

**Information Memorandum dated July 16, 2020**



**STATE OF ISRAEL**  
**BOND ISSUANCE PROGRAMME**

*Promoter*

**Development Company for Israel (International) Limited**

**AN INVESTMENT IN BONDS ISSUED UNDER THE PROGRAMME  
INVOLVES CERTAIN RISKS.**

**YOU SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED IN  
SECTION 1 (*RISK FACTORS*) OF THIS INFORMATION MEMORANDUM.**

## ABOUT THIS DOCUMENT

### *What is this document?*

This document has been prepared for the purpose of giving information with regard to the issue of bonds ("**Bonds**") under the Bond Issuance Programme (the "**Programme**") of State of Israel (the "**Issuer**", "**Israel**" or the "**State of Israel**").

Pages i to 89 (inclusive) of this document comprise an information memorandum (the "**Information Memorandum**"), which has been approved as a base prospectus by the United Kingdom Financial Conduct Authority (the "**FCA**"), the United Kingdom competent authority for the under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA only approves this Information Memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FCA should not be considered an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

Such approval relates only to Bonds which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") and/or which are to be offered to the public in any member state of the European Economic Area ("**EEA**") in circumstances that require the publication of a prospectus (and for these purposes, references to the EEA include the United Kingdom).

This Information Memorandum contains information describing the Issuer, as well as certain material risks faced by the Issuer, and is intended to provide investors with the information necessary to enable them to make an informed investment decision before purchasing any Bonds.

**This Information Memorandum (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Bonds which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. For these purposes, references to the EEA include the United Kingdom. The obligation to supplement this Information Memorandum in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Information Memorandum is no longer valid.**

This Information Memorandum relates only to Bonds which are not Exempt Bonds. References in this Information Memorandum to "**Bonds**" are to Bonds other than Exempt Bonds.

### *Offering Memorandum for Exempt Bonds*

Pages 90 to 117 (inclusive) of this document comprise an offering memorandum (the "**Offering Memorandum**"). The Offering Memorandum has been prepared by the Issuer in connection with the issuance of bonds under the Programme for which no prospectus is required to be published under the Prospectus Regulation (the "**Exempt Bonds**").

The Offering Memorandum has not been reviewed or approved by the FCA and does not constitute a prospectus for the purpose of the Prospectus Regulation.

### *What types of Bonds does this Information Memorandum relate to?*

This Information Memorandum relates to the issuance of two different types of Bonds: fixed rate Bonds, on which the Issuer will pay interest at a fixed rate, and floating rate Bonds, on which the Issuer will pay interest at a floating rate.

The State of Israel reserves the right to terminate the arrangements set out in this Information Memorandum and cease or suspend issuing Bonds of any particular type or maturity, or to cease or suspend issuing Bonds in their entirety, in the future. Any such termination shall be notified to the Promoter in writing.

### *Fixed rate Bonds*

Mazel tov savings bonds ("**Mazel Tov Savings Bonds**"): Mazel Tov Savings Bonds are fixed rate Bonds and may be offered in Euro ("**Euro Mazel Tov Savings Bonds**"), British Pound Sterling ("**Sterling Mazel Tov Savings Bonds**") or United States Dollars ("**U.S. Dollar Mazel Tov Savings Bonds**"), with interest payable upon maturity. U.S. Dollar Mazel Tov Savings Bonds may be offered with maturities of 5 and 10

years, and Euro Mazel Tov Savings Bonds and Sterling Mazel Tov Savings Bonds may be offered with a maturity of 5 years.

Savings bonds ("**Savings Bonds**"): Savings Bonds are fixed rate Bonds, and may be offered in Euro ("**Euro Savings Bonds**"), British Pound Sterling ("**Sterling Savings Bonds**") or United States Dollars ("**U.S. Dollar Savings Bonds**") with maturities of 1, 2, 3, 5 and 10 years, with interest payable upon maturity. Jubilee bonds ("**Jubilee Bonds**"): Jubilee Bonds are fixed rate Bonds, and may be offered in Euro ("**Euro Jubilee Bonds**") or British Pound Sterling ("**Sterling Jubilee Bonds**") and offered with maturities of 1, 2, 3, 5 and 10 years, with interest payable semi-annually and upon maturity.

Jubilee fixed rate bonds ("**U.S. Dollar Jubilee Fixed Rate Bonds**"): U.S. Dollar Jubilee Fixed Rate Bonds are fixed rate Bonds, and may be offered in United States Dollars and with maturities of 1, 2, 3, 5, 10 and 15 years, with interest payable semi-annually and upon maturity.

Maccabee fixed rate bonds ("**U.S. Dollar Maccabee Fixed Rate Bonds**"): U.S. Dollar Maccabee Fixed Rate Bonds are fixed rate Bonds, and may be offered in United States Dollars and with maturities of 1, 2, 3, 5, 10 and 15 years, with interest payable semi-annually and upon maturity.

Sabra savings bonds ("**U.S. Dollar Sabra Savings Bonds**"): U.S. Dollar Sabra Savings Bonds are fixed rate Bonds, and may be offered in United States Dollars and with maturities of 1, 2, 3, 5 and 10 years, with interest payable upon maturity.

eMitzvah savings bonds ("**eMitzvah Savings Bonds**"): eMitzvah Savings Bonds are fixed rate Bonds, and may be offered in Euro ("**Euro eMitzvah Savings Bonds**"), British Pound Sterling ("**Sterling eMitzvah Savings Bonds**") or United States Dollars ("**U.S. Dollar eMitzvah Savings Bonds**") with a maturity of 5-years, with interest payable upon maturity.

#### *Floating rate Bonds*

Floating rate bonds ("**Euro Floating Rate Bonds**"): Euro Floating Rate Bonds are floating rate Bonds, and may be offered in Euro with maturities of 1, 2, 3, 5 and 10 years, with interest payable semi-annually and upon maturity.

Floating rate LIBOR bonds ("**U.S. Dollar Floating Rate LIBOR Bonds**"): U.S. Dollar Floating Rate LIBOR Bonds are floating rate Bonds, and may be offered in United States Dollars and with maturities of 1, 2, 3, 5 and 10 years, with interest payable semi-annually and upon maturity.

#### ***How does this Information Memorandum work?***

The contractual terms of any particular issuance of Bonds will be comprised of the terms and conditions set out in Appendix B (*Conditions of the Bonds*) at pages 61 to 86 of this Information Memorandum (the "**Conditions**"), as completed by a separate final terms document, which is specific to that issuance of Bonds (the "**Final Terms**").

The Conditions are comprised of numbered provisions (1-15) including generic provisions that are applicable to Bonds generally and certain optional provisions that will only apply to certain types of Bonds.

The following provisions within the Conditions (together with the introductory wording appearing before Condition 1 on page 61) apply to Bonds generally:

- Condition 1 (*Defined Terms*);
- Condition 2 (*Type of Bonds*);
- Condition 3 (*Status of the Bonds*);
- Condition 4 (*Early Redemption*);
- Condition 5 (*Event of Default*);
- Condition 6 (*Additional Provisions relating to the Calculation of Interest*);

- Condition 7 (*Interest and Principal Payment*);
- Condition 8 (*Taxation*);
- Condition 9 (*Transferability*);
- Condition 10 (*Purchase of Bonds*);
- Condition 11 (*Bond Certificates*);
- Condition 12 (*Prescription*);
- Condition 13 (*Fiscal Agent*);
- Condition 14 (*Governing Law*); and
- Condition 15 (*Jurisdiction; Waiver of Immunity; Consent to Service and Enforceability*).

The following Conditions contain certain optional provisions that will only apply to certain issuances of Bonds:

- Condition 2.1.1 (*The Euro Floating Rate Bonds*) relates to Euro Floating Rate Bonds only;
- Condition 2.1.2 (*The Euro Jubilee Bonds*) relates to Euro Jubilee Bonds only;
- Condition 2.1.3 (*The Euro Mazel Tov Savings Bonds*) relates to Euro Mazel Tov Savings Bonds only;
- Condition 2.1.4 (*The Euro Savings Bonds*) relates to Euro Savings Bonds only;
- Condition 2.1.5 (*The Euro eMitzvah Savings Bonds*) relates to Euro eMitzvah Savings Bonds only;
- Condition 2.2.1 (*The Sterling Jubilee Bonds*) relates to Sterling Jubilee Bonds only;
- Condition 2.2.2 (*The Sterling Mazel Tov Savings Bonds*) relates to Sterling Mazel Tov Savings Bonds only;
- Condition 2.2.3 (*The Sterling Savings Bonds*) relates to Sterling Savings Bonds only;
- Condition 2.2.4 (*The Sterling eMitzvah Savings Bonds*) relates to Sterling eMitzvah Savings Bonds only;
- Condition 2.3.1 (*The U.S. Dollar Floating Rate LIBOR Bonds*) relates to U.S. Dollar Floating Rate LIBOR Bonds only;
- Condition 2.3.2 (*The U.S. Dollar Jubilee Fixed Rate Bonds*) relates to U.S. Dollar Jubilee Fixed Rate Bonds only;
- Condition 2.3.3 (*The U.S. Dollar Maccabee Fixed Rate Bonds*) relates to U.S. Dollar Maccabee Fixed Rate Bonds only;
- Condition 2.3.4 (*The U.S. Dollar Mazel Tov Savings Bonds*) relates to U.S. Dollar Mazel Tov Savings Bonds only;
- Condition 2.3.5 (*The U.S. Dollar Sabra Savings Bonds*) relates to U.S. Dollar Sabra Savings Bonds only;
- Condition 2.3.6 (*The U.S. Dollar Savings Bonds*) relates to U.S. Dollar Savings Bonds only; and
- Condition 2.3.7 (*The U.S. Dollar eMitzvah Savings Bonds*) relates to U.S. Dollar eMitzvah Savings Bonds only.

The applicable Final Terms will complete the above Conditions in respect of any particular issuance of Bonds.

***What other documents should I read?***

This Information Memorandum contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Bonds. Some of this information (such as the latest Exhibit D to the Issuer's Annual Report on Form 18-K, a form used by non-US sovereign governments to file annual reports with the United States Securities and Exchange Commission, and Exhibit D-1 to Amendment No. 1 to the Issuer's Annual Report on Form 18-K/A) is incorporated by reference into this Information Memorandum (see Section 4 (*Information Incorporated by Reference*)) and some of this information (such as the interest rate, issue date, maturity date, and other details specific to a particular series of Bonds) is completed in the Final Terms.

Before making any investment decision in respect of any Bonds, you should read this Information Memorandum, including Appendix A (*Defined Terms*), Appendix B (*Conditions of the Bonds*) and Appendix C (*The Promoter*), together with the documents incorporated by reference, as well as the Final Terms relating to such Bonds.

Electronic copies of this Information Memorandum, any documents incorporated herein and the Final Terms relating to any Bonds will be made available on the website of Development Company for Israel (International) Limited (the "**Promoter**") at [www.israelbondsintl.com](http://www.israelbondsintl.com) and physical copies may also be inspected at the Promoter's offices at the address specified on the last page of this Information Memorandum.

***What information is included in the Final Terms?***

While this Information Memorandum includes general information about all Bonds, the Final Terms is the document that sets out certain relevant economic terms of each particular issuance of Bonds under the Programme which is not already included in the Conditions. The Final Terms will contain, for example:

- the Offer Period of the Bonds being issued;
- the Public Offer Jurisdiction(s) of the Bonds being issued;
- the currency of the Bonds being issued;
- the applicable interest rate(s) of the Bonds being issued;
- the maturity date(s) of the Bonds being issued; and
- any other information needed to complete the Conditions (identified in the Conditions by the words "as specified in the applicable Final Terms" or other equivalent wording).

***Is any part of this Information Memorandum relevant to particular types of Bond only?***

This Information Memorandum includes information that is relevant to all types of Bonds that may be issued under the Programme; however, as described above, certain provisions of the Conditions of this Information Memorandum are relevant to particular types of Bonds only.

***What if I have further queries relating to this Information Memorandum and the Bonds?***

Please refer to the section below starting on page x entitled "*How do I use this Information Memorandum?*". If you have any questions regarding the content of this Information Memorandum, any Final Terms, any Bonds or the actions you should take, it is recommended that you seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

***Information in respect of the Benchmarks Regulation***

Amounts payable on Floating Rate Bonds will be calculated by reference to LIBOR or EURIBOR as specified in the relevant Final Terms. As at the date of this Information Memorandum, ICE Benchmark Administration Limited (as administrator of LIBOR), and European Money Markets Institute (as

administrator of EURIBOR) are included in the European Securities and Markets Authority's ("**ESMA**") register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

## IMPORTANT NOTICES

### ***Responsibility for this Information Memorandum***

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer, the information contained in this Information Memorandum is in accordance with the facts and the Information Memorandum does not omit anything likely to affect the import of such information.

### ***Applicable Conditions***

The Conditions set out herein apply to Bonds issued under the Programme on or after July 16, 2020 *provided, however, that* the terms and conditions set out in the information memorandum relating to the Programme dated July 18, 2019 will apply to any Bonds which were the subject of a Public Offer made before July 16, 2020 (notwithstanding that such Bonds may be issued on or after July 16, 2020).

The terms and conditions set out in the Offering Memorandum apply to Exempt Bonds issued under the Programme on or after July 16, 2020 *provided, however, that* the terms and conditions set out in the offering memorandum relating to the Programme dated July 18, 2019 will apply to any Exempt Bonds which were offered for sale before July 16, 2020 (notwithstanding that such Exempt Bonds may be issued on or after July 16, 2020).

### ***Other relevant information***

This Information Memorandum must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Bonds, must be read and construed together with the relevant Final Terms.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any information supplied by the Issuer or the Promoter and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Promoter.

Neither the delivery of this Information Memorandum or any Final Terms nor the offering, sale or delivery of any Bond shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Information Memorandum and any Final Terms and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Final Terms comes are required by the Issuer and the Promoter to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of this Information Memorandum or any Final Terms and other offering material relating to the Bonds, see Section 5 (*Subscription and Sale*). In particular, Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Information Memorandum nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Bonds and should not be considered as a recommendation by the Issuer or the Promoter that any recipient of this Information Memorandum or any Final Terms should subscribe for or purchase any Bonds.

***The Bonds may not be a suitable investment for all investors***

No advice, recommendation or inducement to apply for a Bond is made or given by or on behalf of the State of Israel or the Promoter and in considering the purchase of a Bond you must rely wholly upon your own judgement and the advice of your professional adviser. Each recipient of this Information Memorandum or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

You must determine the suitability of investment in the Bonds in light of your own circumstances. In particular, you should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds and the merits and risks of investing in the Bonds;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Bonds and the impact the Bonds will have on your overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from your currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks; and
- (vi) understand that the Bonds are only transferable or assignable in limited circumstances and, as a result, Bond holders will very likely need to hold their Bonds to maturity.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. You should consult your legal advisers to determine whether and to what extent (1) the Bonds are lawful investments for you to make and (2) other restrictions apply to your purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

***Supplements***

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Bonds, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Bonds.

***State of Israel debt instruments***

The State of Israel issues debt instruments whose names, series, maturities, denominations, issue dates, interest commencement dates, maturity dates and/or other integral terms may be similar to those of the Bonds issued under this Programme. Such debt instruments may, on any given day, provide a greater yield to maturity than the Bonds being issued under this Information Memorandum.

The Bonds issued under this Programme are considered a separate and distinct class of securities, for all purposes, from any other State of Israel debt instruments.

Bonds denominated in United States Dollars issued under this Programme have the designation "International Dollar Series".

***Use of defined terms***



Certain terms or phrases in this Information Memorandum are defined in double quotation marks and subsequent references to that term or phrase are designated with initial capital letters. The locations in this Information Memorandum where these terms are first defined are set out in Appendix A (*Defined Terms*) of this Information Memorandum.

### ***Ratings***

As of the date of this Information Memorandum, the long-term foreign currency sovereign credit ratings of the Issuer are: A1 (Moody's Investors Service, Inc.), AA- (S&P Global Ratings Europe Limited) and A+ (Fitch (Hong Kong) Ltd). The Programme and the Bonds to be issued have not been rated.

S&P Global Ratings Services Europe Limited is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Fitch (Hong Kong) Ltd is not established in the EEA and is not certified under the CRA Regulation; however ratings issued by it are endorsed by Fitch Ratings España S.A.U., which is established in the EEA and registered under the CRA Regulation. Moody's Investors Service, Inc. is not established in the EEA and is not certified under the CRA Regulation; however ratings issued by it are endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the CRA Regulation.

ESMA is obliged to maintain on its website, [www.esma.europa.eu](http://www.esma.europa.eu), a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

### ***The Bonds are not protected by the Financial Services Compensation Scheme***

The Bonds to be issued under the Programme are not protected by the Financial Services Compensation Scheme (the "**FSCS**"). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer to make any payments in respect of the Bonds. If the Issuer is unable to make any such payments, you may lose all or part of your investment in any Bonds.

### ***No incorporation of websites***

Other than in relation to the documents which are deemed to be incorporated by reference (see Section 4 (*Information Incorporated by Reference*)), the information on the websites or uniform resource locators (URLs) to which this Information Memorandum refers does not form part of this Information Memorandum and has not been scrutinised or approved by the FCA.

### ***Public offers***

As at the date of this Information Memorandum, the following issues of Bonds are being offered to the public in the Member States specified below:

Description of the Bonds:	Final Terms published on the following website(s):	Public Offer Jurisdiction(s):
Issue of Euro Savings Bonds Euro Mazel Tov Savings Bonds Sterling Savings Bonds Sterling Jubilee Bonds  Sterling Mazel Tov Savings Bonds  U.S. Dollar Jubilee Fixed Rate Bonds	<a href="http://www.israelbondsintl.com">www.israelbondsintl.com</a>	France, Germany, and the United Kingdom

U.S. Dollar Maccabee Fixed Rate Bonds U.S. Dollar Sabra Savings Bonds  U.S. Dollar Mazel Tov Savings Bonds  Pursuant to Final Terms for the Offer Periods 1st July, 2020 to 31st July and 15th July to 31st July, 2020		
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In accordance with Article 23.2 of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for Bonds before this Information Memorandum is published have the right, exercisable within two working days after the publication of this Information Memorandum, to withdraw their acceptances. Investors should be aware, however, that the law of the jurisdiction in which they have accepted an offer of Bonds may provide for a longer time limit.

## HOW DO I USE THIS INFORMATION MEMORANDUM?

You should read and understand fully the contents of this Information Memorandum, including any documents incorporated by reference, and the relevant Final Terms before making any investment decision in respect of any Bonds. This Information Memorandum contains important information about the Issuer; as well as describing certain risks relating to the Issuer and also other risks relating to an investment in the Bonds generally.

An overview of the various sections comprising this Information Memorandum is set out below.

Section 1 (*Risk Factors*) describes the principal risks and uncertainties which may affect the ability of the Issuer to fulfil its obligations under the Bonds.

Section 2 (*Information about the Programme and the Bonds*)) provides an overview of the Programme and the Bonds.

Section 3 (*How the Return on your Investment is Calculated*) sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Bonds.

Section 4 (*Information Incorporated by Reference*) sets out the information that is deemed to be incorporated by reference into this Information Memorandum. This Information Memorandum should be read together with all information which is deemed to be incorporated into this Information Memorandum by reference.

Section 5 (*Subscription and Sale*) contains certain selling restrictions applicable to making offers of the Bonds under the Programme.

Section 6 (*Taxation*) provides a brief outline of certain taxation implications regarding Bonds that may be issued under the Programme, as well as certain other taxation considerations which may be relevant to the Bonds.

Section 7 (*Important Information Relating to Public Offers of Bonds*) contains important information regarding the basis on which this Information Memorandum may be used for the purpose of making Public Offers of Bonds.

Section 8 (*Use of Proceeds*) describes the manner in which the Issuer intends to use the proceeds from issues of Bonds under the Programme.

Section 9 (*Form of Final Terms*) sets out the template for the Final Terms that the Issuer will prepare and publish when offering any Bonds under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer, amended to be relevant only to the specific types of Bonds being offered.

Section 10 (*Additional Information*) sets out further information on the Issuer and the Programme which the Issuer is required to include under applicable rules. This includes the availability for inspection of certain documents relating to the Programme and certain confirmations from the Issuer.

The section "Appendix A (*Defined Terms*)" provides an index of defined terms identifying the locations in this Information Memorandum where terms are defined.

The section "Appendix B (*Conditions of the Bonds*)" sets out the terms and conditions which apply to any Bonds that may be issued under the Programme. The relevant Final Terms relating to any offer of Bonds will complete the terms and conditions of those Bonds and should be read in conjunction with this section.

The section "Appendix C (*The Promoter*)" provides information about Development Company for Israel (International) Limited, the company which has been appointed by State of Israel to promote and arrange the sale of the various Bonds to which this Information Memorandum relates.

A "Table of Contents" identifying each section of this Information Memorandum with corresponding page references is included at the beginning of this Information Memorandum.

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## **SECTION 1. RISK FACTORS**

Before applying for any Bonds, you should consider whether the Bonds are a suitable investment for you.

The following is a description of the principal risks and uncertainties which may affect the ability of the Issuer to fulfil its obligations under the Bonds.

## **RISK FACTORS**

*Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, you should carefully consider risk factors associated with any investment in the Bonds and the Issuer together with all other information contained in this Information Memorandum, including, in particular the risk factors described below. Words and expressions defined in the Conditions or elsewhere in this Information Memorandum have the same meanings in this section.*

*You should note that the risks relating to the Issuer and the Bonds summarised in the summary annexed to the Final Terms for that particular issue of Bonds are the key risks to an assessment by a prospective investor of whether to consider an investment in the Bonds. While the risks that the Issuer considers to be material are described below, the risks that the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, so you should consider not only the information on the key risks summarised in the summary annexed to the Final Terms but also, among other things, the risks and uncertainties described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. The inability of the State of Israel to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons and the State of Israel does not represent that the statements below regarding the risks of holding Bonds are exhaustive. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Issuer and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment.*

*You should consider carefully whether an investment in the Bonds is suitable for you in light of the information in this Information Memorandum and your personal circumstances. You should make your own inquiries as you deem necessary without relying on the State of Israel and should consult with your financial, tax, legal, accounting and other advisers, prior to deciding whether to make an investment in the Bonds.*

### **Organisation of the Risk Factors:**

- 1. Risks related to the State of Israel and the geopolitical and economic environment**
- 2. Risks related to the Bonds**

### **1. Risks related to the State of Israel and the geopolitical and economic environment**

*Israel's access to credit is affected by external factors such as regional and international political and economic conditions.*

Israel's access to credit in the international capital markets is affected by regional and international political and economic conditions, including interest rates in financial markets outside Israel, the impact of changes in the credit rating of Israel, the security situation, the economic growth and stability of Israel's major trading partners, and the global high-tech market. As a result, political, economic or market factors, which may be outside Israel's control, may impact the debt dynamics of Israel and could adversely affect Israel's cost of funds in the international capital markets and the demand for Israel's debt securities.

*The worldwide economic effects of the outbreak of the coronavirus (COVID-19) could adversely affect Israel's economy.*

In December 2019, the emergence of a new strain of the coronavirus ("COVID-19") was reported in Wuhan, Hubei Province, China that has subsequently spread throughout the world, including Israel. In March 2020 the World Health Organization declared COVID-19 a global pandemic. The COVID-19 outbreak is currently having an adverse impact on the global economy, the severity and duration of which is difficult to predict as at the date of this Information Memorandum.

Israel has implemented measures to limit movement to reduce the spread of COVID-19, such as business

closures, travel restrictions and implementing social distancing policies. Throughout March 2020, restrictions were placed on residents and work activities. On 22 March 2020, access to public spaces was reduced, private sector activity was restricted to 30% of regular capacity, and the public sector shifted to an emergency format, which limited the workforce to critical functions and essential employees.

On 25 March 2020, a new restriction came into effect requiring residents to remain within 100 meters of their homes, except for those involved in essential services. On 30 March 2020, private sector capacity was further restricted to 15% of regular capacity. These measures, taken to protect the health of Israelis, have had an adverse effect on the economy. Entire sectors were incapacitated, total credit card purchases significantly declined, stock indices fell steadily at first and later experienced significant volatility and security redemptions occurred on a large scale. In April 2020, 1.276 million people were absent from work due to COVID-19 implications, with the vast majority of employees on unpaid leave. As of May 2020, this number declined to 684,000 (16.8% of the labour force). Due to the COVID-19 crisis, the unemployment rate increased, which led to an increase in unemployment benefit payments and a reduction of the National Insurance Institute of Israel ("NIOI") collection income. As a result, the Government's payments that derived from the NIOI collection are expected to be reduced.

In late April 2020, Israel began to ease restrictions and reopen businesses. However starting in mid-June, Israel saw a resurgence of the COVID-19 outbreak and has begun to introduce new measures to curtail the pandemic.

As at the date of this Information Memorandum the trajectory of the COVID-19 outbreak remains highly uncertain and the Issuer cannot predict the duration, severity or effect of the pandemic or any future containment efforts. There is a risk that the spread of COVID-19 and the measures taken to contain its spread, including instituting a lockdown that has resulted in businesses slowing or shuttering operations, may continue to have adverse effects on Israel's economy and financial markets, including an economic recession.

***Israel's political and military environment may continue to be volatile.***

Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its Arab neighbours. Political instability in the Middle East has increased since the terrorist attacks of 11 September 2001 and news of Iran's reported nuclear programme. Since 2005, when Israel withdrew from the Gaza strip, terrorist violence has increased. If the level of instability and violence increases in the future, Israel's capital markets, the level of tourism in Israel and foreign investment in Israel, among other things, may suffer.

Since January 2011, there has been political instability and civil unrest in numerous Middle East and North African countries, including Libya, Egypt, Tunisia, Yemen and Syria. This unrest has resulted in the removal of long-standing leadership in several of the aforementioned countries and created turbulent political situations in others. As Israel is situated in the centre of this region, it closely monitors these events, aiming to protect its economic, political and security interests. It should be noted that such instances of instability in the Middle East and North Africa region have not so far materially affected Israel's financial or political situation, and countries who have signed peace agreements with Israel remain committed to them, regardless of internal political developments. However, there can be no assurance that such instability in the region will not escalate in the future, such instability will not spread to additional countries in the region, current or new governments in the region will be successful in maintaining domestic order and stability, or Israel's economic or political situation will not thereby be affected.

