



BANK OF ISRAEL

Office of the Spokesperson and Economic Information

June 23, 2026

Press Release:

**Debt Developments in the Nonfinancial Private Sector,
First Quarter of 2026**

The following is a summary of developments in nonfinancial private sector debt in the first quarter of 2026:

- The increase in the balance of **nonfinancial private sector debt (both business and household) continued, and in** the first quarter of 2026, it increased by approximately 2.3 percent to a level of about NIS 2.5 trillion.
- The balance of **business sector debt** increased by about 3 percent during the first quarter, to about NIS 1.6 trillion. This was mainly due to net debt raised, which was concentrated in bank credit to the large and medium business segments.
- The balance of **household debt** also continued to increase during the quarter, to about NIS 914 billion, entirely the result of an increase in the balance of **housing debt** (by about NIS 10 billion, 1.5 percent), which was due to new mortgage borrowing from banks. The balance of **nonhousing debt** remained virtually unchanged during the first quarter, at about NIS 251 billion.

The nonfinancial business sector's¹ debt

- In the first quarter of 2026, the **balance of business sector debt** continued to increase, by about NIS 46 billion (3 percent) to about NIS 1.6 trillion. The increase in the balance was due to net debt raised, totaling about NIS 47 billion, made up mostly of bank credit to the large and medium business segments. This was partly offset by the appreciation of the shekel by about 0.8 percent vis-à-vis the dollar and by a decline of 0.1 percent in the CPI², which decreased the value of the debt denominated in and indexed to foreign currency and of the debt indexed to the CPI.
- Due to these impacts, the annual growth rate of the balance of business sector debt continued to expand in the quarter, to about 12 percent, a trend that began in the second half of 2024, after a slowdown in the two preceding years. This development was reflected in bank debt, in which the growth rate accelerated since the second half of 2024 to a high rate of 20 percent. The annual growth rate in the nonbank debt balance was about 0.9 percent, and remains lower than the annual growth rate of bank debt (Figures 1, 2).
- In the first quarter of the year, the **business sector issued** about NIS 18 billion in bonds, lower than the average quarterly funds raised in the past four quarters (about NIS 22 billion).³ About 54 percent of the issues in the quarter were by companies in the real estate and construction industry, the industry that continues to lead in funds raised, as in previous years (Figure 3).
- In the first quarter of 2026, **the spread⁴ between yields on corporate bonds that are included in the Tel Bond 60 Index and the yields on CPI-indexed government bonds** continued to narrow, to about 0.85 percentage points. This contraction continued into April–May, to 0.75 percentage points (Figure 4).

¹ Israeli corporations, excluding banks, credit card companies, and insurance companies.

² Balances indexed to the CPI are calculated according to the CPI known at the time the financial statements are prepared. As such, a change in the CPI relates to changes between the known CPI and the CPI of the preceding month.

³ Issuance data for the first quarter of 2026 do not include issuances on the TASE UP institutional constant trading platform.

⁴ 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

The composition of business sector debt												
	Balance, end of period (NIS billion)						Change, during the period (percent)					
	12-2024	12-2025	3-2026	9-2025	12-2025	3-2026	2024	2025	Since the beginning of 2026 until Q1/2026	Q3/2025	Q4/2025	Q1/2026
1. Loans from banks ¹	779	920	963	875	920	963	8.1%	18.1%	4.7%	2.8%	5.0%	4.7%
2. negotiable bonds in Israel	305	331	336	330	331	336	9.6%	8.6%	1.3%	3.4%	0.5%	1.3%
3. Non-negotiable bonds and nonbank loans	125	117	114	117	117	114	1.9%	-6.3%	-2.0%	-3.6%	-0.3%	-2.0%
of which: Loans from institutional investors	103	101	100	101	101	100	5.3%	-1.9%	-1.8%	-1.9%	0.0%	-1.8%
4. Debt abroad ²	192	180	181	172	180	181	4.1%	-6.1%	0.8%	0.9%	4.9%	0.8%
of which: Loans from nonresidents	159	146	144	141	146	144	12.2%	-7.9%	-1.4%	0.0%	3.5%	-1.4%
of which: Bonds	33	34	37	30	34	37	-22.7%	2.3%	10.0%	5.2%	11.6%	10.0%
Total business sector debt	1400	1548	1594	1494	1548	1594	7.3%	10.5%	3.0%	2.2%	3.6%	3.0%

