

# Russia's Central Bank Governor Says Likely Rate Hike 'Not Predetermined'

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Russian Central Bank Governor Elvira Nabiullina. **Mikhail Sinitsyn / TASS**

Russia's Central Bank Governor Elvira Nabiullina [said](#) Wednesday the bank would likely raise the key interest rate this month, but the decision is not predetermined due to a recent slowdown in loans.

The regulator raised its key rate to a record-high 21% in October and said there was a “very high probability” of another increase at its Dec. 20 meeting.

“We’ve [signaled](#) that the Central Bank allows for the possibility of raising the rate, but I want to emphasize that it’s not predetermined,” Nabiullina said at an investment conference organized by Russia’s second-largest bank VTB.

She acknowledged a “new pro-inflationary factor” of the weakening ruble, which lost 15% of its value against the dollar last month.

But she said its impact could be offset by a recent slowdown in lending.

“Of course we’ll take this factor into account, we’ll get more new data before the board meeting,” Nabiullina said at the conference.

VTB CEO Andrei Kostin [said](#) this week that the Central Bank’s tight monetary policy has reduced its loan portfolio and profit expectations.

“The slowdown in corporate and general lending will be followed by a slowdown in the money supply, which will eventually have a lagging effect on inflation,” Nabiullina [said](#). “We’ll also take these lags into account.”

Nabiullina said she expects inflation to slow down in 2025 and reach the bank’s target rate of 4% in 2026.

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