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In case of any discrepancy, the Hebrew version prevails.

בנק הפועלים בע"מ

Bank Hapoalim B.M.

Number with the Registrar: 520000118

To: Israel Securities Authority
www.isa.gov.il

To: Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Tav 125 Transmitted via Magna: April 29, 2025
(Public) Reference: 2025-01-030517

**Immediate Report on the Rating of Debt Certificates / Rating of a Corporation
or Discontinuation of Rating**

On April 29, 2025, Other – Moody's published:

- ☒ A rating report/notice *Up to date*
☐ Notice of discontinuation of rating

1. Rating report or notice

☒ Rating of the corporation: Other – Moody's: Baa1/P-2 _____ negative

Notes/nature of the notice: *Rating affirmation* _____

Rating history for the 3 years preceding the date of the rating/notice:

Date	Subject of the rating	Rating	Notes/nature of the notice
07/10/2024	Bank Hapoalim B.M.	Other Moody's Baa1/P-2 Negative _____	Other Supplementary report to the report of Oct. 1, 2024
01/10/2024	Bank Hapoalim B.M.	Other Moody's Baa1/P-2 Negative _____	Rating downgrade _____
03/09/2024	Bank Hapoalim B.M.	Other Moody's A3/P-2 Negative _____	Rating affirmation _____
15/02/2024	Bank Hapoalim B.M.	Other Moody's A3/P-2 Negative _____	Other Supplementary report to the report of Feb. 13, 2024
13/02/2024	Bank Hapoalim B.M.	Other Moody's A3/P-2 Negative _____	Rating downgrade _____
30/10/2023	Bank Hapoalim B.M.	Other Moody's A2/P-1 None/NOO _____	Other Supplementary report to the report of Oct. 24, 2023

24/10/2023	Bank Hapoalim B.M.	Other Moody's A2/P-1 None/NOO _____	Watch list (negative) / ratings watch (negative)
20/09/2023	Bank Hapoalim B.M.	Other Moody's A2/P-1 Stable _____	Rating affirmation _____
06/02/2023	Bank Hapoalim B.M.	Other Moody's A2/P-1 Stable _____	Rating affirmation _____
26/07/2022	Bank Hapoalim B.M.	Other Moody's A2/P-1 Stable _____	Rating affirmation _____

Explanation: Under the rating history only the rating history of the rating company referred to in the Immediate Report should be specified.

☐ Rating of the corporation's debt certificates:

Name and type of security	Number of the security on the stock exchange	Rating company	Present rating	Notes/nature of the notice
_____	_____	_____ _____	_____ _____	_____ _____

Rating history for the 3 years preceding the rating date/notice:

Name and type of security	Number of the security on the stock exchange	Date	Type of rated security	Rating	Notes/nature of the notice
_____	_____	_____	_____	_____ _____	_____ _____

Explanation: Under the rating history only the rating history of the rating company referred to in the Immediate Report should be specified.

Attached hereto is the rating report: [Bank-Hapoalim_29Apr2025_isa.pdf](#)

2. On (date) _____, _____ gave notice of discontinuation of rating of: _____

Particulars of the signatories authorized to sign on behalf of the corporation:

	Name of signatory	Position
1	Ram Gev	Other Chief Financial Officer
2	Tamar Koblenz	Other Head of Investor Relations

Explanation: According to Regulation 5 of the Periodic and Immediate Reports Regulations (5730-1970), a report filed pursuant to these regulations should be signed by the persons authorized to sign on behalf of the corporation. A staff position on this subject can be found on the ISA website: [Click here.](#)

Note:

Moody's has affirmed the long-term rating of the bank, at Baa1 with a negative outlook, and the short-term rating of the bank at P-2.

Signed on April 29, 2025

Reference numbers of previous documents on the subject (any citation made does not constitute inclusion by way of reference):

Date on which the structure of the form was updated: August 6, 2024

Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Abbreviated name: Poalim

Address: Rothschild Blvd. 50, Tel Aviv 6688314

Telephone: 03-567-3800

Fax: 03-567-4576

Email: gilad.bloch@poalim.co.il

Company website: <http://www.bankhapoalim.co.il>

Previous names of reporting entity :

Name of electronic reporter: Bloch Gilad

Position: Secretary of the Bank

Name of employing company:

Address: Yehuda Halevy 63, Tel Aviv- Jaffa 6578109

Telephone: 03-567-3800

Fax: 03-567-4576

Email: gilad.bloch@poalim.co.il

CREDIT OPINION

29 April 2025

Update



Send Your Feedback

RATINGS

Bank Hapoalim B.M.

