TEL AVIV STOCK EXCHANGE
הבורסה לניירות ערך תל אביב

THE BEST ISRAEL HAS TO OFFER

TASE
2025
ANNUAL REVIEW



Table of Contents

TASE in 2025 3

Equity Market 5

- Introduction - Key Events 6
- Equity Market 9
- Index Performance 12
- Equity Trading Volumes 15
- Equity Capital Raising 16

Bond Market 20

- Bond Market Indices 21
- Trading Volumes in Bonds and M.K.M 24
- Debt Raising in the Bond Market 25

ETFs and Tracking Mutual Funds 28

- Activity Trends in 2025 29
- Mutual Hedge Funds 32

Other Markets 33

- Central Bank T-Bills (M.K.M) 34
- Derivatives Market 35

TASE Members Contact Information 36

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TASE in 2025[1]

- **2025 was characterized by the persistence of geopolitical challenges alongside a gradual economic recovery from the consequences of the longest war experienced by the State of Israel**. Among the year's pivotal events were the stabilization and ceasefire on the Gaza front; the campaign against Iran and its proxies; continued efforts to address inflationary pressures; fiscal policy aimed at deficit reduction; and the first interest-rate reduction since the beginning of the previous year. The military superiority and capabilities demonstrated by Israel in Operation "Rising Lion," as well as the ceasefire agreement with Hamas, served as significant factors in strengthening investor confidence in the local market and added an element of optimism to the markets regarding the future.
- **The leading share indices** on TASE reached new record levels dozens of times this year, outperforming the leading global exchanges: the TA-35 index surged by **51.6%** and the TA-90 index surged by **46.6%**, as compared to increases of 17.9% and 21% in the S&P 500 and NASDAQ 100 indices, respectively. Investors who maintained confidence in the resilience of the local market since the onset of the "Swords of Iron" war yielded exceptional returns: the TA-35 index rose by **98%** and the TA-90 index increased by **94%**.
- This year, the local exchange continued to play a **pivotal and essential role** as a source for financing the operations of public companies and government expenditures, demonstrating a **significant increase in activity** compared to the previous year.
- **The IPO market** on TASE showed an impressive recovery, **as 21 companies completed an IPO this year, and an additional 5 companies listed their shares for the first time without raising capital**, including one dual listing; the total capital raised on the equity market surged to USD **6.36** billion, more than double the amount raised in the previous year.
- **Israeli investors** increased their involvement in the local market: Israeli retail investors demonstrated growing interest in TASE and purchased significant equity holdings totaling USD **4.25** billion.
- **Foreign investors** likewise expressed confidence in the local market, purchasing equity holdings this year in an amount of USD **1.27** billion, primarily in the financial and defense sectors, following net sales in the previous year. It should be noted that, in the first nine months of 2025, an increase of **70%** (in dollar terms) was recorded in the market capitalization of the holdings of foreign institutional investors in non-dual listed shares, and in September 2025, the market capitalization of their holdings reached a record amount of US$ **19.2** billion (approximately NIS 63.5 billion), reflecting their deepening presence.
- **Trading volumes** in the equity market on TASE also broke records: a significant leap was recorded over the past year, as the average daily trading volume came to USD **1** billion, thereby reflecting a dramatic increase of 57% as compared to 2024.
- In the **corporate bond market**, a record year was recorded in the total volume of debt raising came to USD **46.24** billion. **26** new bond companies completed debt IPOs in a combined amount of USD **1.83** billion.
- **4 companies completed** first offerings of structured bonds backed by bank deposits. **The total debt raised through structured bonds** this year came to USD **7.8** billion, similar to the previous year. The substantial volume of offerings continues to accommodate the demand for a solid investment channel under conditions of uncertainty and a high-interest environment.

[1] The data in the review are in nominal values and are estimated as of 31.12.2025.

- **The government shekel bonds index** increased by **7.3%** this year, and the linked government bonds index increased by **4.7%**. The corporate shekel bonds and linked corporate bonds indices increased by **6.5%** this year. Consequently, the gap between the returns of the linked corporate bonds and the linked government bonds narrowed.
- From the beginning of the year until the breakout of the war with Iran, **low yields were recorded in the bond market**. After the outbreak of the campaign against Iran, yields surged alongside the decrease in the risk premium, such that most of their appreciation was recorded in the second half of the year, and the year concluded with very substantial yields.
- The Government raised USD **39.67** billion locally in offerings of **bonds to the public**, 25% below the volume raised in 2024, and 57% greater than the amount raised in this manner in 2023.
- **The average daily trading volume of corporate bonds** totaled USD **0.32** billion, an increase of **12%** compared to the volume in 2024. The Israeli public and long-term institutional investors purchased corporate bonds, whereas foreign investors reduced their holdings in these securities.
- **The average daily trading volume of government bonds** totaled USD **0.93** billion this year, similar to the volume in 2024, as the trading volumes shifted across the various investment channels. Israeli retail investors and long-term institutional investors purchased government bonds, whereas foreign investors reduced their holdings in this sector.
- The show of confidence in the local capital market was also reflected in the **funds** (ETFs and open-end mutual funds) tracking local share indices, which recorded net purchases of USD **3.71** billion, mainly of the funds tracking the TA-125 index and the TA-90 index, further to net purchases of USD 0.51 billion in 2024.
- **In the funds tracking international share indices**, net purchases of USD **0.15** billion were recorded, mainly of the funds tracking the NASDAQ 100 index. This represents a significantly lower volume of purchases than the amounts infused in 2023 and 2024, which totaled USD 4.75 billion and USD 6.04 billion, respectively.
- **In the funds tracking local bond indices**, purchases continued and totaled USD NIS **1.39** billion, primarily of funds tracking shekel Tel-Bond mid-to-long term indices, following purchases of USD 1.13 billion in 2024.
- **In the active funds** investing in shares on TASE and in the active funds investing in bonds on TASE, the purchasing trend continued this year, with the public infusing USD **1.36** billion into the local equity channel and USD **6.19** billion into the local bond channel. In contrast, in the active funds investing in shares abroad, net activity totaled a negligible volume of infusions.
- **In the money market funds** - the public continued to infuse a significant volume of funds totaling USD **6.9** billion this year, as the geopolitical uncertainty throughout most of the year, alongside the high-interest environment, supported the continuation of this trend, albeit at a lower volume relative to the previous year.

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Equity Market



Introduction - Key Events

2025 was characterized by the persistence of geopolitical challenges alongside a gradual economic recovery from the consequences of the longest war experienced by the State of Israel. Among the year's pivotal events were the stabilization and ceasefire on the Gaza front; a campaign against Iran and its proxies; continued efforts to address inflationary pressures; fiscal policy aimed at deficit reduction; and the first interest-rate reduction since the beginning of the previous year. The military superiority and capabilities demonstrated by Israel in Operation "Rising Lion," as well as the ceasefire agreement with Hamas, served as significant factors in strengthening investor confidence in the local market and added an element of optimism to the markets regarding the future.

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The leading share indices on TASE reached new record levels dozens of times this year, outperforming the leading global exchanges: the TA-35 index surged by 51.6% and the TA-90 index surged by 46.6% as compared to increases of 17.9% and 21% in the S&P 500 and NASDAQ 100 indices, respectively. Investors who maintained confidence in the resilience of the local market since the onset of the "Swords of Iron" war yielded exceptional returns: the TA-35 index rose by 98% during that period and the TA-90 index increased by 94%.

Israel's military superiority, alongside expectations for the normalization of relations and the expansion of the Abraham Accords, strengthened investor confidence and the sense of security. Following the campaign against Iran and the signing of the ceasefire agreement with Hamas, a significant positive change could be observed in the local market. In 2025, three central stages can be identified in the developments of local market index trends, and therefore in this review we have divided them into three periods:

The first period - 1.1.2025-17.3.2025 - during this period there was a ceasefire with Hamas and some of the hostages were returned. Substantial returns were recorded in most indices, reflecting the optimism that characterized the local market following the ceasefire agreement with Hamas and the implementation of the agreement to return some of the hostages. The positive atmosphere was expressed in an improved sentiment and a continuation of the positive trend prevailing since the end of 2024. During this period, the share indices presented substantial price gains, as the TA-35, TA-90 and TA-SME60 increased by 5.7%, 8.9% and 3%, respectively.

On the international front - the U.S. market experienced volatility as President Trump took office, following uncertainty regarding the implications of tariff policy, high inflation, and an economic slowdown. These events were reflected in the underperformance presented there, as the S&P 500 index decreased by 3.2% and the NASDAQ 100 index decreased by 5.5%. Conversely, during this period, the local market performance was strong compared to the U.S. market performance, but lower than the performance of the European exchanges , which presented outperformance and recorded impressive price gains on the backdrop of a combination of attractive pricing, a supportive sectoral composition, and a stabilizing macroeconomic environment. After a prolonged period of underperformance, the relatively low valuation levels in Europe attracted capital flows while, concurrently, moderating inflation in the Eurozone strengthened expectations for a more expansionary monetary policy by the European Central Bank. This combination of factors led to a certain global rotation of investments from the U.S. to non-U.S. markets, and specifically to the European market, which presented outperformance during this

period, as the FTSE 100 index increased by 7.2%, the DAX index increased by 16.3%, and the MSCI Europe index increased by 9.1%.