Estimated Flow, during the period (NIS billion)												
	Estimated Flow, during the period (NIS billion)						Change (percent)					
	2024	2025	Since the beginning of 2026 until Q1/2026	Q3/2025	Q4/2025	Q1/2026	2024	2025	Since the beginning of 2026 until Q1/2026	Q3/2025	Q4/2025	Q1/2026
1. Loans from banks ¹	56.3	150.9	43.9	24.9	47.8	43.9	7.8%	19.4%	4.8%	2.9%	5.5%	4.8%
2. negotiable bonds in Israel	20.2	22.2	4.6	8.2	3.0	4.6	7.3%	7.3%	1.4%	2.6%	0.9%	1.4%
3. Non-negotiable bonds and nonbank loans	1.7	-8.2	-2.4	-4.4	-0.3	-2.4	1.4%	-6.6%	-2.0%	-3.6%	-0.3%	-2.0%
4. Debt issued abroad	6.8	11.2	0.7	5.8	14.3	0.7	3.7%	5.9%	0.4%	3.4%	8.3%	0.4%
Total business sector debt	85.0	176.2	46.9	34.4	64.8	46.9	6.5%	12.6%	3.0%	2.4%	4.3%	3.0%

¹ When comparing balances of debt to banks, it should be taken into account that beginning in January 2011 new Bank Supervision directives referring to provisions for impaired debts came into effect.

² The reported balance of credit from nonresidents to the business sector is based on reports by Israeli companies.

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

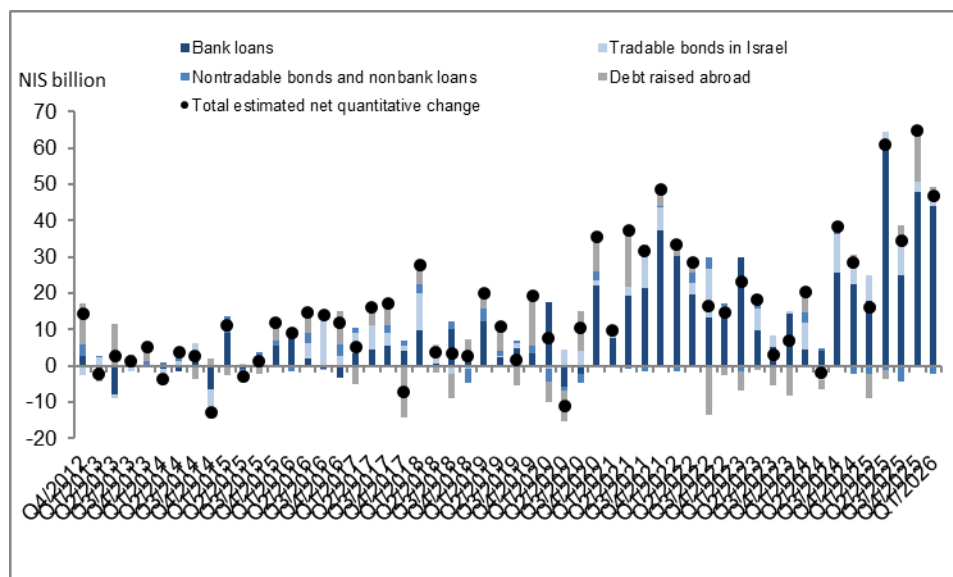


Figure 2: Rate of Change (Year on Year) in the Business Sector's Bank and Nonbank Debt