Domicile	Tel Aviv, Israel
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Negative

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Bank Hapoalim B.M.

Update to credit analysis

Summary

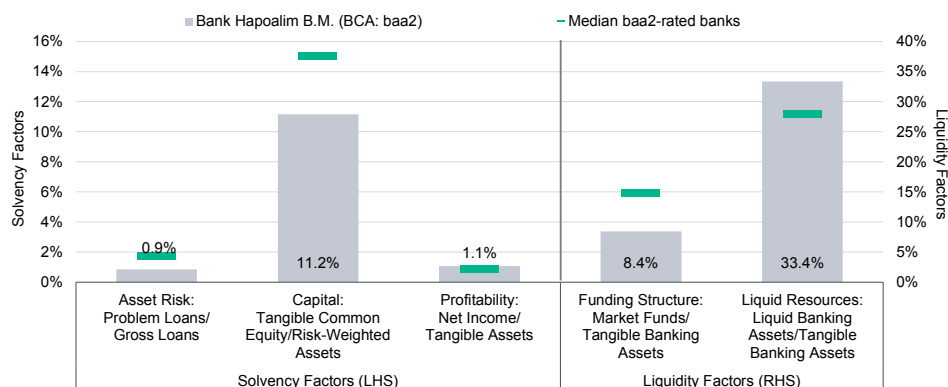
[Bank Hapoalim B.M.](#) (Bank Hapoalim)'s Baa1 long-term deposit ratings reflect the bank's baa2 Baseline Credit Assessment (BCA) and one notch of rating uplift from our assessment of a very high likelihood of support from the [Government of Israel](#) (Baa1 negative), in case of need.

Bank Hapoalim's baa2 standalone BCA reflects its strong deposit-based funding structure, sound liquidity, and low levels of problem loans and contained credit losses over past economic cycles.

High geopolitical risks are captured in the BCA and the negative rating outlook. The BCA also reflects additional downside risks from a significant exposure concentration to the Israeli property market. Capitalisation is moderate, although below similarly-rated international peers, but has been consistently stable and reflects the Bank of Israel's (BoI) conservative risk weights that also drive stronger leverage.

Exhibit 1

Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset Risk and Profitability reflect the weaker of either the latest figure or the three-year and latest figure average. Capital is the latest reported figure. Funding Structure and Liquid Resources reflect the latest fiscal year-end figures.

Source: Moody's Ratings

Credit strengths

- » Strong retail deposit-based funding structure and sound liquidity
- » Solid loan quality, with contained single-borrower concentrations
- » Very high likelihood of government support, in case of need, underpins the deposit ratings

Credit challenges

- » High geopolitical risks
- » Large exposure concentration to Israel's property market is also a tail risk

Outlook

The negative outlook on the bank's long-term deposit ratings captures both the negative outlook on the Government of Israel's rating and therefore the potential further weakening of the sovereign's capacity to provide support, together with the risk that the bank's standalone fundamentals may be more severely and sustainably affected because of weaker economic growth and investment climate, and a more adverse impact from the conflict on key sectors and individual borrowers.

Factors that could lead to an upgrade

- » There is a limited scope for an upgrade of the bank's deposit ratings given the negative outlook. We could stabilise the outlook on the bank's ratings in case the outlook on the sovereign rating changes to stable and downside risks for the economy and the bank subside.

