

Yearbook 2025



Finantsinspektsioon

Finantsinspeksioon

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The new management board of the Finantsinspektsioon – (from the left) management board members Gerd Laub and Andre Nõmm, chair of the board Kerstin Pilt and board member Andres Kurgpõld.



FOREWORD BY THE CHAIR OF THE MANAGEMENT BOARD

The Finantsinspektsioon Yearbook 2025 gives a picture of the activities, priorities and choices of Finantsinspektsioon, or what was done and why. It also helps in understanding the direction we are moving forwards in and the reasons for that.

The financial sector needs to operate so that people and companies can manage their financial matters with certainty. This needs stability, transparency and trust in the market, and supervision that is risk-based, preventative and proportional. The role of Finantsinspektsioon is to stand up for those principles on behalf of the Estonian state. This is a highly responsible duty that can only be carried out with a strong organisational culture and very professional staff.

At the end of 2025 there were 146 people working at Finantsinspektsioon. An inevitable feature of a small country is that those people must all take on multiple roles. Their work is mostly hidden from public view, but its impact can be seen in the stability of the financial system and the trustworthiness of market participants. There were also 146 entities operating with a licence from Finantsinspektsioon the end of the year, so there is effectively one supervised entity for each member of staff at the supervisor.

Financial stability does not depend on supervision alone, but also on how market participants understand their own responsibilities, follow the requirements and support trust in the financial sector in their everyday work. It is consequently a priority for Finantsinspektsioon to maintain and develop the skills of its staff so that they are able to be good and reliable partners for market participants and carry out the mandate of Finantsinspektsioon in an ever more complex and technological environment.

Technological development was also a major supervisory priority in 2025. An important step was that the DORA regulation started to apply, harmonising the requirements in the European Union for digital continuity and IT risk management. Finantsinspektsioon held an information seminar on this for market participants, extended its notification systems for serious IT incidents, and started to collect regular information on providers of critical IT services. Those steps will strengthen resilience in the financial sector and will help reduce excessive dependence on individual service providers.

Technological changes meant that risks also changed. Financial frauds became more common in 2025, which was also reflected in an increase in the number of consumer complaints submitted to Finantsinspektsioon. This underlined the need to strengthen protection of end consumers and prevent the abuse of the financial sector. Finantsinspektsioon published 844 alerts during the year about people operating without a licence and possible frauds, and continued to raise awareness of financial matters.

The capacity to deal with crises was another of the central themes of the year. Finantsinspektsioon extended the crisis resolution programmes of systemically important banks and tested the operation of crisis resolution at the national level. This was done to make sure that the financial system would operate and depositors would maintain confidence in it even in extreme circumstances.

Supervision does not just mean inspections. It also means guidance, explanations and dialogue. Finantsinspektsioon issued 21 advisory guidelines in 2025 and took an active part in shaping the legislative environment of Europe and of Estonia. It also took in proposals for how to simplify the legislation and reduce the administrative burden, as clear and predictable supervision is a key element for providing confidence in the financial environment.

The year 2025 was the final year of the Finantsinspektsioon strategy period 2022–2025. A new management had already started setting the directions for the next strategy period at the time this annual report was written. Maintaining continuity while at the same time looking to the future is very important for the new management. The years 2026–2029 are certain to bring new technological developments, changes in the European regulatory framework, and challenges arising from geopolitical tensions and volatility in the economic environment.

The strategic direction for Finantsinspektsioon is clear, as we must maintain financial stability and increase transparency, carry out risk-based and preventative supervision, develop our crisis resolution and digital capacities, help interpret complex legislation, stand up for consumers, and act against abuse of the financial sector.

The central focus of the work of Finantsinspektsioon is on the public interest and trust in the financial system. This trust does not arise all by itself, but it is created by constant, professional and transparent work.

Kerstin Pilt

Chair of the Finantsinspektsioon Management Board

ABOUT FINANTSINSPEKTSIOON

Finantsinspektsioon is an independent financial supervision and resolution authority. Finantsinspektsioon carries out state financial supervision over banks, insurance companies, insurance intermediaries, investment firms, fund managers, investment and pension funds, payment institutions, e-money institutions, creditors and credit intermediaries, crowdfunding service providers, crypto asset service providers, debt collection agencies, and the crypto asset and securities markets. It also carries out supervision of the banks that provide vital services under the Emergency Act. It operates in the banking sector jointly with the European Central Bank and the Single Resolution Board.

Finantsinspektsioon acts on behalf of the Estonian state and works to ensure that the financial market is stable, trustworthy and transparent. Other priorities for Finantsinspektsioon are that the critical functions of the banks must be maintained during any crisis and there must be sufficient protection for the funds of depositors, investors and other clients.

In financial supervision and in resolving financial crises, Finantsinspektsioon works for the benefit of the public interest as required by law. Its work is funded not from the state budget but by the supervision and procedural fees that are paid by the market participants. Finantsinspektsioon also carries out a large part of the work of the Guarantee Fund under a cooperation agreement signed between the two institutions under the Financial Supervision Authority Act.

The work of the Supervisory Board

The Supervisory Board plans the activities of Finantsinspektsioon and monitors its management. The Supervisory Board approves the strategy, budget and supplementary budget for Finantsinspektsioon proposed by the Management Board, and proposes the rate for the volume share of supervisory fees for the next year to the Ministry of Finance. It also approves the structural organisation and the principles for remuneration of work at Finantsinspektsioon as proposed by the Management Board.

The Supervisory Board appoints members of the Management Board to office and chooses a chair from among them, and recalls members of the Management Board. It also approves the pay of the Chair and members of the Management Board, and the social guarantees that apply to them. The Supervisory Board approves the annual report of Finantsinspektsioon submitted by the Management Board.

The Supervisory Board has six members, among whom the Minister of Finance and the Governor of Eesti Pank are members by virtue of office. The Minister of Finance chairs the Supervisory Board by virtue of office. There was one change in the composition of the Finantsinspektsioon Supervisory Board in 2025.

Members of the Supervisory Board of Finantsinspektsioon in 2025 were:

Jürgen Ligi, Minister of Finance
Madis Müller, Governor of Eesti Pank
Veiko Tali
Rein Minka (until 30.09.2025)
Joel Kukemelk (from 01.10.2025)
Ardo Hansson
Evelyn Liivamägi

The Supervisory Board held six meetings in 2025 at which the following decisions were taken:

- the Finantsinspektsioon Yearbook 2024 was approved and it was decided that the surplus of 917,778.04 euros in the Finantsinspektsioon budget for 2024 would be transferred to the Finantsinspektsioon reserves;
- it was decided to hold a public competition for the position of Chair of the Management Board. Kerstin Pilt, Andres Kurgpõld, Gerd Laub and Andre Nõmm were named as members of the Management Board of Finantsinspektsioon and Kerstin Pilt was appointed as Chair;
- the Finantsinspektsioon budget of 16,667,000 euros for 2026 was approved and it was proposed that the Ministry of Finance approve the supervision fee rates for 2026;
- the 2026 annual plan of work for the internal audit of Finantsinspektsioon was approved.

The Finantsinspektsioon Management Board gave the Supervisory Board regular reviews of the activities of the supervisor, including the results of on-site and remote inspections, the priorities for supervision, precepts issued and sanctions applied, and ongoing court cases. The execution of the budget and the main developments and risks in the financial sector were also presented.

The work of the Management Board

The work of Finantsinspektsioon was managed in 2025 by a four-member Management Board that comprised Chair Kilvar Kessler and members Andres Kurgpõld, Andre Nõmm and Siim Tammer. The terms of office of the members of the Finantsinspektsioon management board ended at the end of the year, and the term of office of the Chair, Kilvar Kessler, ended on 15 January 2026. Management board members Andres Kurgpõld and Andre Nõmm remained in post and were joined in 2026 by new board member Gerd Laub. Chair of Finantsinspektsioon from 16 January 2026 is Kerstin Pilt.

The management board held 52 meetings in 2025 at which 212 management decisions and 179 administrative rulings were made, of which four were written precepts. The board issued fines totalling 416,800 euros, issued 21 advisory guidelines and six operating licences, and withdrew nine licences.

The work of the Finantsinspektsioon Management Board in 2025 in numbers

	2025	2024
Management Board meetings	52	57
Management Board management decisions	212	218
Management Board administrative rulings	179	184
Precepts	4	15
Crime reports	4	3
Misdemeanour proceedings ending with a fine	4	5
Issue of operating licences	6	8
Withdrawals of licences	9	6
Advisory guidelines	21	25

Organisation and staff

The Finantsinspektsioon staff are a good balance of dedicated top-level experts with long experience and very capable young specialists. At the end of 2025 there were 146 people working at Finantsinspektsioon. The average age of employees was 40.5 and they had worked on average for 8.6 years for Finantsinspektsioon. During the year, 16 new members of staff joined and seven left. There were 97 women working at Finantsinspektsioon and 49 men. Finantsinspektsioon won an award as an attractive employer for students of economics in 2025.

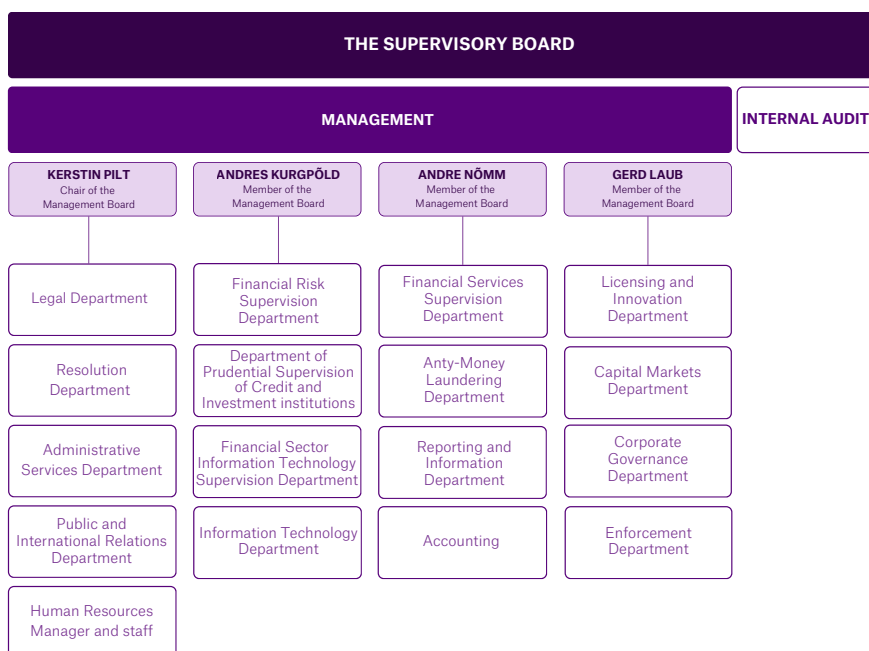
Staff of Finantsinspektsioon at the end of the year

The staff of Finantsinspektsioon as at 31.12.2025

	2025	2024
Total staff	146	137
New staff added during the year	16	10
Staff leaving during the year	7	7
Average length of employment	8.6 years	9.3 years

Finantsinspektsioon offers internships to university students every year. Three interns worked there in 2025. Finantsinspektsioon went to two careers fairs to promote working and internship opportunities, and also held an open day for students.

Organisation structure



The new organisational structure of Finantsinspektsioon was approved in February 2025, and three new departments were created. Changes were made during the reorganisation of work to the architecture of the organisation so that it can respond better to rapid changes in the risk environment and in legislation and to maintain a good balance between the management of

different areas. The outcome was that the Innovation Department and the Funds and Insurance Risk Department were closed and their tasks were distributed between other structural units. New departments set up were the Capital Markets Department, the Financial Risk Supervision Department, and the Licensing and Innovation Department, which was headed by specialists with leadership abilities from within the organisation.

The supervisory measures of Finantsinspeksioon

Finantsinspeksioon uses various supervisory measures in its work in order to ensure that the activities of supervised entities comply with the law and to identify the risks around those activities. Advisory guidelines are issued to explain legal norms and information received from reporting is used to identify risks early and to assess them. Finantsinspeksioon carries out on-site inspections in areas where the risks are larger, while remote inspections are used to analyse the market more broadly and assess the activities of market participants.