The second period - 18.3.2025-12.6.2025 - was characterized on the local front by the resumption of fighting in Gaza and proceedings to dismiss the Head of the ISA (Shin Bet) and the Attorney General, after the Government approved a no-confidence motion against the Attorney General. The potential implications of these moves were received negatively by the local capital market, and were reflected in underperformance and increased market apprehension. During this period, an increase in Israel's risk premium was recorded, alongside a jump in the fear index and geopolitical uncertainty, as well as concerns regarding the potential impact on the economy and financial markets.

From the resumption of fighting until 12.6, the local equity market presented a mixed trend, as the TA-35 index increased by 6.5%, while the TA-90 and TA-SME60 indices decreased by 1.3% and 0.7%, respectively.

During this period, the local market performance was weak relative to the U.S. market: the S&P 500 index increased by 6.9% and the NASDAQ 100 index increased by 10.8%, yet it remained stronger than the European market performance, where the FTSE 100 index increased by 3.5%, the DAX index by 2.7%, and the MSCI Europe index by 1.6%.

The third period - 13.6.2025 to 31.12.2025 - during this period, a material change was recorded in the performance of the indices, in both the equity and bond markets, which materially impacted the yields for the year. This period reflects a significant shift in sentiment, on the backdrop of the strengthening sense of security following the outbreak of the campaign against Iran and the investors' assessment that the primary threat to Israel had been materially reduced. This was joined by optimism in September 2025 following the U.S. President's announcement of a 21-point diplomatic plan to end the fighting and return all hostages, which culminated in the signing of an agreement. The ceasefire agreement led to a further wave of price gains in the equity and bond markets, and expectations were also recorded for the renewal of regional normalization processes, including a possible expansion of the Abraham Accords.

During this period, the TASE indices stood out significantly on the international front, as the TA-125 index increased by 35.4% and the TA-90 index increased by 36.4%, as compared to an increase of 14% in the S&P 500 index and an increase of 15.6% in the NASDAQ 100 index. The outperformance of the local market was also evident relative to the European indices, as the FTSE 100 index presented an increase of 13.4%, the DAX index an increase of 3%, and the MSCI Europe index an increase of 9.9%.

Macro data that influenced the market trends during the year:

- **Stabilization of the national budget deficit**
  According to the Accountant General in the Ministry of Finance, the cumulative deficit for the 12 months ending in November 2025 stood at 4.5% of GDP. Since the beginning of the year, a cumulative deficit of USD 21.6 billion has been recorded, and in the last 12 months, a cumulative deficit of USD 27 billion was recorded. This represents a reduction compared to a deficit of 7.6% of GDP recorded in the corresponding period last year, due to an increase of 15.1% in government revenue, alongside a lower increase of 4.3% in government expenditure, as compared to the corresponding period last year.

- **The inflation rate**
  Has recently converged within the Bank of Israel's target range. According to the data of the Central Bureau of Statistics, the Consumer Price Index in November 2025 decreased by 0.5%, and in the last twelve months, the index increased by 2.4%, as compared to an increase of 3.2% in 2024.

- **Stable labor market**
  According to the data of the Central Bureau of Statistics, in September-November 2025, a slight increase was recorded in the number of job vacancies, which totaled 151,354 jobs in November, and the rate of job vacancies stood at 4.59% in November 2025.

- **The rate of unemployed**
  Remained stable and stood at only 3% in October 2025.

- **The demand for workers**
  increased in all districts in the third quarter of 2024 to a level similar to the pre-war levels. In the Northern District, the increase in the rate of job vacancies is mainly influenced by a decrease in total employment. At the same time, the total employment in the other districts in the third quarter of 2024 was similar to the pre-war levels.

- **Cooling in the housing market**
  Over the past year, we have seen a reduction in the number of apartments sold. In the three months of August-October 2025, a decrease of 9.8% was recorded, as compared to the preceding period (May-July 2025), and a decrease of 12.1% as compared to the corresponding period last year (August-October 2024) in the number of apartments sold. A comparison of transactions performed in the months of September-October relative to the corresponding period last year shows that housing prices increased in the districts of Jerusalem, the North, Haifa, and the South, whereas price reductions were recorded in the Tel Aviv and Central districts.

- **Growth in private consumption**
  Data from the Central Bureau of Statistics indicates that the volume of credit card purchases by private consumers grew in 2025, with the figure for August-October 2025 pointing to growth of 12.3%, computed annually.

- **The growth rate (GDP at constant prices)**
  According to the second estimate for the third quarter of the year, GDP grew by 11%, computed annually (2.6% computed quarterly), after a decrease of 4.8% in the second quarter of 2025. The increase in GDP was influenced by the economic recovery following Operation “Rising Lion," which significantly impacted private consumption expenditure and investment in fixed assets in the previous quarter, and GDP per capita increased by 9.5%. According to the Bank of Israel’s forecast, GDP is expected to grow by 2.5% in 2025 and by 4.7% in 2026.

- **The exchange rate of the dollar**
  During the year, the dollar traded with volatility against the shekel, and its exchange rate was influenced by several factors, including security and geopolitical developments, interest-rate reductions in the U.S., Israel's risk perception, macro forecasts, and more. On 31.12.25, its rate stood at NIS 3.19 per dollar, a decrease of 12.5% compared to its rate at the end of the previous year.

- **The interest rate**
  The Bank of Israel, in its latest resolution on 24.11.25, announced the lowering of the key interest rate by 0.25%, citing inflationary moderation and its convergence within the target, alongside a sharp recovery in economic activity in the third quarter. Concurrently, the labor market remains tight with continued wage increases, the housing market presents a continuous decrease in prices and in the number of transactions, and there is a decrease in risk premiums and in government bond yield spreads. The strengthening of the shekel against the major currencies also strengthened the conditions that allowed the implementation of monetary easing.

- **The monthly index of economic activity**
  rose by half a percent in November, after recording a slight decrease in the previous month, following its sharp increase in September, which reflected the exit from Operation “Rising Lion.”

Equity Market

Performance of Leading Share Indices and International Comparison

Leading share indices on TASE presented outstanding performance and led the global return table. The growth trend continued in the first quarter of the year, and during the second quarter, a certain slowdown was recorded, followed by a renewed recovery with the outbreak of Operation "Rising Lion," as described in the introduction. **This year, investors increased the capital allocated to the local market**, following a prolonged period of caution. The TASE indices benefited from the improved sentiment, and in addition to the TASE flagship indices, the financial indices (TA-Insurance +152%, TA-Financials +92%, and TA-Banks5 +61%) and the TA-Energy Infrastructure index (+77%) stood out in particular, presenting substantial outperformance.

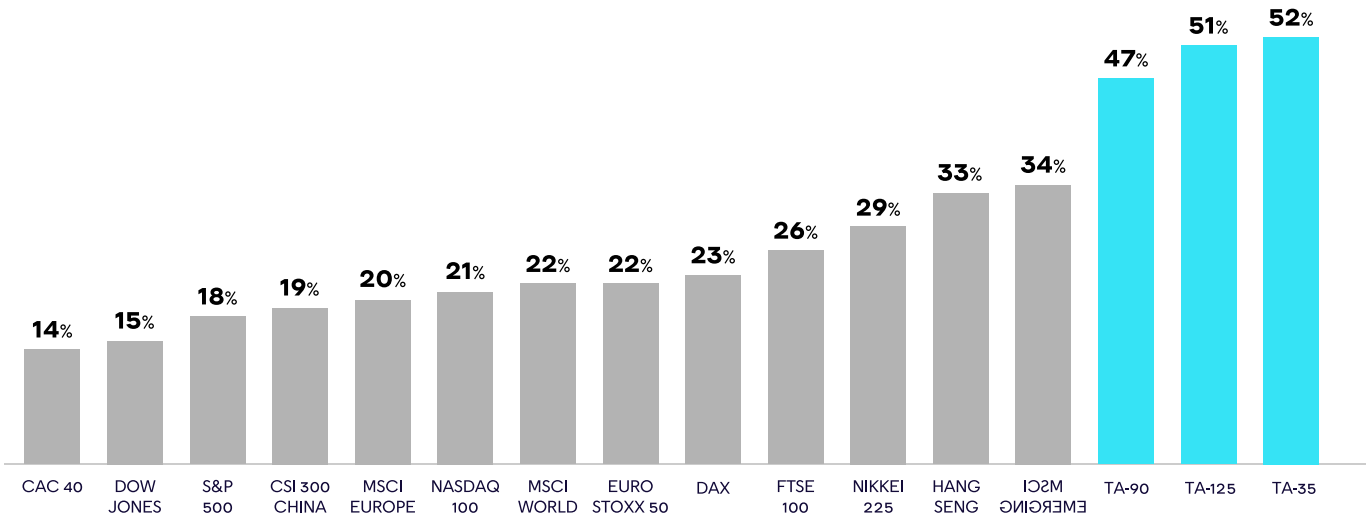
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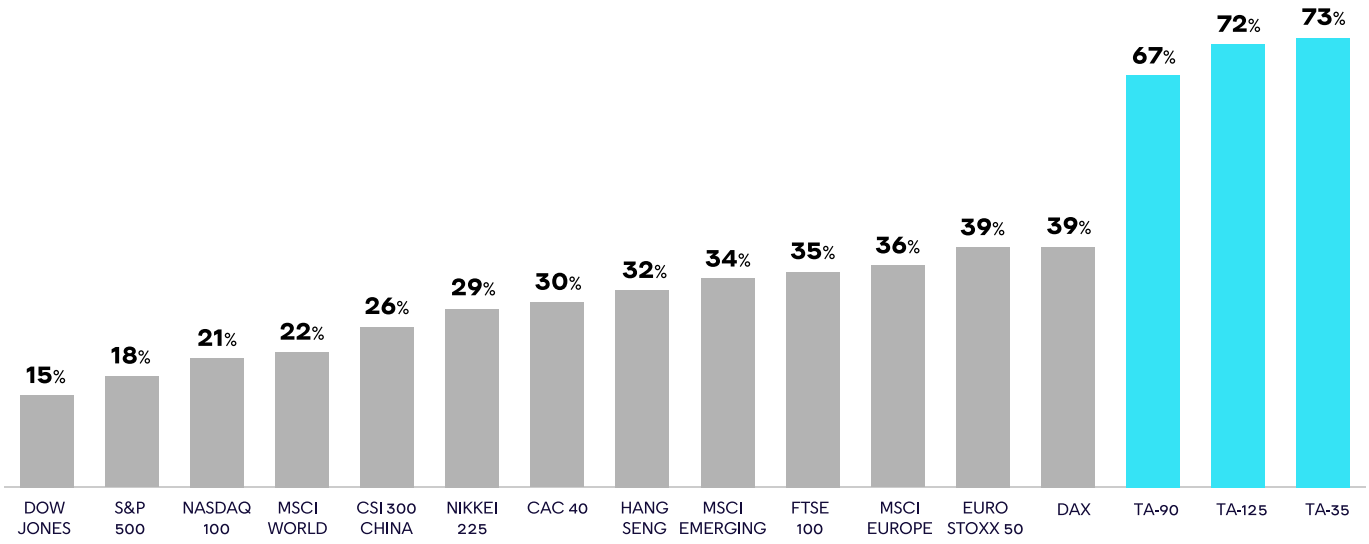
On the international front, capital markets were influenced this year by a combination of macroeconomic, geopolitical, and business factors. High volatility was recorded in the United States, due, inter alia, to an interest rate environment that remained relatively high during part of the year, uncertainty surrounding tariff policy as President Trump took office, and volatile inflation and employment data. Alongside this, strong financial statements of the large tech companies, together with the interest rate reduction process, contributed to the improvement in sentiment and supported price gains in the leading indices. In Europe, after a prolonged period of underperformance, the relatively low valuation levels attracted capital flows while, concurrently, moderating inflation in the Eurozone strengthened expectations for a more expansionary monetary policy by the European Central Bank.

