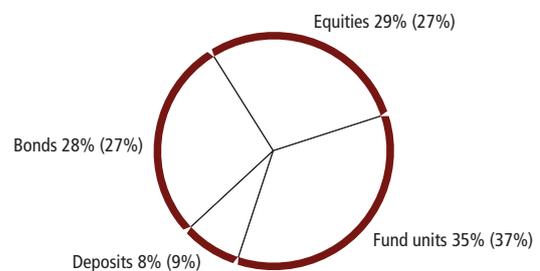


d. Portfolio structure by instrument

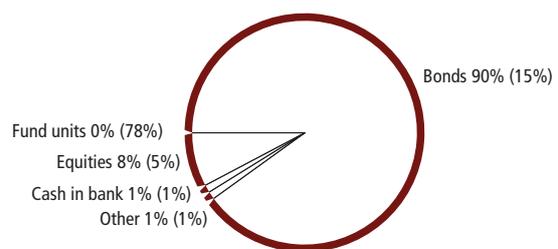
The selection of instruments in customer portfolios became more balanced during 2015. At the end of 2015, the share of equities in the combined portfolio of customers increased from 16% to 23% and the share of bonds decreased from 45% to 38%. Consequently, the percentage of direct investments remained unchanged (61%). Investments into the units of other funds²⁹ (so-called indirect investments) comprised 31% of the volume of the combined portfolio at the end of 2015. The deposits accounted for 7% of the volume of the combined portfolio. Cash in bank formed 1% of the volume of the combined portfolio.

However, there were great differences in the selection of instruments by service providers. Management companies preferred bonds (63%). Fund units had been replaced by bonds in the combined portfolio of investment firms – the share of bonds increased from 15% to 90%, whereas the share of fund units fell from 78% to 0%. The instruments selected by credit institutions is more balanced and the largest share belongs to fund units (35%).

Portfolio structure managed by credit institutions as at 31 December 2015
(31 December 2014 in brackets)



Portfolio structure managed by investment firms as at 31 December 2015
(31 December 2014 in brackets)



²⁹ Also includes different fund types.

8. Payment services

As at the end of 2015, there were 12 payment service providers in Estonia, including five that operate under special permits³⁰.

The volume of payments intermediated by Estonian payment service providers decreased 3% in 2015, while the number of payments increased 50%.

In summary, the volume of payments intermediated by Estonian payment service providers amounted to 892 million euros in 2015 (920 million euros in 2014). Altogether, 2,562,599 payments were made in 2015 (1,711,994 payments in 2014).

The average amount of a payment was 348 euros (538 euros in 2014).

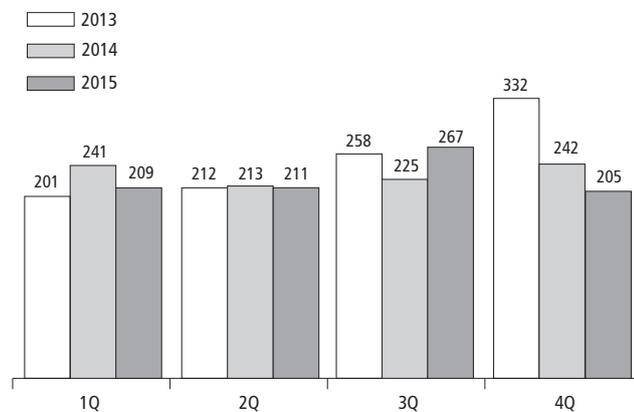
Overall market breakdown:

AS Eurex Capital	68%
AS TavexWise	25%
Customers:	data not available
Service volume:	volume of payments EUR 892 million

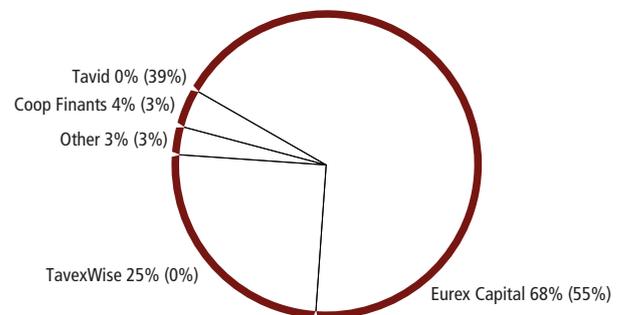
The payment service market experienced big changes in 2015: Tavid AS, which had historically held the largest market share, gave up its activity licence. At the same time, TavexWise AS and AS Pocopay entered the payment service market. 25% of all payments were made via TavexWise AS in 2015.