***Israel is a foreign sovereign state and accordingly it may be difficult to obtain or enforce judgments against it.***

Although Israel has in the Conditions of the Bonds waived its sovereign immunity in respect of Bonds issued under the Programme, enforcement in the event of a default may nevertheless be impracticable by virtue of legal, commercial, political or other considerations. Additionally, under the laws of the State of Israel, the funds, assets, rights and general property of the Issuer located in the State of Israel are immune from execution and attachment and any process in the nature thereof and the waiver contained in the Conditions of the Bonds therefore does not constitute a waiver of such immunity or of any immunity from execution or attachment or process in the nature thereof with respect to the premises of the Issuer's diplomatic missions in any jurisdiction outside the State of Israel or with respect to the assets of the Issuer necessary for the proper functioning of Israel as a sovereign power.

***The current global economic climate and continued economic disruption in Europe may have an adverse effect on Israel's economy.***

Israel's economy is affected by current global economic conditions, including regional and international rates of economic growth. Recent political and economic developments in the global economy, including the impact of the COVID-19 pandemic and the British referendum to leave the European Union and the subsequent triggering of Article 50, may have a negative impact on the European and global economy. The potential impact of such developments on Israel is uncertain. Although Israel's economy has shown moderate rates of growth in recent years there can be no assurance that Israel's economy will continue to grow if there should be a prolonged negative global economic climate.

As a result of the sovereign debt crisis in Europe, there was significant price volatility in the secondary market for sovereign debt of European and other nations in the beginning of the decade. If such price volatility returns, it could lead to a decline in the recoverability and value of the market price of Israel's debt securities, including the bonds. Europe continues to face uncertainty, with many Eurozone countries experiencing moderate growth and low inflation rate, though the growth rates are higher than the negative rates recorded in the beginning of the decade. Continued sluggish growth in the European Union, which is one of Israel's major trading partners, could have a material adverse impact on Israel's balance of trade and adversely affect Israel's financial condition.

***The successful development of Israel's natural gas reserves involves certain risks that may make expected natural gas production levels unobtainable.***

There are numerous uncertainties associated with estimating quantities of natural gas reserves and projecting future rates of production and the level of revenue Israel will recover from its natural gas fields. These items are, in part, dependent on the reliability of seismic measurement technologies, the future international market for natural gas and other energy substitutes, as well as future development and operating costs, all of which may in fact vary considerably from Israel's current assumptions concerning royalties and tax revenues. Moreover, certain of Israel's neighbouring countries have asserted mineral rights with respect to certain natural gas reserves to which Israel currently lays claim. Any failure to meet expected natural gas production targets on the forecasted timelines, or at all, could have a negative impact on Israel's progress towards energy independence or the revenues that will be received by the State of Israel.

***There can be no assurance that the State of Israel's credit ratings will not change.***

No credit ratings will be assigned to the Programme or the Bonds. This means no independent assessment has been made about the risk of investors losing all or part of an investment in the Bonds and this is a risk each potential investor should consider when deciding if such an investment is appropriate for its needs in light of its own circumstances. The State of Israel's credit ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Bonds.

## **2. Risks related to the Bonds**

***The Bonds are unlisted, transferability of the Bonds is limited and there is no secondary trading market for the Bonds.***

The Bonds are unlisted and will not be traded on any exchange, market or other trading platform. Additionally, Bonds may only be sold, transferred or assigned in limited circumstances. As a result, no secondary market can develop for the Bonds meaning that investors may not be able to sell or transfer their Bonds and will instead very likely, unless their circumstances satisfy one of the limited circumstances previously mentioned, need to hold such Bonds to maturity. Therefore, in establishing their investment strategy, investors should expect to hold Bonds to maturity and ensure that the term of their Bonds is in line with their future liquidity requirements.

***Certain considerations applying in relation to Public Offers of Bonds.***

Bonds may be distributed by means of a Public Offer made during the Offer Period specified in the applicable Final Terms. During such Offer Period, the Promoter, on behalf of the Issuer, reserves the right to cancel or terminate early the Public Offer of any Tranche or Series of Bonds, or all Public Offers of Bonds being offered at a particular time, prior to its end date. In such circumstances, an applicant investor may not be issued any Bonds or may be issued a number of Bonds which is less than the amount for which such applicant investor applied. Any amounts segregated as intended payments of the Offer Price by an



investor will be released back to the relevant investor by the Fiscal Agent without accrued interest. There may be a time lag in the release of any such amounts and no amount will be payable as compensation and the applicant investor may be subject to reinvestment risk.

***The Bonds are unsecured.***

The Bonds constitute unsecured obligations of the State of Israel. This means that Bond holders will not have recourse to any security or other assets of the State of Israel should the State of Israel default on its payment obligations in respect of the Bonds.

***The Bonds are subject to optional redemption or repurchase by the State of Israel.***

The State of Israel may redeem or repurchase the Bonds in whole or in part, at any time or from time to time, prior to their scheduled maturity dates. For example, the State of Israel may choose to redeem or repurchase the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. Upon such redemption or repurchase, an investor might not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and might only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Tax consequences of holding the Bonds.***

Potential purchasers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are purchased or transferred or other jurisdictions. Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Bonds in its particular circumstances. See Section 6 (*Taxation*).

***Regulation and Reform of LIBOR, EURIBOR or other "benchmarks" could adversely affect any Bonds linked to such "benchmarks".***

The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which for these purposes, includes the United Kingdom). It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Bonds linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the relevant benchmark.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR in relevant contracts (without robust fallback provisions), which may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from

continuing to administer or contribute to a "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark"; and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Bonds linked to, referencing, or otherwise dependent (in whole or in part) upon a "benchmark".

The Conditions of Bonds provide for certain fallback arrangements in the event that an Original Reference Rate and/or any page on which an Original Reference Rate may be published becomes unavailable or a Benchmark Event (as defined in the Conditions of the Bonds) otherwise occurs. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions of Bonds), with the application of an Adjustment Spread and may include amendments to the Conditions of Bonds to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser (acting in good faith and in consultation with the Issuer). An Adjustment Spread could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, the applicable Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (with the application of an Adjustment Spread) will still result in any Bonds linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower rate of interest) than they would if the Original Reference Rate were to continue to apply in its current form.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser, and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

***Principal and interest payments will be subject to exchange rate risks and exchange controls.***

The Issuer will pay principal and interest on the Bonds in the currency of each series of Bonds specified in the Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***There can be no assurance that the laws of the State of New York in effect as of the date of this Information Memorandum will not be modified.***

The conditions of the Bonds are based on the laws of the State of New York in effect as of the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to New York law or administrative practice after the date of this Information Memorandum.

## **SECTION 2. INFORMATION ABOUT THE PROGRAMME AND THE BONDS**

The following is an overview of the Programme and the key terms of the Bonds. The full text of the Conditions of the Bonds is contained in Appendix B. It is important that you read the entirety of this Information Memorandum before you invest in any Bonds. It is also recommended that you consult your financial adviser or any other professional adviser before you decide to invest in any Bonds.

*The following overviews do not purport to be complete and are not summaries for the purposes of the Prospectus Regulation. The following overviews are qualified in their entirety by the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Bonds, the applicable Final Terms.*

*These overviews constitute a general description of the Programme for the purposes of Article 22.5(3) of Commission Delegated Regulation (EU) No. 2019/980 (the "**Delegated Regulation**").*

*Words and expressions defined in Appendix B (Conditions of the Bonds) shall have the same meanings in these overviews.*

## **INFORMATION ABOUT THE PROGRAMME**

### **Refer to:**

#### **What is the Programme?**

The Programme is a debt issuance programme of State of Israel under which State of Israel, as issuer, issues debt instruments. In this Information Memorandum, these debt instruments are referred to as Bonds. Bonds are also commonly referred to as notes.

Appendix B  
(Conditions of the Bonds)

The standard terms and conditions that can be used by the Issuer to undertake each issue of Bonds are contained in a set of provisions referred to as the Conditions, as set out in this Information Memorandum in Appendix B (Conditions of the Bonds).

The Programme is unlimited. This means that the Issuer may issue any maximum amount of Bonds. The amount of Bonds to be issued under the Programme and interest rate(s) applicable to such Bonds will be determined by the Issuer and the Promoter at the time of issue of the relevant Bond in accordance with prevailing market conditions.

#### **How are Bonds issued under the Programme?**

Bonds are issued under the Programme on a continuous basis. For each Offer Period, a Final Terms which completes the Conditions is prepared, indicating which types of Bonds are being offered and setting out the terms of the Bonds to be issued.

Appendix B  
(Conditions of the Bonds)

Section (Form of Final Terms)

The key documents of which you will need to be aware when deciding whether to invest in Bonds issued under the Programme over the 12 month period from the date of this Information Memorandum are: (a) any supplement to this Information Memorandum published after the date of this Information Memorandum and (b) the applicable Final Terms for such Bonds.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Bonds, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Bonds.

The Conditions of the Bonds cater for all the types of Bonds that the Issuer envisages issuing under the Programme, with the Final Terms for each Offer Period setting out the specific commercial terms applicable to the issue. Each Final Terms is intended to be read alongside the Conditions of the Bonds,

**Refer to:**

**What types of Bonds may be issued under the Programme?**

and the two together provide the specific terms relevant to any specific issue of Bonds.

Two types of Bonds may be issued under this Information Memorandum: fixed rate Bonds, on which the Issuer will pay interest at a fixed rate, and floating rate Bonds, on which the Issuer will pay interest at a floating rate.

Appendix B  
(*Conditions of the Bonds*)

Section (*Form of Final Terms*)

Fixed rate Bonds are Bonds where the interest rate payable by the Issuer is determined prior to issue, and remains fixed throughout the life of the Bonds. See Section 3 (*How the Return on your Investment is Calculated*) for a worked example showing how the return on an issue of fixed rate Bonds is calculated. Fixed rate Bonds may be issued as Jubilee Bonds (Euro Jubilee Bonds or Sterling Jubilee Bonds), Mazel Tov Savings Bonds (Euro Mazel Tov Savings Bonds, Sterling Mazel Tov Savings Bonds or U.S. Dollar Mazel Tov Savings Bonds), Savings Bonds (Euro Savings Bonds, Sterling Savings Bonds or U.S. Dollar Savings Bonds), U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Jubilee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds or eMitzvah Savings Bonds (Euro eMitzvah Savings Bonds, Sterling eMitzvah Savings Bonds or U.S. Dollar eMitzvah Savings Bonds), all as described herein.

Floating rate Bonds are Bonds where the interest rate is calculated by reference to a fluctuating benchmark rate.

Floating rate Bonds may be issued as Euro Floating Rate Bonds or U.S. Dollar Floating Rate LIBOR Bonds, all as described herein. The applicable benchmark rate for the Euro Floating Rate Bonds is EURIBOR, the Eurozone interbank offered rate, which is a reference rate based on the averaged interest rates at which a panel of Eurozone banks offer to lend unsecured funds in Euro to other banks within the Eurozone. The applicable benchmark rate for the U.S. Dollar Floating Rate LIBOR Bonds is LIBOR, the London interbank offered rate, which is a reference rate based on the averaged interest rates at which a panel of London banks offer to lend unsecured funds in different currencies to other banks in London.

The floating interest rate is recalculated prior to the start of each interest period and applies for the length of that interest period. This means that a floating rate Bond will have a succession of different interest rates after the initial interest period rather than one interest rate applying for the life of the Bond. Although the floating interest rate will be based on the benchmark rate, it may also include a fixed percentage margin which is added to or subtracted from the benchmark rate. See Section 3 (*How the Return on your Investment is Calculated*) for a worked example showing how the return on an issue of floating rate Bonds is calculated.

The specific details of each Bond issued will be specified in the applicable Final Terms, which should be read alongside the Conditions of the Bonds.

**Refer to:**

<b>How will the price of the Bonds be determined?</b>	<p>The issue price of the Bonds is 100% of their aggregate principal amount.</p> <p>The final amount of Bonds to be issued on any issue date will be determined at the end of the relevant Offer Period and will depend, among other things, on the total amount of received subscriptions in respect of the Bonds.</p> <p>The Promoter, on behalf of the State of Israel, will announce the results of each Public Offer on its website as soon as practicable following the completion or termination of the Public Offer.</p>	
<b>What is the yield on fixed rate Bonds?</b>	<p>Calculated on the basis of the formula set out below, the annual yield of each fixed rate Bond will be the same as the applicable annual interest rate of such Bond.</p> $\text{Yield} = \frac{\text{Coupon}}{\text{Issue Price (i.e., 100\%)}}$ <p>The yield in respect of a particular Bond will not be an indication of future yield. The Final Terms in respect of any floating rate Bonds will not include any indication of yield.</p>	N/A
<b>Will the Bonds issued under the Programme have a credit rating?</b>	Issues of Bonds issued under the Programme will not be rated.	N/A
<b>Are the Bonds secured?</b>	No, the obligations of the Issuer to pay interest and principal on the Bonds will not be secured.	N/A
<b>Do the Bonds have voting rights?</b>	No.	N/A
<b>Can the Conditions of the Bonds be amended?</b>	No.	N/A
<b>Will I be able to trade the Bonds issued under the Programme?</b>	<p>The Bonds are only transferable or assignable in limited circumstances and, as a result, Bond holders may not be able to sell or transfer their Bonds and will very likely, unless their circumstances satisfy one of these limited circumstances, need to hold their Bonds to maturity.</p> <p>No application has been or will be made for the Bonds to be admitted to trading on any exchange, market or other trading platform.</p>	<p>Condition 9 (<i>Transferability</i>) of Appendix B (<i>Conditions of the Bonds</i>)</p> <p>N/A</p>
<b>What will Bond holders receive if the Issuer is unable to make payments in respect of the Bonds?</b>	<p>The Issuer is a sovereign state and, unlike a corporate entity, there is no insolvency framework for sovereign states. The Issuer may, nevertheless, be unable to meet its obligations to pay interest and repay principal on the Bonds, thereby resulting in potential losses to Bond holders.</p> <p>The Bonds will constitute direct, general, unconditional and unsubordinated External Indebtedness of the Issuer for which the full faith and credit of the Issuer is pledged. "Direct" and "general" are used in Condition 3 (<i>Status of the Bonds</i>) of the</p>	<p>Condition 3 (<i>Status of the Bonds</i>) of Appendix B (<i>Conditions of the Bonds</i>)</p>

**Refer to:**

Bonds set out in Appendix B (*Conditions of the Bonds*) to indicate that these are bonds issued by, and backed by the credit of, a government (in this case, the State of Israel); "unconditional" means that rights and obligations created under the Bonds are not dependent on any other documents or actions; and "unsubordinated" means that no other unsecured creditors of the Issuer will rank senior to these Bonds. "External Indebtedness" means any Indebtedness which is payable by its terms or at the option of its holder in any currency other than the currency of Israel and "Indebtedness" means all obligations of the Issuer in respect of borrowed money and guarantees given by the Issuer in respect of money borrowed by others.

The Bonds will rank behind any obligations that have the benefit of security granted by the Issuer. As the Bonds are not secured, Bond holders will not have recourse to any security or other assets of the State of Israel should the Issuer default on its payment obligations in respect of any Bond.

The Bonds of each series will have the same legal ranking (without any preference among themselves) as all other unsubordinated External Indebtedness of the Issuer. This means that, in the case of the Issuer's default or non-payment in respect of its debt obligations, the Bonds would have the same priority of payment as the other debt obligations of the Issuer for which no security has been granted by the Issuer (including the unsecured obligations of the Issuer in relation to banking facilities and other financing).

Condition 3 (*Status of the Bonds*) of the Bonds provides, "It is understood that this provision shall not be construed so as to require the State of Israel to make payments under the Bonds ratably with payments being made under any other External Indebtedness." This means that Condition 3 does not require the Issuer to pay amounts due under the Bonds at the same time, or in proportion to, amounts due under the other debts of the Issuer.

**What will the proceeds be used for?**

The net proceeds from the issue of the Bonds are intended to be used for the general financing purposes of the Issuer.

Section (*Use of Proceeds*)

**What if I have further questions?**

If you are unclear in relation to any matter, or uncertain if any Bonds offered under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

N/A

## INFORMATION ABOUT THE BONDS

<b>Types:</b>	<p>The Bonds are debt instruments issued by the Issuer. Bonds may be Euro Floating Rate Bonds, Jubilee Bonds (Euro Jubilee Bonds or Sterling Jubilee Bonds) Mazel Tov Savings Bonds (Euro Mazel Tov Savings Bonds, Sterling Mazel Tov Savings Bonds or U.S. Dollar Mazel Tov Savings Bonds), Savings Bonds (Euro Savings Bonds, Sterling Savings Bonds or U.S. Dollar Savings Bonds), U.S. Dollar Floating Rate LIBOR Bonds, U.S. Dollar Jubilee Fixed Rate Bonds, U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds or eMitzvah Savings Bonds (Euro eMitzvah Savings Bonds, Sterling eMitzvah Savings Bonds or U.S. Dollar eMitzvah Savings Bonds).</p> <p>See the chart on pages 17 to 22 below for further details regarding the features of these types of Bonds.</p>
<b>Currencies:</b>	<p>British Pounds Sterling, Euro and United States Dollars.</p> <p>When purchasing a Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. See Appendix B (<i>Conditions of the Bonds — Purchase of Bonds</i>).</p>
<b>Issue Date:</b>	<p>15th of the month (for Bonds offered from the 1st of the month through the 14th of the month) or 1st of the month (for Bonds offered from the 15th of the month preceding the Issue Date through the last day of that month) or (in the case of the Mazel Tov Savings Bonds and eMitzvah Savings Bonds only) the 1st of the month.</p>
<b>Maturity Dates:</b>	<p>Bonds will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th), tenth (10th) or fifteenth (15th) anniversary, as the case may be, of the Issue Date of the relevant Bond occurs. No Bonds with a maturity of less than 1 year will be issued.</p>
<b>Interest:</b>	<p>The Bonds will accrue interest from (and including) the Issue Date until (but not including) the maturity date.</p> <p>Interest may be paid on an annual or semi-annual basis, or may be only paid on the maturity date of the relevant Bond, as the case may be.</p> <p>Details of performance of EURIBOR and LIBOR rates can be obtained from <a href="http://www.emmi-benchmarks.eu/euribor-org/euribor-rates.html">http://www.emmi-benchmarks.eu/euribor-org/euribor-rates.html</a> and from <a href="https://www.theice.com/marketdata/reports/170">https://www.theice.com/marketdata/reports/170</a> respectively.</p>
<b>Form of Bonds:</b>	<p>The Bonds are issued in book-entry form, which means that ownership of the Bonds will be recorded electronically by Computershare Trust Company of Canada, the institution appointed by the Issuer to act as its fiscal agent. Certificates will be issued only to government agencies, pension funds, financial institutions and employee benefit plans that so request at the time of purchase.</p>
<b>Transfer of Bonds:</b>	<p>Bonds may be assigned or transferred in the instances specified in Condition 9 of the Bonds. See Appendix B (<i>Conditions of the Bonds — Transferability</i>).</p>
<b>Redemption:</b>	<p>Subject to any purchase and cancellation or early redemption, Bonds will be redeemed on their Maturity Date at par.</p>
<b>Early Redemption:</b>	<p>The State of Israel is entitled to redeem or repurchase any issued Bonds in whole or in part at any time. See Appendix B (<i>Conditions of the Bonds — Early Redemption — At the Option of the State of Israel</i>).</p> <p>Redemption at the request of a Bond holder is not possible, except upon (i) the death of any natural person who owned a Bond (or the last survivor of</p>



joint original owners), (ii) the death of any natural person (or the dissolution of a testamentary trust following the death of such person) who owned a Bond through an individual personal pension plan or (iii) the termination of any employee benefit plan which is the owner of a Bond scheme in accordance with the Conditions. See Appendix B (*Conditions of the Bonds — Early Redemption — At the Request of a Bond holder*).

The State of Israel has reserved the right to repurchase the Bonds in whole or in part, at any time, at such terms and under such conditions as may be determined by the State of Israel. See Appendix B (*Conditions of the Bonds — Early Redemption — Repurchase by the State of Israel Under Other Terms and Conditions*).

**Interests of natural and legal persons involved in the issue/offer:**

The Issuer is not aware of any interest(s) material to the issue of the Bonds, other than any fees payable to Promoter for promoting and arranging subscriptions for the Bonds.

**Listing:**

No application has been or will be made for the Bonds to be admitted to trading on any exchange, market or other trading platform.

**Taxation:**

Interest and principal sums due under the Bonds will be paid by the State of Israel without deduction for or on account of any present or future taxes or duties imposed or levied by or within the State of Israel (other than where the Bond holder is subject to such taxes or duties for a reason other than the holding or ownership of the Bond or the receipt of income therefrom).

For a discussion of tax consequences associated with the Bonds, see Section (*Taxation*). Investors should consult their own tax advisers in determining the tax consequences to them of the purchase, ownership and disposition of the Bonds.

**Governing Law:**

The Bonds will be governed by the laws of the State of New York.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, Japan and Belgium see Section (*Subscription and Sale*).

**Application for Bonds:**

Bonds may be offered to any person in Austria, Belgium, France, Germany, Spain, the Netherlands and/or the United Kingdom (the "**Public Offer Jurisdiction(s)**"). No Tranche(s) of Bonds have been reserved for certain countries. The Bonds may have a special appeal to persons with an interest in the State of Israel.

In order to purchase a Bond on a specific Issue Date, your subscription documents must be accepted by or on behalf of the State of Israel and cleared funds in respect of the full purchase price of such Bond must be received and accepted in the account of the Fiscal Agent before such Issue Date (or before such other date announced by the State of Israel). Investors will also be required to sign the Promoter's Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter's anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. These forms are available on the Promoter's website or by contacting the Promoter directly. The State of Israel is not obliged to accept your subscription documents. See Appendix B (*Conditions of the Bonds — Purchase of Bonds*).

The Bonds will be issued on the relevant Issue Date. If subscription documents are accepted by or on behalf of the State of Israel and/or clear funds are accepted or received in the account of the Fiscal Agent on or after an Issue

Date (or such other date), the relevant Bond will be issued on a subsequent Issue Date. When a Bond is issued on a subsequent Issue Date, the interest rate applicable to the Bond will be the interest rate applicable to such Issue Date.

If the State of Israel does not accept your application to purchase Bonds, any payment made by you in connection with such purchase will be refunded within 21 Business Days (as defined in Appendix B (*Conditions of the Bonds — Purchase of Bonds*)) after the date of rejection of the subscription application and you shall not be entitled to any interest or other compensation in respect of such refunded payment.

Unless an application to purchase Bonds is not accepted by the State of Israel or a Public Offer is cancelled or terminated early, a prospective Bond holder will be allotted 100% of the Bonds for which it has applied. The Fiscal Agent will post a confirmation of the allotment of Bonds to the prospective Bond holder within 7 Business Days of the day on which the purchase is completed.

<b>Type of Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
Euro Floating Rate Bonds	Euro	1-Year 2-Year 3-Year 5-Year 10-Year	€5,000	Variable floating rate equal to the Applicable EURIBOR Rate for the each interest period plus the applicable Spread.	June 1st and December 1st in each year and upon maturity, except that for Bonds issued on May 15th and November 15th in each year, the initial interest payment will be made on the second Interest Payment Date following the Issue Date.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
Mazel Tov Savings Bonds <sup>(1)</sup>	British Pounds Sterling	5-Year	£100 (and integral multiples of £10 in excess of £100 (or such other integral multiples specified in the applicable Final Terms))	Fixed percentage per annum.	Interest will only be paid at maturity.	One sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.
	Euro	5-Year	€100 (and integral multiples of €10 in excess of €100 (or such other integral multiples specified in the applicable Final Terms))			

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):	
Savings Bonds <sup>(2)</sup>	United States Dollars	5-Year 10-Year	U.S.\$100 (and integral multiples of U.S.\$10 in excess of U.S.\$100 (or such other integral multiples specified in the applicable Final Terms))	Fixed percentage per annum.	Interest will only be paid at maturity.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.	
	British Pounds Sterling	1-Year	1 Year – £5,000 (and integral multiples of				
		2-Year	£500 in excess of				
		3-Year	£5,000 (or such other				
		5-Year	integral multiples				
	Euro	10-Year	specified in the applicable Final Terms))				
							2-Year, 3-Year, 5-Year and 10-Year - £1,000
			1-Year				1 Year – €5,000 (and integral multiples of
2-Year			€500 in excess of				
3-Year	€5,000 (or such other						
	5-Year	integral multiples					
	10-Year	specified in the applicable Final Terms))					
			2-Year, 3-Year, 5-Year and 10-Year - €5,000 (and if applicable,				

<u>Type of Bond:</u>	<u>Currency:</u>	<u>Maturity:</u>	<u>Minimum purchase amount:</u>	<u>Interest:</u>	<u>Interest Payment Date(s):</u>	<u>Sales Period(s):</u>
			integral multiples as specified in the applicable Final Terms)			
	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year	1 Year – U.S.\$5,000 (and integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or such other integral multiples specified in the applicable Final Terms))			
			2-Year, 3-Year, 5-Year and 10-Year - U.S.\$2,500 (and integral multiples of U.S.\$500 in excess of U.S.\$2,500 (or such other integral multiples specified in the applicable Final Terms))			
Jubilee Bonds	British Pounds Sterling	1-Year 2-Year 3-Year 5-Year 10-Year	£1,000	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and

<b>Type of Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
					payment will be on the second Interest Payment Date following their Issue Date.	Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
	Euro	1-Year 2-Year 3-Year 5-Year 10-Year	€1,000	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
U.S. Dollar Floating Rate LIBOR Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year	U.S.\$5,000 (and integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or such other integral multiples specified in the applicable Final Terms))	Variable floating rate equal to the Applicable LIBOR Rate for the each interest period plus the applicable Spread.	June 1st and December 1st in each year and upon maturity, except that for Bonds issued on May 15th and November 15th in each year, the first interest payment will be on the second Interest	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be

<u>Type of Bond:</u>	<u>Currency:</u>	<u>Maturity:</u>	<u>Minimum purchase amount:</u>	<u>Interest:</u>	<u>Interest Payment Date(s):</u>	<u>Sales Period(s):</u>
					Payment Date following their Issue Date.	offered from the 15th of the month preceding the Issue Date through the last day of that month.
U.S. Dollar Jubilee Fixed Rate Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year 15-Year	U.S.\$25,000 (and integral multiples of U.S.\$5,000 in excess of U.S.\$25,000 (or such other integral multiples specified in the applicable Final Terms))	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
U.S. Dollar Maccabee Fixed Rate Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year 15-Year	U.S.\$5,000 (and integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or such other integral multiples specified in the applicable Final Terms))	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding

<u>Type of Bond:</u>	<u>Currency:</u>	<u>Maturity:</u>	<u>Minimum purchase amount:</u>	<u>Interest:</u>	<u>Interest Payment Date(s):</u>	<u>Sales Period(s):</u>
					following their Issue Date.	the Issue Date through the last day of that month.
U.S. Dollar Sabra Savings Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year	1 Year – U.S.\$5,000 (and integral multiples of U.S.\$500 in excess of U.S.\$ 5,000 (or such other integral multiples specified in the applicable Final Terms))  2-Year, 3-Year, 5-Year and 10-Year - U.S.\$1,000 (and integral multiples of U.S.\$100 in excess of U.S.\$1,000 (or such other integral multiples specified in the applicable Final Terms))	Fixed percentage per annum.	Interest will only be paid at maturity.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.



