

Information Memorandum dated September 1, 2023



STATE OF ISRAEL
BOND ISSUANCE PROGRAMME

Promoters

Development Company for Israel (International) Limited

Development Company for Israel (Europe) GmbH

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

**YOU SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED IN
SECTION 2 (*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 115 (inclusive) of this document comprise an information memorandum (the "**Information Memorandum**"), which has been approved as a base prospectus by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank only approves this Information Memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval 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.

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. 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 116 to 135 (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 Central Bank 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 Promoters 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 Pounds 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 Pounds 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 Pounds 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.

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

Shalom savings bonds ("**Shalom Savings Bonds**"): Shalom Savings Bonds are fixed rate Bonds and may be offered in Euro ("**Euro Shalom Savings Bonds**"), British Pounds Sterling ("**Sterling Shalom Savings Bonds**") or United States Dollars ("**U.S. Dollar Shalom Savings Bonds**"), with maturities of 1 and 2 years, with interest payable upon maturity.

eShalom savings bonds ("**eShalom Savings Bonds**"): eShalom Savings Bonds are fixed rate Bonds and may be offered in Euro ("**Euro eShalom Savings Bonds**"), British Pounds Sterling ("**Sterling eShalom Savings Bonds**") or United States Dollars ("**U.S. Dollar eShalom Savings Bonds**"), with maturities of 1 and 2 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.

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 85 to 112 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 86) 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 eMazel Tov Savings Bonds*) relates to Euro eMazel Tov Savings Bonds only;
- Condition 2.1.6 (*The Euro Shalom Savings Bonds*) relates to Euro Shalom Savings Bonds only;
- Condition 2.1.7 (*The Euro eShalom Savings Bonds*) relates to Euro eShalom 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 eMazel Tov Savings Bonds*) relates to Sterling eMazel Tov Savings Bonds only;
- Condition 2.2.5 (*The Sterling Shalom Savings Bonds*) relates to the Sterling Shalom Savings Bonds only;
- Condition 2.2.6 (*The Sterling eShalom Savings Bonds*) relates to the Sterling eShalom Savings Bonds only;
- Condition 2.3.1 (*The U.S. Dollar Jubilee Fixed Rate Bonds*) relates to U.S. Dollar Jubilee Fixed Rate Bonds only;

- Condition 2.3.2 (*The U.S. Dollar Maccabee Fixed Rate Bonds*) relates to U.S. Dollar Maccabee Fixed Rate Bonds only;
- Condition 2.3.3 (*The U.S. Dollar Mazel Tov Savings Bonds*) relates to U.S. Dollar Mazel Tov Savings Bonds only;
- Condition 2.3.4 (*The U.S. Dollar Sabra Savings Bonds*) relates to U.S. Dollar Sabra Savings Bonds only;
- Condition 2.3.5 (*The U.S. Dollar Savings Bonds*) relates to U.S. Dollar Savings Bonds only;
- Condition 2.3.6 (*The U.S. Dollar eMazel Tov Savings Bonds*) relates to U.S. Dollar eMazel Tov Savings Bonds only;
- Condition 2.3.7 (*The U.S. Dollar Shalom Savings Bonds*) relates to the U.S. Dollar Shalom Savings Bonds only; and
- Condition 2.3.8 (*The U.S. Dollar eShalom Savings Bonds*) relates to the U.S. Dollar eShalom 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) 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 Promoters*), 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 and Development Company for Israel (Europe) GmbH (each a "**Promoter**" and together, the "**Promoters**") at www.israelbondsintl.com and physical copies may also be inspected at the Promoters' offices at the addresses 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 ix 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 EURIBOR as specified in the relevant Final Terms. As at the date of this Information Memorandum, European Money Markets Institute (as administrator of EURIBOR) is 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.

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 Promoters and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Promoters.

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 Promoters 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 Promoters 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 Promoters 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 material 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 Ltd ("**Moody's**")), AA- (S&P Global Ratings UK Limited ("**S&P**")) and A+ (Fitch (Hong Kong) Ltd ("**Fitch**")). The Programme and the Bonds to be issued have not been rated.

Fitch is not established in the EEA and has not applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Accordingly, the Issuer rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation and has not been withdrawn. Fitch

Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. Additionally, Fitch is not established in the United Kingdom ("UK") and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Accordingly the Issuer rating issued by Fitch has been endorsed by Fitch Ratings Ltd in accordance with the UK CRA Regulation and has not been withdrawn. Fitch Ratings Limited is established in the UK and registered under the UK CRA Regulation.

Each of S&P and Moody's is established in the UK and is registered under the UK CRA Regulation. Each of S&P and Moody's is not established in the EEA and has not applied for registration under the CRA Regulation. Accordingly, the Issuer ratings issued by S&P and Moody's have been endorsed by S&P Global Ratings Europe Limited and Moody's Deutschland GmbH, respectively, in accordance with the CRA Regulation and have not been withdrawn. S&P Global Ratings Europe Limited and Moody's Deutschland GmbH are established in the EEA and registered under the CRA Regulation.

ESMA is obliged to maintain on its website, 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 Central Bank.

References to provisions of law

In this Information Memorandum, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Language of this Information Memorandum

The language of this Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Information Memorandum.

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

Section 2 (*Risk Factors*) describes the principal risks and uncertainties which may affect the ability of the Issuer to fulfil its obligations under 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 (*Description of the Issuer*) sets out a brief description of the Issuer.

Section 10 (*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 11 (*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 Promoters*)" provides information about Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH, the companies which have 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.

CONTENTS

	Page
ABOUT THIS DOCUMENT	i
IMPORTANT NOTICES	vi
HOW DO I USE THIS INFORMATION MEMORANDUM?	ix
SECTION 1. INFORMATION ABOUT THE PROGRAMME AND THE BONDS.....	1
SECTION 2. RISK FACTORS	21
SECTION 3. HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED.....	28
SECTION 4. INFORMATION INCORPORATED BY REFERENCE	32
SECTION 5. SUBSCRIPTION AND SALE	35
SECTION 6. TAXATION.....	38
SECTION 7. IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF BONDS.....	54
SECTION 8. USE OF PROCEEDS	59
SECTION 9. DESCRIPTION OF THE ISSUER.....	61
SECTION 10. FORM OF FINAL TERMS.....	64
SECTION 11. ADDITIONAL INFORMATION.....	80
APPENDIX A. DEFINED TERMS	82
APPENDIX B. CONDITIONS OF THE BONDS	85
APPENDIX C. THE PROMOTERS	113
OFFERING MEMORANDUM FOR EXEMPT BONDS	116

SECTION 1. 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 25(1) 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 Promoters 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 10
(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 material 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:

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

What types of Bonds may be issued under the Programme?

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 10
(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, eMazel Tov Savings Bonds (Euro eMazel Tov Savings Bonds, Sterling eMazel Tov Savings Bonds or U.S. Dollar eMazel Tov Savings Bonds), Shalom Savings Bonds (Euro Shalom Savings Bonds, Sterling Shalom Savings Bonds or U.S. Dollar Shalom Savings Bonds) or eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom 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 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 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:

How will the price of the Bonds be determined?	<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 Promoters, on behalf of the State of Israel, will announce the results of each Public Offer on their website as soon as practicable following the completion or termination of the Public Offer.</p>	
What is the yield on fixed rate Bonds?	<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
Will the Bonds issued under the Programme have a credit rating?	Issues of Bonds issued under the Programme will not be rated.	N/A
Are the Bonds secured?	No, the obligations of the Issuer to pay interest and principal on the Bonds will not be secured.	N/A
Do the Bonds have voting rights?	No.	N/A
Can the Conditions of the Bonds be amended?	No.	N/A
Will I be able to trade the Bonds issued under the Programme?	<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>
What will Bond holders receive if the Issuer is unable to make payments in respect of the Bonds?	<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 8 (*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

Types:	<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 Jubilee Fixed Rate Bonds, U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds, eMazel Tov Savings Bonds (Euro eMazel Tov Savings Bonds, Sterling eMazel Tov Savings Bonds or U.S. Dollar eMazel Tov Savings Bonds), Shalom Savings Bonds (Euro Shalom Savings Bonds, Sterling Shalom Savings Bonds or U.S. Dollar Shalom Savings Bonds) or eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom Savings Bonds).</p> <p>See the chart on pages 9 to 20 below for further details regarding the features of these types of Bonds.</p>
Currencies:	<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>
Issue Date:	<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, eMazel Tov Savings Bonds, Shalom Savings Bonds and eShalom Savings Bonds only) the 1st of the month.</p>
Maturity Dates:	<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>
Interest:	<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 rates can be obtained free of charge from https://www.emmi-benchmarks.eu/benchmarks/euribor/rate/.</p>
Form of Bonds:	<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. Certificates will not be issuable for eMazel Tov Savings Bonds and eShalom Savings Bonds.</p>
Transfer of Bonds:	<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>
Redemption:	<p>Subject to any purchase and cancellation or early redemption, Bonds will be redeemed on their Maturity Date at par.</p>

Early Redemption: The State of Israel is entitled to redeem or repurchase any issued Bonds in whole or in part at any time. See Appendix B (*Conditions of the Bonds — Early Redemption — At the Option of the State of Israel*).

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 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 the Promoters 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 6 (*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 5 (*Subscription and Sale*).

Application for Bonds: Bonds may be offered to any person in Austria, Belgium, France, Germany, Ireland, Spain and/or the Netherlands (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 Promoters' Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoters' anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. These forms are available on the Promoters' website or by contacting the Promoters

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.

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
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 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 ⁽¹⁾	British Pounds Sterling	5-Year	£100 (and integral multiples of £1 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 €1 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):
	United States Dollars	5-Year 10-Year	U.S.\$100 (and integral multiples of U.S.\$1 in excess of U.S.\$100 (or such other integral multiples specified in the applicable Final Terms))			
Savings Bonds ⁽²⁾	British Pounds Sterling	1-Year 2-Year 3-Year 5-Year 10-Year	1 Year – £5,000 (and integral multiples of £500 in excess of £5,000 (or such other integral multiples specified in the applicable Final Terms)) 2-Year, 3-Year, 5-Year and 10-Year - £1,000	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.
	Euro	1-Year 2-Year 3-Year 5-Year 10-Year	1 Year – €5,000 (and integral multiples of €500 in excess of €5,000 (or such other integral multiples specified in the applicable Final Terms)) 2-Year, 3-Year, 5-Year and 10-Year - €5,000			

<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>
	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 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 the Issue Date through

<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>
	Euro	1-Year 2-Year 3-Year 5-Year 10-Year	€1,000	Fixed percentage per annum.	following their Issue Date. 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 last day of that month. 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 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

<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>
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 following their Issue Date.	the last day of that month. 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 Sabra Savings Bonds ⁽³⁾	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	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

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
			U.S.\$1,000 (or such other integral multiples specified in the applicable Final Terms))			the last day of that month.
U.S. Dollar eMazel Tov Savings Bonds ⁽⁴⁾	United States Dollars	5-Year 10-Year	U.S.\$36 (and integral multiples of U.S.\$1 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 eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbond.sintl.com).
Sterling eMazel Tov Savings Bonds ⁽⁴⁾	British Pounds Sterling	5-Year 10-Year	£36 (and integral multiples of £1 in excess of £36 (or such other integral multiples specified in the	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 eMazel Tov

<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>
			applicable Final Terms)).			Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbondintl.com).
Euro eMazel Tov Savings Bonds ⁽⁴⁾	Euro	5-Year 10-Year	€36 (and integral multiples of €1 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 eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbondintl.com).