The largest market share belonged to AS Eurex Capital, whose share in the amount of payments increased to 68% compared to 55% the year before.

Turnover of transactions intermediated by payment service providers by quarter (EUR million)



Market shares of payment service providers by turnover of intermediated transactions in 2015 (2014 in brackets)



³⁰ The exceptions made to the providers of e-money services are specified in Section 12 of the Payment Institutions and E-money Institutions Act.

9. Loans³¹

a. Service

Lending continued to grow in 2015. All in all, the volume of the loan portfolio of banks increased ca 5% or by 0.8 billion euros over the year and totalled 16.3 billion euros by the end of 2015, reaching the same level as in 2008³². Corporate loans³³ formed 43% and loans to private persons³⁴ formed 45% of the total portfolio.

The balance of loans issued to private persons grew by 277 million euros in 2015. Loans to companies increased by 373 million euros. Loans to financial institutions increased by 652 million euros and loans to the government decreased by 57 million euros.

In summary, private persons had been issued loans for 7.3 billion euros and companies had been given loans for 6.9 billion euros as at the end of 2015. Loans to financial institutions³⁵ accounted for 1.6 billion euros and loans to the government³⁶ accounted for 483 million euros.

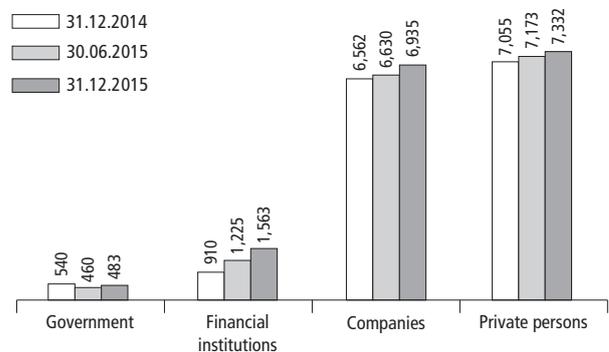
In 2015, the biggest growth of the loans issued to private persons was in the home loans sector (by 262 million euro), reaching 6.3 billion euros by the end of the year.

The volume of loans intended for consumption increased substantially – by 28 million euros over the year and amounted to 415 million euros at the end of December.

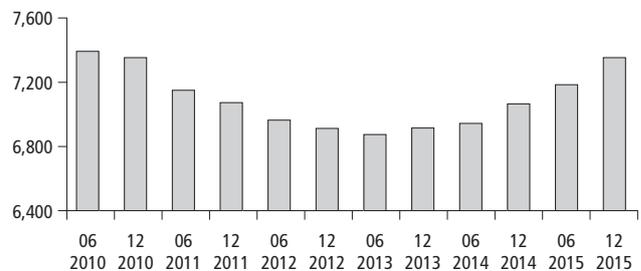
The volume of student loans continued to decline – by 21 million euros in a year – and constituted 131 million euros at the end of December.

Overall market	Swedbank AS	40%
breakdown:	AS SEB Pank	24%
	Nordea Bank AB Estonia branch	16%
	Private customers:	680,090 effective contracts
Service volume:	volume of combined loan portfolio EUR 16.3 billion	

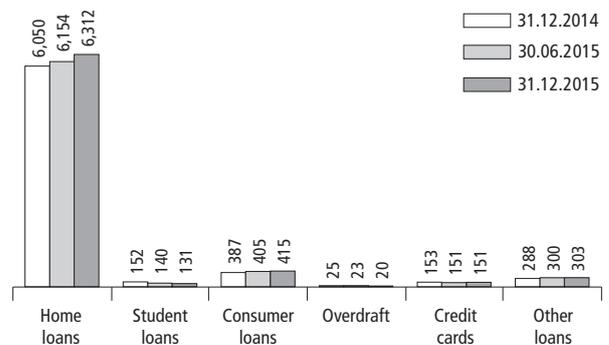
Loan balance (EUR million)



Balance of loans issued to private persons (EUR million)



Volume of private person loans (EUR million)



³¹ The data on loans include loans issued by credit institutions in Estonia.

³² The total volume of loans issued by credit institutions increased actually 8%, but it included an intra-group loan of one market participant (ca 0.4 billion euros).

³³ State or local authority company, other company.