Chart 1 // **TASE and International Indices, in NIS terms, 2025[2]**



[2] The indices presented are Total Return indices, rounded to the nearest whole number, as of 31.12.2025.

Chart 2 // **TASE and International Indices, in dollar terms, 2025[3]**



Investor Activity[4] in the Equity Market on TASE - Trends and Impacts

Throughout the year, Israeli retail investors also stood out, making a significant contribution to the demand in the equity market. During the year, approximately 200 thousand new trading accounts were opened by retail investors, a figure that attests to the continued deepening of public participation in the capital market. This trend was reflected in a long succession of net purchases in almost every month of the year, with the exception of only a few months. Their purchases intensified particularly at the beginning of the year and during the summer months, reaching an impressive annual volume of USD 4.25 billion, the highest among all investor groups. Their consistent and positive investment trend reflects the local public's ongoing confidence in the capital market, even during challenging periods characterized by uncertainty. Foreign investors acted less consistently; in the first five months of the year, a positive investment trend was recorded, expressed primarily in the purchase of equity holdings in the defense and financial sectors. However, following the outbreak of the campaign against Iran, their activity became mixed and included months of purchases alongside months of sales. Despite the continued uncertainty on the local front, TASE data points to impressive annual net purchases of approximately USD 1.27 billion.

The cumulative purchases of foreign investors highlight the continued attractiveness of the local market in the eyes of foreign investors, following two years in which their activity totaled net sales. This trend contributed to the stability of share prices and an improvement in sentiment in the local market, as both institutional investors and retail investors continued to increase their exposure to the market.

The behavior of investors in the equity market this year clearly reflects the sentiment patterns in the Israeli capital market, and the manner in which each group reacts to changes in the macroeconomic and geopolitical backdrop.

In the first period, between January 1 and March 17, retail investors stood out particularly as significant purchasers, with an infusion of funds in a high volume of almost USD 2.02 billion. Their behavior reflected growing optimism in the market and confidence in the recovery of the local economy. Conversely, the long-term institutional investors actually performed net sales during this period, albeit relatively moderate, totaling USD 0.29 billion. Foreign residents acted similarly to the retail investors, performing purchases of USD 0.49 billion, primarily on the backdrop of positive assessments regarding the equity market in Israel at the beginning of the year.

The situation changed in the second period, between March 18 and June 12. Here, a decline in the level of optimism among local investors was already evident. Retail investors shifted to sales of a relatively negligible volume, yet one that reflects a transition to a 'wait and see' state and a lack of clarity. For

[3] The indices presented are Total Return indices, rounded to the nearest whole number. The data is effective until the end 31.12.2025.

[4] In the analysis of the activity of the various investors: the Israeli public includes the Israeli public that purchases equity holdings directly and indirectly through the ETFs, the mutual funds, and through portfolio managers. Long-term institutional investors include the pension funds, the provident funds and the insurance companies. The note also applies to the analysis of TASE's data in this review below.

the institutional investors, the picture was much more pronounced: they deepened their sales, which reached nearly USD 1.33 billion - evidence of growing apprehension regarding the financial environment and the risks arising from the international front. Conversely, foreign residents stood out with purchases of massive volumes during this specific period, with purchases totaling USD 2.55 billion. That is to say, while Israeli investors hesitated, foreigners identified an opportunity and entered the market forcefully.

The trend reversed again in the third period, from June 13 to December 31. As the picture cleared, with a certain decrease in uncertainty and a re-establishment of a sense of stability in the market, retail investors returned to intensive activity and purchased equity holdings in an impressive volume of USD 1.91 billion. Conversely, foreign residents, who had been significant purchasers specifically during the second period, shifted to realizations shortly after the outbreak of the campaign against Iran. Their total sales until December 31 came to USD 1.67 billion. In other words, while local retail investors and long-term institutional investors returned to the market forcefully, the foreigners actually realized holdings, such that their investment trend was opposite.

Foreign investors likewise expressed confidence in the local market, purchasing equity holdings this year in an amount of USD 1.27 billion, primarily in the financial and defense sectors, following net sales in the previous year.

It should be noted that, in the first nine months of 2025, an increase of 70% (in dollar terms) was recorded in the market capitalization of the holdings of foreign institutional investors in non-dual listed shares, and in September 2025, the market capitalization of their holdings reached a record amount of US$ 19.2 billion (approximately NIS 63.5 billion), reflecting their deepening presence.

Overall, the annual picture indicates that the primary demand for shares came from Israeli retail investors and foreign investors, while institutions increased their exposure moderately. This combination contributed to the shaping of trading patterns and the development of the demand structure in the local market throughout the year.

Israel's risk premium

Concurrently with security developments, the macroeconomic front provided additional support to the markets. The national budget deficit declined gradually from 6.8% of GDP at the end of 2024 to 4.5% of GDP as of November 2025, alongside the maintenance of the international rating of Israel's sovereign credit; and in November this year, the international rating agency S&P even raised Israel's credit rating outlook from negative to stable. The shekel exhibited strength against the dollar, contrary to expectations in an environment of security and economic uncertainty, and strengthened by 12% during the year. The inflation environment decreased from a level of 3.2% at the end of the previous year to a level of 2.5% at the end of the year. Based on the statements of the Governor of the Bank of Israel, the interest rate path will be determined in accordance with inflation developments, economic activity, and geopolitical and fiscal developments.

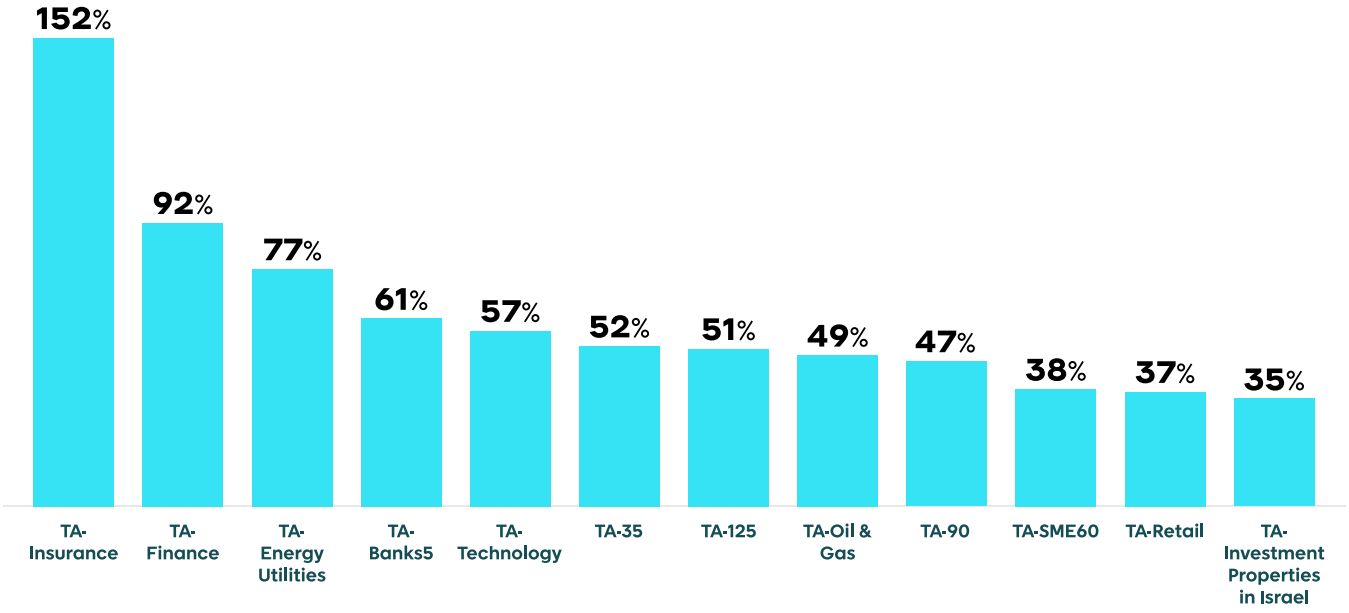
Index Performance

In total, in 2025 the **TA-35** index and the **TA-90** index increased by 51.6% and 46.6%, respectively.

