
Q4 2018 overview of payment institution sector

There were 13 payment institutions in the market at the end of 2018, three of them operating with an exemption.

| Key indicators | Q3 2018 | Change | Q4 2018 |
|---------------------------------------|-----------|--------|-----------|
| Volume of payments | 200 mln € | ? | 196 mln € |
| Number of payments | 1,7 mln | ? | 1,8 mln |
| Profit | 0,9 mln € | ? | 1,6 mln € |
| Return on equity (on full-year basis) | 22% | ? | 24% |
| Own funds requirement coverage | 940% | ? | 946% |

Payment institutions operating in Estonia mediated payments of 196 million euros in the fourth quarter of 2018, which is 2% less than in the third quarter.

The number of payments was 7% larger in the fourth quarter than in the previous quarter and a total of 1.8 million payments were made. The average size of a payment transaction was 109 euros, which was 8% smaller than in the third quarter.

The number of payments increased because one market participant decided to classify the services it offered as payment services from the third quarter.

Payment institutions earned profit of 1.6 million euros in the fourth quarter, which was 78% more than in the previous quarter.

The return on equity of the sector was 24.4% in the fourth quarter, having been 22% in the previous quarter.

The payment institution sector is well capitalised with own funds at 9.5 times the required level.

Main development trends and risks

- The largest potential danger to the payment institution sector serving non-residents remains money-laundering risk.
- The general capitalisation of the sector is good.

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