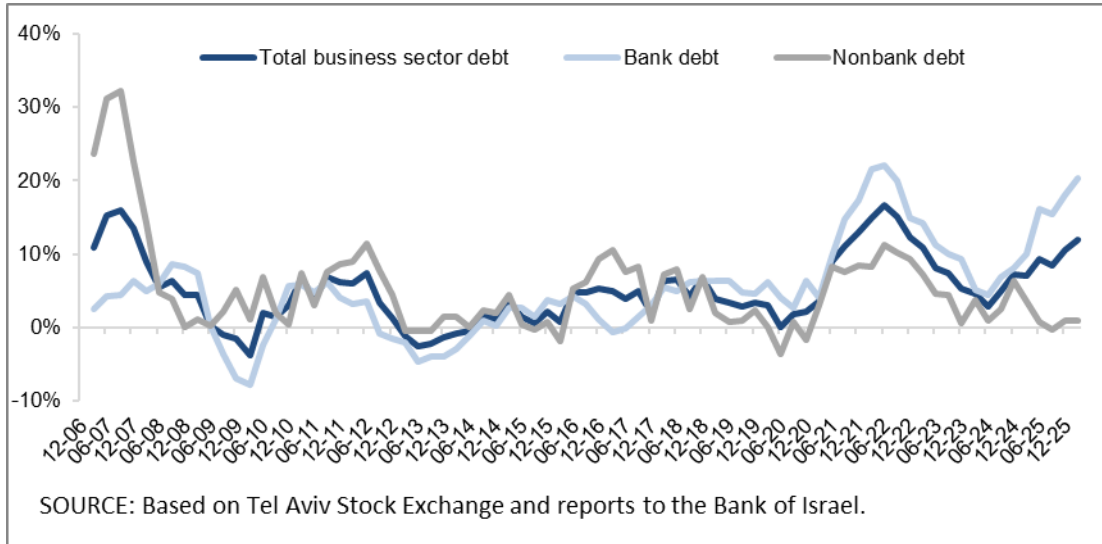


Figure 3: Nonfinancial Business Sector Bond Issuance during the quarter, by Industry

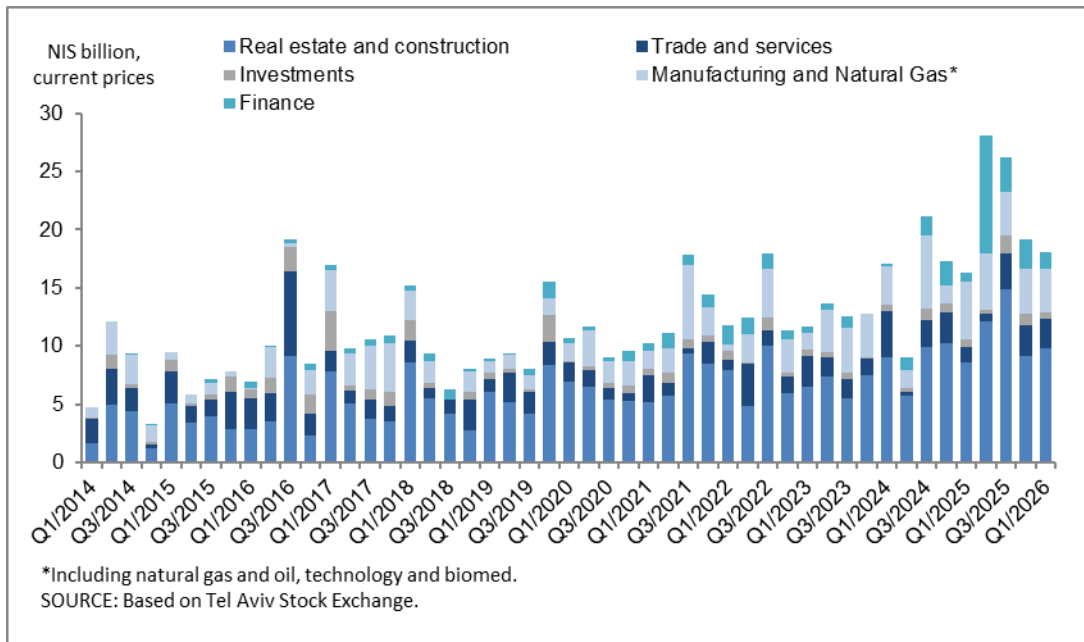
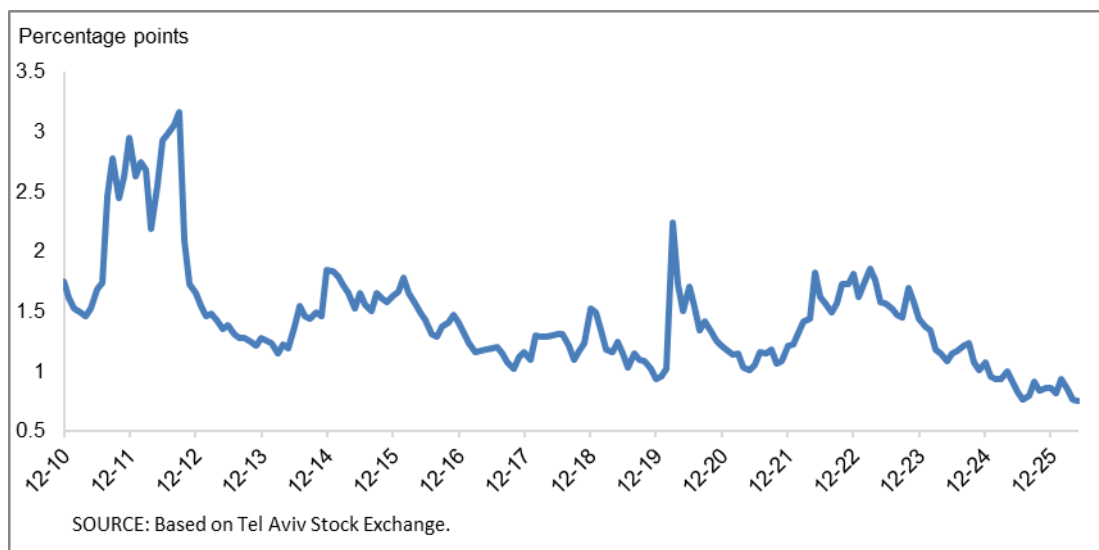


