



ESTONIAN FINANCIAL SERVICES MARKET as at **31.12.2014**

The purpose of this analysis prepared by Finantsinspeksioon is to give an overview of the Estonian financial services market and market shares. Although Finantsinspeksioon makes every effort to ensure that the information contained in the analysis is correct and accurate, Finantsinspeksioon does not presume or enter into the obligation to inform about every change in the factual circumstances given in the analysis or of the possible impact of such changes. Finantsinspeksioon is not responsible for the damage or enter into obligations arising from or related to the use of this analysis and/or the information presented therein.

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I. General developments of the financial services market

The Estonian financial services market **grew again** in 2014: the positive movement of the world's financial markets contributed to an **increase in volumes of the majority of financial services**. The **fund sector increased particularly fast (16% or 407 million euros)**, where pension funds were by far the most dominant sources of growth.

The **combined volume of customer deposits** increased 9% or 1.2 billion euros in 2014, whilst the growth was spurred by demand and overnight deposits (1.6 billion euros was added). However, the volume of term deposits decreased by 0.4 billion euros. The volume of customer deposits by the end of 2014 totalled **14.9 billion euros**.

The **combined volume of the loan portfolios** of banks increased in 2014 at the **fastest pace of the last five years** – 4.4% or 632 million euros. The size of the combined loan portfolio of banks as at the end of 2014 was **15.1 billion euros**.

Most products underwent an increase in the area of investments. The volume of insurance premiums received on the basis of unit-linked life insurance (ULI) contracts increased by

11% and the volume of combined pension fund assets went up by 24% over the year, but the volume of the combined assets of investment funds registered in Estonia (excl. pension funds) decreased by 6%. Investments in foreign funds¹ increased by 8% and the combined volume of individual portfolios increased by 5%.

Compared to 2013, the **volume of assets invested in financial services aimed at growing money** – incl. ULI products, investment funds, pension funds, individual portfolios, term and savings deposits, and investment and other deposits – comprising **9,062 billion euros** in 2014 (8,922 billion euros as at 2013²).

The volume of insurance premiums in **life insurance** increased in 2014 by **9%** and comprised **81 million euros**. The volume of insurance premiums received in **non-life insurance** increased in 2014 by 7% and comprised **262 million euros**.

The volume of investment and banking services provided by Estonian financial institutions, including the data on Estonian resident individuals, is given in the table below (million euros, as at 31.12.2014):

Service	Total, million EUR	Incl. Estonian resident individuals	
		million EUR	share in total services
Volume of investment funds	573	49	9%
Volume of pension funds	2,322	2,322	100%
Foreign funds offered in Estonia	693	91	13%
Volume of ULI provisions	221	221	100%
Volume of individual portfolios	1,010	83	8%
Volume of loans	15,067	6,992	46%
Volume of demand and overnight deposits	10,635	3,387	32%
Volume of term and savings deposits	4,112	1,892	46%
Volume of investment and other deposits	131	95	73%
Other financial instruments	1065	274	26%

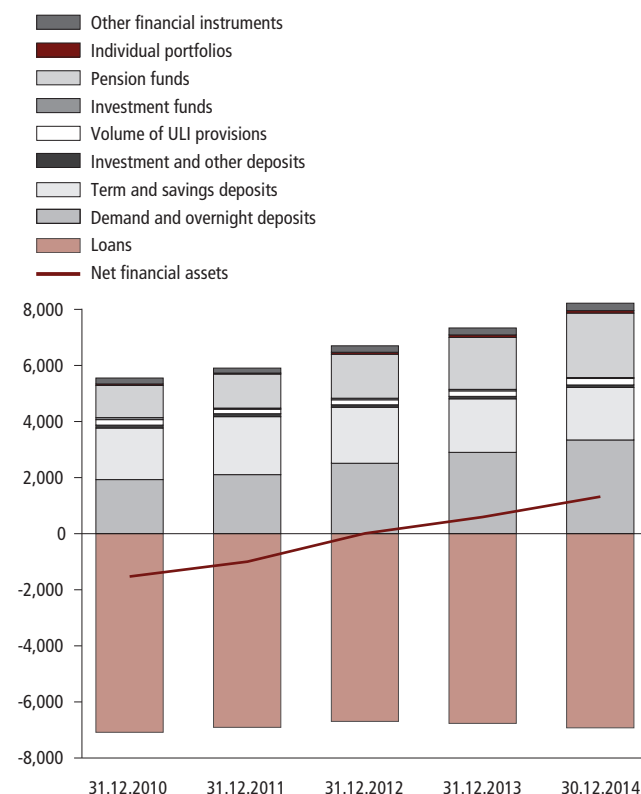
¹ In order to avoid presenting data several times, the investments made by Estonian insurance companies and investment and pension funds have been subtracted from investments in foreign investment funds.

² The volume of assets in 2013 differs from the one given in previous reports due to the availability of more accurate information.

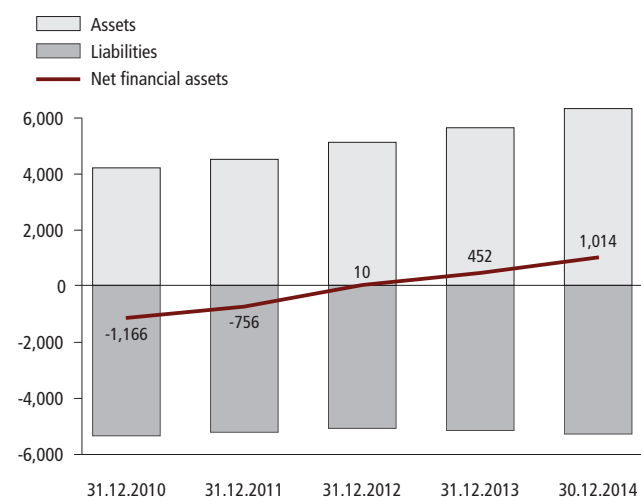
As a result of the continuing increase in the volume³ of financial assets in 2014, the financial assets of Estonian resident individuals exceeded their liabilities. The volume of the financial assets of Estonian resident individuals at the end of 2014 was 8.3 billion euros whilst the balance of loans comprised 7.0 billion euros. This means that the net financial assets of Estonian resident individuals increased from 0.6 billion euros to 1.3 billion euros over the year.

Considering the size of the population⁴, the volume of the assets of Estonian resident individuals reached 6,343 euros on average by the end of 2014 whilst the volume of loans was 5,328 euros, which means that the average net financial assets of an individual amounted to 1,014 euros. However, the net financial assets reflect the value of pension fund units, but they cannot be used before retirement age is attained.

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



Average net financial assets of Estonian resident individuals (EUR)



³ Financial assets hereby cover all investment and savings products belonging to Estonian resident individuals (excl. the securities held in the ECRS accounts). Unlike previous overviews, the customer securities held in the securities accounts of Estonian credit institutions are now also considered as part of financial assets.

⁴ The population figures are taken from the data of Statistics Estonia.

2. Division of private customers⁵ by products

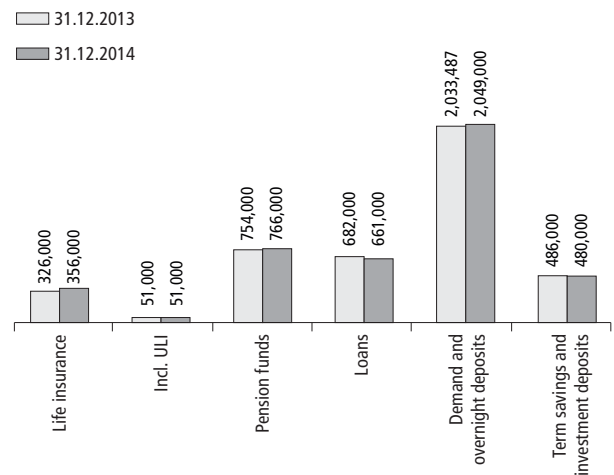
Based on the number of contracts, demand deposit (current account) is the most used service in Estonia. As at the end of 2014, private persons held **2,049 million current accounts**⁶ (many private persons hold several current accounts).

Pension funds are another financial product most used by private persons. The number of persons who had entered into contracts increased from 754 thousand to **766 thousand** over the year.

In 2014 the **number of loan agreements entered into with private persons⁷ decreased from 682 thousand to 661 thousand in comparison with the previous period.**

The number of term, savings and investment deposit contracts decreased from 486 thousand to 480 thousand. In life insurance, the number of contracts increased from 326 thousand to 356 thousand, and the number of ULI contracts remained around 51 thousand.

Number of private person contracts by financial services



⁵ 'Customer' hereinafter means the holder of one contract.

⁶ Current accounts with positive monetary balances have been taken into account.

⁷ The analysis does not take into account the fact that some persons may have entered into several contracts.

3. Life insurance

a. Service

In 2014 insurance companies **collected insurance premiums** in the amount of 80.8 million euros in Estonia⁸ (74.2 million euros in 2014). The **volume of insurance premiums increased by 8.9%** in comparison with the previous year.

The majority of the growth in insurance premiums came from ULI, where the volume of premiums increased from 30.3 million euros to 33.6 million euros over the year. This means that ULI remained the biggest life insurance product with a share of 42% (41% in 2013).

Endowment insurance followed ULI with 16.7 million euros in premiums (17.6 million euros in 2013). Annuity insurance premiums amounted to 16.4 million euros (13.8 million euros in 2013). The amount paid under the contracts of other insurance products amounted to 14.1 million euros (12.5 million euros in 2013).

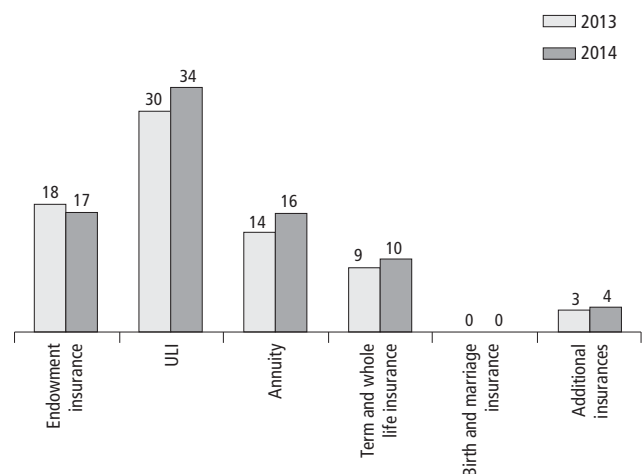
Overall market breakdown:

Swedbank Life Insurance SE	38%
AS SEB Elu- ja Pensionikindlustus	23%
Compensa Life Vienna Insurance Group SE	18%

Customers: 355,884 effective contracts

Service volume: Premiums received in 2014
80.8 million euros in total

Premiums by life insurance class (million EUR)



⁸ The data do not include insurance premiums collected outside Estonia.

b. Consumers

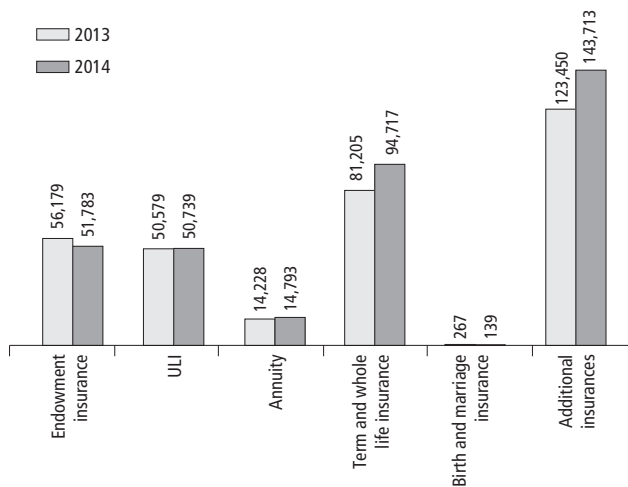
355,884 life insurance contracts had been entered into with the insurance companies operating in Estonia as at the end of 2014, including **212,171 basic life insurance contracts**⁹ (325,908 contracts as at the end of 2013, including 202,458 basic contracts).

The main increase came on the account of term and whole life insurance and additional insurance. The number of effective contracts in term and whole life insurance increased from 81,205 contracts to 94,717 contracts over the year, i.e. by 13,512 contracts. This means that **term and whole life insurance was still the most sold main class of life insurance as at the end of 2014 in terms of the number of contracts**. 143,713 additional insurance contracts had been entered into as at year end (123,450 as at the end of 2013).