<b>Type of Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
U.S. Dollar eMitzvah Savings Bonds	United States Dollars	5-Year	U.S.\$36 (and integral multiples of U.S.\$18 in excess of U.S.\$36 (or such other integral multiples specified in the applicable Final Terms)).	Fixed percentage per annum.	Interest will only be paid at maturity.	One sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month. The purchase of U.S. Dollar eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited ( <a href="http://www.israelbondintl.com">http://www.israelbondintl.com</a> ).
Sterling eMitzvah Savings Bonds	Sterling	5-Year	£36 (and integral multiples of £18 in excess of £36 (or such other integral multiples specified in the applicable Final Terms)).	Fixed percentage per annum.	Interest will only be paid at maturity.	One sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month. The purchase of Sterling eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited ( <a href="http://www.israelbondintl.com">http://www.israelbondintl.com</a> ).

<b>Type of Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
Euro eMitzvah Savings Bonds	Euro	5-Year	€36 (and integral multiples of €18 in excess of €36 (or such other integral multiples specified in the applicable Final Terms)).	Fixed percentage per annum.	Interest will only be paid at maturity.	One sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month. The purchase of Euro eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited ( <a href="http://www.israelbondintl.com">http://www.israelbondintl.com</a> ).

**Bonds:**

- (1) The maximum amount of Mazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date, registered in the name of any one holder, is €2,500, £2,500 or U.S.\$2,500.
- (2) The maximum amount of 1-Year Savings Bonds that may be purchased by any person to be issued on any Issue Date, is €1,000,000, £1,000,000 or U.S.\$1,000,000.
- (3) The maximum amount of 1-Year U.S. Dollar Sabra Savings Bonds that may be purchased by any person to be issued on any Issue Date is U.S.\$1,000,000.
- (4) The maximum amount of eMitzvah Savings Bonds that may be purchased by any person to be issued on any Issue Date, registered in the name of any one holder, is U.S.\$90, £90 or €90.

### **SECTION 3. HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED**

The following section sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Bonds.

## HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE BONDS ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE CONDITIONS OF YOUR BONDS AS SET OUT IN APPENDIX B (*CONDITIONS OF THE BONDS*) AND THE FINAL TERMS RELATING TO THE BONDS.

### General

A bond is essentially an IOU; it is a promise by a borrower (the issuer) to repay money to an investor (the bondholder), usually with interest on the amount of money that it borrows. Payments to investors in bonds usually comprise two elements: repayment of the principal amount invested by the investor upon maturity of the relevant bond and payment of any interest which accrues on such principal amount throughout the life of the bond. This Section 3 describes how interest will be calculated on Bonds issued under the Programme and the amounts that an investor will receive upon redemption of the Bonds that it purchases.

### Interest

Two types of Bonds may be issued under this Information Memorandum: fixed rate Bonds, on which the Issuer will pay interest at a fixed rate, and floating rate Bonds, on which the Issuer will pay interest at a floating rate.

Fixed rate Bonds may be issued as Jubilee Bonds (Euro Jubilee Bonds or Sterling Jubilee Bonds), Mazel Tov Savings Bonds (Euro Mazel Tov Savings Bonds, Sterling Mazel Tov Savings Bonds or U.S. Dollar Mazel Tov Savings Bonds), Savings Bonds (Euro Savings Bonds, Sterling Savings Bonds or U.S. Dollar Savings Bonds), U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Jubilee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds, or eMitzvah Savings Bonds (Euro eMitzvah Savings Bonds, Sterling eMitzvah Savings Bonds or U.S. Dollar eMitzvah Savings Bonds), all as described herein. Floating rate Bonds may be issued as Euro Floating Rate Bonds or U.S. Dollar Floating Rate LIBOR Bonds, all as described herein.

The examples below are intended to demonstrate how the return on your investment will be calculated depending on the interest type.

#### ***Fixed Rate Bonds***

Fixed rate Bonds pay a periodic and predetermined fixed rate of interest over the life of the Bond. This means that the interest rate of a Bond is fixed as a set percentage at the time of issue.

Factors affecting the level of fixed rate interest include the length of maturity of the Bond (generally, the longer the maturity, the higher the interest rate, since investors must wait longer for a return on their investment).

Unless your Bonds are redeemed early, in respect of each Bond and on each interest payment date you will receive an amount calculated by applying the relevant fixed rate to the principal amount. Interest accrues from (and including) the issue date of the relevant Bond up to (but not including) the maturity date on the basis of a 365-day year and the number of days elapsed.

#### **WORKED EXAMPLE: FIXED RATE BONDS**

Assuming, for the purpose of this worked example only, that:

- an investor purchases £1,000 of Sterling Jubilee Bonds;
- the issue price of such Bonds is 100%;
- the fixed interest rate of such Bonds is 3.00% per annum; and
- interest accrues on the basis of a 365-day year and the number of days elapsed and the actual number of calendar days in the interest period is 183,

**then the interest amount payable on the interest payment date will be £15.04 (rounded to two decimal places). This figure is calculated as fixed interest of 3.00%, or  $0.03 \times £1,000 \times 183/365$ .**

Interest on fixed rate Bonds may be paid twice in each year and upon maturity or upon the maturity date of the relevant Bonds only, depending on the type of Bonds. See Appendix B (*Conditions of the Bonds*).

#### ***Floating Rate Bonds***

Floating rate Bonds pay interest that is calculated by reference to a fluctuating interest rate benchmark, which will be the London inter-bank offered rate (LIBOR) (or, if LIBOR is discontinued, such other interest rate as may be selected by the Calculation Agent as further described herein) for U.S. Dollar Floating Rate LIBOR Bonds or the Eurozone inter-bank offered rate (EURIBOR) for Euro Floating Rate Bonds.

It is common for an investor to receive a margin, known as the spread, which is added to or subtracted from the floating interest rate. The margin (or spread) is usually a fixed number of basis points. Each basis point is one hundredth (1/100th) of one percentage point or 0.01% (which is 0.0001 in decimal form). The applicable margin (or spread) of each Bond shall remain fixed until maturity.

After the initial interest period, the floating interest rate is recalculated on or around the start of each new interest period and applies for the length of that interest period. The Conditions specify when the benchmark rate will be determined for each interest period. If the screen rate is not published on Bloomberg, or such other recognised quotation system as may be designated by State of Israel from time to time, on a particular day for whatever reason, so that it is not possible to determine the relevant benchmark rate, the Conditions contain "fallback" provisions to cover this event.

Unless your Bonds are redeemed early, in respect of each Bond and on each interest payment date, you will receive an amount calculated by applying the rate of interest for that interest period to the principal amount. The rate of interest for any interest period will be determined by adding the relevant margin to the level of the interest rate benchmark for such interest period (or subtracting the relevant margin, if the margin is a negative number). Interest accrues from (and including) the issue date of the relevant Bond up to (but not including) the maturity date on the basis of a 365-day year and the number of days elapsed. In no event will the interest rate payable on the floating rate Bonds be less than 0% per year.

#### **WORKED EXAMPLE: FLOATING RATE BONDS**

Assuming, for the purpose of this worked example only, that:

- an investor purchases €1,000 of Euro Floating Rate Bonds;
- the issue price of such Bonds is 100%;
- the Reference Rate is 6 month EURIBOR;
- the margin is +200 basis points (or 2.00%); and
- interest accrues on the basis of a 365-day year and the number of days elapsed and the actual number of calendar days in the interest period is 181,

then if the reference rate on the relevant interest determination date is shown on the Relevant Screen Page as 2.10%, the interest amount payable on the corresponding interest payment date will be equal to €20.33 (rounded to two decimal places). This figure is calculated as €1,000 × rate of interest of 4.10% (or 0.041) × 181/365. The rate of interest (4.10%) is calculated as the Reference Rate of 2.10% (or 0.021) plus 2.00% (or 200 basis points) margin.

#### **Redemption**

##### ***Redemption at maturity***

The Bonds to be issued under the Programme will be redeemed at their principal amount on maturity. Unless your Bonds are redeemed early (as described below) or are purchased and cancelled, if you purchased £1,000 in principal amount of the Bonds, you will receive £1,000 from the Issuer on the maturity date of the Bonds. This is known as redemption at par.

##### ***Early redemption***

The State of Israel is entitled to redeem or repurchase any issued Bonds in whole or in part at any time and has reserved the right to repurchase the Bonds in whole or in part, at any time, at such terms and under such conditions as may be determined by the State of Israel. Redemption at the request of a Bond holder is not possible, except upon the death of the last surviving natural person who owned the Bond or upon the termination of an employee benefit scheme in accordance with the Conditions. See Appendix B (*Conditions of the Bonds — Early Redemption*).

If the Bonds are redeemed prior to their maturity date, you will be paid a purchase price equal to the principal amount of the Bond together with interest accrued to the redemption or repurchase date.

#### **SECTION 4. INFORMATION INCORPORATED BY REFERENCE**

This section contains a description of the information that is deemed to be incorporated by reference into this Information Memorandum.

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Information Memorandum save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is subsequently incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), *provided that* such modifying or superseding statement is made by way of a supplement to this Information Memorandum pursuant to Article 23 of the Prospectus Regulation:

1. Exhibit D to the Issuer's Annual Report on Form 18-K to the United States Securities and Exchange Commission for the fiscal year ended December 31, 2019 dated as of June 30, 2020 which has been submitted to and filed with the FCA: [https://www.sec.gov/Archives/edgar/data/52749/000110465920078446/tm2023650-1\\_ex99d.htm](https://www.sec.gov/Archives/edgar/data/52749/000110465920078446/tm2023650-1_ex99d.htm) :
 

Currency Protocol	Page D-1
Fiscal Year	Page D-1
Forward-Looking Statements	Page D-2
COVID-19	Pages D-2 to D-6 (inclusive)
Summary Information and Recent Developments	Pages D-7 to D-13 (inclusive)
State of Israel	Pages D-14 to D-24 (inclusive)
The Economy	Pages D-25 to D-51 (inclusive)
Balance of Payments and Foreign Trade	Pages D-52 to D-63 (inclusive)
The Financial System	Pages D-64 to D-79 (inclusive)
Public Finance	Pages D-81 to D-88 (inclusive)
Public Debt	Pages D-89 to D-97 (inclusive)
Debt Record	Pages D-98 to D-108 (inclusive)
2. The section headed "*Conditions of the Bonds*" set out on pages 70 to 93 (inclusive) of the information memorandum relating to the Programme dated July 18, 2019: <https://israelbondsintl.com/pdf/2019InformationMemorandum.pdf>
3. The section headed "*Form of Final Terms*" set out on pages 53 to 62 (inclusive) of the information memorandum relating to the Programme dated July 18, 2019: <https://israelbondsintl.com/pdf/2019InformationMemorandum.pdf>

For the period of 12 months following the date of this Information Memorandum, electronic copies of any documents incorporated by reference herein and in any supplements hereto will be available on the Promoter's website at [www.israelbondsintl.com](http://www.israelbondsintl.com) and physical copies may also be inspected at its offices at the address specified on the last page of this Information Memorandum.

Where a document incorporated by reference in turn incorporates information by reference, such information does not form part of the Information Memorandum for the purposes of the Prospectus Regulation.



Those parts of the document incorporated by reference which are not incorporated by reference into this Information Memorandum are either not relevant for prospective investors in the Bonds or the relevant information is included elsewhere in this Information Memorandum.

If the terms of the Programme are modified or amended in a manner which would make this Information Memorandum, as supplemented, inaccurate or misleading, a new Information Memorandum will be prepared to the extent required by law.

## **SECTION 5. SUBSCRIPTION AND SALE**

This section contains a description of certain selling restrictions applicable to making offers of the Bonds under the Programme.

## SUBSCRIPTION AND SALE

By arranging offers of Bonds to any Investor, the Promoter is hereby deemed to acknowledge, undertake, represent and warrant and agree (as the case may be), in each case for the benefit of the Issuer, as follows:

### United States of America

The Bonds have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons. The Promoter represents and agrees that it will not offer, sell or deliver any Bonds within the United States or to U.S. persons except as permitted by the above-mentioned exceptions.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

### Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA and the United Kingdom (each a "**Relevant State**"), the Promoter represents and agrees that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Information Memorandum as completed by the Final Terms in relation thereto to the public in that Relevant State, and *provided that* the Issuer has consented in writing to the use of this Information Memorandum for any such offers, except that it may make an offer of such Bonds to the public in that Relevant State:

- (a) if the Final Terms specify that a Public Offer of those Bonds may be made, following the date of publication of a prospectus in relation to such Bonds which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, *provided that* any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Promoter for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

*provided that* no such offer of Bonds referred to in (b) to (d) above shall require the Issuer or the Promoter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### United Kingdom

The Promoter represents and agrees that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

### Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Promoter undertakes that it will not offer or

sell any Bonds directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Belgium**

The Promoter represents and agrees that an offering of Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Bonds, directly or indirectly, to any Belgian Consumer.

### **General**

The Promoter agrees that it will (i) comply with all applicable securities laws and regulations in force in any jurisdiction in which it promotes or arranges any purchases, offers, sales or deliveries of Bonds or in which it possesses or distributes this Information Memorandum and (ii) obtain any consent, approval or permission required for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it promotes or arranges such purchases, offers, sales or deliveries and the Issuer shall not have any responsibility therefor.

Neither the Issuer nor the Promoter represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The issue of the Bonds will not be underwritten and there is no minimum subscription on which the issue of the Bonds is conditional.

## **SECTION 6. TAXATION**

If you are considering purchasing Bonds, it is important that you understand the taxation consequences of investing in the Bonds. It is recommended that you read this section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest in the Bonds.

## TAXATION

**Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Bonds.**

*The following is intended as general information only and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to present any comprehensive or complete description of all aspects of any applicable tax law which could be of relevance to a Bond holder. Bond holders who are in any doubt as to their tax position should consult their professional advisers.*

### **Payments by the State of Israel**

Interest and principal sums due under the Bonds will be paid by the State of Israel without deduction for or on account of any present or future taxes or duties imposed or levied by or within the State of Israel (other than where the Bond holder is subject to such taxes or duties for a reason other than the holding or ownership of the Bond or the receipt of income therefrom). The Promoter's understanding as of the date of this Information Memorandum is that in all circumstances payments of interest may be made by State of Israel without deduction of any withholding tax.

### **Payments to non-residents of the State of Israel**

Under Israeli law as presently in effect, payments made under the Bonds to Bond holders who are not residents of the State of Israel will be exempt from Israeli taxation, and there are no transfer, stamp or similar taxes under the laws of the State of Israel payable in connection with the issue or redemption of the Bonds.

### **Other tax consequences for Bond holders**

Bond holders who may be liable to taxation in jurisdictions other than the State of Israel in respect of their acquisition, holding or disposal of the Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the preceding comments relate only to certain aspects of taxation in the State of Israel. In particular, Bond holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the State of Israel.

### **Proposed Financial Transactions Tax ("FTT")**

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the "**participating Member States**") and Estonia. Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of Bonds are advised to seek their own professional advice in relation to the FTT.

## **SECTION 7. IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF BONDS**

The following section contains important information regarding the basis on which this Information Memorandum may be used for the purpose of making public offers of Bonds.



## IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF BONDS

Application will be made for a certificate of approval under Article 25 of the Prospectus Regulation as implemented in the United Kingdom to be issued by the FCA to the competent authorities in Austria, Belgium, France, Germany, Spain and the Netherlands for the purposes of making Public Offers of the Bonds (other than Exempt Bonds) in such jurisdictions during the period of twelve months after the date hereof.

Public Offers of Bonds may only be made by the Promoter in the context of a Public Offer if the offer is made in the United Kingdom, Austria, Belgium, France, Germany, Spain and the Netherlands as specified in the relevant Final Terms and within the time period referred to in the Final Terms as the "Offer Period". Other than as set out above, the Issuer has not authorised the making of any Public Offer of Bonds in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

Please see below for certain important legal information relating to Public Offers.

### *Public Offers of Bonds in the EEA*

Tranches of Bonds (other than Exempt Bonds) may, subject as provided below, be offered in any Relevant State (as defined herein) in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Information Memorandum as a "**Public Offer**".

This Information Memorandum has been prepared on a basis that permits Public Offers of Bonds in Austria, Belgium, France, Germany, Spain, the Netherlands and the United Kingdom (each, a "**Public Offer Jurisdiction**"). Any person making or intending to make a Public Offer of Bonds in a Public Offer Jurisdiction on the basis of this Information Memorandum must do so only with the consent of the Issuer – see "*Consent given in accordance with Article 5(1) of the Prospectus*" below.

If, after the date of this Information Memorandum, the Issuer intends to add one or more Relevant States to the list of Public Offer Jurisdictions for any purpose, it will prepare a supplement to this Information Memorandum specifying such Member State(s) and any relevant additional information required by the Prospectus Regulation. Such supplement will also set out provisions relating to the consent of the Issuer to the use of this Information Memorandum in connection with any Public Offer in any such additional Public Offer Jurisdiction(s).

Save as provided above, the Issuer and the Promoter have not authorised, nor do they authorise, the making of any Public Offer of Bonds in circumstances in which an obligation arises for the Issuer or the Promoter to publish or supplement a prospectus for such offer.

### *Consent given in accordance with Article 5(1) of the Prospectus Regulation*

As described more fully in the following paragraphs, express consent is given by the Issuer, as the person responsible for drawing up this Information Memorandum, to the use of this Information Memorandum by the Promoter and the Issuer accepts responsibility for the content of this Information Memorandum also with respect to sales of Bonds arranged by the Promoter.

In the context of any Public Offer of Bonds in a Public Offer Jurisdiction, the Issuer accepts responsibility in that Public Offer Jurisdiction for the content of this Information Memorandum in relation to any person (an "**Investor**") in that Public Offer Jurisdiction to whom an offer of any Bonds is made via the Promoter *provided that* the offer is made in compliance with all conditions attached to the giving of the consent. Such consent and conditions are described below under "*Consent*". The Issuer has no responsibility for any of the actions of the Promoter, including compliance by the Promoter with any applicable conduct of business rules or other local regulatory or securities law requirements in that Public Offer Jurisdiction in relation to such Public Offer.

Save as provided below, neither the Issuer nor the Promoter has authorised the making of any Public Offer and the Issuer has not consented to the use of this Information Memorandum by any other person in connection with any Public Offer of Bonds. Any Public Offer made without the consent of

**the Issuer is unauthorised and neither the Issuer nor the Promoter accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.**

**If, in the context of a Public Offer, an Investor is offered Bonds via a person which is not the Promoter, the Investor should check with such person whether anyone is responsible for this Information Memorandum for the purposes of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Information Memorandum and/or who is responsible for its contents it should take legal advice.**

#### ***Consent***

The Issuer consents to the use of this Information Memorandum in connection with a Public Offer of Bonds in any Public Offer Jurisdiction by the Promoter, *provided that* such consent:

- (a) is only valid in respect of the relevant Tranche of Bonds;
- (b) is only valid during the Offer Period specified in the applicable Final Terms; and
- (c) only extends to the use of this Information Memorandum to make Public Offers of the relevant Tranche of Bonds in such of the Public Offer Jurisdictions as are specified in the applicable Final Terms.

The consent referred to above relates to Public Offers occurring within twelve months from the date of this Information Memorandum.

**The Promoter will state on its website for so long as it uses this Information Memorandum in connection with Public Offers of Bonds in any Public Offer Jurisdiction that it uses this Information Memorandum in accordance with the consent and the conditions attached thereto contained herein.**

#### ***Terms of the Public Offers of Bonds:***

*Promoter:* Development Company for Israel (International) Limited.

*Offer Price:* 100% of the aggregate principal amount of the Bonds.

*Offer Period(s):* From the 1st of the month through the 14th of the month of the Issue Date in the case of Bonds issued on the 15th of the month or from the 15th of the month preceding the Issue Date through the last day of that month in the case of Bonds issued on the 1st of the month or (in the case of the Mazel Tov Savings Bonds and eMitzvah Savings Bonds only) from the 1st of the month preceding the Issue Date through the last day of that month.

*Conditions to which the Public Offer is subject:* The Issuer reserves the right to cancel or terminate early any Public Offer prior to its end date without giving notification of any such cancellation or early termination. For the avoidance of doubt, if any application to subscribe for the Bonds has been made by a potential investor and the Issuer exercises such right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Bonds and any applications will be automatically cancelled and any purchase monies will be refunded to the applicant.

The final amount of Bonds to be issued will be determined at the end of the Offer Period and will depend, among other things, on the total amount of received subscriptions in respect of the Bonds.

*Description of the application process:* Investors may subscribe for the Bonds through the Promoter prior to the end of the Offer Period. Application for Bonds should be made by completing an investment form. Investors will also be required to sign the Promoter's Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter's anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. These forms are available on the Promoter's website or by contacting the Promoter directly. The State of Israel is not obliged to accept an investment form.

*Details of the possibility of reducing subscriptions and manner for refunding amounts paid in excess by applicants:* Prospective investors in the Bonds should contact the Promoter for details regarding the

possibility of reducing subscriptions during the Offer Period and the manner for refunding any excess amount paid.

*Details of the minimum and/or maximum amount of the application:* The minimum amounts of application are: Euro Floating Rate Bonds - €5,000; Jubilee Bonds - €1,000 or £1,000; Mazel Tov Savings Bonds - €100, £100 or U.S.\$100; 2-Year, 3-Year, 5-Year and 10-Year Savings Bonds - €5,000, £1,000 or U.S.\$2,500; 1-Year Savings Bonds - €5,000, £5,000 or U.S.\$5,000; U.S. Dollar Floating Rate LIBOR Bonds - U.S.\$5,000; U.S. Dollar Jubilee Fixed Rate Bonds - U.S.\$25,000; U.S. Dollar Maccabee Fixed Rate Bonds - U.S.\$5,000; 2-Year, 3-Year, 5-Year and 10-Year U.S. Dollar Sabra Savings Bonds - U.S.\$1,000 and 1-Year U.S. Dollar Sabra Savings Bonds - U.S.\$5,000. The maximum amounts of application are: 1-Year Savings Bonds - €1,000,000, £1,000,000 or U.S.\$1,000,000, Mazel Tov Savings Bonds - €2,500, £2,500 or U.S.\$2,500 on any Issue Date and registered in the name of any one holder, 1-Year U.S. Dollar Sabra Savings Bonds - U.S.\$1,000,000 on any Issue Date and eMitzvah Savings Bonds - U.S.\$90, £90 or €90 on any Issue Date and registered in the name of any one holder.

*Details of the method and time limits for paying up and delivering the Bonds:* In order to purchase a Bond on a specific Issue Date, a purchaser's subscription documents must be accepted by or on behalf of the State of Israel and cleared funds in respect of the full purchase price of such Bond must be received and accepted in the account of Computershare Trust Company of Canada (the "**Fiscal Agent**") before such Issue Date (or before such other date announced by the State of Israel). The Bonds will be issued on the relevant Issue Date. If subscription documents are accepted by or on behalf of the State of Israel and/or clear funds are accepted or received in the account of the Fiscal Agent on or after an Issue Date (or such other date), the relevant Bond will be issued on a subsequent Issue Date. When a Bond is issued on a subsequent Issue Date, the interest rate applicable to the Bond will be the interest rate applicable to such Issue Date.

*Manner in and date on which results of the Public Offer are to be made public:* The Promoter, on behalf of the State of Israel, will announce the results of each Public Offer on its website as soon as practicable following the completion or termination of the Public Offer.

*Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:* Not Applicable.

*Categories of potential investors to which the Bonds are offered:* Any person in the Public Offer Jurisdiction(s). The Bonds may have a special appeal to persons with an interest in the State of Israel.

*Whether Tranche(s) have been reserved for certain countries:* No Tranche(s) have been reserved for certain countries.

*Process for notifying applicants of the amount allotted:* Unless an application to purchase Bonds is not accepted by the State of Israel or a Public Offer is cancelled or terminated early, a prospective Bond holder will be allotted 100% of the Bonds applied for. The Fiscal Agent will post a confirmation of the allotment of Bonds to the prospective Bond holder within 7 Business Days (being days other than a Saturday, Sunday or other day on which the Fiscal Agent is authorised or required by law to be closed in Toronto, Ontario, Canada or in London) of the day on which the purchase is completed.

*Amount of any expenses and taxes charged to the subscriber or purchaser:* Subscribers for Bonds will not be charged any fees in relation to the issue, transfer or assignment of a Bond by the Promoter, the Fiscal Agent or the State of Israel. Bond holders will be charged a fee (for Bonds of U.S.\$25,000 and under: U.S.\$25, £18 or €18; for Bonds greater than U.S. \$25,000: U.S.\$100, £72 or €72) to replace a Bond certificate by the Fiscal Agent.

*Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:* Not Applicable.

## **ARRANGEMENTS BETWEEN INVESTORS AND THE PROMOTER**

**IN THE EVENT OF AN OFFER OF BONDS BEING MADE BY THE PROMOTER, THE PROMOTER WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.**

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY BONDS IN A PUBLIC OFFER VIA THE PROMOTER WILL DO SO, AND OFFERS AND SALES OF SUCH BONDS TO AN INVESTOR VIA THE PROMOTER WILL BE MADE, IN ACCORDANCE WITH, ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE PROMOTER AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS (OTHER THAN WITH THE PROMOTER) IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE BONDS CONCERNED AND, ACCORDINGLY, THIS INFORMATION MEMORANDUM AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE PROMOTER AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE PROMOTER WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE ISSUER DOES NOT HAVE ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Any new information with respect to the Promoter which is, in its view, relevant to Investors in Bonds issued under this Programme and which is unknown at the time of the approval of this Information Memorandum or the filing of any Final Terms, as the case may be, will be published on the Promoter's website [www.israelbondsintl.com](http://www.israelbondsintl.com).

## **SECTION 8. USE OF PROCEEDS**

The following section describes the manner in which the Issuer intends to use the proceeds from issues of Bonds under the Programme.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Bonds are intended to be used for the general financing purposes of the Issuer.

## **SECTION 9. FORM OF FINAL TERMS**

This section contains the forms of Final Terms that the Issuer will complete when offering any Bonds under the Programme.

