



## BANKING SECTOR

- ◆ Financial and Capital Market Commission (FCMC) published its 2017 report providing key facts about the regulator's work and the 2017 results of the market participants under FCMC's supervision. **The regulator says in the annual report that in 2016 and 2017 foreign clients' deposits in Latvian banks contracted by 30 % as a result of the financial sector's reforms**, which means that around EUR 4 billion worth of high-risk foreign money flew away from the Latvian financial sector over the past couple of years. (RĪGA, July 23, FCMC / BNS)
- ◆ **Latvian monetary financial institutions, mostly banks, earned EUR 132.1 million in aggregate profit in January-June 2018, a 19.8 % decrease on the 1st half of 2017**, according to the Bank of Latvia's data. This past June, the monetary financial institutions earned EUR 0.9 million in aggregate profit. The total value of monetary financial institutions' assets was EUR 23.256 billion as of June 30 - 16 % or EUR 4.433 billion decrease from June 2017, when monetary financial institutions' total assets stood at EUR 27.689 billion. (RĪGA, July 27, Bank of Latvia / BNS)

## MACROECONOMICS

- ◆ **In the 2nd quarter of 2018, construction costs in Latvia rose 1.7 % against the 1st quarter of the year.** Compared to the 2nd quarter of 2017, the overall level of construction costs increased by 4.1 % in the 2nd quarter of this year. (RĪGA, July 26, [CSB](#))
- ◆ **Consolidated total budget revenue in January-June amounted to EUR 5.41 billion - 12.2 % up on the 1st half of 2017**, the Finance Ministry informed BNS. Total budget expenditure stood at EUR 4.93 billion, a 7.4 % increase year-on-year. Total budget surplus therefore amounted to EUR 477.7 million in the first half of this year, which is EUR 247 million more than in the first half of 2017. (RĪGA, July 26, Ministry of Finance / BNS)

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