Factors that could lead to a downgrade

- » Bank Hapoalim's long-term deposit ratings could be downgraded if the sovereign rating, or if its standalone BCA is downgraded by more than one notch.
- » The bank's BCA could be downgraded in case of a severe escalation of the conflict and/or an adverse and long-term impact on the economy, or if the bank's performance proves more volatile than in previous conflicts and economic crises.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Bank Hapoalim B.M. (Consolidated Financials) [1]

	12-24 ²	12-23 ²	12-22 ²	12-21 ²	12-20 ²	CAGR/Avg. ³
Total Assets (ILS Million)	720,844.0	686,530.0	665,353.0	638,781.0	539,602.0	7.5 ⁴
Total Assets (USD Million)	197,835.7	190,655.1	188,565.4	205,716.6	168,058.4	4.2 ⁴
Tangible Common Equity (ILS Million)	58,446.0	53,429.0	48,359.0	42,632.0	39,363.8	10.4 ⁴
Tangible Common Equity (USD Million)	16,040.5	14,837.7	13,705.3	13,729.4	12,259.8	7.0 ⁴
Problem Loans / Gross Loans (%)	0.6	1.1	0.9	1.2	1.5	1.1 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	11.2	11.8	11.3	10.7	11.0	11.2 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	4.3	7.3	6.5	9.0	10.3	7.5 ⁵
Net Interest Margin (%)	2.5	2.4	2.1	1.7	1.8	2.1 ⁵
PPI / Average RWA (%)	2.9	3.0	2.5	1.8	1.7	2.4 ⁶
Net Income / Tangible Assets (%)	1.1	1.1	1.0	0.8	0.4	0.9 ⁵
Cost / Income Ratio (%)	37.0	37.1	43.2	52.6	54.6	44.9 ⁵
Market Funds / Tangible Banking Assets (%)	8.4	7.7	8.8	6.8	6.5	7.7 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	33.4	34.8	35.7	40.3	38.6	36.6 ⁵
Gross Loans / Due to Customers (%)	78.6	75.0	74.0	68.4	71.1	73.4 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

Bank Hapoalim provides banking and other financial services to households, small businesses, middle-market companies and large corporate customers mainly in Israel. Internationally, Bank Hapoalim's New York branch focuses on providing commercial banking services in North America to local middle-market customers and Israeli companies that are active abroad.

As of the end of 2024, Bank Hapoalim had total assets of NIS721 billion (\$198 billion). The bank ranked second-largest in Israel with a market share of 27% in terms of total system assets as of the end of 2024.

Following the divestment by Arison Group of part of its stake in Bank Hapoalim in late 2018, the bank does not have a controlling shareholder. The bank's common stock trades on the Tel Aviv Stock Exchange (ticker: POLI).

Source of facts and figures cited in this report

Unless noted otherwise, we have sourced data relating to systemwide trends and market shares from the central bank. Bank-specific figures originate from the banks' reports and are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to [Financial Statement Adjustments in the Analysis of Financial Institutions](#) published on 8 April 2024. We do not use the Bank of Israel's exchange rates in converting figures from Israeli shekel into US dollars, so US dollar figures may differ from bank-reported figures.

Recent developments

Alongside its full-year 2024 financial results, Bank Hapoalim disclosed its strategic plan for 2025-2028. The bank's financial targets for 2025-2026 include a return on equity of 14%-15%, a net profit of NIS8.5-9.5 billion (compared to NIS7.6 billion in 2024¹), annual credit growth of 7% and profit distribution of at least 50%, subject to the Bol's guidelines.

Detailed credit considerations

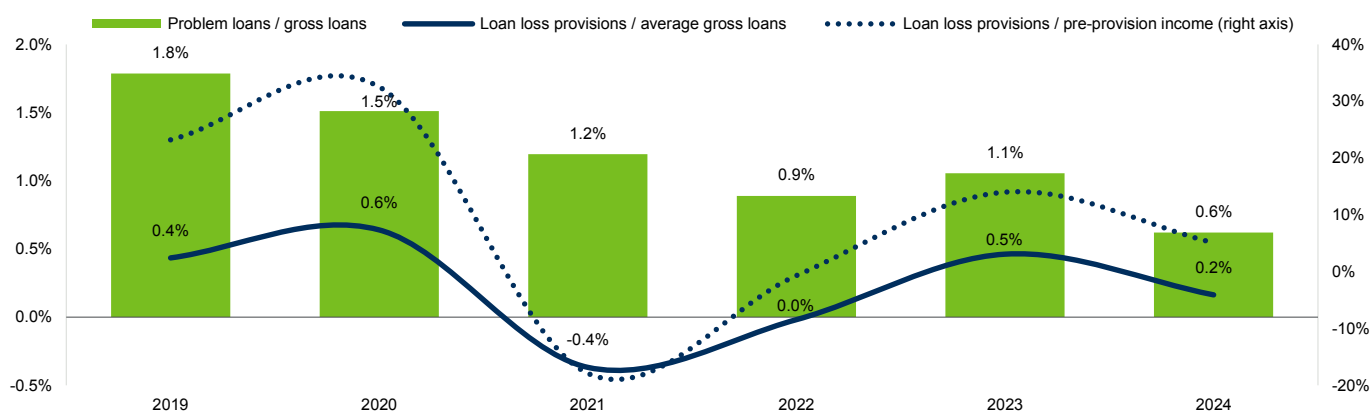
Solid loan quality; geopolitical tensions and large exposure concentration to Israel's property market are key risks