## FORM OF FINAL TERMS

[The Information Memorandum expires on July 16, 2021 and the Issuer intends that an updated information memorandum will be approved and published in accordance with the Prospectus Regulation during the Offer Period. The updated information memorandum will be available on the Promoter's website ([www.israelbondsintl.com](http://www.israelbondsintl.com)) as indicated below.]<sup>1</sup>

Final Terms for the Offer Period [ ], 20[20/21] to [ ], 20[20/21]

### STATE OF ISRAEL

Legal entity identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of  
Euro Savings Bonds (15th Euro Series)  
Euro Floating Rate Bonds (16th Euro Series)  
Euro Jubilee Bonds (1st Euro Series)  
Sterling Savings Bonds (11th Sterling Series)  
Sterling Jubilee Bonds (11th Sterling Series)  
U.S. Dollar Floating Rate LIBOR Bonds (9th International Dollar Series)  
U.S. Dollar Jubilee Fixed Rate Bonds (9th International Dollar Series)  
U.S. Dollar Maccabee Fixed Rate Bonds (9th International Dollar Series)  
U.S. Dollar Sabra Savings Bonds (9th International Dollar Series)  
U.S. Dollar Savings Bonds (9th International Dollar Series)  
Euro Mazel Tov Savings Bonds (11th Euro Series)  
Sterling Mazel Tov Savings Bonds (11th Sterling Series)  
U.S. Dollar Mazel Tov Savings Bonds (9th International Dollar Series)  
U.S. Dollar eMitzvah Savings Bonds (2nd International Dollar Series)  
Sterling eMitzvah Savings Bonds (2nd Sterling Series)  
Euro eMitzvah Savings Bonds (2nd Euro Series)  
(together, the "Bonds")

under the Bond Issuance Programme (the "Programme")

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the information memorandum dated 16 July 2020 [and the supplement(s) to it dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Information Memorandum**").

This document constitutes the final terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Information Memorandum in order to obtain all the relevant information. However, a summary of the issue of the Bonds is annexed to these Final Terms. Copies of the Information Memorandum and relevant Rate Sheet(s) may be obtained from the Promoter's website at [www.israelbondsintl.com](http://www.israelbondsintl.com)]

*(The following alternative language applies in respect of issues of securities where the public offer spans an update to Information Memorandum)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the information memorandum dated 16 July 2020 and any supplement(s) thereto approved and published on or before the date of these Final Terms (copies of which are available as described below) (the "**2020 Information Memorandum**"), notwithstanding the approval of an updated information memorandum which will replace the 2020 Information Memorandum (the "**Updated Information Memorandum**"). This document constitutes the Final Terms relating to the issue of Bonds described herein for the purposes of the Prospectus Regulation and (i) prior to the publication of the Updated Information Memorandum, must be read in conjunction with the 2020 Information Memorandum as so supplemented and (ii) after the

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<sup>1</sup> Include in respect of a Tranche of Bonds for which the Offer Period spans an update of the Information Memorandum



publication of the Updated Information Memorandum, must be read in conjunction with the Updated Information Memorandum save in respect of the Conditions (which are extracted from the 2020 Information Memorandum as so supplemented and which will be incorporated by reference into the Updated Information Memorandum). The 2020 Information Memorandum as so supplemented constitutes, and the Updated Information Memorandum will constitute, a base prospectus for the purposes of the Prospectus Regulation. Copies of the 2020 Information Memorandum, relevant Rate Sheet(s) and, following its publication, the Updated Information Memorandum, may be obtained from the Promoter's website at [www.israelbondsintl.com](http://www.israelbondsintl.com).]<sup>1</sup>

Investors should note that if a supplement to or an updated version of the Information Memorandum referred to above is published at any time during the Offer Period (as described above), such supplement or updated information memorandum as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the offer of Bonds to which this Final Terms relates prior to the date of publication of such supplement or updated version of the Information Memorandum, as the case may be (the "**Publication Date**"), have the right within two working days of the Publication Date to withdraw their acceptances.

### **Euro Savings Bonds (15th Euro Series)**

Specified Currency:	Euro		
Integral multiples:	[1-Year Euro Savings Bond:	[As set out in the	Conditions/[ ]]
Interest Rate:	[1-Year Euro Savings Bond:	[ ]	% per annum]
	[2-Year Euro Savings Bond:	[ ]	% per annum]
	[3-Year Euro Savings Bond:	[ ]	% per annum]
	[5-Year Euro Savings Bond:	[ ]	% per annum]
	[10-Year Euro Savings Bond:	[ ]	% per annum]
Issue Date:	[ ]		
Maturity Date:	[1-Year Euro Savings Bond:	[ ]	]
	[2-Year Euro Savings Bond:	[ ]	]
	[3-Year Euro Savings Bond:	[ ]	]
	[5-Year Euro Savings Bond:	[ ]	]
	[10-Year Euro Savings Bond:	[ ]	]
ISIN Code:	[1-Year Euro Savings Bond:	[ ]	]
	[2-Year Euro Savings Bond:	[ ]	]
	[3-Year Euro Savings Bond:	[ ]	]
	[5-Year Euro Savings Bond:	[ ]	]
	[10-Year Euro Savings Bond:	[ ]	]

### **Euro Floating Rate Bonds (16th Euro Series)**

<sup>1</sup> Include in respect of issues of Bonds for which the Offer Period spans a supplement to the Information Memorandum or an update to the Information Memorandum.

Specified Currency:	Euro
Reference Rate:	The Applicable EURIBOR Rate is [     ]
Spread:	[1-Year Euro Floating Rate Bond:       +/- [     ] basis points] [2-Year Euro Floating Rate Bond:       +/- [     ] basis points] [3-Year Euro Floating Rate Bond:       +/- [     ] basis points] [5-Year Euro Floating Rate Bond:       +/- [     ] basis points] [10-Year Euro Floating Rate Bond:      +/- [     ] basis points]
Issue Date:	[     ]
Maturity Date:	[1-Year Euro Floating Rate Bond:       [     ]] [2-Year Euro Floating Rate Bond:       [     ]] [3-Year Euro Floating Rate Bond:       [     ]] [5-Year Euro Floating Rate Bond:       [     ]] [10-Year Euro Floating Rate Bond:      [     ]]
ISIN Code:	[1-Year Euro Floating Rate Bond:       [     ]] [2-Year Euro Floating Rate Bond:       [     ]] [3-Year Euro Floating Rate Bond:       [     ]] [5-Year Euro Floating Rate Bond:       [     ]] [10-Year Euro Floating Rate Bond:      [     ]]

**Euro Jubilee Bonds (1st Euro Series)**

Specified Currency:	Euro
Interest Rate:	[1-Year Euro Jubilee Bond:       [     ]% per annum] [2-Year Euro Jubilee Bond:       [     ]% per annum] [3-Year Euro Jubilee Bond:       [     ]% per annum] [5-Year Euro Jubilee Bond:       [     ]% per annum]

	[10-Year Euro Jubilee Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[1-Year Euro Jubilee Bond:	[ ]]
	[2-Year Euro Jubilee Bond:	[ ]]
	[3-Year Euro Jubilee Bond:	[ ]]
	[5-Year Euro Jubilee Bond:	[ ]]
	[10-Year Euro Jubilee Bond:	[ ]]
ISIN Code:	[1-Year Euro Jubilee Bond:	[ ]]
	[2-Year Euro Jubilee Bond:	[ ]]
	[3-Year Euro Jubilee Bond:	[ ]]
	[5-Year Euro Jubilee Bond:	[ ]]
	[10-Year Euro Jubilee Bond:	[ ]]

### **Sterling Savings Bonds (11th Sterling Series)**

Specified Currency:	Sterling	
Integral multiples:	[1-Year Sterling Savings Bond:	[As set out in the Conditions/[ ]]
Interest Rate:	[1-Year Sterling Savings Bond:	[ ]% per annum]
	[2-Year Sterling Savings Bond:	[ ]% per annum]
	[3-Year Sterling Savings Bond:	[ ]% per annum]
	[5-Year Sterling Savings Bond:	[ ]% per annum]
	[10-Year Sterling Savings Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[1-Year Sterling Savings Bond:	[ ]]
	[2-Year Sterling Savings Bond:	[ ]]
	[3-Year Sterling Savings Bond:	[ ]]
	[5-Year Sterling Savings Bond:	[ ]]
	[10-Year Sterling Savings Bond:	[ ]]
ISIN Code:	[1-Year Sterling Savings Bond:	[ ]]
	[2-Year Sterling Savings Bond:	[ ]]
	[3-Year Sterling Savings Bond:	[ ]]
	[5-Year Sterling Savings Bond:	[ ]]

[10-Year Sterling Savings Bond: [ ]]

**Sterling Jubilee Bonds (11th Sterling Series)**

Specified Currency: Sterling

Interest Rate: [1-Year Sterling Jubilee Bond: [ ]% per annum]  
 [2-Year Sterling Jubilee Bond: [ ]% per annum]  
 [3-Year Sterling Jubilee Bond: [ ]% per annum]  
 [5-Year Sterling Jubilee Bond: [ ]% per annum]  
 [10-Year Sterling Jubilee Bond: [ ]% per annum]

Issue Date: [ ]

Maturity Date: [1-Year Sterling Jubilee Bond: [ ]]  
 [2-Year Sterling Jubilee Bond: [ ]]  
 [3-Year Sterling Jubilee Bond: [ ]]  
 [5-Year Sterling Jubilee Bond: [ ]]  
 [10-Year Sterling Jubilee Bond: [ ]]

ISIN Code: [1-Year Sterling Jubilee Bond: [ ]]  
 [2-Year Sterling Jubilee Bond: [ ]]  
 [3-Year Sterling Jubilee Bond: [ ]]  
 [5-Year Sterling Jubilee Bond: [ ]]  
 [10-Year Sterling Jubilee Bond: [ ]]

**U.S. Dollar Floating Rate LIBOR Bonds (9th International Dollar Series)**

Specified Currency: United States Dollars

Integral multiples: [As set out in the Conditions/[ ]]

Reference Rate: The Applicable LIBOR Rate is [ ]

Spread: [1-Year U.S. Dollar Floating Rate LIBOR Bond: +/- [ ] basis points]  
 [2-Year U.S. Dollar Floating Rate LIBOR Bond: +/- [ ] basis points]  
 [3-Year U.S. Dollar Floating Rate LIBOR Bond: +/- [ ] basis points]  
 [5-Year U.S. Dollar Floating Rate LIBOR Bond: +/- [ ] basis points]  
 [10-Year U.S. Dollar Floating Rate LIBOR Bond: +/- [ ] basis points]

Issue Date:	[     ]	
Maturity Date:	[1-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[2-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[3-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[5-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[10-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
ISIN Code:	[1-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[2-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[3-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[5-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]
	[10-Year U.S. Dollar Floating Rate LIBOR Bond:	[     ]]

**U.S. Dollar Jubilee Fixed Rate Bonds (9th International Dollar Series)**

Specified Currency:	United States Dollars	
Integral multiples:	[As set out in the Conditions/[     ]]	
Interest Rate:	[1-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
	[2-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
	[3-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
	[5-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
	[10-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
	[15-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]% per annum]
Issue Date:	[     ]	
Maturity Date:	[1-Year U.S. Dollar Jubilee Fixed Rate Bond:	[     ]]

ISIN Code:	[2-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[3-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[5-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[10-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[15-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[1-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[2-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[3-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[5-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[10-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]
	[15-Year U.S. Dollar Jubilee Fixed Rate Bond:	[ ]]

#### **U.S. Dollar Maccabee Fixed Rate Bonds (9th International Dollar Series)**

Specified Currency:	United States Dollars	
Integral multiples:	[As set out in the Conditions/[ ]]	
Interest Rate:	[1-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
	[2-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
	[3-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
	[5-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
	[10-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
	[15-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[1-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]]

	[2-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[3-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[5-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[10-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[15-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
ISIN Code:	[1-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[2-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[3-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[5-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[10-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]
	[15-Year U.S. Dollar Maccabee Fixed Rate Bond:	[ ]

#### **U.S. Dollar Sabra Savings Bonds (9th International Dollar Series)**

Specified Currency:	United States Dollars	
Integral multiples:	[As set out in the Conditions/[ ]]	
Interest Rate:	[1-Year U.S. Dollar Sabra Savings Bond:	[ ]% per annum]
	[2-Year U.S. Dollar Sabra Savings Bond:	[ ]% per annum]
	[3-Year U.S. Dollar Sabra Savings Bond:	[ ]% per annum]
	[5-Year U.S. Dollar Sabra Savings Bond:	[ ]% per annum]
	[10-Year U.S. Dollar Sabra Savings Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[1-Year U.S. Dollar Sabra Savings Bond:	[ ]
	[2-Year U.S. Dollar Sabra Savings Bond:	[ ]

ISIN Code:	[3-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[5-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[10-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[1-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[2-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[3-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[5-Year U.S. Dollar Sabra Savings Bond:	[ ]]
	[10-Year U.S. Dollar Sabra Savings Bond:	[ ]]

**U.S. Dollar Savings Bonds (9th International Dollar Series)**

Specified Currency:	United States Dollars	
Integral multiples:	[As set out in the Conditions/[ ]]	
Interest Rate:	[1-Year U.S. Dollar Savings Bond:	[ ]% per annum]
	[2-Year U.S. Dollar Savings Bond:	[ ]% per annum]
	[3-Year U.S. Dollar Savings Bond:	[ ]% per annum]
	[5-Year U.S. Dollar Savings Bond:	[ ]% per annum]
	[10-Year U.S. Dollar Savings Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[1-Year U.S. Dollar Savings Bond:	[ ]]
	[2-Year U.S. Dollar Savings Bond:	[ ]]
	[3-Year U.S. Dollar Savings Bond:	[ ]]
	[5-Year U.S. Dollar Savings Bond:	[ ]]
	[10-Year U.S. Dollar Savings Bond:	[ ]]



ISIN Code:	[1-Year U.S. Dollar Savings Bond:	[     ]]
	[2-Year U.S. Dollar Savings Bond:	[     ]]
	[3-Year U.S. Dollar Savings Bond:	[     ]]
	[5-Year U.S. Dollar Savings Bond:	[     ]]
	[10-Year U.S. Dollar Savings Bond:	[     ]]

**Euro Mazel Tov Savings Bonds (11th Euro Series)**

Specified Currency:	Euro
Integral multiples:	[As set out in the Conditions/[     ]]
Interest Rate:	[     ]% per annum
Issue Date:	[     ]
Maturity Date:	[     ]
ISIN Code:	[     ]

**Sterling Mazel Tov Savings Bonds (11th Sterling Series)**

Specified Currency:	Sterling
Integral multiples:	[As set out in the Conditions/[     ]]
Interest Rate:	[     ]% per annum
Issue Date:	[     ]
Maturity Date:	[     ]
ISIN Code:	[     ]

**U.S. Dollar Mazel Tov Savings Bonds (9th International Dollar Series)**

Specified Currency:	United States Dollars
Integral multiples:	[As set out in the Conditions/[     ]]
Interest Rate:	[5-Year U.S. Dollar Mazel Tov Savings Bond: [     ]% per annum]
	[10-Year U.S. Dollar Mazel Tov Savings Bond: [     ]% per annum]
Issue Date:	[     ]

Maturity Date: [5-Year U.S. Dollar Mazel Tov Savings Bond: [ ]]

[10-Year U.S. Dollar Mazel Tov Savings Bond: [ ]]

ISIN Code: [5-Year U.S. Dollar Mazel Tov Savings Bond: [ ]]

[10-Year U.S. Dollar Mazel Tov Savings Bond: [ ]]

#### **U.S. Dollar eMitzvah Savings Bonds (2nd International Dollar Series)**

Specified Currency: U.S. Dollars

Integral multiples: [As set out in the Conditions/[ ]]

Interest Rate: [ ]% per annum

Issue Date: [ ]

Maturity Date: [ ]

ISIN Code: [ ]

#### **Sterling eMitzvah Savings Bonds (2nd Sterling Series)**

Specified Currency: Sterling

Integral multiples: [As set out in the Conditions/[ ]]

Interest Rate: [ ]% per annum

Issue Date: [ ]

Maturity Date: [ ]

ISIN Code: [ ]

#### **Euro eMitzvah Savings Bonds (2nd Euro Series)**

Specified Currency: Euro

Integral multiples: [As set out in the Conditions/[ ]]

Interest Rate: [ ]% per annum

Issue Date: [ ]

Maturity Date: [ ]

ISIN Code: [ ]

#### **Terms and Conditions of the Public Offer of the Bonds**

Public Offer Jurisdiction(s): [Austria, Belgium, France, Germany, Spain, the Netherlands and the United Kingdom]

Offer Period: [ ], 20[20/21] to [ ], 20[20/21] [or in respect of [the Mazel Tov Savings Bonds/eMitzvah Savings Bonds] [ ], 20[20/21] to [ ], 20[20/21]] *[provided, however, that the Offer Period in Austria will not commence until the day after the filing of the issue terms with the Registration Office (Meldestelle) has been duly made as required by the Austrian Capital Markets Act]*

#### **SUMMARY OF THE ISSUE**

*[Insert summary of the terms of the specific issue]*

## **SECTION 10. ADDITIONAL INFORMATION**

You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Information Memorandum.

## ADDITIONAL INFORMATION

### 1. **No Significant Change**

Save as disclosed in the section “COVID-19” of Exhibit D to the Form 18-K, incorporated by reference in this Information Memorandum, there has been no significant change in relation to public finance and trade, the tax and budgetary systems, the gross public debt, the foreign trade and balance of payment figures, the foreign exchange reserves, the financial position and resources and the income and expenditure figures of the Issuer since the fiscal year ended December 31, 2019.

### 2. **Governmental, Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Information Memorandum which may have, or have had in the recent past, significant effects on the financial position of the Issuer.

### 3. **Documents Available**

For the period of 12 months following the date of this Information Memorandum, electronic copies of the following documents will be available on the Promoter's website at [www.israelbondsintl.com](http://www.israelbondsintl.com) and physical copies may also be inspected at its offices at the address specified on the last page of this Information Memorandum:

- (i) this Information Memorandum and any supplements hereto, any future offering memoranda and any documents incorporated by reference herein or therein;
- (ii) any Final Terms;
- (iii) financial reports for the last two fiscal years; and
- (iv) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Information Memorandum.

### 4. **Pricing**

The amount of Bonds to be issued under the Programme and interest rate(s) applicable to such Bonds will be determined by the Issuer and the Promoter at the time of issue of the relevant Bond in accordance with prevailing market conditions.

### 5. **Yield**

Calculated on the basis of the formula set out below, the annual yield of each fixed rate Bond will be the same as the applicable annual interest rate of such Bond.

$$\text{Yield} = \frac{\text{Coupon}}{\text{Issue Price (i.e., 100\%)}}$$

The yield in respect of a particular Bond will not be an indication of future yield.

### 6. **Termination**

The State of Israel reserves the right to terminate the arrangements set out in this Information Memorandum and cease or suspend issuing Bonds of any particular type or maturity, or to cease or suspend issuing Bonds in their entirety, in the future. Any such termination shall be notified to the Promoter in writing.

## **APPENDIX A. DEFINED TERMS**

This section contains an index of defined terms used in this Information Memorandum.

## DEFINED TERMS

\$.....	60	New Israeli Shekels.....	60
£.....	60, 64	NIS .....	60
€.....	60, 62	offer of Bonds to the public .....	31
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Euro eMitzvah Savings Bonds .....	62	Securities Act.....	vi
Euro Floating Rate Bonds .....	ii, 62	Series.....	62
Euro Jubilee Bonds.....	ii, 62	shekels.....	60
Euro Mazel Tov Savings Bonds .....	i, 62	Specified Currency.....	6, 64
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Israel.....	i	U.S. Dollar Savings Bonds .....	ii, 64
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Mazel Tov Savings Bonds.....	i, 63	USD .....	60
Member State .....	60		

Unless otherwise specified, all references in this Information Memorandum to:

- **"United States Dollars", "U.S. Dollars", "U.S. dollars", "U.S.\$", "USD"** and **"\$"** refer to the currency of the United States of America;
- **"New Israeli Shekels", "shekels" and "NIS"** refer to the currency of the State of Israel;
- **"Sterling", "British Pounds Sterling" and "£"** refer to the currency of the United Kingdom;
- **"euro", "EUR" and "€"** refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended;
- **"Prospectus Regulation"** refer to Regulation (EU) 2017/1129;
- **"EEA"** refer to the European Economic Area; and
- **"Member State"** refer to a member state of the EEA.



## **APPENDIX B. CONDITIONS OF THE BONDS**

This section sets out the text of the terms and conditions of the Bonds.

## CONDITIONS OF THE BONDS

The following are the terms and conditions (the "**Conditions**") of the bonds described under Condition 2 below (the "**Bonds**") issued by State of Israel (the "**Issuer**" or the "**State of Israel**") under its Bond Issuance Programme (the "**Programme**").

These Conditions apply to Bonds issued under the Programme on or after July 16, 2020 *provided, however, that* the terms and conditions set out in the information memorandum relating to the Programme dated July 18, 2019 will apply to any Bonds which were the subject of a Public Offer made before July 16, 2020 (notwithstanding that such Bonds may be issued on or after July 16, 2020).

Each Tranche of Bonds will be issued on the terms set out in these Conditions, as completed by a document called a final terms (the "**Final Terms**").

As used herein, "**Tranche**" means Bonds which are identical in all respects and "**Series**" means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Maturity Dates.

Copies of the applicable Final Terms are available for viewing at and copies may be obtained from the website of Development Company for Israel (International) Limited (the "**Promoter**") at [www.israelbondsintl.com](http://www.israelbondsintl.com). Bond holders are deemed to have notice of the applicable Final Terms.

### 1. Defined Terms

The following terms are used in these Conditions:

" <b>Business Day</b> "	a day other than a Saturday, Sunday or other day on which the Fiscal Agent is authorised or required by law to be closed in Toronto, Ontario, Canada or in London.
" <b>Calculation Agent</b> "	the agent appointed by the State of Israel to act in such capacity.
" <b>Computershare</b> " or the " <b>Fiscal Agent</b> "	Computershare Trust Company of Canada.
" <b>eMitzvah Savings Bonds</b> "	Bonds which are eMitzvah Savings Bonds (as specified in the relevant Final Terms).
" <b>EURIBOR</b> "	the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published in accordance with the requirements from time to time of the European Banking Federation.
" <b>Euro</b> ", " <b>EUR</b> " and " <b>€</b> "	the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.
" <b>Euro eMitzvah Savings Bonds</b> "	eMitzvah Savings Bonds which are denominated in Euro.
" <b>Euro Floating Rate Bonds</b> "	Bonds which have a floating interest rate calculated on the basis of EURIBOR (as specified in the relevant Final Terms).
" <b>Euro Jubilee Bonds</b> "	Jubilee Bonds which are denominated in Euro.
" <b>Euro Mazel Tov Savings Bonds</b> "	Mazel Tov Savings Bonds which are denominated in Euro.
" <b>Euro Savings Bonds</b> "	Savings Bonds which are denominated in Euro.

<b>"Fiscal Agency Agreement"</b>	the amended and restated fiscal agency agreement between the Issuer and the Fiscal Agent dated December 24, 2013 (as supplemented, amended, otherwise modified or replaced from time to time).
<b>"Interest Payment Date"</b>	in relation to a given Bond, the date (or dates or series of dates) on which the State of Israel will pay interest under the terms of that Bond to the Registered Owner (as specified in the relevant Final Terms).
<b>"Investment Form"</b>	the form published by the Promoter for provision of relevant subscription and other information by persons seeking to purchase Bonds.
<b>"Issue Date"</b>	in relation to a given Bond, the date on which it is issued by the State of Israel (as specified in the relevant Final Terms).
<b>"Jubilee Bonds"</b>	Bonds which are jubilee Bonds (as specified in the relevant Final Terms).
<b>"LIBOR"</b>	the interest rate benchmark known as the London interbank offered rate.
<b>"Mazel Tov Savings Bonds"</b>	Bonds which are mazel tov savings Bonds (as specified in the relevant Final Terms).
<b>"Prospectus Regulation"</b>	Regulation (EU) 2017/1129.
<b>"purchase date"</b>	the date on which an investor applies to purchase Bonds.
<b>"Public Offer"</b>	an offer of Bonds in any Member State in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus.
<b>"Rate Sheet"</b>	the rate sheet for a given Bond (if any), as made available from time to time by the Promoter, in which details of the rate(s) of interest for that Bond (among other details) are stated.
<b>"Rate-Setting Day"</b>	any day other than a Saturday, Sunday or other day on which banks are authorised or required by law to be closed in New York, London or Toronto.
<b>"Reference Bank"</b>	a major bank operating in the Eurozone interbank market (in the case of EURIBOR) or, as the case may be, London interbank market (in the case of LIBOR).
<b>"Relevant Date"</b>	the date on which a payment of principal and/or interest first becomes due, except that, if the full amount of the monies payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of the relevant monies having been so received (or, if such date is not a Business Day, the next day which is a Business Day), such payment is made to the Bond holders.
<b>"Relevant Quotation System"</b>	Bloomberg or such other recognised quotation system as may be determined by the State of Israel from time to time.
<b>"Registered Owner"</b>	the person (or group of persons jointly) whom the Fiscal Agent is asked by the purchaser of a Bond to register as the person(s)

	legally entitled to that Bond.
<b>"Savings Bonds"</b>	Bonds which are savings Bonds (as specified in the relevant Final Terms).
<b>"Specified Currency"</b>	in relation to a given Bond, the currency of that Bond (as specified in the relevant Final Terms).
<b>"Sterling", "British Pounds Sterling" and "£"</b>	the currency of the United Kingdom.
<b>"Sterling eMitzvah Savings Bonds"</b>	eMitzvah Savings Bonds which are denominated in Sterling.
<b>"Sterling Jubilee Bonds"</b>	Jubilee Bonds which are denominated in Sterling.
<b>"Sterling Mazel Tov Savings Bonds"</b>	Mazel Tov Savings Bonds which are denominated in Sterling.
<b>"Sterling Savings Bonds"</b>	Savings Bonds which are denominated in Sterling.
<b>"UK Registered Pension Scheme"</b>	has the definition given in section 150(2) of the Finance Act 2004.
<b>"U.S. Dollars", "United States Dollars", "U.S. dollars" or "U.S.\$"</b>	the currency of the United States of America.
<b>"U.S. Dollar eMitzvah Savings Bonds"</b>	eMitzvah Savings Bonds which are denominated in U.S. Dollars.
<b>"U.S. Dollar Floating Rate LIBOR Bonds"</b>	Bonds which have a floating interest rate calculated on the basis of LIBOR (as specified in the relevant Final Terms).
<b>"U.S. Dollar Jubilee Fixed Rate Bonds"</b>	Bonds which are jubilee fixed rate Bonds (as specified in the relevant Final Terms).
<b>"U.S. Dollar Maccabee Fixed Rate Bonds"</b>	Bonds which are maccabee fixed rate Bonds (as specified in the relevant Final Terms).
<b>"U.S. Dollar Mazel Tov Savings Bonds"</b>	Mazel Tov Savings Bonds which are denominated in U.S. Dollars.
<b>"U.S. Dollar Savings Bonds"</b>	Savings Bonds which are denominated in U.S. Dollars.
<b>"U.S. Dollar Sabra Savings Bonds"</b>	Bonds which are U.S. Dollar Sabra Savings Bonds (as specified in the relevant Final Terms).