Finantsinspeksioon carried out on-site and remote inspections in 2025 in order to assess whether the activities of the supervised entities complied with the law. The inspections focused on various areas, including internal control systems, governance, information technology, reporting, and service compliance. Additional supervision was made of how the banks providing vital services were complying with the requirements of the law and the decrees of the Governor of Eesti Pank. Thorough inspections were also made of the efficiency of the systems used by subjects of financial supervision for applying financial sanctions, and for managing the risks of money laundering and terrorist financing. Where necessary the subjects of financial supervision were reminded of their obligations and precepts were issued requiring them to remedy the shortcomings.

International cooperation

Finantsinspeksioon is involved in designing the financial supervision policy of the European Union through European regulators. These are the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Securities and Markets Authority (ESMA). Finantsinspeksioon is also a member of the International Association of Insurance Supervisors (IAIS); the European Systemic Risk Board (ESRB), which handles macro supervision as part of the European system of financial supervisors; and the International Organization of Securities Commissions (IOSCO). Finantsinspeksioon has taken an active role in launching the work of the European Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). AMLA will become the central agency in Europe tackling money laundering and terrorist financing, and it will coordinate the work of the various national supervisory authorities and start to supervise 40 entities from 1 January 2028.

Cooperation between Nordic and Baltic countries is promoted in the Nordic-Baltic Macroprudential Forum (NBMF), the Nordic-Baltic Stability Group (NBSG), and the Working Group for Operational Risks of the Stability Group (NBSG WGOR). Finantsinspeksioon is also a member of the Group of Banking Supervisors from Central and Eastern Europe (BSCEE). A conference call

is held each month between the heads of the Baltic financial supervision authorities to exchange information and align positions.

Estonia's membership of the euro area means that the everyday work of Finantsinspeksioon is directly affected by the Single Supervisory Mechanism (SSM). This is a banking supervision system for the euro area that takes in the European Central Bank and the banking supervision authorities of the euro area countries. The European Central Bank conducts direct capital supervision through the SSM over important credit institutions in the euro area. The banks in Estonia that met the criteria for direct supervision in 2025 were AS SEB Pank, Swedbank AS consolidated as Swedbank Baltics AS, Luminor Bank AS and AS LHV Pank. Finantsinspeksioon contributes to that supervision through the Joint Supervisory Teams (JSTs).

Finantsinspeksioon is also involved in crisis resolution, and works in the Single Resolution Board (SRB), which is the central resolution authority in the euro area. The Single Resolution Board together with the resolution authorities of the euro area countries make up the Single Resolution Mechanism.

Finantsinspeksioon also participates in colleges for supervision and resolution to ensure that supervision over cross-border financial intermediaries and over resolution of them is as efficient as possible, and to make sure that cooperation between the institutions responsible is effective.

Finantsinspeksioon continued to promote innovation

Finantsinspeksioon promoted innovation through the Innovation Hub and the regulatory testing environment to analyse better the legal framework for new products and services and to decide on supervisory attitudes. The testing environment was made more user-friendly, the terms of use were simplified, and the focus was directed onto subjects of financial supervision. The queries received by the Innovation Hub mainly concerned the application of the European Union's Markets in Crypto Assets Regulation (MiCA) and the requirements for new business models in regulated areas such as crowdfunding, payment services, credit issuance, insurance, and investment services.

Finantsinspeksioon organised the FinTech Forum in spring, where stakeholders discussed innovation in the financial sector and the expectations for it. Participants included creators of innovative business models, legal advisors, professional associations, and state representatives. Finantsinspeksioon explained the role of the financial supervisor in society and its mandate to support innovation. Companies operating in the financial sector presented their business models and the current state of the market, and features of the law as it stands that are an obstacle to innovation. The professional associations and legal bureaus gave their observations on financial innovation within their own specialised fields.

Finantsinspeksioon ran a survey among its staff about using artificial intelligence (AI) in supervision work. It was designed to find out about the use of AI and areas that it is suited to in order to provide inputs for future training events and for planning IT development.

A company wanting to provide financial services needs to have a licence from Finantsinspeksioon. Supervision helps make sure that companies operating in the market can be trusted and that their services are secure and operate correctly.



THE RIGHT TO OPERATE IN THE FINANCIAL SECTOR

Anybody wanting to provide regulated financial services must apply for a licence from Finantsinspektsioon. Finantsinspektsioon processes the application by checking that the applicant has sufficient capital and where it comes from, and assessing the organisational structure and the intended business plan, the level of technical organisation, and the suitability of the managers and owners to operate in the financial sector.

There are strict requirements for participants in the financial sector that are put in place to ensure protection for consumers of financial services, the stability of the financial system, and honesty in the operation of the market. Managers and owners in the financial sector must have a spotless reputation, relevant qualifications, and sufficient experience of the sector.

Entities supervised by Finantsinspektsioon as at the end of the year		
	2025	2024
Banks	8	9
Creditors	41	44
Credit intermediaries	7	8
Non-life insurers	8	7
Life insurers	2	2
Insurance brokers	38	37
E-money institutions	3	3
Payment institutions	12	14
Investment firms	7	8
Fund managers	12	18
Regulated market operator	1	1
Organiser of the security settlement system	1	1
Crowdfunders	2	2
Debt collection agencies	4	2
Number of entities operating with a licence from Finantsinspektsioon	146	156

Branches of foreign entities operating in Estonia as at the end of the year		
	2025	2024
Branches of banks	6	5
Branches of non-life insurers	7	7
Branches of life insurers	3	3
Branches of insurance brokers	5	5
Branches of investment firms	1	1
Branches of payment institutions	2	2
Total number of branches	24	23

Six companies received an operating licence from Finantsinspektsioon

Finantsinspektsioon received 13 applications for a licence to operate in 2025, and some application processes that had started in 2024 continued. Five of the applications submitted were for licences to provide crypto asset services,

while there were two applications each for licences as credit intermediaries, credit institutions and fund managers, and one each for licences as a credit collector and an e-money institution.

Finantsinspektsioon issued six licences in 2025, of which two were for credit collectors, two for fund managers, one for a creditor and one for a credit intermediary.

Four of the applications were not processed, mainly because part of the required documentation was missing. The remainder of the proceedings will continue in 2026.

Licences issued in 2025

1 licence as a credit intermediary
1 licence to operate as a creditor
2 licences as fund managers
2 licences as debt collectors
6 licences in total

Finantsinspektsioon assessed suitability to operate in the financial sector

Finantsinspektsioon assessed in 2025 whether a total of 279 people were suitable to operate in the Estonian financial sector or to own a qualifying holding in companies in the sector. Of the people assessed, 202 received a positive assessment. The suitability assessments of 77 people were not completed because either the person themselves revoked their candidacy or their application was withdrawn, and so Finantsinspektsioon did not make a final assessment of the suitability of those people.

Suitability assessments

	2025	2024
Total number of suitability assessments	279	447
Positive decisions	202	352
Applications withdrawn	77	95

Saving and borrowing are part of everyday life. Supervision over the banks helps keep services functioning, conditions transparent and risks under control. This gives confidence that the banking system will still work in difficult circumstances.



BANKING AND CREDIT

Finantsinspeksioon carries out supervision over credit institutions, creditors and credit intermediaries that operate under a licence that it has issued.

Creditors and credit intermediaries are supervised by Finantsinspeksioon if they lend to consumers. The European Central Bank is responsible for capital supervision over banks that are considered systemically important under the European Single Supervisory Mechanism (SSM), and it works together on this with the local financial supervisors of the countries in the euro area, including Finantsinspeksioon.

There were 14 credit institutions operating in the Estonian banking sector at the end of 2025, of which six were branches of foreign banks. There were also 41 creditors in the market and seven credit intermediaries operating in Estonia.

There were four licensed credit collectors, and two cross-border providers of credit management services.

Banks with a licence from Finantsinspeksioon		
	2025	2024
Number of banks	8	9
Value of assets	59 billion euros	56 billion euros
Yearly growth in the loan stock	10.4%	8.5%
Yearly growth in the value of deposits	4.7%	6.9%
Yearly growth in the stock of household loans	9.7%	8.00%
Yearly growth in the stock of corporate loans	10.4%	8.6%
Return on equity (RoE)	13.7%	16.00%
Annual profit	827 million euros	968 million euros

Branches of foreign banks in Estonia		
	2025	2024
Number of bank branches	6	5
Value of assets	1.4 billion euros	1.3 billion euros
Yearly growth in the loan stock	8.9%	-0.1%
Yearly growth in the value of deposits	24.9%	23.0%
Yearly growth in the stock of household loans	13.1%	8.2%
Yearly growth in the stock of corporate loans	7.2%	14.2%
Annual profit	25.6 million euros	30.2 million euros

Creditors and credit intermediaries supervised by Finantsinspeksioon		
	2025	2024
Creditors	41	44
Credit intermediaries	7	8
Stock of consumer credit	1.5 billion euros	1.6 billion euros
Yearly growth in the stock of consumer credit	-7%	1.00%
Net interest income	168 million euros	165 million euros

Finantsinspeksioon supervised the larger banks jointly with the European Central Bank

The European Central Bank is responsible for capital supervision over banks that are considered systemically important under the European Single Supervisory Mechanism (SSM), and it works together on this with the local financial supervisors of the countries in the euro area. The banks operating in Estonia that come under the direct supervision of the SSM are SEB Pank, Swedbank, LHV Pank and Luminor Bank. The other banks are under the direct supervision of Finantsinspeksioon.

Supervision of the important banks in 2025 focused on credit risk and operating risk and governance. Assessment of operational risk and IT risk looked particularly at digitalisation processes, the complexity of activities, and aggregation and reporting of risk data.

Finantsinspeksioon took part in several on-site inspections led by the European Central Bank in 2025 that concentrated on the business models, profitability, internal governance, risk controls and credit risks of the banks. The banks then have to remedy any shortcomings that are identified during the inspection within a fixed deadline.

Some of the larger banks use internal ratings when calculating their capital requirements, in which case the risk weights used to calculate the capital requirements are set from the internal risk assessments of the banks. Finantsinspeksioon participated in 2025 in the assessment led by the European Central Bank of the internal models for credit risk. The inspections identified shortcomings in the internal models for credit risk that arose from the quality and representativeness of the data used as the base for the modelling, the differentiation and quantification of risk parameters, the use of the margin of conservatism, validation, and the operation of the control function.

Two banks operating in Estonia that come under direct supervision of the SSM were fined by the European Central Bank in 2025. One was fined 410,000 euros because its internal models did not give a conservative enough estimate of the parameters for credit risk from July 2022 to September 2024. The other was fined 405,000 euros for reporting risk-weighted assets for which market risk was calculated incorrectly from the second quarter of 2022 to the first quarter of 2024.

The additional capital requirements of the banks remained stable

Finantsinspeksioon regularly assesses whether the risks of the credit institutions it supervises are backed by sufficient capital to ensure trustworthy management. The Supervisory Review and Evaluation Process (SREP) assesses the business models, management systems and risk profiles of the banks, and the sufficiency of their capitalisation and liquidity. If the generally applicable capital requirement set as Pillar 1 in the banking regulation does not cover the risks of a particular bank sufficiently, Finantsinspeksioon can set an additional Pillar 2R capital requirement. The sufficiency of the internal capital of the banks is also assessed each year with consideration of the results of the supervisory stress tests, and if needed the bank can be given additional Pillar 2G guidance about its capital. The Pillar 2 requirement and guidance are set as a ratio of the total risk exposure of the bank.

Additional capital requirements and guidance that totalled 960 million euros were set in 2025 for the banks operating in Estonia. The requirements set by the European Central Bank for the large banks were 769 million euros, and Finantsinspektsioon set requirements for the small banks of 189 million euros. The additional capital requirement and guidance made up 46% of the general capital requirements set for the banks under the banking regulation.

Finantsinspektsioon tested the resilience of banks to a crisis

Finantsinspektsioon ran credit risk stress tests for all the banks operating with a licence in Estonia to assess whether they would have sufficient capital if they were faced with stiff economic headwinds. Both corporate and private loans were tested, including the resilience of loans backed by real estate. The stress scenario defined by the European Banking Authority (EBA) described increasing geopolitical tensions and a fracturing of trade that caused demand to weaken, asset prices to fall, and financing conditions to tighten, with this then putting companies and households in a worse position and increasing unemployment.