Table 1 // **Rate of Return on Select TASE Share Indices (%)**

	1.1.2025-17.3.2025	18.3.2025-12.6.2025	13.6.2025-31.12.2025	2025	7.10.2023-31.12.2025
TA-35	5.65	6.47	34.8	**51.63**	98.37
TA-90	8.91	-1.33	36.38	**46.56**	93.59
TA-125	6.79	4.41	35.39	**50.96**	97.07
TA-SME60	3.02	-0.65	34.89	**38.06**	106.80
TA-Insurance	31.26	1.83	88.69	**152.21**	306.11
TA-Finance	20.87	5.72	50.04	**91.72**	167.22
TA-Energy Utilities	7.09	1.93	62.04	**76.87**	100.68
TA-Banks5	16.54	8.92	26.79	**60.94**	116.31
TA-Technology	3.04	7.62	41.76	**57.19**	86.96
TA Oil & Gas	13.19	9.29	20.14	**48.64**	94.50
TA-Retail	10.95	-1.38	25.00	**36.78**	102.08
TA Global-BlueTech	2.92	3.00	30.54	**38.39**	73.99
TA-Dual Listing	2.26	4.36	29.78	**38.50**	56.00
TA-Investment Properties in Israel	-2.06	-0.59	38.40	**34.75**	84.19
TA-RealEstate	-4.67	-3.31	35.32	**24.74**	73.37
TA-Construction	-8.91	-7.60	31.05	**10.30**	60.50

Chart 3 // **Rate of Return on TASE Sectorial Share Indices in 2025**



Price gains were recorded in most of the leading sectorial indices. Headed by:

- The **TA-Insurance index (+152%)**: The index stood out with its gains, primarily on the backdrop of a significant improvement in underwriting results (a decrease in claims as compared to previous years, particularly in the vehicle and health sectors), alongside exceptional gains arising from the price gains in the capital markets (local and global). Added to this was a consistent and significant infusion of funds from the public every month, as well as the implementation of IFRS 17, which allows insurance companies to recognize future profits. This combination of factors led to high rates of return on equity in the insurance companies, exceeding the multi-year average, and placed the sector at the center of investor focus - both local and foreign.
- The **TA-Banks5 index (+61%)**: The banks, which are considered a central anchor of the Israeli economy, recorded sharp increases on the backdrop of a high-interest environment that maintained financing margins, alongside an increase in credit to the public, while maintaining asset quality. These were joined by strong financial results that were expressed, inter alia, in an improvement in the return on equity, which led to a repricing of the sector's shares and the outperformance of the index.
- The **TA-Energy Utilities index and TA Oil & Gas index (+77%, +49%)**: The energy indices, based primarily on established companies with diversified global activity. The sector benefited this year from several positive factors: natural gas prices remained relatively high, companies in the sector presented strong profitability and stable cash flow that enabled significant dividend distributions, and progress in new projects alongside the expansion of export contracts strengthened investor confidence. All of these contributed to sharp price gains in the indices.
- The **real estate indices: TA-Investment Properties in Israel (+35%), TA-Real-Estate (+25%) and TA-Construction (+10%)** - recorded negative returns in the first and second periods and stood out for their underperformance relative to other sectors that recorded sharp increases, such as the financial and energy sectors. However, the campaign against Iran, which damaged buildings across Israel and exposed the vulnerability of many buildings without protected rooms (MAMAD), highlighted the need for extensive investment in home front protection, in both residential and public buildings. Concurrently, the expectation of growth in demand for urban renewal projects, an increase in government investment in construction

infrastructure, the recovery in economic activity, and expectations for interest-rate reductions strengthened the shares of contracting, infrastructure, and residential construction companies in the third period. Additionally, a sharp increase was also recorded during this period in the shares of manufacturers and marketers of construction materials and products, which benefited from growth in demand in the sector.

- The **TA-Technology (57%), TA Global-BlueTech (38%) and TA-Dual Listing (38%)** increased by high rates this year, in light of the sharp price gains in renewable energy, semiconductors, and the defense sector.
- **New Indices** - during the past year, TASE launched eight new indices in the equity market, which were designed to expand the range of investment options, deepen diversification, and address the evolving needs of investors. Five new sectorial indices - the **TA-Banks Equal Weight index** and the **TA-Banks and Insurance Equal Weight index**, which provide broad diversification and reduce dependence on individual shares; the **TA-Defense index**, which is expected to address the growth and increasing demand for companies in the defense and advanced technology sectors, on the backdrop of global and local security realities; the **TA-Infrastructure index**, focusing on companies operating, inter alia, in the fields of electricity, energy, and transportation - central growth engines in the Israeli economy. These indices attracted special attention at the current time, serve as a basis for the issuance of new passive products, and are expected to attract local and international investors. Additionally, the **TA-Real Estate-35 index** was launched, reflecting the performance of the largest real estate companies on TASE.

  Furthermore, the **Tel Div Aristocrat index** was launched, including shares whose annual dividend yield has been at least 2% in the last 10 years, and the **TA-90 Profitability Model Equal Weight index** and the **TA-SME60 Profitability Model Equal Weight index**, which include only companies that presented profitability in two out of the last three years, thereby enabling high-quality and diversified exposure to companies with business stability.
- **Market Making Reform** - In May 2025, TASE's market making reform came into effect, which was designed to enhance liquidity in the traded securities. The reform is based on competition between market makers, within the framework of which securities are allocated according to quoting quality (narrower spreads and larger volumes). Furthermore, a 'Tailor Made' program was also launched, allowing companies to join dedicated and customized market making, similar to models existing in leading global exchanges.

Alignment with global standards and encouragement of foreign investment, as part of TASE's efforts to accelerate the connection of the local capital market to foreign investors and to deepen its exposure to the international investment community, two significant initiatives were launched this year:

1. **Change in trading days in alignment with global practices** - during recent years, TASE has performed a series of technological and operational adjustments designed to support the alignment of trading activity with the standards practiced in international capital markets, alongside aligning with the trading days customary worldwide. Starting January 2026, a change in the structure of trading days will be implemented, within the framework of which the equity market will shift from trading on Sunday-Thursday to trading on Monday-Friday. This change is expected to improve synchronization with international markets and facilitate the activity of foreign investors in the local market.
2. **Automated translation of reports** - in July 2025, The Tel-Aviv Stock Exchange launched a beta version of an AI-based system for the automated translation of immediate reports into English, in collaboration with TipRanks and in coordination with the Israel Securities Authority, as part of technological innovation moves and the expansion of information accessibility to foreign investors. The system was initially implemented among companies in the TA-125 index (excluding dual listings), enabling the publication of immediate reports translated into English within minutes of the Hebrew reporting time, with the Hebrew version remaining binding. In subsequent stages, the expansion of the system to include the translation of financial statements is planned.

Equity Trading Volumes

The trading volumes in the equity market reached a historical record, with an average daily trading volume of USD 1 billion - 67% greater than the average daily trading volume in 2024. The confidence of local and international investors, alongside the significant opening of trading accounts by retail investors and the recovery in the local offering market, contributed to the increase in trading volumes this year relative to the trading volumes in 2024. On 6.5.25, the date of the TASE semi-annual index rebalancing, the second-highest trading volume of all time was recorded on TASE, totaling USD 3.61 billion, in light of numerous updates to the local indices followed by ETFs with free float value of USD 29 billion.

Trading volumes in the equity market on TASE also broke records: a significant leap was recorded over the past year, as the average daily trading volume came to USD 1 billion, thereby reflecting a dramatic increase of 57% as compared to 2024.

Table 2 // **Average Daily Trading Volume in the Equity Market (USD$ million)**

	Change in % 2025 VS 2024	2025	Change in % 2024 VS 2023	2024	2023
Shares including ETFs	67%	**997**	10%	595	540
Shares excluding ETFs	79%	**807**	7%	450	421

Equity Capital Raising

Table 3 // **Equity Raised on TASE (USD billion)**[5]

	Total Amount Raised		
	2025	**2024**	**2023**
Offerings - IPOs	1.67	0.22	0.04
Offerings - listed companies	2.22	0.97	0.92
Private placements	2.3	0.95	1.3
Total	**6.19**	2.14	2.26

The total capital raised in the equity market in Israel amounted to USD 6.19 billion. The significant growth in the amount of capital raised on TASE this year was based on a combination of several key factors: market and macro conditions - sharp price gains in the central indices, (exceeding 50% in the past year) led to an increase in companies' market capitalization and an attractive price environment for capital raising; institutional demand and infusion of funds - the public saves high volumes of funds every month in pension funds, provident funds, and study funds, and a portion of these funds is allocated by institutional investors to investments on TASE; high trading liquidity - the average daily trading volume this year stands at USD 0.99 billion, as mentioned above, a historical record and an increase of 57% relative to the previous year. This level of liquidity reduced concerns regarding a lack of demand and made it easier for companies to raise equity without creating sustained pressure on share prices; short and rapid process - the performance of private placements through a simple and rapid raising process enabled massive raisings from institutional investors, flexibility in determining terms, the inclusion of long-term strategic partners, and the financing of business activity expansion.