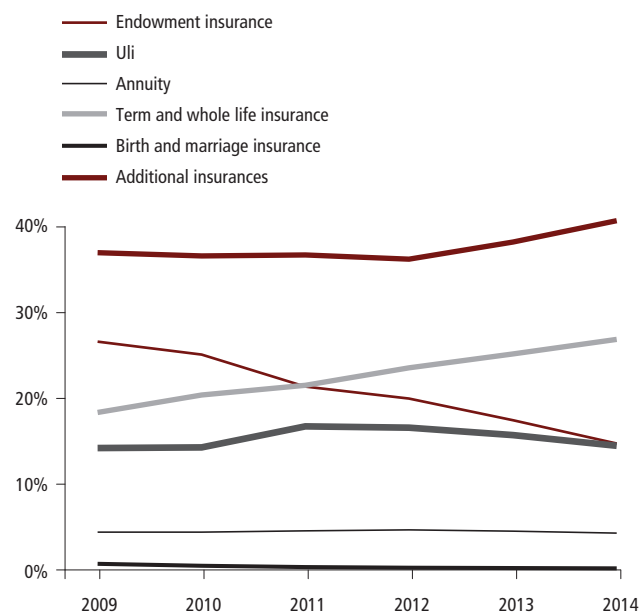
Similar to previous years, there was a decline in endowment insurance, where the number of effective contracts decreased by 4,396 in comparison to the previous year. 51,783 contracts were in force as at the end of 2014. **In five years, the share of effective endowment insurance contracts has decreased from 26% to 15%, switching places with term and whole life insurance, whose share increased from 18% to 27%.**

The number of effective ULI contracts increased by 160. 50,739 ULI contracts were in force as at the end of 2014. The number of effective annuity contracts kept increasing (by 565 contracts) – from 14,228 to 14,793 contracts.

Number of effective life insurance contracts entered into in Estonia



Breakdown of insurance contracts according to insurance class



⁹ The data only include life insurance contracts entered into in Estonia.

The biggest changes in terms of average contract volume occurred in the case of annuity and ULI. The sum of average contributions in other insurance classes did not change significantly over the year.

The sum of the average annuity contribution increased from 970 to 1,111 euros in comparison to the previous period.

The average amount of a premium paid into a ULI contract increased from 599 to 661 euros over the year.

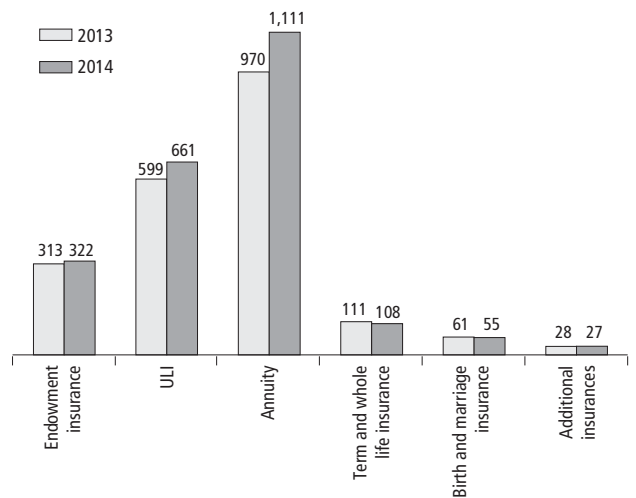
c. Service providers

The three biggest life insurance companies based on insurance premiums – Swedbank Life Insurance SE, AS SEB Elu- ja Pensionikindlustus and Compensa Life Vienna Insurance Group SE – received 80% of all insurance premiums in 2014 (81% of insurance premiums in 2013).

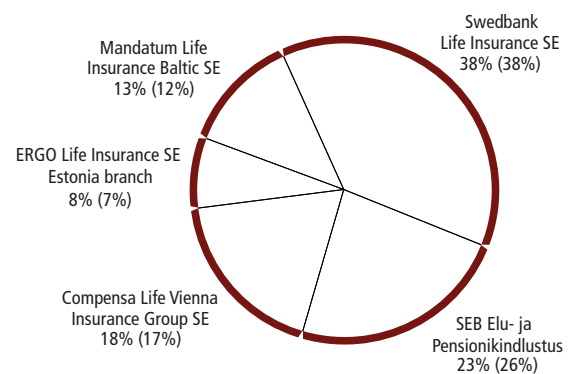
Compensa Life Vienna Insurance Group SE continued increasing its market share in 2014. The volume of insurance premiums paid to Compensa Life Vienna Insurance Group SE has almost tripled in the last four years and its market share increased from 7% to 18% (incl. from 17% to 18% in 2014). Similar to earlier periods, the growth occurred mainly on the account of annuity.

The market shares of Mandatum Life Insurance Baltic SE and ERGO Life Insurance SE Estonia branch also increased in 2014 – from 12% to 13% and from 7% to 8%, respectively. The market share of AS SEB Elu- ja Pensionikindlustus decreased from 26% to 23%. The market share of Swedbank Life Insurance SE remained at 38%.

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

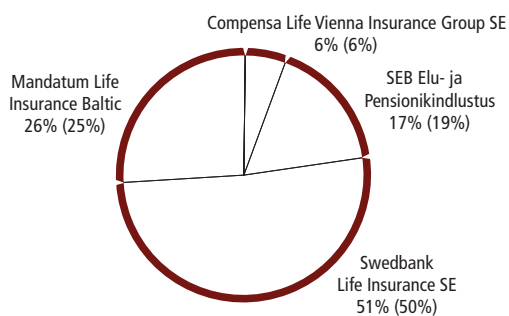


Market shares of life insurance companies by premiums received in 2014 (2013 in brackets)



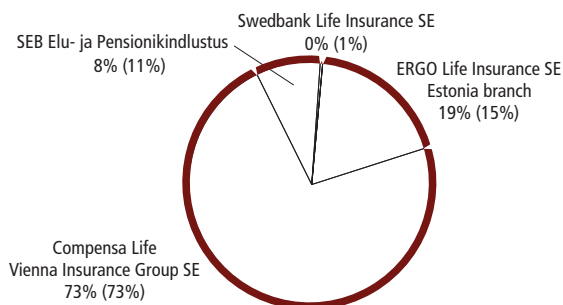
The increase in **ULI** premiums received by Swedbank Life Insurance and Mandatum Life Insurance Baltic SE raised their **market shares** from 50% to 51% and from 25% to 26%, respectively. The market share of AS SEB Elu- ja Pensionikindlustus decreased from 19% to 17%.

Market breakdown: ULI as at 31.12.2014 (31.12.2013 in brackets)



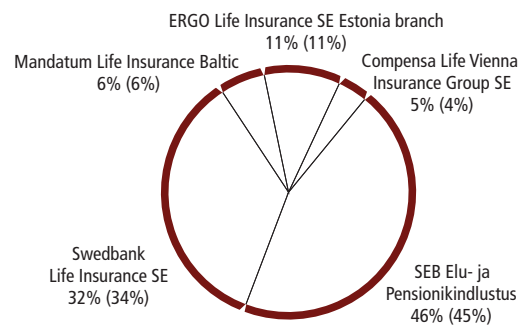
Compensa Life Vienna Insurance Group SE remained by far the biggest provider of the **annuity** service in Estonia. In 2014 the majority of the total increase in annuity insurance premiums came via Compensa Life Vienna Insurance group SE, which guaranteed it a 73% market share. The volume of the insurance premiums received via the second biggest provider, ERGO Life Insurance SE Estonia branch, also increased considerably in 2014 (44%), which guaranteed it a market share increase from 15% to 19%. The market share of AS SEB Elu- ja Pensionikindlustus decreased from 11% to 8%.

Market breakdown: annuity



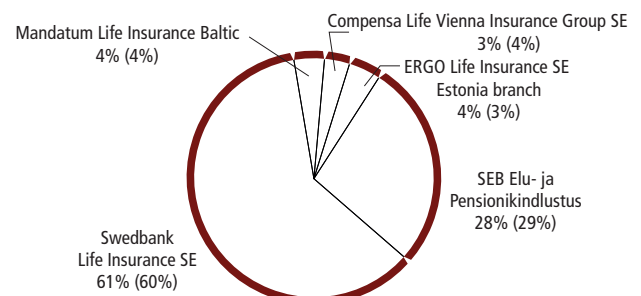
The volume of endowment insurance premiums decreased in almost all life insurance companies as a result of the decrease in the popularity of **endowment insurance**. The only was exception was Compensa Life Vienna Insurance Group SE, where the volume of insurance premiums increased by 2%, but it didn't have much of an impact on market shares. The biggest endowment insurance provider in Estonia as at the end of 2014 was AS SEB Elu- ja Pensionikindlustus with a 46% market share.

Market breakdown: endowment insurance



The market shares in **term and whole life insurance** changed relatively little. The biggest share of the market was covered by Swedbank Life Insurance SE with 61%, followed by AS SEB Elu- ja Pensionikindlustus with 28%.

Market breakdown: term and whole life insurance



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** for the total amount of 432 thousand euros in the area of **life insurance** in 2014. The volume of brokered insurance premiums decreased by 4% over the year. The decrease occurred mostly on the account of other classes (the majority of which was term life insurance), where the volume of brokered insurance premiums decreased by 28%.

Accident and sickness insurance and other life insurance contracts were mostly brokered – the volume of insurance premiums via brokers in 2014 was 206 thousand euros and 188 thousand euros, respectively. Similar to previous periods, term life insurance comprised the majority of other life insurance contracts.

The volume of accident and sickness insurance periods comprised 85 thousand euros and the volume of ULI premiums was 30 thousand euros.

Estonian life insurance brokers broker **largely the contracts of insurance companies of EEA countries**, and they comprise 54% of insurance premiums (49% in 2013) and 48% of the number of contracts (48% also in 2013).

b. Consumers

602 life insurance contracts in total were entered into via insurance brokers operating in Estonia in 2014 (473 contracts in 2013).

The number of new effective life insurance contracts entered into via brokers in 2014 divided as follows (in brackets the number of contracts entered into in 2013):

- ULI – 4 contracts (4),
- annuity – 4 contracts (2),
- accident and sickness insurance – 289 contracts (161),
- other classes – 305 contracts (306).

The average volume of a contract entered into via brokers in the case of ULI was 7,616 euros. This was followed by annuity with the average volume of 1,894 euros. The average amount paid in accident and sickness insurance contracts entered into via insurance brokers was 711 euros and the amount paid in other life insurance contracts was 616 euros.

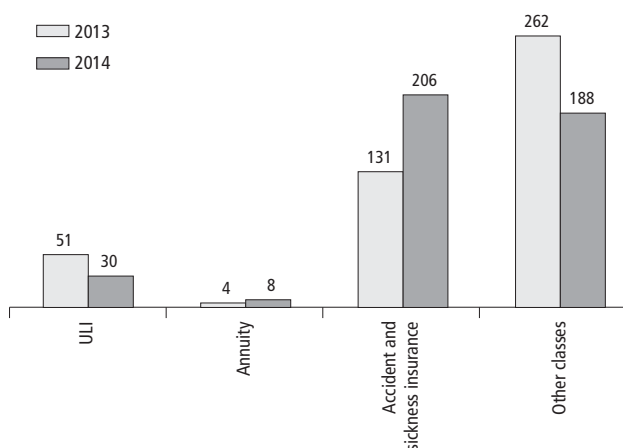
Overall market breakdown:

KindlustusEst Kindlustusmaakler OÜ	48%
OÜ Marks ja Partnerid	
Kindlustusmaakler	13%
UADBB Aon Baltic Estonia branch	11%

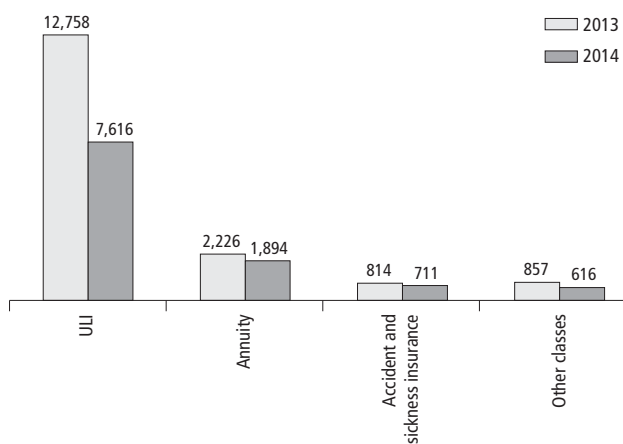
Customers: 602 brokered contracts

Service volume: Insurance premiums brokered in 2014 – 432 thousand EUR

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



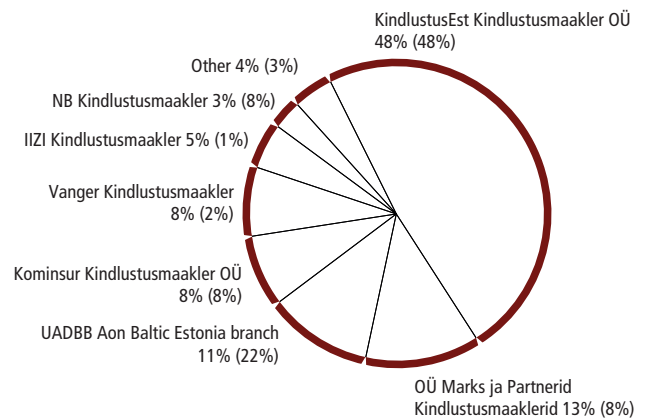
Average sum of premiums paid to contract over the year (EUR)



c. Service providers

Ten insurance brokers brokered life insurance contracts in 2014. The one with the biggest market share among them was KindlustusEst Kindlustusmaakler OÜ (48%), followed by OÜ Marks ja Partnerid Kindlustusmaaklerid (13%). UADBB Aon Baltic Estonia branch entered into 11% of the life insurance contracts brokered by insurance brokers, and Kominsur Kindlustusmaakler OÜ and Vagner Kindlustusmaakler AS both entered into 8% of such contracts.