Bank Hapoalim's asset quality is solid, with a low level of problem loans currently and contained credit losses over past economic cycles, with the bank's cost of risk averaging 0.4% in the period 2006-2018 (before the pandemic). There are also limited single-borrower concentrations (with only one exposure exceeding 15% of its capital as of the end of 2024) and relatively conservative underwriting supported by proactive oversight by the Bol.

Therefore, in the absence of more adverse geopolitical developments [we expect](#) loan quality to remain strong as the Israeli economy recovers. However, heightened geopolitical tensions remain a key source of risk to the economy and the bank's performance. Similarly to other Israeli banks, the bank's significant exposure to [Israel's property market](#) is also a downside risk for its asset quality. These drivers are reflected in our Asset Risk score.

Bank Hapoalim's problem loans (defined as non-accruing loans and accruing loans that are more than 90 days overdue) to gross loans declined to 0.6% as of the end of 2024 (see Exhibit 3). Loan quality was resilient despite the military conflict, following measures taken by the authorities and the bank to shield vulnerable households and businesses. Credit costs (loan loss provision expenses to average gross loans) declined to 0.2% in 2024, from 0.5% in 2023, reflecting ongoing build up of collective provisions and specific provision recoveries on a small number of borrowers. Since 2023, the bank has built up collective provisions to reflect the conflict-related uncertainty.

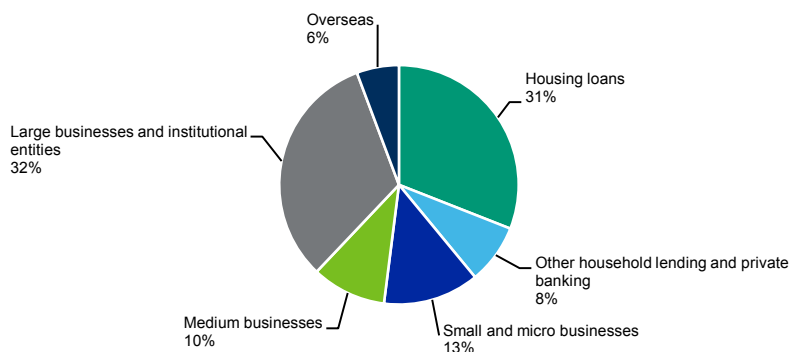
Exhibit 3

Bank Hapoalim's asset quality has been solid**Evolution of problem loans ratio and annualised credit costs**

Source: Moody's Ratings

In terms of the bank's loan book, relatively low-risk residential mortgages accounted for 31% of total (average loan-to-value of 46% calculated at the time of disbursement), while medium and large businesses (including institutional entities) for 42% as of the end of 2024 (see Exhibit 4). The bank's exposure to small businesses (regulatory definition²) and other retail and consumer loans in Israel were 13% and 8% of total gross loans respectively as of the end of 2024. Loan growth (mainly in the corporate segment and to a lesser extent housing loans) remained strong at 9% in 2024 (2023: 5%; 2022: 10%), driving some unseasoned risk.

Exhibit 4

Bank Hapoalim's loan book is diversified by segment**Loan book breakdown as of the end of 2024 (supervisory operating segments)**

Source: Bank's financial results

Sector concentration to real estate is high, which exposes the bank to the risk of weaker activity in the sector, as well as the risk of a sharp property price correction³. Beyond mortgages, lending to the construction and real estate sector made up 21% of Bank Hapoalim's gross loans as of the end of 2024 and the bank's exposure grew by 9% in 2024. However, residential projects made up the bulk, 53% of total credit risk⁴ in the corporate division's total credit, where risk is mitigated by close oversight of closed residential construction. Also, underwriting criteria are relatively conservative with projects able to absorb a substantial drop in prices.

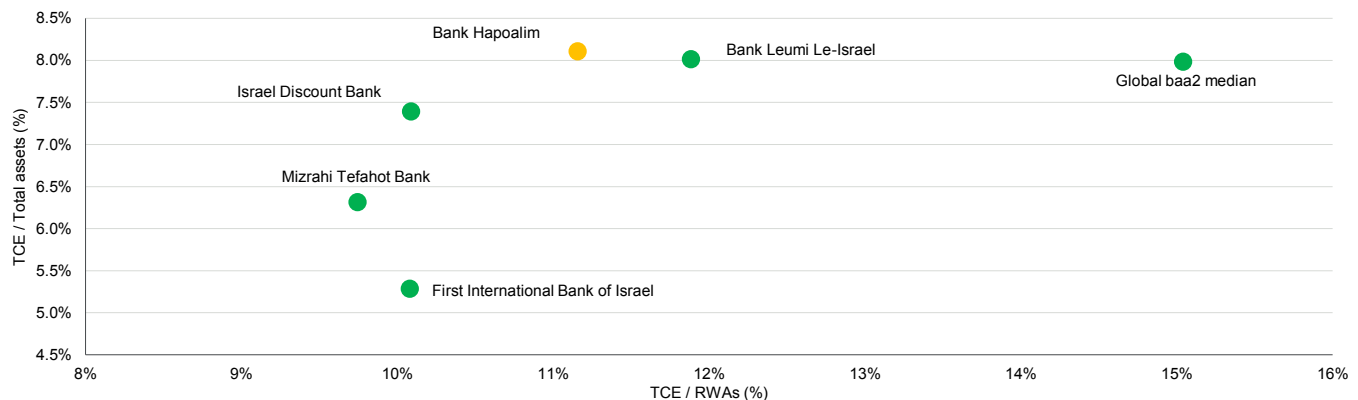
Moderate risk-weighted capitalisation, although below global peers, but with a stronger leverage ratio

Bank Hapoalim's capitalisation is moderate. Although risk-weighted capital metrics are below global peers, the bank's loss-absorption buffers are supported by the use of the standardised approach and conservative regulatory risk-weights that result in higher loss-absorption buffers and drive stronger leverage. For example, mortgages are risk-weighted according to their loan-to-value, resulting in an average risk weight of over 50% in Israel, which is higher than the 35% risk weight normally used in the standardised approach. The bank's capital ratios are also significantly more stable compared to banks globally that use a model based approach in calculating credit risk-weighted assets (RWAs).

Bank Hapoalim's tangible common equity (TCE)/RWAs ratio was 11.2% as of the end of 2024, below the global peer median (see Exhibit 5). The bank's TCE-to-total assets ratio was 8.1% as of the end of 2024 and compares favourably with international peers. The reported Basel leverage ratio was 7.2% as of the end of 2024, above the 5.5% minimum regulatory requirement that applied at that time.

Exhibit 5

Bank Hapoalim's risk-weighted capitalisation is lower than global peers, but leverage is in line with peers driven by conservative risk weights
Risk-weighted capitalisation and leverage of Israeli banks and the global median as of December 2024



Source: Moody's Ratings

Bank Hapoalim also reported a Common Equity Tier 1 (CET1) ratio of 11.8% as of the end of 2024, substantially exceeding the 10.2% minimum regulatory requirement and the bank's own internal target of 10.5%.

Similarly to other periods of high volatility and in line with the BoI's guidance to maintain higher buffers during periods of uncertainty, Bank Hapoalim lowered earnings distributions in the last two quarters of 2023, building up its capital buffers. Following a review of capital ratios, the bank increased earnings distributions including dividends and a buyback of shares to 40% of net profits in recent quarters.

Through adjustments in earnings distributions and RWAs management, Bank Hapoalim has demonstrated its ability to maintain steady capital ratios over time.

