

**BANK OF ISRAEL**

Office of the Spokesperson and Economic Information

November 6, 2023

Press Release:

**The Bank of Israel announces a targeted monetary program for easing credit terms for small and micro businesses adversely impacted by the war**

Governor of the Bank of Israel Prof. Amir Yaron said, **“This program is another of the monetary tools that we are providing at the Bank of Israel to help in dealing with the economic difficulty deriving from the war, particularly to those especially hard hit. We will continue to provide a response to the various economic issues that arise from the war, and will implement the range of tools available to us as needed.”**

Since the war broke out, the Bank of Israel has adopted several measures intended to provide relief and to assist economically in these difficult times, while outlining the various needs arising from the field. Under these unique circumstances, the Bank of Israel is implementing today an additional targeted policy tool, to assist small and micro businesses affected by the war in getting through this period, and to enable them to receive credit at improved interest rates, despite the risk inherent in providing credit to these businesses at this time.

The Monetary Committee decided to activate **a program for easing the credit terms for small and micro businesses, at a scope of up to NIS 10 billion, which will be implemented in respect of credit granted until the end of January 2024.**

 **Within the framework of the program, the Bank of Israel will provide the banking system with monetary loans[[1]](#footnote-1) for a period of up to 2 years at a variable interest rate—the Bank of Israel interest rate minus 1.5 percentage points, against loans granted by the banks to small and micro businesses whose revenue was negatively impacted by at least 25 percent[[2]](#footnote-2) as a result of the war, and on the condition that the average interest rate of their loans to those small and micro businesses does not exceed the prime interest rate.**

This measure is intended to assist small and micro businesses to get through this challenging period until they return to full business activity, and it comes in addition to a host of credit-related measures taken to date, led by the implementation of the broad outline promoted by the Banking Supervision Department for deferring loan payments of households to the banks and credit card companies.

* The Consumer Enquiries and Inspections Unit at the Banking Supervision Department: \*9086 or 02-655-2680
* The call center for the Supervisor of Credit Data at the Bank of Israel: \*6194
* The emergency information page on the Bank of Israel website
1. The rest of the details of the program will be distributed in a separate circular to the banking system and the public. [↑](#footnote-ref-1)
2. The adverse impact on revenue is at least 25 percent in one of the calendar months October/November/December or later. [↑](#footnote-ref-2)