



**BANK OF ISRAEL**  
Office of the Spokesperson and Economic Information

December 29, 2025

**Press Release:**

**Debt Developments in the Nonfinancial Private Sector,  
Third Quarter of 2025**

The following is a summary of developments in nonfinancial private sector debt in the third quarter of 2025:

- In the third quarter of 2025, the balance of **nonfinancial private sector debt (both business and household)** increased by approximately 2.6 percent to a level of NIS 2.4 trillion, continuing the increase from previous quarters.
- The balance of **business sector debt** increased by about 2.5 percent (about NIS 36 billion) during the third quarter, to about NIS 1.5 trillion. This was mainly due to net debt raised via bank loans.
- Bond issuances by the business sector in Israel totaled about NIS 26 billion during the third quarter, higher than the quarterly average of the previous four quarters. About 57 percent of issuances in the third quarter were by companies in the real estate and construction industry, which continues to lead issuances similar to previous years.
- The balance of **household debt** also continued to increase during the quarter, to about NIS 890 billion, mainly due to a combination of an increase in the balance of **nonhousing debt** (by about NIS 10 billion, 4.2 percent) to about NIS 246 billion, which was due to an increase in the balance of debt to banks and credit card companies, and an increase in the balance of **nonhousing debt** (about NIS 14 billion, 2.2 percent) due to new mortgage borrowing from banks.

## The nonfinancial business sector's<sup>1</sup> debt

- In the third quarter of 2025, the **balance of business sector debt** continued to increase, by about 2.5 percent (about NIS 36 billion) to NIS 1.5 trillion. With that, there was a slight decline in the annual pace of growth to about 8.8 percent, compared with 9.3 percent in the previous quarter.

The increase in the balance was due to net debt raised in the following channels: bank loans, loans from nonresidents, and tradable bonds in Israel and abroad. An increase of about 1.3 percent in the Consumer Price Index<sup>2</sup> also contributed to the increase in the value of CPI-indexed debt. These increases were partly offset by an appreciation of about 2 percent in the shekel vis-à-vis the US dollar, which reduced the value of the debt denominated in and indexed to foreign currency, as well as from net redemptions in nontradable bonds in Israel and in loans from institutional investors.

- The annual growth rate of the balance of debt to the banks remained high during the quarter, but declined slightly, to about 15.5 percent. The annual growth rate of debt to nonbank lenders also declined, for the third consecutive quarter, though it remained positive—at about 0.4 percent (Figures 1, 2).
- In the third quarter of the year, the **business sector issued** about NIS 26 billion in bonds, higher than the quarterly average of funds raised in the previous four quarters (about NIS 21 billion per quarter). Approximately 57 percent of the issuances in the third quarter were carried out by companies in the real estate and construction industry, which continues to lead in bond issuances, similar to previous years (Figure 3).
- In October 2025, the business sector issued bonds worth about NIS 4 billion, lower than the monthly average in the third quarter (about NIS 9 billion) of which about 57 percent were issued by companies in the real estate and construction industry.
- In the third quarter of 2025, the **spread<sup>3</sup> between yields on corporate bonds that are included in the Tel Bond 60 Index and the yields on CPI-indexed government bonds** expanded slightly, to about 0.91 percentage points. However, in October–November, this spread narrowed to about 0.86 percentage points. (Figure 4).

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<sup>1</sup> Israeli corporations, excluding banks, credit card companies, and insurance companies.

<sup>2</sup> CPI-indexed balances are calculated according to the known CPI on the date the financial statements are published, so that a change in the CPI refers to the change between the known CPI and the CPI of the preceding month.

