



Report of the monetary discussions held at the Bank of Israel regarding approval of the monetary program to ease credit terms for small and micro businesses adversely impacted by the war

The discussion was held on November 6, 2023.

Background:

The Monetary Committee was asked to approve the plan to ease credit for small and micro businesses that were negatively impacted as an outcome of the war, in order to assist those businesses to get through this challenging period and return to full business activity.

Discussion

The Committee discussed the details of the program to ease credit for small and micro businesses. Among other things, there were discussions of the various features of the plan so that they will ensure focused assistance for those companies to receive credit at improved interest rate terms.

Decision of the Monetary Committee:

The Monetary Committee decided to implement the program to ease credit for small and micro businesses at a scope of up to NIS 10 billion. Within the framework of the program, the Bank of Israel will supply monetary loans to the banking system for a period of 2 years, at a variable interest rate of the Bank of Israel interest rate minus 1.5 percentage points, against credit that the banks will extend to small and micro businesses whose revenue was negatively impacted by 25 percent or more as a result of the fighting. This is on condition that the average interest rates on the credit granted to these businesses does not exceed the prime interest rate.

The decision was reached unanimously.

Participants in the discussion:

Members of the Monetary Committee

Prof. Amir Yaron, Governor of the Bank of Israel, and Monetary Committee Chairperson

Mr. Andrew Abir, Deputy Governor of the Bank of Israel

Dr. Adi Brender, Director of the Research Department

Prof. Naomi Feldman

Prof. Zvi Hercowitz

Other participants in the discussion:

Mr. Tal Biber, Head of the Markets Division, Markets Department
Dr. Golan Benita, Director of the Markets Department
Mr. Uri Barazani, Bank Spokesperson
Mr. Daniel Hahashvili, Supervisor of Banks
Dr. Oded Cohen, Chief of Staff to the Governor
Mr. Arad May, Secretariat of the Monetary Committee and Supervisory Council
Ms. Nurit Felter-Eitan, Director of Communications, Public Affairs & Community Relations Department
Ms. Mimi Regev, Markets Department
Ms. Tida Shamir, General Counsel