The stress tests showed the credit losses of the credit institutions reaching 4% of the loan portfolio over three years in the resulting recession. The biggest losses would be the 39% of the total loss arising from loans to private individuals not secured by real estate, and the 26% from the commercial real estate portfolio of businesses.

The stress tests also showed that smaller banks, which have smaller capital buffers, are more vulnerable to conditions of extraordinary stress and their level of core equity would fall fast. This makes it important that they hold sufficient capital buffers to cover the credit losses that would be caused by a stress incident. The results of the stress tests were used to set additional capital guidance for the smaller banks.

Finantsinspektsioon also ran liquidity risk stress tests for the smaller banks. These are intended to assess the capacity of banks to cope with a crisis, determine how long they could cope for in the near future, and assess whether there is any need for additional liquidity buffers. The liquidity positions of some banks would deteriorate if the crisis scenario were to be realised. Finantsinspektsioon set additional liquidity requirements to prevent this or recommended that the banks change their internal processes.

Finantsinspektsioon assessed the risks from taking deposits in through platforms

One priority for Finantsinspektsioon in 2025 was to assess how ready the banks were to replace the funds taken in through deposit platforms in the event that the platforms were unexpectedly interrupted. It did this by asking the banks that take in deposits through platforms to simulate a scenario where the deposit taking platform that they work with ceased activity simultaneously in all countries. The banks estimated that this event would not cause them to breach the capital and liquidity requirements and found that they would be able to meet their obligations to their clients on time if such a stress scenario were to be realised. Finantsinspektsioon sent the banks a memo recommending measures that could be taken to minimise the potential risks.

Finantsinspeksioon analysed the risk management of the banks and its position in the independence of the decision-making process for credit

It looked at whether the banks have clear and functioning internal controls in the decision-making process for credit. This needs the roles and responsibilities to be clearly defined, tasks to be separated, control over decisions to be independent, and the process for possible review and approval of the decisions to be in place.

The analysis showed that there were quite wide differences between the approaches of the banks. Finantsinspeksioon considered that the process of taking decisions about credit should be organised so that the person responsible is always clearly identified and risk management is involved independently in the decision process.

Finantsinspeksioon analysed how the assignment by banks of non-performing loans affected the quality of their credit portfolios and their capital

Several banks assign non-performing loans in order to maintain the quality of their loan portfolios. It is mainly consumer loans that have become non-performing which are sold, and to a smaller extent business loans as well. Sales of problem loans have particularly affected the smaller banks as the share of non-performing loans at some small banks would exceed 5% if they did not assign claims. Leaving those claims on the balance sheet of the banks would need them to make more write-downs, reducing their profitability and capitalisation and so restricting their ability to issue new loans. Finantsinspeksioon regularly analyses the sale of problem loans and how it affects the strength of the capitalisation of the banks.

Finantsinspeksioon assessed how internal audit was organised at creditors and credit intermediaries

Finantsinspeksioon ran a remote inspection for all creditors and credit intermediaries to assess the organisation and execution of their internal audits. The existence and the qualifications, independence, and role within the organisation of the internal auditor were inspected. The frequency, planning and consistency of the audit was also assessed, and how the proposals and improvements suggested by the internal auditor were implemented.

Finantsinspeksioon contacted the creditors and credit intermediaries individually about the shortcomings that were identified, and asked for clarification of the circumstances.

Finantsinspeksioon inspected compliance with the requirements for responsible lending

Finantsinspeksioon carried out on-site inspections and remote inspections of responsible lending at three creditors. The inspections found that the internal rules and procedures for assessing the credit capacity of consumers did not always comply fully with the requirements of the Creditors and Credit Intermediaries Act. Finantsinspeksioon required that the deficiencies be remedied.

Finantsinspektsioon inspected compliance with the requirements for the cost of credit

Finantsinspektsioon carried out inspections at four creditors to assess how the cost of credit is calculated and the procedural rules for doing so. It analysed whether the rules for calculating the cost of credit at the creditors were applied correctly and in compliance with the requirements for them. No shortcomings were found in the calculation process.

Finantsinspektsioon contacted the creditors individually about the methodologies described in the internal rules and asked for clarification of some aspects.

Credit collectors started to operate under supervision by Finantsinspektsioon

Finantsinspektsioon issued operating licences in 2025 to two credit collectors that collect debts that have arisen under credit contracts signed with credit institutions or creditors. It issued an advisory guideline setting requirements for how credit collectors and purchasers communicate with the debtors in order to harmonise supervisory practices. The guideline is intended to clarify the legal requirements and set single and transparent standard practice for the work of credit collectors and credit purchasers in communicating with debtors.

Finantsinspektsioon assessed the risk culture of the banks

Finantsinspektsioon ran inspections at small banks to identify their risk cultures. The aim was to find out whether the banks have acted to address the bottlenecks identified in the analysis of 2023 and presented in a memo sent to them in 2024 and started to move towards instilling a more informed risk culture. The analysis found that although the principles of a risk culture are described and defined in most of the internal rules, a complete understanding of risk culture still needs further development and attention.

The work to combat money laundering is not very visible or high-profile but it helps to keep the market trustworthy and transparent. Financial supervision identifies risks and observes that financial institutions meet the requirements.



FINANCIAL SANCTIONS AND COUNTERING MONEY LAUNDERING AND TERRORIST FINANCING

Finantsinspektsioon contributed to supervision of work to combat money laundering and apply financial sanctions both domestically and internationally in 2025. It had carried out supervision over 109 individuals in connection with this by the end of 2025.

Finantsinspektsioon followed its strategy in its on-site inspections covering money-laundering and terrorist financing and financial sanctions by researching primarily the role of management bodies in risk management and in the operation of risk culture. Governance, reporting and risk awareness were considered sufficient in most cases, but there were shortcomings in how efficiently business relations were monitored, the risk appetite expressed within documents, and compliance with the requirements for outsourcing activities. The scope of one on-site inspection was extended, and the results will be found in early 2026. Remote inspection was mainly used to identify the individual risk level of each market participant and within the framework of the supervisory cycle to ensure that proportional risk-based supervision of each individual concerned is carried out at least once every five years.

Finantsinspektsioon continued to assess risks

Finantsinspektsioon continued to assess the risks from money-laundering and terrorist financing in 2025, working with partners within Estonia and internationally. One major contribution was the participation in writing a new national risk assessment for countering money laundering and terrorist financing and the spread of weapons of mass destruction. The analysis used for the risk assessment was mostly run in 2025, and the results of it were approved on 30 September 2025.

Finantsinspektsioon participated at the international level in setting the risk assessment methodologies for the European Union Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). The methodology will be used in the direct supervision by AMLA and in the risk-based supervision of the financial supervision authorities within the European Union.

Finantsinspektsioon developed its own system for measuring risks from money-laundering, terrorist financing and breaches of financial sanctions further in 2025 to make its constant monitoring of risks more efficient.

Finantsinspektsioon emphasised the role of management in managing money-laundering risks

Finantsinspektsioon directed market participants to focus more attention in 2025 on the responsibility of management for managing money-laundering risks. On-site inspections were run to support market participants in taking balanced risks and defining a risk management culture, with a focus on the work of managers of financial intermediaries in managing money-laundering risk. Finantsinspektsioon raised awareness of work to combat money laundering and terrorist financing and of financial sanctions

Finantsinspektsioon organised forums on money laundering for market participants and other interested parties that presented the sectoral risk assessments on money laundering and terrorist financing produced at the end of 2024, and covered the risk picture and the results of the new risk assessment by the state of money laundering, terrorist financing and the spread of weapons of mass destruction. It also presented the new latest and planned management materials for the financial sector and the typologies and channels of terrorist financing. An information day was also held that presented the risk environment and the supervisory work of Finantsinspektsioon. The Financial Intelligence Unit and the Ministry of Finance also contributed to the forums.

Insurance becomes an issue when something unexpected happens, whether that is an accident, a loss or a disruption to everyday life. Supervision helps make sure that insurers are able to fulfil their promises, their conditions are understandable, and their handling of claims is fair.



INSURANCE

Finantsinspektsioon carries out supervision over insurers and insurance intermediaries that operate under a licence that it has issued. There were two life insurers and seven non-life insurers operating in the Estonian market with a licence from Finantsinspektsioon at the end of 2025. There were also seven foreign non-life insurers and three branches of foreign life insurers operating in Estonia.

There were 38 insurance brokers listed on the Finantsinspektsioon list of insurance intermediaries at the end of the year. There were also branches of five foreign insurance brokers operating in Estonia.

Insurance distributors operating with a licence from Finantsinspektsioon

	2025	2024
Non-life insurers	7	7
Value of assets	1.1 billion euros	1.1 billion euros
Insurance liabilities	487 million euros	499 million euros
Insurance premiums	861 million euros	836 million euros
Life insurers	2	2
Value of assets	1.7 billion euros	1.6 billion euros
Insurance liabilities	1.2 billion euros	1.1 billion euros
Insurance premiums	369 million euros	354 million euros

Finantsinspektsioon assessed compliance with the requirements for designing insurance products

Finantsinspektsioon focused its supervision on whether the design of insurance products complied with the requirements. It looked at whether distributors were given sufficient and relevant information when new products were developed and existing products significantly altered, and whether the development process for products met all the requirements for it. Finantsinspektsioon drew attention to individual cases where the distributors were given information that was not relevant.

Finantsinspektsioon inspected how losses were handled and insurance compensation explained

Finantsinspektsioon looked at how non-life insurers handle and compensate losses and how they explain insurance compensation to clients. The existence of internal rules, the application of them, and their alignment with legal standards was checked. Finantsinspektsioon identified shortcomings in how losses were handled and directed the insurers to extend their internal rules and ensure that they followed them. Finantsinspektsioon monitored whether insurers followed the action plans they had submitted.

Finantsinspektsioon worked with international partners in insurance

Finantsinspektsioon contributed to pan-European analysis of the experience and expectations of consumers for the availability and extent of insurance coverage against natural disasters in home insurance policies. It also

participated together with insurers in the collection of data by the European Insurance and Occupational Pensions Authority (EIOPA), which was used for a report on the costs and past returns of European life insurance products. The report emphasised the need for continuing efforts to ensure the best ratio of price and quality for consumers. It gives a review of the main trends in the insurance market in the European Union and is an input for the supervision work of Finantsinspektsioon and for the everyday work of insurers.

Finantsinspektsioon assessed the risks of insurers more methodically than before

Finantsinspektsioon used to produce an annual risk assessment on all of the insurers, but a new approach was introduced in 2025 as smaller insurers with lower risk levels will now be assessed every two years. This is in line with the principle that Finantsinspektsioon follows of risk-based supervision. The assessments of insurance companies cover their business model and strategy, their financial and risk position, governance, and other issues. Feedback was given to every insurer that a risk assessment was made for, and the results of the risk assessment are an important input for planning supervision work.

The focus fell on capital risks in life insurance and on risks from climate change in non-life insurance

Finantsinspektsioon had separate inspection projects for life and non-life insurers. The inspection of life insurers looked at how reliably risks were considered and mitigated, while that for non-life insurers looked at how they account for the risks from climate change. This inspection analysed how ready the insurers are to meet new requirements, and where necessary it gave recommendations for improvements they could make.

On-site inspection focused on assessing the management systems of insurers

Finantsinspektsioon completed an on-site inspection of insurers established in Estonia that was started in 2024. It looked at the management systems of the insurers, including their risk management and the organisation of key functions, the organisation of the transfer of activities, and the suitability within the operation of the assessment system of managers and the people responsible for key functions. Attention was also focused on the correctness of reporting and disclosure, how damages under optional vehicle insurance and motor third-party liability insurance are handled and compensated, and how insurance compensation is explained when travel and health insurance contracts are signed. Finantsinspektsioon found shortcomings and points that needed improvement in all of the areas inspected. The insurers drew up action plans for how to remedy the shortcomings identified by the inspections, and Finantsinspektsioon continues to monitor how those plans are fulfilled.

Everyday payments are made with cards, telephones and banking apps. Supervision helps make sure that payment solutions are secure and function reliably.



