



ESTONIAN FINANCIAL MARKET as at 31.12.2009

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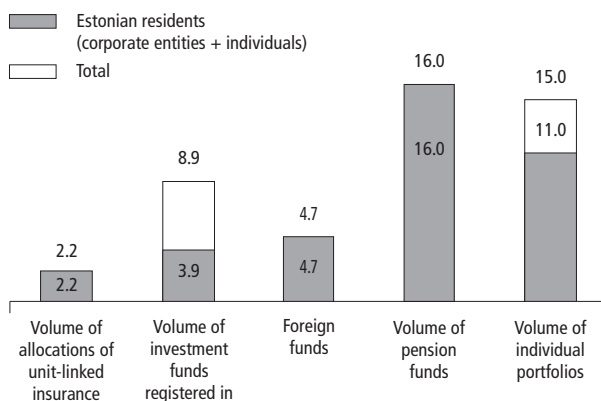
I. Volumes of financial services

In 2009 the steep drop in the volume of financial services came to a halt and the financial services market showed clear signs of stabilisation.

In the investment sector, signs of improvement can be noticed: although the volume of insurance premiums received in unit-linked life insurance decreased by 13% in 2009, in case of funds, the volume of consolidated assets of funds increased by 17%. The consolidated volume of individual portfolios increased by 27%.

In the insurance sector, falling trends were prevailing: in life insurance (except for unit-linked insurance) the volume of premiums decreased by 6%, in non-life insurance by 9%. At the same time, interest in classes of insurance helping manage risks in difficult economic conditions increased: term and whole life insurance and financial loss insurance.

Volumes of different investment services as at 31.12.2009 (billion EEK)



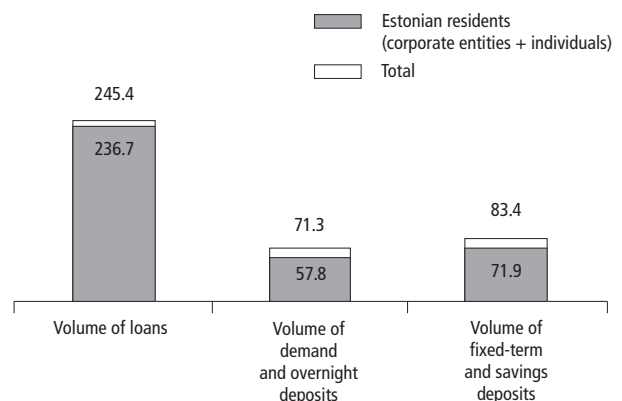
Over the year, the consolidated volume of deposits increased by 5.7%, incl. the volume of fixed-term and savings deposits, which increased by 12%.

The consolidated volume of loan portfolios decreased by 5.7% in 2009. At the end of 2009, the amount of the consolidated loan portfolio of the credit institutions was EEK 245 billion, including loans granted to Estonian residents in the amount of EEK 237 billion.

A total of EEK 133 billion (EEK 111 billion as at the end of 2008) was invested in financial services aimed at saving, including the products of unit-linked life insurance, investment funds, pension funds, individual portfolios and savings deposits.

Volumes of financial services offered by the Estonian financial institutions:

Volumes of different banking services as at 31.12.2009 (billion EEK)



The volume of investment and banking services provided by Estonian financial institutions, including the data on private persons who are Estonian residents, is presented in the table below (billion EEK, as at 31.12.2009):

Service	Total, billion EEK	Including private persons who are Estonian residents	
		billion EEK	share in total services
Volume of investment funds	8.9	1.1	12%
Volume of pension funds	16.0	16.0	100%
Foreign funds offered in Estonia	4.7	1.2	26%
Volume of allocations of unit-linked insurance	2.2	2.2	100%
Volume of individual portfolios	15.0	1.0	7%
Volume of loans	245.4	116.0	47%
Volume of demand and overnight deposits	71.3	23.3	33%
Volume of fixed-term and savings deposits	83.4	32.6	39%
Volume of investment and other deposits	2.6	1.8	69%

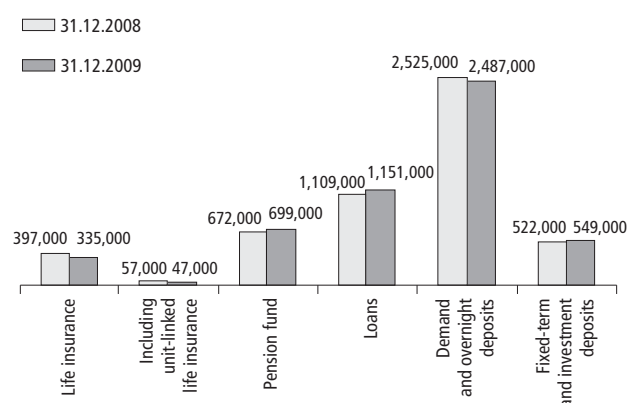
2. Division of private person customers by service

Considering the number of contracts, the demand deposit (current account) is the most used service in Estonia. As at 31.12.2009, private persons held **2,487,000 current accounts**¹ (many private persons hold multiple current accounts).

Loan is another financial service most used by private persons. As at 31.12.2009, the number of **loan agreements**² entered into with private persons was **1,151,000**.

Over the year, the number of contracts concluded with pension funds has increased from 672,000 to 699,000. The number of fixed-term, savings and investment deposit contracts increased from 522,000 to 549,000. In life insurance and unit-linked life insurance, the number of contracts decreased from 397,000 to 355,000 and from 57,000 to 47,000, respectively.

Number of contracts of individuals by financial services



¹ Included are only cash deposits.

² Important note: The analysis does not take into account the fact that some persons may have entered into several contracts.

3. Life insurance

In 2009 insurance companies in Estonia collected insurance premiums in the amount of EEK 1.2 billion³ (in 2008: EEK 1.3 billion). Compared to the year-ago period, the volume of premiums decreased nearly by 10%. The decrease of premiums in the sector as a whole is caused by the decrease of premiums of endowment insurance and unit-linked life insurance by 14% and 13%, respectively.

Although premiums decreased, ULLI continues to be the most voluminous life insurance product in the amount of EEK 503 million. The decrease in premiums led to a continuously diminishing share of the insurance class ULLI: from 46% of all premiums received to 44%.

Unit-linked life insurance was followed by endowment insurance with the volume of premiums EEK 408 million (in 2008: EEK 474 million). Under other contracts for life insurance products, a total of EEK 244 million was received (in 2008: EEK 219 million).

Increased interest in term and whole life insurance can be noticed as the number of contracts here doubled over two years and the share of this insurance class grew from 7% to 9% in 2009.

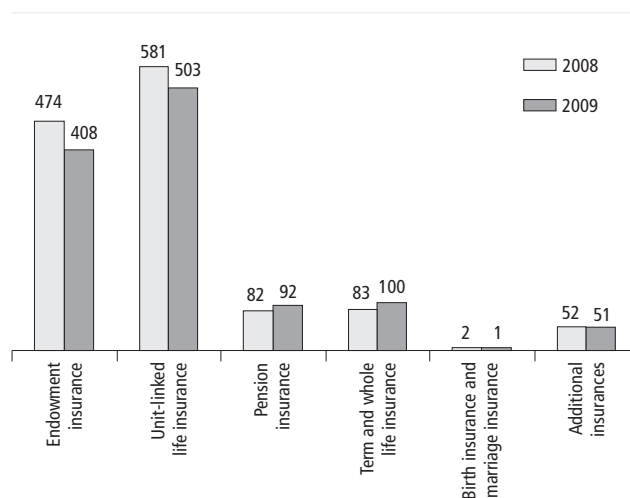
a. Consumers

As at the end of 2009, the number of **basic life insurance contracts** entered into with life insurance companies operating in Estonia was **212,275**⁴ (as at the end of 2008: 239,049 basic contracts). Compared to the year-ago period, the number of contracts entered into decreased in almost all life insurance classes (except for term and whole life insurance).

