

ATLAS
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CASH MANAGEMENT
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With a population of 1,3 million and a forecasted GDP of $45bn in 2025, Estonia belongs to the group of high-income countries. It is a small, open economy underpinned by a diversified advanced services and digital sector, relatively high income per capita, and a transitioning external position.

Following persistent deficits, the country achieved a net positive net international investment position (NIIP), estimated at +9.5% of GDP by end?2024, having shifted from –21.1% in 2023. As of March 2025, Eurostat reports NIIP at approximately –11.9% of GDP — reflecting valuation and data-method variations.

A notable economic weakness remains Estonia’s rising public debt, though from a low starting point: debt-to-GDP stood at around 25.4% in 2024, rising to 28.1% in 2025 and expected to exceed 30% by 2028 under current policy assumptions. Debt service costs are modest, supported by fiscal credibility and prudent policy frameworks. Real GDP contracted by around 3.0% in 2023 and a further 0.3% in 2024, but forecasts increasingly point to recovery: growth of 1.7% in 2025 and 2.6% in 2026.

Historical fiscal discipline has kept the debt ratio substantially below euro?area peers. That said, future public debt reduction remains a policy ambition: early?1990s debt was modest but well?managed, and Estonia avoided major fiscal crises by maintaining balanced budgets. Key medium?term challenges include wage growth outpacing productivity, rising input costs, demographic ageing, and exposure to geopolitical shocks—particularly defence spending pressures.

Overall, economic growth is expected to gradually recover toward potential levels in 2026.

Currency

Currency

- Euro (EUR).

Exchange rates

	2016	2017	2018	2019	2020

Exchange rate: EUR per USD	0.9040	0.8873	0.847	0.893	0.88

Source: IMF, International Financial Statistics, July 2021.

Central Bank

- The Estonia central bank is the Bank of Estonia (Eesti Pank – www.eestipank.ee).
- Eesti Pank is a member of the European System of Central Banks (ESCB) and operates certain activities, such as issuing currency, under the authority of the European Central Bank (ECB – www.ecb.europa.eu).

Bank supervision

- In November 2014, the ECB, via the Single Supervisory Mechanism (SSM), assumed responsibility for supervising the financial stability of banks operating within the euro zone. However, while the ECB has final supervisory authority over all banks operating within the euro zone, it will only directly supervise those banks classified as 'significant' under the terms of the SSM (115 significant banking groups have been recognized to date). 'Less significant' banks will continue to be supervised by the national supervisory authority, i.e. the Financial Supervision Authority (FI – www.fi.ee).

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Estonia if it is registered in Estonia.

Bank accounts for resident entities

	Within ESTONIA	Outside ESTONIA
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

Foreign Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

Bank accounts for non-resident entities

	Within ESTONIA	Outside ESTONIA
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

Lifting fees

- Lifting fees are not applied on payments between resident and non-resident accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	

Card acquiring	

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	

Channels

Local e-Banking	
Global e-Banking - Connexis	
SWIFT/ host to host	

Market overview

Electronic credit transfers are the most commonly used payment instruments by companies to make supplier, payroll and tax payments. There is a growing migration of inter-bank payments from SCT to SCT Insts, which comprises nearly 60% of domestic payments. Card payments, especially debit card payments, are the most popular payment instrument in Estonia for retail payments, although cash is still used. Approximately 35% of card payments are contactless.

Electronic banking services are available from all banks. There is no national electronic banking standard in Estonia, so companies use banks' proprietary services. Transaction and balance reporting, automated end-of-day sweeping, and transaction initiation services are available on a domestic and cross-border basis. The government fully converted to e-invoicing in 2019, and e-invoicing is now the primary method for invoicing in the country.

Estonian banks have a high level of digitization and automation. Mobile and internet banking services are available and widely used. There are a number of online banks operating including bunq, N26 and Monese. Estonians initiate 99.8% of credit transfers in digital channels, of which 76% are in browse-based internet banking and 23% in a mobile banking app.

Payment Systems

TARGET2-EE	Type	• Real-time gross settlement. • Estonia component of the pan-European TARGET2 system.
	Participants	• 11 direct.
	Transaction types processed	• High-value and urgent EUR-denominated domestic and cross-border credit transfers.
	Operating hours	• 08:00–18:00 CET, Monday to Friday (customer payments) • 08:00–19:00 CET, Monday to Friday (interbank payments)
	Clearing cycle details (e.g. cut-off times)	• Payments are cleared and settled in real time. • Customer payment cut-off time = 17:00 CET. • Interbank payment cut-off time = 18:00 CET.