E-MONEY AND PAYMENT SERVICES

Finantsinspektsioon carries out state supervision over e-money institutions and payment institutions that operate under a licence it has issued. There were three e-money institutions and 12 payment institutions in the market at the end of 2025, two of them operating with an exemption. The requirements are not as strict for payment institutions with an exemption from the licence and the volume of payments they can intermediate is limited.

Payment institutions with a licence from Finantsinspektsioon

	2025	2024
Payment institutions	12	14
Value of assets	97.2 million euros	94.2 million euros
Value of payments	1.76 billion euros	1.2 billion euros
Size of the average payment	62 euros	63 euros
Return on equity (RoE)	7.4%	11.4%
Annual profit	3 million euros	6 million euros

E-money institutions operating with a licence from Finantsinspektsioon

	2025	2024
E-money institutions	3	3
Value of assets	71 million euros	63.1 million euros
Annual profit	259,000 euros	3 million euros

Finantsinspektsioon inspected the pricing of basic payment services

Finantsinspektsioon looked at the practice and methods used by credit institutions and branches in Estonia that offer basic payment services for pricing those services, presenting the prices, and designing the services. No shortcomings were found during the inspection.

Finantsinspektsioon assessed the capitalisation of payment and e-money institutions

Finantsinspektsioon analysed the capitalisation and revenue bases of payment and e-money institutions and the structure of their client assets, and continued to monitor riskier market participants. The capitalisation of payment institutions was generally good at the end of the year and they all met the standards for own funds.

Finantsinspektsioon assessed whether the liability insurance of payment institutions met the requirements for it

Payment institutions that provide payment initiation services or account information services must have valid liability insurance that covers the insurance cases named in the Payment Institutions and E-money Institutions Act. Finantsinspektsioon assessed whether the liability insurance contracts signed by payment institutions met the requirements. The inspection looked at the method used for calculating the minimum amount of liability insurance cover and the accuracy of the calculations, which the payment institution itself is responsible for. The inspection found that the excess set for the payment institution in some of the insurance contracts was not covered by the guarantee for credit or financing institutions. There were also errors in the calculation of the minimum amount of liability insurance. Feedback on this was given to the payment institutions concerned.

Clear information and impartial and fair rules are needed for assets to grow in financial markets. Supervision helps keep investment services transparent and behaviour in the market honest. This gives investors the best base from which to make rational decisions.



INVESTMENT AND THE SECURITIES MARKET

Finantsinspeksioon carries out state supervision over investment firms, fund managers, and investment and pension funds that operate under licences it has issued, and over the crypto asset and securities markets. Finantsinspeksioon by law does not supervise small fund managers that are operating only with a registration.

Credit institutions are also active in investment, offering their clients investment products and access to financial markets. At the end of 2025, Finantsinspeksioon was supervising 12 fund managers, 73 funds, and seven investment firms.

Finantsinspeksioon monitors trading in securities and disclosure of information by listed companies in the regulated market of Nasdaq Tallinn and the First North alternative market. Finantsinspeksioon was monitoring 54 issuers of securities at the end of 2025.

Fund managers with a licence from Finantsinspeksioon

	2025	2024
Fund managers	12	12
Public funds including pension funds	52	53
Second pillar assets	6.8 billion euros	6 billion euros
Third pillar assets	1.1 billion euros	896 million euros
Annual profit	15.5 million euros	13.8 million euros
Total value of assets under management	11.5 billion euros	9.8 billion euros
Assets of public funds	8.5 billion euros	7.4 billion euros

Investment firms with a licence from Finantsinspeksioon

	2025	2024
Investment firms	7	8
Value of assets	95 million euros	104 million euros
Net income	9 million euros	21 million euros
Return on equity (RoE)	-24.6%	-4.34%
Annual loss	22 million euros	4 million euros

Branches of foreign investment firms operating in Estonia

	2025	2024
Number of branches of investment firms	1	1
Value of assets	76,057 euros	62,596 euros
Net income	5360 euros	3875 euros
Annual loss	104,277 euros	263,228 euros

Finantsinspeksioon inspected how the Market in Crypto-Assets Act was applied

Finantsinspeksioon inspected how market participants offering investment services applied the terms of the Market in Crypto-Assets Act. The inspection aimed to get a picture of the actions around the provision of crypto asset services, including how particular crypto assets were handled and the work of those market participants who do not plan to engage with crypto assets

or whose plans are only evolving. The outcome was an outline of the market participants who are engaging in services relating to crypto assets. No shortcomings were found in the activities.

Finantsinspeksioon investigated the involvement of influencers in marketing investment services

Influencers are playing an increasing role in spreading information about investment, and so one focus for supervision at Finantsinspeksioon in 2025 was on finfluencers, or financial influencers, in investor protection terms, and particularly on clarifying their obligations and assessing their role in marketing work.

The European Securities and Markets Authority has also highlighted the risks from the activities of influencers.

Finantsinspeksioon inspected how market participants offering investment services worked with finfluencers. No shortcomings were found in the activities of the market participants that would have required additional supervisory involvement from Finantsinspeksioon. The market participants said they were considered and responsible in their use of influencers, focusing above all on increasing financial literacy and not on aggressive sales work.

Finantsinspeksioon held a roundtable for influencers to clarify the regulatory requirements, and started to define best practice for influencers. The discussions at the roundtable focused on the extent to which influencers can steer investment decisions, the legal restrictions and the risks they face, and the need for them to be aware and responsible in their actions. It emerged from the discussion that the influencers found the explanations given by Finantsinspeksioon to be very helpful to them in assessing their work and raising awareness among consumers.

Finantsinspeksioon monitored the provision of crowdfunding services

Finantsinspeksioon inspected a provider of crowdfunding services. It inspected how the provider of crowdfunding services assesses the credit risk of the projects and project owners that it intermediated, and how it meets the obligations for writing the key investment documents and presenting them to investors, and for the accuracy of the information in those documents. The inspection will continue in 2026.

Finantsinspeksioon assessed compliance with ESG requirements

Several financial intermediaries provide financial products and services that are described as having environmental, social and governance benefits or given the abbreviation ESG. Finantsinspeksioon looked at whether the information disclosed on such products and services meets the requirements for it, and whether the obligations for sustainability are met. No shortcomings were found with meeting the requirements.

Finantsinspeksioon also looked at whether the sustainable products make impact investments. Impact investments are an investment strategy that aims not only to earn a financial return, but also to have a quantifiable positive

environmental or social impact. The inspection gathered information on whether fund managers with sustainable products made impact investments and what those investments were. The fund managers inspected do not follow a financial strategy of impact investment.

Finantsinspeksioon analysed information submitted on market abuse

The Securities Market Act requires Finantsinspeksioon to monitor transactions with financial instruments in places of trade to identify and move against possible criminal activity in the market. Securities brokers must inform Finantsinspeksioon of suspicious transactions and transaction orders. Professional participants in the Estonian securities market sent 54 reports of suspicious transactions and transaction orders in the securities market to Finantsinspeksioon in 2025. There was also a report of suspicion sent by a supervision authority in another country. Finantsinspeksioon sent a criminal complaint to the prosecutor about suspicions of abuse of inside information. Misdemeanour proceedings were not started, and Finantsinspeksioon only issued warnings to four individuals.

Finantsinspeksioon approved prospectuses for public offers

Finantsinspeksioon approved seven prospectuses in 2025 for non-equity securities, or bonds, including three from new issuers. No prospectuses for public offers or admission to trading of equity securities were approved. Two friendly takeovers were made during the year, with the result that trading in the shares of two issuers in the regulated market was ended.

Finantsinspeksioon monitored that issuers publish their reports correctly

Finantsinspeksioon observes that listed issuers publish financial reports at the correct time, and that the content of those reports complies with the requirements. It inspected the reports of three issuers in depth in 2025. The inspection assessed compliance with the international financial reporting standards (IFRS), the application of good corporate governance practice, compliance with the European Single Electronic Format (ESEF), the correctness of disclosures of alternative performance measures (APM), and for one issuer compliance with ESG requirements. Finantsinspeksioon did not find any issues that would have given grounds for further action, but it drew the attention of some issuers to minor shortcomings and requested that these be remedied in subsequent reports.

Finantsinspeksioon inspected the functioning of the risk controls at fund managers

Finantsinspeksioon made on-site inspections at two fund managers to assess the efficiency and independence of their risk control systems and the application and sufficiency of the organisational and technical measures needed for that function to work, and the organisation of risk controls in management bodies. The inspection identified issues needing attention within the risk control function of the fund managers. The main issues were that the risk control system was understaffed, the requirement to name a person

as responsible for it was not met, requirements for approving and reviewing the internal rules regulating risk controls were not followed, and there were deficiencies in the reporting for risk control and the review of its work. Finantsinspeksioon highlighted these issues to the fund managers.

Finantsinspeksioon issued two new licences to fund managers

Finantsinspeksioon issued two new fund manager licences in 2025, one for managing an alternative fund, and the second an additional licence for operation as a eurofund manager. One fund manager gave up their licence and continued to operate in the market as a small fund manager operating without a licence.

Finantsinspeksioon issued a memo about offering closed-end index funds

Finantsinspeksioon sent fund managers a memo highlighting the obligation for fund documents and marketing materials to inform investors clearly and transparently about the investment policy and approaches of funds, including index tracking approaches. It also pointed out that using index tracking, even if only partly or under certain conditions, without declaring this in the key documents of the fund could be considered as misleading investors.

Finantsinspeksioon checked that the white papers for crypto asset tokens meet the requirements

The Markets in Crypto Assets Regulation (MiCA) started to apply in 2025 and requires all providers of crypto asset tokens operating in Estonia to submit a white paper for the tokens to Finantsinspeksioon. The white paper is an information document that resembles a prospectus and presents the project of the token and details of the offer to investors, and explains the rights, liabilities and risks of the token. Finantsinspeksioon's task is to check that the white paper meets the terms of MiCA and inform ESMA and other institutions about this. Finantsinspeksioon was informed about ten white papers on offers of crypto asset tokens in 2025, of which three met the requirements.

Finantsinspeksioon assessed the risk culture of investment firms

Finantsinspeksioon assessed the awareness of risk culture at investment firms. The aim was to find out whether the investment firms have acted to address the bottlenecks identified in the analysis of 2023 and presented in a memo sent to them in 2024 and started to move towards instilling a more informed risk culture. The analysis showed that investment firms do not have a comprehensive understanding of the content and definition of risk culture, as indicated by their single-word descriptions of management organisation and risk management practices, and by deficiencies in their internal rules. Finantsinspeksioon drew the attention of market participants to this.

Finantsinspeksioon investigated how conflicts of interest are avoided at providers of crowdfunding services

Finantsinspeksioon assessed the rules of providers of crowdfunding services for avoiding and minimising conflicts of interest, and the internal organisation

for handling conflicts of interest. The analysis found that although the providers of crowdfunding services have internal rules for identifying conflicts of interest, they are worded in general terms and the internal monitoring of conflicts of interest could be improved substantially. Finantsinspektsioon also drew the attention of market participants to shortcomings found during the inspection, and called for these to be remedied and for future activities to meet the requirements.

Finantsinspektsioon inspected how pension funds hold assets

Finantsinspektsioon ran remote inspections to ensure that the assets of pension funds exist and are held in accordance with the law. The inspection covered all of the mandatory pension funds of fund managers operating in the Estonian market. It found that the assets were held separately from the assets of the fund manager itself, and there were no major shortcomings.

A clear and up-to-date legal environment is the foundation for secure financial services. Finantsinspeksioon helps design and implement the rules and ensures that the legal framework keeps the financial system stable and operational.



THE LEGAL ENVIRONMENT

The legislative environment of the Estonian financial sector is made up of national legislation, directly applicable European Union directives, and a large quantity of semi-legal regulation such as guidelines from European Union institutions.

Finantsinspektsioon published its own opinion on various draft acts. The European supervisory authorities issued several guidelines to clarify legislation of the financial sector, and Finantsinspektsioon published these as advisory guidelines (see Appendix 1). It also directed the attention of market participants to its own guidelines and materials.