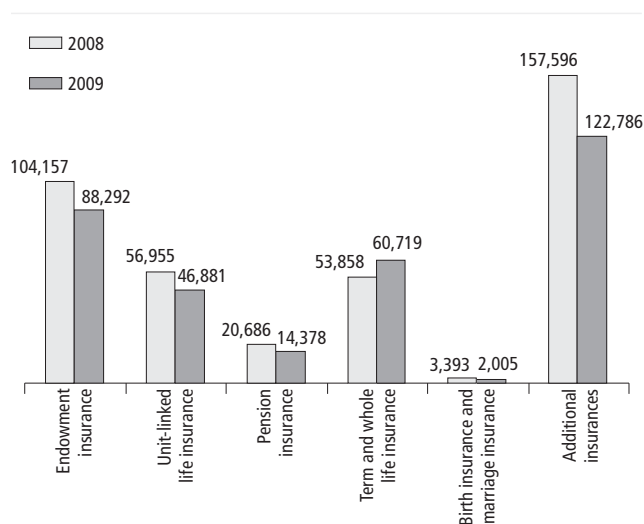
Despite the decline, the endowment insurance with 88,292 contracts remained the largest basic insurance class by the number of contracts (as at the end of 2008: 104,157 contracts).

General market	Swedbank Life Insurance	38%
breakdown:	SEB Elu- ja Pensionikindlustus	23%
	Sampo Life Insurance Baltic	24%
Customers:	335,061 contracts in force	
Volume of service:	Premiums received in 2009	
	Total EEK 1.2 billion	

Premiums by life insurance classes (million EEK)



Number of life insurance contracts in force (pc) concluded in Estonia



³ The data do not include premiums collected outside Estonia.

⁴ The data include only life insurance contracts concluded in Estonia.

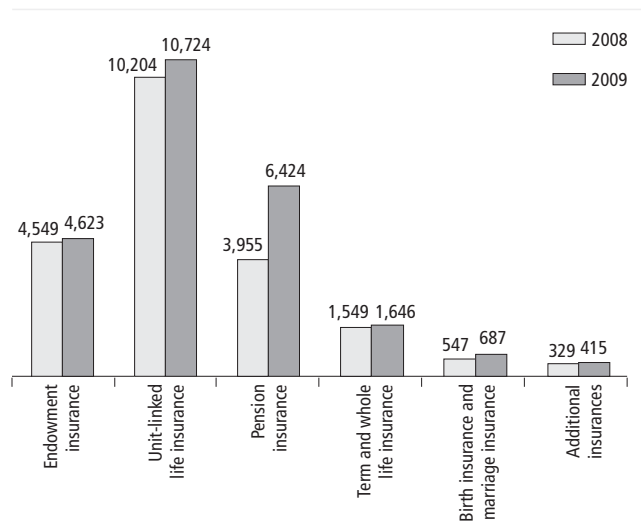
The only life insurance class where the number of contracts increased compared to the year-ago period was term and whole life insurance where the number of contracts in force increased from 53,858 to 60,719.

A total of 122,786 additional insurance contracts were concluded (as at the end of 2008: 157,596 contracts).

Despite the decrease in the volume of premiums and the number of contracts, the average volume of premiums increased in all insurance classes in 2009. The biggest increase was in the volume of pension insurance, growing from EEK 3,955 to EEK 6,424 per contract over the year.

The biggest insurance class in volume still remains ULLI where the average volume increased from EEK 10,204 to EEK 10,724.

Average amount of premiums paid to contract over the year (EEK)

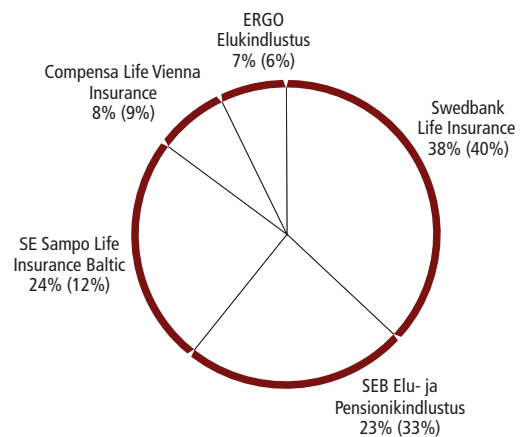


b. Service providers

Compared to the year-ago period, premiums decreased in almost all life insurance companies. An exception was Sampo Life Insurance Baltic, where premiums increased more than 80% compared to the year-ago period. As a result of this, the market share of Sampo Life Insurance Baltic has significantly increased: from 12% to 24%.

Thus, the leading three have emerged in the life insurance sector: they have received 85% of all premiums. In addition to Sampo Life Insurance Baltic, the leading three also include Swedbank Life Insurance with a market share of 38% and SEB Elu- ja Pensionikindlustus with a market share of 23%.

Market shares of life insurance companies by premiums received in 2009 (data for 2008 in the brackets)



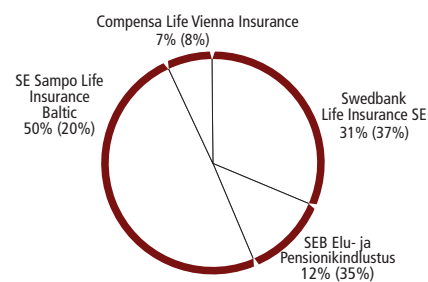
In market shares, the largest changes occurred in pension insurance and unit-linked life insurance.

In pension insurance, the market share of ERGO Kindlustus increased from 32% to 38% and that of Compensa Life Vienna Insurance decreased from 56% to 45%.

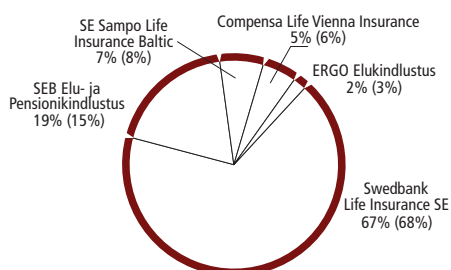
Unit-linked life insurance is characterised by a very rapid growth of premiums in Sampo Life Insurance Baltic, as a result of which the market share of Sampo Life Insurance Baltic has more than doubled, increasing from 20% to 50%. At the same time, the shares of other market participants diminished: the share of Swedbank Life Insurance from 37% to 31% and that of SEB Elu- ja Pensionikindlustus from 35% to 12%.

Market shares: unit-linked life insurance

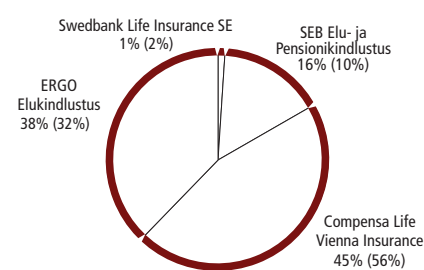
as at 31.12.2009 (as at 31.12.2008 in brackets)



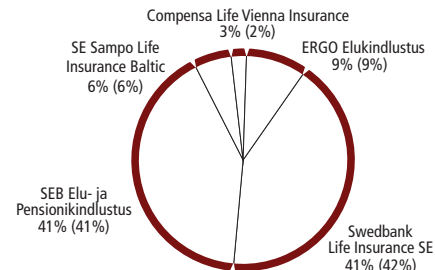
Market shares: term and whole life insurance



Market shares: pension insurance



Market shares: endowment insurance



4. Non-life insurance⁵

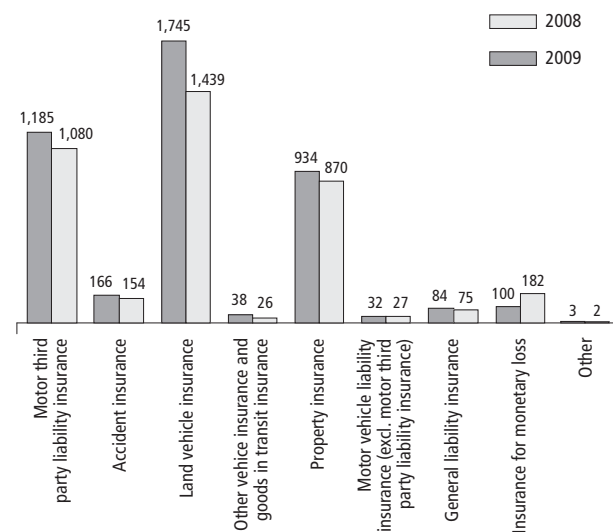
In 2009 non-life insurance companies registered in Estonia and branches of foreign non-life insurance companies **received premiums in the amount of EEK 3.9 billion** (in 2008: EEK 4.3 billion), of which EEK 645 million, or 15% of all premiums collected, was received by the Estonian branches of foreign insurance companies, (in 2008: EEK 459 million, or 11% of all premiums collected). **In almost all classes of non-life insurance, fewer premiums were received than a year ago.** An exception is financial loss insurance, where the volume of premiums almost doubled from EEK 100 million to EEK 182 million.