³⁴ Private person, non-profit association.

³⁵ Insurer and pension fund, other financial institutions.

³⁶ Central government, local government, national social insurance fund, other non-budgetary fund.

b. Consumers

The changes in 2015 worth highlighting in the average loan burden of **private persons** concerned home loans and consumer loans. Unlike previous years, the average balance of home loans of private persons has been growing second year in a row, last year by 823 euros. However, the average balance of consumer loans has decreased by 552 euros. As regards other loan types, the average loan balance remained almost unchanged.

Average balance of loans issued to private persons (EUR)

	31.12.2014	30.06.2015	31.12.2015
Home loans	37,069	37,386	37,892
Student loans	2,208	2,227	2,219
Consumer loans	2,977	2,369	2,425
Overdraft	310	277	282
Credit cards	775	779	794
Other loans	13,475	13,260	13,624

In 2015, the average balance of home loans increased from 37,069 euros at the beginning of the year to 37,892 euros at the end of the year. The average balance of student loans increased from 2,208 euros to 2,219 euros. The average balance of consumer loans decreased from 2,977 euros to 2,425 euros. The average balance of overdraft reduced from 310 euros to 282 euros. The average balance of credit cards increased from 775 euros to 794 euros. The average balance of other loans³⁷ decreased from 13,475 euros to 13,624 euros. The high average balance of other loans is caused primarily because of the size of loans taken out for business purposes.

In 2015, the number of student loan, overdraft and credit card agreements decreased. The number of contracts in other loan types has grown.

The number of home loan agreements made by private persons was the biggest ever and reached 166,577 as at the end of 2015 (31 December 2014: 163,217). The number of student loan agreements was 59,182 (68,749), consumer loan agreements 171,160 (130,052), overdraft agreements 70,786 (80,662), credit card agreements 190,174 (196,993) and other loan agreements 22,211 (21,374 a year before).

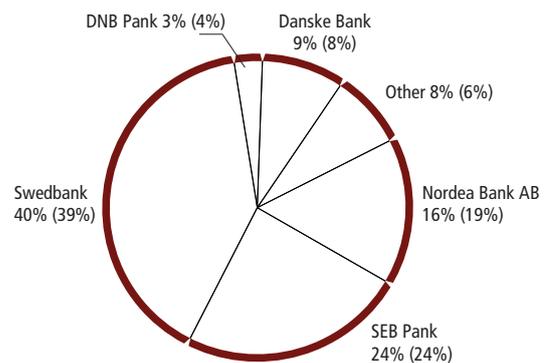
c. Service providers

As in previous years, Estonian loan market was divided in 2015 mainly between four largest banks that covered 89% of the loan market. The largest market share belonged to Swedbank AS (40% of the total loan portfolio), followed by AS SEB Pank with a market share of 24%. The loan balance of Nordea Bank AB Estonia branch decreased in 2015, which resulted also in a reduction of its market share (from 19% to 16%). They were followed by Danske Bank A/S Estonia branch with a market share of 9%.

The remaining 11% of the market was divided between 12 market participants, of which AS DNB Pank held the largest market share (3%).

Market breakdown: loans as at 31 December 2015

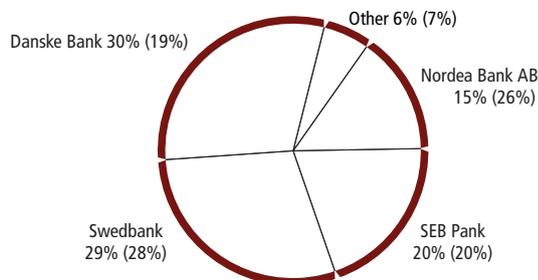
(31 December 2014 in brackets)



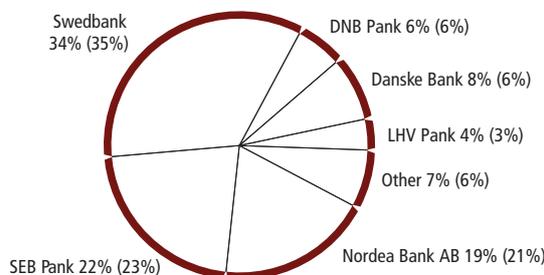
³⁷ Other loans given to private persons and non-profit associations are intended, among other things, for acquisition of securities, setting-up and expansion of the activities of companies.

