Offering Memorandum dated September 1, 2026

STATE OF ISRAEL

BOND ISSUANCE PROGRAMME

Promoter

Development Company for Israel (International) Limited

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

YOU SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS OFFERING 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**").

This Offering 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 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 Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**").

Pursuant to rule 1.3.1 of the PRM, non-equity securities issued by the Issuer are exempt from the rules in the PRM. Accordingly, this Offering Memorandum has not been reviewed or approved by the Financial Conduct Authority (the "**FCA**") and does not constitute a prospectus for the purpose of the PRM.

Information Memorandum for Financing and Reinvestment Bonds

Pages 101 to 120 (inclusive) of this document comprise an information memorandum (the "**Information Memorandum**"). The Information Memorandum has been prepared by the Issuer in connection with the issuance of U.S. Dollar Jubilee Fixed Rate Financing Bonds (as defined below) and U.S. Dollar Reinvestment Savings Bonds (as defined below) (the "**Financing and Reinvestment Bonds**").

What types of Bonds does this Offering Memorandum relate to?

This Offering 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 Offering Memorandum and cease or suspend issuing Bonds of any particular type or maturity, or to cease or suspend issuing Bonds in their entirety, in the future. Any such termination shall be notified to the Promoter in writing.

Fixed rate Bonds

Mazel tov savings bonds ("**Mazel Tov Savings Bonds**"): Mazel Tov Savings Bonds are fixed rate Bonds and may be offered in Euro ("**Euro Mazel Tov Savings Bonds**"), British 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.

Premium jubilee fixed rate bonds ("**U.S. Dollar Premium Jubilee Fixed Rate Bonds** "): U.S. Dollar Premium 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.

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 Offering 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 70 to 97 of this Offering Memorandum (the "**Conditions**"), as completed by a separate Pricing Supplement document, which is specific to that issuance of Bonds (the "**Pricing Supplement**").

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 71) 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;
- Condition 2.3.8 (*The U.S. Dollar eShalom Savings Bonds*) relates to the U.S. Dollar eShalom Savings Bonds only; and
- Condition 2.3.9 (*The U.S. Dollar Premium Jubilee Fixed Rate Bonds*) relates to the U.S. Dollar Premium Jubilee Fixed Rate Bonds only.

The applicable Pricing Supplement will complete the above Conditions in respect of any particular issuance of Bonds.

What other documents should I read?

This Offering 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 Offering 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 Pricing Supplement.

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

Electronic copies of this Offering Memorandum, any documents incorporated herein and the Pricing Supplement relating to any Bonds will be made available on the website of Development Company for Israel (International) Limited (the "**Promoter**") at www.israelbondsintl.com.

What information is included in the Pricing Supplement?

While this Offering Memorandum includes general information about all Bonds, the Pricing Supplement 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 Pricing Supplement will contain, for example:

- the sales period 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 Pricing Supplement" or other equivalent wording).

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

This Offering 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 Offering Memorandum are relevant to particular types of Bonds only.

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

Please refer to the section below starting on page viii entitled "*How do I use this Offering Memorandum?*". If you have any questions regarding the content of this Offering Memorandum, any Pricing Supplement, 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.

IMPORTANT NOTICES

Responsibility for this Offering Memorandum

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

Third Party Information

The Issuer confirms that where information in this Offering Memorandum has been sourced from third parties, that information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Other relevant information

This Offering 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 Pricing Supplement.

Unauthorised information

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

Neither the delivery of this Offering Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Bond shall, in any circumstances, create any implication that the information contained in this Offering Memorandum is true subsequent to the date hereof or the date upon which this Offering 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 Offering 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 Offering Memorandum and any Pricing Supplement and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum or any Pricing Supplement comes are required by the Issuer and the Promoter to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of this Offering Memorandum or any Pricing Supplement 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 Offering Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Bonds and should not be considered as a recommendation by the Issuer or the Promoter that any recipient of this Offering Memorandum or any Pricing Supplement should subscribe for or purchase any Bonds.

The Bonds may not be a suitable investment for all investors

No advice, recommendation or inducement to apply for a Bond is made or given by or on behalf of the State of Israel or the Promoter and in considering the purchase of a Bond you must rely wholly upon your own judgement and the advice of your professional adviser. Each recipient of this Offering Memorandum or any Pricing Supplement 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.

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 Programme.

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 Offering 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 Offering Memorandum where these terms are first defined are set out in Appendix A (*Defined Terms*) of this Offering Memorandum.

Ratings

As of the date of this Offering Memorandum, the long-term foreign currency sovereign credit ratings of the Issuer are: Baa1 (Moody's Investors Service Ltd ("**Moody's**")), A (S&P Global Ratings UK Limited ("**S&P**")) and A (Fitch (Hong Kong) Ltd ("**Fitch**")). These ratings are subject to change. The long-term foreign currency sovereign credit ratings assigned to the Issuer from time to time are available at: https://israelbondsintl.com/pdf/current-ratings.pdf. The Programme and the Bonds to be issued have not been rated.