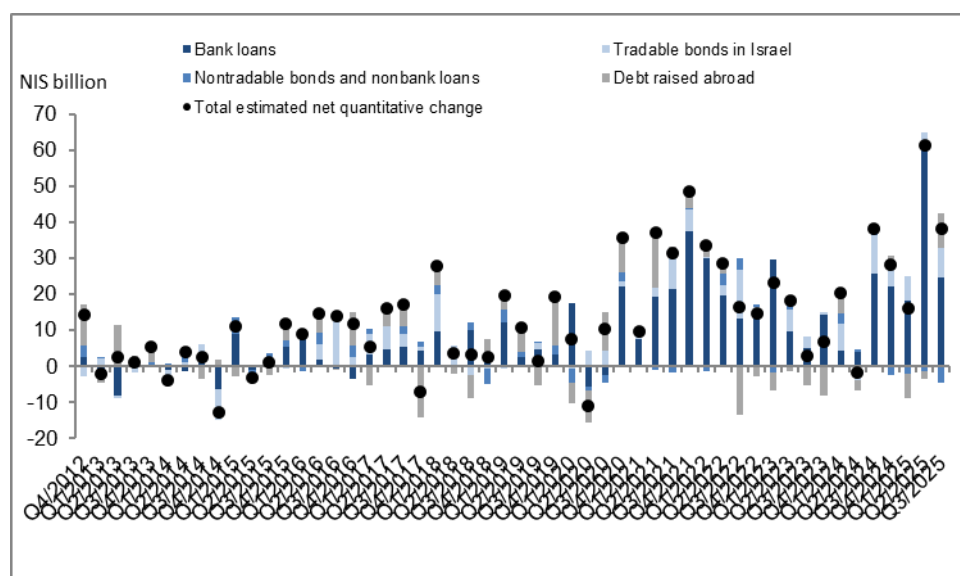
<sup>3</sup> The change in the spread from one quarter to the next is calculated as the difference between the average spread in the final month of the reviewed quarter and the average spread in the final month of the previous quarter.

**Table 1: The Composition of Business Sector Debt**

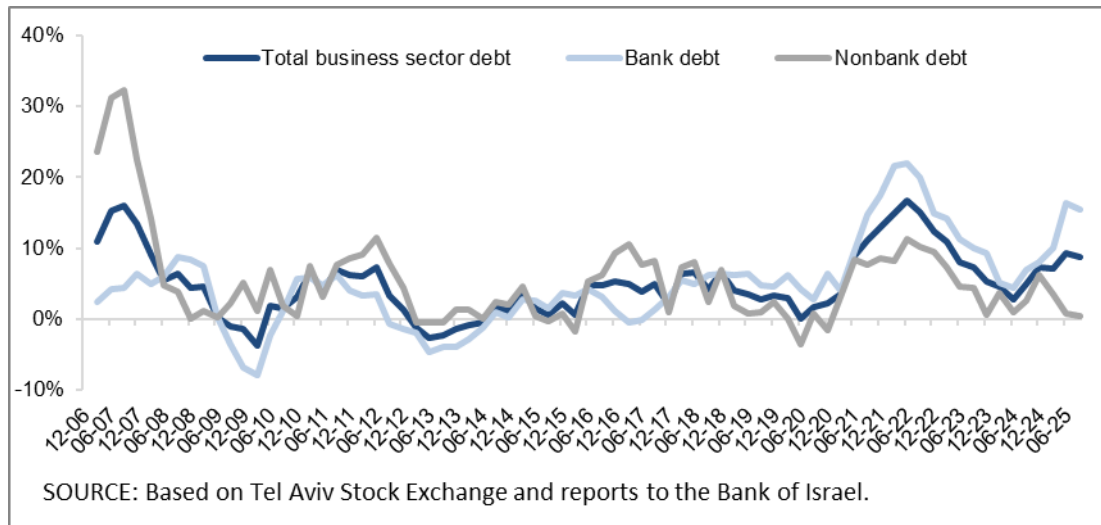
	Balance (NIS billion)						Change, during the period (percent)					
	12-2023	12-2024	9-2025	3-2025	6-2025	9-2025	2023	2024	Since the beginning of 2025 until Q3/2025	Q1/2025	Q2/2025	Q3/2025
1. Loans from banks	720	779	876	799	852	876	9.4%	8.1%	12.5%	2.6%	6.7%	2.8%
2. negotiable bonds in Israel	278	305	330	312	319	330	5.8%	9.6%	8.1%	2.4%	2.0%	3.4%
3. Non-negotiable bonds and nonbank loans	122	125	117	123	121	117	2.5%	1.9%	-6.2%	-1.7%	-1.0%	-3.6%
of which: Loans from institutional investors	98	103	101	103	103	101	3.3%	5.3%	-2.1%	0.0%	-0.1%	-1.9%
4. Debt abroad <sup>1</sup>	184	192	176	191	170	176	-7.4%	4.1%	-8.2%	-0.5%	-10.9%	3.6%
of which: Loans from nonresidents	141	159	145	157	141	145	-7.7%	12.2%	-8.4%	-1.0%	-10.1%	2.9%
of which: Bonds	43	33	31	34	29	31	-6.4%	-22.7%	-7.0%	1.8%	-14.4%	6.7%
<b>Total business sector debt</b>	<b>1305</b>	<b>1400</b>	<b>1499</b>	<b>1424</b>	<b>1462</b>	<b>1499</b>	<b>5.3%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>1.7%</b>	<b>2.7%</b>	<b>2.5%</b>
	Estimated Flow (NIS billion)						Change (percent)					
	2023	2024	Since the beginning of 2025 until Q3/2025	Q1/2025	Q2/2025	Q3/2025	2023	2024	Since the beginning of 2025 until Q3/2025	Q1/2025	Q2/2025	Q3/2025
1. Loans from banks	59.1	56.4	103.7	18.2	60.6	24.8	9.0%	7.8%	13.3%	2.3%	7.6%	2.9%
2. negotiable bonds in Israel	9.4	20.2	19.3	6.8	4.3	8.2	3.6%	7.3%	6.3%	2.2%	1.4%	2.6%
3. Non-negotiable bonds and nonbank loans	2.2	1.6	-8.0	-2.1	-1.4	-4.5	1.8%	1.3%	-6.4%	-1.7%	-1.2%	-3.7%
4. Debt issued abroad	-19.6	6.8	0.7	-6.7	-2.2	9.6	-9.8%	3.7%	0.4%	-3.5%	-1.1%	5.7%
<b>Total business sector debt</b>	<b>51.1</b>	<b>85.0</b>	<b>115.6</b>	<b>16.2</b>	<b>61.3</b>	<b>38.1</b>	<b>4.1%</b>	<b>6.5%</b>	<b>8.3%</b>	<b>1.2%</b>	<b>4.3%</b>	<b>2.6%</b>