The largest share, or 37%, is still that of land vehicle insurance, or **casco insurance** (with the volume of premiums of EEK 1.439 billion), followed by **motor third party liability insurance** with 28% (with the volume of premiums of EEK 1.080 billion). They are followed by property insurance with a share of 23% and the volume of premiums of EEK 870 million.

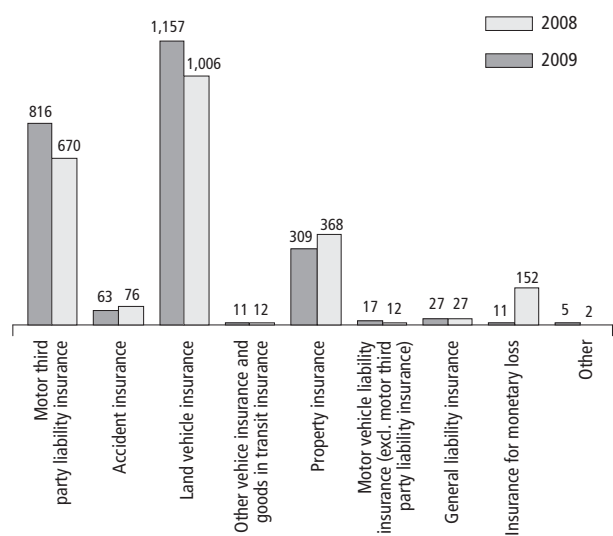
In 2009 the amount paid out in indemnities was EEK 2.3 billion (in 2008: EEK 2.4 billion). Compared to the year-ago period, indemnities decreased in motor third party insurance and land vehicle insurance. At the same time, the volume of indemnities paid out in financial loss insurance increased over the year: from EEK 11 million to EEK 152 million. More indemnities were also paid out in property insurance.

General market	IF P&C Insurance	26%
breakdown:	ERGO Kindlustus	19%
	Swedbank Varakindlustus	16%
Customers:	Information not available	
Volume of service:	Premiums received in 2009	
	EEK 3.9 billion	

Premiums by class of non-life insurance (million EEK)



Paid indemnities by classes of non-life insurance (million EEK)



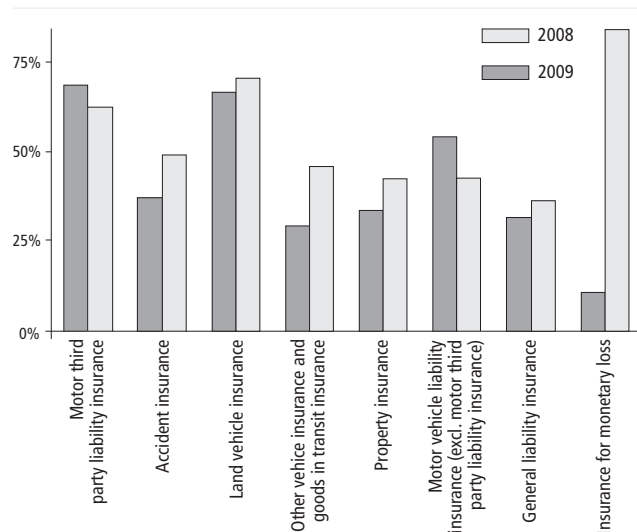
⁵ The data on non-life insurance include only contracts entered into in Estonia.

The data do not include insurance contracts concluded in the branches of Estonian insurance undertakings located in foreign countries.

The highest ratio of paid indemnities to premiums is that of financial loss insurance, where, compared to the year-ago period, the percentage increased from 11% to 84%.

In casco insurance, the ratio of paid indemnities to premiums was 70%, in motor third party insurance 62% and in accident and illness insurance 49%.

Ratio of indemnities to premiums



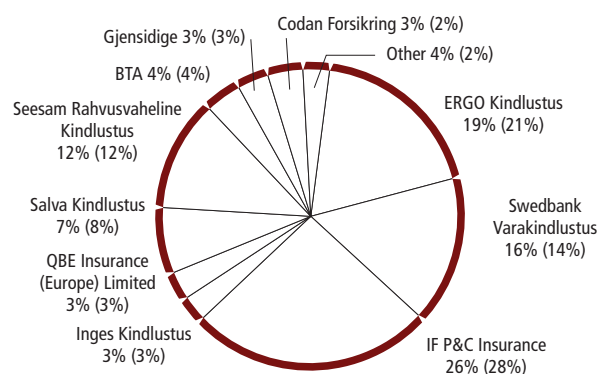
a. Service providers

Market shares

The market of non-life insurance became more even in 2009: over the year, Swedbank Varakindlustus increased its market share from 14% to 16% by premiums received. At the same time, the market share of the largest non-life insurance companies decreased: the market share of IF P&C Insurance decreased from 28% to 26% and that of Ergo Kindlustus from 21% to 19%.

The total market share of the branches of foreign insurance companies is 17% (2008: 14%). The largest is the market share of the Estonian branch of BTA Apdrošināšanas akciju sabiedrība (4%).

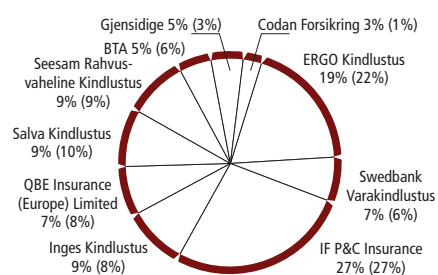
Market shares of non-life insurance companies by premiums collected in 2009 (2008 in brackets)



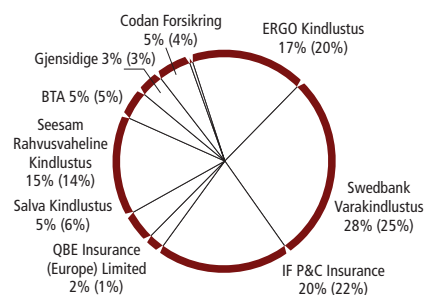
The figures below present the market breakdown of Estonian insurance companies and Estonian branches of foreign companies by the three largest non-life insurance products.

The largest market share in motor third party insurance and property insurance is continuously enjoyed by IF P&C Insurance with 27% and 41%, respectively. The largest market share in Casco insurance is that of Swedbank Varakindlustus – 28%.

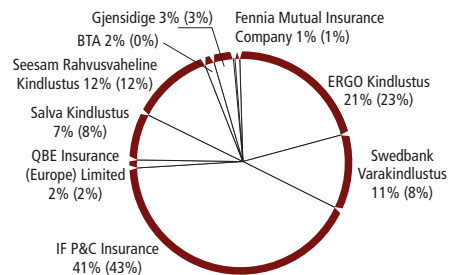
Market shares: motor third party liability insurance



Market shares: land vehicle insurance



Market shares: property insurance



5. Investment and pension funds⁶

Over the year, the asset volume of investment funds, including pension funds, increased by 17%, or EEK 3.7 billion, amounting to EEK 24.9 billion⁷ by the end of the year.

The development of Estonian investment funds in 2009 was largely affected by the improvement of global financial markets and low interest rates.

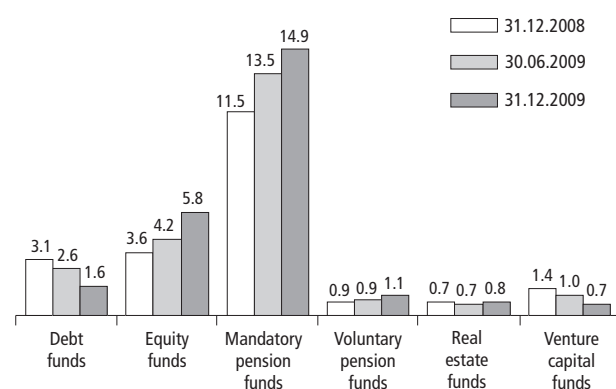
The growth of global equity markets took the volume of funds investing in equities upwards. The asset volume of equity funds increased from the EEK 3.6 billion of the beginning of the year to EEK 5.8 billion by the end of the year, i.e. by 61%. The growth of fund assets was achieved both due to the yield and the inflow of investors' money into the equity funds (primarily in the second half of the year).

The growth of the Estonian fund sector in 2009 was ensured by pension funds as well. Although on 01.06.2009 the government suspended payments into mandatory pension funds (the second pillar), the volume of the assets of the mandatory pension funds increased by 29% over the year, from EEK 11.5 billion to EEK 14.9 billion.

