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Chief of Russia's VTB Will 'Knuckle-Fight' Those Accusing His Bank of Ruble Speculation

By The Moscow Times

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Head of VTB Bank Andrei Kostin.

The head of one of Russia's biggest banks, state-owned VTB, on Friday rebuffed accusations his bank was speculating against the ruble, promising to take the people leveling such charges "outside for a knuckle fight."

Andrei Kostin's statement comes the day after President Vladimir Putin called for harsh measures against speculators in his state of the nation address.

Recent days have seen senior lawmakers begin finger-pointing over the plunging ruble, which has lost 15 percent of its value in two weeks.

"The wildest rumors are going round, and here they are saying VTB," Kostin said in a interview Friday on Rossia-24 television, the Interfax news agency reported.

“Once a week I ring the Central Bank to ask whether there are any signs that VTB traders have come out [onto the market]. The Central Bank unreservedly denies that any of our [Russia's] major banks are involved in these [speculative] schemes,” Kostin said.

The ruble has plunged almost 40 percent this year against the U.S. dollar as Western sanctions and falling oil prices drain the Russian economy of income and investment.

Putin called Thursday for “harsh, coordinated action” against speculators driving down the ruble's value, and said the authorities knew who the guilty parties were, and how to rein them in.

The Central Bank, which said Thursday that it would investigate any allegations of currency manipulation, has spent over $70 billion this year defending the ruble.

Sergei Mironov, the head of the Just Russia parliamentary faction, said this week: “The five biggest banks in Russia — these are the biggest speculators on the currency markets.”

VTB is Russia's second-largest banking group.

One of VTB's board members, Yury Solovyev, told the Kommersant newspaper earlier this week that the bank had seen an uptick in earnings from currency trading.

“We are seeing rising income in this area thanks to increased turnover and volatility on the currency market,” he said.

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