<sup>1</sup> The reported balance of credit from nonresidents to the business sector is based on reports by Israeli companies.  
\* From the beginning of the year.  
SOURCE: Based on Tel Aviv Stock Exchange and reports to the Bank of Israel.

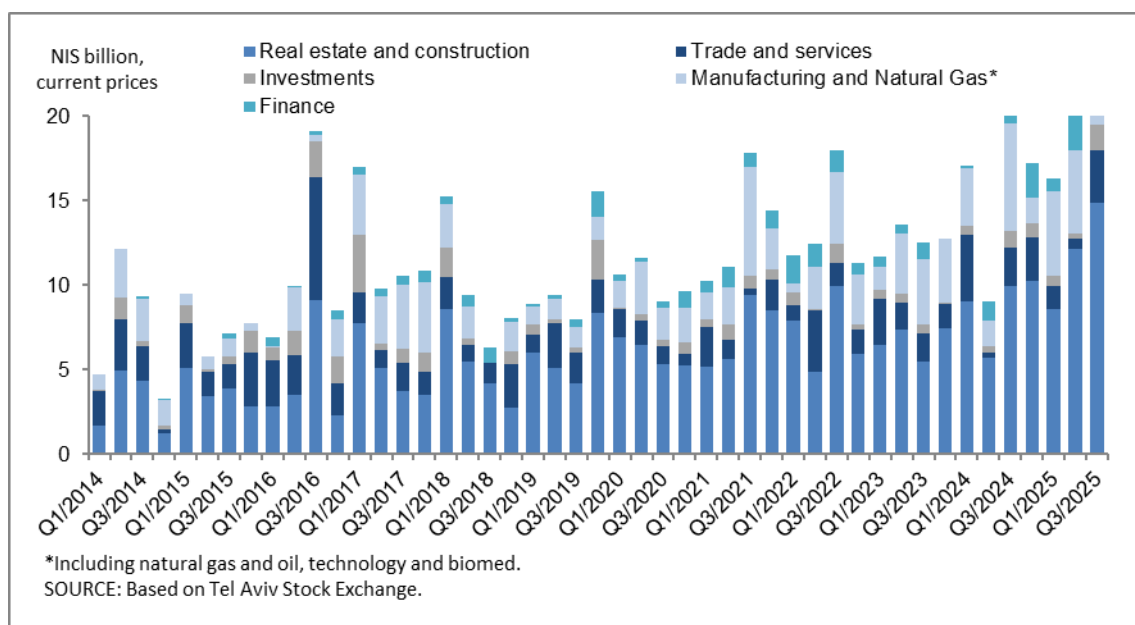
**Figure 1: Estimated Net Quarterly Quantitative Change in Business Sector Debt**