Global offerings - in the secondary market, Next Vision and Meitav Investment performed offerings directed primarily at foreign investors, with equity raising volumes of USD 0.4 billion and USD 0.15 billion, respectively. This move highlights the growing openness of international capital to the Israeli capital market, and continues the trend of foreign investor participation in the local offering market in recent years. In addition to the global offerings performed in Israel, it should be noted that Elbit Systems raised more than US$ 500 million in the U.S. this year, as part of a strategic move to strengthen funding sources and support its continued global activity. This raising was performed on the backdrop of a strong demand environment for defense stocks, supporting the company's continued growth and international expansion.

The total capital raised on the equity market surged to USD 6.19 billion, more than double the amount raised in the previous year.

The improvement in investor sentiment following a prolonged period of uncertainty, the expectation of the subsequent economic recovery, the decrease in geopolitical risk perception, and the sharp price gains in local share indices contributed to an increase in investor risk appetite and heightened interest in new companies. All these factors created a supportive environment that enabled companies to proceed with IPO plans that had been postponed in recent years. Consequently, 20 new companies completed share IPOs, raising a combined amount of USD **1.67** billion in shares and securities convertible into shares. Of the new issuers, ten companies (half) chose a two-stage offering process, whereby they initially raised debt from the public and became bond companies, and in the second stage this year they evolved from bond companies to share companies. This two-stage process became popular this year and offers several notable advantages: in the first stage, issuing bonds allows a company to maintain control while

introducing itself to the capital market and gradually building investor trust. A successful debt issuance and regular payment of interest and redemptions serve as proof of its financial stability, positioning it as a solvent and reliable entity, which can improve the terms of a future share offering. **An additional 5 companies joined** TASE this year, with a combined market capitalization of USD 1.36 billion upon listing, including: **Rent It,** a bond company that listed its shares for trading; two new companies that split off TASE-listed companies: **Ludan Tech** was split off Ludan and **Orion Properties** was split off G City; **R.G.A.**, which merged with Value Capital and was listed for trading; and one dual listing, **Prospect**, whose shares are traded concurrently on NASDAQ.

The IPO market on TASE showed an impressive recovery, as 21 companies completed an IPO this year, and an additional 5 companies listed their shares for the first time without raising capital, including one dual listing;

Table 4 // **New companies that completed IPOs in 2025**

	Subsector	Amount raised (USD million)	Company value in IPO (USD million)	Return since IPO 31.12.25	Rate of change on the first day of trading	Market capitalization 31.12.25 (USD million)
Amal Holdings	Services	358	751	7.30%	4.90%	806
Universal Motors	Commerce	203	882	12.30%	0.11%	1,099
Ampa	Investment Properties in Israel	174	862	24.40%	10.17%	1,174
Urbanica (Palo) Retail	Commerce	118	408	-10.60%	6.20%	353
Sugat Group	Food	104	350	1.00%	2.14%	345
Michpal Technologies	IT Services	87	309	6.30%	0.00%	331
Gad Dairies	Commerce	81	271	27.30%	17.48%	338
Pie Siam	Hotel	73	220	9.90%	0.05%	256
Baladi	Commerce	58	255	87.00%	9.06%	449
Megido	Construction	53	203	69.60%	29.64%	332
Delek Properties	Investment Properties in Israel	50	241	8.90%	8.43%	264
Eldan Transportation	Commerce	46	220	8.10%	12.15%	240
R.P. Optical	Defense	43	198	189.30%	28.63%	631
Sonol Real Estate	Investment Properties in Israel	36	177	10.50%	3.84%	181
Shoval Engineering	Construction	28	123	10.70%	18.99%	137
Elad Software Systems	IT Services	23	107	76.50%	-2.15%	200
City People	Construction	15	73	-42.70%	-6.50%	38
Yesodot Eitanim	Construction	14	21	-16.60%	-20.63%	20
Yaaz Entrepreneurship	Construction	12	69	-19.30%	-2.87%	55
Axon Vision	Defense	12	39	-14.40%	-3.48%	39
Omer	Construction	306	348	16%	11.84%	404
Total		**1,893**	**6,126**			**7,691**

Table 5 // **Outstanding large-scale offerings performed by the seasoned companies**

	Sector	(USD million)
Next Vision	Technology - Defense	**401**
Navitas Petro	Energy and Oil and Gas Exploration	**355**
Ashtrom Group	Real estate and construction - Construction	**174**
Meitav Investment House	Financial services - Financial services	**150**
Amot	Real estate and construction - Investment Properties in Israel	**149**

In addition, **eleven companies** completed a reverse merger, as specified below:

- **Galileo** merged with P.C.S. Global, a non-banking credit company, and changed its name to **Global Pay**. The market capitalization of the merged company at the end of the first trading day was USD 4.34 million.
- **Nextage** merged with **Nextar** (the parent company), developer of a platform for the delivery of drugs across the blood-brain barrier and provider of chemical development services for pharmaceuticals and medical devices.
  The market capitalization of the merged company at the end of the first trading day was USD 23.41 million.
- **Micronet** was merged with **Jeen.ai**, a company engaged in the development and marketing of a generative AI platform, and changed its name to **Jeen Technologies**. The market capitalization of the merged company at the end of the first trading day was USD 23 million.
- **Technoplus Ventures** completed a merger with **Skylock**, a company engaged in the development, manufacturing and sale of technological systems and solutions for intercepting and neutralizing threats for the military-defense sector, and changed its name to **Autonomous**. The market capitalization of the merged company at the end of the first trading day was USD 32 million.
- **Elbit Imaging** completed a merger with **Elbit Residential**, a company engaged in the development and construction of residential projects. The market capitalization of the merged company at the end of the first trading day was USD 28 million.
- **Pharmocann** acquired equity interest in **Coppter**, a water purification company, and changed its name to **Blue Wave.** The market capitalization of the company after the share acquisition was USD 3.47 million.

Israeli investors increased their involvement in the local market: Israeli retail investors demonstrated growing interest in TASE and purchased significant equity holdings totaling USD 4.25 billion.

- **Zooz Power** (dual listing) completed capital raising and began to engage in the acquisition of digital currencies. The market capitalization of the company after the capital raise and the shift in operations was USD 253 million.
- **Themis** acquired the shares of **Mey Eden**. The market capitalization of the merged company at the end of the first trading day was USD 24.85 million.
- **D.N.A.** completed a merger with **Israel Canada Hotels**, which operates in the hotels sector in Israel and overseas. The market capitalization of the merged company at the end of the first trading day was USD 305.5 million.
- **Hodayat Haaretz** completed a merger with **Abou Family Residence**, a company engaged in investment properties in Israel. The market capitalization of the merged company at the end of the first trading day was USD 78 million.
- **Cannabotech** completed a merger with **Psyrex**, a developer of anti-depressants. The market capitalization of the merged company at the end of the first trading day was USD 2.6 million.

Conversely, twelve companies have been **delisted** from TASE in 2025, as specified below:

- Six companies were merged and delisted: Endymed was merged into Juva Med, QuickLizard completed a reverse triangular merger with Riverwood, Value Capital merged with R.G.A., Z.M.H Hammerman merged with Azrieli, Eldav Investments merged with a company owned by the controlling shareholder, and Kadimastem merged with NLS (a foreign company traded in the United States).
- Four companies were acquired in a tender offer by the controlling shareholders - Levinstein Properties, (whose bonds continue to be traded on TASE), Brack N.V., Guideline and Cofix.
- One dual listing voluntarily delisted its shares from TASE only and continues to be traded overseas - the REIT, Creative Media.
- One company was delisted at the end of 48 months of its removal from the main list - Alumut Investments.

The number of TASE-listed: The shares of **546** companies are currently traded on TASE, including 49 dual listings, **as compared to 533 companies traded on TASE** at the end of 2024.

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Bond Market



Bond Market Indices

The Government bond market

The Government bond market was characterized by moderate price gains during the first period, as the Tel-Gov Non-Linked index added 1.5% and the Tel-Gov CPI-Linked index rose by 0.44%. These gains occurred against the backdrop of moderating inflation and a decrease in inflation expectations across various terms, which bolstered expectations for interest-rate reductions. In the second period (18.3–12.6.25), the trend reversed, and yields-to-maturity in the mid-term and long-term increased sharply, particularly in the government linked channel, which led to price reductions in indices comprising mid-term and long-term linked government bonds. The Tel-Gov Shekel 10+ index, which serves as the benchmark for government shekel bonds with the longest duration, fell by 2.1% during this period, while the Tel-Gov CPI-Linked 10+ index, the benchmark for the longest-duration government linked bonds, fell by 4.9%. Conversely, yields-to-maturity in short-term government channels remained stable, and the channel recorded price gains. Starting in mid-June (13.6.25-31.12.25), a broad upward trend was recorded alongside a sharp decrease in yields, expressed in a sharp rally in the long-term bonds - the Tel-Gov Shekel 10+ and Tel-Gov CPI-Linked 10+ indices generated exceptional yields of 10.5% and 10%, respectively. In the annual summary, the government shekel channel presented impressive performance, with its relevant benchmark, the Tel-Gov Shekel, rising by 7.26%. The Tel-Gov CPI-Linked index, the benchmark for the government linked channel, rose by 4.69% this year. Overall, 2025 was a positive year for the government bond market, characterized by a reduction in the risk premium, a decrease in inflation expectations, stabilization of the macroeconomic environment, and a decrease in yields.