Key issues in the legislative environment for Finantsinspektsioon were:

- Simplification of the legal environment. The initiative taken at the European and national levels to simplify the legal environment led to a critical review of the legislative acts and guidelines covering the financial sector. Finantsinspektsioon contributed to this by collecting proposals for ways to simplify the legislation from within its own organisation and from market participants. The proposals were analysed and sent to the Ministry of Finance on 18 December 2025.
- Implementing the new legislative framework. The Market in Crypto-Assets Act and the Credit Servicers and Credit Purchasers Act came into force in 2024 and brought new entities under the supervision of Finantsinspektsioon. Finantsinspektsioon focused in 2025 on implementing those acts, which included designing new work processes for constant supervision, and putting licensing procedures in place.
- Participation in drafting legislation. Finantsinspektsioon was involved in drafting several important legal acts in 2025. Work continued on transposing and implementing the new EU banking package, which contained amendments to Directive 2013/36/EU (CRD6) and Regulation 575/2013 (CRR3). Finantsinspektsioon is also closely involved in amendments to the Insurance Activities Act and other acts that aim to transpose the amendments to Directive 2009/138/EU (Solvency 2) and Directive 2025/1 of the European Parliament and of the Council establishing a framework for the recovery and resolution of insurance and reinsurance undertakings.

Court cases involving Finantsinspektsioon

AB Kreditex AS applied to the Tallinn Administrative Court on 30.11.2023 to overturn the decision of Finantsinspektsioon of 31.10.2023 that withdrew its licence as a creditor and a mortgage creditor with the right to provide advisory services. The case is still ongoing.

Ühisraha OÜ applied to the Tallinn Administrative Court on 30.11.2023 to overturn the decision of Finantsinspektsioon of 31.10.2023 that withdrew its licence as a credit intermediary and a mortgage creditor. The case is still ongoing.

- A natural person filed a complaint with the Tallinn Administrative Court on 24.07.2025 demanding that Finantsinspeksioon cease publishing factually incorrect information about them on its website. The case is still ongoing.
- AS Silvano Fashion Group submitted a complaint to the Tallinn Administrative Court on 06.11.2024 requesting annulment of the precept issued by Finantsinspeksioon on 07.10.2024 requiring AS Silvano Fashion Group to publish information required by §1841 the Securities Market Act by the deadline given. It also applied for the legal fees to be paid by Finantsinspeksioon. The Tallinn Administrative Court issued a decision on 23.09.2025 satisfying the complaint, annulling precept No 4.1-1/132 issued by Finantsinspeksioon on 07.10.2024, and requiring Finantsinspeksioon to remove all reference to the precept from its website. It also required Finantsinspeksioon to pay the legal fees of the plaintiff of 6500 euros. Finantsinspeksioon appealed and the case is ongoing.
- Maksekeskus AS submitted a complaint to the Tallinn Administrative Court on 22.01.2025 concerning the orders issued by Finantsinspeksioon on 18.12.2023 and 22.08.2024 setting the advance and final payments of the supervision fees for 2024 and the orders of 23.12.2024 and 18.08.2025 setting the payments of the supervision fees for 2025. It also demanded that Finantsinspeksioon revisit its decision, remedy the consequences of the orders, and refund to Maksekeskus AS the excess supervision fees it had already paid to Finantsinspeksioon. It also demanded that interest be paid to the plaintiff. The case is still ongoing.
- Vagner Insurance Broker AS submitted a complaint to the Tallinn Administrative Court on 18.12.2024 requesting that the decision of Finantsinspeksioon of 16.12.2024 to remove it from the list of insurance intermediaries be annulled. The plaintiff applied for temporary legal protection as well, but the court did not satisfy this application. The Tallinn Administrative Court also decided not to satisfy the complaints submitted by Vagner. The case has reached the Tallinn Circuit Court after Vagner appealed. The case is still ongoing.
- Ühisarveldused AS submitted a complaint to the Tallinn Administrative Court on 19.08.2025 against the management decision of Finantsinspeksioon of 18.08.2025 that withdrew the licence from Ühisarveldused AS as a payment institution as it had seriously breached the terms of the legal acts regulating the business and the rules set within the legal acts on countering money laundering and terrorist financing. It also applied for temporary legal protection that suspends the application to the plaintiff of the Finantsinspeksioon decision until the case has reached court. The Tallinn Administrative Court issued a preliminary injunction on 21.08.2025 approving the application for temporary legal protection and suspending the decision by Finantsinspeksioon, and prohibiting publication of the decision on the Finantsinspeksioon website. Finantsinspeksioon appealed this to the Tallinn Circuit Court, asking for the injunction to be overturned. The case is still ongoing.

- If P&C Insurance AS submitted a complaint to the Tallinn Administrative Court on 16.04.2025 requesting annulment of the decision of the Finantsinspektsioon management board of 17.03.2025 to issue a precept requiring If P&C Insurance AS to organise and ensure that clients signing a contract for optional vehicle insurance or motor third party liability insurance; parties making a claim to If P&C Insurance AS under vehicle insurance who have chosen to use the partner of If P&C Insurance AS for the repairs; and distributors of If P&C Insurance AS optional vehicle insurance or motor third party liability insurance get information about the conditions for repairs agreed between If P&C Insurance AS and its partner that will apply to the client receiving the repairs, including the key performance indicators (KPI) for the repairs. It also applied for temporary legal protection as well, but the court did not satisfy this application. The case is still ongoing.
- A natural person filed a complaint with the Tallinn Administrative Court on 26.06.2024 requesting that a warning notice published by Finantsinspektsioon on 27.03.2024 be removed. The Tallinn Administrative Court issued a judgement on 04.11.2024 that the warning issued by Finantsinspektsioon was lawful. It also ruled that Finantsinspektsioon must decide on whether to remove the published information from its website within one month from the judgement being made by the court. The case has reached the Tallinn Circuit Court after the plaintiff appealed.
- IIZI Kindlustusmaakler AS submitted a complaint to the Harju County Court on 18.06.2024 about the decision of Finantsinspektsioon in general proceedings to fine IIZI Kindlustusmaakler AS 24,000 euros under § 261 (2) of the Insurance Activities Act because it transferred its marketing of insurance and breached the obligation for intermediaries to act in the interests of clients and the requirements defined in law. Harju County Court rejected the complaint from IIZI Kindlustusmaakler AS on 28.11.2024, after which IIZI Kindlustusmaakler AS filed a cassation appeal with the Supreme Court on 23.12.2024. The Supreme Court started to hear the case on 16.04.2025 and reached a decision on 12.06.2025 annulling the decision of Finantsinspektsioon and terminating the misdemeanour proceedings because the statute of limitations had expired.
- Svea Finance AS submitted a complaint to the Harju County Court on 26.06.2025 about the decision of Finantsinspektsioon in general proceedings to fine Svea Finance AS 50,000 euros under § 98(2) of the Creditors and Credit Intermediaries Act and 150,000 euros under § 99(2) of the same act. Finantsinspektsioon had identified multiple breaches of the rules in the assessment of the credit capacity of consumers by Svea Finance AS and found that its internal rules for issuing consumer credit did not meet the requirements. Harju County Court agreed to hear the complaint and the court case is ongoing.
- Invest in OÜ submitted a complaint to the Harju County Court on 18.12.2025 about the decision of Finantsinspektsioon in general proceedings to fine Invest in OÜ 16,000 euros under § 96(2) of the

Creditors and Credit Intermediaries Act because Invest in OÜ had not submitted its annual financial report for 2024 and the related documents to Finantsinspektsioon by the deadline for doing so. Harju County Court agreed to hear the complaint and the court case is ongoing.

Four misdemeanour proceedings ended with Finantsinspektsioon issuing a fine

Nine misdemeanour proceedings that Finantsinspektsioon had started were ended in 2025. The proceedings concerned violation of the creditor's obligation to assess creditworthiness, non-compliance with the requirements for internal rules, submission of an incomplete annual financial report or late submission, and failure to submit information required by Finantsinspektsioon. Four of the nine cases ended with a fine being issued, and five ended with no punishment being given for pragmatic reasons. Proceedings in a further two cases were continued into 2026. Finantsinspektsioon decided in 2025 not to start misdemeanour proceedings in five cases of small violations of the rules, and only issued warnings. Finantsinspektsioon submitted four complaints of criminal activity in 2025.

Amounts issued in fines by Finantsinspektsioon

2025	2024	2023	2022	2021
416 800 euros	138 800 euros	1 025 000 euros	50 000 euros	91 000 euros

Finantsinspektsioon issued precepts to guide financial intermediaries

Finantsinspektsioon issued four precepts in 2025 that directed participants in the financial market to meet the requirements of the law. One precept was to a creditor and concerned deficiencies in how it assessed consumer creditworthiness and issued consumer credit. A precept was issued to remind one insurer that an insurance firm must disclose information to its clients and insurance intermediaries in accordance with the requirements. A precept was issued requiring one credit institution to remedy shortcomings identified during an inspection in 2024 in its provision of basic payment services. One insurance broker was given a precept about the late publication of its annual report.

Finantsinspeksioon monitors the banks to prevent any difficulties they may face threatening the whole financial system. This is done to protect the money of depositors, investors and other clients and to ensure that services function correctly.



FINANTSINSPEKTSIOON AS A RESOLVER OF CRISES

One aim of Finantsinspeksioon is to prevent any insolvency of any bank hurting financial stability, and so to protect the funds of the public sector, depositors, investors and other clients.

In 2025, Finantsinspeksioon extended and updated the resolution plans of the systemically important banks operating in Estonia together with the minimum requirements for eligible own funds and liabilities. Finantsinspeksioon worked internationally on this with the resolution authorities and supervisory authorities of other countries, participating in crisis resolution colleges and contributing to the domestic work of the resolution team. Finantsinspeksioon also continued extending and updating the resolution plans of the less important banks operating in Estonia.

The domestic crisis resolution handbook funded by the European Commission and produced by Deloitte was completed and was tested during crisis exercises.

The Emergency Act gives Eesti Pank responsibility for organising the continuity of payment services and cash circulation and Finantsinspeksioon supervises the implementation of regulations passed under the act, and so a crisis function derived from the Emergency Act was set up. Finantsinspeksioon hired a crisis coordinator for this and started to build an internal emergency crisis function, which included defining the areas of responsibility of departments, planning and coordinating the crisis function, and clarifying the internal management of crises and incidents. A remote inspection of the contracts signed to ensure cash circulation and payment services was carried out at the banks providing vital services under the cooperation agreement between Eesti Pank and Finantsinspeksioon.