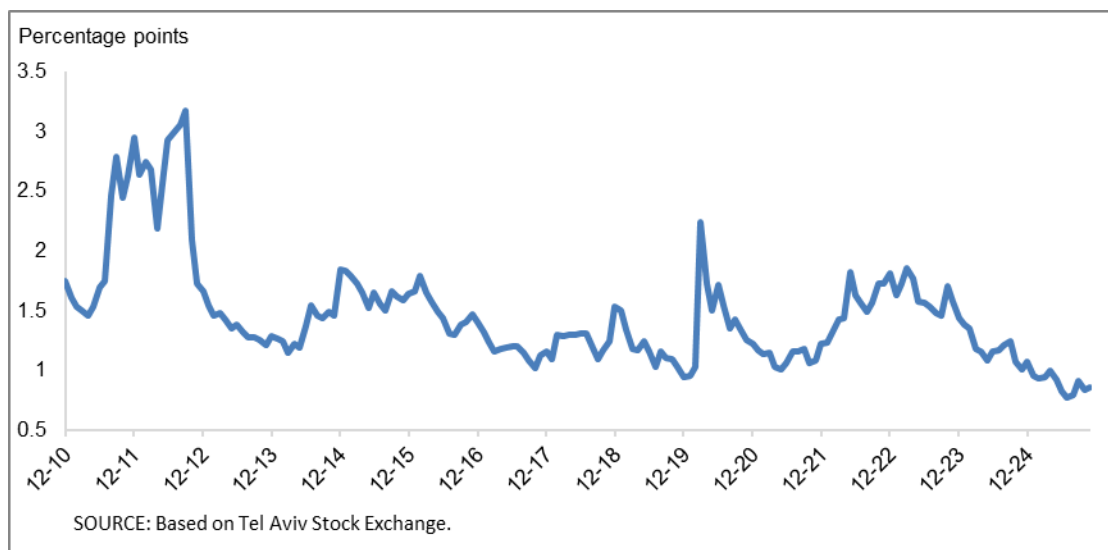
**Figure 2: Rate of Change (Year on Year) in the Business Sector's Bank and Nonbank Debt**



**Figure 3: Nonfinancial Business Sector Bond Issuance during the quarter, by Industry**



**Figure 4: Spread between Indexed Corporate Bonds (Tel-Bond 60) and Indexed Government Bonds (monthly average)**



### Household debt

- In the third quarter of 2025, the **balance of households' outstanding debt** increased significantly to about NIS 890 billion, an increase of about NIS 24 billion (2.7 percent). The balance of **nonhousing debt** increased by about 4.2 percent (compared to -0.6 percent in the previous quarter) to about NIS 246 billion. The increase was concentrated in the balance of debt to banks and credit card companies. The **balance of housing debt** continued to increase by about 2.2 percent (about NIS 14 billion), to about of NIS 644 billion, mostly to banks.
- Due to these effects, the annual growth rate of housing debt remained stable during the quarter, at about 8 percent, while the annual growth rate of nonhousing debt increased, to 5.2 percent, compared to 3.2 percent in the previous quarter (Figure 5).
- The increase in housing debt is the result of continued new mortgage borrowing from the banks, which began at the end of 2023. New mortgage borrowing in the third quarter of the year, after seasonal adjustment, totaled about NIS 26 billion, slightly higher than the corresponding period of the previous year (about NIS 23 billion).
- In October and November 2025, new mortgage borrowing from banks totaled about NIS 9 billion per month on average, after seasonal adjustment (Figure 6).