	System holidays	• TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December.
STEP2	Type	• Multilateral net settlement system.
	Participants	• 8 direct.
	Transaction types processed	• SEPA payments (credit transfers and direct debits), both domestic and cross-border.
	Operating hours	• 24 hours a day, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	• The processing and settlement of payment orders is carried out in five cycles during the day and two at night: 8.30, 10.45, 13.15, 15.45 and 17.20 EET and at night in payment cycles at 22.10 and 2.30 EET.
	System holidays	• STEP2 is closed on all TARGET2 holidays. • TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- SEPA credit transfers can be settled via STEP2 or correspondent banking networks.
- Approximately 12 banks in Estonia participate in the SEPA credit transfer scheme.
- In 2020, an interbank name payment service was launched that allows payments to be made using contacts from a telephone with the need to use a recipient's account number.
- High-value and urgent EUR-denominated domestic and cross-border (within the euro zone) credit transfers can be settled in real time via TARGET2.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds. There are 12 participants. In 2020, at least 90% of payments in Estonia were made instantly.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments. There are four participants in the

scheme.

- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

- There is no SEPA direct debit system in Estonia. Estonians use e-invoice presentment and payment solutions based on credit transfers instead.

Cheques

- Cheques are not used in Estonia.

Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- There were 1,862,923 cards in circulation at the end of Q1 2021. Of these, 1,557,104 were debit cards and 305,819 were credit cards. Approximately 90% of cards issued are contactless.
- In 2020, there were 403,295.9 thousand card payments, with a value of EUR 12,772.1 million.
- Mastercard-branded cards are the most widely issued.
- American Express and Diners Club credit cards are also available.
- Nets Estonia manages the card payment system in Estonia, alongside Swedbank, which processes those transactions where the cardholder and merchant are Swedbank customers.
- In 2020, card payments began being processed by the international card schemes Visa and MasterCard, and by cross-border service providers.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 711 ATMs in Estonia at the end of Q1 2021.

- There were 39,646 EFTPOS terminals in Estonia at the end of Q1 2021.
- Worldline Latvija manages some of the ATMs of banks operating in Estonia alongside Nets Estonia.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Electronic wallet schemes are available via reloadable pre-paid cards.
- Mobile wallet schemes, such as Google Pay, mTasku, Dify Wallet and Neteller.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents denominated in EUR or foreign currency.

Demand deposits

- Demand deposits denominated in EUR or major foreign currencies are available to both residents and non-residents.

Time deposits

- Time deposits are available in EUR or major foreign currencies for terms of one night to more than five years.

Certificates of deposit

- Domestic commercial banks issue certificates of deposit with maturities up to one year.

Treasury (government) bills

- T-bills, when issued, are issued with a maturity up to 12 months.
- The maximum outstanding amount of T-bills is limited to EUR 2.5 billion.

- The issuance of T-bills is not a public issue.

Commercial paper

- Commercial paper is offered with maturities of three to six months.
- The EBRD and the central banks of Estonia (Eesti Pank), Latvia (Latvijas Banka) and Lithuania (Lietuvos Bankas) have joined forces to develop a regional market for commercial papers. A Memorandum of Understanding, signed on 5 March 2021, sets out the principles of cooperation to develop a deeper and more efficient regional CP market in line with the best practices outlined in the Short-Term European Paper by the European Central Bank (ECB). It states that the papers must be freely transferable and capable of being traded over-the-counter.

Money market funds

- Domestic money market funds are available.

Repurchase agreements

- Repurchase agreements are available.

Banker's acceptances

- Banker's acceptances are not used.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	
Documentary collections	

Guarantees

Bank guarantees	
Standby letters of credit	

Supply chain management

Receivables	
Payables	
Inventory	

Trade channels

Connexis Trade	
Connexis Supply Chain	
SWIFTNet Trade for Corporates	
Connexis Connect	
Connexis Guarantee	
SWIFTnet Supply Chain	

International trade

General trade rules

- As a member of the EU, Estonia follows the EU customs code and applies all associated regulations and commercial policies.

- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.

Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA.
- The EU-UK Trade and Cooperation Agreement came into force on 1 May 2021.

Imports / exports

Imports	Refined petroleum	Cars	Packaged medicines	Coal tar oil	Broadcasting equipment	
Primary Import sources	Russia (12.0%)	Germany (10.0%)	Finland (9.0%)	Lithuania (7.0%)	Latvia (7.0%)	Sweden (6.0%)
Exports	Refined petroleum	Broadcasting equipment	Coal tar oil	Cars	Prefabricated buildings	
Export markets	Finland (13.0%)	Sweden (9.0%)	Latvia (8.0%)	Russia (7.0%)	USA (7.0%)	Lithuania (6.0%)

Import / export volumes

		2016	2017	2018	2019	2020
Exports	**- goods USD m**	12,436	13,525	14,870	14,910	15,321
	- services USD m	6,102	6,892	7,818	8,032	6,480
Imports	**- goods USD m**	13,338	14,555	16,303	15,905	15,452

- services USD m	4,328	4,788	5,587	5,774	6,323	
Current account as % GDP		+ 1.5	+ 2.9	+ 1.2	+ 2.6	- 1.1

Source: IMF, International Financial Statistics, July 2021.



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