The corporate bond market

The corporate bond market saw relative stability in the middle of the year, with narrowing spreads driving the market upward.

Moderate price gains were recorded at the beginning of the year. These moderate gains were supported by a decrease in government bond yields and a gradual narrowing of risk spreads. In the second period, although long-term government bonds recorded sharp price reductions, primarily in the long-term shekel bonds, price reductions in the corporate channel were relatively moderate and remained stable. In the third period, the market enjoyed broad price gains, a decrease in yields, and further narrowing of spreads, leading to increases of 3.5%-7.5% in the leading indices in both the linked and shekel channels. The Tel-Bond Non-Linked and Tel-Bond CPI-Linked indices added 5.2% and 5.3%, respectively. Thereby, the corporate market continues to reflect a moderate risk environment, high demand from investors, and expectations for a continued path of interest-rate reductions.

The Tel Bond CPI-Linked AA-AAA index and the Tel Bond Shekel AA-AAA index, which serve as an accepted benchmark for investment in high-rated corporate bonds (minimum rating of (AA-AAA) by "Maalot" or (Aa1) by "Midroog"), increased this year by an average rate of 6.76% and 7.36%, respectively, whereas lower-rated bonds increased at a slightly lower rate, as the Tel Bond CPI-Linked A index rose by 5.98% and the Tel Bond Shekel Yield index increased by 5%.

The total debt raised through structured bonds this year came to USD 7.8 billion, similar to the previous year. The substantial volume of offerings continues to accommodate the demand for a solid investment channel under conditions of uncertainty and a high-interest environment.

Yield of 10-year government bonds: sharp decline in yields

At the beginning of the year, the yield-to-maturity of 10-year government bonds stood at 4.46%, subsequently decreasing to 4.3% during March. Following the outbreak of the campaign against Iran, the yield jumped to 4.6%, but stabilized and decreased to 4.1% toward the end of the campaign. In the second half of the year, the yield on the Israeli 10-year government shekel bonds settled at a lower level than the corresponding U.S. 10-year Treasury bonds, concluding the year at 3.96% compared to the 4.13% yield of its U.S. counterpart.

This "roller coaster" in the 10-year government bond yield and its positive conclusion reflected the geopolitical and economic changes Israel experienced during the year.

The government shekel bonds index increased by 7.3% this year, and the linked government bonds index increased by 4.7%. The corporate shekel bonds and linked corporate bonds indices increased by 6.5% this year. Consequently, the gap between the returns of the linked corporate bonds and the linked government bonds narrowed.

Table 6 // **Rate of Return of the Indices (%) and Market Capitalization of the Corporate Bonds**

	1.1.2025-17.3.2025	18.3.2025-12.6.2025	13.6.2025-19.12.2025	2025	7.10.2023-31.12.2025
CPI-linked bonds					
Tel Bond-20 CPI Linked index	1	-0.37	6.00	**7.09**	15.13
Tel Bond-40 CPI Linked index	0.92	0.19	4.68	**6.21**	15.04
Tel Bond-60 CPI Linked index	0.93	-0.05	5.30	**6.64**	15.13
Tel Bond Yields CPI Linked index	1	0.86	3.60	**5.86**	19.38
Shekel bonds					
Tel Bond Shekel index	1.32	-0.14	4.93	**6.51**	16.95
Tel Bond Shekel-Yield index	1.31	-0.51	3.81	**5.01**	17.33
****Tel Bond Shekel 5-10 index**	1.8	-0.35	7.48	**8.27**	-20.54
Tel Bond-Shekel A index	1.27	-0.38	4.40	**5.68**	17.09
Currency-linked bonds					
All-Bond Dollar index	1.83	-1.47	-6.64	**-6.31**	-4.83
Total market capitalization of the corporate bonds*				**$169B**	

* Excluding TASE UP bonds and financial instruments.
* The index was launched in March 2024.

From the beginning of the year until the breakout of the war with Iran, low yields were recorded in the bond market. After the outbreak of the campaign against Iran, yields surged alongside the decrease in the risk premium, such that most of their appreciation was recorded in the second half of the year, and the year concluded with very substantial yields.

Chart 4 // **Corporate Bonds Market Capitalization**



Table 7 // **Rate of Return of the Indices (%) and Market Capitalization of the Government Bonds**

	1.1.2025-17.3.2025	18.3.2025-12.6.2025	13.6.2025-31.12.2025	2025	7.10.2023-31.12.2025
CPI-linked bonds					
Tel Gov - CPI Linked 0-2	0.61	1.59	1.87	**4.11**	9.80
Tel Gov - CPI Linked 2-5	0.40	0.46	3.53	**4.41**	9.94
Tel Gov - CPI Linked 5-10	0.75	-1.53	6.19	**5.35**	9.95
Tel Gov - CPI Linked 10+	0.25	-4.91	9.94	**4.81**	4.52
Tel Gov - CPI Linked	0.44	-1.55	5.87	**4.49**	7.59
Shekel bonds					
Tel Gov - Shekel 0-2	0.93	0.80	2.63	**4.41**	10.10
Tel Gov - Shekel 2-5	1.24	0.22	4.27	**5.79**	11.74
Tel Gov - Shekel 5-10	1.54	-0.6	7.18	**8.18**	14.26
Tel Gov - Shekel 10+	2.45	-2.13	10.59	**10.89**	13.81

Trading Volumes in Bonds and M.K.M

Table 8 // **Average Daily Trading Volumes in the Bond Market (NIS million)**

	% change in 2025 VS 2024	2025	% change in 2024 VS 2023	2024	2023
Government bonds	4.6%	**946**	15%	904	787
Corporate bonds including ETFs	17%	**340**	6%	291	275
Corporate bonds excluding ETFs*	20%	**316**	8%	263	244
M.K.M	15%	**441**	1.5%	384	378

* Includes structured bonds.

The average daily trading volume of government bonds totaled USD 0.95 billion in 2025.

The average daily trading volume of corporate bonds (including structured bonds and ETFs) totaled an average daily USD **0.34** billion in 2025, **17%** greater than the average daily trading volume in 2024.

The average daily trading volume of government bonds totaled USD 0.93 billion this year, similar to the volume in 2024, as the trading volumes shifted across the various investment channels. Israeli retail investors and long-term institutional investors purchased government bonds, whereas foreign investors reduced their holdings in this sector.

Debt Raising in the Bond Market

The bond market - a significant channel for government and corporate debt raising

In 2025, debt raised by the business sector on the bond market (excluding structured bonds) totaled USD 46.24 billion, compared to USD 26.1 billion raised in 2024, representing growth of 70%.

Most of the debt raised in 2025 was raised by the **banks and the real estate companies**, similarly to the trend in recent years.

The volume of debt raised by the banks in 2025 totaled NIS 53.6 billion, compared to a total of USD 6.47 billion raised in 2024, an increase representing growth of 140%.

The volume of debt raised by real estate companies in 2025 totaled NIS 56.2 billion, compared to a total of NIS 43.1 billion raised in 2024, an increase representing 30% growth. Of this amount, a total of NIS 4.6 billion was raised by 22 new real estate companies that joined TASE and completed debt IPOs.

Additional characteristics of the debt raised through corporate bonds from the public in 2025

Rating - The weight of debt raised through bonds rated "A" and above constituted 81% of the total debt raised, and the weight of debt raised through bonds with a lower rating or no rating stood at 19% of the total amount of debt raised. The rated companies were able to raise more substantial amounts than the non-rated companies.

Linkage type - An amount of USD 23.85 billion, representing 60% of the total amount raised from the public, was raised through shekel bonds, an amount of USD 15.72 billion, representing 39% of the total amount raised from the public was raised through CPI-linked bonds, and an amount of USD 0.375 billion, representing 1% of the total amount raised from the public, was raised through dollar-linked bonds.

In the corporate bond market, a record year was recorded in the total volume of debt raising came to USD 48 billion. 26 new bond companies completed debt IPOs in a combined amount of NIS 6.3 billion.

In addition, in 2025, USD 7.8 billion was raised in offerings of structured bonds backed by bank deposits, similarly to the amount raised last year. This substantial volume of offerings was designed to accommodate the demand for a solid investment channel in the currently prevailing uncertainty. This year's issuers included **4 new companies: Aviad Deposits, Sapir Deposits, Pi Plus and Harel Interests**, which to date have raised a combined amount of USD 3.5 billion.

The issued bonds bear variable rate with a margin of 0.14%-0.22% above the Bank of Israel interest rate, which is currently 4.25%.

This year saw a steep rise in amounts raised in offerings of commercial paper (variable-rate), this concurrently with and in response to the strong demand for money market funds, a solid and short-term investment at a time of uncertainty. An amount of USD 7.05 billion was raised through commercial paper during the year, of which USD 5.23 billion was raised by the banks, as detailed above. This, compared to a total of USD 2.89 billion raised in 2024, and USD 1.79 billion raised by the banks in 2024.

