

On August 9, 2022, bank «Sich» was declared insolvent by the National Bank of Ukraine because it failed to pay its debt for refinancing loans due to a lack of funds. The NBU notes that in July of this year, the Sich bank did not fully repay the debt for refinancing loans totaling UAH 3.150 billion. The bank's debt stood at UAH 3.131 billion as of August 5. The NBU reported that the bank had UAH 753.9 million in correspondent accounts and other highly liquid assets in August. "Non-compliance with creditor obligations due to a lack of liquidity is a reason for classifying the bank as insolvent," the NBU stated. As a result, on August 5, the NBU was forced to satisfy its demands with pledged bank securities. The regulator also claims that the bank's operations were characterized by a low-quality corporate governance system, an inefficient business model, and the implementation of risky operations, which is supported by loss-making activities and negative dynamics of the financial institution's capital standards. This is the second bank to be declared insolvent since the start of the war.

On August 10, 2022, Ukraine's Cabinet of Ministers announced, that Ukraine's creditors had agreed to waive payments on the Ukrainian national debt for two years. According to Minister Serhiy Marchenko, this will allow the Ministry of Finance to save approximately \$6 billion in payments between now and August 2024. In addition to the government's debt obligations, the agreement included bonds secured by state guarantees from two state-owned companies: "Ukravtodor" (\$700 million at a rate of 6.25% per annum with repayment in 2028) and "Ukrenergo" (\$825 million at a rate of 6.875% per annum with repayment in 2026). Other state-owned enterprises must negotiate restructuring/postponement separately; for example, Naftogaz NJSC is already in talks with creditors. Foreign debts are also held by Ukrzaliznytsia, Oschadbank, and Ukreximbank.

10 August 2022, according to the State Statistics Service on August 10, 2022, consumer market inflation in July 2022 was 0.7% compared to June 2022, and 18.2% since the beginning of the year. Core inflation in July 2022 was 1.2% compared to June 2022, and it has been 12.7% since the beginning of the year. Consumer prices for food and non-alcoholic beverages increased by 0.8% in July.

The price of eggs increased the most (8.7%). Price increases for processed grain products, rice, pork, lard, fish and fish products, soft drinks, bread, and butter ranged from 5.1 to 1.1%. Simultaneously, the prices of fruits, beef, and vegetables fell by 5.4-1.9%. Prices for alcoholic beverages and tobacco products increased by 1.3%, with tobacco products increasing by 1.8% and alcoholic beverages increasing by 0.8%. Clothing and footwear prices fell by 3.5%, with footwear falling by 3.8% and clothing falling by 3.2%. Transport prices fell by 0.3%, owing primarily to a 4.4% drop in the price of fuel and lubricants. At the same time, the cost of road passenger transportation increased by 2.9%. Prices in the communication sector increased by 2.1%, owing to a 4.1% increase in the price of mobile communication and a 2.6% increase in the price of postal services.

On August 14, 2022, the draft law 7668 regarding the abolition of preferential fuel taxation was registered: instead of the "zero" rate of excise duty on fuel, it establishes an excise duty of "100 euros per 1,000 liters." This includes motor gasoline, other gasolines, petroleum products, heavy distillates, liquefied gas, butane, and isobutane. According to People's Deputy Yaroslav Zheleznyak's calculations, the initiative will result in a UAH 4-4.5 per liter increase in gasoline prices. However, given the current state of the world markets, particularly the drop in the price of a barrel of oil, such a cut can be avoided, according to ANTS calculations.

On August 15, 2022, the Verkhovna Rada of Ukraine adopted draft law No. 7664 "On the approval of the President of Ukraine's Decree "On the extension of martial law in Ukraine" under which martial law was extended from 05:30 on August 23 for a period of 90 days (that is, until November 21, 2022 r.), as well as draft law No. 7665 "On the approval of the President of Ukraine's Decree "On extending the period of general mobilization".

On August 15, 2022, the Verkhovna Rada of Ukraine approved a draft law amending Ukraine's Law "On the State Budget of Ukraine for 2022." Due to the implementation of additional internal borrowings, the law increased expenditures of the general fund of the state budget by UAH 270,180.9 million.

It is planned, in particular, to increase spending on:

- national security and defense – UAH 269,454.9 million
- mobilization training of branches of the national economy of Ukraine - UAH 10.3 million

- replenishment of the reserve fund of the state budget - 715.7 million hryvnias.

Expenditures for national security and defense from the general fund in the amount of UAH 269,454.9 million will be allocated, taking into account the proposals of the main budget fund managers, including for:

- The Ministry of Defense of Ukraine (together with the State Special Transport Service) – UAH 241,162.7 million, of which wages (with accruals) – UAH 145,360.1 million

- systems of the Ministry of Internal Affairs (National Police, State Border Service, National Guard,

State Emergency Service) – UAH 22,855.2 million, of which wages (with accruals) – UAH 10,859.9 million

- The Main Directorate of Intelligence of the Ministry of Defense - UAH 2,216.8 million, of which wages (with accruals) - UAH 2,011.1 million

- Security Services of Ukraine – UAH 2,458.7 million, including wages (from accruals) – UAH 2,368.7 million

- Department of State Security - UAH 197.2 million, of which wages (with accruals) - UAH 169.6 million

- Foreign intelligence services of Ukraine - UAH 139.3 million, of which wages (with accruals) - UAH 139.3 million

- State Special Communications Administration - 425.0 million hryvnias, of which wages (with accruals) - 408.1 million hryvnias.

Total expenditures on security and defense in 2022 now amount to UAH 1.2 trillion.