The diagrams below show the breakdown of different types of loans between the banks operating in Estonia:

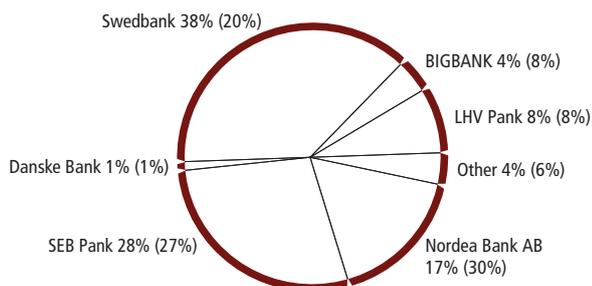
Market breakdown: government loans as at 31 December 2015
(31 December 2014 in brackets)



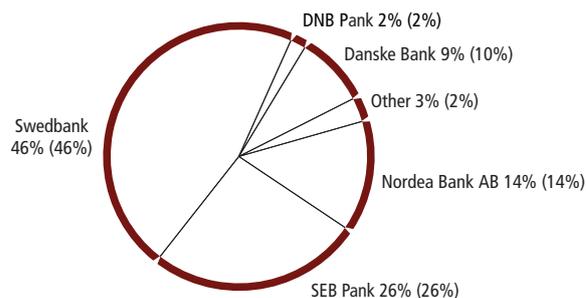
Market breakdown: corporate loans as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: financial institution loans as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: private person loans as at 31 December 2015
(31 December 2014 in brackets)



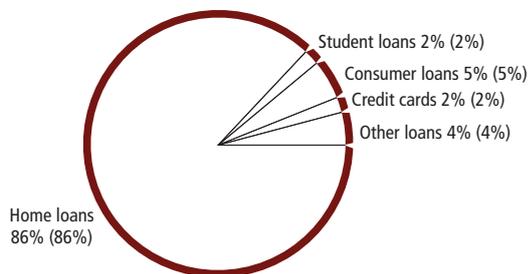
When considering the previous market shares, more significant changes have occurred in the government loan market. As at the end of 2015, the largest market share belonged to Danske Bank A/S Estonia branch, which had increased on year-on-year basis from 19% to 30%. Concurrent declining business volumes of Nordea Bank AB Estonia branch resulted in a decrease of its market share from 26% to 15%. At the end of the year, Swedbank AS had 29% of the government loan market.

Over the year, the loan market of financial institutions has also been redistributed. The larger business volumes of Swedbank AS almost doubled its market share, increasing it from 20% to 38%. It was followed by AS SEB Pank (28%) and Nordea Bank AB Estonia branch (17%).

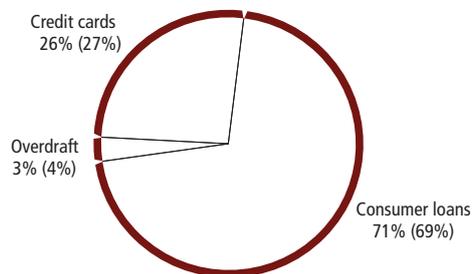
The largest share of corporate loans were still given by Swedbank AS (34%), AS SEB Pank (22%) and Nordea Bank AB Estonia branch (19%). However, the market shares of these banks have decreased by 1–2% over the year. At the same time, AS LHV Pank and Danske Bank Estonia branch increased their market shares respectively from 3% to 4% and 6% to 8% by the end of the year.

The largest shares of private person loan balances are still concentrated in Swedbank AS (46%) and AS SEB Pank (26%). The market breakdown of private person loans has been most stable throughout years.

Distribution of private person loans as at 31 December 2015
(31 December 2014 in brackets)



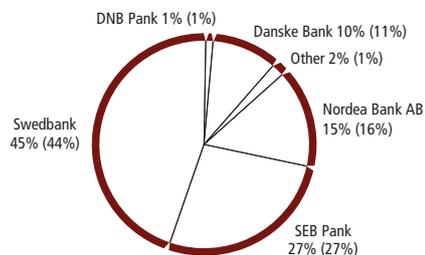
Loans related to everyday expenses as at 31 December 2015
(31 December 2014 in brackets)



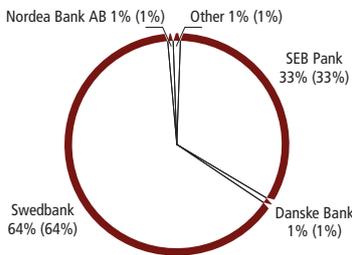
There were no changes in the division of different loan types granted to private persons in 2015. Majority of loans given to private persons have been home loans – altogether 86% or 6.3 billion euros. The share of consumer loans intended for daily expenses (consumer loans, credit card limits, overdraft) has increased (from 69% to 71%). Altogether, the loans related to daily consumption amounted to 0.6 billion euros at the end of 2015.