## 2. **Type of Bonds**

Bonds issued under the Programme may be, Euro Floating Rate Bonds, Jubilee Bonds (Euro Jubilee Bonds or Sterling Jubilee Bonds), Mazel Tov Savings Bonds (Euro Mazel Tov Savings Bonds, Sterling Mazel Tov Savings Bonds or U.S. Dollar Mazel Tov Savings Bonds), Savings Bonds (Euro Savings Bonds, Sterling Savings Bonds or U.S. Dollar Savings Bonds), U.S. Dollar Floating Rate LIBOR Bonds, U.S. Dollar Jubilee Fixed Rate Bonds, U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds or eMitzvah Savings Bonds (Euro eMitzvah Savings Bonds, Sterling eMitzvah Savings Bonds or U.S. Dollar eMitzvah Savings Bonds).

### 2.1 ***Bonds denominated in Euros***

### 2.1.1 *The Euro Floating Rate Bonds*

The minimum purchase amount of the Euro Floating Rate Bonds is €5,000. Euro Floating Rate Bonds may be purchased in any amount equal to or higher than such minimum purchase amount.

Each State of Israel 1-Year Euro Floating Rate Bond, 2-Year Euro Floating Rate Bond, 3-Year Euro Floating Rate Bond, 5-Year Euro Floating Rate Bond and 10-Year Euro Floating Rate Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for Euro Floating Rate Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Euro Floating Rate Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date up to (but not including) the maturity date of the Euro Floating Rate Bond.

Interest Payment Dates for the Euro Floating Rate Bonds, on which interest will be paid semi-annually in arrear, are June 1st and December 1st in each year and upon maturity, except that for Euro Floating Rate Bonds issued on May 15th and November 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The initial interest rate of each Euro Floating Rate Bond is equal to the six month EURIBOR in effect three Rate-Setting Days prior to the first day of the sales period of such Bond, as it appears on the Relevant Quotation System, rounded upwards to the next one-sixteenth (1/16) of one percent, if the quoted interest rate is not equivalent to one-sixteenth (1/16) of one percent (the "**Applicable EURIBOR Rate**"), plus or minus a fixed number of basis points determined by the State of Israel (the "**Spread**") prior to the issue of the Euro Floating Rate Bond and published in the relevant Rate Sheet and on the Promoter's website.

The Spread of each Euro Floating Rate Bond shall remain fixed until maturity. After the initial interest period, the interest rate will be adjusted semi-annually in accordance with the Applicable EURIBOR Rate in effect on subsequent interest determination dates, which will be three Rate-Setting Days prior to June 1st and December 1st of each year.

In no event will the interest rate payable on the Euro Floating Rate Bonds be less than 0% per year. If EURIBOR changes during an interest period, this will not affect the rate of interest for that period. The rate of interest may vary (both upwards and downwards) from interest period to interest period as EURIBOR changes.

The Spread and the initial interest rate applicable to each Euro Floating Rate Bond will be determined by the State of Israel and specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website not less than one Business Day prior to the first day of the sales period of such Bond. Subsequent interest rates applicable to each Euro Floating Rate Bond will be announced by the State of Israel one Business Day prior to June 1st or December 1st in each year.

### 2.1.2 *The Euro Jubilee Bonds*

The minimum purchase amount of the Euro Jubilee Bonds is €1,000. Euro Jubilee Bonds may be purchased in any amount equal to or higher than such minimum purchase amount.

Each State of Israel 1-Year Euro Jubilee Bond, 2-Year Euro Jubilee Bond, 3-Year Euro Jubilee Bond, 5-Year Euro Jubilee Bond and 10-Year Euro Jubilee Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for Euro Jubilee Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Euro Jubilee Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Euro Jubilee Bond up to (but not including) the maturity date. Except in the cases described in this Memorandum, interest will be paid every May 1st, November 1st and on maturity of the Euro Jubilee Bond.

Interest Payment Dates for the Euro Jubilee Bonds, on which interest will be paid semi-annually in arrear, are May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The interest rate applicable to each Euro Jubilee Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.1.3 *The Euro Mazel Tov Savings Bonds*

The minimum purchase amount of the Euro Mazel Tov Savings Bonds is €100. Euro Mazel Tov Savings Bonds may be purchased in integral multiples of €10 in excess of €100 (or in such other integral multiples specified in the applicable Final Terms) *provided, however, that* the maximum amount of Euro Mazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date and registered in the name of any one holder, is €2,500.

Each State of Israel 5-Year Euro Mazel Tov Savings Bond will mature on the first calendar day of the month during which the fifth (5th) anniversary of the Issue Date of the relevant Bond shall fall. Euro Mazel Tov Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Euro Mazel Tov Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Euro Mazel Tov Savings Bond.

The interest rate applicable to each Euro Mazel Tov Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.1.3 *The Euro Savings Bonds*

The minimum purchase amount of the 2-Year, 3-Year, 5-Year and 10-Year Euro Savings Bonds is €5,000. The minimum purchase amount of the 1-Year Euro Savings Bond is €5,000. 1-Year Euro Savings Bonds may be purchased in integral multiples of €500 in

excess of €5,000 (or in such other integral multiples specified in the applicable Final Terms). All other Euro Savings Bonds may be purchased in any amount equal to or higher than such minimum purchase amount.

Each State of Israel 1-Year Euro Savings Bond, 2-Year Euro Savings Bond, 3-Year Euro Savings Bond, 5-Year Euro Savings Bond and 10-Year Euro Savings Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. The maximum amount of 1-Year Euro Savings Bonds that may be purchased by any person to be issued on any Issue Date is €1,000,000.

Issue Dates for Euro Savings Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Euro Savings Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Euro Savings Bond and will be compounded annually until (but not including) the maturity date but shall only be payable at maturity of the Euro Savings Bond.

The interest rate applicable to each Euro Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.1.4 *The Euro eMitzvah Savings Bonds*

The minimum purchase amount of the 5-Year Euro eMitzvah Savings Bonds is €36. Euro eMitzvah Savings Bonds may be purchased in integral multiples of €18 in excess of €36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Euro eMitzvah Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Euro eMitzvah Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is €90. The purchase of Euro eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited (<http://www.israelbondsintl.com>).

Each Euro eMitzvah Savings Bond will mature on the first calendar day of the month during which the fifth (5th) anniversary of the Issue Date of the relevant Bond shall fall. Euro eMitzvah Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Euro eMitzvah Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Euro eMitzvah Savings Bond.

The interest rate applicable to each Euro eMitzvah Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

## 2.2 ***Bonds denominated in British Pounds Sterling***

### 2.2.1 *The Sterling Jubilee Bonds*

The minimum purchase amount of the Sterling Jubilee Bonds is £1,000. Sterling Jubilee Bonds may be purchased in any amount equal to or higher than such minimum purchase amount.

Each State of Israel 1-Year Sterling Jubilee Bond, 2-Year Sterling Jubilee Bond, 3-Year Sterling Jubilee Bond, 5-Year Sterling Jubilee Bond and 10-Year Sterling Jubilee Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for Sterling Jubilee Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Sterling Jubilee Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Sterling Jubilee Bond up to (but not including) the maturity date. Except in the cases described in this Memorandum, interest will be paid every May 1st, November 1st and on maturity of the Sterling Jubilee Bond.

Interest Payment Dates for the Sterling Jubilee Bonds, on which interest will be paid semi-annually in arrear, are May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The interest rate applicable to each Sterling Jubilee Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.2.2 *The Sterling Mazel Tov Savings Bonds*

The minimum purchase amount of the Sterling Mazel Tov Savings Bonds is £100. Sterling Mazel Tov Savings Bonds may be purchased in integral multiples of £10 in excess of £100 (or in such other integral multiples specified in the applicable Final Terms) *provided, however, that* the maximum amount of Sterling Mazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Sterling Mazel Tov Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is £2,500.

Each State of Israel 5-Year Sterling Mazel Tov Savings Bond will mature on the first calendar day of the month during which the fifth (5th) anniversary of the Issue Date of the relevant Bond shall fall. Sterling Mazel Tov Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Sterling Mazel Tov Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Sterling Mazel Tov Savings Bond.

The interest rate applicable to each Sterling Mazel Tov Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.



### 2.2.3 *The Sterling Savings Bonds*

The minimum purchase amount of the 2-Year, 3-Year, 5-Year and 10-Year Sterling Savings Bonds is £1,000. The minimum purchase amount of the 1-Year Sterling Savings Bond is £5,000. 1-Year Sterling Savings Bonds may be purchased in integral multiples of £500 in excess of £5,000 (or in such other integral multiples specified in the applicable Final Terms). All other Sterling Savings Bonds may be purchased in any amount equal to or higher than such minimum purchase amount *provided, however, that* the maximum amount of 1-Year Sterling Savings Bonds that may be purchased by any person to be issued on any Issue Date is £1,000,000.

Each State of Israel 1-Year Sterling Savings Bond, 2-Year Sterling Savings Bond, 3-Year Sterling Savings Bond, 5-Year Sterling Savings Bond and 10-Year Sterling Savings Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for Sterling Savings Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Sterling Savings Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Sterling Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Sterling Savings Bond.

The interest rate applicable to each Sterling Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

### 2.2.4 *The Sterling eMitzvah Savings Bonds*

The minimum purchase amount of the 5-Year Sterling eMitzvah Savings Bonds is £36. Sterling eMitzvah Savings Bonds may be purchased in integral multiples of £18 in excess of £36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Sterling eMitzvah Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Sterling eMitzvah Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is £90. The purchase of Sterling eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited (<http://www.israelbondsintl.com>).

Each Sterling eMitzvah Savings Bond will mature on the first calendar day of the month during which the fifth (5th) anniversary of the Issue Date of the relevant Bond shall fall. Sterling eMitzvah Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the Sterling eMitzvah Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Sterling eMitzvah Savings Bond.

The interest rate applicable to each Sterling eMitzvah Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The

applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

## 2.3 ***Bonds denominated in United States Dollars***

### 2.3.1 *The U.S. Dollar Floating Rate LIBOR Bonds*

The minimum purchase amount of the U.S. Dollar Floating Rate LIBOR Bonds is U.S.\$5,000. U.S. Dollar Floating Rate LIBOR Bonds may be purchased in integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or in such other integral multiples specified in the applicable Final Terms).

In addition, if you have purchased a minimum of U.S.\$5,000 of 2-Year U.S. Dollar Floating Rate LIBOR Bonds, 3-Year U.S. Dollar Floating Rate LIBOR Bonds, 5-Year U.S. Dollar Floating Rate LIBOR Bonds, or 10-Year U.S. Dollar Floating Rate LIBOR Bonds in a single purchase during the twelve (12) month period immediately preceding the additional purchase, you may purchase such additional U.S. Dollar Floating Rate LIBOR Bonds of the same maturity period in denominations of U.S.\$500 and integral multiples of U.S.\$500 (or in such other integral multiples specified in the applicable Final Terms). Additional Bonds must be registered in the same name as the Bonds satisfying the minimum purchase requirement.

Each State of Israel 1-Year U.S. Dollar Floating Rate LIBOR Bond, 2-Year U.S. Dollar Floating Rate LIBOR Bond, 3-Year U.S. Dollar Floating Rate LIBOR Bond, 5-Year U.S. Dollar Floating Rate LIBOR Bond and 10-Year U.S. Dollar Floating Rate LIBOR Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Floating Rate LIBOR Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Floating Rate LIBOR Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date up to (but not including) the maturity date of the Floating Rate LIBOR Bond.

Interest Payment Dates for the U.S. Dollar Floating Rate LIBOR Bonds, on which interest will be paid semi-annually in arrear, are June 1st and December 1st in each year and upon maturity, except that for U.S. Dollar Floating Rate LIBOR Bonds issued on May 15th and November 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The initial interest rate of each U.S. Dollar Floating Rate LIBOR Bond is equal to the six month LIBOR (or, if LIBOR is discontinued, such other interest rate as may be selected by the Calculation Agent as further described below) in effect three Rate-Setting Days prior to the first day of the sales period of such Bond, as it appears on the Relevant Quotation System, rounded upwards to the next one-sixteenth (1/16) of one percent, if the quoted interest rate is not equivalent to one-sixteenth (1/16) of one percent (the "**Applicable LIBOR Rate**"), plus or minus a Spread.

The Spread of each U.S. Dollar Floating Rate LIBOR Bond shall remain fixed until maturity. After the initial interest period, the interest rate will be adjusted semi-annually in accordance with the Applicable LIBOR Rate in effect on subsequent interest

determination dates, which will be three Rate-Setting Days prior to June 1st and December 1st of each year.

In no event will the interest rate payable on the U.S. Dollar Floating Rate LIBOR Bonds be less than 0% per year. If LIBOR changes during an interest period, this will not affect the rate of interest for that period. The rate of interest may vary (both upwards and downwards) from interest period to interest period as LIBOR changes. If LIBOR is discontinued, the Calculation Agent may select another interest rate, as further described below.

The Spread and the initial interest rate applicable to each U.S. Dollar Floating Rate LIBOR Bond will be determined by the State of Israel and specified in the applicable Final Terms and published in the relevant Rate Sheet and on the Promoter's website not less than one Business Day prior to the first day of the sales period of such Bond. Subsequent interest rates applicable to each U.S. Dollar Floating Rate LIBOR Bond will be announced by the State of Israel one Business Day prior to June 1st or December 1st in each year.

### *2.3.2 The U.S. Dollar Jubilee Fixed Rate Bonds*

The minimum purchase amount of the U.S. Dollar Jubilee Fixed Rate Bonds is U.S.\$25,000. U.S. Dollar Jubilee Fixed Rate Bonds may be purchased in integral multiples of U.S.\$5,000 in excess of U.S.\$25,000 (or in such other integral multiples specified in the applicable Final Terms).

In addition, if you have purchased a minimum of U.S.\$25,000 of U.S. Dollar Jubilee Fixed Rate Bonds of a certain maturity period in a single purchase during the twelve (12) month period immediately preceding the additional purchase, you may purchase such additional U.S. Dollar Jubilee Fixed Rate Bonds of the same maturity period in denominations of U.S.\$5,000 or integral multiples of U.S.\$5,000 (or in such other integral multiples specified in the applicable Final Terms). Additional Bonds must be registered in the same name as the Bonds satisfying the minimum purchase requirement.

Each State of Israel 1-Year U.S. Dollar Jubilee Fixed Rate Bond, 2-Year U.S. Dollar Jubilee Fixed Rate Bond, 3-Year U.S. Dollar Jubilee Fixed Rate Bond, 5-Year U.S. Dollar Jubilee Fixed Rate Bond, 10-Year U.S. Dollar Jubilee Fixed Rate Bond and 15-Year U.S. Dollar Jubilee Fixed Rate Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th), tenth (10th) or fifteenth (15th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Jubilee Fixed Rate Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Jubilee Fixed Rate Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Jubilee Fixed Rate Bond up to (but not including) the maturity date. Except in the cases described in this Memorandum, interest will be paid every May 1st, November 1st and on maturity of the U.S. Dollar Jubilee Fixed Rate Bond.

Interest Payment Dates for the U.S. Dollar Jubilee Fixed Rate Bonds, on which interest will be paid semi-annually in arrear, are May 1st and November 1st in each year and upon maturity, except that for U.S. Dollar Jubilee Fixed Rate Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The interest rate applicable to each U.S. Dollar Jubilee Fixed Rate Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

### 2.3.3 *The U.S. Dollar Maccabee Fixed Rate Bonds*

The minimum purchase amount of the U.S. Dollar Maccabee Fixed Rate Bonds is U.S.\$5,000. U.S. Dollar Maccabee Fixed Rate Bonds may be purchased in integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or in such other integral multiples specified in the applicable Final Terms).

In addition, if you have purchased a minimum of U.S.\$5,000 of U.S. Dollar Maccabee Fixed Rate Bonds of a certain maturity period in a single purchase during the twelve (12) month period immediately preceding the additional purchase, you may purchase such additional U.S. Dollar Maccabee Fixed Rate Bonds of the same maturity period in denominations of U.S.\$500 or integral multiples of U.S.\$500 (or in such other integral multiples specified in the applicable Final Terms). Additional Bonds must be registered in the same name as the Bonds satisfying the minimum purchase requirement.

Each State of Israel 1-Year U.S. Dollar Maccabee Fixed Rate Bond, 2-Year U.S. Dollar Maccabee Fixed Rate Bond, 3-Year U.S. Dollar Maccabee Fixed Rate Bond, 5-Year U.S. Dollar Maccabee Fixed Rate Bond, 10-Year U.S. Dollar Maccabee Fixed Rate Bond and 15-Year U.S. Dollar Maccabee Fixed Rate Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th), tenth (10th) or fifteenth (15th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Maccabee Fixed Rate Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your Maccabee Fixed Rate Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Maccabee Fixed Rate Bond up to (but not including) the maturity date. Except in the cases described in this Memorandum, interest will be paid every May 1st, November 1st and upon maturity of the U.S. Dollar Maccabee Fixed Rate Bond.

Interest Payment Dates for the U.S. Dollar Maccabee Fixed Rate Bonds, on which interest will be paid semi-annually in arrear, are May 1st and November 1st in each year and upon maturity, except that for U.S. Dollar Maccabee Fixed Rate Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The interest rate applicable to each U.S. Dollar Maccabee Fixed Rate Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

### 2.3.4 *The U.S. Dollar Mazel Tov Savings Bonds*

The minimum purchase amount of the U.S. Dollar Mazel Tov Savings Bonds is U.S.\$100. U.S. Dollar Mazel Tov Savings Bonds may be purchased in integral multiples of U.S.\$10 in excess of U.S.\$100 (or in such other integral multiples specified in the

applicable Final Terms) *provided, however, that* the maximum amount of U.S. Dollar Mazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Sterling Mazel Tov Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is U.S.\$2,500.

Each State of Israel 5-Year U.S. Dollar Mazel Tov Savings Bond and 10-Year U.S. Dollar Mazel Tov Savings Bond will mature on the first calendar day of the month during which the fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. U.S. Dollar Mazel Tov Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Mazel Tov Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the U.S. Dollar Mazel Tov Savings Bond.

The interest rate applicable to each U.S. Dollar Mazel Tov Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

### 2.3.5 *The U.S. Dollar Sabra Savings Bonds*

The minimum purchase amount of the 1-Year U.S. Dollar Sabra Savings Bonds is U.S.\$5,000. 1-Year U.S. Dollar Sabra Savings Bonds may be purchased in integral multiples of U.S.\$500 in excess of U.S.\$5,000 (or in such other integral multiples specified in the applicable Final Terms). The maximum amount of 1-Year U.S. Dollar Sabra Savings Bonds that may be purchased by any person to be issued on any Issue Date is U.S.\$1,000,000.

The minimum purchase amount of the 2-Year U.S. Dollar Sabra Savings Bond, 3-Year U.S. Dollar Sabra Savings Bond, 5-Year U.S. Dollar Sabra Savings Bond and 10-Year U.S. Dollar Sabra Savings Bond is U.S.\$1,000. These U.S. Dollar Sabra Savings Bonds may be purchased in integral multiples of U.S.\$100 in excess of U.S.\$1,000 (or in such other integral multiples specified in the applicable Final Terms).

Each State of Israel 1-Year U.S. Dollar Sabra Savings Bond, 2-Year U.S. Dollar Sabra Savings Bond, 3-Year U.S. Dollar Sabra Savings Bond, 5-Year U.S. Dollar Sabra Savings Bond and 10-Year U.S. Dollar Sabra Savings Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Sabra Savings Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Sabra Savings Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Sabra Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the U.S. Dollar Sabra Savings Bond.

The interest rate applicable to each U.S. Dollar Sabra Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the

sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.3.6 *The U.S. Dollar Savings Bonds*

The minimum purchase amount of the 2-Year, 3-Year, 5-Year and 10-Year U.S. Dollar Savings Bonds is U.S.\$2,500. These U.S. Dollar Savings Bonds may be purchased in integral multiples of U.S.\$500 in excess of U.S.\$2,500 (or in such other integral multiples specified in the applicable Final Terms). The minimum purchase amount of the 1-Year U.S. Dollar Savings Bonds is U.S.\$5,000 (and integral multiples of U.S.\$1000 in excess of U.S.\$5,000 (or such other integral multiples specified in the applicable Final Terms)). The maximum amount of 1-Year U.S. Dollar Savings Bonds that may be purchased by any person to be issued on any Issue Date is U.S.\$1,000,000.

Each State of Israel 1-Year U.S. Dollar Savings Bond, 2-Year U.S. Dollar Savings Bond, 3-Year U.S. Dollar Savings Bond, 5-Year U.S. Dollar Savings Bond and 10-Year U.S. Dollar Savings Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Savings Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Savings Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the U.S. Dollar Savings Bond.

The interest rate applicable to each U.S. Dollar Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

#### 2.3.7 *The U.S. Dollar eMitzvah Savings Bonds*

The minimum purchase amount of the 5-Year U.S. Dollar eMitzvah Savings Bonds is U.S.\$36. U.S. Dollar eMitzvah Savings Bonds may be purchased in integral multiples of U.S.\$18 in excess of U.S.\$36 (or in such other integral multiples specified in the applicable Final Terms) *provided, however*, that the maximum amount of U.S. Dollar eMitzvah Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of U.S. Dollar eMitzvah Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is U.S.\$90. The purchase of U.S. Dollar eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited (<http://www.israelbondsintl.com>).

Each U.S. Dollar eMitzvah Savings Bond will mature on the first calendar day of the month during which the fifth (5th) anniversary of the Issue Date of the relevant Bond shall fall. U.S. Dollar eMitzvah Savings Bonds will be issued on the 1st of the month. These Bonds will be sold in one sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar eMitzvah Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the U.S. Dollar eMitzvah Savings Bond.

The interest rate applicable to each U.S. Dollar eMitzvah Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Final Terms, the applicable Rate Sheet and on the Promoter's website.

3. **Status of the Bonds**

The Bonds constitute and will constitute direct, general, unconditional and unsubordinated External Indebtedness of the State of Israel for which the full faith and credit of the State of Israel is pledged. The Bonds of each series rank and will rank without any preference among themselves and equally with all other unsubordinated External Indebtedness of the State of Israel. It is understood that this provision shall not be construed so as to require the State of Israel to make payments under the Bonds ratably with payments being made under any other External Indebtedness. For the purposes of this Condition 3, "**External Indebtedness**" means any Indebtedness which is payable by its terms or at the option of its holder in any currency other than the currency of Israel and "**Indebtedness**" means all obligations of the Issuer in respect of borrowed money and guarantees given by the Issuer in respect of money borrowed by others.

4. **Early Redemption**

The Bonds are subject to early redemption and repurchase by the State of Israel as described in this Condition. Whether the Bonds are redeemed at the option of the State of Israel, or repurchased by the State of Israel at the request of the Bond holder or on such other terms and conditions as the State of Israel may determine, the State of Israel will redeem or repurchase Bonds for a purchase price equal to the principal amount of the Bond together with interest accrued to the redemption or repurchase date. If the redemption or repurchase price is not paid upon the surrender of any Bond, then such Bonds will continue to accrue interest at the rate prescribed for such Bonds through the maturity of the Bond.

The State of Israel will not be required to issue or register the transfer or exchange of any Bond during the period beginning with the fifteenth (15th) Business Day prior to the date of the posting of a notice of redemption through the end of the date of the posting. The State of Israel will also not be required to register the transfer or exchange of any Bond selected for redemption in whole or in part, except for the unredeemed portion of the Bond being redeemed in part.

4.1 ***At the Request of a Bond holder***

A Bond may be repurchased by the State of Israel prior to its maturity, but only on the first Business Day of a given month, within sixty (60) days following the State of Israel's receipt of a Bond holder's written request accompanied by an instrument of transfer in a form approved by the Fiscal Agent, under the following circumstances:

- Upon the death of any natural person who was the original Registered Owner (or the last survivor of joint original Registered Owners); provided that such obligation of the State of Israel to redeem upon death shall cease and terminate and shall not apply when the Bond is owned by a transferee or assignee.
- Upon the death of any natural person (or the dissolution of a testamentary trust following the death of such person) who owned such Bond through an individual personal pension plan.
- Upon the termination of any employee benefit plan which is the Registered Owner. In such circumstances, evidence must be provided to the State of Israel that such employee benefit plan has been terminated and that the assets are to be liquidated to meet the plan's commitments.

The three scenarios described above are subject to the caveat that the State of Israel may suspend or terminate its obligation to purchase such Bond if, in the opinion of the State of Israel, a material number of the affected original Registered Owners have died as a result of war, epidemic, catastrophe of nature or other disaster.

Early redemption at the behest of Registered Owners is impossible in any other circumstances.

#### 4.2 ***At the Option of the State of Israel***

The Bonds are subject to redemption at any time by the State of Israel. Any holding of Bonds is redeemable as a whole or in part. If the Bonds are redeemed in part, selection of the Bonds to be redeemed will be at the State of Israel's discretion; however, the Bonds will be redeemed in groups, such that each group of Bonds will consist of all Bonds of the same Tranche bearing the same Issue Date. Partial redemption can be made only on an Interest Payment Date. In addition, no Bonds of any Series can be redeemed at the option of the State of Israel unless the Bonds of such Series having a prior Issue Date are or have been called for redemption. For purposes of such redemption, the Bonds will be called in accordance with the provisions of the Fiscal Agency Agreement, and there will be no aggregation of different series or other debt instruments of the State of Israel. (For the avoidance of doubt, there will be no aggregation irrespective of any similarity in name, maturity, currency, denomination, integral terms and/or issue date between the Bonds offered hereby and any different series or other debt instruments of the State of Israel.) A notice of redemption will be posted to all affected Bond owners by the Fiscal Agent between thirty (30) and sixty (60) days prior to the intended redemption date. The notice will state:

- the redemption date;
- whether all Bonds or a group of Bonds are to be redeemed;
- in the case of a redemption of a group of Bonds, a description of the group of Bonds that are to be redeemed;
- the redemption price;
- that on the redemption date no owner of Bonds called for redemption is entitled to more than the redemption price, and that the redemption price is due and payable on the redemption date; and
- the place where the Bonds are to be redeemed.

#### 4.3 ***Repurchase by the State of Israel Under Other Terms and Conditions***

In addition to a redemption or repurchase of the Bonds described under Conditions 4.1 and 4.2 above, the State of Israel reserves the right to repurchase the Bonds in whole or in part, at any time, at such terms and under such conditions as may be determined by the State of Israel. Bonds so repurchased shall be purchased from Bond holders willing to sell such Bonds on the terms and conditions determined by the State of Israel in respect of such repurchase. Repurchased Bonds may be held or resold by the State of Israel or surrendered to the Fiscal Agent for cancellation in accordance with the Fiscal Agency Agreement.