Profitability is moderate and underpinned by revenue growth potential and cost discipline

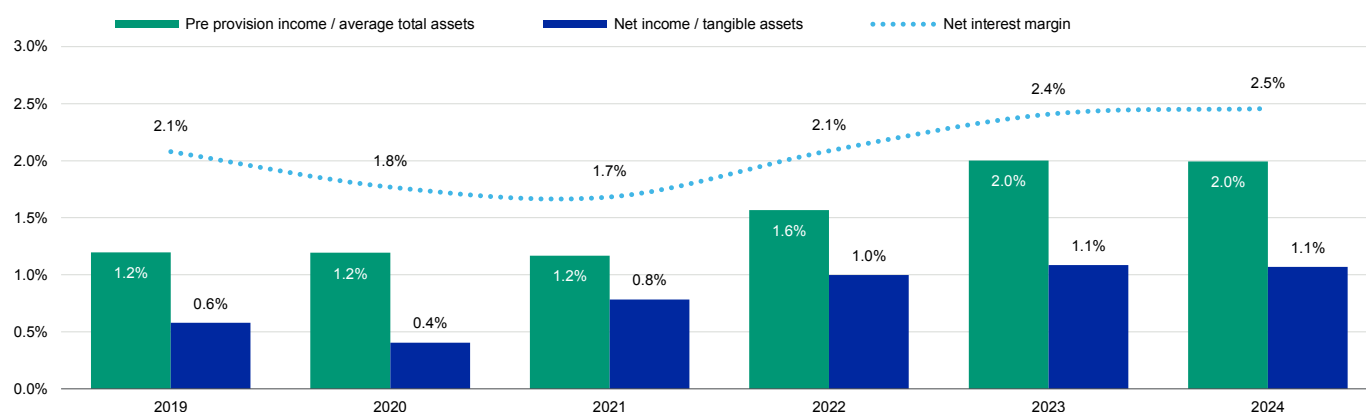
Bank Hapoalim's ongoing profitability is moderate, aided by its strong franchise and large customer base in Israel, and the country's long-term economic growth potential and population growth that afford new business opportunities. Ongoing cost discipline and operating [efficiency gains](#) also support sustainable profitability and the bank's ability to resist growing competition, income headwinds

and its ability to withstand and recover from shocks. Because of several streamlining initiatives⁵ and strong revenue growth, Bank Hapoalim's cost efficiency improved significantly over time and its reported cost-to-income ratio of 41% in 2024 was one of the lowest ever reported.

Bank Hapoalim reported net profits equivalent to 1.1% of tangible assets in 2024, at the same level as 2023 (see Exhibit 6), driven by the high interest rate environment and contained costs⁶, up from an average of 0.7% between 2017 and 2019. In the coming quarters, we expect profitability will decline from recent exceptionally high levels. A [gradual decline](#) in interest rates and moderating inflation will curb financing income⁷, while banks are subject to social and political pressure to forgo some profit⁸. However, we expect net interest margins to remain relatively healthy, while ongoing business growth will support revenue. As the bank has retained collective provisions for more adverse developments, we also expect cost of risk to be contained.

Exhibit 6

Bank Hapoalim's ongoing profitability is moderate Evolution of profitability metrics



Source: Moody's Ratings

The bank's net interest margin increased slightly to 2.5% in 2024 compared to 2.4% in 2023 (2022: 2.1%), despite a customer shift to higher-yielding deposit accounts, supported by strong loan growth. The bank's non-interest bearing deposits accounted for 26% of total deposits as of the end of 2024 compared to 36% at end-2022.

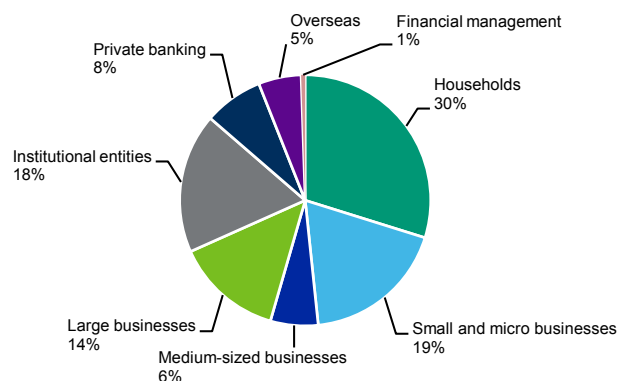
Strong retail deposit-based funding structure and sound liquidity

Bank Hapoalim benefits from a strong funding profile driven by a large deposit base in Israel. The bank's growing deposit base comfortably funds its lending activities, supported by the country's strong savings culture. Bank Hapoalim's net-loans-to-deposits ratio was 77% as of the end of 2024.