The private person loan market is very concentrated: almost half of the market belonged to Swedbank AS at the end of 2015 and the remaining market was divided between AS SEB Pank, Danske Bank A/S Estonia branch and Nordea Bank AB Estonia branch.

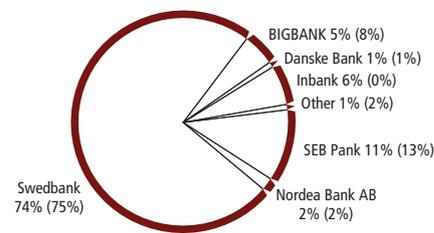
Market breakdown: private person home loans
as at 31 December 2015 (31 December 2014 in brackets)



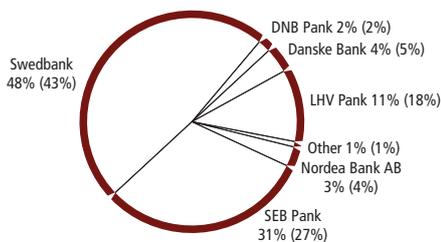
Market breakdown: private person student loans
as at 31 December 2015 (31 December 2014 in brackets)



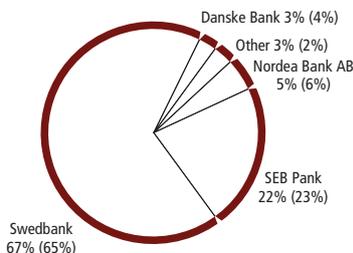
Market breakdown: private person consumer loans
as at 31 December 2015 (31 December 2014 in brackets)



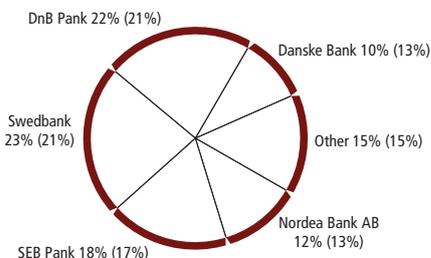
Market breakdown: private person overdraft as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: private person credit cards as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: other private person loans as at 31 December 2015
(31 December 2014 in brackets)



IO. Deposits³⁸

a. Service

The **volume of deposits** in Estonian banks increased 4.4% or by 657 million euros in 2015, amounting to 15.5 billion euros by the end of 2015. It is notable that **deposits increased only in the first half of the year**, when the growth was 757 million euros. The volume of deposits decreased by 100 million euros in the second half of the year.

The demand and overnight deposits accounted for 12 billion euros, fixed-term and savings deposits 3.4 billion euros and other deposits (including investment deposits) 0.1 billion euros of all deposits. **Consequently, only 22% of deposits were the fixed-term deposit type.** The share of demand and overnight deposits increased from 71% to 77% compared to 2014 and the percentage of fixed-term and savings deposits decreased respectively from 28% to 22% of all deposits.

The majority of deposits were made by companies³⁹ with 44% of all deposits and total volume of 6.9 billion euros. **Majority of deposits or 88% made by companies were demand and overnight deposits** with the volume of 6.1 billion euros, while 12% were fixed-term and savings deposits with the volume of 0.8 billion euros.

Private persons⁴⁰ held 41% of deposits, which amounted to 6.4 billion euros, of which **demand and overnight deposits in the amount of 4.3 billion euros accounted for the majority of the total volume of private person deposits (68%).** Fixed-term and savings deposits formed 31% or 2 billion euros and investment and other deposits 0.1 billion euros.

The deposits of financial institutions⁴¹ and the government were 1.3 billion euros and 0.9 billion euros, respectively.

At the end of 2015, 16% of deposits belonged to non-residents (19% in 2014).