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
U.S. Dollar Shalom Savings Bonds ⁽⁵⁾	United States Dollars	1-Year 2-Year	U.S.\$100 (and integral multiples of U.S.\$1 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.	One sales period per month: from the 1st of the month preceding the Issue Date through the last day of that month. U.S. Dollar Shalom Savings Bonds can only be issued to a Permitted Holder.
Sterling Shalom Savings Bonds ⁽⁵⁾	British Pounds Sterling	1-Year 2-Year	£100 (and integral multiples of £1 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. Sterling Shalom Savings Bonds can only be issued to a Permitted Holder.

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
Euro Shalom Savings Bonds ⁽⁵⁾	Euro	1-Year 2-Year	€100 (and integral multiples of €1 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 Shalom Savings Bonds can only be issued to a Permitted Holder.

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
U.S. Dollar eShalom Savings Bonds ⁽⁶⁾	United States Dollars	1-Year 2-Year	U.S.\$36 (and integral multiples of U.S.\$1 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 eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbondintl.com). U.S. Dollar eShalom Savings Bonds can only be issued to a Permitted Holder.

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
Sterling eShalom Savings Bonds ⁽⁶⁾	British Pounds Sterling	1-Year 2-Year	£36 (and integral multiples of £1 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 eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbondintl.com). Sterling eShalom Savings Bonds can only be issued to a Permitted Holder.

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
Euro eShalom Savings Bonds ⁽⁶⁾	Euro	1-Year 2-Year	€36 (and integral multiples of €1 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 eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (http://www.israelbondintl.com). Euro eShalom Savings Bonds can only be issued to a Permitted Holder.

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.\$500,000.
- ⁽⁴⁾ The maximum amount of eMazel 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 U.S.\$2,500, £2,500 or €2,500.
- ⁽⁵⁾ The maximum amount of Shalom Savings Bonds that may be purchased by any person on any Issue Date is U.S.\$5,000,000, £5,000,000 or €5,000,000.
- ⁽⁶⁾ The maximum amount of eShalom Savings Bonds that may be purchased by any person on any Issue Date is U.S.\$5,000,000, £5,000,000 or €5,000,000.

SECTION 2. 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.

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.

In recent months, the Knesset's Constitution, Law and Justice Committee (the "**Constitution Committee**") has been promoting a number of bills regarding the Israeli judicial system, which were approved in the first reading by the Knesset plenum.

The primary pillars of the proposed bills are summarized as follows:

- The proposed bills include changes to the Judges Selection Committee in such a way that the representatives of the governing coalition on the committee will have a structural majority and would be able to control the nomination of judges and determine the identity of the chief justice of the Supreme Court (a position which is currently based on seniority). This proposal was approved by the Constitution Committee for a second and third reading in the Knesset.
- The proposed bills define the authority of the Supreme Court requiring the approval of 80% of all incumbent Supreme Court judges in order to abolish or to limit the validity of a law (or part of a law) enacted by the Knesset. Under the proposed bills, the Knesset would have the ability to re-enact a law abolished by the Supreme Court with a certain number of votes. The Supreme Court would have no authority to review "Basic Laws".

In addition, another series of private bills, regarding the structure of the Israeli justice system, are being placed before the Knesset. On Monday July 24, 2023, the Knesset passed a bill that blocks the courts from utilizing a standard that can be used to override certain decisions by the government, the Prime Minister and other elected officials on the grounds that such decisions are unreasonable.

The aforementioned amendments are commonly referred to as the "Judicial Reform".

In discussions, the coalition and the opposition disagreed on the proposed changes of the aforementioned bills. Alongside the discussions in the committee, opinions of professional parties on the subject were presented and various public protests took place. The proposed changes in the judicial system and the opposing protests may negatively affect Israel and reduce Israel's attractiveness for international business. The occurrence of these events may negatively affect Israel's economic performance and its ability to repay principal and make payments on the Bonds.

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 that do not affect corporate issuers in the same way or to the same extent. 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. In the event Israel defaults on its payment obligations in respect of the Bonds, Bond holders may therefore find it difficult or impractical to recover any amounts from Israel following such default and risk incurring losses as a result.

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 may have a continuing negative impact on the European and global economy. The potential impact of such developments on Israel is uncertain. Israel's economy grew at a moderate rate from 2016 to 2019 (an average annual rate of 4.3%), before its growth rate contracted by 1.9% in 2020 due to the impact of the COVID-19 pandemic. Israel's economy then recovered robustly in 2021, with gross domestic product (“GDP”) increasing by 8.6% as compared to 2020. While GDP contracted by 3.1% in the first quarter of 2022 on an annualised, seasonally adjusted quarter-on-quarter basis, such contraction can be attributed to the exceptionally high level of growth in the last quarter of 2021. Following the first quarter of 2022 the economy recovered, with GDP growing 6.4% in the second quarter of 2022, which was primarily attributable to a rise in consumption and exports, and 1.8% in the third quarter of 2022, which was mainly attributable to a rise in investments and public expenditure (each an annual rate, seasonally adjusted, quarter-on-quarter). In the fourth quarter of 2022, Israel's GDP increased by 5.3% mainly due to an increase in private consumption. In total, Israel's GDP increased by 6.5% in 2022 compared to 2021. In the latter half of 2022, developments in the global economy led to high rates of inflation globally and related monetary policy responses such as interest rate increases. These developments moderated the growth of Israel most notably in the third quarter of 2022. 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. More recently, inflationary pressures caused in part by the Russia-Ukraine conflict have also impacted European sovereign debt markets. 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 increased inflation rates caused by the Russia-Ukraine conflict and the possibility of recession. 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. On November 14, 2022, the signing of an agreement of principles ended the maritime border dispute between Israel and Lebanon. The agreement was made between the State of Israel, the French company TotalEnergies, and the Italian company ENI. Together, these entities comprise a consortium that holds the license to develop the Block 9 reservoir in Lebanon. The signed political agreement maintains that the Block 9 reservoir will not be developed without upholding Israel's economic rights. Now that the agreement of principles is signed, the consortium will begin an exploration process in the reservoir. Should natural gas be found, an economic plan for the development of the reservoir will be drafted.

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.

The Programme and the Bonds to be issued have not been rated.

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. As of the date of this Information Memorandum, Moody's Investors Service Ltd, S&P Global Ratings UK Limited and Fitch (Hong Kong) Ltd have assigned credit ratings to the State of Israel. 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. Any change that affects the value of the Bonds but does not affect the credit ratings of

the State of Israel will therefore not be reflected in the credit ratings assigned to the State of Israel, and investors that fail to adequately consider such changes in their investment decisions risk losing some or all of their investment in the Bonds or otherwise failing to achieve their investment objectives.

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. Any failure by an investor to adequately consider the absence of a secondary market for the Bonds in developing their investment strategy may lead to such investor failing to achieve their investment objectives or incurring financial losses through being unable to access liquidity by disposing of the Bonds they have purchased prior to such Bonds' maturity.

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 Promoters, on behalf of the Issuer, reserve 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. Potential purchasers of the Bonds must therefore consider the tax laws of all relevant jurisdictions, and not solely those of Israel. Such taxes, charges or duties may be substantial, and if such taxes, charges or duties are charged there is a risk that investors in the Bonds may not receive the return on their investment that they anticipated or required in order to meet their investment objectives. While certain general information in respect of taxation is included in Section 6 (*Taxation*), 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 in order to clarify the nature and extent of any such risk in their particular circumstances.

Regulation and Reform of 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. 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). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**), among other things, applies to the provision of benchmarks and the use of a benchmark in the United Kingdom. Similarly, it prohibits the use in the United Kingdom by United Kingdom-supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (the **FCA**) or registered on the FCA register (or, if non-United Kingdom based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Bonds linked to 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/or the UK Benchmarks Regulation, as applicable. 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.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

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 a Benchmark Event (as defined in the Conditions of the Bonds) occurs in respect of an Original Reference Rate and/or any page on which such benchmark may be published becomes unavailable. 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 (which could be positive, negative or zero) and may include amendments to the Conditions of Bonds to ensure the proper operation of the new benchmark, all as determined by the Independent Adviser (acting in good faith and in consultation with the Issuer) and as more fully described at Condition 6.2.2 of the Bonds. It is possible that the adoption of a Successor Rate or Alternative Rate, including any Adjustment Spread, may 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. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the rate of interest for a particular interest period may result in the Calculation Agent determining six-month EURIBOR for the relevant interest determination date in its sole discretion.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Bonds in making any investment decision with respect to any Bonds referencing a benchmark.

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. Any such change could materially adversely impact the value of any Bonds impacted by it.

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, eMazel Tov Savings Bonds (Euro eMazel Tov Savings Bonds, Sterling eMazel Tov Savings Bonds or U.S. Dollar eMazel Tov Savings Bonds), Shalom Savings Bonds (Euro Shalom Savings Bonds, Sterling Shalom Savings Bonds or U.S. Dollar Shalom Savings Bonds) or eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom Savings Bonds), all as described herein. Floating rate Bonds may be issued as Euro Floating Rate Bonds 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 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) x 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 (the "**Form 18-K**") to the United States Securities and Exchange Commission for the fiscal year ended December 31, 2022 dated as of June 30, 2023 which has been submitted to and filed with the Central Bank: <https://israelbondsintl.com/pdf/18K-2023.pdf>:

Currency Protocol	Page D-5
Fiscal Year	Page D-5
Forward-Looking Statements	Page D-6
Summary Information and Recent Developments	Pages D-7 to D-14 (inclusive)
State of Israel	Pages D-15 to D-24 (inclusive)
The Economy	Pages D-25 to D-49 (inclusive)
Balance of Payments and Foreign Trade	Pages D-50 to D-60 (inclusive)
The Financial System	Pages D-61 to D-78 (inclusive)
Public Finance	Pages D-79 to D-85 (inclusive)
Public Debt	Pages D-86 to D-94 (inclusive)
Debt Record	Pages D-95 to D-106 (inclusive)

2. The Issuer's Annual Report of the Government Debt Management Unit in the Accountant General's Office for the year 2022: https://www.gov.il/BlobFolder/dynamiccollectorresultitem/annual-debt-report-2022/en/files-eng_Annual-Debt-Reports_annual-debt-report-2022-accessible-version-eng.pdf
3. The section headed "*Conditions of the Bonds*" set out on pages 81 to 106 (inclusive) of the information memorandum relating to the Programme dated September 1, 2022: <https://israelbondsintl.com/pdf/2022InformationMemorandum.pdf>
4. The section headed "*Form of Final Terms*" set out on pages 61 to 75 (inclusive) of the information memorandum relating to the Programme dated September 1, 2022: <https://israelbondsintl.com/pdf/2022InformationMemorandum.pdf>

Electronic copies of any documents incorporated by reference herein and in any supplements hereto will be available on the Promoters' website at www.israelbondsintl.com and physical copies may also be inspected at their offices at the addresses 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 (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) 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, each 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. Each 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, each 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 Member 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 Member 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 Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member 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 such prospectus or 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 Promoters 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 Promoters 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 Member 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, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Each 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, each 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

Each 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

Each 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 Promoters represent 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 assume 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.

The State of Israel

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 Promoters' 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.

Austria

General

The following is a brief summary of some principles of Austrian tax law that may be of relevance for Austrian resident holders of the Bonds. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Bonds. This summary does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances.

This summary is based on Austrian law as in force when drawing up this Information Memorandum. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect.

Investors are advised to consult their own professional advisors in this regard.

Taxation of interest, capital gains or redemption gains upon disposal or redemption of the Bonds

Individual Investors

Interest income derived from the bond and Capital gains upon the disposal or the redemption of the Bonds are subject to a 27.5% flat tax rate. If the Bonds are deposited with an Austrian custodian bank, the bank will – in most circumstances – withhold the 27.5% tax and forward it to the tax authorities.