Granular household (excluding private banking) and small business deposits accounted for 48% of total deposits as of the end of 2024. Potentially less stable deposits from institutional investors were 18% of total deposits as of the same date, which we take into account in our assessment, but foreign deposits were contained at 5% of the total (see Exhibit 7). Bank Hapoalim's deposit base has proven to be stable during past systemic shocks, and the risk of shekel-denominated deposit outflows is limited, given the closed shekel market.

Exhibit 7

Granular household and small business deposits make up the bulk of Hapoalim's deposit base Breakdown of deposits by segment as of December 2024



Figures do not add up to 100% due to rounding.

Source: Bank's financial statements

Ample deposits drive a low reliance on potentially more confidence-sensitive market funding at 8% of tangible banking assets as of the end of 2024. Part of this reflects senior issuances⁹ and derivative balances, which are mainly driven by customer activity. The bank had around NIS20 billion (3% of total assets) of bonds and subordinated notes outstanding as of the end of 2024. These balances were mainly sourced from the local capital market and allow for better matching of the bank's assets and liabilities maturities.

The bank also maintains sound liquidity, underscored by a conservative investment policy. Liquid banking assets were 33% of tangible banking assets as of the end of 2024. Bank Hapoalim kept 15% of assets in the form of cash and deposits with banks, and an additional 17% in securities – mainly investments in Israeli government bonds (66% of total) and, to a lesser extent, US government bonds (16% of total), while only 4% of the securities portfolio were investments in shares. The bank's liquidity coverage ratio was 131% and its net stable funding ratio was 125% as of the end of 2024, both substantially above the respective 100% minimum regulatory requirement.

ESG considerations

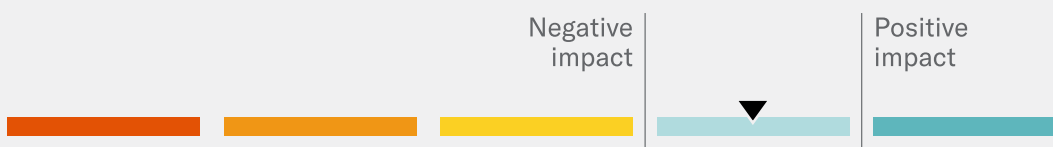
Bank Hapoalim B.M.'s ESG credit impact score is CIS-2

Exhibit 8

ESG credit impact score

CIS-2

Score



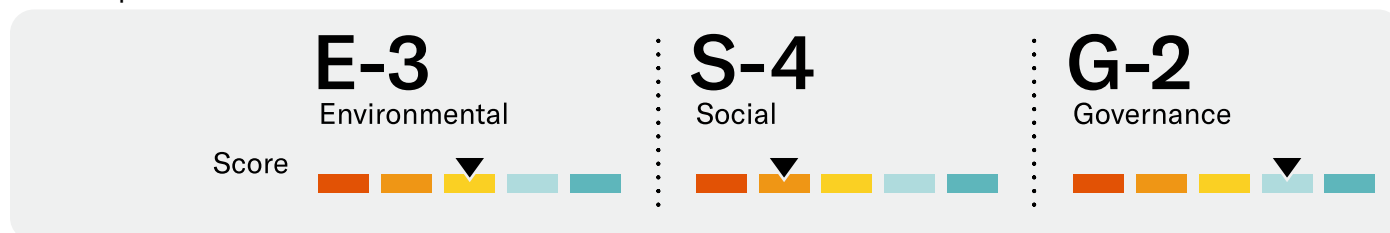
ESG considerations do not have a material impact on the current rating.

Source: Moody's Ratings

Bank Hapoalim's **CIS-2** indicates that ESG factors are not material to the current ratings because a high level of government support mitigates the impact from ESG risks, which have lately increased (especially social risks) because of the military conflict and the high customer relations risks in Israel.