**Market shares of insurance brokers by life insurance payments in 2014
(2013 in brackets)**



4. Non-life insurance¹⁰

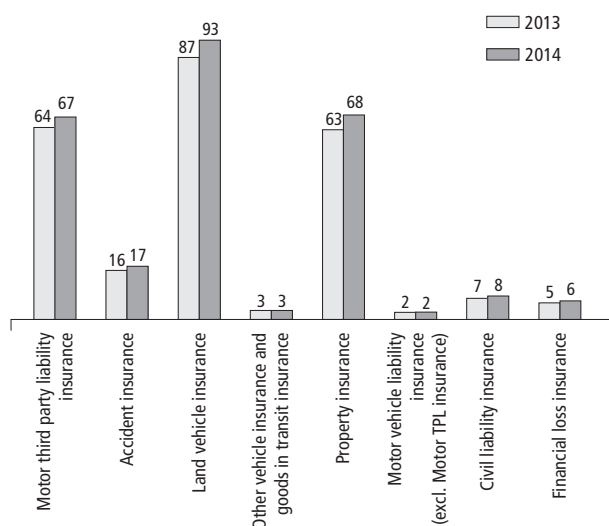
a. Service

In 2014 the insurance premiums collected by non-life insurance companies operating in Estonia on the basis of activity licences and by branches of foreign non-life insurance companies totalled **262 million euros** (246 million euros in 2013), including 64 million euros or 24% of all insurance premiums by the Estonia branches of insurance companies (55 million euros or 22% of all insurance premiums collected in 2013).

Insurance premiums increased in all non-life insurance classes in 2014. **The biggest increase occurred in land vehicle insurance and property insurance**, where the volume of insurance premiums increased by 6 million euros and 5 million euros, respectively, in comparison to the previous period.

Land vehicle insurance, i.e. comprehensive insurance, remained the biggest insurance class with insurance premiums amounting to 93 million euros. It is followed by property insurance and motor third party liability insurance with 68 million euros and 67 million euros, respectively. **Unlike previous periods, property insurance beat mandatory motor third party liability insurance for the first time in terms of premiums collected.**

Premiums by non-life insurance class (million EUR)



Overall market breakdown:

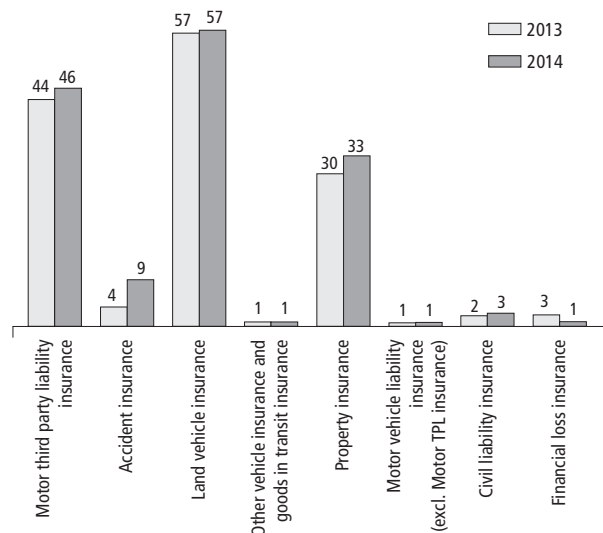
IF P&C Insurance AS	26%
ERGO Insurance SE	16%
Swedbank P&C Insurance AS	15%
UAB DK „PZU Lietuva“	
Estonia branch	15%

Customers: information not available

Service volume: Premiums received in 2014 255 million EUR

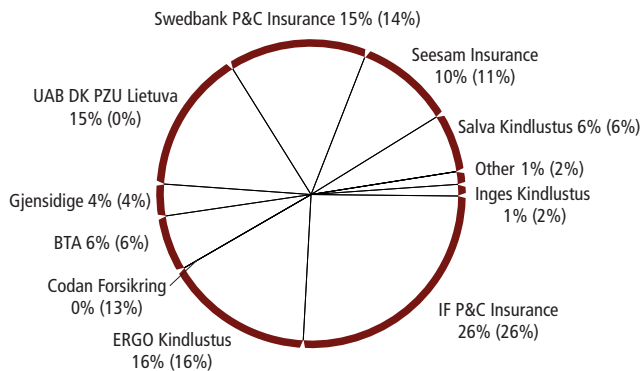
150 million euros was paid out as indemnities in 2014 (138 million euros in 2013). **Compared to the previous period, indemnities paid out increased the most in accident and sickness insurance (from 4 million to 9 million euros) and property insurance (from 30 million to 33 million euros).** In motor third party liability insurance, the amounts of indemnities increased from 44 million to 46 euros.

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



¹⁰ The data on non-life insurance include only contracts entered into in Estonia.
The data do not include insurance contracts entered into at the foreign branches of Estonian insurance companies.

Market shares of non-life insurance companies by premiums received in 2014 (2013 in brackets)



b. Service providers

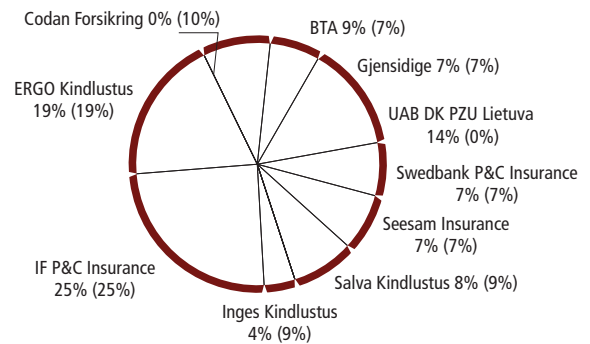
The main changes in the market shares of insurers in 2014 are related to UAB DK PZU Lietuva Estonia branch, which entered the market and as a result of taking over the insurance portfolio of Codan Forsikring A/S Estonia branch grabbed a sizable share of the Estonian non-life insurance market.

IF P&C Insurance AS had the biggest share of the non-life insurance market as at the end of 2014 with 26%. Sixteen percent of the market belonged to ERGO Insurance SE whilst both Swedbank P&C Insurance AS and UAB DK PZU Lietuva Estonia branch held 15% shares of the non-life insurance market. The changes in the market shares of other insurers in 2014 were insignificant.

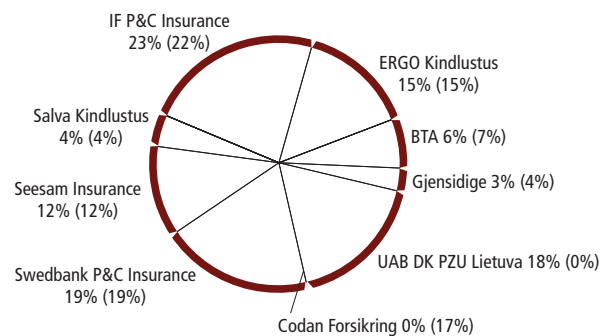
The total market share of the branches of foreign insurance companies was 24%.

The largest market share in motor third party, land vehicle and property insurance still belongs to IF P&C Insurance with 25%, 23% and 31%, respectively. It was followed in motor third party insurance by ERGO Insurance SE with 19%, and by Swedbank P&C Insurance AS in land vehicle and property insurance with 19% and 17%, respectively. UAB DK PZU Lietuva Estonia branch, which recently arrived on the market, achieved third place in these insurance classes on the market by increasing its share to 14% in motor third party liability insurance, 18% in land vehicle insurance and 16% in property insurance.

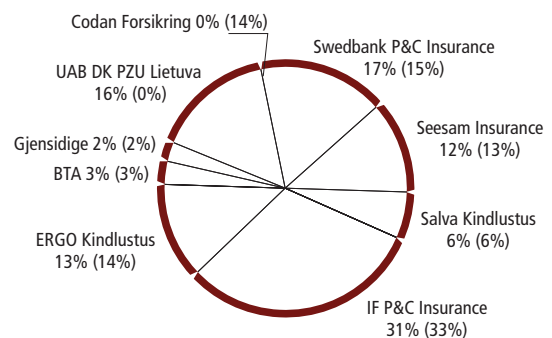
Market breakdown: motor third party liability insurance



Market breakdown: land vehicle insurance



Market breakdown: property insurance



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 for the total amount of 135 thousand euros in insurance premiums in the area of **non-life insurance** in 2014¹¹. (119 million euros in 2013.)

Similar to how insurance premiums were collected by non-life insurance companies, the **biggest insurance classes** in 2014 according to the volume of brokered insurance premiums were **land vehicle insurance** (brokered insurance premiums 46 million euros), **motor third party liability insurance** (34 million euros) and **property insurance** (27 million euros).

Estonian insurance brokers broker the contracts of both Estonian and foreign insurance companies. The volume of the insurance premiums of the contracts of **insurers of EEA countries** brokered by Estonian brokers comprised 18% of all the insurance premiums brokered by insurance brokers in 2014 and 1% of the number of contracts entered into via them.

In total, the volume of the insurance premiums under the contracts of insurers of EEA countries in 2014 comprised 25 million euros (21 million euros in 2013), the majority of which belonged to insurance of other vehicles and goods in transit (11 million euros), financial loss insurance (5 million euros) and property insurance (5 million euros).

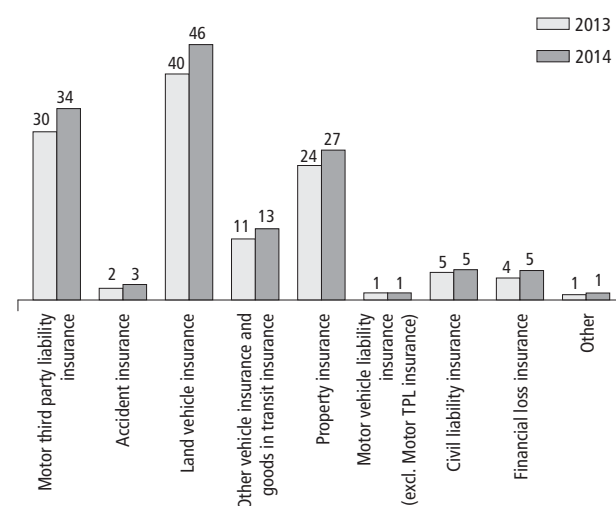
Overall market breakdown:

IIZI Kindlustusmaakler Aktsiaselts	20%
Marsh Kindlustusmaakler AS	13%
Insurance broker services OÜ	10%

Customers: 698,479 brokered contracts

Service volume: Premiums received in 2014
135 million EUR

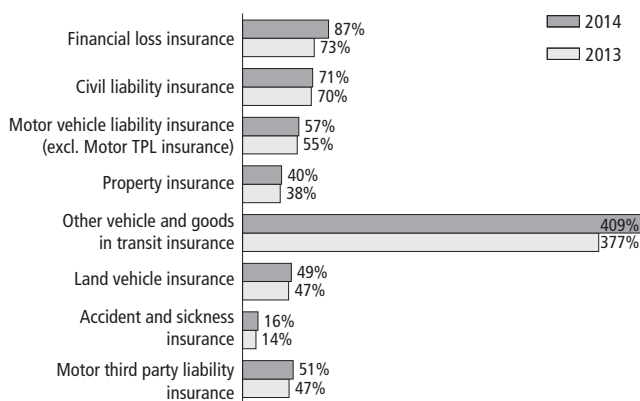
Insurance premiums received via insurance brokers by non-life insurance class (million EUR)



¹¹ In addition to the contracts of insurers, the contracts of foreign re-insurers were also brokered in Estonia. The volume of these insurance premiums in 2014 was 7.3 million euros. This overview does not address them.

Comparing the data of non-life insurance companies and insurance brokers demonstrates that in 2014, **foreign insurers** were to a larger extent used in the case of **other vehicles** (aircraft and watercraft) **and goods in transit**, where the volume of insurance premiums intermediated by foreign insurance companies exceeded the volume of insurance premiums of Estonian insurers fourfold.

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

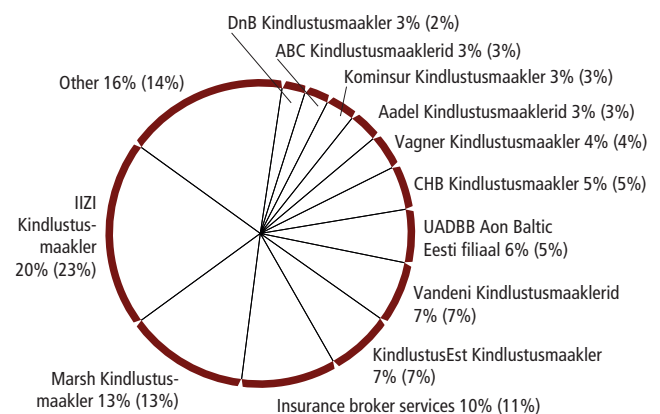


b. Service providers

Thirty-seven insurance brokers brokered non-life insurance contracts in 2014; the one with the biggest market share among them was IIZI Kindlustusmaakler Aktsiaselts (20%). It was followed by Marsh Kindlustusmaakler AS (13%) and Insurance Broker Services OÜ (10%).