### 5. **Event of Default**

If the State of Israel shall default in a payment of interest or of the principal sum of a Bond or of a portion thereof then any amount not so paid will bear interest at the rate applicable to the relevant Bond(s) plus or minus (as indicated in the applicable Final Terms) the relevant Spread. Interest shall be paid from and including the date of default until but not including the date of actual payment. If the default shall continue for a period of ninety (90) days then the Registered Owner will be entitled to give a written demand to the State of Israel requiring payment of the principal sum which will then become due and payable (together with unpaid accrued interest) on the date such written demand is actually received by the State of Israel unless the default shall have been cured by the State of Israel prior to such date.

### 6. **Additional Provisions relating to the Calculation of Interest**

#### 6.1 ***General***

Interest calculations in relation to the Bonds shall be performed by the Fiscal Agent, with the resulting figures rounded to the nearest unit of the specified currency of the relevant Bonds (with



halves being rounded up) where required, and approved by the Issuer prior to any payments of interest.

**6.2 Fallback Provisions for the Calculation of Floating Rate Interest**

6.2.1 Other than upon the occurrence of a Benchmark Event as defined in Condition 6.2.2, below, if the Relevant Quotation System is not available, the Fiscal Agent shall use the most recently published offered quotation for deposits in the Specified Currency on such Relevant Quotation System to determine the rate of interest in respect of any floating rate Bonds for the applicable interest period, plus or minus (as indicated in the applicable Final Terms) the relevant Spread.

**6.2.2 Benchmark Discontinuation**

6.2.2.1 In respect of Bonds with a floating rate of interest, if a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2.2.2 and, in either case, an Adjustment Spread (in accordance with Condition 6.2.2.3 and any Benchmark Amendments (in accordance with Condition 6.2.2.4).

An Independent Adviser appointed pursuant to this Condition 6.2.2 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest or the Bondholders for any determination made by it pursuant to this Condition 6.2.2.

6.2.2.2 If the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, determines that:

- (a) there is a Successor Rate, then such Successor Rate as adjusted by the applicable Adjustment Spread as provided in Condition 6.2.2.3 shall subsequently be used in place of the Original Reference Rate to determine the relevant rate(s) of interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the relevant Bonds (subject to the further operation of this Condition 6.2.2); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate as adjusted by the applicable Adjustment Spread as provided in Condition 6.2.2.3 shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the relevant Bonds (subject to the further operation of this Condition 6.2.2).

6.2.2.3 If a Successor Rate or Alternative Rate is determined in accordance with Condition 6.2.2.2, the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, such an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent

determination of a relevant rate of interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

- 6.2.2.4 If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 6.2.2 and the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, determines (A) that amendments to these Conditions and/or the Agency Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2.2.5, without any requirement for the consent or approval of Bondholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Fiscal Agent or the Calculation Agent, as applicable shall (at the expense of the Issuer), without any requirement for the consent or approval of Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments and the Fiscal Agent or the Calculation Agent, as applicable shall not be liable to any party for any consequences thereof, provided that the Fiscal Agent or the Calculation Agent, as applicable, shall not be obliged so to concur if in the reasonable opinion of the Fiscal Agent or the Calculation Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Fiscal Agent in these Conditions or the Agency Agreement in any way.

- 6.2.2.5 The Issuer will notify the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest and the Bondholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6.2.2. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- 6.2.2.6 Without prejudice to the obligations of the Issuer under the provisions of this Condition 6.2.2, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.3 will continue to apply unless and until a Benchmark Event has occurred.
- 6.2.2.7 If, following the occurrence of a Benchmark Event and in relation to the determination of the rate of interest on the relevant interest determination date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Fiscal Agent or any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest (as applicable), in each case pursuant to this Condition 6.2.2, prior to such interest determination date, then condition 6.2.3 shall apply.

For the avoidance of doubt, this Condition 6.2.2.7 shall apply to the determination of the rate of interest on the relevant interest determination date only, and the rate of interest applicable to any subsequent interest period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2.2.

- 6.2.2.8 As used in this Condition 6.2:

**"Adjustment Spread"** means either (a) either a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of an Alternative Rate or (where (A) above does not apply) in the case of a Successor Rate, the Independent Adviser determines (in consultation with the Issuer) is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) (if the Independent Adviser (in consultation with the Issuer) determines that neither (A) nor (B) above applies) the Independent Adviser (in consultation with the Issuer) determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**"Alternative Rate"** means an alternative to the Original Reference Rate which the Independent Adviser (in consultation with the Issuer) determines in accordance with Condition 6.2.2.2 has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Bonds, or if the Independent Adviser (in consultation with the Issuer) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Issuer) determines in its sole discretion is most comparable to the Original Reference Rate;

**"Benchmark Amendments"** has the meaning given to it in Condition 6.2.2.4;

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- (a) the Original Reference Rate ceasing to be published for at least five business days or ceasing to exist or be administered; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in (b)(i); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or

indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i); or

- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i); or
- (f) it has or will prior to the next interest determination date become unlawful for the Issuer, the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest or any Fiscal Agent to calculate any payments due to be made to any Bondholder using the Original Reference Rate; or
- (g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate experience in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 6.2.2.1;

**"Original Reference Rate"** means, for Euro Floating Rate Bonds, EURIBOR, and for U.S. Dollar Floating Rate LIBOR Bonds, LIBOR (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

**"Relevant Nominating Body"** means, in respect of an Original Reference Rate:

- (a) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- 6.2.3 Following a Benchmark Event, unless the Calculation Agent determines an Alternative Rate or Successor Rate (in each case along with an Adjustment Spread) in accordance with Condition 6.2.2 prior to the relevant interest determination date, then the Calculation Agent, after consultation with the State of Israel, will select four major banks in the relevant interbank market for the Original Reference Rate and will request each of their

principal offices in such market to provide a quotation of the rate at which six-month deposits in the relevant currency in amounts of at least €1,000,000 or \$1,000,000, as applicable, are offered by it to prime banks in the relevant interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, then six-month LIBOR or EURIBOR, as applicable, for the relevant interest period will be the arithmetic average (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the quotations provided. Otherwise, the Calculation Agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it on the interest determination date for loans in the relevant currency to leading European banks having an index maturity of six months for the applicable interest determination date in an amount of at least €1,000,000 or \$1,000,000, as applicable, that is representative of single transactions at that time. If three quotations are provided, then six-month LIBOR or EURIBOR, as applicable, for the relevant interest determination date will be the arithmetic average (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the quotations provided. Otherwise, the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate six-month LIBOR or EURIBOR, as applicable, or any of the foregoing lending rates, shall determine six-month LIBOR or EURIBOR, as applicable, for the relevant interest determination date in its sole discretion. The Calculation Agent will instruct the Fiscal Agent as to the interest rate to apply, and the Fiscal Agent shall be entitled to rely on such instruction.

Absent manifest error, the Calculation Agent's determination of the interest rate for an interest determination date for the Bonds will be binding and conclusive on the Bondholder, the Fiscal Agent and the State of Israel. In making the above determination, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

The Calculation Agent has not yet been appointed; State of Israel may appoint itself or designate a third party as calculation agent. Where a Calculation Agent has been appointed following the discontinuation of an Original Reference Rate, the Fiscal Agent, on behalf of the State of Israel, shall notify the Bondholders in writing of (i) such appointment; (ii) the substitute or successor interest rate that the Calculation Agent determines will be applicable in accordance with the above; and (iii) any consequential amendments to these Conditions required in connection with the same.

## **7. Interest and Principal Payment**

Interest shall accrue from (and including) the Issue Date of the Bond up to (but not including) the maturity date on the basis of a 365-day year and the number of days elapsed. The Bonds will not accrue interest after the maturity.

All payments of principal and interest will be made in the Specified Currency.

To the extent applicable, all interest payments shall be paid by cheque posted to the Registered Owner's address of record with the Fiscal Agent or credited to a bank account held by the Registered Owner, the details of which the Registered Owner has provided to the Promoter for such purposes. Interest payments made by bank transfer to a bank account in the United Kingdom or any EEA Member State (being a member state of the European Union which adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union) will be made by the Fiscal Agent, through a bank in the United Kingdom or that EEA Member State.

On maturity of a book-entry Bond, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond to the Registered Owner by posting a cheque to the last address of the Registered Owner or by a bank transfer into a bank account held by the Registered Owner.

On maturity of a Bond that, in the exceptional circumstances detailed in these Conditions, is represented by a Bond certificate, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond by posting a cheque to the last address of the Registered Owner

notified to the Fiscal Agent or by a bank transfer in the same manner as for a book-entry Bond, but only against delivery of the Bond certificate to the Fiscal Agent for cancellation.

If the due date for any payment of interest or principal is not a Business Day, then the relevant payment shall be made on the next day which is a Business Day but no additional interest will be payable as a result of such extension.

## **8. Taxation**

Interest and principal sums due under the Bonds will be paid by the State of Israel without deduction for or on account of any present or future taxes or duties imposed or levied by or within the State of Israel (other than where the Bond holder is subject to such taxes or duties for a reason other than the holding or ownership of the Bond or the receipt of income therefrom).

## **9. Transferability**

### **9.1 General**

Any person becoming entitled to a Bond as a result of a transfer, assignment or transmission pursuant to this Condition 9 may apply to be registered as the holder of such Bond, upon: (1) notifying the Fiscal Agent of a request to transfer or assign the Bond pursuant to Condition 9.2 below or producing such evidence as reasonably requested by the Fiscal Agent to demonstrate entitlement by transmission pursuant to Condition 9.3 below and (2) notifying the Fiscal Agent in writing of the request to re-register the Bond along with appropriate transfer documents (and the Bond certificate if one was issued).

Any Bond holder wishing to transfer or assign a Bond to "anyone designated by the State of Israel as a permitted transferee" pursuant to Condition 9.2.5 below should notify the Fiscal Agent in advance of making a request to re-register the Bond, provide such information on the contemplated transfer or assignment as may be required by the Fiscal Agent and/or the Issuer (including the amount of the Bond(s) to be transferred and the identity of the proposed transferee) and seek the Issuer's confirmation that it will consider such transferee as a permitted transferee. Once such confirmation has been given, a request to re-register the Bond may then be made in accordance with the procedures set out at (1) and (2) in the above paragraph.

A Bond holder should not contact the State of Israel directly in connection with any application to transfer or assign a Bond, or to designate a person as a permitted transferee of a Bond; all such applications and requests should be sent to the Fiscal Agent. The State of Israel's confirmation of the designation of a transferee as a permitted transferee pursuant to Condition 9.2.5 will be given by the Fiscal Agent on the Issuer's behalf, following consultation with the Issuer, and the Issuer's consent to a transfer or assignment of a Bond pursuant to Condition 9.2 is deemed to be given upon registration of such Bond in the name of the new Bond holder(s) (absent error by the Fiscal Agent).

### **9.2 Transfer or assignment of Bonds**

The Issuer will consent to a transfer or assignment of a Bond only to the following permitted transferees:

- 9.2.1 the State of Israel. If you donate your Bond to the State of Israel, the Bond (and any Bond payments to which you might be entitled) will be cancelled and the debt represented by the Bond and/or cheque will be deemed forgiven;
- 9.2.2 any religious, charitable, literary, scientific or educational organisation, contributions to which are, at the time of the transfer, deductible for income and similar tax purposes under the United States Internal Revenue Code of 1986, as heretofore or hereafter amended (or are accorded similar treatment under the laws of the country in which the transferee is located), *provided however that* each such transfer is made by gift or bequest only, without any compensation to the transferor;
- 9.2.3 the Registered Owner's spouse, children, grandchildren, siblings, parents or grandparents;

9.2.4 a UK Registered Pension Scheme whose only members are the Registered Owner and (as applicable) the Registered Owner's spouse, children, grandchildren, siblings, parents and/or grandparents; or

9.2.5 anyone designated by the State of Israel as a permitted transferee.

9.3 ***Transfer upon death of a registered holder of Bonds or of any other event giving rise to the transmission of Bonds by operation of law***

In the case of death of a registered holder of Bonds or of any other event giving rise to the transmission of Bonds by operation of law, the only persons recognised by the State of Israel as having any right to such Bonds upon transmission are:

9.3.1 the personal representatives of a deceased registered holder's estate; or

9.3.2 the trustee in bankruptcy of a bankrupt registered holder; or

9.3.3 the trustee or administrator or other officially entitled person in relation to the estate of a registered holder who has been declared mentally incompetent by a court of competent jurisdiction; or

9.3.4 any person who can demonstrate that he or it has been appointed by a court of competent jurisdiction to represent the estate of a registered holder in any other applicable circumstances (including but not limited to cases where the Bonds are considered to be *bona vacantia* (i.e., property not disposed of by the deceased's will and to which no relative is entitled upon intestacy)).

10. **Purchase of Bonds**

10.1 ***General***

Application for Bonds should be made by completing an Investment Form. Investors will also be required to sign the Promoter's Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter's anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Identification Form are available on the Promoter's website or copies may be obtained by contacting the Promoter directly. The State of Israel is not obliged to accept your subscription documents.

In order to purchase a Bond on a specific Issue Date, your subscription documents must be accepted by or on behalf of the State of Israel and cleared funds in respect of the full purchase price of such Bond must be received and accepted in the account of the Fiscal Agent before such Issue Date (or before such other date announced by the State of Israel). Your application to purchase a Bond will be accepted only when (1) your properly completed subscription documents are received by the Promoter and (2) the full purchase price of such Bond is actually received by the Fiscal Agent prior to the Issue Date. The purchase of eMitzvah Savings Bonds is only available through the website of Development Company for Israel (International) Limited (<http://www.israelbondsintl.com>)

If your subscription documents are accepted by or on behalf of the State of Israel and/or clear funds are accepted or received in the account of the Fiscal Agent on or after an Issue Date (or such other date), your Bond will be issued on a subsequent Issue Date. When a Bond is issued on a subsequent Issue Date, the interest rate applicable to the Bond will be the interest rate applicable to such Issue Date, in accordance with the applicable Final Terms and then prevailing Rate Sheet.

If the State of Israel does not accept your application to purchase Bonds, any payment made by you in connection with such purchase will be refunded within 21 Business Days after the date of rejection of the subscription application and you shall not be entitled to any interest or other compensation in respect of such refunded payment.

10.2 ***Currencies / Conversion of Funds***

When purchasing a Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. Where investors tender a currency which is different to the Specified Currency of the relevant Bond, rather than the Specified Currency, the Fiscal Agent will convert the currency received from the investor into the Specified Currency at an exchange rate that it determines in its sole discretion acting in good faith and in a commercially reasonable manner. Funds which are not in the Specified Currency must, upon conversion, equal or exceed the minimum purchase amount of the relevant Bond in the Specified Currency.

10.3 ***Reinvesting a matured State of Israel bond***

If you are reinvesting a matured State of Israel bond in Bonds, in order for your new Bond to be issued on the maturity date of your reinvested bond, your subscription must be accepted by or on behalf of the State of Israel by the fifth of the month during which the maturity date occurs of your reinvested bond (or, if such date falls on a non-Banking Day, the first Banking Day after such date). Unless sales of a certain Bond are suspended, a subscription will be accepted by or on behalf of the State of Israel if it is in a form acceptable to the State of Israel before the designated date as set forth above.

10.4 ***Reinvesting payments in purchases of new Bonds***

If a Bond holder intends to reinvest payments of principal or interest in purchases of new Bonds then, upon request by the Bond holder, the Fiscal Agent may convert such payments into the Specified Currency of the new Bonds (being Euro, British Pounds Sterling or United States Dollars) at an exchange rate determined by it in its sole discretion acting in good faith and in a commercially reasonable manner.

11. **Bond Certificates**

All Bonds are issued in book-entry form. Bond certificates will not normally be issued (except in the limited circumstances described below in this paragraph). Instead, the Fiscal Agent will post to each person registered as the purchaser of a Bond a confirmation that he or it (or the relevant third party whom he may have designated) has been entered in the Bond register as the Registered Owner along with other pertinent information. Certificates will be issued only in the cases of Registered Owners who are government agencies, pension funds, financial institutions and employee benefit plans that so request at the time of purchase, or upon written consent of the State of Israel. The Fiscal Agent, on behalf of the State of Israel, will forward all notices relating to the Bonds to the Registered Owner(s).

Upon maturity or redemption of a book-entry Bond, the Fiscal Agent will automatically pay the principal amount and accrued interest on the book-entry Bond to the Registered Owner by posting a cheque to the last address of the Registered Owner as listed in the Bond register or, if written instructions are given by the Registered Owner, by direct credit to the bank account specified by the Registered Owner.

Bond certificate holders must present the physical certificate to the Fiscal Agent to receive payment. The Registered Owner will bear all expenses in connection with the replacement and delivery of a new Bond certificate, should one be required for any reason. However, the State of Israel will (except in cases where it has proof of delivery of the Bond certificate) issue a new Bond certificate to the Registered Owner for no cost where the Registered Owner has notified the State of Israel and the Fiscal Agent in writing that the Bond certificate was never delivered, no later than six months following the original Issue Date of the Bond.

12. **Prescription**

Claims for principal shall become void unless made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless made within five years of the appropriate Relevant Date.

13. **Fiscal Agent**



Computershare will act as the Fiscal Agent for the Bonds. The address for Computershare is 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1, Canada. Attention: State of Israel Bonds. The telephone number is +1 (416) 263 9200.

14. **Governing Law**

The Bonds will be governed by and construed in accordance with the laws of the State of New York.

15. **Jurisdiction; Waiver of Immunity; Consent to Service and Enforceability**

The State of Israel is a sovereign state. However, the State of Israel, in respect of the Bonds, agrees to irrevocably submit to the non-exclusive jurisdiction of the federal court in the Southern District of New York or any state court in the City of New York or any competent court in Israel and irrevocably agrees not to claim immunity from any proceedings or from the execution of any judgement in connection with the terms of the Bonds (save as provided below or to the extent that the State of Israel is precluded by applicable laws to agree as aforesaid).

Notwithstanding the foregoing, the State of Israel reserves the right to plead sovereign immunity under the United States Foreign Sovereign Immunities Act of 1976, as amended, with respect to actions brought against it under United States federal securities laws or any state securities laws, and the State of Israel's appointment of the Process Agent (as defined below) will not extend to such actions. Additionally, under the laws of the State of Israel, the funds, assets, rights and general property of the Issuer located in the State of Israel are immune from execution and attachment and any process in the nature thereof and the foregoing waiver shall not constitute a waiver of such immunity or of any immunity from execution or attachment or process in the nature thereof with respect to the premises of the Issuer's diplomatic missions in any jurisdiction outside the State of Israel or with respect to the assets of the Issuer necessary for the proper functioning of the Issuer as a sovereign power.

The State of Israel has appointed the Chief Legal Officer and Head of Israel Economic Mission - Western Hemisphere of the Ministry of Finance of the Government of Israel in New York, New York, whose address is 800 Second Avenue, 17th Floor, New York, New York 10017, United States of America, as its authorised agent upon whom process may be served (the "**Process Agent**"). This appointment is limited to any action arising out of or based on the Bonds that the Registered Owner of any Bonds may institute in any federal court in the Southern District of New York or any state court in the City of New York. Such appointment will be irrevocable until the State of Israel pays all amounts due or to become due on or in respect of all the Bonds issuable under the Fiscal Agency agreement. If for any reason the Process Agent ceases to be able to act as the State of Israel's authorised agent or no longer has an address in New York, the State of Israel will appoint another person in New York as its authorised agent upon whom process may be served.

The Chief Legal Officer and Head of Israel Economic Mission for the Western Hemisphere, in its capacity as Process Agent, is not the agent for service for actions under the United States federal securities laws or state securities laws and the State of Israel's waiver of immunity does not extend to such actions.

## **APPENDIX C. THE PROMOTER**

This section sets out a description of the Promoter.

## **THE PROMOTER**

Development Company for Israel (International) Limited has been appointed as sole promoter of the various Bonds to which this Information Memorandum relates, in the United Kingdom and to any non-United Kingdom resident purchaser with whom any such transaction is lawful in accordance with the laws of the United Kingdom and of the jurisdiction of the purchaser's residence.

The Promoter was incorporated in England in 1979 for the sole purpose of acting as an intermediary between investors and the State of Israel by arranging investments in bonds issued from time to time by the State of Israel. The Promoter carries on no other business than the promotion and distribution of the Bonds, and is authorised and regulated by the FCA. The Promoter does not provide advice to any person on the merits of purchasing Bonds, and no part of this Information Memorandum should be construed as advice to any person on the merits of such a purchase. The Promoter contracts with each purchaser of Bonds through its Terms of Business, and classifies all such purchasers as its retail clients for the purposes of the FCA Rules.

The Promoter has not separately verified the information contained in this Information Memorandum nor does it make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Information Memorandum. The Promoter does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Promoter.

The Promoter does not in any way underwrite or guarantee the Bonds which it distributes.

For the Promoter's services of promoting and arranging subscriptions for the Bonds, the Promoter (either directly or through a group company) receives a concession and/or consulting fee from the State of Israel at a rate to be determined from time to time by the State of Israel and the Promoter.

Any new information with respect to the Promoter which is, in its view, relevant to Investors in Bonds issued under this Programme and which is unknown at the time of the approval of this Information Memorandum or the filing of any Final Terms, as the case may be, will be published on the Promoter's website [www.israelbondsintl.com](http://www.israelbondsintl.com).

## **ISSUER**

**The State of Israel**  
Ministry of Finance  
800 Second Avenue, 17th Floor  
New York, New York 10017  
United States of America

Attention: Consul and Chief Legal Officer and Head of Israel Economic Mission - Western Hemisphere  
Telephone: +1 (646) 779-6811  
Fax: +1 (646) 779 6815

## **FISCAL AGENT**

**Computershare Trust Company of Canada**  
100 University Avenue, 8th floor  
Toronto  
Ontario M5J 2Y1  
Canada

Attention: State of Israel Bonds  
Telephone: +1 416 263 9200

## **PROMOTER**

**Development Company for Israel (International) Limited**  
ORT House  
126 Albert Street  
London NW1 7NE  
United Kingdom

Telephone: +44 (0)20 3936 2712  
Email: infoEN@israelbondsintl.com  
Website: www.israelbondsintl.com

### Paris office:

7 Place Vendôme  
75001 Paris  
France

Telephone: +33 1 42 85 85 50  
Email: infoFR@israelbondsintl.com

### Frankfurt office:

Hebelstrasse 6, 2nd Floor  
60318 Frankfurt/Main  
Germany

Telephone: +49 69 490470  
Email: infoDE@israelbondsintl.com

## **LEGAL ADVISERS**

*To the Issuer*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

## OFFERING MEMORANDUM FOR EXEMPT BONDS

Pages 90 to 117 (inclusive) of this document comprise an offering memorandum (the "**Offering Memorandum**"). The Offering Memorandum has been prepared by the Issuer in connection with the issuance of bonds under the Programme for which no prospectus is required to be published under the Prospectus Regulation (the "**Exempt Bonds**").

The Offering Memorandum has not been reviewed or approved by the FCA and does not constitute a prospectus for the purpose of the Prospectus Regulation.

The Offering Memorandum is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000. It has been issued by the State of Israel and its content has been approved by Development Company for Israel (International) Limited.

The Offering Memorandum is to be read in conjunction with the following sections of the Information Memorandum, which shall be deemed to be incorporated by reference herein:

- "*Important Notices*", apart from the sub-section "*Supplements*"
- Section 1 (*Risk Factors*)
- Section 2 (*Information about the Programme and the Bonds*)
- Section 3 (*How the Return on your Investment is Calculated*)
- Section (*Information Incorporated by Reference*)
- Section (*Subscription and Sale*)
- Section (*Taxation*)
- Section (*Use of Proceeds*)
- Section (*Additional Information*)
- Appendix A (*Defined Terms*)
- Appendix C (*The Promoter*)

Terms defined in the Information Memorandum shall have the same meaning when used herein *provided that* the sections of the Information Memorandum incorporated by reference herein shall be amended as follows for the purposes of this Offering Memorandum:

1. All references to the "Information Memorandum" shall be deemed to be references to this Offering Memorandum.
2. All references to the "Bonds" shall be deemed to be references to the Exempt Bonds.
3. All references to the "Conditions" shall be deemed to be references to the "*Conditions of the Exempt Bonds*" set out herein.
4. All references to the "Final Terms" shall be deemed to be references to the Pricing Supplement (as defined herein) and each reference to information being specified or identified in the applicable Final Terms shall be deemed to be a reference to such information being specified or identified in the applicable Pricing Supplement unless the context requires otherwise.
5. All references to Public Offers shall be disregarded, as no Public Offer of any Exempt Bond will be made.
6. For the purposes of the "*Information Incorporated by Reference*", the section headed "*Conditions of the Exempt Bonds*" set out on pages 105 to 120 (inclusive) of the offering memorandum relating to the Programme dated July 18, 2019 shall be incorporated in this Offering Memorandum, rather

than the section headed "*Conditions of the Bonds*" set out on pages 70 to 93 (inclusive) of the information memorandum relating to the Programme dated July 18, 2019.

All supplements to the Information Memorandum are incorporated by reference into this Offering Memorandum.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The "*Conditions of the Exempt Bonds*" set out herein apply to Exempt Bonds issued under the Programme on or after July 16, 2020 *provided, however, that* the terms and conditions set out in the offering memorandum relating to the Programme dated July 18, 2019 will apply to any Exempt Bonds which were offered for sale before July 16, 2020 (notwithstanding that such Exempt Bonds may be issued on or after July 16, 2020).