In case no withholding tax is levied on income from the Bonds (*i.e.*, income is not paid out by an Austrian custodian bank or a paying agent in Austria), Austrian resident individual investors will have to declare the income derived from the Bonds in their income tax returns pursuant to the Austrian Income Tax Act. In this case the income from the Bonds is subject to a flat income tax rate of 27.5%.

In case the investor (natural person) is neither Austrian resident nor has his/her abode in Austria, Austrian income withholding tax will not apply on interest payments as well as capital gains from the redemption or disposal of the Bonds, provided that the issuer is not Austrian resident, does not have its seat or place of management in Austria or is not an Austrian branch of a foreign bank. The Austrian custodian or paying agent may refrain from withholding already at source, if the non-resident investor furnishes proof of non-residency.

Corporate Investors

Corporate entities are in general subject to a 25% flat corporate income tax rate. Capital gains incurred upon disposal or redemption of the Bonds are subject to this general 25% taxation. Corporate investors deriving business income from the Bonds may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) in the meaning of section 94 no 5 of the AITA with the custodian or paying agent. Additionally the Bonds have to be held in a custodial account with a credit institution.

International Exchange of Information

Based on the so-called "OECD Common Reporting Standard", the states which have committed themselves to implement this standard (Participating States) will exchange potentially taxation-relevant information about financial accounts which an individual holds in a Participating State other than his country of residence.

Austria implemented the relevant directive of the European Council (2014/107/EU) with the Austrian Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz*, GMSG) which became effective on 1 January 2016.

Responsibility for Withholding Taxes

The Issuer is not subject to any liability for the withholding of taxes at source by the custodian bank or Austrian paying agent. Withholding tax is levied by an Austrian custodian or paying agent.

Belgium

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Bonds. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisors regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect.

Income tax and withholding tax

For Belgian tax purposes, interest includes any interest paid on the Bonds as well as any amount paid in excess of the initial issue price upon redemption or purchase by the Issuer. On any sale of the Bonds to a party other than the Issuer between interest payment dates, an amount of the sale price equal to the interest accrued to the date of such sale is also taxable as interest income. For the purposes of the following paragraphs, any such gains and accrued interest are therefore referred to as interest.

- *Belgian resident individual investors*

Belgian resident individuals, i.e. who are subject to Belgian personal income tax ("*Impôt des personnes physiques*" / "*Personenbelasting*"), and who hold the Bonds as a private investment, are in Belgium subject to the following tax treatment with respect to the Bonds.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Payments of interest on the Bonds made to Belgian resident individuals through a financial institution or other intermediary established in Belgium will in principle be subject to a 30% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes).

The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Bonds in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest.

Capital losses are in principle not tax deductible.

- *Belgian resident corporate investors*

Payments of interest on the Bonds to Belgian resident corporate investors made through a financial institution or other intermediary established in Belgium will in principle be subject to a 30% withholding tax in Belgium, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Interest derived by Belgian resident corporate investors subject to Belgian corporate income tax ("*Impôt des sociétés*" / "*Vennootschapsbelasting*") on the Bonds and capital gains realised on the Bonds will be subject to Belgian corporate income tax at the ordinary corporate income tax rates. The ordinary corporate income tax rate is 25% (with, subject to certain conditions, a reduced rate of 20%, applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies (as defined in Article 1:24, §1 to §6 of the Belgian Companies and Associations Code)). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

- *Other Belgian legal entities*

Payments of interest on the Bonds made to Belgian legal entities subject to Belgian tax on legal entities ("*Impôt des personnes morales*" / "*Rechtspersonenbelasting*") through a financial institution or other intermediary established in Belgium will in principle be subject to a 30% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes) and no further tax on legal entities will be due on the interest.

If interest is paid outside Belgium without the intervention of a financial institution or other intermediary established in Belgium and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the declaration and payment of the 30% withholding tax.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gain qualifies as interest (as defined). Capital losses are in principle not tax deductible.

- *Non-resident investors*

Bondholders who are not considered Belgian residents for tax purposes can be subject to Belgian non-resident income tax ("*Impôt des non-résidents*" / "*Belasting van niet-inwoners*"), in which case they are subject to the following tax treatment with respect to the Bonds in Belgium.

Payments of interest on the Bonds made through a financial institution or other intermediary established in Belgium will in principle be subject to a 30% withholding tax in Belgium, unless a reduced rate or an exemption applies on the basis that the Bondholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident investors who have not allocated the Bonds to a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Bonds if certain conditions are met. No other Belgian income tax will be due by these investors. In addition, non-resident corporate investors who have allocated the Bonds to the exercise of a professional activity in Belgium through a Belgian establishment may benefit from a withholding tax exemption, provided that certain formalities are complied with.

If the income is not collected through a professional intermediary in Belgium, no Belgian withholding tax will be due.

Non-resident corporate investors who have allocated the Bonds to the exercise of a professional activity in Belgium through a permanent establishment are in principle subject to the same income tax treatment as the Belgian resident corporate investors (see above).

Tax on stock exchange transactions

The acquisition of the Bonds upon their issuance is not subject to the tax on stock exchange transactions ("*Taxe sur les opérations de bourse*" / "*Taks op de beursverrichtingen*"). However, the sale and acquisition of the Bonds on the secondary market will be subject to a tax on stock exchange transactions if (i) executed in Belgium through a professional intermediary or (ii) deemed to be carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium or legal entities for the account of their seat or establishment in Belgium. The tax is generally due at a rate of 0.12% on the Bonds and is collected by the professional intermediary, unless the professional intermediary is established outside of Belgium, in which case the investors must, in principle, declare and pay the tax themselves. This is applied separately on each sale and each acquisition, up to a maximum of EUR 1,300 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents.

As stated below, the European Commission has published a proposal for a Directive for a common FTT. The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

Annual tax on securities accounts

Following the law of 17 February 2021, the annual tax on securities accounts was introduced (the **Annual Tax on Securities Accounts**). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e. a period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1,000,000. The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary in Belgium. However, the Annual Tax on Securities Accounts is not levied on securities accounts held by specific types of regulated entities in the context of their own professional activity and for their own account.

The applicable tax rate is equal to the lowest amount of either 0.15% of the average value of the financial instruments held on the account or 10% of the difference between the average value of the financial instruments held on the account and EUR 1,000,000. The tax base is the sum of the values of the taxable

financial instruments at the different reference points in time (i.e. 31 December, 31 March, 30 June and 30 September) divided by the number of those reference points in time.

The Annual Tax on Securities Accounts needs to be withheld, declared and paid by the Belgian intermediary. Intermediaries not established or set up in Belgium have the possibility, when managing a securities account subject to the tax, to appoint a representative in Belgium approved by or on behalf of the Minister of Finance (the **Annual Tax on Securities Accounts Representative**). The Annual Tax on Securities Accounts Representative is jointly and severally liable vis-à-vis the Belgian State to declare and pay the tax and to fulfil all other obligations for intermediaries related to the Annual Tax on Securities Accounts, such as compliance with certain reporting obligations. In cases where no intermediary has withheld, declared and paid the Annual Tax on Securities Accounts, the holder of the securities account needs to declare and pay the tax himself, unless he can prove that the tax has already been withheld, declared and paid by either a Belgian intermediary or Annual Tax on Securities Accounts Representative of a foreign intermediary.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021.

Bondholders should consult their own tax advisers in relation to this Annual Tax on Securities Accounts.

Federal Republic of Germany

Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

Taxation

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Bonds. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Bonds, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Information Memorandum, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Bonds may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Bonds as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Tax consequences that may arise if an investor combines certain series of Bonds so that he or she derives a certain return are not discussed herein.

The law as currently in effect provides for a reduced tax rate for certain investment income. There is an on-going discussion in Germany whether the reduced tax rate should be increased or abolished altogether so that investment income would be taxed at regular rates. It is still unclear, whether, how and when the current discussion may result in any legislative changes. Prospective purchasers of Bonds are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Bonds, including the effect of any state, local or church taxes, under the tax laws of Germany and any country in which they are resident or whose tax laws apply to them for other reasons.

German Tax Residents

The section "German Tax Residents" refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on on-going payments and capital gains

On-going payments received by a non-business holder will be subject to German withholding tax if the Bonds are kept or administered in a custodial account with a German securities institution or a German branch of a German or non-German bank or financial services institution (each, a "**Disbursing Agent**"),

auszahlende Stelle). The tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%). For individual holders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax. Further, church tax is not collected by way of withholding if the investment income forms part of income from trade business, self-employment, agriculture and forestry, or letting and leasing.

The same treatment applies to capital gains (*i.e.* the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a non-business holder provided the Bonds have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Bonds kept or administered in the same custodial account were acquired at different points in time, the Bonds first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Bonds are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest claims are disposed of separately (*i.e.* without the Bonds), the proceeds from the disposal are subject to withholding tax. The same applies to proceeds from the payment of interest claims if the Bonds have been disposed of separately.

To the extent the Bonds have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds (plus interest accrued on the Bonds ("**Accrued Interest**", *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Bonds by the previous Disbursing Agent or by a statement of a bank, financial services or securities institution from another Member State of the European Union or the EEA or from certain other countries (*e.g.* Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a non-business holder of the Bonds via the Disbursing Agent (*e.g.* losses from the sale of other securities with the exception of shares in stock corporations and forward transactions). The Disbursing Agent also deducts Accrued Interest on the Bonds or other securities paid separately upon the acquisition of the respective security by a non-business holder via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a non-business holder in the custodial account with the Disbursing Agent.

Pursuant to administrative guidance losses incurred by a bondholder from bad debt (*Forderungsausfall*) or from a claim which is partially or totally irrecoverable for other reason shall not be tax-deductible when calculating the withholding tax. The Disbursing Agent has to follow the view of the tax authorities expressed in the administrative guidance when computing the tax to be withheld. The taxpayer has to include such loss in his or her annual tax return which will then be subject to the same limitations as set out in further details below.

Non-business holders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 1,000 (EUR 2,000 for couples and partners filing jointly) for all investment income received in a given year. Upon the non-business holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Bonds has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Bonds held by a corporation while on-going payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Bonds form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of a non-business holder deriving income from capital investments under the Bonds is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Bonds kept in custody abroad or if no Disbursing Agent is involved in the payment process, the non-business holder must report his or her income and capital gains derived from the Bonds on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), a non-business holder may and in case the actual gain is higher than 30% of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a non-business holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

The offsetting of losses incurred by a non-business holder is subject to several restrictions. Losses incurred with respect to the Bonds can only be offset against investment income realised in the same or the following years. According to new legislation losses from capital claims of private investors can now be offset against income derived from capital investments up to an amount of EUR 20,000.00 p.a. Losses exceeding that threshold can be carried forward.

Where Bonds form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Bonds form part of a trade or business, interest (accrued) must be taken into account as income. The respective holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder. Where Bonds form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Bonds may also be subject to German trade tax.

Non-German Tax Residents

Interest and capital gains are not subject to German taxation, unless (i) the Bonds form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above in the subsection "*German Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Bonds are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Bonds are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Bond are paid by a Disbursing Agent to a non-resident upon delivery of the Bonds, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Solidarity surcharge

The solidarity surcharge has been partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge shall, however, continue to apply for investment income and, thus, on withholding taxes levied. In case the individual income tax burden for a non-business holder of Bonds tax resident in Germany is lower than 25% such holder can apply for his/her investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded (see above).