Compared to the period a year ago, the decrease of the market share of IIZI Kindlustusmaakler Aktsiaselts from 23% to 20% can be considered the biggest change. However, the volume of the premiums collected by IIZI Kindlustusmaakler Aktsiaselts remained at the same level as in 2013. The market shares of other non-life insurance brokers remained relatively unchanged.

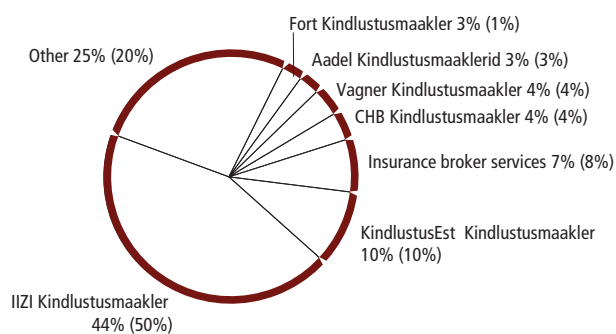
Market shares of insurance brokers by non-life insurance payments in 2014 (2013 in brackets)



The largest market share in **motor third party liability insurance** belonged to IIZI Kindlustusmaakler Aktsiaselts (45%), and it was followed by KindlustusEst Kindlustusmaakler OÜ (10%) and Insurance Broker Services OÜ (7%). The decrease in the market share of IIZI Kindlustusmaakler Aktsiaselts in motor third party liability insurance from 50% to 45% in 2014 is related to the bigger increase in brokered premiums by other insurance brokers.

The largest market share in **land vehicle insurance** at the end of 2014 belonged to Insurance Broker Services OÜ (23%) and it was followed by IIZI Kindlustusmaakler Aktsiaselts (17%) and KindlustusEst Kindlustusmaakler OÜ (8%). IIZI Kindlustusmaakler Aktsiaselts has also lost some of its market share in this insurance class due to a bigger increase in the premiums brokered by other brokers.

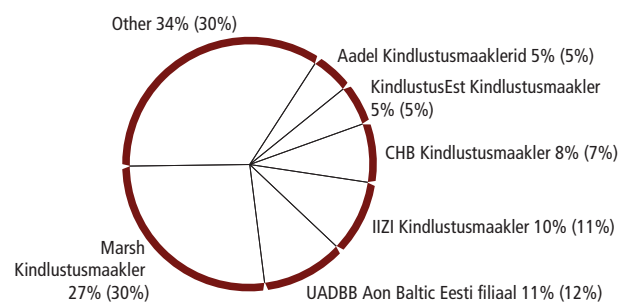
Market shares of insurance brokers in motor third party liability insurance as at 31.12.2014 (31.12.2013 in brackets)



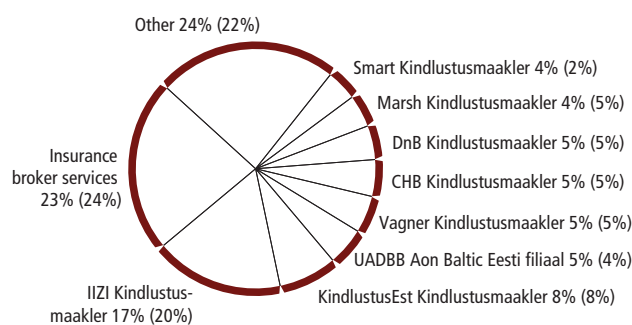
Marsh Kindlustusmaakler AS had the biggest market share in **property insurance** (27%). It was followed by UADBB Aon Baltic Estonia branch with 11% and IIZI Kindlustusmaakler Aktsiaselts with 10%.

Over the year, more changes occurred in **travel insurance**, which is recognised under accident and sickness insurance. The market share of the market leader in this area, IIZI Kindlustusmaakler Aktsiaselts, increased considerably (from 19% to 29%). The increase in its market share was the result of the collected premiums doubling in 2014. The market share of UADBB Aon Baltic Estonia branch decreased from 13% to 7%.

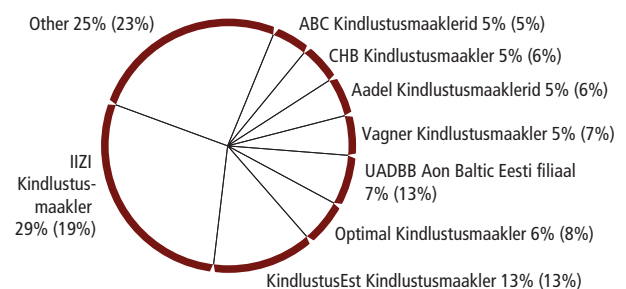
Market shares of insurance brokers in property insurance



Market shares of insurance brokers in land vehicle insurance



Market shares of insurance brokers in travel insurance



In the sector of insurance brokers, the majority of the market (~90%) divides between fewer than half of all operating brokers both in terms of the number of contracts as well as the commission fees received.

**Biggest non-life insurance brokers in 2014
by number of brokered contracts**

Broker	Market share
IIZI Kindlustusmaakler AS	47%
KindlustusEst Kindlustusmaakler OÜ	10%
Insurance broker services OÜ	8%
Aadel Kindlustusmaaklerid OÜ	4%
Vagner Kindlustusmaakler AS	3%
CHB Kindlustusmaakler OÜ	3%
NB Kindlustusmaakler OÜ	2%
BCP Kindlustusmaakler OÜ	2%
Fort Kindlustusmaakler OÜ	2%
OÜ ABC Kindlustusmaaklerid	2%
OÜ DnB Kindlustusmaakler	2%
Optimal Kindlustusmaakler OÜ	2%
AS Smart Kindlustusmaakler	2%

The given view indicates that 88% of the brokered contracts were entered into via 13 insurance brokers of 37.

**Biggest non-life insurance brokers in 2014
by commission received**

Broker	Market share
IIZI Kindlustusmaakler AS	22%
Insurance broker services OÜ	12%
KindlustusEst Kindlustusmaakler OÜ	7%
Marsh Kindlustusmaakler AS	7%
UADBB Aon Baltic Estonia branch	6%
CHB Kindlustusmaakler OÜ	5%
AS Vandeni Kindlustusmaaklerid	5%
Vagner Kindlustusmaakler AS	4%
OÜ DnB Kindlustusmaakler	4%
Kominsur Kindlustusmaakler OÜ	4%
Aadel Kindlustusmaaklerid OÜ	3%
OÜ ABC Kindlustusmaaklerid	3%
AS Smart Kindlustusmaakler	2%
Fort Kindlustusmaakler OÜ	2%
NB Kindlustusmaakler OÜ	2%
Optimal Kindlustusmaakler OÜ	2%
Credo Kindlustusmaaklerid OÜ	2%

The given view indicates that 91% of the commission was collected by 17 insurance brokers of 37.

5. Investment and pension funds¹²

a. Service

The volume of the assets of investments funds, including pension funds, increased by 407 million euros or 16% in 2014 and comprised 2.9 billion euros at the end of December¹³.

The fast increase in the fund sector still came mainly from pension funds, as the volume of their assets again grew at remarkable speed.

In 2014 the volume of the assets of mandatory pension funds increased by 433 million euros or 24%, reaching 2.204 billion euros by the end of 2014 (the previous biggest increase occurred in 2012, when the volume of mandatory pension funds increased by 346 million euros). The volume of the assets of voluntary pension funds increased by 13 million euros from 105 million euros to 118 million euros.

The volume of the assets of equity funds¹⁴ decreased by 13% or 48 million euros over the year. The volume of equity funds comprised 330 million euros by the end of 2014.

The volume of the assets of property funds increased from 137 million euros to 145 million euros, i.e. 6%. The volume of the assets of debt funds increased from 68 million euros to 69 million euros, i.e. 2%, in 2014.

Overall market breakdown:

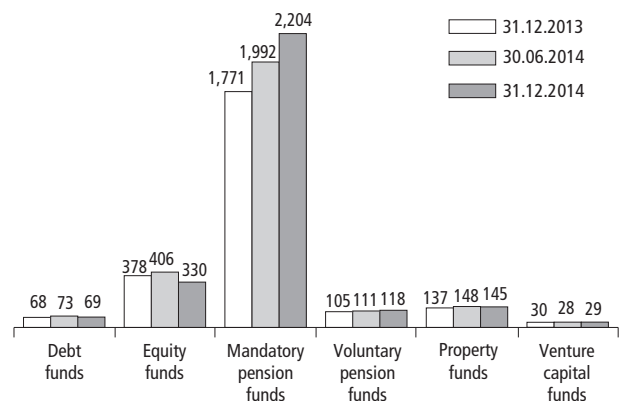
Swedbank Investeeringimisfondid AS	39%
AS SEB Varahaldus	19%
AS LHV Varahaldus	17%

Customers: 781,009 effective contracts

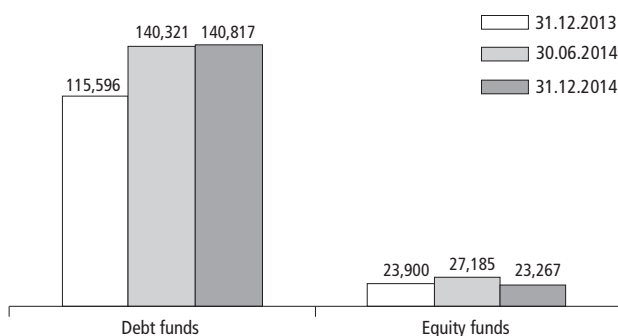
Service volume: total volume of funds 2.9 billion EUR

In the consolidated structure of the fund sector, mandatory pension funds remained the biggest fund type with a share of 76% (71% a year ago). Equity funds remained in the second place in terms of size with an 11% share (15% a year ago). The remaining funds – debt funds, voluntary pension funds and property funds – represented 2-5% of the volume of the total assets of funds. The share of venture capital funds was 1%.

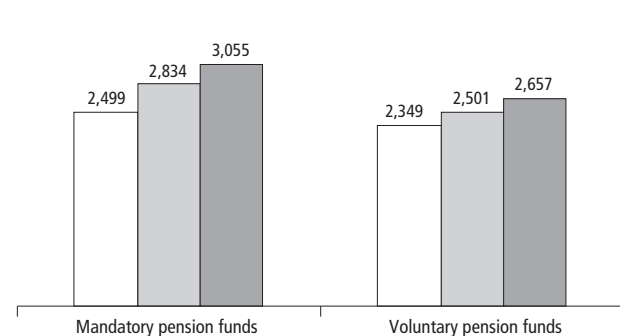
Market value of the investments of funds (million EUR)



Market value of investments per unit holder (EUR)



Market value of investments per unit holder (EUR)



¹² The data on investment funds include all customers of investment funds registered in Estonia, including customers from foreign countries.

¹³ The volume of assets is recognised at market value.

¹⁴ Funds of funds and mixed funds are also considered to be local equity funds.

b. Consumers

For the first time after a decrease of several years, the total number¹⁵ of unit holders in Estonian funds increased in 2014 by 10,507, reaching 781,009 by the end of December. **The entire growth came on the account of mandatory pension funds**, where the total number of unit holders increased by 12,846 over the year and reached **721,658** in the end.

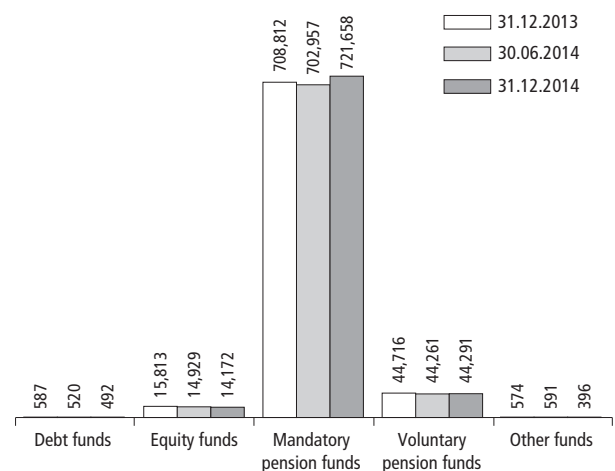
However, it should be kept in mind that many private persons use the possibility to save for retirement via several mandatory pension funds and, therefore, the actual number of persons who have joined the second pillar is smaller than the number of unit holders. The **number of persons who joined the mandatory pension funds reached 664,522** by the end of 2014 (an increase by 14,338 persons).

At the same time, the number of unit holders in other fund types decreased. The number of unit holders decreased the most – by 1,641 unit holders. This decrease has been ongoing for several years now. The number of unit holders in equity funds occurred steadily over the entire year. The number of unit holders in property funds has decreased from 292 to 104 (as a result of the liquidation of the Eastern Europe Real Estate Investment Fund).

All in all, the biggest fund types as at 31 December 2014 according to customer base were mandatory pension funds with 721,658 unit holders, followed by:

- voluntary pension funds with 44,291 unit holders;
- equity funds with 14,172 unit holders;
- debt funds with 492 unit holders;
- other funds (property and venture capital funds) with 356 unit holders.

Number of unit-holders of funds



The biggest investments per unit holder¹⁶ as at the end of 2014 had been made in property funds (over 2 million euros), which results from the fact that those who invest in these funds are mostly wealthier private persons and professional investors. They are followed by debt funds (140,817 euros) and equity funds (23,267 euros). Average investments per one customer were 3,055 euros in mandatory pension funds and 2,657 euros in voluntary pension funds.

¹⁵ Also includes non-resident unit-holders.

¹⁶ Investments per customer are illustrative and refer only to the approximate size of the investment (e.g. in the case of pension funds, new persons joining the scheme cause a decrease in the average investment amount).

c. Service providers

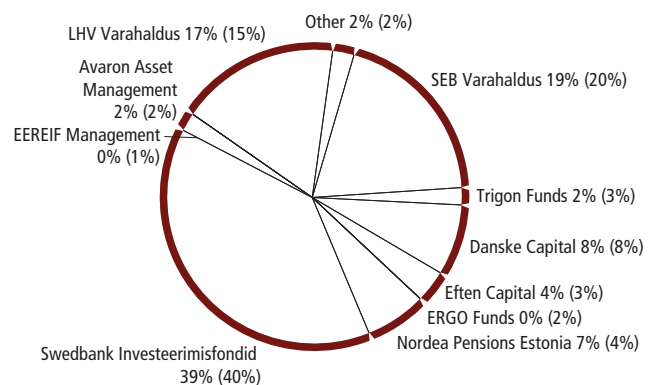
The biggest changes in the market value of funds that can be highlighted is the merger of the pension funds of AS ERGO Funds with the pension funds of Nordea Pensions Estonia, which increased the market share of the latter from 4% to 7%.

The market share of AS LHV Varahaldus increased from 15% to 17% over the year. The market shares of Swedbank Investeeri-misfondide AS and AS SEB Varahaldus, however, decreased from 40% to 39% and 20% to 19%, respectively.

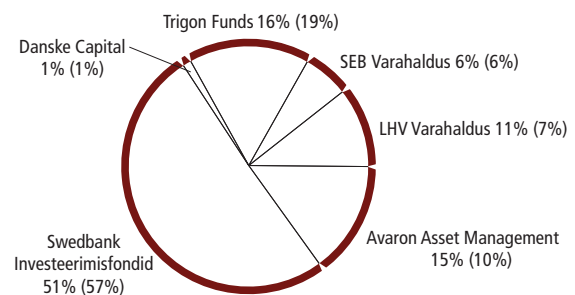
A significant redivision occurred on the **equity funds** market in 2014 as a result of geopolitical events as well as the merger of several funds among other reasons. The market share of the equity funds managed by AS Avaron Asset Management and AS LHV Varahaldus increased the most – from 10% to 15% and from 7% to 11%, respectively. The management companies that manage Eastern European funds (incl. those aimed at Russia), who in 2014 also merged them with the other funds they manage – Swedbank Investeeri-misfondid AS and AS Trigon Funds – have lost some of their market shares: from 57% to 51% and from 19% to 16%, respectively.

The market breakdown remains rather stable for **debt funds**¹⁷. As a result of the rapid increase in the fund's assets in 2014, AS Avaron Asset Management increased its market share from 9% to 14%, whilst the market share of AS SEB Varahaldus decreased from 86% to 81%. The market share of Danske Capital AS remained around 5%.

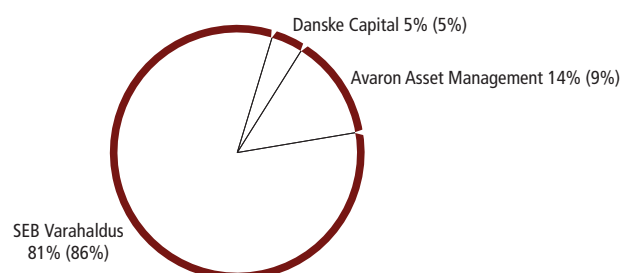
Market breakdown: all funds in total as at 31.12.2014 (31.12.2013 in brackets)



Market breakdown: equity funds



Market breakdown: debt funds



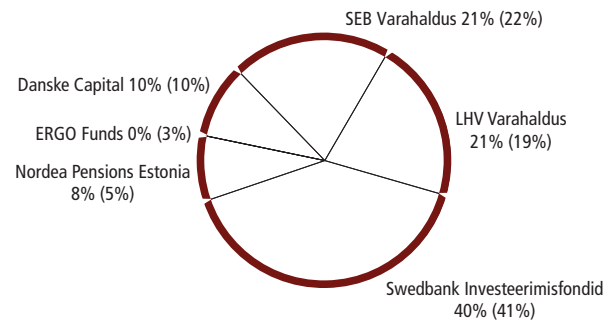
¹⁷ Debt funds include money market and interest funds.

As a result of the merger of funds that took place on the **pension fund market** in 2014, the market share of Nordea Pensions Estonia AS increased whilst the biggest part of the market still belonged to Swedbank Investeerimisfondid AS. The money of **mandatory pension funds** continued moving from larger management companies to AS LHV Varahaldus in 2014. The market share of Swedbank Investeerimisfondid AS decreased from 41% to 40% and the market share of AS SEB Varahaldus from 22% to 21%. The market share of AS LHV Varahaldus, however, increased from 19% to 21%. The market share of Nordea Pensions Estonia AS increased from 5% to 8%.

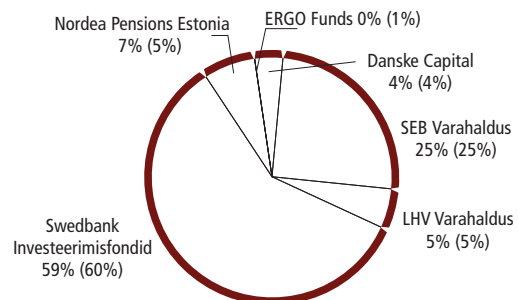
There were also some changes on the market of **voluntary pension funds**. Nordea Pensions Estonia AS increased its market share from 5% to 7%. Although more than half of the voluntary pension fund market still belonged to Swedbank Investeerimisfondid AS as at the end of 2014, its market share decreased from 60% to 59% over the year.

The selection of **other funds** grew in 2014 on the account of the funds managed by new management companies – 4Times Capital AS, FB Asset Management AS and AS Birdeye Capital. The main changes among other funds were the result of the liquidation of the Eastern Europe Real Estate Investment Fund (EEREIF) and the fast increase in the assets of EfTEN Kinnisvarafond. This means that the market share of EfTEN Capital AS increased the most in 2014, from 49% to 58%. The assets of the BPT Baltic Opportunity Fund of Northern Horizon Capital AS increased fast, which led to the market share of Northern Horizon Capital AS increasing from 12% to 15% over the year. The market shares of new management companies FB Asset Management AS and AS Birdeye Capital were 3% and 2%, respectively, by the end of the year.

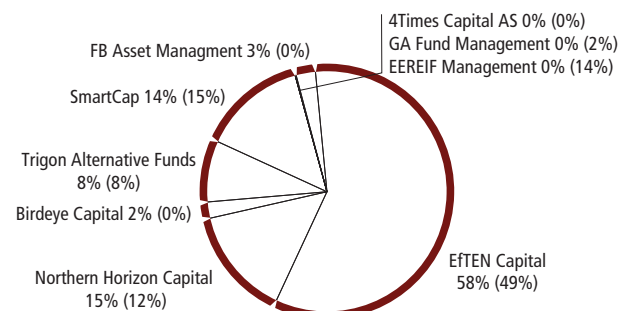
Market breakdown: mandatory pension funds as at 31.12.2014
(31.12.2013 in brackets)



Market breakdown: voluntary pension funds



Market breakdown: other funds



As non-residents make up a considerable share of the customers of Estonian investment funds, it is important to differentiate Estonian resident customers from non-resident customers in order to make conclusions on the Estonian fund market. At the end of 2014 the **share of Estonian residents** comprised **49%** of the volume of the assets of the investment funds registered in Estonia (51% at the end of 2013).

Thirty-eight percent of the money invested in **Estonian equity funds** belonged to **Estonian resident customers** and **62% to non-resident customers**.

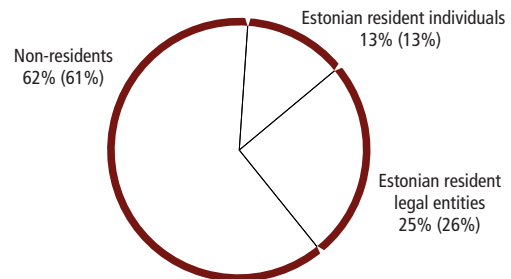
The equity fund management company preferred by Estonian **resident customers** was Swedbank Investeerimisfondid AS, which managed 61% of the assets invested by Estonian residents in equity funds. AS SEB Varahaldus managed 16% of the assets invested by Estonian residents in equity funds.

Forty percent of the money invested in **Estonian debt funds** belonged to **Estonian resident customers** and **60% to non-resident customers**. The decrease in the share of residents that occurred over the year is the result of the changes in the recognition of residents in the reports of the management company.

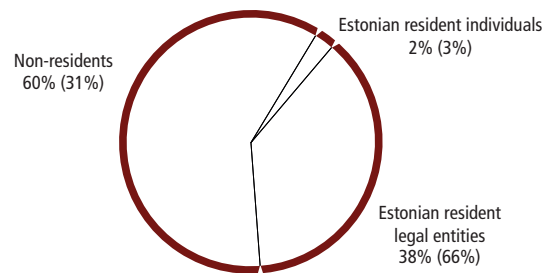
On the market of Estonian resident customers, the biggest market share as at the end of 2014 belonged to AS SEB Varahaldus, which managed 70% of the assets of residents invested in debt funds. Twenty-seven percent of the money of residents invested in debt funds belonged to AS Avaron Asset Management. Swedbank Investeerimisfondid AS did not manage any debt funds.

As at the end of 2014 **74%** of the money invested in **other funds** belonged to **Estonian resident customers** and **26% to non-resident customers**. The biggest market share in terms of Estonian residents belonged to Eften Capital AS, which managed 67% of the assets invested in other funds. The biggest market share in terms of Estonian residents belonged to Eften Capital AS, which managed 20% of the assets invested in other funds.

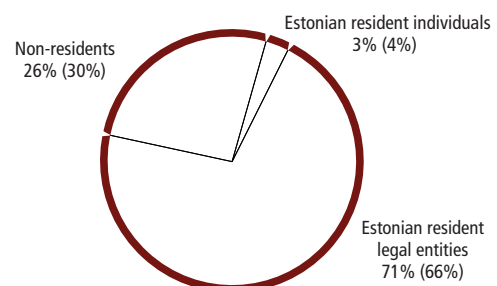
Customer structure of equity funds as at 31.12.2014
(31.12.2013 in brackets)



Customer structure of debt funds



Customer structure of other funds



6. Portfolio management service¹⁸

a. Service

The portfolio management service is provided by management companies, banks and investment firms. In recent years, the total volume of portfolios has remained stably around 1.0 billion euros.

In the first half of 2014 a major change took place in Swedbank, where the volume of the assets managed by the management company decreased by 112 million euros and the volume of the portfolios managed by the bank increased by 77 million euros.

This also had an impact on the aggregate figures, as a result of which the volume of the customer portfolios managed by management companies decreased from 621 million euros to 558 million euros over the year, i.e. from 64% to 55% of the market. The volume of the customer portfolios managed by banks increased from 330 million euros to 439 million euros in 2014. The volume of the customer portfolios managed by investment firms was 13 million euros.

All in all, the aggregate volume of the securities portfolios of customers comprised 1.01 billion euros as at the end of 2014 (965 million euros as at the end of 2013).

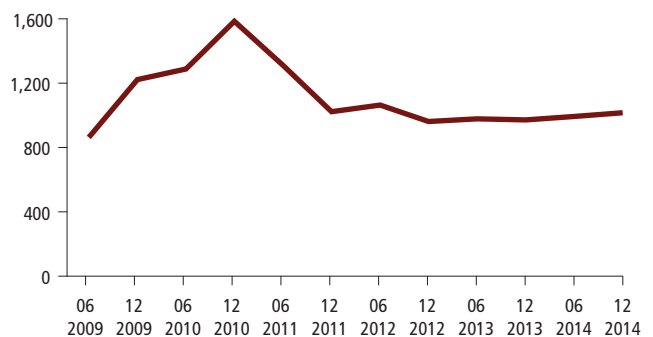
Overall market breakdown:

AS Trigon Funds	32%
Swedbank Group	31%
SEB Bank Group	17%

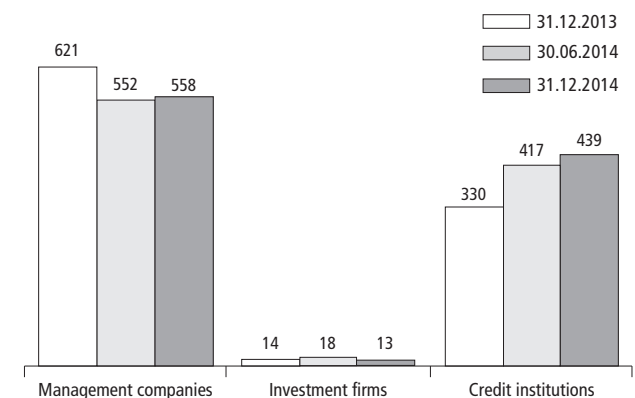
Customers: information not available

Service volume: total volume of portfolios 1.01 billion EUR

Dynamics of aggregate volume of individual portfolios (million EUR)



Portfolio volumes (million EUR)



¹⁸ 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

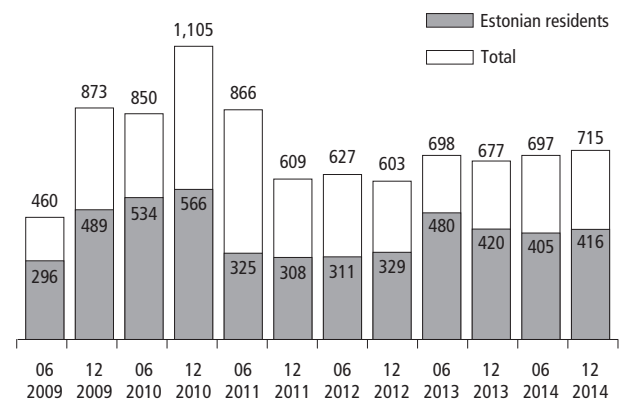
As at the end of 2014, more than half of the aggregate volume of customer portfolios belonged to **Estonian residents** – ca 64% of the volume of customer portfolios or 646 million euros. 416 million euros of this belonged to financial institutions, 132 million to commercial undertakings, 15 million euros to the government and 83 million euros to private persons.¹⁹

In terms of customers, financial institutions formed the biggest group, as the volume of their portfolios comprised 715 million euros by the end of 2014. The volume of the portfolios of financial institutions increased by 6% or 38 million euros in 2014.

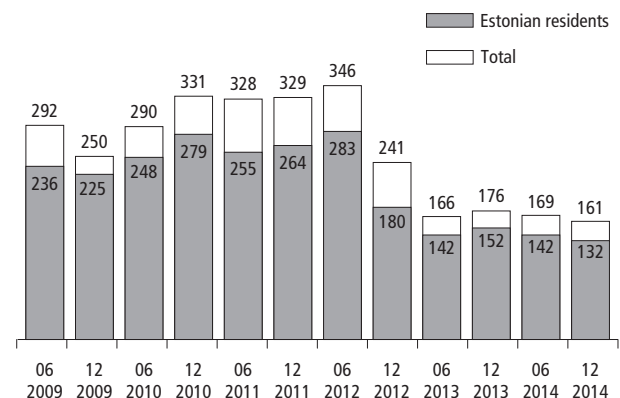
The volume of the portfolios of commercial undertakings comprised 161 billion euros at the end of 2014 (176 million euros as at the end of 2013). The volume of the portfolios of resident commercial undertakings decreased by 20 million euros over the year (from 152 million to 132 million euros).

The volume of the portfolios of private persons increased from 112 million euros to 119 million euros over the year. The volume of the portfolios of resident private persons did not change over the year and comprised 83 million euros.

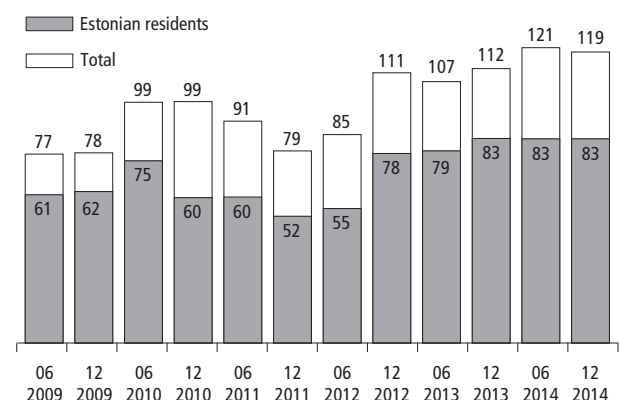
Portfolio volumes by residency – financial institutions (million EUR)



Portfolio volumes by residency – commercial undertakings (million EUR)



Portfolio volumes by residency – private persons (million EUR)



¹⁹ Financial institutions hereinafter cover insurance companies, pension funds, credit institutions and other financial institutions; commercial undertakings cover other commercial undertakings and public or municipal undertakings; private persons cover private persons and non-profit organisations. Government means the government and national social welfare funds.

c. Service providers

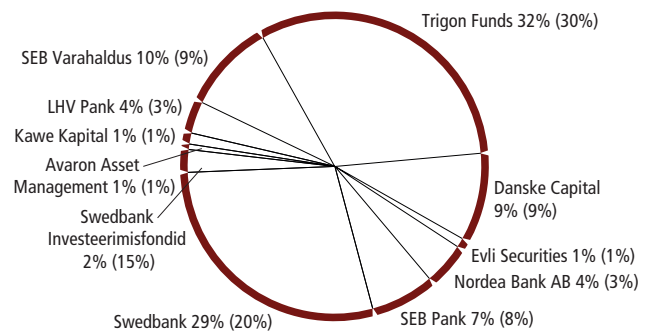
The biggest market share in the management of customer portfolios at the end of 2014 belonged to AS Trigon Funds with 32% (30% in 2013). In terms of the aggregate volume of all portfolios, 31% belonged to Swedbank Group companies (35% in 2013) and 17% to SED Bank group companies (17% also in 2013).

In terms of management companies, the biggest total volume of customer portfolios belonged to AS Trigon Funds (an increase from 47% to 57% over the year). Eighteen percent of the market of management companies belonged to AS SEB Varahaldus and 17% to Danske Capital AS. The market share of Swedbank Investeerimisfondid AS decreased from 23% to 5% over the year.

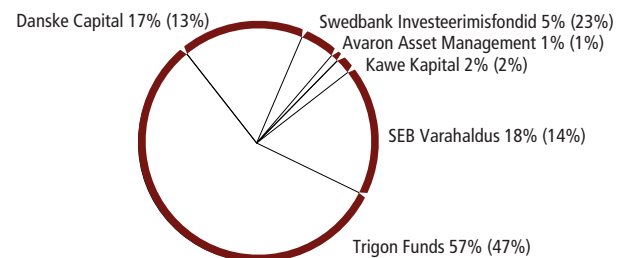
In terms of banks, the biggest total volumes of portfolios belonged to Swedbank AS (66%) and AS SEB Bank (16%). They were followed by Nordea Bank AB Estonia branch (10%) and AS LHV Bank (8%).

As at the end of 2014, only two investment firms provided the portfolio management service – Evli Securities AS and Aktsiaselts Cresco Väärtpaberid. The majority of the volume of customer portfolios was managed by Evli Securities AS (82%).

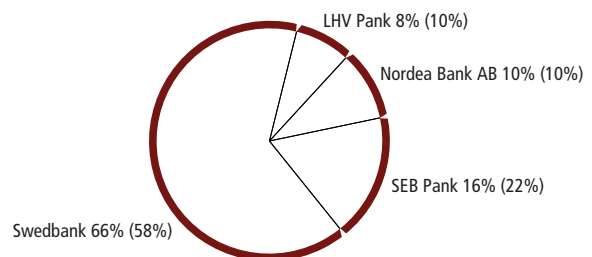
**Market breakdown of customer portfolios by service provider
as at 31.12.2014 (31.12.2013 in brackets)**



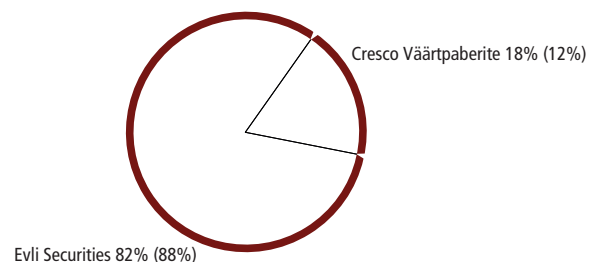
Market breakdown: by management company



Market breakdown: by credit institution



Market breakdown: by investment firm



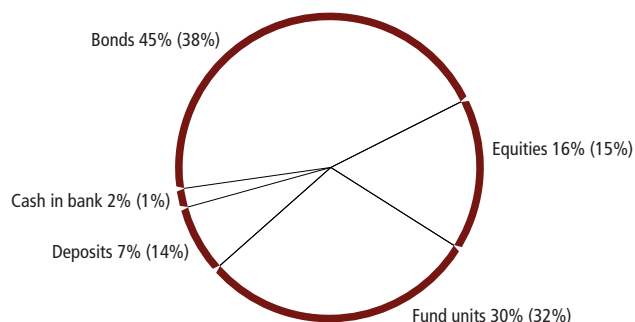
d. Portfolio structure by instrument

Compared to the previous period, the share of investments in the aggregate customer portfolio increased by the end of 2014 and the share money in accounts and deposits that guarantees liquidity, but is not included in investments, decreased. So-called direct investments in securities increased from 53% to 61% over the year; investments in bonds comprised 45% and investments in equities comprised 16%.

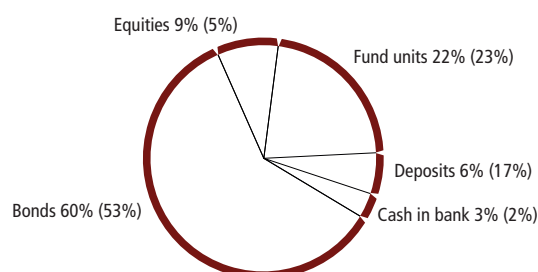
Investments in the units of other funds²⁰ (so-called indirect investments) decreased and comprised 30% of the volume of the aggregate portfolio at the end of 2014. The share of deposits decreased from 14% to 7% of the aggregate portfolio volume. Cash in bank comprised 2% of the aggregate portfolio volume.

However, major differences in the selection of instruments can be seen in terms of service providers. Management companies preferred bonds (60%), and investment firms opted for units of other funds (78%). The selection of instruments used by credit institutions is more even; direct investments in bonds have increased over the year.

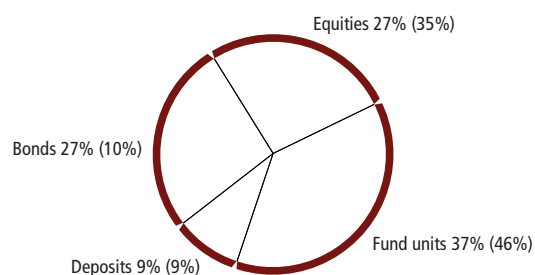
Portfolio structure by instrument as at 31.12.2014 (31.12.2013 in brackets)



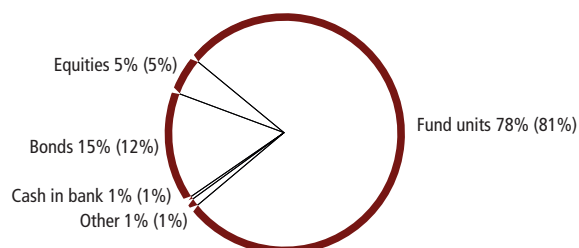
Structure of portfolios managed by management companies



Structure of portfolios managed by credit institutions



Structure of portfolios managed by investment firms



²⁰ Include various types of funds.

7. Payment services

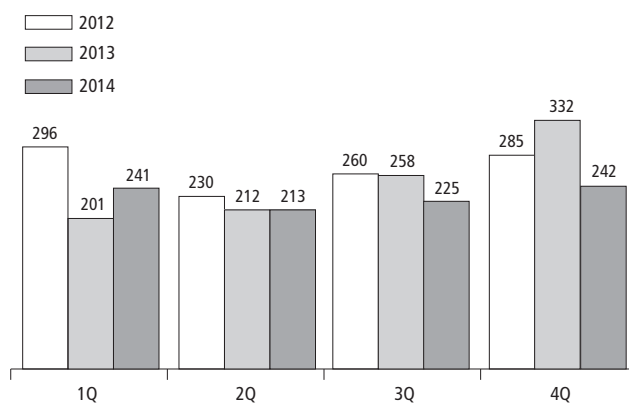
Twelve payment institutions operated in Estonia as at the end of 2014, five of them on the basis of special permits. Nine payment institutions actually intermediated payments in 2014.

In comparison to the previous period, the volume of the payments intermediated by Estonian payment institutions decreased by 8% whilst the number of payments increased by 68%.

In total, the volume of the payments intermediated by Estonian payment institutions in 2014 was 920 million euros (1.003 billion euros in 2013). 1,711,812 payments were made in 2014 (1,020,010 payments in 2013).