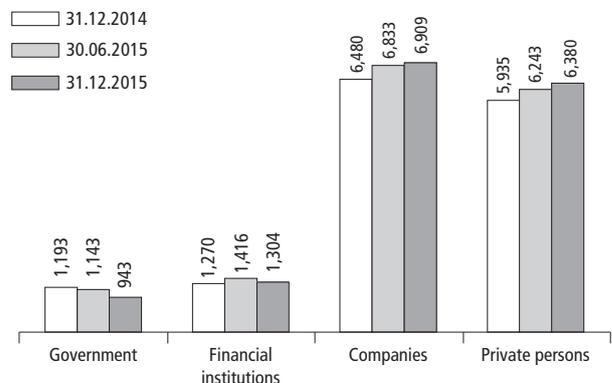
Overall market breakdown:

Swedbank AS	47%
AS SEB Pank	22%
Nordea Bank AB	10%

Customers: 2,628,988 effective contracts

Service volume: total volume of deposits EUR 15.5 billion

Deposit volumes (EUR million)



³⁸ The data on deposits include all sums of Estonian residents and non-residents held in all credit institutions and branches in Estonia of credit institutions operating in Estonia. The data do not include deposits held in the foreign branches of Estonian credit institutions.

³⁹ State or local authority companies, other companies.

⁴⁰ Private persons, non-profit associations.

⁴¹ Insurers and pension funds and other financial institutions.

b. Service providers

The biggest changes in the deposit market were the growth of deposit volumes in Swedbank AS and decrease of deposit volumes in Danske Bank A/S Estonia branch.

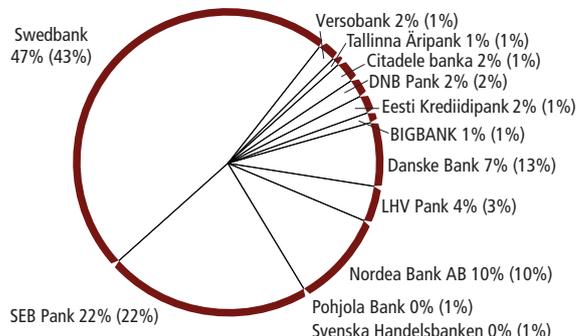
This resulted in an increased market share for Swedbank, which grew from 43% to 47%, while Danske Bank A/S Estonia branch market share decreased from 13% to 7%.

Hence, Swedbank AS held its leading position not only in terms of the volume of deposits but also in most customer classes. It was followed by AS SEB Pank, whose market share did not change in 2015, remaining at 22%. Nordea Bank AB Estonia branch has climbed to the third position with its market share of 10%.

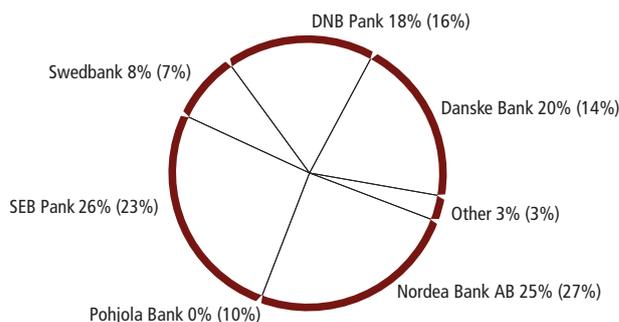
The government deposit market remained volatile both in terms of volume and market breakdown. Majority of the government deposits were held in AS SEB Pank (26%). It was followed by Nordea Bank AB Estonia branch (25%) and Danske A/S Estonia branch (20%).

As regards deposits of financial institutions, the amounts deposited in AS Swedbank have notably grown, which means that its market share increased from 45% to 52%. It was followed by AS SEB Pank (19%) and Nordea Bank AB Estonia branch (10%).

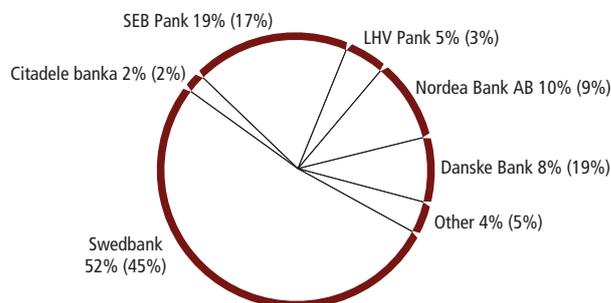
**Market breakdown: deposits as at 31 December 2015
(31 December 2014 in brackets)**