Cooperation between the Guarantee Fund and Finantsinspeksioon

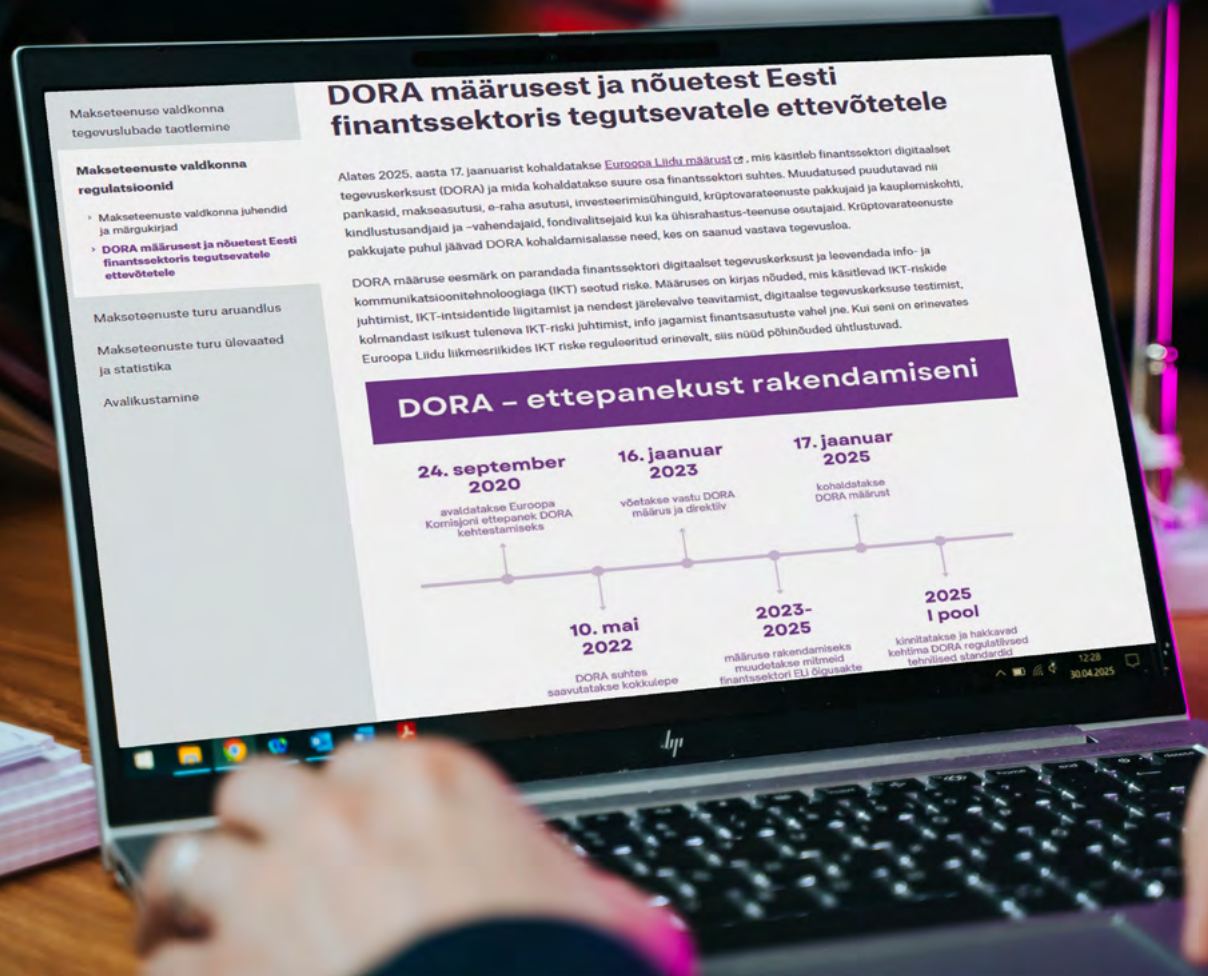
Finantsinspeksioon supported the Guarantee Fund under the cooperation agreement between the two institutions by collecting the core data on contributions to the sectoral funds of the Guarantee Fund, compiling the volume forecasts for the sectoral funds, collating the decisions of the supervisory board of the Guarantee Fund, and updating the internal rules of the Guarantee Fund. Finantsinspeksioon also helped the Guarantee Fund organise stress tests that tested the readiness of banks to pass data to the Guarantee Fund on deposits that need to be compensated.

The Single Resolution Fund did not take in any funds in 2025

A resolution fund has been set up at the Guarantee Fund to finance crisis resolution, and the banks operating in Estonia make regular payments in to it. The Guarantee Fund transfers those funds to the Single Resolution Fund set up at the European level, which is managed by the Single Resolution Board.

The Single Resolution Fund did not take in any funds in 2025 as the target level of 1% of the volume of deposits guaranteed set in Article 69(1) of Regulation (EU) No 806/2014 of the European Parliament and of the Council had already been achieved by the date set.

Everyday financial services are mostly digital, so their security and reliability of operation are vitally important. Supervision helps prevent cyber threats and ensures that systems and data are protected.



SUPERVISION OF CYBER RISKS

The Digital Operational Resilience Act (DORA) of the European Union came into force in 2025 and had a major impact on supervision of cyber risks in the financial sector as it sets single requirements for ensuring ICT and digital continuity in the financial sector.

Finantsinspeksioon held an information seminar for market participants on the application of DORA

DORA started to apply from 17 January 2025. IT and cyber risks have been a separate area of supervision at Finantsinspeksioon for several years, but the single European Union regulation will make supervision of ICT risks more systematic, technical and harmonised across the whole of the union. Finantsinspeksioon held an information seminar for market participants on the application of DORA that was attended by some 250 people. The seminar explained the principles for interpreting the terms of the regulation and gave answers to questions from market participants about the implementation of DORA.

Finantsinspeksioon started to coordinate the execution of in-depth testing

DORA requires financial institutions that are medium-sized and larger in the Estonian context to organise regular in-depth tests based on realistic attack scenarios. These exercises simulate real cyber attacks to assess the technical systems and work processes of companies and the readiness of their employees to face attacks. Finantsinspeksioon decided to use the TIBER-EU framework for running the tests, as it is the method that has essentially set the standard in the European financial sector.

Finantsinspeksioon strengthened how it handles IT incidents and exchange of information

Finantsinspeksioon created a framework for alerts about serious IT incidents and for sharing information about them. It is a contact point for receiving information about incidents, and it passes that information on where needed to the European Central Bank, Eesti Pank, the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority, the Single Resolution Board, and the Information Systems Authority.

Finantsinspeksioon started the regular collection of information on the third parties providing critical ICT services to the financial sector in order to assess the risk of concentration and plan measures for building cyber resilience. The larger providers of critical cloud and IT services come under direct supervision at the level of the European Union.

Finantsinspeksioon participated in the international exercise Northern Bastion

The two-day exercise saw teams from the financial supervision authorities, central banks and government institutions from Denmark, Estonia, Finland,

Sweden, Norway and the USA test the cyber resilience of infrastructure and financial sector and the capacity to react to cyber incidents. The work was done in national groups and in ad hoc working groups to identify bottlenecks in the reaction to crises. Attention was particularly paid to the exchange of information, the coordination of reactions, and ways of increasing resilience, and possible solutions and approaches were identified.

Finantsinspeksioon assessed the IT risks of the financial sector

Finantsinspeksioon carried out horizontal analysis of IT risks in the whole financial sector, looking at banking, insurance, investment firms and payment institutions. The analysis compared the data and estimates on the level of ICT risks received from the self-assessments of subjects of supervision and the risk controls that have been put in place. The results were assessed across sectors and in comparison with the indicators of the single supervisory mechanism (SSM) and other European indicators to identify possible deficiencies and areas that may need attention. The analysis is done every year and so it can monitor developments over multiple years within the sector and at individual banks. The methodology of the analysis and the questionnaires sent to subjects of supervision are updated each year.

Understandable information is the starting point for reasoned decisions. Finantsinspeksioon helps improve financial literacy and explains the risks and opportunities of services, giving consumers a surer footing for making sensible choices about their money.



CONSUMERS

Finantsinspeksioon helps meet the goals of financial supervision by increasing public understanding of financial services and products. The consumer website run by Finantsinspeksioon gives independent information on the most popular financial services. People can also check from the Finantsinspeksioon website whether people or companies operating in the financial sector have the licences required and whether there have been any warnings or alerts about their activities.

Finantsinspeksioon prioritises young people, the retired and debt counsellors in promoting financial literacy. These target groups are defined as a priority in its strategy because information campaigns and support for professional activities aimed at them will do most to encourage informed and responsible financial decisions.

The number of complaints submitted to Finantsinspeksioon rose by more than 35%

There were 507 complaints about financial services submitted to Finantsinspeksioon in 2025, up from 374 in the previous year. The main driver of the rise in the number of complaints was the wave of frauds and scams that hit society broadly.

Like in earlier years, 70% of the complaints received last year concerned payment and credit services, and they were mainly about the danger of falling victim to scams. A large share of the complaints about payment services concerned the administrative measures used to counter money laundering, though these are legal requirements that are set out in the legislation.

There were 61 reports of possible frauds, which is about 75% more than in the previous year. Finantsinspeksioon was also contacted with complaints about service fees, making payments, accounts being closed, the conditions of services, and advertising.

Finantsinspeksioon does not have the legal authority to resolve consumer complaints or assess the legality of the activities of subjects of supervision in individual cases. It can instead use the complaint to contact the service provider for explanations and to test whether it is acting in full compliance with the law and its own internal rules. The main goal in handling complaints is to find information on the risk environment and use this in supervisory activities to guide and assess the activities of financial intermediaries.

Finantsinspeksioon helped consumers of financial services avoid frauds

Finantsinspeksioon published 844 alerts on its website in 2025 to inform consumers about people operating without a licence and about possible frauds. The alerts are issued in close cooperation with European financial supervisors, who share information on companies in other countries too. Eleven of the warnings were published at the initiative of Finantsinspeksioon. Five of the alerts warned the public about credit being issued without a licence, one concerned the unlicensed provision of credit intermediary

services, and two were about unlicensed crowdfunding services. There was also an alert about a breach of the requirements about offering and trading other crypto assets, one about a public offer of bonds without an approved and published prospectus, and one about a provider of insurance broker services that was not listed in the list of insurance intermediaries. Before using a financial service, consumers can check on the website of Finantsinspektsioon whether the company providing it has the licence needed to do so in Estonia and whether any alert has been issued about it.

Finantsinspektsioon started publishing statistics on the consumption of financial services by households

Finantsinspektsioon started a new regular statistical release that focuses on financial indicators for the consumption of financial services by households in Estonia. The indicators will be published in a statistical release once a quarter, two months after the end of the quarter.

They will give a picture of the main financial services used by consumers in Estonia, covering deposits, loans, investments and pension funds. The selected indicators can be used for estimating the financial position of Estonian households and observing changes in it over time.

Alerts to consumers

	2025	2024	2023	2022	2021
Number of alerts issued	844	863	1310	1610	1149

Finantsinspektsioon promoted financial literacy among young people, debt counsellors and the retired

Financial intermediaries are constantly bringing new products and services to the market or extending their current offers. To help improve the financial literacy of the Estonian public, Finantsinspektsioon runs the consumer website minuraha.ee. [Minuraha.ee](http://minuraha.ee) offers independent advice on the financial services and products that are on the market. The website has practical materials for teachers to use in classes, and for debt counsellors to use in advising debtors, and the text on the consumer website is updated regularly in cooperation with Ministries, the Estonian Banking Association, and the Estonian Debt Counsellors Association.

The main target groups for Finantsinspektsioon in promoting financial literacy are young people, the retired, and debt counsellors, and special projects are designed for them. Finantsinspektsioon regularly organises seminars for teachers and debt counsellors, family days to promote financial literacy for young families, and debates for older school pupils on financial topics.

Cooperation continued in 2025 with the youth information portal Teeviit on a travelling exhibition and game that moves from school to school and is used as a teaching aid. The travelling game focusing on financial literacy originated from a competition in spring 2024 to design board games and card games that attracted 57 entries from across Estonia. The travelling exhibition is based on a cartoon drawing competition that was held in spring 2023.

INCOME AND EXPENSES OF FINANTSINSPEKTSIOON

thousand euros

INCOME	2025	2024	APPENDIX
Supervision fees	14 348	13 313	3
Other income	285	209	4
Total operating income	14 633	13 522	
EXPENSES			
Labour costs	10 270	9 240	5
Sundry operating expenses	4 398	3 884	6
Total operating expenses	14 668	13 124	
Result from core activities	-35	398	
Interest income	326	520	7
Result for the reporting year	291	918	

APPENDIXES

Appendix 1. Accounting principles

General information

The Finantsinspektsioon annual profit and loss account has been prepared in accordance with the Financial Supervision Authority Act and the accounting principles detailed in this Appendix 1. The profit and loss account has been prepared on the historical cost basis. The Annual Accounts have been prepared in thousands of euros unless indicated otherwise.

Cash and cash equivalents

Cash and cash equivalents reflects the balance on the settlement account at Eesti Pank. Finantsinspektsioon also has a current account at Swedbank AS, and the balance on that current account as at 31.12.2025 was zero.

Claims and advances

Claims reflects claims submitted to subjects of supervision for supervision fees to be paid within the deadline set in the Financial Supervision Authority Act. The balance sheet item 'Supervision fee claims' reflects the prepayments of supervision fees not yet received by Finantsinspektsioon and 'Revenues of future periods' reflects prepayments of supervision fees. Claims and advances are recorded at adjusted acquisition cost. Claims and advances are classified as short-term if their deadline for receipt is within 12 months of the balance sheet date.

Debts and advances

Debts and advances are recorded at adjusted acquisition cost. Debts and advances are classified as short-term if their deadline for payment is within 12 months of the balance sheet date.

Income

The operations of Finantsinspektsioon are mainly covered by supervision fees paid by the subjects of financial supervision and procedural fees under the Financial Supervision Authority Act. The supervision fee has two components.