The average size of a payment was therefore 538 euros (983 euros in 2013).

Turnover of transactions intermediated by payment institutions by quarter (million EUR)

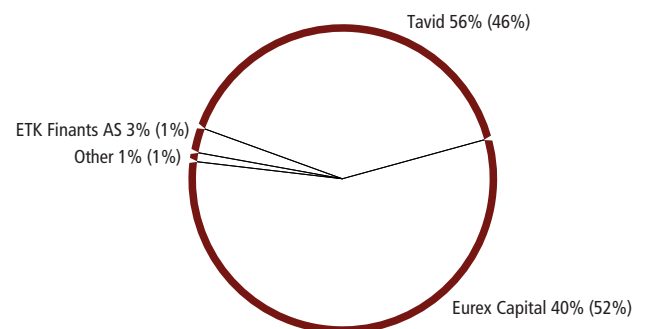


Overall market breakdown:

Tavid AS	56%
AS Eurex Capital	40%
Customers:	NA
Service volume:	volume of payments 920 million EUR

The payment services market was basically divided between two payment institutions: AS Eurex Capital and Tavid AS. The share of AS Eurex Capital in the volume of payments in 2014 was 40% and the share of Tavid AS was 56%.

Market shares of payment institutions in 2014 according to intermediated turnover (2013 in brackets)



8. Loans²¹

a. Service

The volume of the loan portfolio of Estonian banks increased in 2014 at the fastest pace of the last five years – 4.4% or by 632 million euros, and it exceeded 15 billion euros by the end of 2014. Loans to commercial undertakings²² comprised 44% and loans to private persons²³ accounted for 47% of the total portfolio.

The volume of private person loans increased by 148 million euros over the year. Loans to commercial undertakings increased by 228 million euros. Loans to financial institutions increased by 257 million euros and loans to the government by 28 million euros.

As at the end of 2014, the loans issued to private persons totalled 7.1 billion euros and the loans issued to commercial undertakings totalled to 6.6 billion euros. Loans to financial institutions²⁴ comprised 910 million euros and loans to the government²⁵ 540 million euros.

Among the loans issued to private persons in 2014, the volume of home loans increased the most (by 170 million euros) and reached 6.1 billion euros as at the end of the year.

The volume of student loans continued to decrease – 22 million euros over the year – and amounted 152 million euros at year end.

The volume of consumer loans increased by 6 million euros over the year and comprised 387 million euros at year end.

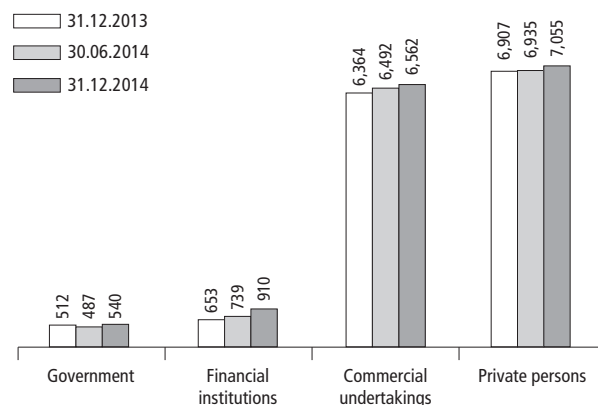
Overall market breakdown:

Swedbank AS	39%
AS SEB Pank	24%
Nordea Bank AB Estonia branch	19%

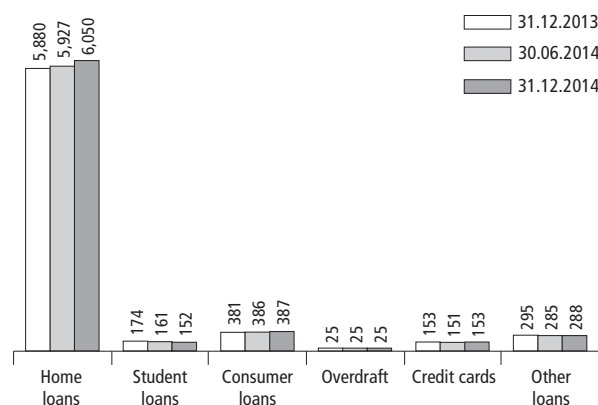
Private customers: 661,047 effective contracts

Service volume: aggregate loan portfolio volume
15.1 billion EUR

Loan balance (million EUR)



Volume of private person loans (million EUR)



²¹ The data on loans include loans issued by Estonian credit institution.

²² A public or municipal undertaking, other commercial undertaking.

²³ Private person, non-profit organisation.

²⁴ Insurance company and pension fund, other financial institution.

²⁵ Central government, local government, national social insurance fund, other non-budgetary fund.

b. Consumers

Home loans and consumer loans deserve a mention in terms of changes in the average loan burden of **private persons** in 2014. Unlike previous years, the average balance of home loans increased by 330 euros. The average balance of consumer loans increased by 83 euros. In terms of other loans, the average balance remained practically unchanged.

Average balance of loans issued to private persons (EUR)

	31.12.2013	30.06.2014	31.12.2014
Home loans	36,739	36,741	37,069
Student loans	2,206	2,209	2,208
Consumer loans	2,893	2,943	2,977
Overdraft	285	278	310
Credit cards	751	753	775
Other loans	14,044	13,911	13,475

The average balance of home loans increased in 2014 from 36,739 euros at the beginning of the year to 37,069 at year end. The average balance of student loans increased from 2,206 euros to 2,208 euros. The average balance of consumer loans increased from 2,893 euros to 2,977 euros. The average balance of overdraft increased from 285 euros to 310 euros. The average balance of credit cards increased from 751 euros to 775 euros. The average balance of other loans²⁶ decreased from 14,044 euros to 13,475 euros. The high average balance of other loans mainly resulted from the amounts of the loans taken for business purposes.

In 2014 the number of loan agreements decreased in almost all loan types. Home loans and other loans were exceptions, as the number of loan agreements increased by 3,172 and 400, respectively, over the year.

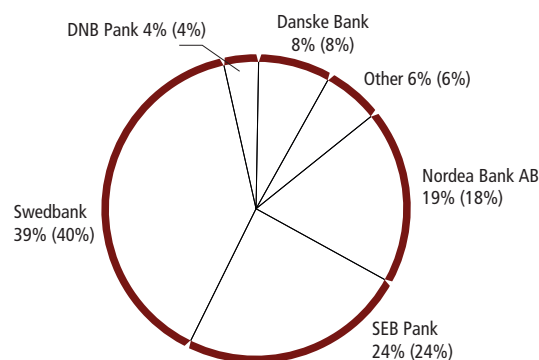
As at the end of 2014, the **number of home loan agreements entered into with private persons was the biggest of the last five years with 163,217 (160,045 the year before)**. The number of student loan agreements was 68,749 (78,708 the year before), the number of consumer loans was 130,052 (131,641 the year before), the number of overdraft agreements 80,662 (87,218 the year before), the number of credit card agreements 196,993 (203,799 the year before) and the number of other loan agreements 21,374 (20,974 the year before).

c. Service providers

The Estonian loan market was stable in 2014 and mostly divided between four large banks that covered 90% of the loan market. Swedbank AS had the biggest market share (39% of the total loan portfolio). It was followed by AS SEB Bank (24%), Nordea Bank AS Estonia branch (19%) and Danske Bank A/S Estonia branch (8%).

The remaining 10% of the market was divided between 11 market participants and among them, the biggest market share belonged to AS DNB Bank (4%).

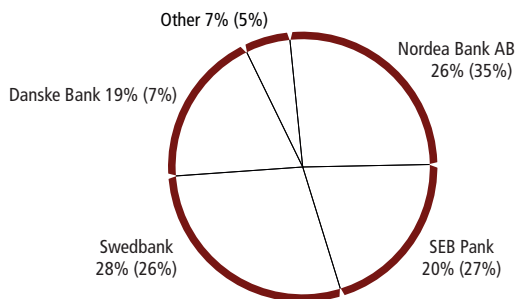
Market breakdown: loans as at 31.12.2014 (31.12.2013 in brackets)



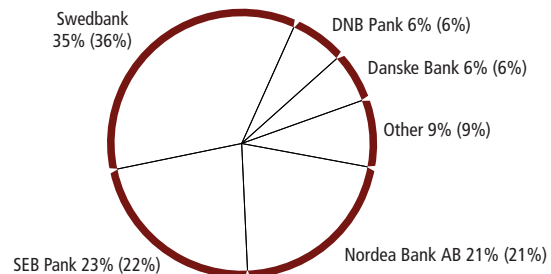
²⁶ Other loans granted to individuals and non-profit organisations are intended, among other things, for acquisition of securities and commencement and expansion of the activities of companies.

The figures below present the division of different types of loans between the banks operating in Estonia:

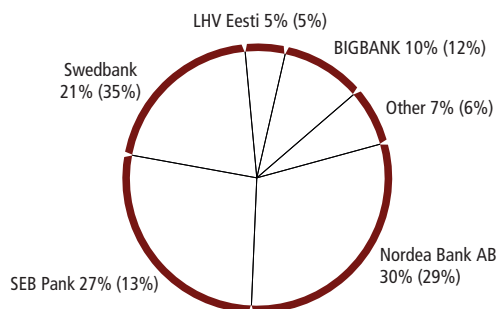
Market breakdown: government loans as at 31.12.2014
(31.12.2013 in brackets)



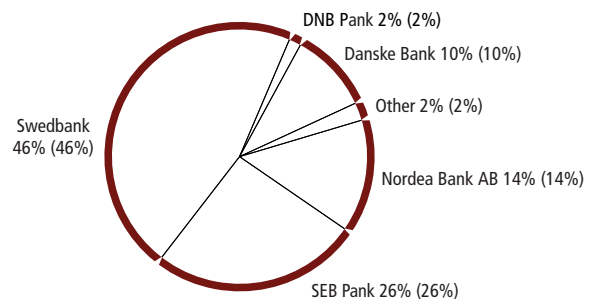
Market breakdown: corporate loans



Market breakdown: financial institution loans



Market breakdown: private person loans

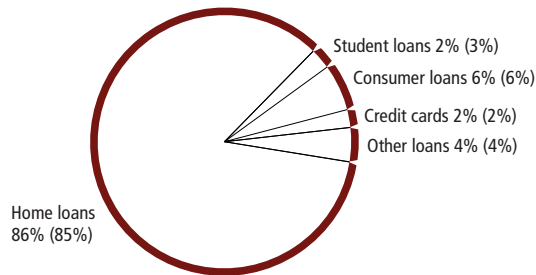
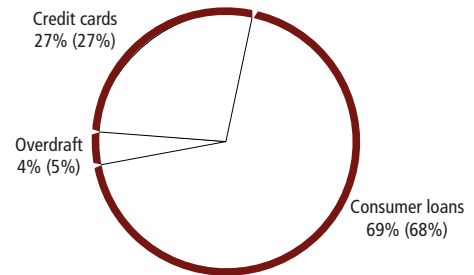


On the **government loan market**, the market share of Nordea Bank AB Estonia branch decreased and the market share of Danske Bank A/S Estonia branch increased. The biggest share of the government loan market belonged to Swedbank AS (28%), followed by Nordea Bank AB Estonia branch (26%) and AS SEB Bank (20%).

The market of financial institution loans has been particularly volatile in recent years. The business volumes of AS SEB Bank increased in 2014, which also increased its market share from 13% to 27%. The market share of Swedbank AS decreased from 35% to 21%.

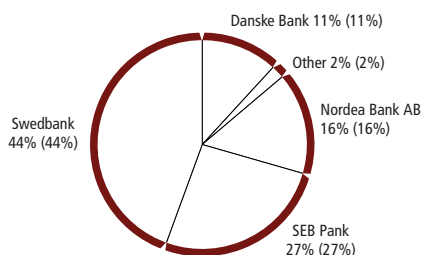
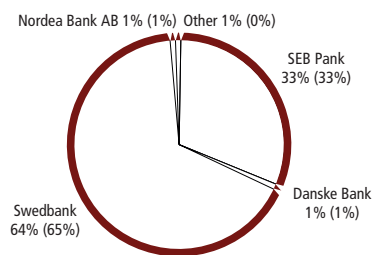
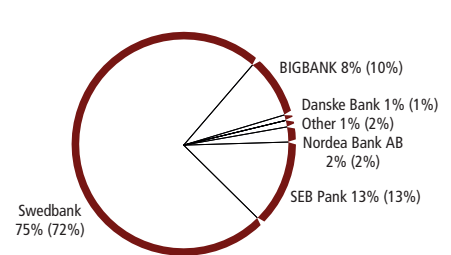
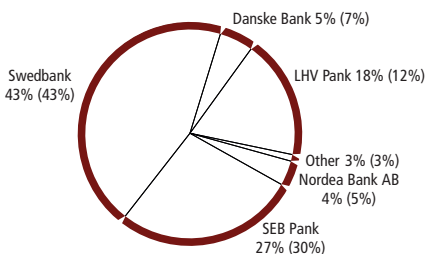
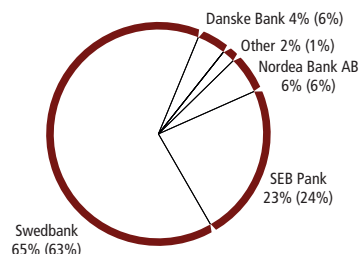
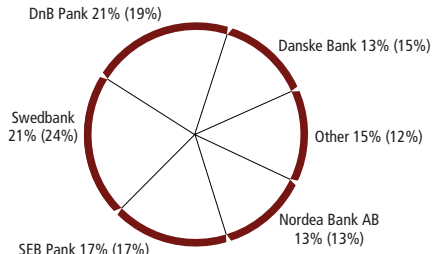
The biggest share of **corporate loans** was still issued by Swedbank AS (35%), AS SEB Bank (23%) and Nordea Bank AB Estonia branch (21%).