## OVERVIEW OF THE PROGRAMME AND THE EXEMPT BONDS

*The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Offering Memorandum (including the information incorporated by reference herein) and, in relation to the terms and conditions of any particular Tranche of Exempt Bonds, the applicable Pricing Supplement.*

*Words and expressions defined in "Conditions of the Exempt Bonds" shall have the same meanings in this overview.*

<b>Issuer:</b>	State of Israel.
<b>Issuer legal entity identifier ("LEI")</b>	213800T8ZHTFZIBYPE21
<b>Programme:</b>	Bond Issuance Programme.
<b>Programme Amount:</b>	Unlimited.
<b>Promoter:</b>	Development Company for Israel (International) Limited.
<b>Fiscal Agent:</b>	Computershare Trust Company of Canada.
<b>Exempt Bonds:</b>	<p>The Exempt Bonds are debt instruments issued by the Issuer. Exempt Bonds may be U.S. Dollar Floating Rate LIBOR Financing Bonds, U.S. Dollar Jubilee Fixed Rate Financing Bonds or U.S. Dollar Reinvestment Savings Bonds.</p> <p>See the chart on pages 95 to 97 below for further details regarding the features of these types of Exempt Bonds.</p>
<b>Currencies:</b>	<p>United States Dollars.</p> <p>When purchasing an Exempt Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. See <i>"Conditions of the Exempt Bonds — Purchase of Bonds"</i>.</p>
<b>Issue Date:</b>	15th of the month (for Exempt Bonds offered from the 1st of the month through the 14th of the month) or 1st of the month (for Exempt Bonds offered from the 15th of the month preceding the Issue Date through the last day of that month).
<b>Maturity Dates:</b>	Exempt Bonds will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th), or tenth (10th) or fifteenth (15th) anniversary, as the case may be, of the Issue Date of the relevant Exempt Bond occurs. No Bonds with a maturity of less than 1 year will be issued.
<b>Interest:</b>	<p>The Exempt Bonds will accrue interest from (and including) the Issue Date until (but not including) the maturity date.</p> <p>Interest may be paid on an annual or semi-annual basis, or may be only paid on the maturity date of the relevant Exempt Bond, as the case may be.</p> <p>Details of performance of LIBOR rates can be obtained from <a href="https://www.theice.com/iba/historical-data">https://www.theice.com/iba/historical-data</a>.</p>
<b>Risk Factors:</b>	There are certain risks relating to the Exempt Bonds, which investors should ensure they fully understand before purchasing any Exempt Bond. See <i>"Risk Factors"</i> in the Information Memorandum.

<b>Form of Exempt Bonds:</b>	The Exempt Bonds are issued in book-entry form, which means that ownership of the Exempt Bonds will be recorded electronically by Computershare Trust Company of Canada, the institution appointed by the Issuer to act as its fiscal agent. Certificates will be issued only to government agencies, pension funds, financial institutions and employee benefit plans that so request at the time of purchase.
<b>Transfer of Exempt Bonds:</b>	Exempt Bonds may be assigned or transferred in the instances specified under " <i>Conditions of the Exempt Bonds — Transferability</i> ".
<b>Redemption:</b>	Subject to any purchase and cancellation or early redemption, Exempt Bonds will be redeemed on their Maturity Date at par.
<b>Early Redemption:</b>	<p>The State of Israel is entitled to redeem or repurchase any issued Exempt Bonds in whole or in part at any time. See "<i>Conditions of the Exempt Bonds — Early Redemption— At the Option of the State of Israel</i>".</p> <p>Redemption at the request of a Bond holder is not possible, except upon the death of the last surviving natural person who owned the Exempt Bond or upon the termination of an employee benefit scheme in accordance with the Conditions. See "<i>Conditions of the Exempt Bonds — Early Redemption — At the Request of a Bond holder</i>".</p> <p>The State of Israel has reserved the right to repurchase the Exempt Bonds in whole or in part, at any time, at such terms and under such conditions as may be determined by the State of Israel. See "<i>Conditions of the Exempt Bonds — Early Redemption — Repurchase by the State of Israel Under Other Terms and Conditions</i>".</p>
<b>Listing:</b>	No application has been or will be made for the Exempt Bonds to be admitted to trading on any exchange, market or other trading platform.
<b>Taxation:</b>	<p>Interest and principal sums due under the Exempt Bonds will be paid by the State of Israel without deduction for or on account of any present or future taxes or duties imposed or levied by or within the State of Israel (other than where the Bond holder is subject to such taxes or duties for a reason other than the holding or ownership of the Exempt Bond or the receipt of income therefrom).</p> <p>For a discussion of tax consequences associated with the Exempt Bonds, see "<i>Taxation</i>". Investors should consult their own tax advisers in determining the tax consequences to them of the purchase, ownership and disposition of the Exempt Bonds.</p>
<b>Governing Law:</b>	The Exempt Bonds will be governed by the laws of the State of New York.
<b>Selling Restrictions:</b>	For a description of certain restrictions on offers, sales and deliveries of Exempt Bonds and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, Japan and Belgium see " <i>Subscription and Sale</i> " in the Information Memorandum.
<b>Application for Exempt Bonds:</b>	Application for Exempt Bonds should be made by completing an Investment Form. Investors will also be required to sign the Promoter's Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter's



anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. Copies of the Terms of Business and Client Identification Form are available on the Promoter's website or by contacting the Promoter directly. The State of Israel is not obliged to accept your subscription documents. See "*Conditions of the Exempt Bonds — Purchase of Bonds*".

If the State of Israel does not accept your application to purchase Exempt Bonds, any payment made by you in connection with such purchase will be refunded within 21 Business Days after the date of rejection of the subscription application and you shall not be entitled to any interest or other compensation in respect of such refunded payment.

Unless an application to purchase Exempt Bonds is not accepted by the State of Israel, a prospective Bond holder will be allotted 100% of the Exempt Bonds applied for. The Fiscal Agent will post a confirmation of the allotment of Exempt Bonds to the prospective Bond holder within 7 Business Days (being a day other than a Saturday, Sunday or other day on which the Fiscal Agent is authorised or required by law to be closed in Toronto, Ontario, Canada or in London) of the day on which the purchase is completed.

**Limitation on purchases of Exempt Bonds:**

U.S. Dollar Reinvestment Savings Bonds are only available to investors who are reinvesting the proceeds of other U.S. Dollar State of Israel bonds that have matured or will mature on or prior to the Issue Date of the U.S. Dollar Reinvestment Savings Bonds to be purchased (and the proceeds of which have not already been reinvested).

U.S. Dollar Jubilee Fixed Rate Financing Bonds and U.S. Dollar Floating Rate LIBOR Financing Bonds may only be purchased if financed by an Authorised Institutional Lender.

See "*Conditions of the Exempt Bonds — Purchase of Bonds*".

<b>Type of Exempt Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
U.S. Dollar Floating Rate LIBOR Financing Bonds	United States Dollars	2-Year 3-Year	U.S.\$100,000 (and integral multiples of U.S.\$25,000 in excess of U.S.\$100,000 (or such other integral multiples specified in the applicable Pricing Supplement))	Variable floating rate equal to the Applicable LIBOR Rate for the each interest period plus the applicable Spread.	June 1st and December 1st in each year and upon maturity, except that for U.S. Dollar Floating Rate LIBOR Financing Bonds issued on May 15th and November 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.	Two sales periods per month: U.S. Dollar Floating Rate LIBOR Financing Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and U.S. Dollar Floating Rate LIBOR Financing Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
U.S. Dollar Jubilee Fixed Rate Financing Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year 15-Year	U.S.\$100,000 (and integral multiples of U.S.\$25,000 in excess of U.S.\$100,000 (or such other integral multiples specified in the applicable Pricing Supplement))	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for U.S. Dollar Jubilee Fixed Rate Financing Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date	Two sales periods per month: U.S. Dollar Jubilee Fixed Rate Financing Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and U.S. Dollar Jubilee Fixed Rate Financing Bonds issued on the 1st of the month will

<b>Type of Exempt Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
					following their Issue Date.	be offered from the 15th of the month preceding the Issue Date through the last day of that month.
U.S. Dollar Reinvestment Savings Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year	No minimum purchase amount	Fixed percentage per annum.	Interest will only be paid at maturity.	<p>Two sales periods per month: U.S. Dollar Reinvestment Savings Bonds will be issued on the 1st and the 15th of the month. If the maturity date of the Matured Bonds being reinvested falls:</p> <ul style="list-style-type: none"> <li>• on the 1st of the month, the Issue Date of the U.S. Dollar Reinvestment Savings Bonds will be the same day (the 1st of that month);</li> <li>• between the 2nd and 14th of the month, the Issue Date of the U.S. Dollar Reinvestment</li> </ul>

<b>Type of Exempt Bond:</b>	<b>Currency:</b>	<b>Maturity:</b>	<b>Minimum purchase amount:</b>	<b>Interest:</b>	<b>Interest Payment Date(s):</b>	<b>Sales Period(s):</b>
						<p>Savings Bonds will be the 15th of that month; and</p> <ul style="list-style-type: none"> <li>• between the 15th and the end of the month, the Issue Date of the U.S. Dollar Reinvestment Savings Bonds will be the 1st of the following month.</li> </ul>

## CONDITIONS OF THE EXEMPT BONDS

The following are the terms and conditions (the "**Conditions**") of the bonds described under Condition 2 below (the "**Bonds**") issued by State of Israel (the "**Issuer**" or the "**State of Israel**") under its Bond Issuance Programme (the "**Programme**").

These Conditions apply to Exempt Bonds issued under the Programme on or after July 16, 2020 *provided, however, that* the terms and conditions set out in the offering memorandum relating to the Programme dated July 18, 2019 will apply to any Bonds which were offered for sale before July 16, 2020 (notwithstanding that such Bonds may be issued on or after July 16, 2020).

Each Tranche of Bonds will be issued on the terms set out in these Conditions, as completed, modified and/or amended by a document called a pricing supplement (the "**Pricing Supplement**").

As used herein, "**Tranche**" means Bonds which are identical in all respects and "**Series**" means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Maturity Dates.

Copies of the applicable Pricing Supplement are available for viewing at and copies may be obtained from the website of Development Company for Israel (International) Limited (the "**Promoter**") at [www.israelbondsintl.com](http://www.israelbondsintl.com). Bond holders are deemed to have notice of the applicable Pricing Supplement.

### 1. **Defined Terms**

The following terms are used in these Conditions:

<b>"Authorised Institutional Lender"</b>	an entity primarily engaged in the business of making secured loans to institutional and non-institutional borrowers, authorised in writing by the State of Israel to accept bonds as collateral security
<b>"Business Day"</b>	a day other than a Saturday, Sunday or other day on which the Fiscal Agent is authorised or required by law to be closed in Toronto, Ontario, Canada or in London.
<b>"Calculation Agent"</b>	the agent appointed by the State of Israel to act in such capacity.
<b>"Computershare" or the "Fiscal Agent"</b>	Computershare Trust Company of Canada.
<b>"Fiscal Agency Agreement"</b>	the amended and restated fiscal agency agreement between the Issuer and the Fiscal Agent dated December 24, 2013 (as supplemented, amended, otherwise modified or replaced from time to time).
<b>"Interest Payment Date"</b>	in relation to a given Bond, the date (or dates or series of dates) on which the State of Israel will pay interest under the terms of that Bond to the Registered Owner (as specified in the relevant Pricing Supplement).
<b>"Investment Form"</b>	the form published by the Promoter for provision of relevant subscription and other information by persons seeking to purchase Bonds.
<b>"Issue Date"</b>	in relation to a given Bond, the date on which it is issued by the State of Israel (as specified in the relevant Pricing Supplement).

<b>"LIBOR"</b>	the interest rate benchmark known as the London interbank offered rate.
<b>"Matured Bonds"</b>	United States Dollar State of Israel bonds that have matured or will mature prior to the Issue Date of U.S. Dollar Reinvestment Savings Bonds purchased by an investor, the proceeds of which are to be reinvested in such purchase of U.S. Dollar Reinvestment Savings Bonds.
<b>"Rate Sheet"</b>	the rate sheet for a given Bond (if any), as made available from time to time by the Promoter, in which details of the rate(s) of interest for that Bond (among other details) are stated.
<b>"Rate-Setting Day"</b>	any day other than a Saturday, Sunday or other day on which banks are authorised or required by law to be closed in New York, London or Toronto.
<b>"Reference Bank"</b>	a major bank operating in the Eurozone interbank market (in the case of EURIBOR) or, as the case may be, London interbank market (in the case of LIBOR).
<b>"Relevant Date"</b>	the date on which a payment of principal and/or interest first becomes due, except that, if the full amount of the monies payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of the relevant monies having been so received (or, if such date is not a Business Day, the next day which is a Business Day), such payment is made to the Bond holders.
<b>"Relevant Quotation System"</b>	Bloomberg or any successor thereto, or such other recognised quotation system as may be designated by the State of Israel from time to time.
<b>"Registered Owner"</b>	the person (or group of persons jointly) whom the Fiscal Agent is asked by the purchaser of a Bond to register as the person(s) legally entitled to that Bond.
<b>"U.S. Dollar Floating Rate LIBOR Financing Bonds"</b>	financing Bonds which have a floating interest rate calculated on the basis of LIBOR (as specified in the relevant Pricing Supplement).
<b>"U.S. Dollar Jubilee Fixed Rate Financing Bonds"</b>	Bonds which are U.S. Dollar Jubilee Fixed Rate Financing Bonds (as specified in the relevant Pricing Supplement).
<b>"U.S. Dollar Reinvestment Savings Bonds"</b>	Bonds which are U.S. Dollar Reinvestment Savings Bonds (as specified in the relevant Pricing Supplement).
<b>"Specified Currency"</b>	in relation to a given Bond, the currency of that Bond (as specified in the relevant Pricing Supplement).
<b>"UK Registered Pension Scheme"</b>	has the definition given in section 150(2) of the Finance Act 2004.
<b>"U.S. Dollars", "United States Dollars", "U.S. dollars" or "U.S.\$"</b>	the currency of the United States of America.

## 2. Type of Bonds

Bonds issued under the Programme may be U.S. Dollar Floating Rate LIBOR Financing Bonds, U.S. Dollar Jubilee Fixed Rate Financing Bonds or U.S. Dollar Reinvestment Savings Bonds.

## 2.1 *The U.S. Dollar Floating Rate LIBOR Financing Bonds*

The minimum purchase amount of the U.S. Dollar Floating Rate LIBOR Financing Bonds is U.S.\$100,000. U.S. Dollar Floating Rate LIBOR Financing Bonds may be purchased in integral multiples of U.S.\$25,000 in excess of U.S.\$100,000 (or in such other integral multiples specified in the applicable Pricing Supplement).

Each State of Israel 2-Year U.S. Dollar Floating Rate LIBOR Financing Bond and 3-Year U.S. Dollar Floating Rate LIBOR Financing Bond will mature on the first calendar day of the month during which the second (2nd) or third (3rd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Floating Rate LIBOR Financing Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Floating Rate LIBOR Financing Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date up to (but not including) the maturity date of the U.S. Dollar Floating Rate LIBOR Financing Bond.

Interest Payment Dates for the U.S. Dollar Floating Rate LIBOR Financing Bonds, on which interest will be paid semi-annually in arrear, are June 1st and December 1st in each year and upon maturity, except that for U.S. Dollar Floating Rate LIBOR Financing Bonds issued on May 15th and November 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The initial interest rate of each U.S. Dollar Floating Rate LIBOR Financing Bond is equal to the six month LIBOR (or, if LIBOR is discontinued, such other interest rate as may be selected by the Calculation Agent as further described below) in effect three Rate-Setting Days prior to the first day of the sales period of such Bond, as it appears on the Relevant Quotation System, rounded upwards to the next one-sixteenth (1/16) of one percent, if the quoted interest rate is not equivalent to one-sixteenth (1/16) of one percent (the "**Applicable LIBOR Rate**"), plus or minus a fixed number of basis points determined by the State of Israel (the "**Spread**").

The Spread of each U.S. Dollar Floating Rate LIBOR Financing Bond shall remain fixed until maturity. After the initial interest period, the interest rate will be adjusted semi-annually in accordance with the Applicable LIBOR Rate in effect on subsequent interest determination dates, which will be three Rate-Setting Days prior to June 1st and December 1st of each year.

In no event will the interest rate payable on the U.S. Dollar Floating Rate LIBOR Financing Bonds be less than 0% per year. If LIBOR changes during an interest period, this will not affect the rate of interest for that period. The rate of interest may vary (both upwards and downwards) from interest period to interest period as LIBOR changes. If LIBOR is discontinued, the Calculation Agent may select another interest rate, as further described below.

The Spread and the initial interest rate applicable to each U.S. Dollar Floating Rate LIBOR Financing Bond will be determined by the State of Israel and specified in the applicable Pricing Supplement and published in the relevant Rate Sheet and on the Promoter's website not less than one Business Day prior to the first day of the sales period of such Bond. Subsequent interest rates applicable to each U.S. Dollar Floating Rate LIBOR Financing Bond will be announced by the State of Israel one Business Day prior to June 1st or December 1st in each year.

See Condition 10.2 below for details of restrictions on investments in U.S. Dollar Floating Rate LIBOR Financing Bonds.

## **2.2     *The U.S. Dollar Jubilee Fixed Rate Financing Bonds***

The minimum purchase amount of the U.S. Dollar Jubilee Fixed Rate Financing Bonds is U.S.\$100,000. U.S. Dollar Jubilee Fixed Rate Financing Bonds may be purchased in integral multiples of U.S.\$25,000 in excess of U.S.\$100,000 (or in such other integral multiples specified in the applicable Pricing Supplement).

Each State of Israel 1-Year U.S. Dollar Jubilee Fixed Rate Financing Bond, 2-Year U.S. Dollar Jubilee Fixed Rate Financing Bond, 3-Year U.S. Dollar Jubilee Fixed Rate Financing Bond, 5-Year U.S. Dollar Jubilee Fixed Rate Financing Bond, 10-Year U.S. Dollar Jubilee Fixed Rate Financing Bond and 15-Year U.S. Dollar Jubilee Fixed Rate Financing Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th), tenth (10th) or fifteenth (15th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

Issue Dates for U.S. Dollar Jubilee Fixed Rate Financing Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Jubilee Fixed Rate Financing Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Jubilee Fixed Rate Financing Bond up to (but not including) the maturity date. Except in the cases described in this Memorandum, interest will be paid every May 1st, November 1st and upon maturity of the U.S. Dollar Jubilee Fixed Rate Financing Bond.

Interest Payment Dates for the U.S. Dollar Jubilee Fixed Rate Financing Bonds, on which interest will be paid semi-annually in arrear, are May 1st and November 1st in each year and upon maturity, except that for U.S. Dollar Jubilee Fixed Rate Financing Bonds issued on April 15th and October 15th in each year, the first interest payment will be on the second Interest Payment Date following their Issue Date.

The interest rate applicable to each U.S. Dollar Jubilee Fixed Rate Financing Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the first day of the sales period for such Bond and will be specified in the applicable Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

See Condition 10.2 below for details of restrictions on investments in U.S. Dollar Jubilee Fixed Rate Financing Bonds.

## **2.3     *The U.S. Dollar Reinvestment Savings Bonds***

The U.S. Dollar Reinvestment Savings Bonds have no minimum purchase amount.

Each State of Israel 1-Year U.S. Dollar Reinvestment Savings Bond, 2-Year U.S. Dollar Reinvestment Savings Bond, 3-Year U.S. Dollar Reinvestment Savings Bond, 5-Year U.S. Dollar Reinvestment Savings Bond and 10-Year U.S. Dollar Reinvestment Savings Bond will mature on the first calendar day of the month during which the first (1st), second (2nd), third (3rd), fifth (5th) or tenth (10th) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall.

U.S. Dollar Reinvestment Savings Bonds are available only to investors who are reinvesting the proceeds of Matured Bonds (and the proceeds of which have not already been reinvested). Only the proceeds of Matured Bonds may be reinvested in the U.S. Dollar Reinvestment Savings Bonds,



and investors may not add to such reinvested proceeds to purchase a greater amount of these Bonds. See Condition 10.4 below for further details about purchasing U.S. Dollar Reinvestment Savings Bonds.

Issue Dates for U.S. Dollar Reinvestment Savings Bonds will be the 1st and 15th of the month. If your Issue Date is the 15th of the month, your U.S. Dollar Reinvestment Savings Bond will mature two weeks earlier than the total number of years of the Bond. There will be two sales periods per month:

- Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and
- Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.

If the maturity date of the Matured Bonds being reinvested falls:

- on the 1st of the month, the Issue Date of the U.S. Dollar Reinvestment Savings Bonds will be the same day (the 1st of that month);
- between the 2nd and 14th of the month, the Issue Date of the U.S. Dollar Reinvestment Savings Bonds will be the 15th of that month; and
- between the 15th and the end of the month, the Issue Date of the U.S. Dollar Reinvestment Savings Bonds will be the 1st of the following month.

Interest will accrue from (and including) the Issue Date of the U.S. Dollar Reinvestment Savings Bond up to (but not including) the maturity date, but shall only be payable at maturity of the U.S. Dollar Reinvestment Savings Bond.

The interest rate applicable to each U.S. Dollar Reinvestment Savings Bond shall be a fixed percentage per annum to be determined prior to the issue of the relevant Bond. The applicable interest rate will be announced one Business Day prior to the sales period for such Bond and will be specified in the applicable Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

### 3. **Status of the Bonds**

The Bonds constitute and will constitute direct, general, unconditional and unsubordinated External Indebtedness of the State of Israel for which the full faith and credit of the State of Israel is pledged. The Bonds of each series rank and will rank without any preference among themselves and equally with all other unsubordinated External Indebtedness of the State of Israel. It is understood that this provision shall not be construed so as to require the State of Israel to make payments under the Bonds ratably with payments being made under any other External Indebtedness. For the purposes of this Condition 3, "**External Indebtedness**" means any Indebtedness which is payable by its terms or at the option of its holder in any currency other than the currency of Israel and "**Indebtedness**" means all obligations of the Issuer in respect of borrowed money and guarantees given by the Issuer in respect of money borrowed by others.

### 4. **Early Redemption**

The Bonds are subject to early redemption and repurchase by the State of Israel as described in this Condition. Whether the Bonds are redeemed at the option of the State of Israel, or repurchased by the State of Israel at the request of the Bond holder or on such other terms and conditions as the State of Israel may determine, the State of Israel will redeem or repurchase Bonds for a purchase price equal to the principal amount of the Bond together with interest accrued to the redemption or repurchase date. If the redemption or repurchase price is not paid upon the surrender of any Bond, then such Bonds will continue to accrue interest at the rate prescribed for such Bonds through the maturity of the Bond.

The State of Israel will not be required to issue or register the transfer or exchange of any Bond during the period beginning with the fifteenth (15th) Business Day prior to the date of the posting

of a notice of redemption through the end of the date of the posting. The State of Israel will also not be required to register the transfer or exchange of any Bond selected for redemption in whole or in part, except for the unredeemed portion of the Bond being redeemed in part.

#### 4.1 ***At the Request of a Bond holder***

A Bond may be repurchased by the State of Israel prior to its maturity, but only on the first Business Day of a given month, within sixty (60) days following the State of Israel's receipt of a Bond holder's written request accompanied by an instrument of transfer in a form approved by the Fiscal Agent, under the following circumstances:

- Upon the death of any natural person who was the original Registered Owner (or the last survivor of joint original Registered Owners); provided that such obligation of the State of Israel to redeem upon death shall cease and terminate and shall not apply when the Bond is owned by a transferee or assignee.
- Upon the death of any natural person (or the dissolution of a testamentary trust following the death of such person) who owned such Bond through an individual personal pension plan.
- Upon the termination of any employee benefit plan which is the Registered Owner. In such circumstances, evidence must be provided to the State of Israel that such employee benefit plan has been terminated and that the assets are to be liquidated to meet the plan's commitments.

The three scenarios described above are subject to the caveat that the State of Israel may suspend or terminate its obligation to purchase such Bond if, in the opinion of the State of Israel, a material number of the affected original Registered Owners have died as a result of war, epidemic, catastrophe of nature or other disaster.

Early redemption at the behest of Registered Owners is impossible in any other circumstances.

#### 4.2 ***At the Option of the State of Israel***

The Bonds are subject to redemption at any time by the State of Israel. Any holding of Bonds is redeemable as a whole or in part. If the Bonds are redeemed in part, selection of the Bonds to be redeemed will be at the State of Israel's discretion; however, the Bonds will be redeemed in groups, such that each group of Bonds will consist of all Bonds of the same Tranche bearing the same Issue Date. Partial redemption can be made only on an Interest Payment Date. In addition, no Bonds of any Series can be redeemed at the option of the State of Israel unless the Bonds of such Series having a prior Issue Date are or have been called for redemption. For purposes of such redemption, the Bonds will be called in accordance with the provisions of the Fiscal Agency Agreement, and there will be no aggregation of different series or other debt instruments of the State of Israel. (For the avoidance of doubt, there will be no aggregation irrespective of any similarity in name, maturity, currency, denomination, integral terms and/or issue date between the Bonds offered hereby and any different series or other debt instruments of the State of Israel.) A notice of redemption will be posted to all affected Bond owners by the Fiscal Agent between thirty (30) and sixty (60) days prior to the intended redemption date. The notice will state:

- the redemption date;
- whether all Bonds or a group of Bonds are to be redeemed;
- in the case of a redemption of a group of Bonds, a description of the group of Bonds that are to be redeemed;
- the redemption price;
- that on the redemption date no owner of Bonds called for redemption is entitled to more than the redemption price, and that the redemption price is due and payable on the redemption date; and

- the place where the Bonds are to be redeemed.

#### 4.3 ***Repurchase by the State of Israel Under Other Terms and Conditions***

In addition to a redemption or repurchase of the Bonds described under Conditions 4.1 and 4.2 above, the State of Israel reserves the right to repurchase the Bonds in whole or in part, at any time, at such terms and under such conditions as may be determined by the State of Israel. Bonds so repurchased shall be purchased from Bond holders willing to sell such Bonds on the terms and conditions determined by the State of Israel in respect of such repurchase. Repurchased Bonds may be held or resold by the State of Israel or surrendered to the Fiscal Agent for cancellation in accordance with the Fiscal Agency Agreement.

#### 5. **Event of Default**

If the State of Israel shall default in a payment of interest or of the principal sum of a Bond or of a portion thereof then any amount not so paid will bear interest at the rate applicable to the relevant Bond(s) plus or minus (as indicated in the applicable Pricing Supplement) the relevant Spread. Interest shall be paid from and including the date of default until but not including the date of actual payment. If the default shall continue for a period of ninety (90) days then the Registered Owner will be entitled to give a written demand to the State of Israel requiring payment of the principal sum which will then become due and payable (together with unpaid accrued interest) on the date such written demand is actually received by the State of Israel unless the default shall have been cured by the State of Israel prior to such date.

#### 6. **Additional Provisions relating to the Calculation of Interest**

##### 6.1 ***General***

Interest calculations in relation to the Bonds shall be performed by the Fiscal Agent, with the resulting figures rounded to the nearest unit of the specified currency of the relevant Bonds (with halves being rounded up) where required, and approved by the Issuer prior to any payments of interest.

##### 6.2 ***Fallback Provisions for the Calculation of Floating Rate Interest***

6.2.1 Other than upon the occurrence of a Benchmark Event as defined in Condition 6.2.2, below, if the Relevant Quotation System is not available, the Fiscal Agent shall use the most recently published offered quotation for deposits in the Specified Currency on such Relevant Quotation System to determine the rate of interest in respect of any floating rate Bonds for the applicable interest period, plus or minus (as indicated in the applicable Pricing Supplement) the relevant Spread.