**Table 2: Outstanding Debt Balances of Households<sup>1</sup>**

	Balance							Rate of change	
	2021	2022	2023	2024	3-25	6-25	9-25	From beginning of year	Last quarter <sup>5</sup>
<b>Total household debt<sup>2</sup></b>	<b>692</b>	<b>775</b>	<b>793</b>	<b>846</b>	<b>855</b>	<b>866</b>	<b>890</b>	<b>5.2%</b>	<b>2.7%</b>
<b>According to sources:</b>									
From banks:	612	682	707	756	766	777	795	5.2%	2.4%
Of which: For housing	459	521	546	587	594	606	619	5.6%	2.2%
Of which: Not for housing <sup>6</sup>	153	161	161	169	171	170	176	4.0%	3.0%
Of which: Current account negative balances	ND	11	10	10	10	10	10	-3.0%	-4.4%
<b>From institutional investors:</b>	<b>42.1</b>	<b>48.6</b>	<b>40.1</b>	<b>39.8</b>	<b>39.8</b>	<b>40.9</b>	<b>42.0</b>	<b>5.6%</b>	<b>2.8%</b>
Of which: For housing <sup>7</sup>	12.2	15.3	15.8	17.0	17.0	17.8	18.3	7.7%	2.7%
Of which: Not for housing	29.9	33.3	24.3	22.8	22.8	23.1	23.7	4.1%	2.9%
<b>From credit cards<sup>3</sup></b>	<b>27.1</b>	<b>33.6</b>	<b>35.6</b>	<b>40.3</b>	<b>40.8</b>	<b>40.1</b>	<b>43.6</b>	<b>8.1%</b>	<b>8.7%</b>
Government (directed credit) <sup>4</sup>	10.7	10.9	10.5	10.0	8.7	8.6	9.1	-9.0%	5.7%
Of which: For housing	6.2	6.3	6.2	6.3	6.0	6.0	6.0	-4.6%	-0.2%
<b>According to uses:</b>									
Total for housing	477	543	568	610	618	630	644	5.5%	2.2%
Total not for housing	215	233	225	236	238	236	246	4.4%	4.2%

**Notes:**

<sup>1</sup> Individuals, not businesses.

<sup>2</sup> Excluding credit from foreigners, due to lack of data

<sup>3</sup> Credit under the responsibility of credit card companies; Credit under the responsibility or guarantee of banks is included in bank data

<sup>4</sup> Credit directed to those eligible for mortgage assistance is the majority of this figure, the remainder is credit to students