Table 9 // **Bond Market: Leading Issuer by Sector (In the Secondary Market)**

Sector	Company	Amount raised (USD Billion)
Banking	Leumi	**4.54**
Insurance	The Phoenix	**0.87**
Real estate and construction	Azrieli Group	**0.722**
Energy and Oil and Gas Exploration	Delek Group	**0.61**
Commerce and services	Albar	**0.32**

Twenty-six companies completed debt IPOs, raising a combined amount of USD **1.83** billion, as detailed in the table below:

Table 10 // **Bond Market: The New Companies**

	Amount raised (USD million)	Sector
Amtrust (foreign)	225.43	Investment Properties Abroad
Simad (foreign)	176.6	Hotels and Tourism
Agellan (foreign)	164.7	Investment Properties Abroad
Peakhill (foreign)	163	Non-Banking Credit
American Equity (foreign)	152	Investment Properties Abroad
Castellan Real Estate	127	Non-Banking Credit
Netz USA (foreign)	92	Investment Properties Abroad
Lanterra Canada (foreign)	73	Investment Properties Abroad
Ista Assets	62	Investment Properties in Israel
Reisdor	57.8	Construction
Destiny	57	Investment Properties in Israel
BSR Engineering	52.31	Construction
Sonol Real Estate	52	Investment Properties in Israel
Gabay Group	43	Construction
Penthouse	41.33	Hotels and Tourism
GT Real Estate	38.15	Construction
Megido	35.55	Construction
Liam Harish	33.24	Construction
Satelle (foreign)	31.5	Investment Properties Abroad
Kata Group	30	Construction
Living Stone	29	Investment Properties Abroad
Almog Holding	26	Construction
Urban Brand	20.9	Construction
Ofek Group	18.5	Construction
Prashkovsky Group	17.34	Construction
Yozmot - Real Estate Development	14.3	Construction
Total	**1,834**	

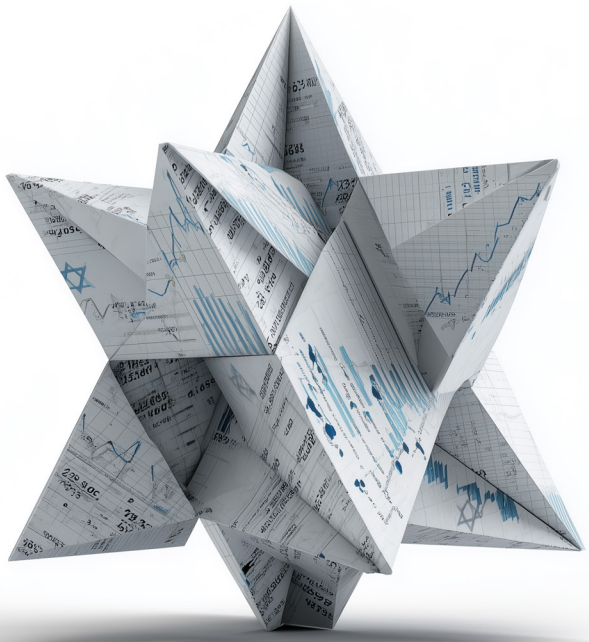
Due to the security situation, since the breakout of the war, the Ministry of Finance has significantly increased bond issuances on TASE and on the global markets, and in March carried out an issuance of dollar bonds on the international markets in an amount of US$ 8 billion, achieving the highest demands in the history of the State of Israel, which came to US$ 38 billion. In this issuance, bonds were issued for various terms along the yield curve to reduce financing costs, and the demand for the issuance constitutes support for Israel and a vote of confidence in the Israeli economy.

In the local market, debt raised **in offerings of bonds by the Ministry of Finance** totaled USD 39.6 billion this year, a lower volume than the total debt of USD 50.27 billion raised in 2024, and compared to USD 23.44 billion raised in 2023.

From the beginning of the year until the breakout of the war with Iran, low yields were recorded in the bond market. After the outbreak of the campaign against Iran, yields surged alongside the decrease in the risk premium, such that most of their appreciation was recorded in the second half of the year, and the year concluded with very substantial yields.

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Activity Trends in 2025

In 2025, a clear preference for investing in the local market was evident, along with a sharp decrease in demand for international indices.

Indices' investment data show a shift in investment preferences in 2025 compared to previous years. The sharp price gains in local share indices and the outperformance of the local exchange led to an increase in investments in the local market.

On the equity market

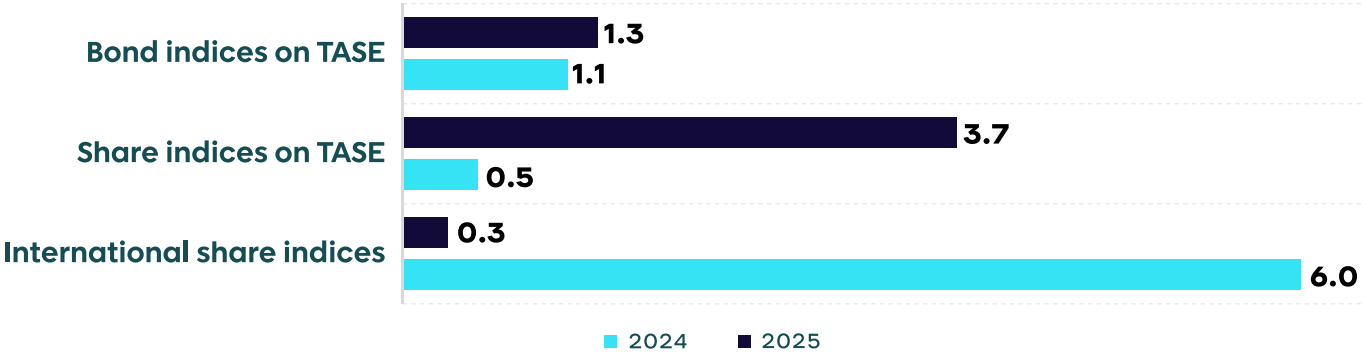
The trend that began in the fourth quarter of the previous year continued, and the data show a significant increase in the infusion of funds into funds tracking TASE share indices, which totaled USD 3.71 billion this year, this alongside a significant decrease in the amounts infused into funds tracking international indices, which totaled only USD 0.1 billion this year.

On the bond market

The public purchased funds on local bond indices throughout the year, but the bulk of the purchases were recorded in the third period after the outbreak of the campaign against Iran, influenced by the attractive returns offered by local bonds in the various investment channels, as well as in light of expectations for interest-rate reductions and a decrease in Israel's risk premium, which are expected to support a decrease in yields and an increase in prices, thereby generating capital gains. At the same time, the public sold funds on international bond indices this year in a relatively negligible volume. In total for 2025, the public infused a net amount of USD 1.54 billion into funds on local bond indices, and sold a net amount of USD 0.08 billion from funds on international bond indices.

The show of confidence in the local capital market was also reflected in the funds (ETFs and open-end mutual funds) tracking local share indices, which recorded net purchases of USD 3.71 billion, mainly of the funds tracking the TA-125 index and the TA-90 index, further to net purchases of USD 0.51 billion in 2024.

Chart 5 // **Investor Activity in Tracking Funds in 2025 VS 2024 (USD billion)**



* Mainly on the NASDAQ 100 index.** Mainly on the TA-90 and TA-125 indices. *** Mainly on CPI-linked Tel Bond indices.

20 new ETFs were listed in 2025:

- **Eight ETFs on international equity indices:** of which two ETFs are on S&P 500 indices, four ETFs on other indices, and two leveraged ETFs - one on the S&P 500 index and the other on the NASDAQ 100 index.
- **Five ETFs on TASE equity indices:** of which one ETF is on the TA-35 index, one ETF on the TA-125 index and three ETFs on sectorial indices.
- **Four ETFs on digital asset indices:** of which three ETFs are on Bitcoin and one ETF on Ethereum.
- **Two ETFs on TASE corporate bond indices:** of which one ETF is on the Tel Bond-60 index and an additional ETF on a broader share index.
- **An ETF on an international bond index:** US Treasury Bonds 10.

Conversely, **20 ETFs were liquidated and delisted** and **7 ETFs were converted into open-end funds**.

To date, 464 ETFs with a combined market capitalization of USD 63.12 billion are **traded on TASE**, as follows:

Table 11 // **Market capitalization of ETFs* (USD billion)**

Type of fund	Number of ETFs	Public Holdings
Shares in TA	74	**28.32**
Shares abroad/digital assets	255	**24.45**
Bonds in TA	120	**9.19**
Bonds abroad /commodities	18	**0.37**
Total	**467**	**62.34**

* Excluding foreign ETFs.

The combined market capitalization of the ETFs amounts to USD **62.34** billion at years' end – USD **16.95** billion greater than the market capitalization at the end of December 2024, which stood at USD 45.4 billion. **This represents 37% growth**.

To date, **40 foreign ETFs** are traded on TASE concurrently with their trading abroad: **23** foreign ETFs managed by Blackrock, and **17** foreign ETFs managed by Invesco. The market capitalization of those ETFs is USD **5.78** billion - USD **1.94** billion greater than the market capitalization at the end of 2024, which stood at USD 3.81 billion.

In active funds - the increase in fund infusions into funds investing in shares on TASE and in funds investing in bonds on TASE was notable, alongside significant infusions into money market funds, though at lower volumes than in previous years. In 2025, the volume of infusions into money market funds

In the funds tracking international share indices, net purchases of USD 0.15 billion were recorded, mainly of the funds tracking the NASDAQ 100 index. This represents a significantly lower volume of purchases than the amounts infused in 2023 and 2024, which totaled USD 4.75 billion and USD 6.04 billion, respectively.

