

Russia's Sberbank Expects 22-23% Key Rate Hike

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Russian Central Bank Governor Elvira Nabiullina. **Sergei Vedyashkin / Moskva News Agency**

Russia's largest lender Sberbank expects the Central Bank to raise its key interest rate to as high as 23% later this month in its fight against rising prices, a senior executive [said](#) Monday.

“There's a high probability of a rate hike by either one or two percentage points because we see that inflation is still relatively high,” Sberbank's Deputy Chairman of the Board Kirill Tsarev was quoted by the state-run RIA Novosti news agency as saying.

The Central Bank raised its key rate to a record-high 21% in October, with policymakers [signaling](#) a high likelihood of further rate hikes in the future.

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Central Bank Governor Elvira Nabiullina later [warned](#) of “more drastic changes” in monetary

policy as defense-driven inflation soars in the third year of Russia's invasion of Ukraine.

Policymakers are set to meet again on Dec. 20 to decide on the bank's next rate adjustment.

The Central Bank's tight monetary policy has led Russia's second-largest lender VTB to reduce its loan portfolio and profit expectations, VTB CEO Andrei Kostin [told](#) Reuters earlier Monday.

VTB's 2025 profit forecast will decrease to 400 billion rubles (\$3.77 billion) from 550 billion rubles (\$5.18 billion) this year as a result, he said.

"We simply won't be able to issue more loans physically. And, of course, our income will no longer be as high," Kostin was quoted as saying.

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