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Bonds will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Bond is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or similar duties will be payable in Germany in connection with the issuance, delivery or execution of the Bonds. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

France

The following is an overview of certain French withholding tax considerations relating to the holding of the Bonds. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe, purchase, hold or dispose of the Bonds. Each prospective holder or beneficial owner of the Bonds should consult its tax advisor as to the tax consequences of any investment in the Bonds. This overview is based on the laws in force in France as of the date of this Information Memorandum and is subject to any changes in law and/or interpretation thereof (potentially with a retroactive effect).

Payments by the Issuer under the Bonds will be made free of any compulsory withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, if the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are (subject to certain exceptions) subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are (subject to certain exceptions) also levied by way of withholding at a global rate of 17.2% on such interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Ireland

The following is a summary of the Irish withholding tax treatment of the Bonds. It is based on the laws and practice of the Revenue Commissioners of Ireland currently in force in Ireland as at the date of this Information Memorandum and may be subject to change. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Bonds. Prospective investors in the Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Bonds and the receipt of payments thereon under any laws applicable to them.

Irish Withholding Tax

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax.

Such withholding tax arises at the standard rate of income tax (currently 20%) to payments of Irish source yearly interest and Irish source annual payments, and at a prescribed rate of 25% to distributions.

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the Issuer operate in Ireland through a branch or agency with which the issue of the Bonds is connected, nor are the Bonds held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of

interest or annual payments arise on the Bonds, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the Issuer or any paying agent acting on behalf of the Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Bonds.

Separately, for as long as the Bonds do not derive the greater part of their value from Irish land, buildings, exploration or mineral rights, a purchaser of the Bonds should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Bonds.

Irish Encashment Tax

Payments on any Bonds paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Bonds will be subject to Irish encashment tax. Encashment tax applies at a prescribed rate of 25% unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Bonds entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland. In addition, an exemption applies where the payment is made to a company where that company is beneficially entitled to that income and is or will be within the charge to corporation tax in respect of that income.

Spain

The statements herein regarding the tax legislation in Spain are based on the laws in force in Spain as of the date of this Programme (without prejudice to regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre or provisions passed by Autonomous Communities which may apply to investors for certain taxes) and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to make a decision in relation to the purchase, holding or disposal of the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the Spanish tax consequences of the acquisition, holding, settlement, redemption and disposal of the Bonds.

As each series or tranche of Bonds may be subject to a different tax treatment due to the specific terms of such series or tranche of Bonds as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Tax consequences that may arise if an investor combines certain series of Bonds so that he or she derives a certain return are not discussed herein.

Spanish Resident Individuals

Personal Income Tax

Personal Income Tax ("**PIT**") is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever its source and wherever the relevant payer is established. Therefore any income that a Spanish holder of the Bonds may receive under the Bonds will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Bonds obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

These amounts will be included in the savings part of the taxable income subject to PIT at the following tax rates: (i) 19% for taxable income up to EUR 6,000; (ii) 21% for taxable income from EUR 6,001 to EUR 50,000; (iii) 23% for taxable income from EUR 50,000.01 to EUR 200,000; (iv) 27% for taxable income from €200,000.01 to €300,000; and (v) 28% for any amount in excess of EUR 300,000.

Spanish holders of the Bonds shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Bonds will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Bonds may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Bonds, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Bonds cannot be offset if the investor acquires homogeneous securities within the year period prior or subsequent to the transfer of the Bonds, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Bonds, if any.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Bonds upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General tax rates currently range from 7.65% to 81.60% although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax and Solidarity Tax

Individuals with tax residency in Spain are subject to Wealth Tax on their total net wealth, regardless of the location of their assets or of where their rights may be exercised, to the extent that their net worth exceeds EUR 700,000. Therefore, Spanish holders of the Bonds should take into account the value of the Bonds which they hold as at 31 December of each year, when calculating their Wealth Tax liabilities. The applicable tax rates range between 0.2% and 3.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

In addition to the above, the so-called "Solidarity Tax" was approved in December 2022, which is a two year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt (as Madrid and Andalusia). As regards the Basque Country and Navarre, its application is excluded, although it is foreseen that its application will be agreed in the Mixed Commission of the Economic Agreement with the Basque Country and the Commission of the Economic Agreement with Navarre.

The rates of the "Solidarity Tax" are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000.01 and €10,000,000, and (iii) 3.5% on a net worth of more than €10,000,000. Note that the regulation lays down a minimum exempt amount of €700,000 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, is greater than €3,700,000.

Prospective investors are advised to seek their own professional advice in this regard.

Legal Entities with Tax Residence in Spain

Corporate Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Bonds obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for Spanish Corporate Income Tax ("CIT") taxpayers is currently 25%. This general rate will not be applicable to all CIT taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%). Likewise, special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Bonds, if any.

Spanish Wealth Tax and Solidarity Tax

Legal entities resident in Spain for tax purposes are neither subject to Wealth Tax nor to Solidarity Tax.

Inheritance and Gift Tax

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Bonds by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the Bonds in their taxable income for Spanish CIT purposes.

Non-Resident Individuals and Legal Entities acting through a permanent establishment in Spain

A non-resident holder of Bonds who has a permanent establishment in Spain to which such Bonds are attributable is subject to Spanish Non-Residents' Income Tax on any income obtained under the Bonds including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Bonds. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Spanish tax resident CIT taxpayers.

Indirect Taxation

As a general rule, the acquisition, transfer, redemption, reimbursement and exchange of the Bonds will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

Reporting Obligations to the Spanish Tax Authorities

Spanish resident holders of Bonds or non-resident holders with a permanent establishment in Spain to which the Bonds are effectively connected should seek advice from their tax adviser as to whether they should include the Bonds in the annual reporting (Form 720) to the Spanish Tax Authorities declaring assets and rights held outside Spain (filing in respect of Bonds held as of 31 December 2023 will be due by 31 March 2024). Failure to satisfy this reporting obligation may trigger tax penalties and other tax implications.

Spanish Withholding Tax

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Bonds or intervenes as manager on the collection of any income under the Bonds, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Bonds. To this effect income deriving from the Bonds will include not only interest payments but also income arising from the disposal, redemption or reimbursement of the Bonds, if any.

The current withholding tax rate in Spain is 19%. Amounts withheld in Spain, if any, can be credited against the final Spanish PIT liability, in the case of Spanish tax resident individuals, or against final Spanish CIT liability, in the case of Spanish corporate taxpayers, or against final Non-Residents' Income Tax liability, in the case of a Spanish permanent establishment of a non-resident holder of the Bonds.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish PIT (Royal Decree 439/2007, of 30 March) and CIT (Royal Decree 634/2015, of 10 July) when intervening in the transfer or reimbursement of the Bonds.

The Netherlands

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Bonds, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Bonds may include an individual or entity who does not have the legal title of these Bonds, but to whom nevertheless the Bonds or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Bonds or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Bonds.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Information Memorandum, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (a) investment institutions (*fiscale beleggingsinstellingen*);
- (b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;
- (c) holders of Bonds holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Bonds of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (d) persons to whom the Bonds and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (e) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Bonds are attributable to such permanent establishment or permanent representative; and
- (f) individuals to whom Bonds or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

For the purpose of the Dutch tax consequences described herein, it is assumed that the Issuer is neither a resident of the Netherlands nor deemed to be a resident of the Netherlands for Dutch tax purposes nor has a permanent establishment in the Netherlands to which the Bonds are attributed.

Where this summary refers to ‘the Netherlands’ or ‘Dutch’, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Dutch Withholding Tax

All payments made by the Issuer under the Bonds may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and Individual Income Tax

Residents of the Netherlands

If a holder of Bonds is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Bonds are attributable, income derived from the Bonds and gains realised upon the redemption or disposal of the Bonds are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Bonds and gains realised upon the redemption or disposal of the Bonds are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act 2001, if:

- (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Bonds are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Bonds are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Bonds that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies to the holder of the Bonds, taxable income with regard to the Bonds must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. This deemed return on savings and investments is determined based on the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (EUR 57,000 in 2023). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The individual's deemed return is calculated by multiplying the individual's yield basis with a 'deemed return percentage' (*effectief rendementpercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2023, the percentage for other investments, which include the Bonds, is set at 6.17%. The deemed return on savings and investments is taxed at a rate of 32%.

Non-residents of the Netherlands

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Bonds and gains realised upon the redemption or disposal of the Bonds, unless:

- (a) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Bonds are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Bonds are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%.

- (b) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Bonds are attributable, or (2) realises income or gains with respect to the Bonds that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Bonds that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Bonds are attributable.

Income derived from the Bonds as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

Gift and Inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the Bonds by way of gift by, or on the death of, a holder of Bonds, unless:

- (a) the holder of the Bonds is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Bonds or in respect of a cash payment made under the Bonds, or in respect of a transfer of Bonds.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Bonds.

United Kingdom

The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs' practice relating to certain aspects of United Kingdom taxation. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Bond holders depends on their individual circumstances and may be subject to change in the future. Prospective Bond holders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

A. Payments of interest on the Bonds

Payments of interest on the Bonds may be made without deduction or withholding on account of United Kingdom income tax provided that the payments do not have a United Kingdom source. The Issuer does not assume responsibility for United Kingdom withholding taxes under the Conditions of the Bonds.

B. United Kingdom Corporation Tax Payers

In general, Bond holders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with their IFRS or UK GAAP accounting treatment.

C. Other United Kingdom Tax Payers

Interest on the Bonds may be subject to income tax by direct assessment even where paid without withholding.

A disposal of Bonds by an individual Bond holder who is resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

On a disposal of Bond by a Bond holder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 Income Tax Act 2007, if that Bond holder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bond are attributable.

Notwithstanding the above, if the Bonds constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 Income Tax (Trading and Other Income) Act 2005, then any gain realised on redemption or transfer of the Bonds by a Bond holder would generally be taxable as income but such Bond holder will not be able to claim relief from income tax in respect of costs incurred on the acquisition, transfer or redemption, or losses incurred on the transfer or redemption, of the Bonds.

D. Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Bonds or on a transfer of the Bonds provided that the Bonds are “exempt loan capital” under section 79 Finance Act 1986.

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 Ireland to be issued by the Central Bank 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 Promoters in the context of a Public Offer if the offer is made in Ireland, 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 Member 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, Ireland, Spain and the Netherlands (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 Regulation*" below.

If, after the date of this Information Memorandum, the Issuer intends to add one or more Member 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 Promoters 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 Promoters 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 Promoters and the Issuer accepts responsibility for the content of this Information Memorandum also with respect to sales of Bonds arranged by the Promoters.

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 Promoters 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 Promoters, including compliance by the Promoters 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, none of the Issuer or the Promoters 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 any of the Promoters 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 a 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 Promoters, *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.

Each 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:

Promoters: Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH.

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, eMazel Tov Savings Bonds, Shalom Savings Bonds and eShalom 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 Promoters 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 Promoters' Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoters' anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. These forms are available on the Promoters' website or by contacting the Promoters 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 Promoters 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 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; 1-Year U.S. Dollar Sabra Savings Bonds - U.S.\$5,000; eMazel Tov Savings Bonds – €36, £36 or U.S.\$36; Shalom Savings Bonds – €100, £100 or U.S.\$100; and eShalom Savings Bonds – €36, £36 or U.S.\$36. 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.\$500,000 on any Issue Date, eMazel Tov Savings Bonds - U.S.\$2,500, £2,500 or €2,500 on any Issue Date and registered in the name of any one holder, Shalom Savings Bonds - €5,000,000, £5,000,000 or U.S.\$5,000,000 on any Issue Date and eShalom Savings Bonds - €5,000,000, £5,000,000 or U.S.\$5,000,000 on any Issue Date.