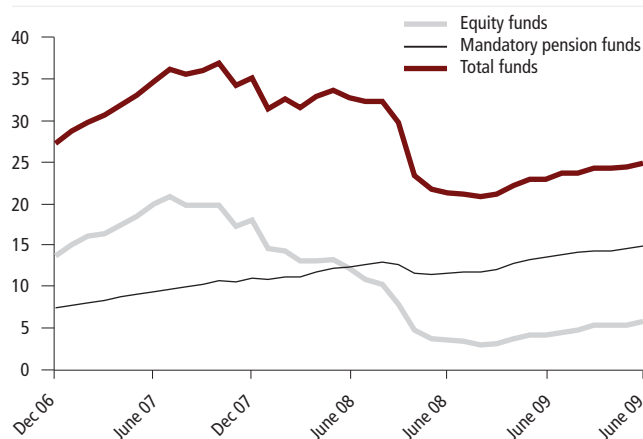
The volume of the assets of debt funds has diminished over the year. Due to the low yield of interest instruments, the interest of investors in using them has lessened and in 2009 it was decided to wind up 3 debt funds (incl. the only money market fund in Estonia – Swedbank Rahaturufond). As a result of the wind-up of the major debt funds of the Estonian fund sector, the volume of the assets of debt funds decreased by 49% in 2009, amounting to EEK 1.6 billion by the end of the year.

General market	Swedbank Investeeringimisfondid	49%
breakdown:	SEB Varahaldus	24%
	Danske Capital	9%
Customers:	727,054 contracts in force	
Volume of service:	Total volume of funds EEK 24.9 billion	

Volumes of funds (billion EEK)



Dynamics of investment and pension funds 2007–2009 (billion EEK)



⁶ The data on investment funds include all customers of investment funds registered in Estonia, including customers from foreign countries.

⁷ Market value.

In the consolidated structure of the fund sector, mandatory pension funds, with a share of 60% (at the end of 2008: 54%), remain the largest fund type. The second largest are equity funds, with a share of 23% (as at the end of 2008: 17%) and a total volume of EEK 4.2 billion. The share of debt funds was 6% of the total volume of the assets of funds (as at the end of 2008: 15%).

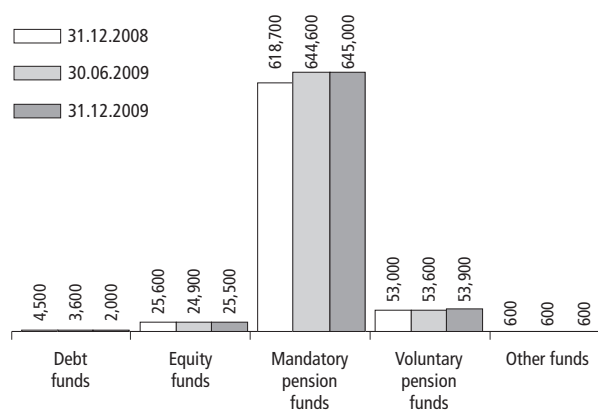
a. Consumers⁸

In 2009 the total number of unit-holders decreased⁹, primarily as a result of the wind-up of the debt funds. The number of unit-holders in equity funds decreased in the first half of the year but, in the second half of the year, recovered nearly to the level of the beginning of the year. At the same time, the number of unit-holders both in mandatory and voluntary pension funds continued to increase.

The number of unit-holders in mandatory pension funds amounted to 645,000 by the end of 2009, which makes mandatory pension funds the largest fund class in terms of the customer base as well. Here it should be considered, however, that many private persons use the possibility to collect pension through 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 (ca. 593,000 persons as at the beginning of 2010). The number of unit-holders in voluntary pension funds was 53,900 persons.

- The number of unit-holders in equity funds was 25,500 persons.
- The number of unit-holders in debt funds was 2,000 persons.
- The number of unit-holders in other funds (real estate and venture capital funds) was 600 persons.

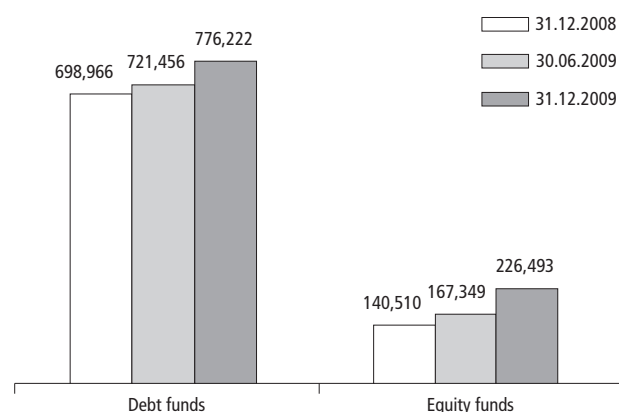
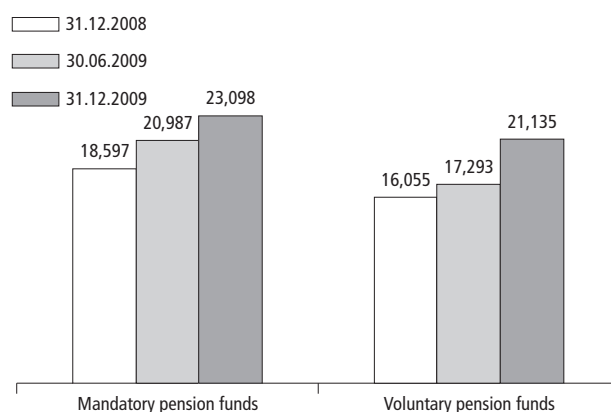
Unit-holders of investment and pension funds



I2 ⁸ All conclusions regarding the customer base of funds are based on the number of unit-holders. A person may hold units of several funds.

Therefore, the number of unit-holders shows rather the activeness of people in investing through funds than how many persons hold the units.

⁹ Also includes non-resident unit-holders.

Volume of investments per unit-holder, EEK (1)**Volume of investments per unit-holder, EEK (2)**

The largest investments per customer¹⁰ are continuously those made into the debt funds, resulting from the fact that these types of funds are mainly used by legal persons for the purpose of managing liquidity:

- Debt funds EEK 776,000;
- Equity funds EEK 226,000;
- Mandatory pension funds EEK 23,000;
- Voluntary pension funds EEK 21,000.

Investments in other funds (real estate and venture capital funds) amounted to EEK 2 million per unit-holder on average, i.e. significantly more than in the remaining funds. Both real estate and venture capital funds are funds with a higher risk, into which mainly wealthier private persons and professional investors invest.

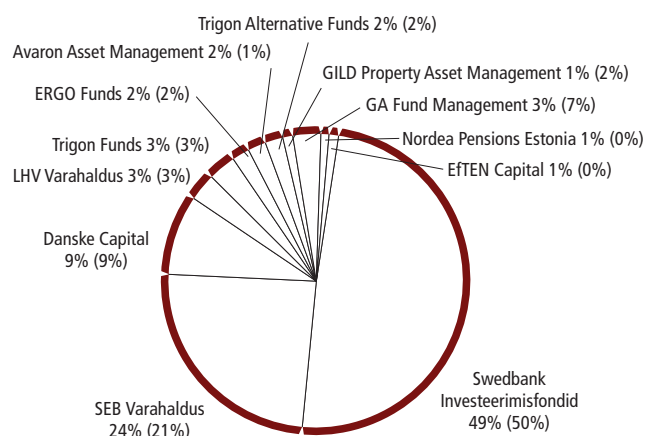
b. Service providers

In 2009 no major changes occurred in the market distribution among the management companies, and the market remained relatively stable.

The largest market share, 49%, is still held by Swedbank Investeerimisfondid.

The second largest, SEB Varahaldus, held 24% of the fund market. Over the year, its market share increased from 21% to 24%.

In 2009 Eften Capital AS commenced its activities in Estonia: it manages one real estate fund and had captured 1% of the fund market as at the end of the year.

Market shares: all funds as at 31.12.2009 (as at 31.12.2008 in the brackets)

¹⁰ Investments per customer are of an illustrative nature and refer only to the approximate size of the investment (e.g. in case of pension funds, new persons joining the scheme cause a decrease in the average investment amount).