Figure 4: Spread between Indexed Corporate Bonds (Tel-Bond 60) and Indexed Government Bonds (monthly average)



Household debt

- In the first quarter of 2026, the **balance of households' outstanding debt** continued to increase, to a level of about NIS 914 billion—an increase of about NIS 10 billion (1.1 percent), entirely the result of an increase in the **balance of housing debt** to about NIS 663 billion, mostly to banks.
- The balance of **nonhousing debt** remained virtually unchanged during the first quarter, at about NIS 251 billion—a result of an increase in the balance of debt to institutional investors and credit card companies, which was offset by a decline in the balance of debt to the banks.
- Due to these effects, the annual growth rate of housing debt remained high and stable during the quarter, at about 7.3 percent. The annual growth rate of the nonhousing debt balance remained positive, but fell slightly to 5.7 percent, compared with 6.6 percent at the end of the previous quarter—after reaching a negative record at the end of 2023 in view of the outbreak of the war (Figure 5).
- The increase in housing debt is the result of continued new mortgage borrowing from the banks, ending the first quarter of the year, after seasonal adjustment, at about NIS 30 billion, which is higher than the quarterly average of new mortgage volume in 2025.
- In April–May 2026, the volume of new mortgage borrowing from the banks, after seasonal adjustment, reached a monthly average of NIS 9 billion, slightly below the monthly average during the first quarter of 2026 (about NIS 10 billion) (Figure 6).

Table 2: Outstanding Debt Balances of Households¹

	Balance				Rate of change				
	2022	2023	2024	2025	9-25	12-25	3-26	From beginning of year	Last quarter ⁵
Total household debt²	775	793	846	904	890	904	914	1.1%	1.1%
According to sources:									
From banks:	682	707	756	807	795	807	815	1.0%	1.0%
Of which: For housing	521	546	587	629	619	629	638	1.6%	1.6%
Of which: Not for housing ⁶	161	161	169	179	176	179	177	-0.9%	-0.9%
Of which: Current account negative balances	ND	10	10	10	10	10	10	-8.4%	-8.4%
From institutional investors:	48.6	40.1	39.8	43.5	42.0	43.5	44.8	3.0%	3.0%
Of which: For housing ⁷	15.3	15.8	17.0	18.5	18.3	18.5	18.5	0.5%	0.5%
Of which: Not for housing	33.3	24.3	22.8	25.0	23.7	25.0	26.2	4.8%	4.8%
From credit cards³	33.6	35.6	40.3	44.6	43.6	44.6	44.8	0.4%	0.4%
Government (directed credit) ⁴	10.9	10.5	10.0	8.9	9.1	8.9	8.7	-1.9%	-1.9%
Of which: For housing	6.3	6.2	6.3	5.9	6.0	5.9	5.8	-2.0%	-2.0%
According to uses:									
Total for housing	543	568	610	653	644	653	663	1.5%	1.5%
Total not for housing	233	225	236	251	246	251	251	-0.1%	-0.1%

Notes:

¹ Individuals, not businesses.