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 Promoters, on behalf of the State of Israel, will announce the results of each Public Offer on their 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), save that Shalom Savings Bonds and eShalom Savings Bonds can only be issued to a Permitted Holder. 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 Promoters, 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 PROMOTERS

IN THE EVENT OF AN OFFER OF BONDS BEING MADE BY ANY PROMOTER, THE RELEVANT 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 ANY PROMOTER WILL DO SO, AND OFFERS AND SALES OF SUCH BONDS TO AN INVESTOR VIA EACH PROMOTER WILL BE MADE, IN ACCORDANCE WITH, ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE RELEVANT 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 RELEVANT 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 RELEVANT PROMOTER AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE RELEVANT 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 Promoters 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 Promoters' website: 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. DESCRIPTION OF THE ISSUER

The following section provides a brief description of the Issuer.

Description of the Issuer, Including its Economy

State of Israel is a sovereign issuer, located in the State of Israel.

The Israeli economy grew by 6.5% in 2022, as compared to growth rates of 8.6% in 2021, -1.9% in 2020, 4.2% in 2019 and 4.1% in 2018. GDP growth in 2022 was mainly due to the continued growth of private consumption and the high levels of exports and investments. During the first quarter of 2022, GDP contracted by 3.1% (annual rate, seasonally adjusted, quarter on quarter). This contraction can be attributed to the exceptionally high level of growth in the last quarter of 2021 rather than any trend toward economic slowdown. Indeed, in the second quarter of 2022, the economy recovered with GDP growing by 6.4%, followed by GDP growth of 1.8% in the third quarter and 5.3% in the fourth quarter of 2022 (annual rate, seasonally adjusted, quarter on quarter). During the first quarter of 2023, GDP grew by 3.2% (annual rate, seasonally adjusted, quarter on quarter).

Business sector product is calculated as GDP minus certain general government services (government operations executed through private companies are included in the business sector product), services of private non-profit institutions and housing services (representing the imputed value of the use of owner-occupied residential property).

Relatively high growth rates in business sector product continued from 2018 to 2019, as the business sector GDP grew by 4.5% in 2018 and 4.8% in 2019, marginally above the total GDP growth for each period. In 2020, the business sector contracted by 2.4% below the total GDP contraction for the year. In 2021, the business sector GDP recovered robustly and grew by 10.3%, higher than the total output growth for the year. In 2022, the business sector continued its high growth rate, increasing by 7.8%, higher than total GDP growth.

Private consumption increased in 2022 as compared to 2021, with total private consumption reaching 818 in 2022, 759 in 2021, 683 in 2020, 742 in 2019 and 713 in 2018 (in billions of NIS at constant 2015 prices).

Public Finance and Trade

Balance of Payments and Foreign Trade

Israel had a current account surplus of 3.5% of GDP in 2022, which was the 20th consecutive year in which a positive surplus in the current account was recorded. In the first quarter of 2023, the current account surplus amounted to 5.2% of GDP (on a seasonally adjusted basis).

Israel is a party to free trade agreements with its major trading partners, and it is one of the few nations that has signed free trade agreements with both the United States and the European Union.

Israel's net exports have grown significantly in recent years from \$3.3 billion in 2018 to \$18.8 billion in 2021, with a decrease in 2022 to \$16.9 billion. The growth in net exports in recent years has mostly been driven by the export of services. In the first quarter of 2023, the net exports surplus amounted to \$3.7 billion (on a seasonally adjusted basis).

Focusing on trade in goods, in 2022, Israel's goods exports (including diamonds returned by importers abroad and other returns to exporters in Israel) was \$72.6 billion (up from \$60.2 billion in 2021), of which 35.9% were to Europe (up from 33.8% in 2021), 25.7% were to the United States (down from 27.1% in 2021), 22.9% were to Asia (down from 23.6% in 2021), and 15.5% were to other markets (same as in 2021). In 2022, Israel's goods imports (including un-worked diamonds returned to suppliers abroad and other returns to exporters abroad) was \$107.8 billion (up from \$92.2 billion in 2021), of which 46.8% came from Europe (down from 51.0% in 2021), 28.3% came from Asia (up from 27.5% in 2021), 8.9% came from the United States (down from 9.4% in 2021), and 16.0% came from other countries (up from 12.1% in 2021).

Fiscal Policy

Budget proposals in Israel are constrained by two parameters. The first is a deficit ceiling that sets the maximum deficit-to-GDP ratio, which has been modified several times. The second is an expenditure ceiling that sets a maximum year-to-year growth in government expenditure. Under the current formula prescribed by Israeli law, the expenditure ceiling is based on the average population growth rate over the three years prior to the submission of the budget, plus the ratio of the medium-term debt target (50%) to the current debt-to-GDP ratio.

In May 2023, the budgets for the years 2023-2024 were approved. In 2020, as a result of COVID-19-related expenditures and lower than expected revenues, the deficit rose to 11.3% of GDP, which was significantly above the deficit target set for the year and similarly, the public debt-to-GDP ratio for 2020 increased to 70.7%. In 2021, the deficit decreased to 4.4% of GDP, which was lower than the deficit target as state revenues exceeded expectations and there were lower than expected COVID-19-related expenditures, and the public debt-to-GDP ratio in 2021 decreased to 68.0%. In light of higher than expected revenues and lower than expected expenditure, as a result of the COVID-19 recovery, a cumulative budget surplus of approximately NIS 9.9 billion (0.6% of GDP) was measured in 2022, resulting in a debt-to-GDP of 60.8%.

Inflation and Monetary Policy

The average annual inflation rate over the last decade (2012 to 2022) was approximately 0.9%, slightly below the Government's target range of 1%-3%. The changes in the Consumer Price Index ("CPI") reflect a rise in prices of commodities, housing and agricultural products in Israel. Measured at year-end, the CPI growth rate returned to positive values in 2017 at 0.4%, grew by 0.8% in 2018 and 0.6% in 2019 and decreased by 0.7% in 2020. In 2021, the CPI increased by 1.5%, which was within the target of the Bank of Israel for the first time since 2013. In 2022, the CPI increased by an annual average of 4.4%, as inflation rose worldwide. In 2022, due to rising inflation, the Bank of Israel increased the interest rate ten times and it is currently at 4.75%. The real interest rate (nominal interest rate less inflation expectations) averaged -0.9%, -0.8%, 0.1%, -1.8% and -1.7% in 2018, 2019, 2020, 2021 and 2022, respectively.

Over the past five years (measured from January 2, 2018 to December 30, 2022), the NIS/USD exchange rate has averaged at 3.44 NIS / 1.00 USD, fluctuating between a high of 3.8620 (recorded on March 17, 2020) and a low of 3.0740 (recorded on November 17, 2021). The exchange rate as of July 31, 2023 stood at 3.6930 NIS / USD.

SECTION 10. 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 September 1, 2024 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 Promoters' website (www.israelbondsintl.com) as indicated below.]¹

Final Terms for the Offer Period [], 20[23/24] to [], 20[23/24]

STATE OF ISRAEL

Legal entity identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of

Euro Savings Bonds (19th Euro Series)
Euro Floating Rate Bonds (20th Euro Series)
Euro Jubilee Bonds (5th Euro Series)
Sterling Savings Bonds (15th Sterling Series)
Sterling Jubilee Bonds (15th Sterling Series)
U.S. Dollar Jubilee Fixed Rate Bonds (13th International Dollar Series)
U.S. Dollar Maccabee Fixed Rate Bonds (13th International Dollar Series)
U.S. Dollar Sabra Savings Bonds (13th International Dollar Series)
U.S. Dollar Savings Bonds (13th International Dollar Series)
Euro Mazel Tov Savings Bonds (15th Euro Series)
Sterling Mazel Tov Savings Bonds (15th Sterling Series)
U.S. Dollar Mazel Tov Savings Bonds (13th International Dollar Series)
U.S. Dollar eMazel Tov Savings Bonds (6th International Dollar Series)
Sterling eMazel Tov Savings Bonds (6th Sterling Series)
Euro eMazel Tov Savings Bonds (6th Euro Series)
U.S. Dollar Shalom Savings Bonds (3rd International Dollar Series)
Sterling Shalom Savings Bonds (3rd Sterling Series)
Euro Shalom Savings Bonds (3rd Euro Series)
U.S. Dollar eShalom Savings Bonds (1st International Dollar Series)
Sterling eShalom Savings Bonds (1st Sterling Series)
Euro eShalom Savings Bonds (1st 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 September 1, 2023 [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 Promoters' website at www.israelbondsintl.com.]

(The following alternative language applies in respect of issues of securities where the public offer spans an update to the 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 September 1, 2023 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 "**2023**

¹ Include in respect of a Tranche of Bonds for which the Offer Period spans an update of the Information Memorandum.

Information Memorandum"), notwithstanding the approval of an updated information memorandum which will replace the 2023 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 2023 Information Memorandum as so supplemented and (ii) after the 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 2023 Information Memorandum as so supplemented and which will be incorporated by reference into the Updated Information Memorandum). The 2023 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 2023 Information Memorandum, relevant Rate Sheet(s) and, following its publication, the Updated Information Memorandum, may be obtained from the Promoters' website at www.israelbondsintl.com.]²

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 (19th Euro Series)

Specified Currency:	Euro	
Integral multiples:	[1-Year Euro Savings Bond:	[As set out in Condition 2.1.4/€ [] in excess of €5,000]]
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:	[]]

² 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.

[5-Year Euro Savings Bond: []]

[10-Year Euro Savings Bond: []]

Euro Floating Rate Bonds (20th Euro Series)

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 (5th 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 (15th Sterling Series)

Specified Currency:	British Pounds Sterling	
Integral multiples:	[1-Year Sterling Savings Bond:	[As set out in Condition 2.2.3/£[] in excess of £5,000]]
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 (15th Sterling Series)

Specified Currency: British Pounds 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 Jubilee Fixed Rate Bonds (13th International Dollar Series)

Specified Currency: United States Dollars

Integral multiples: [As set out in Condition 2.3.1/
U.S.\$[] in excess of
U.S.\$25,000]

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:	[]]
	[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:	[]]
ISIN Code:	[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 (13th International Dollar Series)

Specified Currency:	United States Dollars
Integral multiples:	[As set out in Condition 2.3.2/ U.S.\$[] in excess of U.S.\$5,000]
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 (13th International Dollar Series)

Specified Currency:	United States Dollars	
Integral multiples:	[1-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.\$[] in excess of U.S.\$5,000]]
	[2-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.\$[] in excess of U.S.\$1,000]]

	[3-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.\$[] in excess of U.S.\$1,000]]
	[5-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.\$[] in excess of U.S.\$1,000]]
	[10-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.\$[] in excess of U.S.\$1,000]]
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:	[]]
	[3-Year U.S. Dollar Sabra Savings Bond:	[]]
	[5-Year U.S. Dollar Sabra Savings Bond:	[]]
	[10-Year U.S. Dollar Sabra Savings Bond:	[]]
ISIN Code:	[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 (13th International Dollar Series)

Specified Currency: United States Dollars

Integral multiples:	[1-Year U.S. Dollar Savings Bond:	[As set out in Condition 2.3.5/U.S.\$[] in excess of U.S.\$5,000]]
	[2-Year U.S. Dollar Savings Bond:	[As set out in Condition 2.3.5/U.S.\$[] in excess of U.S.\$2,500]]
	[3-Year U.S. Dollar Savings Bond:	[As set out in Condition 2.3.5/U.S.\$[] in excess of U.S.\$2,500]]
	[5-Year U.S. Dollar Savings Bond:	[As set out in Condition 2.3.5/U.S.\$[] in excess of U.S.\$2,500]]
	[10-Year U.S. Dollar Savings Bond:	[As set out in Condition 2.3.5/U.S.\$[] in excess of U.S.\$2,500]]
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 (15th Euro Series)