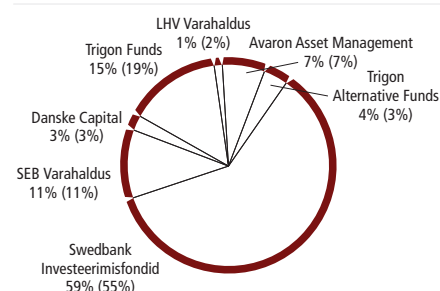
In **equity funds**, the market share of Swedbank Investeerimisfondide AS increased from 55% to 59%, and that of Trigon Funds AS decreased from 19% to 15%.

The wind-up in 2009 of the **debt funds**¹¹ of Swedbank Investeerimisfondid brought along significant changes in the market redistribution. The market share of Swedbank Investeerimisfondid dropped from 68% to 27%. Simultaneously, the share of SEB Varahaldus grew from 27% to 64%.

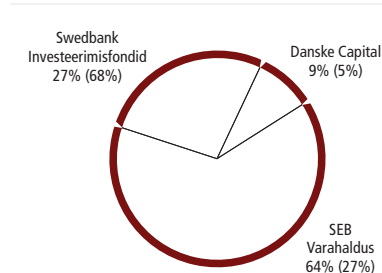
The market breakdown remained stable regarding both mandatory and voluntary **pension funds**: the market is divided between two major fund managers: Swedbank Investeerimisfondid and SEB Varahaldus (see the figures).

Concerning **other funds**, GA Fund Management holds the largest market share: 50%. EFTEN Capital AS, which entered the market in the first half of the year, has captured a market share of 14%.

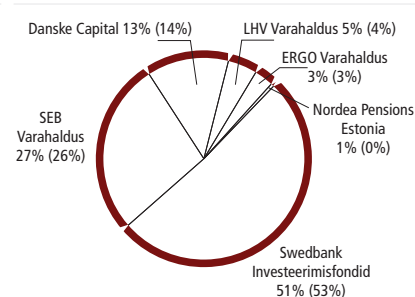
Market shares: equity funds



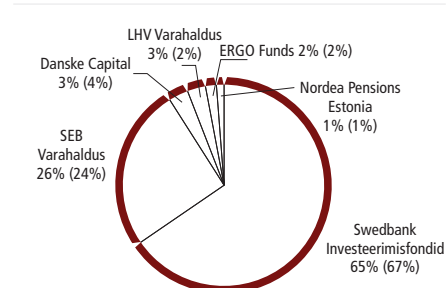
Market shares: debt funds



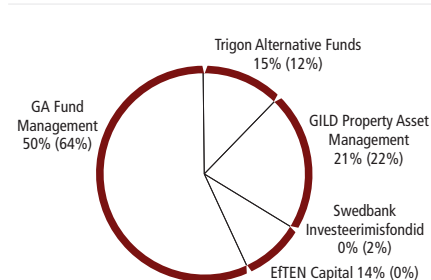
Market shares: mandatory pension funds



Market shares: voluntary pension funds



Market shares: other funds



As non-residents are the majority of the customers of investment funds, it is important to differentiate Estonian resident customers from non-resident customers in order to make conclusions on the Estonian fund market.

Compared to the year-ago period, the structure of customers of **equity funds** changed considerably. The share of **non-residents** increased noticeably, to **57%** (as at 31.12.2008: 29%) and the share of Estonian resident legal persons decreased from 53% to 27%.

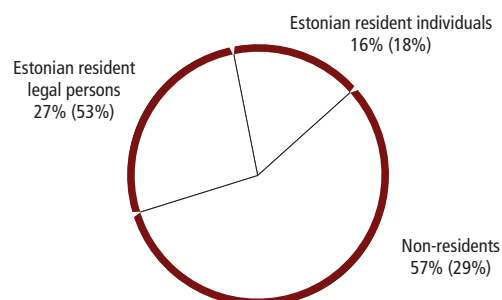
Of the EEK 5.8 billion invested in **equity funds**, 16% belonged to Estonian resident individuals. They preferred mainly Swedbank Investeeringufondid as the management company of equity funds; it managed 54% of the assets invested by Estonian resident individuals. SEB Varahaldus managed 32% of the assets invested by Estonian resident individuals in equity funds.

Of the EEK 1.6 billion invested in debt funds, 6% belonged to Estonian resident individuals. The leader on the market of Estonian resident individuals is SEB Varahaldus who managed 94% of the assets invested in the debt funds. Swedbank Investeeringufondid, who had been the market leader so far, has ceased to manage debt funds.

Of the EEK 1.5 billion invested in **other funds**, only 2% belonged to Estonian resident individuals.

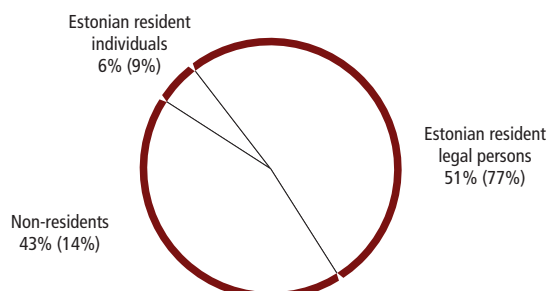
Customer structure of equity funds as at 31.12.2009

(31.12.2008 in the brackets)



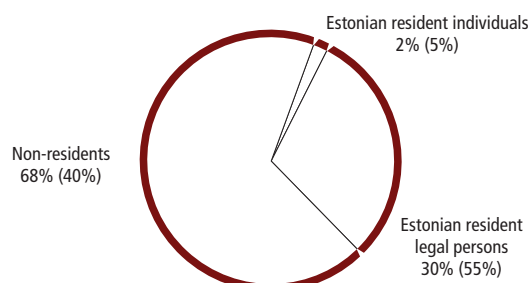
Customer structure of debt funds as at 31.12.2009

(31.12.2008 in the brackets)



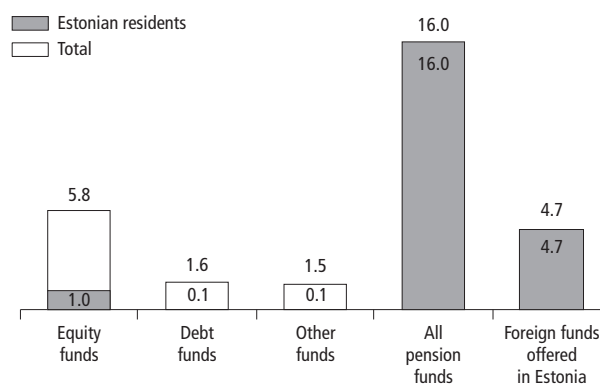
Customer structure of other funds as at 31.12.2009

(31.12.2008 in the brackets)



The preferences of Estonian residents in selecting the funds can be seen in the figure below:

**Money invested by Estonian residents (individuals) in the funds
as at 30.06.2009 (billion EEK)**



General market	Swedbank	27%
breakdown:	Danske Capital	27%
	Evli Securities	22%
Customers:	Information not available	
Volume of service:	Total portfolio volume EEK 14.9 billion	

6. Individual portfolios¹²

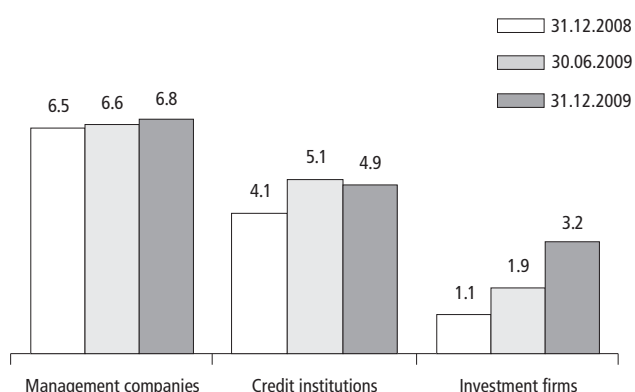
a. Service

The management service of individual portfolios is offered by investment firms, management companies and credit institutions.

Over the year, the consolidated volume of individual portfolios of customers increased by 27%, totalling EEK 14.9 billion as at the end of 2009 (as at the end of 2008: EEK 11.7 billion).

The biggest growth in the volume of individual portfolios occurred with investment firms, where the volume of portfolios managed increased from EEK 1.1 billion to EEK 3.2 billion. The volume of individual portfolios administered by management companies increased from EEK 6.5 billion to EEK 6.8 billion and that of individual portfolios administered by credit institutions from EEK 4.1 billion to EEK 4.9 billion.

Volumes of individual portfolios (billion EEK)

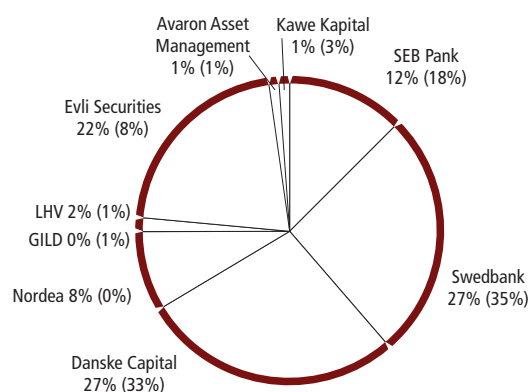


b. Service providers

The market of providers of the individual portfolio management service became more even in 2009. Winning back its position is Evli Securities whose market share, in terms of the volume of individual portfolios administered by it, has increased from 8% to 22%.

The largest market share in the management of individual portfolios is continuously held by the Swedbank Group and Danske Capital (27% each). Nordea Bank Finland captured 8% of the market by the end of the year.

Market shares of individual portfolios by service providers as at 31.12.2009 (31.12.2008 in the brackets)

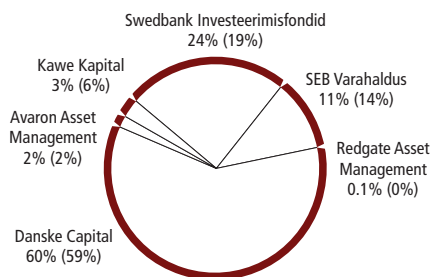


¹² The data on the management of individual portfolios include all subjects offering that service in Estonia, whose customers may include persons from Estonia and foreign countries alike.

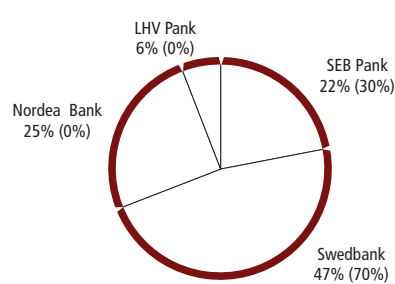
Among management companies, the largest consolidated portfolio of individual portfolios belonged to Danske Capital (60%), among credit institutions, to Swedbank (47%). The Estonian branch of Nordea Bank Finland, whose market share increased from 0% to 25%, has become a player to reckon with among credit institutions.

Among investment firms, the majority of the volume of individual portfolios was managed by Evli Securities (99%).

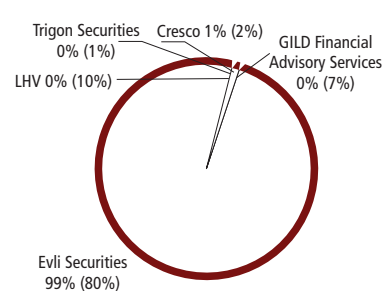
Market shares of individual portfolios by management companies



Market shares of individual portfolios by credit institutions



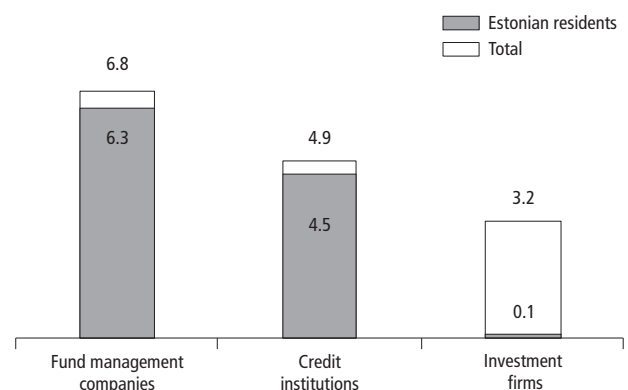
Market shares of individual portfolios by investment firms



c. Service consumers

The majority of the customers who use the individual portfolio management service are Estonian residents (73%). The largest share of Estonian resident customers is held by management companies: 93% as at the end of the year. Credit institutions had 92% of the customers and investment firms only 3%.

Participation of Estonian resident customers in individual portfolios as at 31.12.2009 (billion EEK)



7. Loans¹³

In 2009 the volume of the loan portfolio of banks decreased by 5.7%, or EEK 15.0 billion, amounting to EEK 245.4 billion as at the end of 2009, of which loans to companies¹⁴ made up 45% and loans to private persons¹⁵ 48%.

The decrease was biggest with financing institutions: EEK 6.9 billion. Loans to companies decreased EEK 5.7 billion and loans to private persons EEK 3.0 billion.

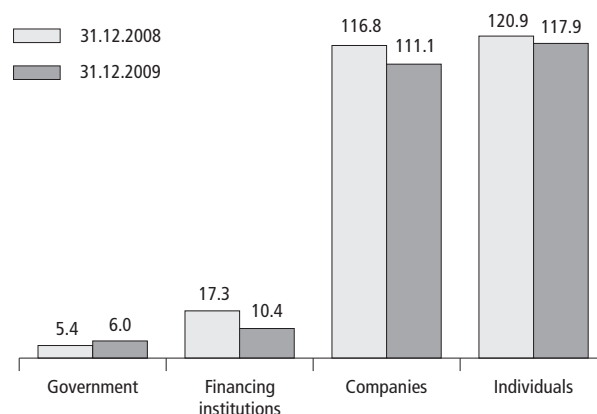
In total, as at the end of 2009, loans granted to companies and private persons amounted to EEK 111.1 billion and EEK 117.9 billion, respectively. Loans to financing institutions¹⁶ totalled EEK 10.4 billion and loans to the government¹⁷ EEK 6.0 billion.

Housing loans, in the amount of EEK 95.6 billion, account for the largest share of loans to private persons.

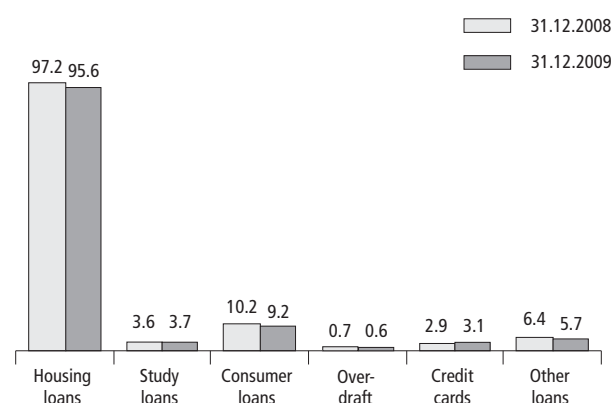
Over the year, the amount of loans decreased by all customer groups (except for study loans and credit cards).

Market breakdown:	Swedbank	44%
	SEB Pank	23%
	Danske Bank Eesti filiaal	12%
Private customers:	1,150,000 contracts in force	
Volume of service:	Volume of consolidated loan portfolio EEK 245 billion	

Amount of loans (billion EEK)



Amount of loans to individuals (billion EEK)



¹³ The data on loans include loans granted in Estonia.

¹⁴ A company of the state or a local government, other company.

¹⁵ Private person, non-profit association.

¹⁶ Insurance company and pension fund, other financing institution.

¹⁷ Central government, local government, state social insurance fund, other non-budgetary fund.

a. Consumers

Average amounts of loan balances of private persons:

Average balance of loans granted to private persons, EEK

	30.06.2008	31.12.2008	30.06.2009	31.12.2009
Housing loans	609,000	609,000	602,000	597,000
Study loans	30,000	31,000	31,000	32,000
Consumer loans	45,000	43,000	41,000	40,000
Overdraft	5,000	5,000	5,000	5,000
Credit cards	7,000	7,000	6,000	7,000
Other loans	117,000	120,000	113,000	110,000

In 2009 the average balance of housing loans decreased from EEK 609,000 to EEK 597,000, that of study loans increased from EEK 31,000 to EEK 32,000, and that of other loans¹⁸ decreased from EEK 120,000 to EEK 110,000. The high average balance of other loans mainly resulted from loans taken for business purposes whereas the average balance of such loans amounted to EEK 569,000. The average balance of consumer loans decreased from EEK 43,000 to 40,000. The average balance of credit cards remained unchanged: EEK 7,000.

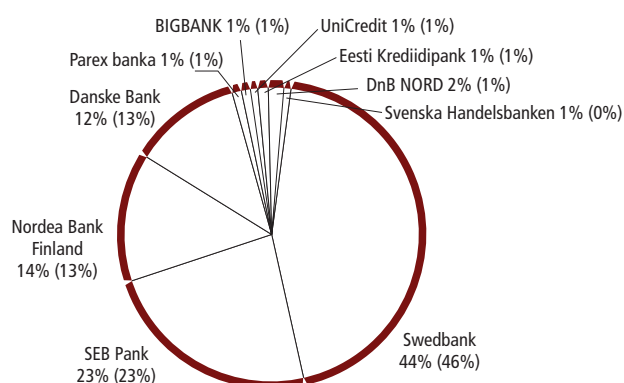
As at the end of 2009: **160,200 housing loan contracts; 114,200 study loan contracts; 229,000 consumer loan contracts; 127,600 overdraft contracts; 467,500 credit card contracts;** and 52,000 other loan contracts had been entered into with private persons.

b. Service providers

The loan market is mostly divided between four major banks, which hold 93% of the total market. The largest is the market share of Swedbank – 44% of the consolidated loan portfolio, followed by SEB Bank with 23%, the Estonian branch of Danske Bank with 12% and the Estonian branch of Nordea Bank Finland with 14%.

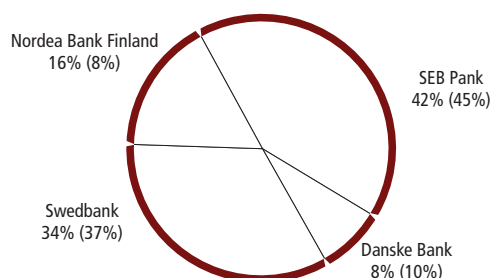
The remaining 7% of the market is divided between 10 market participants, of whom the largest market share, 1.9%, is held by DnBNord.

Market shares: loans as at 31.12.2009 (as at 31.12.2008 in the brackets)

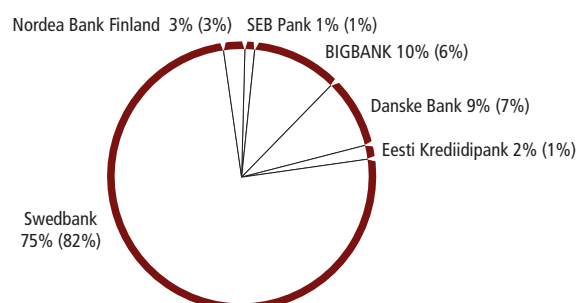


The figures below present the division of different types of loans between the credit institutions operating in Estonia:

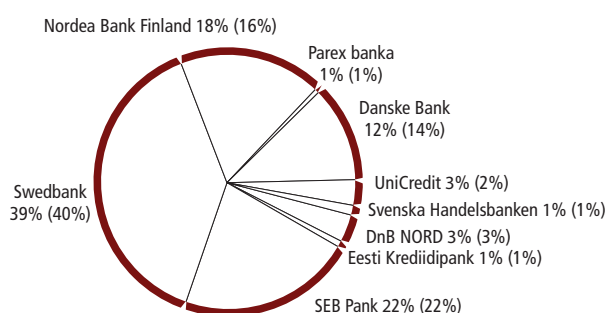
**Market shares: loans to the government as at 31.12.2009
(31.12.2008 in the brackets)**



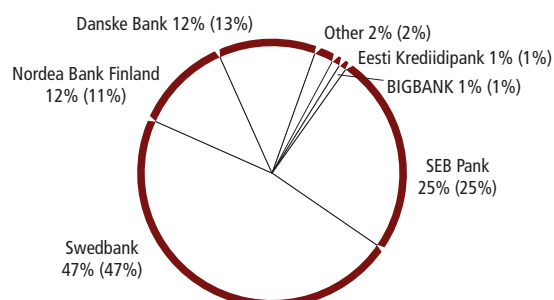
Market shares: financing institutions



Market shares: loans to companies



Market shares: loans to individuals



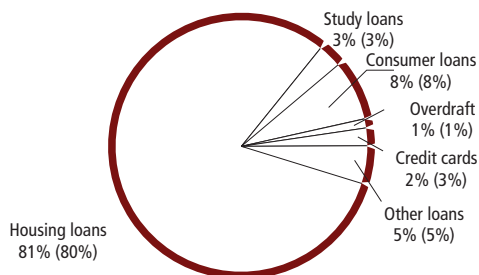
The market of loans to the government is rather volatile: over the year 2008, there were considerable fluctuations in the division between credit institutions of loans granted to the government, but, by the end of the year, the situation of the beginning of the year was restored. The market of loans granted to the government is still largely divided between SEB Bank and Swedbank. As at the end of 2008, 42% of the loans were granted by SEB Bank and 34% by Swedbank.

Swedbank holds a 75% market share of loans of financing institutions.

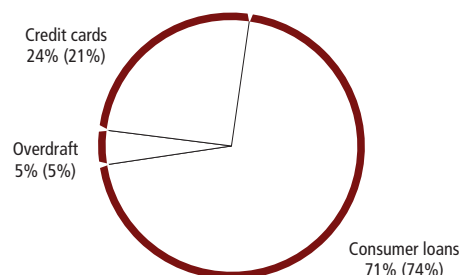
The largest part of loans to companies has been granted by Swedbank (39%) and SEB Bank (22%).

The largest share of loan balances of private persons is also concentrated in Swedbank (47%) and SEB Bank (25%). The market distribution of loans to private persons has been the stable.

**Division of loans granted to private persons as at 31.12.2009
(31.12.2008 in the brackets)**



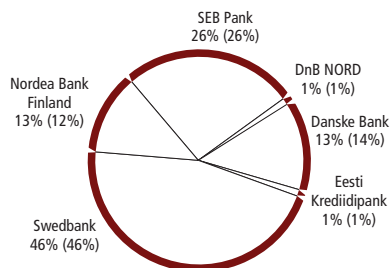
**Loans related to everyday consumption as at 31.12.2009
(31.12.2008 in the brackets)**



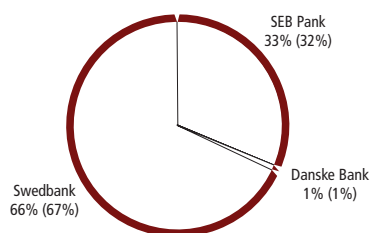
The division of loan types granted to private persons did not change over the half-year. Most of the loans granted to private persons are housing loans, totalling 81%, or EEK 95.6 billion. Loans related to everyday expenses (consumer loans, used portion of credit cards, overdraft) amounted to EEK 12.9 billion.

The loan market of private persons is very concentrated: nearly a half of it has been captured by Swedbank whereas the rest is divided between SEB Bank, the Estonian branch of Danske Bank and the Estonian branch of Nordea Bank Finland.

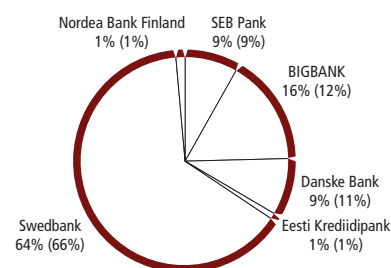
Market shares: housing loans to individuals



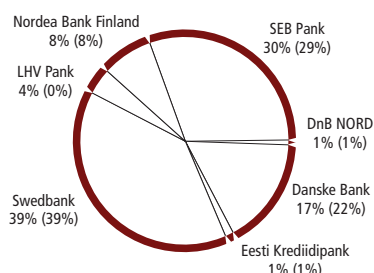
Market shares: study loans to individuals



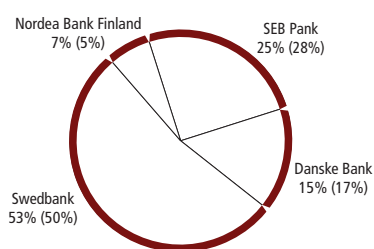
Market shares: consumer loans to individuals



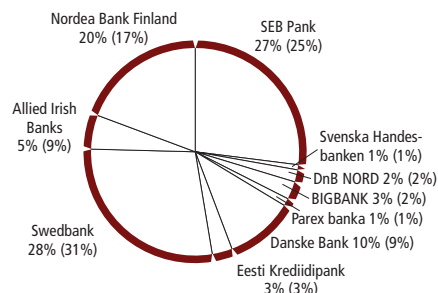
Market shares: overdraft of individuals



Market shares: credit cards of individuals



Market shares: other loans of individuals



8. Deposits¹⁹

The amount of **customer deposits** held in Estonian banks increased by 5.7%, or EEK 8.5 billion, in 2009, reaching EEK 157.3 billion by the end of 2009. Of this amount, demand and overnight deposits amounted to EEK 71 billion and fixed-term and savings deposits to EEK 83 billion and other deposits to EEK 3 billion. Over the year, the share of demand and overnight deposits decreased from 47% to 45% and that of fixed-term and savings deposits increased from 50% to 53% of the total deposits.

The largest part of the deposits were those held by companies²⁰, making up 45% of the total deposits and amounting to a total of EEK 71 billion.

Private persons²¹ held 39% of all deposits in a total amount of EEK 61 billion, of which demand and overnight deposits amounted to EEK 25 billion, fixed term and savings deposits to EEK 34 billion and other deposits to EEK 2 billion.

The deposits of the government made up 9% of all deposits, amounting to a total of EEK 14 billion.

The deposits of financing institutions²² made up 7% of all deposits, amounting to a total of EEK 11 billion.

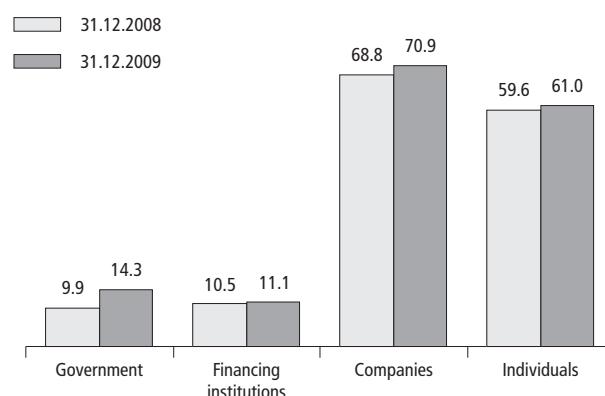
a. Service providers

The Estonian deposit market is mainly divided between four major banks: 47% of all deposits were in Swedbank, 21% in SEB Bank, 15% in the Estonian branch of Danske Bank and 8% in the Estonian branch of Nordea Bank Finland.

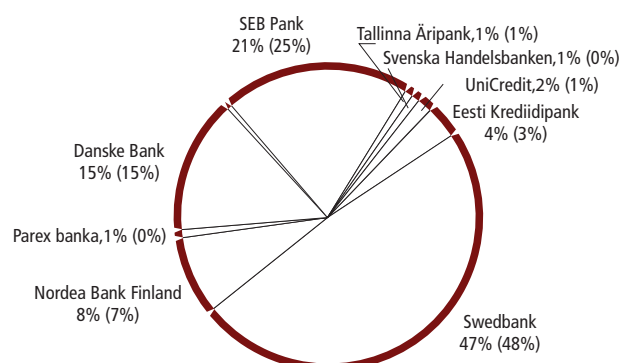
As at the end of 2009, the majority of deposits were held in Swedbank: 39% of the government deposits, 39% of deposits of financing institutions, 43% of deposits of companies and 55% of deposits of private persons.

Market breakdown:	Swedbank	47%
	SEB Pank	21%
	Danske Bank Eesti filiaal	15%
Customers:	3,036,016 contracts in force	
Volume of service:	Total amount of deposits	
	EEK 157 billion	

Amounts of deposits (billion EEK)



Market shares: deposits as at 31.12.2009 (31.12.2008 in the brackets)



¹⁹ The data on the deposits include the amounts deposited in all credit institutions operating in Estonia.

²⁰ Companies of the state or a local government, other companies.

²¹ Individuals, non-profit association.

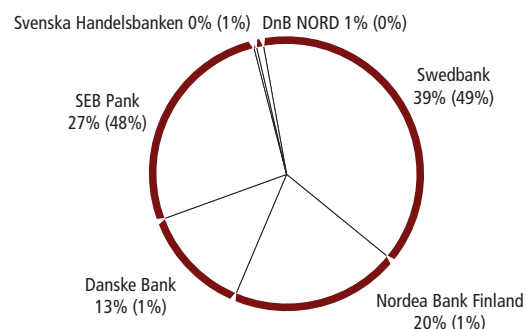
²² Insurers and pension funds, other financing institutions.

In 2009 considerable changes took place in the market distribution of the government's deposits. While earlier the government deposits were placed mostly in Swedbank and SEB Bank, in 2009, government agencies began depositing their money in the Estonian branch of Nordea Bank Finland and the Estonian branch of Danske Bank as well. Over the year, the market share of the Estonian branch of Nordea Bank Finland grew from 1% to 20%. The market share of the Estonian branch of Danske Bank grew from 1% to 13%. The market share of Swedbank dropped from 49% to 39% and that of SEB Bank from 48% to 27%.

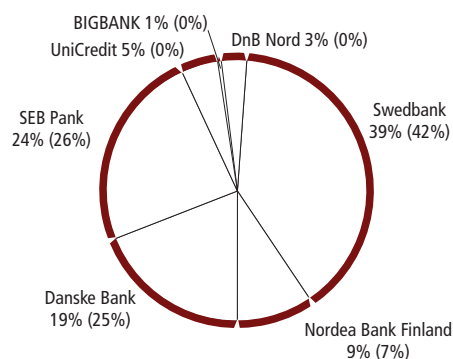
The deposit market of financing institutions was characterised by the growth of the market shares of smaller credit institutions in 2009. The market share of the Estonian branch of UniCredit Bank enhanced from 0% to 5% and that of the Estonian branch of Bank DnB Nord from 0% to 3%. The largest share, 39% of the deposits of financing institutions, was continuously held by Swedbank, followed by SEB Bank with 24%. The market share of the Estonian branch of Danske Bank was 19%.

The market shares concerning deposits of companies remained stable in 2009. The market share of Swedbank remained at 43%, that of the Estonian branch of Danske Bank decreased from 21% to 20% and that of SEB Bank from 20% to 17%.

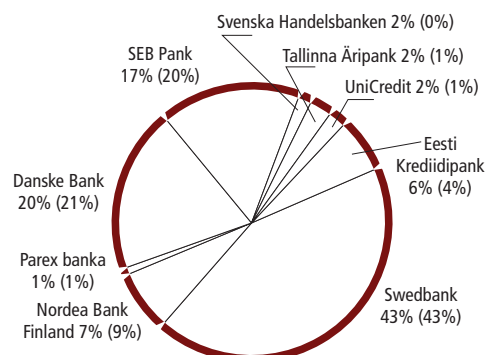
**Market shares: deposits of the government as at 31.12.2009
(31.12.2008 in the brackets)**



Market shares: deposits of financing institutions



Market shares: deposits of companies



The deposit market of private persons is also characterised by stability. Changes in the market shares did not exceed 1%. Over the year, the market share of Swedbank decreased from 56% to 55% and that of SEB Bank from 24% to 23%. The market share of the Estonian branch of Danske Bank decreased from 9% to 8% whereas that of the Estonian branch of Nordea Bank Finland remained at 7%. Over the year, the market shares of minor banks increased: that of BIGBANK from 1% to 2% and these of Tallinna Äripank and Parekss Banka from 0% to 1%.

b. Service consumers

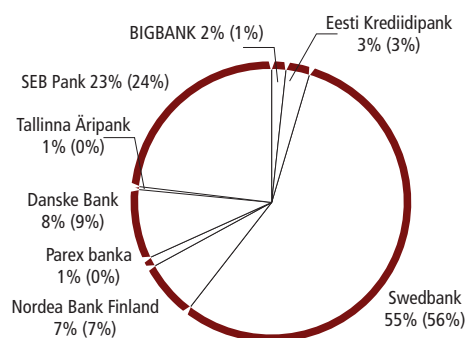
Compared to the year-ago period, the number of demand and overnight deposits²³ decreased by 1.5% whereas, at the same time, the number of fixed-term and savings deposits increased by 8% and the number of investment and other deposits by 24%.

The number of contracts in force as at 31.12.2009:

■ Total demand and overnight deposits	2,487,000 contracts
Incl. private persons	2,269,000 contracts
■ Total fixed-term and savings deposits	504,000 contracts
Incl. private persons	487,000 contracts
■ Total investment and other deposits	45,000 contracts
Incl. private persons	44,000 contracts

Regarding private persons, the average amount of their demand and overnight deposits was EEK 11,000, that of their fixed term and savings deposits EEK 70,100 and that of their investment and other deposits EEK 43,800 as at the end of 2009.

Market shares: deposits of individuals



²³ Included are only cash deposits.