The first is the capital share, which depends on the type of supervised entity and is 1% of the capital requirement of that entity, which may be minimum net own funds, minimum capital requirement, the highest of minimum equity or own funds or share capital or core capital, or similar. The second is the volume share, which is the rate that is set annually by the Ministry of Finance at the proposal of the Finantsinspektsioon Supervisory Board and that is paid on assets, gross premiums, total intermediation fees, the stock of consumer credit, or another basis, depending on the type of supervised entity. Under the Financial Supervision Authority Act, the pre-payment of the supervision fee is calculated from the arithmetic average of the value of the assets of the subject of supervision, which for most subjects is found from the balance sheet data submitted to Finantsinspektsioon on 31 December of the year preceding the year that the decision concerns, and on 31 March and 30 June of the current year; the final payment of the volume share is calculated from the data as at 31 March, 30 June, 30 September and 31 December of the preceding year. The capital share and the volume share of the supervision fees are paid in advance to the Finantsinspektsioon budget by 31 December of the preceding year. The final payment of the volume share is paid into the budget by 1 September. Entities that come under supervision during the financial year pay only the legally required amount of the capital share of the supervision fee within 30 days of receiving the right to operate.

Income is recorded during the accounting period on an accrual basis regardless of when cash was received. Income is recorded at fair value of the fee received or to be received.

Expenses

Expenses are recorded during the accounting period on an accrual basis regardless of when cash was paid. Recording of expenses follows the principle of matching for income and expenses, meaning that expenses are recorded in the same period when the income related to them is recorded.

Operating leases

An operating lease is a lease where the significant risks and benefits of ownership of the asset are not transferred to the lessee. Operating lease payments are reflected as an expense linearly across the lease period in the profit and loss account.

Taxation

Under the Eesti Pank Act, Finantsinspektsioon does not pay income tax other than income tax on employee benefits. Finantsinspektsioon has been liable for VAT since 01 July 2022 and calculates the value added tax from the supply of intra-Community acquisition or imports of goods and services.

Post-balance-sheet events

Assets and liabilities are adjusted for events that occur between the balance sheet date and the date of compilation of the Annual Accounts but are related to transactions during the accounting period or earlier periods or materially affect the condition of assets and liabilities on the balance sheet date. Important post-balance-sheet events that do not affect the condition of assets and liabilities on the balance sheet date are disclosed in the Notes.

APPENDIX 2 Balance sheet

thousand euros

	31.12.2025	31.12.2024	APPENDIX
ASSETS			
Current assets			
Cash	25 064	24 229	
Claims and advances	1 135	614	8
Total current assets	26 199	24 843	
TOTAL ASSETS	26 199	24 843	
LIABILITIES AND NET ASSETS			
Short-term liabilities			
Debts and advances	18 676	17 611	9
Total short-term liabilities	18 676	17 611	
TOTAL LIABILITIES	18 676	17 611	
NET ASSETS			
Reserves	7 232	6 314	
Result for the reporting year	291	918	
TOTAL NET ASSETS	7 523	7 232	

APPENDIX 3 Supervision fees

in thousand euros and volume share rates in %

	Supervision fees 2025	Supervision fees 2024	Volume share rates for supervision fees 2025 (%)	Volume share rates for supervision fees 2024 (%)
Credit institutions	10 128	9 468	0.0178	0.0178
Non-life insurers	1 273	1 187	0.097	0.097
Fund managers	805	683	0.0013 /0.0095 /0.013	0.0013 /0.0095 /0.013
Life insurers	564	519	0.023	0.023
Creditors	477	451	0.19	0.19
Insurance brokers	288	269	0.92	0.92
Investment firms	268	307	0.23	0.23
Payment institutions	278	206	0.019/0.5	0.019/0.5
Credit intermediaries	31	28	0.1	0.1
Pension register administrator Regulated securities market operator	23	23	0.5	0.5
E-money institutions	117	138	0.17	0.17
Credit institutions issuing covered bonds	25	21	0,001	0,001
Crowdfunding services	16	13	0.019	0.019
Debt collection agencies	37	-	0.5	-
Small fund managers without a licence	18	-	-	-
Total	14 348	13 313	-	-

Information from Regulation No. 29 of the Minister of Finance setting the volume share of the supervision fee in the Finantsinspeksioon budget 2025, Regulation No. 44 of the Minister of Finance setting the volume share of the supervision fee in the Finantsinspeksioon budget 2024, and § 39 (19) of the Financial Supervision Authority Act.

APPENDIX 4 Other income

thousand euros

	2025	2024
Processing fees	92	43
Other income	193	166
Total	285	209

Under the Financial Supervision Authority Act, any natural person, legal person or branch of a foreign business that applies to Finantsinspeksioon to have an application considered or a transaction completed pays a processing fee to Finantsinspeksioon.

The service fee paid by the Guarantee Fund under the cooperation agreement signed between Finantsinspeksioon and the Guarantee Fund, is recorded under other income.

APPENDIX 5 Labour costs

thousand euros

	2025	2024
Wage costs	7 297	6 574
Social taxes	2 494	2 251
Supervisory Board remuneration	106	98
Guarantees and benefits	242	210
Culture and sport	131	107
Total	10 270	9 240

Wage costs cover salaries, bonuses, remuneration of members of the management board, severance pay, and holiday pay. The average salary of employees of Finantsinspeksioon not including members of the management board in 2025 was 3913 euros a month, and it was 3748 euros a month in 2024.

The total remuneration paid out to members of the Finantsinspeksioon Supervisory Board and Management Board in 2025 was 673,320 euros, and it was 584,999 euros in 2024. Performance bonuses paid out to employees accounted for 7.56% of staff costs, and 7.59% in 2024. There were 135 staff including members of the management board as at 31 December 2025, and 130 as at 31 December 2024.

Guarantees and benefits are maternity support, extraordinary allowances and costs for promoting health and sport among the staff. This cost item also covers the reimbursement of one third of the contributions made by Finantsinspeksioon employees to the voluntary pension system, but not more than 10% of their gross annual salary. Culture and sport records the costs of events for employees of Finantsinspeksioon.

APPENDIX 6 Sundry operating expenses

thousand euros

	2025	2024
Membership fees for international organisations	1 185	1 124
Rent of real estate	545	521

	2025	2024
IT infrastructure, software and development	1 423	1 279
Business travel	199	198
Office expenses	278	164
Communication costs	43	67
Training	148	120
Accounting services	106	94
Legal assistance and consultation	15	57
Information agencies	61	34
Personnel work	43	58
Cost of leasing fixed assets	337	153
Audit costs	15	15
Total	4 398	3 884

Under membership fees for international organisations, Finantsinspektsioon records fees paid for membership to ESMA, EIOPA, EBA, IAIS, BSCEE, and IOSCO.

Sundry operating expenses also include the expenses for services provided by Eesti Pank, which are agreed in a cooperation protocol signed between Eesti Pank and Finantsinspektsioon in 2020. These services are described below.

Rent of real estate covers the cost of renting office space from Eesti Pank and the real estate management services purchased from Eesti Pank.

IT infrastructure, software and development reflects the information technology services bought from Eesti Pank at an imputed cost of 5047 euros per user per year, and the IT infrastructure and development projects for Finantsinspektsioon.

Accounting costs cover the cost accounting, partial management accounting, payroll accounting, credit accounting, and payment and settlement execution purchased from Eesti Pank.

The cost of leasing fixed assets includes the rental costs on an annual basis paid by Finantsinspektsioon to Eesti Pank for fixed assets used by Finantsinspektsioon including IT hardware and software, and inventory. The amount of the lease is equal to the amortisation rate of the fixed asset of Eesti Pank.

APPENDIX 7 Financial income and expenses

thousand euros

	2025	2024
Interest income	376	576
Interest expenses	50	56
Total	326	520

Financial income and expenses covers the interest income and costs from the reserves held at Eesti Pank. From 01.05.2023 the rate applied to the funds of Finantsinspektsioon held at Eesti Pank is €STR minus 20 basis points.

APPENDIX 8 Claims and advances

thousand euros

	31.12.2025	31.12.2024
Supervision fee claims	861	370
Expenses for future periods	250	199
Accruals	24	45
Total claims and advances	1 135	614

Supervision fee claims cover the prepayments to be made by subjects of supervision in 2026 for supervisory fees.

Expenses for future periods records invoices that are to be paid in future periods. This covers invoices that have been paid and those that have not been paid because they have not yet reached their due date, which are also recorded until payment under "Sundry liabilities".

Accruals record the interest earned during the calendar month on the balance of the current account.

APPENDIX 9 Debt and advances

thousand euros

	31.12.2025	31.12.2024
Liabilities to employees	430	447
Sundry liabilities	3 463	3 312
Income of future periods	14 674	13 762
Provision for possible future liabilities	109	90
Total liabilities and advances	18 676	17 611

Liabilities to employees covers holiday liabilities. Holiday liabilities records the imputed liability of Finantsinspektsioon for holiday entitlement unused by employees.

Sundry liabilities covers the costs to Finantsinspektsioon that Eesti Pank covered in 2025 and for which Finantsinspektsioon will compensate Eesti Pank in 2026.

Income of future periods records the prepaid supervision fees for 2026.

Provision for possible future liabilities covers expenses in 2025 for which invoices had not yet been received at the time the report was compiled.



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Translation of the Estonian Original

INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board of Finantsinspektsioon

Opinion

We have audited the annual report of revenues and expenditures of Finantsinspektsioon, which comprise the balance sheet as at 31 December 2025, and the revenue and expenditure report for the year then ended, and summary of significant accounting policies.

In our opinion, the annual report of revenues and expenditures present fairly, in all material respects, the financial position of Finantsinspektsioon as at 31 December 2025 in accordance with the Financial Supervision Authority Act and the accounting principles stated in the annual report of revenues and expenditures.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the annual report of revenues and expenditures" section of our report. We are independent of the Finantsinspektsioon in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the annual report of revenues and expenditures in Estonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Other information

Other information consists of the paragraphs included in the 2025 annual report, but does not consist of the annual report of revenues and expenditures and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the annual report of revenues and expenditures does not cover the other information and we do not express any form of assurance conclusion thereon, except as indicated below.

In connection with our audit of the annual report of revenues and expenditures, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report of revenues and expenditures or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Supervisory Board for the Annual Report of Revenues and Expenditures

Management is responsible for the preparation and fair presentation of the annual report of revenues and expenditures in accordance with the Financial Supervision Authority Act, and for such internal control as management determines is necessary to enable the preparation of annual report of revenues and expenditures that are free from material misstatement, whether due to fraud or error.

In preparing the annual report of revenues and expenditures, management is responsible for assessing the Finantsinspektsioon's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Finantsinspektsioon or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Finantsinspektsioon's financial reporting process.



**Shape the future
with confidence**

Auditor's responsibilities for the audit of the annual report of revenues and expenditures

Our objectives are to obtain reasonable assurance about whether the annual report of revenues and expenditures as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these the annual report of revenues and expenditures.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the annual report of revenues and expenditures, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Finantsinspektsioon's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Finantsinspektsioon's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual report of revenues and expenditures or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Finantsinspektsioon to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the annual report of revenues and expenditures, including the disclosures, and whether the annual report of revenues and expenditures represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tallinn, 23 March 2026

Olesia Abramova
Authorised Auditor's number 561
Ernst & Young Baltic AS
Audit Company's Registration number 58

THE WORK OF THE INTERNAL AUDITOR

In the opinion of the internal auditor, the decisions of the Supervisory Board and the Management Board were executed satisfactorily in 2025. Management and control systems substantially functioned under reasonable decisions.

The internal auditor finds that Finantsinspektsioon staff acted appropriately to avoid conflicts of interests and the measures taken to prevent conflicts of interest worked as required by law.

The internal auditor worked in 2025 on risks, responsibilities and reviews. The internal auditor was fully independent in the general planning of his work, execution of his official duties, and organisation of his work, and neutral and objective in the announcement of the results. The Supervisory Board and the Management Board set aside sufficient resources for the internal audit in 2025.

The work followed the code of ethics of the Institute of Internal Auditors, professional standards and principles, and the recommendations in the key regulations and guidelines for internal auditors of the European System of Central Banks. The internal auditor's assessment based on key indicators found that the internal audit met reasonable expectations and the required quality standards.

