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Bank of Russia cuts the key rate by 50 bp to 15.50% p.a.

13 February 2026 Press release

On 13 February 2026, the Bank of Russia Board of Directors decided to cut the key rate by 50 basis points to 15.50% per annum. The economy continues to return to a balanced growth path. In January, price growth accelerated significantly due to one-off factors. However, the Bank of Russia estimates that the underlying measures of current price growth have not changed considerably. After the effect of one-off factors fades, disinflation will continue.

The Bank of Russia will assess the need for a further key rate cut at its upcoming meetings depending on the sustainability of the inflation slowdown and the dynamics of inflation expectations. The baseline scenario assumes the average key rate to be in the range from 13.5% to 14.5% per annum in 2026. This means that monetary conditions will remain tight. According to the Bank of Russia's forecast, given the monetary policy stance, annual inflation will decline to 4.5–5.5% in 2026. Underlying inflation will be close to 4% in 2026 H2. In 2027 and beyond, annual inflation will stay on target.

In 2025 Q4, the current seasonally adjusted **price growth** slowed to an average rate of 3.9% in annualised terms from 6.5% in 2025 Q3. The similar indicator of core inflation averaged 4.7% after 4.1% in the previous quarter. Most indicators of underlying inflation remained in the range of 4–5% in annualised terms in recent months. As of 9 February 2026, annual inflation stood at 6.3%.

At the end of 2025, a number of goods, primarily fruit and vegetables, demonstrated very low price growth. Considering this, along with no substantial pass-through of the VAT increase to prices in December, inflation as of the end of 2025 was lower than the Bank of Russia predicted in October, reaching 5.6%. However, at the beginning of 2026, these factors had the reversed effect on price dynamics. Higher VAT and excise taxes, the indexation of administered prices and tariffs, and price adjustments for fruit and vegetables led to a temporary but considerable acceleration of the current price growth in January.

Thus, there was some redistribution of inflation between 2025 and 2026. Nevertheless, in general, cumulative price growth from November to January was consistent with the Bank of Russia's expectations. Underlying inflation will decline to 4% in 2026 H2. However, given the shift in price growth from the end of last year to the beginning of this year, the inflation forecast for 2026 has been raised to 4.5–5.5%.

Inflation expectations remain elevated. This may impede a sustainable slowdown in inflation.

The upward deviation of **the Russian economy** from a balanced growth path is decreasing. The full year GDP growth for 2025 was at the upper bound of the October forecast range, reaching 1.0%. Even though growth in overall economic activity slowed over the year, it accelerated in 2025 Q4 due to higher consumer demand. This could be partly fuelled by expectations of higher VAT and recycling fees. Growth in domestic demand will moderate in the coming months. Business sentiment demonstrates the same expectations.

The labour market tightness is gradually decreasing. According to surveys, the percentage of enterprises experiencing labour shortages has reached its lowest level since mid-2023. Companies are planning more moderate wage indexations in 2026 compared to 2023–2025. Meanwhile, unemployment remains at historical lows, and wage growth is still outpacing the growth in labour productivity.

Monetary conditions have eased but remain tight. Credit and deposit rates decreased, adjusting to the earlier monetary policy easing. Money market rates and OFZ yields went up but remained mainly unchanged in real terms. Non-price bank lending conditions are still tight.

Lending activity moderated between late 2025 and early 2026 following faster growth in the autumn months. Households continue to demonstrate high propensity to save.

Proinflationary **risks** still prevail over disinflationary ones in the mid-term horizon.
The key proinflationary risks are associated with a longer upward deviation of the Russian economy from a balanced growth path and high inflation expectations, the effects of the increase in VAT and administered prices, as well as with the deterioration in the terms of external trade. A slower growth rate of the global economy, in case of escalating trade disputes, and low oil prices may have proinflationary effects through the ruble exchange rate dynamics. Geopolitical tensions remain a significant uncertainty factor. Disinflationary risks involve a more substantial slowdown in domestic demand.

The Bank of Russia takes into account the announced parameters of fiscal policy. In the mid-term horizon, fiscal policy will help slow down inflation. Changes in the fiscal policy parameters may require an adjustment to the monetary policy pursued.

Following the Board of Directors' key rate meeting on 13 February 2026, the Bank of Russia has updated its medium-term forecast.

On 26 February 2026, the Bank of Russia releases the Summary of the Key Rate Discussion and the Commentary on the Medium-term Forecast.

The Bank of Russia Board of Directors holds its next key rate meeting on 20 March 2026. The press release on the Bank of Russia Board decision is to be published at 13.30 Moscow time.

Statement by Bank of Russia Governor Elvira Nabiullina in follow-up to Board of Directors meeting on 13 February 2026

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