Specified Currency: Euro
Integral multiples: [As set out in Condition 2.1.3/€[] in excess of €100]
Interest Rate: []% per annum
Issue Date: []
Maturity Date: []
ISIN Code: []

Sterling Mazel Tov Savings Bonds (15th Sterling Series)

Specified Currency: British Pounds Sterling
Integral multiples: [As set out in Condition 2.2.2/£[] in excess of £100]
Interest Rate: []% per annum
Issue Date: []
Maturity Date: []
ISIN Code: []

U.S. Dollar Mazel Tov Savings Bonds (13th International Dollar Series)

Specified Currency: United States Dollars
Integral multiples: [As set out in Condition 2.3.3/ U.S.\$[] in excess of U.S.\$100]
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 eMazel Tov Savings Bonds (6th International Dollar Series)

Specified Currency: U.S. Dollars

Integral multiples: [As set out in Condition 2.3.6/
U.S.\$[] in excess of
U.S.\$36]

Interest Rate: [5-Year U.S. Dollar eMazel Tov Savings Bond: []% per annum]

[10-Year U.S. Dollar eMazel Tov Savings Bond: []% per annum]

Issue Date: []

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

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

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

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

Sterling eMazel Tov Savings Bonds (6th Sterling Series)

Specified Currency: British Pounds Sterling

Integral multiples: [As set out in Condition
2.2.4/£[] in excess of £36]

Interest Rate: [5-Year Sterling eMazel Tov Savings Bond: []% per annum]

[10-Year Sterling eMazel Tov Savings Bond: []% per annum]

Issue Date: []

Maturity Date: [5-Year Sterling eMazel Tov Savings Bond: []]

[10-Year Sterling eMazel Tov Savings Bond: []]

ISIN Code: [5-Year Sterling eMazel Tov Savings Bond: []]

[10-Year Sterling eMazel Tov Savings Bond: []]

Euro eMazel Tov Savings Bonds (6th Euro Series)

Specified Currency:	Euro
Integral multiples:	[As set out in Condition 2.1.5/€[] in excess of €36]
Interest Rate:	[5-Year Euro eMazel Tov []% per annum] Savings Bond:
	[10-Year Euro eMazel Tov []% per annum] Savings Bond:
Issue Date:	[]
Maturity Date:	[5-Year Euro eMazel Tov []] Savings Bond:
	[10-Year Euro eMazel Tov []] Savings Bond:
ISIN Code:	[5-Year Euro eMazel Tov []] Savings Bond:
	[10-Year Euro eMazel Tov []] Savings Bond:

U.S. Dollar Shalom Savings Bonds (3rd International Dollar Series)

Specified Currency:	U.S. Dollars
Integral multiples:	[As set out in Condition 2.3.7/ U.S.\$[] in excess of U.S.\$100]
Interest Rate:	[1-Year U.S. Dollar Shalom []% per annum] Savings Bond:
	[2-Year U.S. Dollar Shalom []% per annum] Savings Bond:
Issue Date:	[]
Maturity Date:	[1-Year U.S. Dollar Shalom []] Savings Bond:
	[2-Year U.S. Dollar Shalom []] Savings Bond:
ISIN Code:	[1-Year U.S. Dollar Shalom []] Savings Bond:
	[2-Year U.S. Dollar Shalom []] Savings Bond:

Sterling Shalom Savings Bonds (3rd Sterling Series)

Specified Currency:	British Pounds Sterling
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Integral multiples: [As set out in Condition 2.2.5/£[] in excess of £100]

Interest Rate: [1-Year Sterling Shalom Savings Bond: []% per annum]
[2-Year Sterling Shalom Savings Bond: []% per annum]

Issue Date: []

Maturity Date: [1-Year Sterling Shalom Savings Bond: []]
[2-Year Sterling Shalom Savings Bond: []]

ISIN Code: [1-Year Sterling Shalom Savings Bond: []]
[2-Year Sterling Shalom Savings Bond: []]

Euro Shalom Savings Bonds (3rd Euro Series)

Specified Currency: Euro

Integral multiples: [As set out in Condition 2.1.6/€[] in excess of €100]

Interest Rate: [1-Year Euro Shalom Savings Bond: []% per annum]
[2-Year Euro Shalom Savings Bond: []% per annum]

Issue Date: []

Maturity Date: [1-Year Euro Shalom Savings Bond: []]
[2-Year Euro Shalom Savings Bond: []]

ISIN Code: [1-Year Euro Shalom Savings Bond: []]
[2-Year Euro Shalom Savings Bond: []]

U.S. Dollar eShalom Savings Bonds (1st International Dollar Series)

Specified Currency: U.S. Dollars

Integral multiples: [As set out in Condition 2.3.8/ U.S.\$[] in excess of U.S.\$36]

Interest Rate: [1-Year U.S. Dollar eShalom []% per annum]
Savings Bond:

[2-Year U.S. Dollar eShalom []% per annum]
Savings Bond:

Issue Date: []

Maturity Date: [1-Year U.S. Dollar eShalom []]
Savings Bond:

[2-Year U.S. Dollar eShalom []]
Savings Bond:

ISIN Code: [1-Year U.S. Dollar eShalom []]
Savings Bond:

[2-Year U.S. Dollar eShalom []]
Savings Bond:

Sterling eShalom Savings Bonds (1st Sterling Series)

Specified Currency: British Pounds Sterling

Integral multiples: [As set out in Condition
2.2.6/£[] in excess of £36]

Interest Rate: [1-Year Sterling eShalom []% per annum]
Savings Bond:

[2-Year Sterling eShalom []% per annum]
Savings Bond:

Issue Date: []

Maturity Date: [1-Year Sterling eShalom []]
Savings Bond:

[2-Year Sterling eShalom []]
Savings Bond:

ISIN Code: [1-Year Sterling eShalom []]
Savings Bond:

[2-Year Sterling eShalom []]
Savings Bond:

Euro eShalom Savings Bonds (1st Euro Series)

Specified Currency: Euro

Integral multiples: [As set out in Condition
2.1.7/€[] in excess of €36]

Interest Rate: [1-Year Euro eShalom Savings []% per annum]
Bond:

[2-Year Euro eShalom Savings []% per annum]

Bond:
Issue Date: []
Maturity Date: [1-Year Euro eShalom Savings []]
Bond:
[2-Year Euro eShalom Savings []]
Bond:
ISIN Code: [1-Year Euro eShalom Savings []]
Bond:
[2-Year Euro eShalom Savings []]
Bond:

Terms and Conditions of the Public Offer of the Bonds

Public Offer Jurisdiction(s): [Austria, Belgium, France, Germany, Ireland, Spain and the Netherlands]
Offer Period: [], 20[23/24] to [], 20[23/24] [or in respect of [the Mazel Tov Savings Bonds/eMazel Tov Savings Bonds/Shalom Savings Bonds/eShalom Savings Bonds] [], 20[23/24] to [], 20[23/24]] [*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 11. 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**

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, 2022.

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 Promoters' website at <https://israelbondsintl.com/information-memorandum-and-final-terms/> and physical copies may also be inspected at their offices at the addresses 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 Promoters 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 Promoters in writing.

APPENDIX A. DEFINED TERMS

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

DEFINED TERMS

\$.....	84	NIS.....	84
£.....	84, 88	offer of Bonds to the public	36
€.....	84, 86	Offering Memorandum	i
Applicable EURIBOR Rate.....	90	Permitted Holder.....	87
Bonds.....	i, 65, 86	Process Agent	112
British Pounds Sterling.....	84, 88	Programme.....	i, 65, 86
Business Day	86	Promoter	iv, 86
CBI	i	Promoters.....	iv
Commission's Proposal.....	53	Prospectus Regulation.....	84, 87
Computershare.....	86	Public Offer.....	55, 87
Conditions	ii, 86	Public Offer Jurisdiction	55
CRA Regulation	vii	Rate Sheet	87
EEA	84	Rate-Setting Day	87
eMazel Tov Savings Bonds	ii, 86	Registered Owner	88
EUR.....	84, 86	Relevant Date.....	87
EURIBOR	86	Relevant Quotation System.....	88
euro.....	84	Savings Bonds.....	ii, 88
Euro	86	Securities Act.....	vi
Euro eMazel Tov Savings Bonds	86	Series.....	86
Euro Floating Rate Bonds	ii, 86	Shalom Savings Bonds	ii, 86, 88
Euro Jubilee Bonds.....	ii, 86	Shalom Sterling Savings Bonds.....	88
Euro Mazel Tov Savings Bonds	i, 87	shekels.....	84
Euro Savings Bonds	ii, 87	Specified Currency	27, 88
Euro Shalom Savings Bonds	ii, 86, 87	Spread	90
Exempt Bonds	i	State of Israel	i, 86
External Indebtedness.....	101	Sterling.....	84, 88
FCA	26	Sterling eMazel Tov Savings Bonds	88
Final Terms	ii, 86	Sterling Jubilee Bonds	ii, 87, 88
Fiscal Agency Agreement	87	Sterling Mazel Tov Savings Bonds.....	i, 88
Fiscal Agent.....	86	Sterling Savings Bonds.....	ii, 88
Form 18-K.....	33	Sterling Shalom Savings Bonds.....	ii
FSCS	viii	Tranche	86
FTT.....	53	U.S. Dollar eMazel Tov Savings Bonds	88
Indebtedness	101	U.S. Dollar Jubilee Fixed Rate Bonds	ii, 88
Information Memorandum	i, 65	U.S. Dollar Maccabee Fixed Rate Bonds.....	ii, 88
Interest Payment Date	87	U.S. Dollar Mazel Tov Savings Bonds	i, 88
Investment Form.....	87	U.S. Dollar Sabra Savings Bonds	ii, 89
Investor.....	55	U.S. Dollar Savings Bonds	ii, 89
Israel.....	i	U.S. Dollar Shalom Savings Bonds	ii, 89
Issue Date	87	U.S. dollars	84, 88
Issuer	i, 86	U.S. Dollars.....	84, 88
Japanese Person.....	37	U.S.\$	84, 88
Jubilee Bonds	ii	UK Benchmarks Regulation	26
Mazel Tov Savings Bonds.....	i, 87	UK Registered Pension Scheme	88
Member State	84	United States Dollars	84, 88
New Israeli Shekels.....	84	USD	84

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"** refers 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 September 1, 2023 *provided, however, that* the terms and conditions set out in the information memorandum relating to the Programme dated September 1, 2022 will apply to any Bonds which were the subject of a Public Offer made before September 1, 2023 (notwithstanding that such Bonds may be issued on or after September 1, 2023).

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 and Development Company for Israel (Europe) GmbH (each a "**Promoter**" and together, the "**Promoters**") at 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:

" Business Day "	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.
" Calculation Agent "	the agent appointed by the State of Israel to act in such capacity.
" Computershare " or the " Fiscal Agent "	Computershare Trust Company of Canada.
" eMazel Tov Savings Bonds "	Bonds which are eMazel Tov Savings Bonds (as specified in the relevant Final Terms).
" eShalom Savings Bonds "	Bonds which are eShalom savings Bonds (as specified in the relevant Final Terms).
" EURIBOR "	the interest rate benchmark known as the Euro zone interbank offered rate (or any successor or replacement rate).
" Euro ", " EUR " and " € "	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.
" Euro eMazel Tov Savings Bonds "	eMazel Tov Savings Bonds which are denominated in Euro.
" Euro eShalom Savings Bonds "	eShalom Savings Bonds which are denominated in Euro.
" Euro Floating Rate Bonds "	Bonds which have a floating interest rate calculated on the basis of EURIBOR (as specified in the relevant Final Terms).
" Euro Jubilee Bonds "	Jubilee Bonds which are denominated in Euro.

"Euro Mazel Tov Savings Bonds"	Mazel Tov Savings Bonds which are denominated in Euro.
"Euro Savings Bonds"	Savings Bonds which are denominated in Euro.
"Euro Shalom Savings Bonds"	Shalom Savings Bonds which are denominated in Euro.
"Fiscal Agency Agreement"	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).
"Interest Payment Date"	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).
"Investment Form"	the form published by the Promoters for provision of relevant subscription and other information by persons seeking to purchase Bonds.
"Issue Date"	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).
"Jubilee Bonds"	Bonds which are jubilee Bonds (as specified in the relevant Final Terms).
"Mazel Tov Savings Bonds"	Bonds which are mazel tov savings Bonds (as specified in the relevant Final Terms).
"Permitted Holder"	Any religious, charitable, literary, scientific or educational organization, contributions to which are, at the time of the transfer, deductible for income and similar tax purposes under the U.S. Internal Revenue Code of 1986, as amended (or are accorded similar treatment under the laws of the country in which the transferee is located) provided that the purchase of the relevant Shalom Savings Bonds or eShalom Savings Bonds to be issued to such entity is without any compensation to the purchaser. For the avoidance of doubt, no governmental entities (sovereign, state or local), no individuals and no individual or personal trusts qualify as "Permitted Holders".
"Prospectus Regulation"	Regulation (EU) 2017/1129.
"Public Offer"	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.
"Rate Sheet"	the rate sheet for a given Bond (if any), as made available from time to time by the Promoters, in which details of the rate(s) of interest for that Bond (among other details) are stated.
"Rate-Setting Day"	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.
"Relevant Date"	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.

"Relevant Quotation System"	Bloomberg or such other recognised quotation system as may be determined by the State of Israel from time to time.
"Registered Owner"	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.
"Savings Bonds"	Bonds which are savings Bonds (as specified in the relevant Final Terms).
"Shalom Savings Bonds"	Bonds which are shalom savings Bonds (as specified in the relevant Final Terms).
"Specified Currency"	in relation to a given Bond, the currency of that Bond (as specified in the relevant Final Terms).
"Sterling", "British Pounds Sterling" and "£"	the currency of the United Kingdom.
"Sterling eMazel Tov Savings Bonds"	eMazel Tov Savings Bonds which are denominated in British Pounds Sterling.
"Sterling eShalom Savings Bonds"	eShalom Savings Bonds which are denominated in British Pounds Sterling.
"Sterling Jubilee Bonds"	Jubilee Bonds which are denominated in British Pounds Sterling.
"Sterling Mazel Tov Savings Bonds"	Mazel Tov Savings Bonds which are denominated in British Pounds Sterling.
"Sterling Savings Bonds"	Savings Bonds which are denominated in British Pounds Sterling.
"Sterling Shalom Savings Bonds"	Shalom Savings Bonds which are denominated in British Pounds Sterling.
"UK Registered Pension Scheme"	has the definition given in section 150(2) of the Finance Act 2004.
"U.S. Dollars", "United States Dollars", "U.S. dollars" or "U.S.\$"	the currency of the United States of America.
"U.S. Dollar eMazel Tov Savings Bonds"	eMazel Tov Savings Bonds which are denominated in U.S. Dollars.
"U.S. Dollar Jubilee Fixed Rate Bonds"	Bonds which are jubilee fixed rate Bonds (as specified in the relevant Final Terms).
"U.S. Dollar Maccabee Fixed Rate Bonds"	Bonds which are maccabee fixed rate Bonds (as specified in the relevant Final Terms).
"U.S. Dollar Mazel Tov"	Mazel Tov Savings Bonds which are denominated in U.S.

"Savings Bonds"	Dollars.
"U.S. Dollar eShalom Savings Bonds"	eShalom Savings Bonds which are denominated in U.S. Dollars.
"U.S. Dollar Savings Bonds"	Savings Bonds which are denominated in U.S. Dollars.
"U.S. Dollar Sabra Savings Bonds"	Bonds which are U.S. Dollar Sabra Savings Bonds (as specified in the relevant Final Terms).
"U.S. Dollar Shalom Savings Bonds"	Shalom Savings Bonds which are denominated in U.S. Dollars.

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 Jubilee Fixed Rate Bonds, U.S. Dollar Maccabee Fixed Rate Bonds, U.S. Dollar Sabra Savings Bonds, eMazel Tov Savings Bonds (Euro eMazel Tov Savings Bonds, Sterling eMazel Tov Savings Bonds or U.S. Dollar eMazel Tov Savings Bonds), Shalom Savings Bonds (Euro Shalom Savings Bonds, Sterling Shalom Savings Bonds or U.S. Dollar Shalom Savings Bonds) or eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom 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 Promoters' 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 Promoters' 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 Information 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 Promoters' 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 €1 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 Promoters' website.

2.1.4 *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 Promoters' website.

2.1.5 *The Euro eMazel Tov Savings Bonds*

The minimum purchase amount of the 5-Year and 10-Year Euro eMazel Tov Savings Bonds is €36. Euro eMazel Tov Savings Bonds may be purchased in integral multiples of €1 in excess of €36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Euro eMazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Euro eMazel Tov Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is €2,500. The purchase of Euro eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

Each 5-Year Euro eMazel Tov Savings Bond and 10-Year Euro eMazel 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. Euro eMazel 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 eMazel 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 eMazel Tov Savings Bond.

The interest rate applicable to each Euro eMazel 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 Promoters' website.

2.1.6 *The Euro Shalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year Euro Shalom Savings Bonds is €100. Euro Shalom Savings Bonds may be purchased in integral multiples of €1 in excess of €100 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Euro Shalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of Euro Shalom Savings Bonds, is the 1st of each month) is €5,000,000.

The purchase of Euro Shalom Savings Bonds is permitted only if the Euro Shalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue Euro Shalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year Euro Shalom Savings Bond and 2-Year Euro Shalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. Euro Shalom 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 Shalom Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Euro Shalom Savings Bond.

The interest rate applicable to each Euro Shalom 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 Promoters' website.

2.1.7 *The Euro eShalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year Euro eShalom Savings Bonds is €36. Euro eShalom Savings Bonds may be purchased in integral multiples of €1 in

excess of €36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Euro eShalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of Euro eShalom Savings Bonds, is the 1st of each month) is €5,000,000. The purchase of Euro eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

The purchase of Euro eShalom Savings Bonds is permitted only if the Euro eShalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue Euro eShalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year Euro eShalom Savings Bond and 2-Year Euro eShalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. Euro eShalom 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 eShalom Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Euro eShalom Savings Bond.

The interest rate applicable to each Euro eShalom 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 Promoters' 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 Information 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 Promoters' 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 £1 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 Promoters' 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 Promoters' website.

2.2.4 *The Sterling eMazel Tov Savings Bonds*

The minimum purchase amount of the 5-Year and 10-Year Sterling eMazel Tov Savings Bonds is £36. Sterling eMazel Tov Savings Bonds may be purchased in integral multiples of £1 in excess of £36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Sterling eMazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of Sterling eMazel Tov Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is £2,500. The purchase of Sterling eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

Each 5-Year Sterling eMazel Tov Savings Bond and 10-Year Sterling eMazel 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. Sterling eMazel 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 eMazel 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 eMazel Tov Savings Bond.

The interest rate applicable to each Sterling eMazel 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 Promoters' website.

2.2.5 *The Sterling Shalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year Sterling Shalom Savings Bonds is £100. Sterling Shalom Savings Bonds may be purchased in integral multiples of £1 in excess of £100 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Sterling Shalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of Sterling Shalom Savings Bonds, is the 1st of each month) is £5,000,000.

The purchase of Sterling Shalom Savings Bonds is permitted only if the Sterling Shalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue Sterling Shalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year Sterling Shalom Savings Bond and 2-Year Sterling Shalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. Sterling Shalom 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 Shalom Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Sterling Shalom Savings Bond.

The interest rate applicable to each Sterling Shalom 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 Promoters' website.

2.2.6 *The Sterling eShalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year Sterling eShalom Savings Bonds is £36. Sterling eShalom Savings Bonds may be purchased in integral multiples of £1 in excess of £36 (or in such other integral multiples specified in the applicable Final Terms) provided, however, that the maximum amount of Sterling eShalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of Sterling eShalom Savings Bonds, is the 1st of each month) is £5,000,000. The purchase of Sterling eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

The purchase of Sterling eShalom Savings Bonds is permitted only if the Sterling eShalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue Sterling eShalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year Sterling eShalom Savings Bond and 2-Year Sterling eShalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. Sterling eShalom 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 eShalom Savings Bond and will be compounded annually until (but not including) the maturity date, but shall only be payable at maturity of the Sterling eShalom Savings Bond.

The interest rate applicable to each Sterling eShalom 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 Promoters' website.

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

2.3.1 *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 Information 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 Promoters' website.

2.3.2 *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 Information 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 Promoters' website.

2.3.3 *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.\$1 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 U.S. Dollar 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 Promoters' website.

2.3.4 *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.\$500,000.

The minimum purchase amount of the 2-Year U.S. Dollar Sabra Savings Bonds, 3-Year U.S. Dollar Sabra Savings Bonds, 5-Year U.S. Dollar Sabra Savings Bonds and 10-Year U.S. Dollar Sabra Savings Bonds 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 Promoters' website.

2.3.5 *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.\$500 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 Promoters' website.

2.3.6 *The U.S. Dollar eMazel Tov Savings Bonds*

The minimum purchase amount of the 5-Year and 10-Year U.S. Dollar eMazel Tov Savings Bonds is U.S.\$36. U.S. Dollar eMazel Tov Savings Bonds may be purchased in integral multiples of U.S.\$1 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 eMazel Tov Savings Bonds that may be purchased by any person to be issued on any Issue Date (which, in the case of U.S. Dollar eMazel Tov Savings Bonds, is the 1st of each month) and registered in the name of any one holder, is U.S.\$2,500. The purchase of U.S. Dollar eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

Each 5-Year U.S. Dollar eMazel Tov Savings Bond and 10-Year U.S. Dollar eMazel 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 eMazel 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 eMazel 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 eMazel Tov Savings Bond.

The interest rate applicable to each U.S. Dollar eMazel 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 Promoters' website.

2.3.7 *The U.S. Dollar Shalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year U.S. Dollar Shalom Savings Bonds is U.S.\$100. U.S. Dollar Shalom Savings Bonds may be purchased in integral multiples of U.S.\$1 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 Shalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of U.S. Dollar Shalom Savings Bonds, is the 1st of each month) is U.S.\$5,000,000.

The purchase of U.S. Dollar Shalom Savings Bonds is permitted only if the U.S. Dollar Shalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue U.S. Dollar Shalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year U.S. Dollar Shalom Savings Bond and 2-Year U.S. Dollar Shalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. U.S. Dollar Shalom 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 Shalom 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 Shalom Savings Bond.

The interest rate applicable to each U.S. Dollar Shalom 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 Promoters' website.

2.3.8 *The U.S. Dollar eShalom Savings Bonds*

The minimum purchase amount of the 1-Year and 2-Year U.S. Dollar eShalom Savings Bonds is U.S.\$36. U.S. Dollar eShalom Savings Bonds may be purchased in integral multiples of U.S.\$1 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 eShalom Savings Bonds that may be purchased by any person on any Issue Date (which, in the case of U.S. Dollar eShalom Savings Bonds, is the 1st of each month) is U.S.\$5,000,000. The purchase of U.S. Dollar eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

The purchase of U.S. Dollar eShalom Savings Bonds is permitted only if the U.S. Dollar eShalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue U.S. Dollar eShalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

Each 1-Year U.S. Dollar eShalom Savings Bond and 2-Year U.S. Dollar eShalom Savings Bond will mature on the first calendar day of the month during which the first (1st) or second (2nd) anniversary, as the case may be, of the Issue Date of the relevant Bond shall fall. U.S. Dollar eShalom 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 eShalom 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 eShalom Savings Bond.

The interest rate applicable to each U.S. Dollar eShalom 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 Promoters' 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, as applicable:

- 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 Fiscal 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 Fiscal 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 6.2.1 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) 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 (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 Eurozone 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 are offered by it to prime banks in the Eurozone 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 EURIBOR 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 that is representative of single transactions at that time. If three quotations are provided, then six-month EURIBOR 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 EURIBOR or any of the foregoing lending rates, shall determine six-month EURIBOR 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 Promoters 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 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, as applicable:

- 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 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 they have 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 Promoters' Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoters' anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Information Form are available on the Promoters' website or copies may be obtained by contacting the Promoters 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 Promoters and (2) the full purchase price of such Bond is actually received by the Fiscal Agent prior to the Issue Date. The purchase of eMazel Tov Savings Bonds and eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH (<http://www.israelbondsintl.com>).

The purchase of Shalom Savings Bonds and eShalom Savings Bonds is permitted only if the Shalom Savings Bonds or eShalom Savings Bonds purchased are issued to a Permitted Holder. The State of Israel has the right to decline to issue Shalom Savings Bonds and eShalom Savings Bonds to an entity that the State of Israel does not deem to be a Permitted Holder.

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-Business Day, the first Business 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 they (or the relevant third party whom they may have designated) have 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. Certificates will not be issuable for eMazel Tov Savings Bonds and eShalom Savings Bonds. 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 PROMOTERS

This section sets out a description of the Promoters.

THE PROMOTERS

Development Company for Israel (International) Limited has been appointed a 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.

Development Company for Israel (International) Limited 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. Development Company for Israel (International) Limited carries on no other business than the promotion and distribution of the Bonds, and is authorised and regulated by the FCA. Development Company for Israel (International) Limited 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. Development Company for Israel (International) Limited 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.

Development Company for Israel (Europe) GmbH has been appointed a promoter of the various Bonds to which this Information Memorandum relates, in Austria, Belgium, France, Germany, Ireland, Spain and the Netherlands and to any purchaser resident outside of these jurisdictions with whom any such transaction is lawful in accordance with the laws of Germany and of the jurisdiction of the purchaser's residence.

Development Company for Israel (Europe) GmbH was incorporated in Germany in 2019 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. Development Company for Israel (Europe) GmbH carries on no other business than the promotion and distribution of the Bonds, and is authorised and regulated by the Federal Financial Supervisory Authority of Germany. Development Company for Israel (Europe) GmbH 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. Development Company for Israel (Europe) GmbH contracts with each purchaser of Bonds through its Terms of Business.

The Promoters have not separately verified the information contained in this Information Memorandum nor do they 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 Promoters do 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 Promoters.

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

For the Promoters' services of promoting and arranging subscriptions for the Bonds, each 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 Promoters.

Any new information with respect to either of the Promoters which is, in the view of the relevant Promoter, 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 Promoters' website: 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

PROMOTERS

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(International) Limited**
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United Kingdom

OFFERING MEMORANDUM FOR EXEMPT BONDS

Pages 116 to 135 (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 Central Bank 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 and Development Company for Israel (Europe) GmbH.

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 (*Information about the Programme and the Bonds*)
- Section 2 (*Risk Factors*), apart from the risk factor entitled "*Regulation and Reform of EURIBOR or other "benchmarks" could adversely affect any Bonds linked to such "benchmarks"*."
- Section 3 (*How the Return on your Investment is Calculated*)
- Section 4 (*Information Incorporated by Reference*)
- Section 5 (*Subscription and Sale*)
- Section 6 (*Taxation*)
- Section 8 (*Use of Proceeds*)
- Section 11 (*Additional Information*)
- Appendix A (*Defined Terms*)
- Appendix C (*The Promoters*)

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*":

- 6.1 the section headed "*Conditions of the Exempt Bonds*" set out on pages 117 to 126 (inclusive) of the offering memorandum relating to the Programme dated September 1, 2022 shall be incorporated in this Offering Memorandum, rather than the section headed "*Conditions of the Bonds*" set out on pages 82 to 106 (inclusive) of the information memorandum relating to the Programme dated September 1, 2022; and
- 6.2 paragraph 4, relating to "the section headed "*Form of Final Terms*" set out on pages 61 to 75 (inclusive) of the information memorandum relating to the Programme dated September 1, 2022: <https://israelbondsintl.com/pdf/2022InformationMemorandum.pdf>", shall not be incorporated into this Offering Memorandum.

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 September 1, 2023 *provided, however, that* the terms and conditions set out in the offering memorandum relating to the Programme dated September 1, 2022 will apply to any Exempt Bonds which were offered for sale before September 1, 2023 (notwithstanding that such Exempt Bonds may be issued on or after September 1, 2023).

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.

Issuer:	State of Israel.
Issuer legal entity identifier ("LEI")	213800T8ZHTFZIBYPE21
Programme:	Bond Issuance Programme.
Programme Amount:	Unlimited.
Promoters:	Development Company for Israel (International) Limited and Development Company for Israel (Europe) GmbH.
Fiscal Agent:	Computershare Trust Company of Canada.
Exempt Bonds:	<p>The Exempt Bonds are debt instruments issued by the Issuer. Exempt Bonds may be U.S. Dollar Jubilee Fixed Rate Financing Bonds or U.S. Dollar Reinvestment Savings Bonds.</p> <p>See the chart on pages 121 to 122 below for further details regarding the features of these types of Exempt Bonds.</p>
Currencies:	<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 "Conditions of the Exempt Bonds — Purchase of Bonds".</p>
Issue Date:	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).
Maturity Dates:	Exempt 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 Exempt Bond occurs. No Exempt Bonds with a maturity of less than 1 year will be issued.
Interest:	<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>
Risk Factors:	There are certain risks relating to the Exempt Bonds, which investors should ensure they fully understand before purchasing any Exempt Bond. See "Risk Factors" in the Information Memorandum.
Form of Exempt Bonds:	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.

- Transfer of Exempt Bonds:** Exempt Bonds may be assigned or transferred in the instances specified under "*Conditions of the Exempt Bonds — Transferability*".
- Redemption:** Subject to any purchase and cancellation or early redemption, Exempt Bonds will be redeemed on their Maturity Date at par.
- Early Redemption:** The State of Israel is entitled to redeem or repurchase any issued Exempt Bonds in whole or in part at any time. See "*Conditions of the Exempt Bonds — Early Redemption— At the Option of 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 Exempt Bond or upon the termination of an employee benefit scheme in accordance with the Conditions. See "*Conditions of the Exempt Bonds — Early Redemption — At the Request of a Bond holder*".
- 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 "*Conditions of the Exempt Bonds — Early Redemption — Repurchase by the State of Israel Under Other Terms and Conditions*".
- Listing:** 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.
- Taxation:** 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).
- For a discussion of tax consequences associated with the Exempt Bonds, see "*Taxation*" in the Information Memorandum. Investors should consult their own tax advisers in determining the tax consequences to them of the purchase, ownership and disposition of the Exempt Bonds.
- Governing Law:** The Exempt 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 Exempt Bonds and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, Japan and Belgium see "*Subscription and Sale*" in the Information Memorandum.
- Application for Exempt Bonds:** Application for Exempt Bonds should be made by completing an Investment Form. Investors will also be required to sign the Promoters' Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoters' 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 Information Form are available on the Promoters' website or by contacting the Promoters 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 may only be purchased if financed by an Authorised Institutional Lender.

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

Type of Exempt Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
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 following their Issue 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 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.	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: <ul style="list-style-type: none"> • on the 1st of the month, the Issue Date of the U.S.

Type of Exempt Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						<p>Dollar Reinvestment Savings Bonds will be the same day (the 1st of that month);</p> <ul style="list-style-type: none"> • 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.

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 September 1, 2023 *provided, however, that* the terms and conditions set out in the offering memorandum relating to the Programme dated September 1, 2022 will apply to any Bonds which were offered for sale before September 1, 2023 (notwithstanding that such Bonds may be issued on or after September 1, 2023).

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 and Development Company for Israel (Europe) GmbH (each a "**Promoter**" and together, the "**Promoters**") at 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:

"Authorised Institutional Lender"	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.
"Business Day"	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.
"Computershare" or the "Fiscal Agent"	Computershare Trust Company of Canada.
"Fiscal Agency Agreement"	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).
"Interest Payment Date"	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).
"Investment Form"	the form published by the Promoters for provision of relevant subscription and other information by persons seeking to purchase Bonds.
"Issue Date"	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).
"Matured Bonds"	United States Dollar State of Israel bonds that have matured or will mature prior to or, as described in Condition 2.2 below, on, 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.
"Rate Sheet"	the rate sheet for a given Bond (if any), as made available from time to time by the Promoters, in which details of the rate(s) of interest for that Bond (among other details) are stated.
"Rate-Setting Day"	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.
"Relevant Date"	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.
"Registered Owner"	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.
"Specified Currency"	in relation to a given Bond, the currency of that Bond (as specified in the relevant Pricing Supplement).
"U.S. Dollar Jubilee Fixed Rate Financing Bonds"	Bonds which are U.S. Dollar Jubilee Fixed Rate Financing Bonds (as specified in the relevant Pricing Supplement).
"U.S. Dollar Reinvestment Savings Bonds"	Bonds which are U.S. Dollar Reinvestment Savings Bonds (as specified in the relevant Pricing Supplement).
"UK Registered Pension Scheme"	has the definition given in section 150(2) of the Finance Act 2004.
"U.S. Dollars", "United States Dollars", "U.S. dollars" or "U.S.\$"	the currency of the United States of America.

2. Type of Bonds

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

2.1 *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 Offering 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 Promoters' website.

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

2.2 *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 Promoters' 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, as applicable:

- 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). 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**

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.

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 Promoters 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 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 9.2.6 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, as applicable:

- 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 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 they have 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 Promoters' Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoters' anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Information Form are available on the Promoters' website or copies may be obtained by contacting the Promoters 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 Promoters 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***

U.S. Dollar Jubilee Fixed Rate 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 Promoters 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-Business Day, the first Business 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 they (or the relevant third party whom they may have designated) have 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.

FORMS OF PRICING SUPPLEMENT FOR EXEMPT BONDS

Pricing Supplement for the sales period [] to []

THE CENTRAL BANK OF IRELAND 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 (12th 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 September 1, 2023 (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 the 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 September 1, 2023 (the "**2023 Offering Memorandum**"), notwithstanding the publication of an updated offering memorandum which will replace the 2023 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 2023 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 2023 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 CENTRAL BANK OF IRELAND 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 (12th 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 September 1, 2023 (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.]

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Specified Currency:	United States Dollars
Integral multiples:	[As set out in Condition 2.1/[]]
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 U.S. Dollar Jubilee Fixed Financing Rate Bond: []% per annum]
	[15-Year U.S. Dollar Jubilee Fixed Financing Rate Bond: []% per annum]
Issue Date:	[]
Maturity Date:	[]
ISIN Code:	[]

ISSUER

The State of Israel
Ministry of Finance
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