Exhibit 9

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Bank Hapoalim faces moderate exposure to environmental risks, mainly because of its portfolio exposure to carbon transition risks as a diversified bank and one of Israel's two largest banks with a significant corporate exposure. In line with its peers, Bank Hapoalim faces growing business risks and stakeholder pressure to meet broader carbon transition goals. Bank Hapoalim is engaging in further developing its climate risk and relevant portfolio management capabilities and increasing its green financing.

Social

Bank Hapoalim faces high social risks, related to societal and demographic trends as well as from customer relations. The current military conflict may cause a severe disruption of the economy and impact the bank's financial performance, depending on its duration and scale. However, a relatively young and growing population in Israel affords business opportunities for the bank. Further, Bank Hapoalim faces high customer relations risk because of the considerable focus on consumer protection in Israel, exposing banks to potential fines from regulators and litigation from customers. High cyber and personal data risks are mitigated by a sound IT framework.

Governance

Bank Hapoalim faces low governance risks, and its risk management, policies and procedures are in line with industry practices and commensurate with its universal banking model, while the bank provides timely and detailed external reporting. The bank's financial strategy is conservative, under the oversight of a proactive and hands-on regulator.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Government support considerations

Bank Hapoalim's Baa1 deposit ratings incorporate one notch of government support uplift from the bank's baa2 Adjusted BCA because of our assessment of a very high likelihood of extraordinary support from the Israeli authorities. This assumption is based on Bank Hapoalim's systemic importance as one of the country's two largest banking groups and the Israeli government's long standing practice of supporting systemically important banks in case of need.

Methodology and scorecard

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 10

Rating Factors

Macro Factors							
Weighted Macro Profile		Moderate +	100%				
Factor		Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency							
Asset Risk							
Problem Loans / Gross Loans		0.9%	a2	↓↓	ba1	Sector concentration	Expected trend
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		11.2%	baa3	↔	baa3	Stress capital resilience	Nominal leverage
Profitability							
Net Income / Tangible Assets		1.1%	baa2	↓	ba1	Expected trend	
Combined Solvency Score			baa1		ba1		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		8.4%	a3	↔	baa1	Deposit quality	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		33.4%	baa1	↔	baa1	Stock of liquid assets	
Combined Liquidity Score			a3		baa1		
Financial Profile			baa1		baa3		
Qualitative Adjustments					Adjustment		
Business Diversification					0		
Opacity and Complexity					0		
Corporate Behavior					0		
Total Qualitative Adjustments					0		
Sovereign or Affiliate constraint					Baa1		
BCA Scorecard-indicated Outcome - Range					baa2 - ba1		
Assigned BCA					baa2		
Affiliate Support notching					0		
Adjusted BCA					baa2		
Instrument Class		Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating		1	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment		1	0	baa1 (cr)	0	Baa1(cr)	
Deposits		0	0	baa2	1	Baa1	Baa1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 11

Category	Moody's Rating
BANK HAPOLIM B.M.	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)

Source: Moody's Ratings

Endnotes

- [1](#) Including the costs relating to the implementation of an early retirement plan.
- [2](#) The regulatory definition of small businesses includes those businesses with an annual turnover of up to NIS50 million.
- [3](#) House prices are at historic highs, following a modest decline in 2023.
- [4](#) After haircuts and deductions.
- [5](#) These include several voluntary retirement schemes, streamlining of the branch network and consolidation of headquarters. In the last quarter of 2024 the bank launched a new early retirement plan, targeting a net reduction in employee positions by 770 by 2028 which will lead to estimated cost savings of NIS300 million per year before tax.
- [6](#) The bank booked a NIS597 million expense in the last quarter of 2024 relating to its new early retirement plan.
- [7](#) Bank Hapoalim has a long CPI position because of CPI-linked mortgages, which is partly offset by CPI-linked liabilities. Therefore the bank benefits when inflation is higher.
- [8](#) Under a voluntary [financial relief plan](#) announced by the BoI and adopted by the sector, banks will allocate NIS3 billion (around \$800 million) over two years to support customers.
- [9](#) Market funds exclude subordinated debt, according to our definition.

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