<sup>5</sup> Last three months

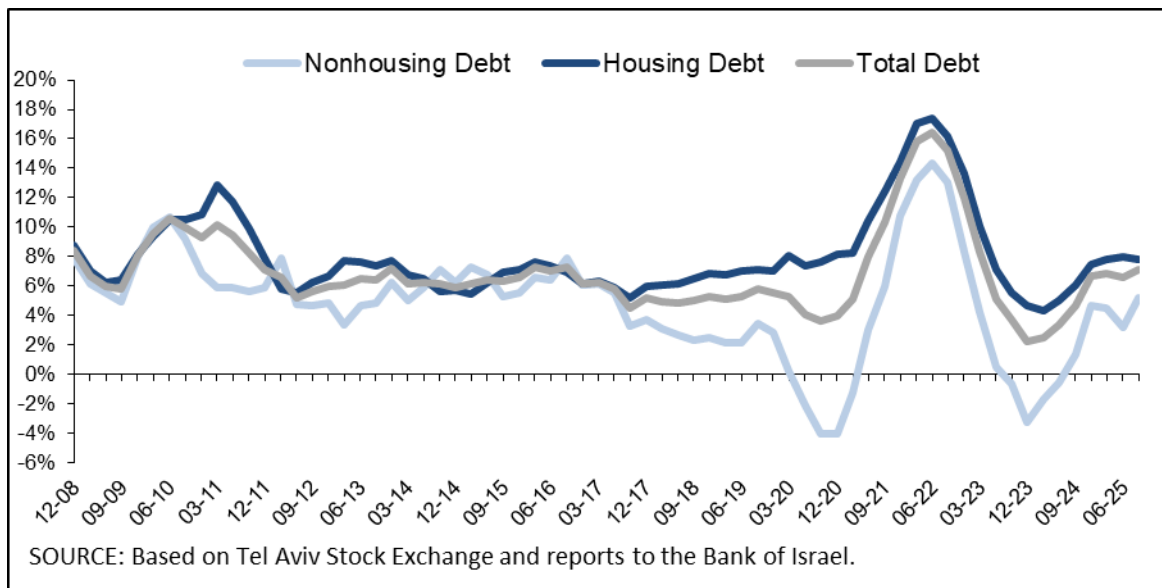
<sup>6</sup> Including loans that are not for residential purposes that were issued against residential collateral (all-purpose loans).

<sup>7</sup> Until August 2013, the data did not differentiate between mortgage-backed loans to households and mortgage-backed loans to the business sector.

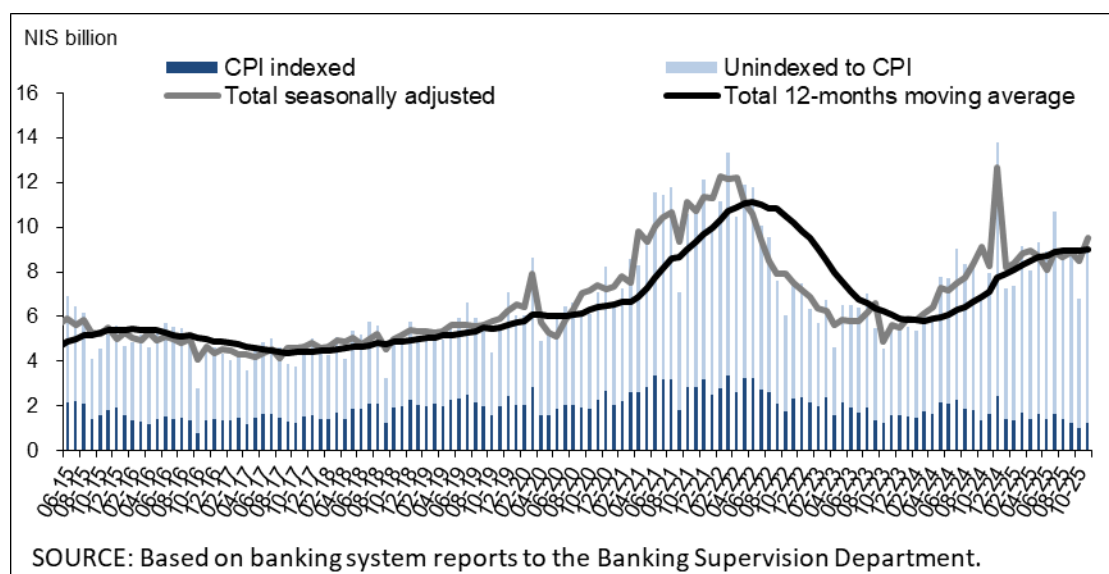
Such segmentation began in August 2013, and the data were revised retroactively, so that part of the balance was reallocated to business sector debt.

SOURCE: Based on Tel Aviv Stock Exchange and reports to the Bank of Israel.

**Figure 5: Rates of Change in Households' Housing and Nonhousing Debt, Current Quarter vs. Corresponding Quarter of Previous Year**



**Figure 6 : Amount of New Home Purchase Loans Provided by Banks to the Public  
(Mortgages)**



Links to Data and Statistics on the Bank of Israel website:

<https://www.boi.org.il/en/economic-roles/data-and-statistics/money-and-debt-aggregates/debt-and-credit/>