Raivo Linnas, PhD CCAE IAQA QA

*Internal auditor
/signed digitally/*

CONFIRMATION BY THE MANAGEMENT BOARD

Tallinn, 23.04.2026

The annual report has been prepared by the Management Board of Finantsinspeksioon and presented for approval to the Supervisory Board of Finantsinspeksioon. The annual report is submitted to the Riigikogu.

The annual report contains a review of the work of Finantsinspeksioon, including

- the profit and loss account for the year
- the balance sheet
- the auditor's report

The Management Board of Finantsinspeksioon confirm that the profit and loss account for the year for Finantsinspeksioon meet the requirements of the Financial Supervision Authority Act and the applicable accounting principles.

Kerstin Pilt
/signed digitally/

Andres Kurgpõld
/signed digitally/

Andre Nõmm
/signed digitally/

Gerd Laub
/signed digitally/

TABLES

1. GUIDELINES

1.1. Guidelines

Name of the guideline	Date of the Decision of the Management Board
Issue of the European Securities and Markets Authority guidelines "Guidelines on funds' names using ESG or sustainability-related terms" (ESMA34-1592494965-657) as Finantsinspektsioon advisory guidelines	06.01.2025
Issue of the European Banking Authority guidelines "Guidelines on the application of the group capital test for investment firm groups in accordance with Article 8 of Regulation (EU) 2033/2019" (EBA/GL/2024/03) as Finantsinspektsioon advisory guidelines	06.01.2025
Application of the joint guidelines of the European Supervisory Authorities "Joint Guidelines on the oversight cooperation and information exchange between the ESAs and the competent authorities under Regulation (EU) 2022/2554" (JC/GL/2024/36)	06.01.2025
Issue of the joint European Securities and Markets Authority and European Banking Authority guidelines "Joint EBA and ESMA Guidelines on the assessment of the suitability of the members of the management body of issuers of asset-referenced tokens and of crypto-asset service providers and Joint EBA and ESMA Guidelines on the suitability assessment of shareholders and members with qualifying holdings in issuers of ARTs and in CASPs" (EBA/GL/2024/09, ESMA75-453128700-10) as Finantsinspektsioon advisory guidelines	27.01.2025
Issue of the European Banking Authority guidelines "Guidelines on redemption plans under Articles 47 and 55 of Regulation (EU) 2023/1114" (EBA/GL/2024/13) as Finantsinspektsioon advisory guidelines	03.02.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on stress test scenarios under the Money Market Funds Regulation" (ESMA50-43599798-9011) as Finantsinspektsioon advisory guidelines	28.04.2025
Issue of the European Banking Authority guidelines "Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures" (EBA/GL/2024/14) and "Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures under Regulation (EU) 2023/1113" (EBA/GL/2024/15) as Finantsinspektsioon advisory guidelines	05.05.2025
Issue of the joint guidelines of the European Supervisory Authorities "Joint Guidelines on estimation of aggregated annual costs and losses caused by major ICT-related incidents under Regulation (EU) 2022/2554" (JC/GL/2024/34) as Finantsinspektsioon advisory guidelines	05.05.2025
Issue of the joint guidelines of the European Supervisory Authorities "Guidelines on templates for explanations and opinions, and the standardised test for crypto-assets, under Article 97(1) of Regulation (EU) 2023/1114" (JC/GL/2024/28) as Finantsinspektsioon advisory guidelines	05.05.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on the procedures and policies, including the rights of clients, in the context of transfer services for crypto-assets under the Markets in Crypto Assets Regulation (MiCA) on investor protection" (ESMA35-1872330276-2032) as Finantsinspektsioon advisory guidelines	12.05.2025

Name of the guideline	Date of the Decision of the Management Board
Issue of the European Securities and Markets Authority guidelines "Guidelines on situations in which a third-country firm is deemed to solicit clients established or situated in the EU and the supervision practices to detect and prevent circumvention of the reverse solicitation exemption under the Markets in Crypto Assets Regulation (MiCA)" (ESMA35-1872330276-2030) as Finantsinspeksioon advisory guidelines	12.05.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on certain aspects of the suitability requirements and format of the periodic statement for portfolio management activities under the Markets in Crypto Assets Regulation (MiCA)" (ESMA35-1872330276-2031) as Finantsinspeksioon advisory guidelines	12.05.2025
Issue of the European Banking Authority guidelines "Guidelines amending Guidelines EBA/GL/2019/04 on ICT and security risk management" (EBA/GL/2025/02) as Finantsinspeksioon advisory guidelines	26.05.2025
Application of the European Banking Authority Guidelines "Guidelines on the management of environmental, social and governance (ESG) risks" (EBA/GL/2025/01)	26.05.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on Enforcement of Sustainability Information" (ESMA32-992851010-1815) as Finantsinspeksioon advisory guidelines	02.06.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments" (ESMA75453128700-1323) as Finantsinspeksioon advisory guidelines	02.06.2025
Finantsinspeksioon advisory guidelines "Requirements for credit collectors and buyers in their interactions with borrowers"	16.06.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on the specification of Union standards for the maintenance of systems and security access protocols for offerors and persons seeking admission to trading of crypto-assets other than asset referenced tokens and e-money token" (ESMA75-223375936-6132) as Finantsinspeksioon advisory guidelines	11.07.2025
Issue of the European Securities and Markets Authority guidelines "Guidelines on supervisory practices for competent authorities to prevent and detect market abuse under the Markets in Crypto Assets Regulation (MiCA)" (ESMA75-453128700-1039) as Finantsinspeksioon advisory guidelines	08.09.2025
Finantsinspeksioon advisory guidelines "Requirements for the organisation of the information technology and information security of the subject of financial supervision"	20.10.2025
Issue of the European Banking Authority guidelines "Guidelines on ADC exposures to residential property under Article 126a of Regulation (EU) 575/2013" (EBA/GL/2025/03) as Finantsinspeksioon advisory guidelines	03.11.2025

2. LICENCES

2.1. Issue of operating licences

Sector	Name of business	Date of decision
Creditor	iRaha Estonia OÜ	03.02.2025
Debt collection agency	B2 Impact OÜ	21.04.2025
Credit intermediary	Finterest Eesti OÜ	28.04.2025
Fund manager	AS Plural Estonia	13.08.2025
Eurofund manager (additional licence)	Tuleva Fondid AS	02.09.2025
Debt collection agency	Heimondo Estonia OÜ	08.09.2025

2.2. Withdrawal and termination of the right to operate

Sector	Name of business	Date of the Decision of the Management Board	Reason
Creditor and mortgage creditor	Kinnistulaen OÜ	13.01.2025	Withdrawal of licence at the initiative of Finantsinspektsioon
Credit intermediary	Montonio Finance OÜ	17.02.2025	At the application from the company itself
Creditor	Autokiirpant OÜ	10.03.2025	Withdrawal of licence at the initiative of Finantsinspektsioon
Credit institution	AS TBB pank	14.04.2025	Approval of voluntary termination
Payment institution	MyFinancier OÜ	09.06.2025	At the application from the company itself
Payment institution	AS Creditinfo Eesti	16.06.2025	At the application from the company itself
Fund manager	AS SEB Varahaldus	30.06.2025	Partial withdrawal of a licence (licence for providing investment services)
Credit intermediary	Sortter OÜ	11.07.2025	At the application from the company itself
Creditor and mortgage creditor	Kemotex Finance OÜ	11.08.2025	At the application from the company itself
Payment institution	Ühisarveldused AS	18.08.2025	Withdrawal of licence at the initiative of Finantsinspektsioon (disputed in court)
Fund manager of an alternative fund	AS BaltCap	10.11.2025	At the application from the company itself

2.3. Issue of licences to Estonian firms for cross-border activities outside Estonia

Sector	Name of business	Notification
Mortgage credit intermediary	Mifundo OÜ	Intermediation of mortgage credit in EU countries
Non-life insurer	Elama Kindlustus AS	Cross-border insurance activities in Spain
Credit institution	Holm Bank AS	Provision of services in Latvia
Insurance broker	PRO kindlustusmaakler OÜ	Provision of services in EU countries
Insurance broker	Kominsur Kindlustusmaakler OÜ	Provision of services in Austria, Belgium, Cyprus, Czechia, Denmark, Finland, Germany, Greece, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain and Sweden
Insurance broker	OÜ ABC Kindlustusmaaklerid	Provision of services in Latvia
Insurance broker	ADL Kindlustusmaakler OÜ	Provision of services in Latvia, Lithuania, Czechia, Poland, Finland and Sweden
Fund manager	Avaron Asset Management AS	Marketing of fund units in Latvia, Lithuania, Germany and Denmark
Fund manager	Limestone Platform AS	Management of funds in Luxembourg and provision of funds in Finland

Sector	Name of business	Notification
Fund manager	AS Plural Estonia	Fund management in Luxembourg and provision of funds in Austria, Belgium, Cyprus, Czechia, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Portugal, Spain, and Sweden

2.4. Licences to found a branch of an Estonian firm in a foreign country

Sector	Name of business	Date of decision
Payment institution	Maksekeskus AS	15.12.2025

2.5. Setting up a branch of a firm from a foreign country in Estonia

Sector	Name of business	Date of the Decision of the Management Board
Credit institution	TF Bank Nordic AB	15.09.2025

3. CHANGES TO FUNDS

Name of fund	Event	Date of the Decision of the Management Board
Avaron Völakirjafond	Initial registration	20.01.2025
Trigon Venemaa Top Picks Fond	Issue of licence to liquidate	10.03.2025
LHV Pensionifond S	Issue of authorisation to merge	28.04.2025
LHV Pensionifond M	Coordination of changes to conditions	28.04.2025
LHV Pensionifond L	Coordination of changes to conditions	05.05.2025
LHV Pensionifond XL	Coordination of changes to conditions	05.05.2025
LHV Pensionifond XS	Coordination of changes to conditions	05.05.2025
LHV Pensionifond Roheline	Issue of authorisation to merge	12.05.2025
LHV Pensionifond Roheline III	Issue of authorisation to merge	12.05.2025
Tuleva III Samba Pensionifond	Coordination of changes to conditions	12.05.2025
Tuleva Maailma Aktsiate Pensionifond	Coordination of changes to conditions	12.05.2025
Tuleva Maailma Völakirjade Pensionifond	Coordination of changes to conditions	12.05.2025
Avaron Privaatportfelli Fond	Coordination of changes to conditions	26.05.2025
Avaron Völakirjafond	Coordination of changes to conditions	21.07.2025
EfTEN United Property Fund	Coordination of changes to conditions	21.07.2025
Avaron Privaatportfelli Fond	Coordination of changes to conditions	25.08.2025
Trigon Venemaa Top Picks Fond	Permission under § 178(5) of the Investment Funds Act	8.09.2025
Avaroni Kasvuettevötete Fond MASF	Coordination of changes to statutes	15.09.2025
Trigon Venemaa Top Picks Fond	Extension of the deadline for liquidation proceedings	19.09.2025
Luminor Tulevik Indeks Pensionifond	Coordination of changes to conditions	13.10.2025
Avaron Areneva Euroopa Fond	Coordination of changes to conditions	01.12.2025
Tuleva Täiendav Kogumisfond	Initial registration	15.12.2025

4. CONSUMER COMPLAINTS

4.1. Number of complaints sent to Finantsinspektsioon by sector

Area	2025	2024
Payment services	237	165
Credit services	128	96
Non-life insurance	35	37
Investment services	17	19
Crowdfunding services	44	42
Banking services	12	6
Life insurance	4	5
E-money services	7	3
Credit management activities	14	1
Other	9	0
TOTAL	507	374

4.2. Number of complaints sent to Finantsinspektsioon by service provider

Service provider	2025	2024
Credit institutions	235	192
Creditors	65	45
Cross-border service providers	59	30
Estonian non-life insurers	26	26
Branches of foreign non-life insurers	5	10
Providers of crowdfunding services	44	42
Credit intermediaries	2	4
Investment firms	11	6
Branches of foreign life insurers	2	5
Estonian life insurers	2	0
Payment institutions	17	4
Creditors operating with an exemption	9	6
Cross-border providers of non-life insurance services	3	0
Insurance intermediaries	0	1
Branch of a foreign credit institution	12	0
Debt collection agencies	12	1
Fund managers	1	1
Organiser of the security settlement system	0	1
Estonian insurance broker	1	0
E-money institution	1	0
TOTAL	507	374