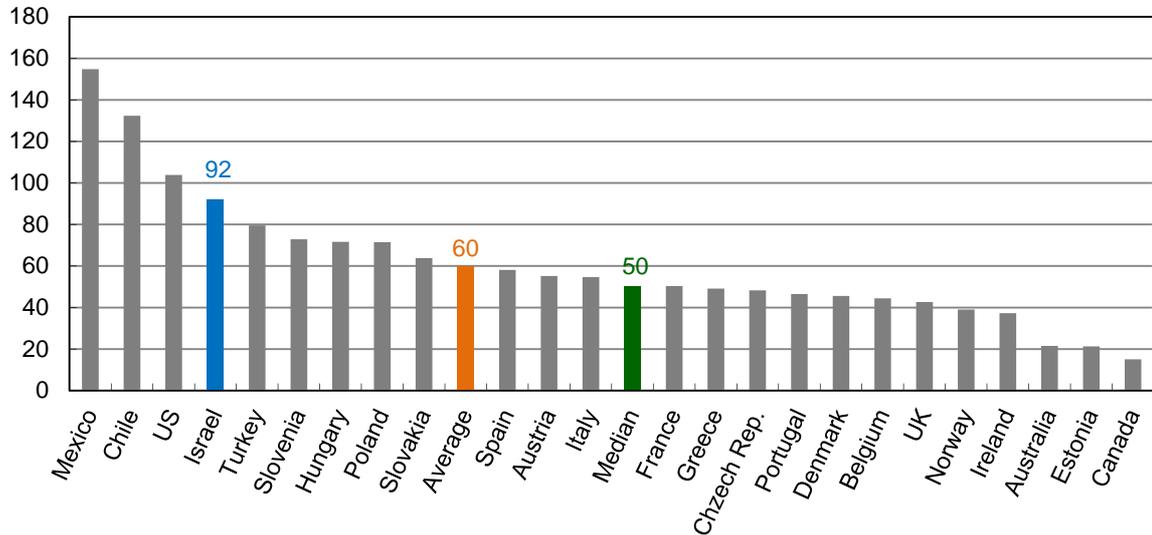


The Israeli banks have a high absorption buffer against credit losses: The ratio between loan loss provisions and low-quality credit is better over time than the ratio in most OECD countries, but lower than the US.

Figure 12
Loan Loss Provisions as a Share of Total Impaired Credit^a, OECD Countries^b,
2016–17^c (percent)



^a Different countries classify impaired credit in different ways (in Israel it includes nonimpaired credit that is 90 days or more past due).

^b Finland, Germany, Netherlands, Luxembourg, Sweden, US, New Zealand, Iceland, Switzerland, S. Korea, Latvia, and Japan are not included in the comparison due to lack of data.

^c The data on Israel, Mexico, Slovenia, Hungary, Poland, Spain, Austria, Australia, Estonia, and Canada are as of December 2017. The data on Chile, France, Greece, Czech Rep., Portugal, Denmark, Belgium, and Ireland are as of September 2017. The data on Slovakia, Italy, UK and Norway are as of June 2017.

SOURCE: Foreign countries—International Monetary Fund; Israel—based on published financial statements.