The largest share of **private person** loan balances is also concentrated in Swedbank AS (46%) and AS SEB Bank (26%). The market breakdown of loans to private persons has been the stablest at all times.

Breakdown of private person loans as at 31.12.2014 (31.12.2013 in brackets)**Loans related to everyday consumption**

The main change in the breakdown of the different types of loans issued to private persons in 2014 was the increase in the share of home loans and the decrease in the share of student loans. Most of the loans issued to private persons are home loans, totalling 86%, or 6.1 billion euros. Loans related to everyday expenses (consumer loans, credit card limits, overdraft) total 0.6 billion euros.

The private person loan market is highly concentrated: almost half of it belonged to Swedbank as at the end of 2014 whilst the rest divides mainly between AS SEB Bank, Danske Bank A/S Estonia branch and Nordea Bank AB Estonia branch.

Market breakdown: private person home loans**Market breakdown: private person student loans****Market breakdown: private person consumer loans****Market breakdown: private person overdraft****Market breakdown: private person credit cards****Market breakdown: other private person loans**

9

Deposits²⁷

a. Service

The **volume of deposits** in Estonian banks increased by 9%, or 1.2 billion euros in 2014, reaching 14.9 billion euros by year end. Demand and overnight deposits comprised 10.6 billion euros, term and savings deposits 4.1 billion euros and investment and other deposits 0.1 billion euros. **This means that only 28% of deposits were held for a fixed term and this trend strengthened further in 2014.** The share of demand and overnight deposits increased from 66% to 71% over the year, and the share of term and savings deposits decreased from 33% to 28% of all deposits.

The largest part of the deposits were the deposits of commercial undertakings²⁸, which comprised 44% of total deposits (also 44% in 2013) and amounted to 6.5 billion euros in total. **The share of the demand and overnight deposits of commercial undertakings increased from 78% to 86% over the year,** amounting to 5.6 billion euros by the end of December. The share of term deposits decreased from 21% to 14% of the total volume of corporate deposits over the year, comprising 0.9 billion euros at the end of December.

Private persons²⁹ held 40% of deposits with 5.9 billion euros (40% also in 2013). **The biggest share of private person deposits consisted of demand and overnight deposits with 3.7 billion euros or 62% (58% in 2013).** Term and savings deposits comprised 36% (40% in 2013) or 2.1 billion euros, and investment and other deposits 0.1 billion euros.

The deposits of financial institutions³⁰ and government deposits totalled 1.3 billion euros and 1.2 billion euros, respectively, both 8% of total deposits.

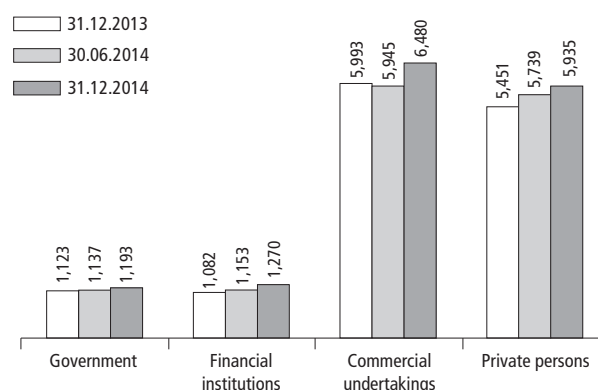
Overall market breakdown:

Swedbank AS	43%
AS SEB Pank	22%
Danske Bank A/S Estonia branch	13%

Customers: 2,807,372 contracts

Service volume: total volume of deposits 14.9 billion EUR

Deposit volumes (million EUR)



²⁷ The data on deposits include the amounts deposited in all credit institutions operating in Estonia and in the Estonian branches of foreign credit institutions, i.e. the deposits of both residents and non-residents. The data do not include the deposits opened in the foreign branches of Estonian credit institutions.

²⁸ Public or municipal undertakings, other commercial undertakings.

²⁹ Private persons, non-profit organisations.

³⁰ Insurance companies and pension funds, other financial institutions.

b. Service providers

The breakdown of the Estonian deposit market by service providers remained relatively unchanged in 2014. **The biggest change that can be highlighted is the increase of the market share of AS SEB Bank from 20% to 22%.**

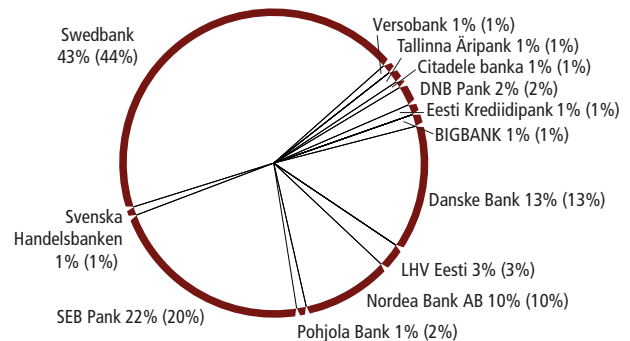
The biggest market share as at the end of 2014 belonged to Swedbank AS (43% of the volume of deposits); in terms of volume, Swedbank AS was the leader in most customer categories.

AS SEB Bank held 22% of the deposit market, Danske Bank A/S Estonia branch held 13% and Nordea Bank AB Estonia branch held 10% of the market.

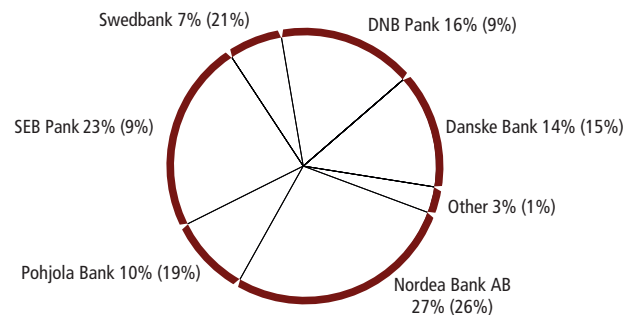
The market of government deposits was characterised by high volatility – the amounts deposited in AS SEB Bank increased its market share from 9% to 23%. The market share of Swedbank AS decreased from 21% to 7%. The biggest share of government deposits is held in **Nordea Bank AB Estonia branch (27%)**. It was followed by AS DNB Bank (16%) and Pohjola Bank plc Estonia branch (10%).

The changes among the **deposits of financial institutions** were smaller. Market shares fluctuated mainly within the range of one per cent. The biggest market share still belonged to Swedbank AS (45%). It was followed by Danske Bank A/S Estonia branch (9%) and AS SEB Bank (17%).

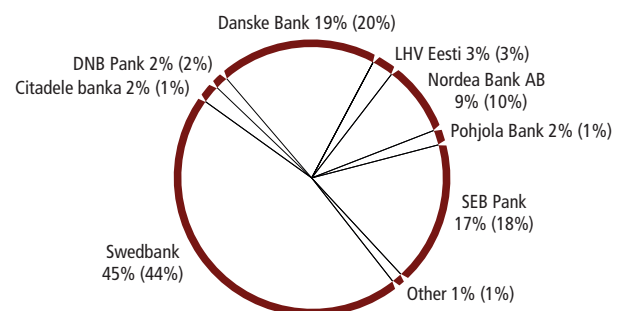
Market breakdown: deposits as at 31.12.2014 (31.12.2013 in brackets)



Market breakdown: government deposits

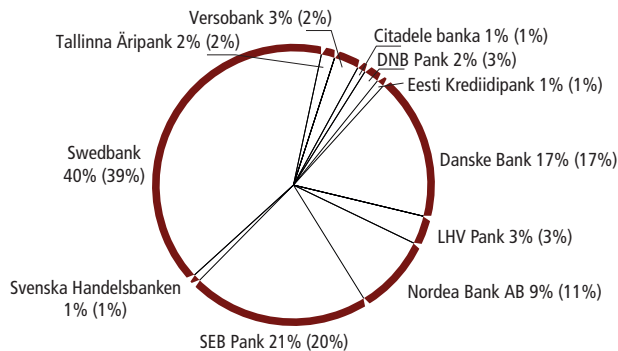


Market breakdown: deposits of financial institutions



Corporate deposits increased the most in Swedbank AS, AS SEB Bank and Versobank AS in 2014, and it was also evident in the increase in their market shares. The market share of Swedbank increased from 39% to 40%, the market share of SEB Bank from 20% to 21% and the market share of Versobank from 2% to 3%.

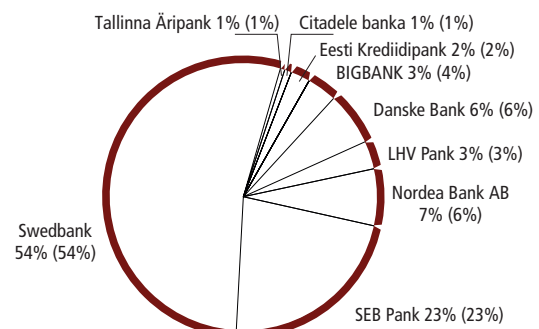
Market breakdown: corporate deposits as at 31.12.2014
(31.12.2013 in brackets)



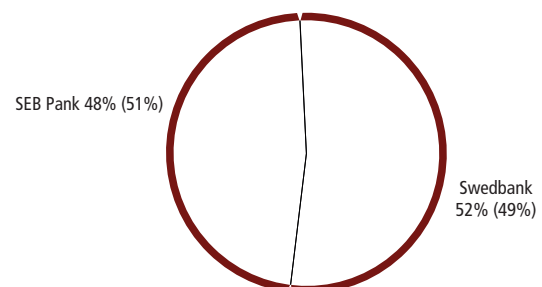
Only two banks offered investment deposits in 2014: AS SEB Bank and Swedbank AS. The volume of the investment deposits opened by private persons amounted to 97 million euros by the end of 2014 (92 million euros the year before). The biggest market share in terms of private person deposits belonged to Swedbank AS (52%), followed by AS SEB Bank (48%).

The **private person deposit market** remained stable. More than half of the private person deposit market belonged to Swedbank AS, followed by AS SEB Bank (23%), Nordea Bank AB Estonia branch (its market share increased from 6% to 7% over the year) and Danske Bank A/S Estonia branch (6%).

Market breakdown: private person deposits



Market breakdown: private person investment deposits



c. Service consumers

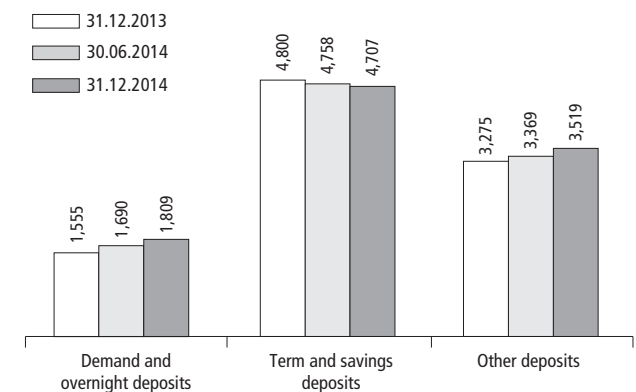
The number of deposit contracts increased by 33,000 deposits in 2014 on the account of demand and overnight deposits. The number of term and savings deposits decreased by 3,000 over the year and the number of other deposits decreased by 1,000.

The number of effective deposits contracts³¹ as at 31 December 2014:

▪ total demand and overnight deposits	2,316 thousand contracts
including private persons	2,049 thousand contracts
▪ total term and savings deposits	462 thousand contracts
including private persons	452 thousand contracts
▪ total investment and other deposits	30 thousand contracts
including private persons	29 thousand contracts

The average amount of the demand and overnight deposits of private persons as at the end of 2014 was **1,809 euros** (1,555 euros as at the end of 2013), the amount of term and savings deposits was 4,707 euros (4,800 euros) and the amount of investment and other deposits was 3,519 euros (3,275 euros).

Average volume of private person deposit (EUR)



³¹ Only deposits with monetary balances were considered. Unlike previous financial market overviews, Annex 2 'Report on Resource Balances' to Governor of the Bank of Estonia Regulation No. 4 'Establishment of Additional Reporting on the Balances of Credit Institutions' of 25 May 2012 has been used as the basis of the number of deposits contracts both as at 31.12.2013 and for previous periods.