² Excluding credit from foreigners, due to lack of data

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

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

⁵ Last three months

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

⁷ 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

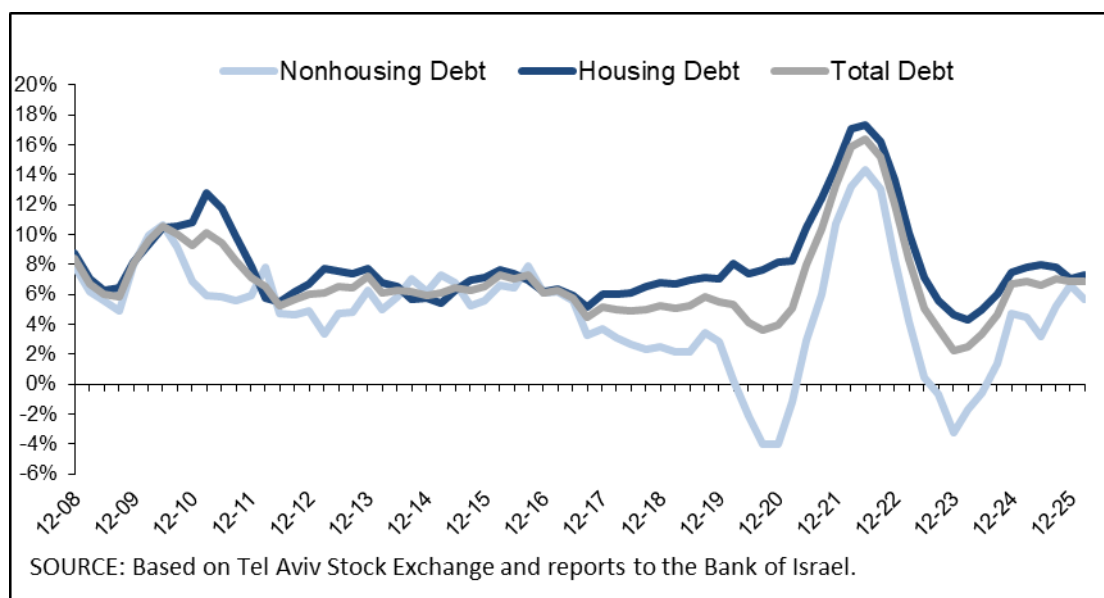
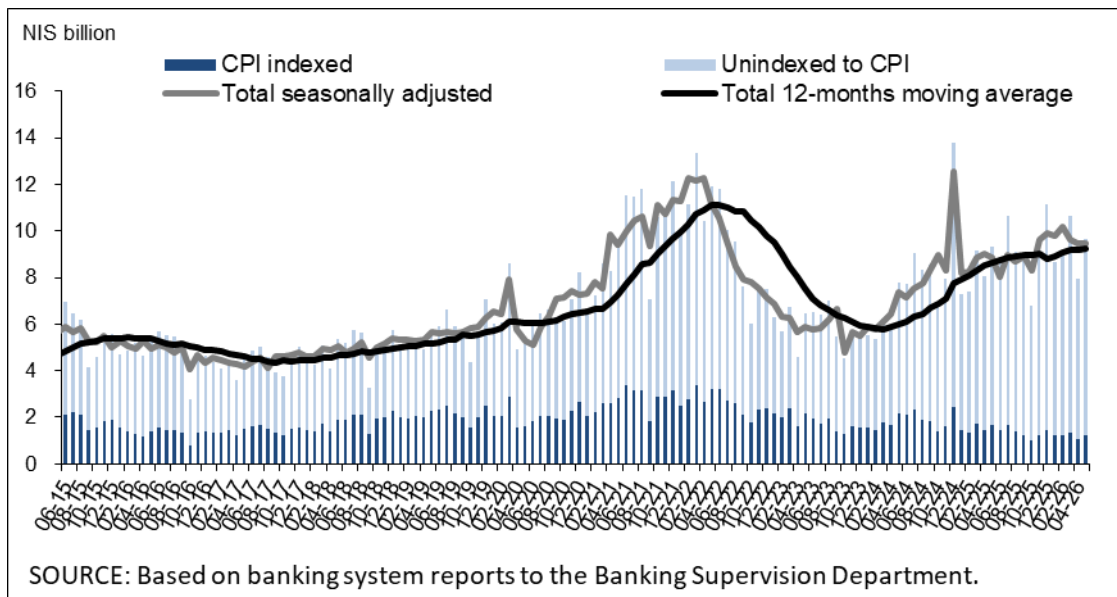


Figure 6: Amount of New Home Purchase Loans Provided by Banks to the Public (Mortgages)



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/>