

Andriy Pyshnyy: National Bank of Ukraine press briefing - monetary policy decisions

Speech by Mr Andriy Pyshnyy, Governor of the National Bank of Ukraine, at a press briefing on monetary policy decisions, Kyiv, 11 December 2025.

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Dear colleagues,

The Board of the National Bank of Ukraine has decided to keep its key policy rate at 15.5% per annum.

Given the persisting inflationary risks, in particular those related to future international financing, such decision is necessary to support attractiveness of hryvnia instruments, sustainability of the FX market, and controllability of expectations in order to bring inflation to the 5% target over the policy horizon.

The NBU will respond flexibly to further changes in the distribution of risks to the price dynamics.

Inflation is declining somewhat faster than the NBU forecast, but inflation expectations remain high.

In November, both consumer and core inflation slowed to 9.3% yoy. Both indicators were slightly below the NBU forecast trajectory. Such price dynamics were primarily driven by an increase in food supply on the back of the arrival of new harvests.

Despite the sustained disinflation, which has been continuing since June, inflation expectations of economic agents remained high. Web search data also pointed to a further increase in households' attention to the topic of inflation.

Inflation is expected to slow gradually in the coming months.

Effects from the arrival of new harvests will contribute to a further decrease in growth rates of food prices. At the same time, the NBU's actions to maintain interest in hryvnia-denominated assets and sustainability of the FX market will restrain the underlying pressure on prices.

As a result, consumer inflation is expected to keep decelerating, though at a slower pace than in previous periods, taking into account the fading of base effects.

International assistance is currently sufficient to maintain an adequate level of international reserves and abstain from monetary financing of the budget deficit, but its future parameters remain uncertain.

Ukraine has received USD 45.8 billion in official financing since the start of the year. By the end of the year, another USD 5 billion is expected to arrive.

External financing allows maintaining an adequate level of international reserves, which reinforces the NBU's capacity to ensure sustainability of the FX market.

International support and domestic borrowing are enabling the government to finance all critical budget expenditures in full.

At the same time, the parameters of external financing for 2026–2027 remain uncertain. Negotiations are ongoing.

The course of the war continues to be the key risk to inflation dynamics and economic development.

The war is grinding on and continues to pose threats to price stability and economic activity.

Furthermore, risks related to the irregularity and/or insufficiency of external financing persist.

The following risks are also relevant:

- the emergence of additional budgetary spending on defense capabilities and reconstruction
- further destruction of energy infrastructure, which could put pressure on business costs and limit businesses' production potential
- a deepening of adverse migration trends and a widening of labor shortages on the domestic labor market.

Meanwhile, some positive scenarios are also likely to materialize. These are primarily related to the potential increase in military and financial support from partners and the international community's efforts to ensure peace for Ukraine.

The NBU has decided to keep the key policy rate at 15.5% to ensure the attractiveness of hryvnia instruments and the sustainability of the FX market, keep expectations in check, and bring inflation to its 5% target over the policy horizon.

Maintaining the key policy rate at its current level in October prevented a decrease in interest rates on hryvnia instruments. This supported their attractiveness and contributed to the further increase in household investments in hryvnia term deposits and domestic government debt securities.

Sustained interest in hryvnia instruments curbed demand for FX and was a significant factor in maintaining a stable situation in the FX market. The hryvnia exchange rate fluctuated in both directions, while exchange rate expectations remained contained.

At the same time, the relatively tight monetary policy did not hinder the further development of lending, which is growing at an annual rate exceeding 30%.

The NBU's decision to keep the key policy rate unchanged in December will support these trends, while also contributing to the further decline in inflation to its 5% target over the policy horizon.

The NBU will respond flexibly to further changes in the distribution of risks to the price dynamics.

If inflationary risks persist or intensify, particularly due to uncertainty regarding external financing, the NBU will be ready to refrain from easing its interest rate policy, and take additional measures if necessary.

Conversely, the weakening of inflationary risks will allow the NBU to start an interest rate easing cycle in line with the baseline scenario of the October macroeconomic forecast.

Thank you for your attention!