##### 6.2.2 ***Benchmark Discontinuation***

6.2.2.1 In respect of bonds with a floating rate of interest, if a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2.2.2 and, in either case, an Adjustment Spread (in accordance with Condition 6.2.2.3 and any Benchmark Amendments (in accordance with Condition 6.2.2.4).

An Independent Adviser appointed pursuant to this Condition 6.2.2 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest or the Bondholders for any determination made by it pursuant to this Condition 6.2.2.

- 6.2.2.2 If the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, determines that:
- (a) there is a Successor Rate, then such Successor Rate as adjusted by the applicable Adjustment Spread as provided in Condition 6.2.2.3 shall subsequently be used in place of the Original Reference Rate to determine the relevant rate(s) of interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the relevant Bonds (subject to the further operation of this Condition 6.2.2); or
  - (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate as adjusted by the applicable Adjustment Spread as provided in Condition 6.2.2.3 shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the relevant Bonds (subject to the further operation of this Condition 6.2.2).
- 6.2.2.3 If a Successor Rate or Alternative Rate is determined in accordance with Condition 6.2.2.2, the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, such an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant rate of interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).
- 6.2.2.4 If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 6.2.2 and the Independent Adviser (in consultation with the Issuer), acting in good faith and in a commercially reasonable manner, determines (A) that amendments to these Conditions and/or the Agency Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2.2.5, without any requirement for the consent or approval of Bondholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Fiscal Agent or the Calculation Agent, as applicable shall (at the expense of the Issuer), without any requirement for the consent or approval of Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments and the Fiscal Agent or the Calculation Agent, as applicable shall not be liable to any party for any consequences thereof, provided that the Fiscal Agent or the Calculation Agent, as applicable, shall not be obliged so to concur if in the reasonable opinion of the Fiscal Agent or the Calculation Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Fiscal Agent in these Conditions or the Agency Agreement in any way.

- 6.2.2.5 The Issuer will notify the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest and the Bondholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6.2.2. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- 6.2.2.6 Without prejudice to the obligations of the Issuer under the provisions of this Condition 6.2.2, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.3 will continue to apply unless and until a Benchmark Event has occurred.
- 6.2.2.7 If, following the occurrence of a Benchmark Event and in relation to the determination of the rate of interest on the relevant interest determination date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Fiscal Agent or any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest (as applicable), in each case pursuant to this Condition 6.2.2, prior to such interest determination date, then condition 6.2.3 shall apply.

For the avoidance of doubt, this Condition 6.2.2.7 shall apply to the determination of the rate of interest on the relevant interest determination date only, and the rate of interest applicable to any subsequent interest period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2.2.

- 6.2.2.8 As used in this Condition 6.2:

**"Adjustment Spread"** means either (a) either a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of an Alternative Rate or (where (A) above does not apply) in the case of a Successor Rate, the Independent Adviser determines (in consultation with the Issuer) is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) (if the Independent Adviser (in consultation with the Issuer) determines that neither (A) nor (B) above applies) the Independent Adviser (in consultation with the Issuer) determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**"Alternative Rate"** means an alternative to the Original Reference Rate which the Independent Adviser (in consultation with the Issuer) determines in accordance with Condition 6.2.2.2 has replaced the Original Reference Rate in

customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities with a commensurate interest period and in the same Specified Currency as the Bonds, or if the Independent Adviser (in consultation with the Issuer) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Issuer) determines in its sole discretion is most comparable to the Original Reference Rate;

**"Benchmark Amendments"** has the meaning given to it in Condition 6.2.2.4;

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- (a) the Original Reference Rate ceasing to be published for at least five business days or ceasing to exist or be administered; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in (b)(i); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (d)(i); or
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i); or
- (f) it has or will prior to the next interest determination date become unlawful for the Issuer, the Fiscal Agent, any other party specified in the applicable Final Terms as being responsible for calculating the rate of interest or any Fiscal Agent to calculate any payments due to be made to any Bondholder using the Original Reference Rate; or
- (g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate experience in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 6.2.2.1;

**"Original Reference Rate"** means, for Euro Floating Rate Bonds, EURIBOR and for U.S. Dollar Floating Rate LIBOR Bonds, LIBOR (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been

replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

**"Relevant Nominating Body"** means, in respect of an Original Reference Rate:

- (a) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- 6.2.3 Unless, following a Benchmark Event the Calculation Agent determines to use an Alternative Rate or Successor Rate (in each case along with an Adjustment Spread) in accordance with Condition 6.2.2 as so provided prior to the relevant interest determination date, then the Calculation Agent, after consultation with the State of Israel, will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which six-month deposits in U.S. dollars in amounts of at least \$1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, then six-month LIBOR for the relevant interest period will be the arithmetic average (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the quotations provided. Otherwise, the Calculation Agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by it on the interest determination date for loans in U.S. dollars to leading European banks having an index maturity of six months for the applicable interest determination date in an amount of at least \$1,000,000 that is representative of single transactions at that time. If three quotations are provided, then six-month LIBOR for the relevant interest determination date will be the arithmetic average (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the quotations provided. Otherwise, the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate six-month LIBOR or any of the foregoing lending rates, shall determine six-month LIBOR for the relevant interest determination date in its sole discretion. The Calculation Agent will instruct the Fiscal Agent as to the interest rate to apply, and the Fiscal Agent shall be entitled to rely on such instruction.

Absent manifest error, the Calculation Agent's determination of the interest rate for an interest determination date for the Bonds will be binding and conclusive on the Bondholder, the Fiscal Agent and the State of Israel. In making the above determination, the Calculation Agent shall act in good faith and in a commercially reasonable manner.

The Calculation Agent has not yet been appointed; State of Israel may appoint itself or designate a third party as calculation agent. Where a Calculation Agent has been appointed following the discontinuation of an Original Reference Rate, the Fiscal Agent, on behalf of the State of Israel, shall notify the Bondholders in writing of (i) such appointment; (ii)

the substitute or successor interest rate that the Calculation Agent determines will be applicable in accordance with the above; and (iii) any consequential amendments to these Conditions required in connection with the same.

7. **Interest and Principal Payment**

Interest shall accrue from (and including) the Issue Date of the Bond up to (but not including) the maturity date on the basis of a 365-day year and the number of days elapsed. The Bonds will not accrue interest after the maturity.

All payments of principal and interest will be made in the Specified Currency.

To the extent applicable, all interest payments shall be paid by cheque posted to the Registered Owner's address of record with the Fiscal Agent or credited to a bank account held by the Registered Owner, the details of which the Registered Owner has provided to the Promoter for such purposes. Interest payments made by bank transfer to a bank account in the United Kingdom or any EEA Member State (being a member state of the European Union which adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union) will be made by the Fiscal Agent, through a bank in the United Kingdom or that EEA Member State.

On maturity of a book-entry Bond, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond to the Registered Owner by posting a cheque to the last address of the Registered Owner notified to the Fiscal Agent or by a bank transfer into a bank account held by the Registered Owner.

On maturity of a Bond that, in the exceptional circumstances detailed in these Conditions, is represented by a Bond certificate, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond by posting a cheque by a bank transfer in the same manner as for a book-entry Bond, but only against delivery of the Bond certificate to the Fiscal Agent for cancellation.

If the due date for any payment of interest or principal is not a Business Day, then the relevant payment shall be made on the next day which is a Business Day but no additional interest will be payable as a result of such extension.

8. **Taxation**

Interest and principal sums due under the Bonds will be paid by the State of Israel without deduction for or on account of any present or future taxes or duties imposed or levied by or within the State of Israel (other than where the Bond holder is subject to such taxes or duties for a reason other than the holding or ownership of the Bond or the receipt of income therefrom).

9. **Transferability**

9.1 ***General***

Any person becoming entitled to a Bond as a result of a transfer, assignment or transmission pursuant to this Condition 9 may apply to be registered as the holder of such Bond, upon: (1) notifying the Fiscal Agent of a request to transfer or assign the Bond pursuant to Condition 9.2 below or producing such evidence as reasonably requested by the Fiscal Agent to demonstrate entitlement by transmission pursuant to Condition 9.3 below and (2) notifying the Fiscal Agent in writing of the request to re-register the Bond along with appropriate transfer documents (and the Bond certificate if one was issued).

Any Bond holder wishing to transfer or assign a Bond to "anyone designated by the State of Israel as a permitted transferee" pursuant to Condition 9.2.6 below should notify the Fiscal Agent in advance of making a request to re-register the Bond, provide such information on the contemplated transfer or assignment as may be required by the Fiscal Agent and/or the Issuer (including the amount of the Bond(s) to be transferred and the identity of the proposed transferee) and seek the Issuer's confirmation that it will consider such transferee as a permitted transferee. Once such



confirmation has been given, a request to re-register the Bond may then be made in accordance with the procedures set out at (1) and (2) in the above paragraph.

A Bond holder should not contact the State of Israel directly in connection with any application to transfer or assign a Bond, or to designate a person as a permitted transferee of a Bond; all such applications and requests should be sent to the Fiscal Agent. The State of Israel's confirmation of the designation of a transferee as a permitted transferee pursuant to Condition 9.2.6 will be given by the Fiscal Agent on the Issuer's behalf, following consultation with the Issuer, and the Issuer's consent to a transfer or assignment of a Bond pursuant to Condition 9.2 is deemed to be given upon registration of such Bond in the name of the new Bond holder(s) (absent error by the Fiscal Agent).

## **9.2      *Transfer or assignment of Bonds***

The Issuer will consent to a transfer or assignment of a Bond only to the following permitted transferees:

- 9.2.1      the State of Israel. If you donate your Bond to the State of Israel, the Bond (and any Bond payments to which you might be entitled) will be cancelled and the debt represented by the Bond and/or cheque will be deemed forgiven;
- 9.2.2      any religious, charitable, literary, scientific or educational organisation, contributions to which are, at the time of the transfer, deductible for income and similar tax purposes under the United States Internal Revenue Code of 1986, as heretofore or hereafter amended (or are accorded similar treatment under the laws of the country in which the transferee is located), *provided however that* each such transfer is made by gift or bequest only, without any compensation to the transferor;
- 9.2.3      the Registered Owner's spouse, children, grandchildren, siblings, parents or grandparents;
- 9.2.4      a UK Registered Pension Scheme whose only members are the Registered Owner and (as applicable) the Registered Owner's spouse, children, grandchildren, siblings, parents and/or grandparents;
- 9.2.5      provided the transfer is made by the Registered Owner of the Bond and only at the time of purchase of the Bond, as collateral security to an Authorised Institutional Lender; or
- 9.2.6      anyone designated by the State of Israel as a permitted transferee.

## **9.3      *Transfer upon death of a registered holder of Bonds or of any other event giving rise to the transmission of Bonds by operation of law***

In the case of death of a registered holder of Bonds or of any other event giving rise to the transmission of Bonds by operation of law, the only persons recognised by the State of Israel as having any right to such Bonds upon transmission are:

- 9.3.1      the personal representatives of a deceased registered holder's estate; or
- 9.3.2      the trustee in bankruptcy of a bankrupt registered holder; or
- 9.3.3      the trustee or administrator or other officially entitled person in relation to the estate of a registered holder who has been declared mentally incompetent by a court of competent jurisdiction; or
- 9.3.4      any person who can demonstrate that he or it has been appointed by a court of competent jurisdiction to represent the estate of a registered holder in any other applicable circumstances (including but not limited to cases where the Bonds are considered to be *bona vacantia* (i.e., property not disposed of by the deceased's will and to which no relative is entitled upon intestacy)).

## **10.      *Purchase of Bonds***

### **10.1      *General***

Application for Bonds should be made by completing an Investment Form. Investors will also be required to sign the Promoter's Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter's anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Identification Form are available on the Promoter's website or copies may be obtained by contacting the Promoter directly.

In order to purchase a Bond on a specific Issue Date, subject to Conditions 10.4 and 10.5 below, your subscription documents must be accepted by or on behalf of the State of Israel and cleared funds in respect of the full purchase price of such Bond must be received and accepted in the account of the Fiscal Agent before such Issue Date (or before such other date announced by the State of Israel). Your application to purchase a Bond will be accepted only when (1) your properly completed subscription documents are received by the Promoter and (2) the full purchase price of such Bond is actually received by the Fiscal Agent prior to the Issue Date.

If your subscription documents are accepted by or on behalf of the State of Israel and/or clear funds are accepted or received in the account of the Fiscal Agent on or after an Issue Date (or such other date), your Bond will be issued on a subsequent Issue Date. When a Bond is issued on a subsequent Issue Date, the interest rate applicable to the Bond will be the interest rate applicable to such Issue Date, in accordance with the applicable Pricing Supplement and then prevailing Rate Sheet.

If the State of Israel does not accept your application to purchase Bonds, any payment made by you in connection with such purchase will be refunded within 21 Business Days after the date of rejection of the subscription application and you shall not be entitled to any interest or other compensation in respect of such refunded payment.

**10.2 *Limitation on purchases of U.S. Dollar Jubilee Fixed Rate Financing Bonds and U.S. Dollar Floating Rate LIBOR Financing Bonds***

U.S. Dollar Jubilee Fixed Rate Financing Bonds and U.S. Dollar Floating Rate LIBOR Financing Bonds may only be purchased if financed by an Authorised Institutional Lender.

**10.3 *Currencies / Conversion of Funds***

When purchasing a Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. Where investors tender a currency which is different to the Specified Currency of the relevant Bond, rather than the Specified Currency, the Fiscal Agent will convert the currency received from the investor into the Specified Currency at an exchange rate that it determines in its sole discretion acting in good faith and in a commercially reasonable manner. Funds which are not in the Specified Currency must, upon conversion, equal or exceed the minimum purchase amount of the relevant Bond in the Specified Currency.

**10.4 *Reinvesting in U.S. Dollar Reinvestment Savings Bonds***

U.S. Dollar Reinvestment Savings Bonds are available only to investors who are reinvesting the proceeds of Matured Bonds (and the proceeds of which have not already been reinvested). Only the proceeds of Matured Bonds may be reinvested in the U.S. Dollar Reinvestment Savings Bonds, and investors may not add to such reinvested proceeds to purchase a greater amount of these Bonds.

In order to purchase a U.S. Dollar Reinvestment Savings Bond, your Investment Form must be received and accepted by or on behalf of the State of Israel no later than thirty (30) days following the maturity date of your Matured Bonds (or before such other date announced by the State of Israel).

If you have already received a cheque in respect of principal and/or interest payment(s) on your Matured Bonds, this must also be returned, together with the Investment Form, during such 30-day period. If the principal and interest payment(s) for your Matured Bonds are paid by bank transfer, you must notify the Fiscal Agent and the Promoter fifteen (15) days prior to the due date of such bank transfer about your request to cancel the bank transfer and reinvest the proceeds.

ONCE PRINCIPAL AND INTEREST PAYMENT(S) FOR YOUR MATURED BONDS ARE DEPOSITED IN YOUR BANK ACCOUNT BY BANK TRANSFER OR BY CHEQUE, YOU

WILL NOT BE ABLE TO REINVEST THE PROCEEDS OF THE MATURED BONDS IN A U.S. DOLLAR REINVESTMENT SAVINGS BOND.

10.5 ***Reinvesting a matured State of Israel bond in Bonds other than U.S. Dollar Reinvestment Savings Bonds***

If you are reinvesting a matured State of Israel bond in Bonds other than U.S. Dollar Reinvestment Savings Bonds, in order for your new Bond to be issued on the maturity date of your reinvested bond, your subscription must be accepted by or on behalf of the State of Israel by the fifth of the month during which the maturity date occurs of your reinvested bond (or, if such date falls on a non-Banking Day, the first Banking Day after such date). Unless sales of a certain Bond are suspended, a subscription will be accepted by or on behalf of the State of Israel if it is in a form acceptable to the State of Israel before the designated date as set forth above.

10.6 ***Reinvesting payments in purchases of new Bonds***

If a Bond holder intends to reinvest payments of principal or interest in purchases of new Bonds then, upon request by the Bond holder, the Fiscal Agent may convert such payments into the Specified Currency of the new Bonds (being Euro, British Pounds Sterling or United States Dollars) at an exchange rate determined by it in its sole discretion acting in good faith and in a commercially reasonable manner.

11. **Bond Certificates**

All Bonds are issued in book-entry form. Bond certificates will not normally be issued (except in the limited circumstances described below in this paragraph). Instead, the Fiscal Agent will post to each person registered as the purchaser of a Bond a confirmation that he or it (or the relevant third party whom he may have designated) has been entered in the Bond register as the Registered Owner along with other pertinent information. Certificates will be issued only in the cases of Registered Owners who are government agencies, pension funds, financial institutions and employee benefit plans that so request at the time of purchase, or upon written consent of the State of Israel. The Fiscal Agent, on behalf of the State of Israel, will forward all notices relating to the Bonds to the Registered Owner(s).

Upon maturity or redemption of a book-entry Bond, the Fiscal Agent will automatically pay the principal amount and accrued interest on the book-entry Bond to the Registered Owner by posting a cheque to the last address of the Registered Owner as listed in the Bond register or, if written instructions are given by the Registered Owner, by direct credit to the bank account specified by the Registered Owner.

Bond certificate holders must present the physical certificate to the Fiscal Agent to receive payment. The Registered Owner will bear all expenses in connection with the replacement and delivery of a new Bond certificate, should one be required for any reason. However, the State of Israel will (except in cases where it has proof of delivery of the Bond certificate) issue a new Bond certificate to the Registered Owner for no cost where the Registered Owner has notified the State of Israel and the Fiscal Agent in writing that the Bond certificate was never delivered, no later than six months following the original Issue Date of the Bond.

12. **Prescription**

Claims for principal shall become void unless made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless made within five years of the appropriate Relevant Date.

13. **Fiscal Agent**

Computershare will act as the Fiscal Agent for the Bonds. The address for Computershare is 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1, Canada. Attention: State of Israel Bonds. The telephone number is +1 (416) 263 9200.

14. **Governing Law**

The Bonds will be governed by and construed in accordance with the laws of the State of New York.

15. **Jurisdiction; Waiver of Immunity; Consent to Service and Enforceability**

The State of Israel is a sovereign state. However, the State of Israel, in respect of the Bonds, agrees to irrevocably submit to the non-exclusive jurisdiction of the federal court in the Southern District of New York or any state court in the City of New York or any competent court in Israel and irrevocably agrees not to claim immunity from any proceedings or from the execution of any judgement in connection with the terms of the Bonds (save as provided below or to the extent that the State of Israel is precluded by applicable laws to agree as aforesaid).

Notwithstanding the foregoing, the State of Israel reserves the right to plead sovereign immunity under the United States Foreign Sovereign Immunities Act of 1976, as amended, with respect to actions brought against it under United States federal securities laws or any state securities laws, and the State of Israel's appointment of the Process Agent (as defined below) will not extend to such actions. Additionally, under the laws of the State of Israel, the funds, assets, rights and general property of the Issuer located in the State of Israel are immune from execution and attachment and any process in the nature thereof and the foregoing waiver shall not constitute a waiver of such immunity or of any immunity from execution or attachment or process in the nature thereof with respect to the premises of the Issuer's diplomatic missions in any jurisdiction outside the State of Israel or with respect to the assets of the Issuer necessary for the proper functioning of the Issuer as a sovereign power.

The State of Israel has appointed the Chief Legal Officer and Head of Israel Economic Mission - Western Hemisphere of the Ministry of Finance of the Government of Israel in New York, New York, whose address is 800 Second Avenue, 17th Floor, New York, New York 10017, United States of America, as its authorised agent upon whom process may be served (the "**Process Agent**"). This appointment is limited to any action arising out of or based on the Bonds that the Registered Owner of any Bonds may institute in any federal court in the Southern District of New York or any state court in the City of New York. Such appointment will be irrevocable until the State of Israel pays all amounts due or to become due on or in respect of all the Bonds issuable under the Fiscal Agency agreement. If for any reason the Process Agent ceases to be able to act as the State of Israel's authorised agent or no longer has an address in New York, the State of Israel will appoint another person in New York as its authorised agent upon whom process may be served.

The Chief Legal Officer and Head of Israel Economic Mission, in its capacity as Process Agent, is not the agent for service for actions under the United States federal securities laws or state securities laws and the State of Israel's waiver of immunity does not extend to such actions.

## FORMS OF PRICING SUPPLEMENT FOR EXEMPT BONDS

Pricing Supplement for the sales period [ ] to [ ]

THE FCA HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

### STATE OF ISRAEL

**Legal entity identifier ("LEI"): 213800T8ZHTFZIBYPE21**

Issue of

**U.S. Dollar Reinvestment Savings Bonds (8th International Dollar Series)**  
under the **Bond Issuance Programme**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and must be read in conjunction with the Offering Memorandum.]

*(The following alternative language applies in respect of issues of securities where the sales period spans an update to Offering Memorandum)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**2020 Offering Memorandum**"), notwithstanding the publication of an updated offering memorandum which will replace the 2020 Offering Memorandum (the "**Updated Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and (i) prior to the publication of the Updated Offering Memorandum, must be read in conjunction with the 2020 Offering Memorandum as so supplemented and (ii) after the publication of the Updated Offering Memorandum, must be read in conjunction with the Updated Offering Memorandum save in respect of the Conditions (which are extracted from the 2020 Offering Memorandum and which will be incorporated by reference into the Updated Offering Memorandum).]

Specified Currency:	United States Dollars
Interest Rate:	[1-Year U.S. Dollar Reinvestment Savings Bond: [ ]% per annum]
	[2-Year U.S. Dollar Reinvestment Savings Bond: [ ]% per annum]
	[3-Year U.S. Dollar Reinvestment Savings Bond: [ ]% per annum]
	[5-Year U.S. Dollar Reinvestment Savings Bond: [ ]% per annum]
	[10-Year U.S. Dollar Reinvestment Savings Bond: [ ]% per annum]
Issue Date:	[ ]
Maturity Date:	[ ]
ISIN Code:	[ ]

Pricing Supplement for the sales period [ ] to [ ]

THE FCA HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

**STATE OF ISRAEL**

**Legal Entity Identifier ("LEI"): 213800T8ZHTFZIBYPE21**

Issue of  
**U.S. Dollar Jubilee Fixed Rate Financing Bonds (8th International Dollar Series)**  
under the **Bond Issuance Programme**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and must be read in conjunction with the Offering Memorandum.]

*(The following alternative language applies in respect of issues of securities where the sales period spans an update to Offering Memorandum)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**2020 Offering Memorandum**"), notwithstanding the publication of an updated offering memorandum which will replace the 2020 Offering Memorandum (the "**Updated Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and (i) prior to the publication of the Updated Offering Memorandum, must be read in conjunction with the 2020 Offering Memorandum as so supplemented and (ii) after the publication of the Updated Offering Memorandum, must be read in conjunction with the Updated Offering Memorandum save in respect of the Conditions (which are extracted from the 2020 Offering Memorandum and which will be incorporated by reference into the Updated Offering Memorandum).]

Specified Currency:	United States Dollars	
Integral multiples:	[As set out in the Conditions/[ ]]	
Interest Rate:	[1-Year U.S. Dollar Jubilee Fixed Rate Financing Bond:	[ ]% per annum]
	[2-Year U.S. Dollar Jubilee Fixed Rate Financing Bond:	[ ]% per annum]
	[3-Year U.S. Dollar Jubilee Fixed Rate Financing Bond:	[ ]% per annum]
	[5-Year U.S. Dollar Jubilee Fixed Rate Financing Bond:	[ ]% per annum]
	[10-Year Jubilee Fixed Financing Rate Bond:	[ ]% per annum]
	[15-Year Jubilee Fixed Financing Rate Bond:	[ ]% per annum]
Issue Date:	[ ]	
Maturity Date:	[ ]	
ISIN Code:	[ ]	

Pricing Supplement for the sales period [ ] to [ ]

THE FCA HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

**STATE OF ISRAEL**

**Legal entity identifier ("LEI"): 213800T8ZHTFZIBYPE21**

Issue of  
**U.S. Dollar Floating Rate LIBOR Financing Bonds (8th International Dollar Series)**  
under the **Bond Issuance Programme**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and must be read in conjunction with the Offering Memorandum.]

*(The following alternative language applies in respect of issues of securities where the sales period spans an update to Offering Memorandum)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering memorandum dated 16 July 2020 (the "**2020 Offering Memorandum**"), notwithstanding the publication of an updated offering memorandum which will replace the 2020 Offering Memorandum (the "**Updated Offering Memorandum**"). This Pricing Supplement constitutes the final terms of the Bonds described herein and (i) prior to the publication of the Updated Offering Memorandum, must be read in conjunction with the 2020 Offering Memorandum as so supplemented and (ii) after the publication of the Updated Offering Memorandum, must be read in conjunction with the Updated Offering Memorandum save in respect of the Conditions (which are extracted from the 2020 Offering Memorandum and which will be incorporated by reference into the Updated Offering Memorandum).]

Specified Currency:	United States Dollars
Integral multiples:	[As set out in the Conditions/[ ]]
Reference Rate:	The Applicable LIBOR Rate is [ ]
Spread:	[2-Year U.S. Dollar Floating +/- [ ] basis points] Rate LIBOR Financing Bond:  [3-Year U.S. Dollar Floating +/- [ ] basis points] Rate LIBOR Financing Bond:
Issue Date:	[ ]
Maturity Date:	[ ]
ISIN Code:	[ ]

## **ISSUER**

**The State of Israel**  
Ministry of Finance  
800 Second Avenue, 17th Floor  
New York, New York 10017  
United States of America

Attention: Consul and Chief Legal Officer and Head of Israel Economic Mission - Western Hemisphere  
Telephone: +1 (646) 779-6811  
Fax: +1 (646) 779 6815

## **FISCAL AGENT**

**Computershare Trust Company of Canada**  
100 University Avenue, 8th floor  
Toronto  
Ontario M5J 2Y1  
Canada

Attention: State of Israel Bonds  
Telephone: +1 416 263 9200

## **PROMOTER**

**Development Company for Israel (International) Limited**  
ORT House  
126 Albert Street  
London NW1 7NE  
United Kingdom

Telephone: +44 (0)20 3936 2712  
Email: [infoEN@israelbondsintl.com](mailto:infoEN@israelbondsintl.com)  
Website: [www.israelbondsintl.com](http://www.israelbondsintl.com)

### Paris office:

7 Place Vendôme  
75001 Paris  
France

Telephone: +33 1 42 85 85 50  
Email: [infoFR@israelbondsintl.com](mailto:infoFR@israelbondsintl.com)

### Frankfurt office:

Hebelstrasse 6, 2nd Floor  
60318 Frankfurt/Main  
Germany

Telephone: +49 69 490470  
Email: [infoDE@israelbondsintl.com](mailto:infoDE@israelbondsintl.com)

## **LEGAL ADVISERS**

*To the Issuer*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom