

---

## Q3 2018 overview of payment institution sector

Thirteen payment institutions operated on the Estonian market as at Q3 2018, of which three operated on the basis of exceptions.

Key indicators	Q2 2018	Change	Q3 2018
Volume of payments	167 mln €	?	200 mln €
Number of payments	1,1 mln	?	1,7 mln
Profit	1,5 mln €	?	0,9 mln €
Return on equity (on full-year basis)	23,3%	?	22%
Own funds requirement coverage	1044%	?	940%

The amount of payments made through the payment institutions operating in Estonia amounted to 200.3 million euros in Q3 – 20% more than in Q2.

The number of payments in Q3 was 53% higher compared to Q2 with a total of 1.7 million payments made. The increase in the number of payments was partly caused by the fact that some of the participants in the market reclassified certain types of transactions as payment services. The average amount of a payment transaction was 119 euros, 22% lower than in Q2.

Cross-border payments formed 44% of all payments. Payments made by private persons formed 15% and card payments formed 14% of all payments.

Payment institutions earned 957,000 euros of profit in Q3. This is more than twice as much as the profit earned in the same period in 2017. The annual return on equity of payment institutions formed 22% in Q3; in Q2, the respective figure was 23.3%.

The sales revenue from payment services of payment institutions amounted to 1.4 million euros in Q3, i.e. only a quarter of the total income of the sector. Other sales and operating income amounted to 0.3 million euros or approximately 7% of the total income. More than half of the revenues of payment institutions or 2.2 million euros was formed by financial income, incl. interest income.

The capitalisation of payment institutions was good, the surpluses of own funds was 9.4 times higher than the own funds requirement.

## **Main developments and risks**

- 
- A quarter of the revenues of payment institutions was earned from payment services, the amount of interest income earned was the highest.
  - The potential risk of money laundering remains the highest for the payment institutions serving non-residents.
  - The general level of capitalisation of the sector is good.

[Quarterly reviews of the payment services sector](#)

Page last edited on 25/03/2019