**Market breakdown: government deposits
as at 31 December 2015 (31 December 2014 in brackets)**



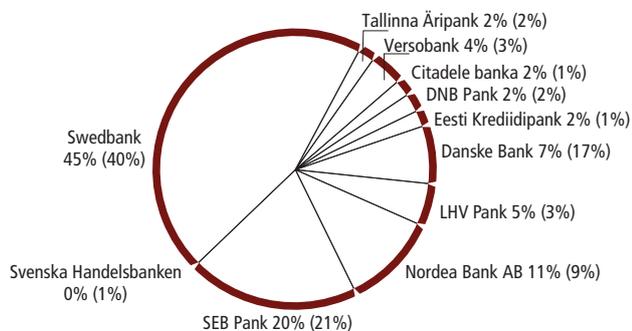
**Market breakdown: deposits of financial institutions
as at 31 December 2015 (31 December 2014 in brackets)**



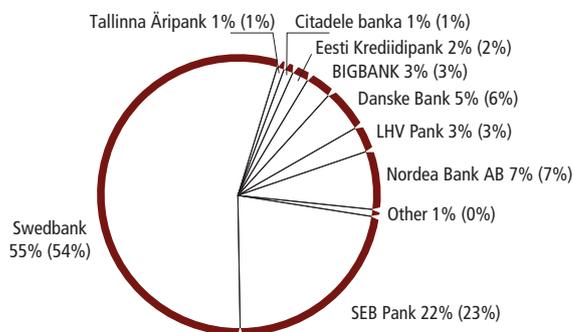
A redivision occurred in the deposit market of companies in 2015. Several banks increased their market share: Nordea Bank AB Estonia branch from 9% to 11% and AS LHV Pank from 3% to 5% over the year. Swedbank AS saw the biggest growth in company deposits in 2015, which resulted in a larger market share that increased from 40% to 45%. However, company deposits decreased most in Danske Bank A/S Estonia branch, which was a reflection of the bank’s renewed business strategy. Consequently, its market share declined from 17% to 7% over the year.

Private person deposits also increased most in Swedbank AS and its market share increased from 54% to 55%. The market share of AS SEB Pank decreased from 23% to 22% over the year. The market share of Danske Bank A/S Estonia branch decreased from 6% to 5%.

Market breakdown: company deposits as at 31 December 2015
(31 December 2014 in brackets)



Market breakdown: private person deposits as at 31 December 2015
(31 December 2014 in brackets)



c. Service consumers

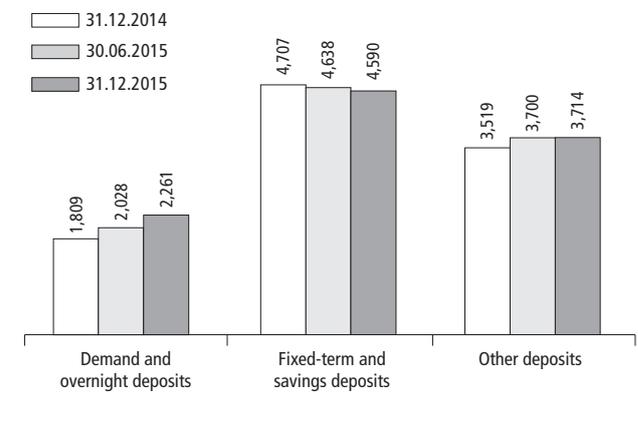
In 2015, the number of deposit contracts decreased. The number of demand and overnight deposits dropped almost by 145,000 over the year. The number of fixed-term and savings deposits decreased by 27,000 and the number of other deposits decreased by 6,000.

The number of effective deposits contracts⁴² as at 31 December 2015:

▪ total demand and overnight deposits	2,171,000 contracts
including private persons	1,919,000 contracts
▪ total fixed-term and savings deposits	435,000 contracts
including private persons	426,000 contracts
▪ total investment and other deposits	24,000 contracts
including private persons	23,000 contracts

The average amount of the demand and overnight deposits of private persons as at the end of 2015 was 2,261 euros (1,809 euros at the end of 2014), the amount of fixed-term and savings deposits was 4,590 euros (4,707 euros) and the amount of investment and other deposits was 3,714 euros (3,519 euros).

Average volume of private person deposit (EUR)



⁴² Only deposits with monetary balances were included. The number of deposit contracts is based on Annex 2 "Report on Resource Balances" to the Eesti Pank Governor's Decree No 4 "Establishment of Additional Reporting on the Balances of Credit Institutions" of 25 May 2012.