In the funds tracking local bond indices, purchases continued and totaled USD NIS 1.39 billion, primarily of funds tracking shekel Tel-Bond mid-to-long term indices, following purchases of USD 1.13 billion in 2024.

totaled USD **6.9** billion, further to infusions of USD 9.78 billion performed in 2024, and infusions of USD 9.46 billion performed in 2023. The continued high volume of investments highlights investor preference for solid and liquid instruments on the backdrop of the persisting high-interest environment; however, the decrease in the level of economic and security uncertainty led to a moderation in the pace of infusions into money market funds, indicating renewed confidence in the markets and a controlled transition to higher-risk assets.

Overall in 2025, active funds investing in shares on TASE saw infusions of USD **1.36** billion, after infusions of only USD 0.27 billion in the previous year.

Active funds investing in shares abroad received negligible infusions of USD **0.02** billion this year, slightly lower than the USD 0.21 billion infused into these funds in 2024.

In the money market funds - the public continued to infuse a significant volume of funds totaling USD 6.9 billion this year, as the geopolitical uncertainty throughout most of the year, alongside the high-interest environment, supported the continuation of this trend, albeit at a lower volume relative to the previous year.

Active funds investing in bonds in Israel saw infusions of USD **6.18** billion this year, as compared to USD 1.13 billion infused in to these funds in 2024.

Active funds investing in bonds abroad recorded redemptions of USD **0.23** billion this year, as compared to infusions amounting to USD 0.95 billion in the previous year.

In the active funds investing in shares on TASE and in the active funds investing in bonds on TASE, the purchasing trend continued this year, with the public infusing USD 1.36 billion into the local equity channel and USD 6.19 billion into the local bond channel. In contrast, in the active funds investing in shares abroad, net activity totaled a negligible volume of infusions, and USD 0.23 billion was withdrawn from funds investing in bonds abroad.

Mutual Hedge Funds

Demand for mutual hedge funds increased this year, inter alia, due to the desire of investors to incorporate an alternative channel into their portfolios, which operates under investment strategies existing in the traditional hedge fund world, for any investment amount (with no minimum), and under the full supervision of the Israel Securities Authority.

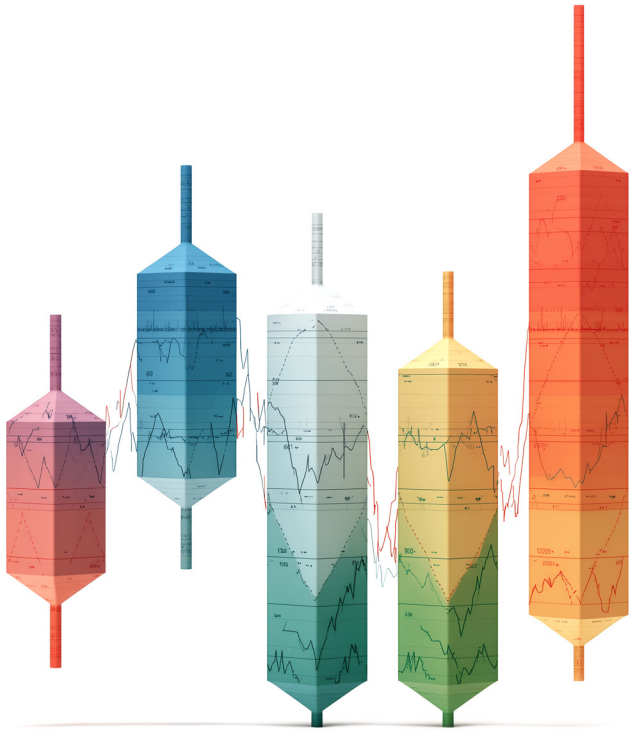
These funds were launched in 2023, as part of the Israel Securities Authority's efforts to upgrade the public capital market by enhancing competition and initiating the development of new products. Investment activities (both purchase and sale) are performed simply through the Clearing House members' distribution system.

The growth in the volume of managed assets takes place against the backdrop of the public's ongoing shift to assets under hedged active management and mutual fund managers' increasing interest in the product, which allows them to charge carried interest in addition to the management fees.

6 mutual hedge funds are currently listed at the TASE Clearing House, with AUM of USD 1.16 billion, as compared to 33 mutual hedge funds listed at the end of 2024 with AUM of USD 0.29 billion.

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Other Markets



Central Bank T-Bills (M.K.M)

The average daily turnover of M.K.M totaled USD 0.4 billion in 2025, as compared to NIS 0.37 billion in 2024, an increase of **8.1%**.

The Bank of Israel reduced M.K.M purchases, which totaled USD 120 billion this year, as compared to USD 144 billion in 2024. M.K.M offerings accommodate the public's demand for this solid channel of investment, a demand that was later reflected in the massive infusion of funds into the money market funds.

The Bank of Israel reduced M.K.M purchases, which totaled USD 120 billion this year, as compared to USD 144 billion in 2024

In addition, M.K.M offerings are a key monetary tool employed by the Bank of Israel in managing the monetary policy and is used to manage the money supply in the economy and to set short-term interest rates.

According to the data of TASE, the Israeli public purchased M.K.M in an amount of USD 20.55 billion in 2025, of which USD 12.83 billion was purchased in the third period (13.6-19.12), as compared to purchases in an amount of USD 17 billion in 2024. Long-term institutional investors purchased M.K.M in an amount of USD 2.8 billion - while in the first and second periods of the year they sold M.K.M in a volume of USD 0.4 billion, in the third period of the year they purchased M.K.M in a volume of USD 3.2 billion. Conversely, and similarly to last year, foreign investors sold a net volume of USD 2.02 billion in M.K.M - while in the first and second periods they purchased M.K.M in a volume of USD 0.86 billion, in the third period of the year they sold M.K.M in a volume of USD 2.89 billion.

Derivatives Market

Options and futures

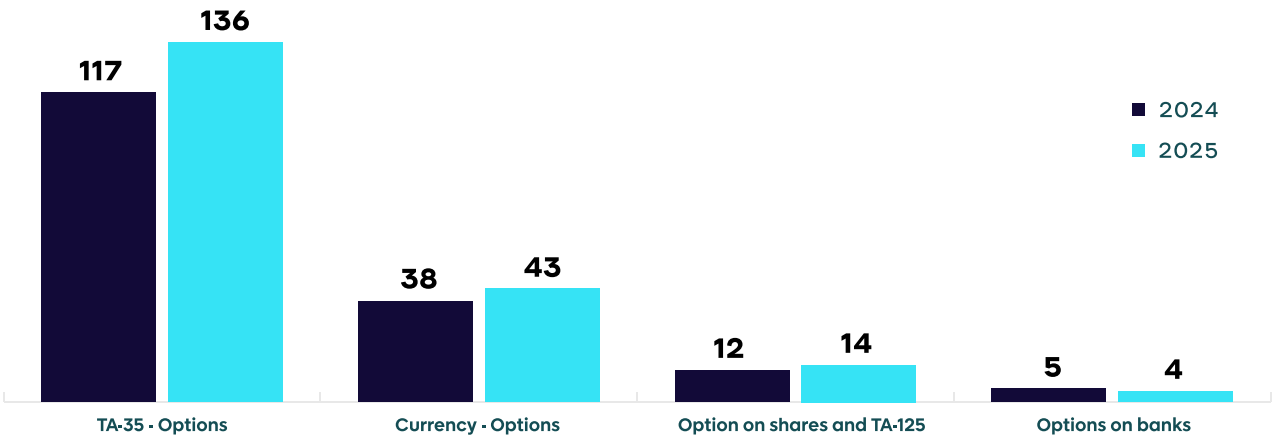
TASE continues to develop the derivatives market - within this framework, in the past year, an ongoing trend of increasing activity volumes was recorded in options and futures on TASE share indices. This trend reflects the strengthening of the local derivatives market and the adoption of the product among capital market players, not only in terms of volume but also in terms of a broader dispersion across various underlying assets. In September 2024, futures were launched on three leading share indices - the TA-35 index, the TA-90 index and the TA-Banks5 index. Futures offer many advantages in risk hedging, protection of investment portfolios, financial leveraging and maintaining liquidity levels. Concurrently with the launch of the futures, TASE also appointed a primary dealer to ensure the stability of selling and buying prices in continuous trading, thereby offering the investors a more efficient futures' trading experience and pricing.

In 2025, an increase of 16% was recorded in the trading volumes of options on the TA-35 index, from a daily average of 118 thousand contracts in 2024 to 136 thousand contracts in 2025, as well as an increase of 10% in foreign currency options trading (primarily USD), from 38 thousand contracts per day to 42 thousand contracts per day. Concurrently, the high yields in the equity market and the growing interest of investors contributed to the stability of the average daily trading volume in options on the TA-125 index, the TA-Banks index, and on shares, which remained almost unchanged this year.

The increase in overall trading volumes in the derivatives market began in June 2024, after a new series of weekly options on the TA-35 index expiring on Sundays was launched in March, joining the two existing series that expire on Tuesdays and Thursdays. Additionally, at the beginning of June, the underlying asset multiplier of derivatives on the TA-35, TA-125, and TA-Banks indices was changed, as was the multiplier for foreign currency derivatives. Alongside the reduction of the multipliers, the Volume Rebate program was launched, which is designed to enhance liquidity in derivatives on the TA-35 index.

The growing interest is also explained by the advantages inherent in these instruments: futures and options provide investors with an efficient tool for risk hedging, optimization of investment portfolio management, improved liquidity, and greater flexibility in timing and exposure to the equity market. These are essential products that enable dynamic asset management and advanced strategy-based activity, a process that deepens the use of derivative instruments as an integral part of trading on TASE.

Chart 6 // **Average Trading Volumes in the Derivatives Market, by period (contract thousands)**



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