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.

No incorporation of websites

Other than in relation to the information which is 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 Offering Memorandum refers does not form part of this Offering Memorandum.

References to provisions of law

In this Offering 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 Offering Memorandum

The language of this Offering 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 Offering Memorandum.

ARRANGEMENTS BETWEEN INVESTORS AND THE PROMOTER

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

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

Any new information with respect to the Promoter which is, in its view, relevant to Investors in Bonds issued under this Programme and which is unknown at the time of the approval of this Offering Memorandum or the filing of any Pricing Supplement, as the case may be, will be published on the Promoter's website: www.israelbondsintl.com.

HOW DO I USE THIS OFFERING MEMORANDUM?

You should read and understand fully the contents of this Offering Memorandum, including any information incorporated by reference, and the relevant Pricing Supplement before making any investment decision in respect of any Bonds. This Offering 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 Offering 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 Offering Memorandum. This Offering Memorandum should be read together with all information which is deemed to be incorporated into this Offering 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 (*Use of Proceeds*) describes the manner in which the Issuer intends to use the proceeds from issues of Bonds under the Programme.

Section 8 (*Description of the Issuer*) sets out a brief description of the Issuer.

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

Section 10 (*Additional Information*) sets out further information on the Issuer and the Programme. 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 Offering 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 Pricing Supplement relating to any offer of Bonds will complete the terms and conditions of those Bonds and should be read in conjunction with this section.

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

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

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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 *(Conditions of the Bonds)*. It is important that you read the entirety of this Offering 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, are qualified in their entirety by the remainder of this Offering Memorandum and, in relation to the terms and conditions of any particular Tranche of Bonds, the applicable Pricing Supplement.

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 Offering Memorandum, these debt instruments are referred to as Bonds. Bonds are also commonly referred to as notes. 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 Offering Memorandum in Appendix B (*Conditions of the Bonds*). The Programme is unlimited. This means that the Issuer may issue any maximum amount of Bonds. The amount of Bonds to be issued under the Programme and interest rate(s) applicable to such Bonds will be determined by the Issuer and the Promoter at the time of issue of the relevant Bond in accordance with prevailing market conditions.	Appendix B (*Conditions of the Bonds*)
How are Bonds issued under the Programme?	Bonds are issued under the Programme on a continuous basis. For each sales period, a Pricing Supplement 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. The key documents of which you will need to be aware when deciding whether to invest in Bonds issued under the Programme are: (a) any supplement to this Offering Memorandum published after the date of this Offering Memorandum and (b) the applicable Pricing Supplement for such Bonds. The Conditions of the Bonds cater for all the types of Bonds that the Issuer envisages issuing under the Programme, with the Pricing Supplement for each sales period setting out the specific commercial terms applicable to the issue. Each Pricing Supplement is intended to be read alongside the Conditions of the Bonds, and the two together provide the specific terms relevant to any specific issue of Bonds.	Appendix B (*Conditions of the Bonds*) Section 9 (*Form of Pricing Supplement*)
What types of Bonds may be issued under the Programme?	Two types of Bonds may be issued under this Offering 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 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.	Appendix B (*Conditions of the Bonds*) Section 9 (*Form of Pricing Supplement*)

		Refer to:
	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, U.S. Dollar eShalom Savings Bonds) or U.S. Dollar Premium Jubilee Fixed Rate 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 Pricing Supplement, which should be read alongside the Conditions of the Bonds.	
How will the price of the Bonds be determined?	The issue price of the Bonds is 100% of their aggregate principal amount. The final amount of Bonds to be issued on any issue date will be determined at the end of the relevant sales period and will depend, among other things, on the total amount of received subscriptions in respect of the Bonds. The Promoter, on behalf of the State of Israel, will announce the results of each offer of Bonds on its website as soon as practicable following the completion or termination of the relevant offer of Notes.	N/A
What is the yield on fixed rate Bonds?	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.	N/A

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

		Refer to:
	The yield in respect of a particular Bond will not be an indication of future yield of such Bond. The Pricing Supplement in respect of any floating rate Bonds will not include any indication of yield.	
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?	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.	Condition 9 (*Transferability*) of Appendix B (*Conditions of the Bonds*)
	No application has been or will be made for the Bonds to be admitted to trading on any exchange, market or other trading platform.	N/A
What will Bond holders receive if the Issuer is unable to make payments in respect of the Bonds?	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. 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 (*Status of the Bonds*) of the 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.	Condition 3 (*Status of the Bonds*) of Appendix B (*Conditions of the Bonds*)

		Refer to:
	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 (*Status of the Bonds*) 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 7 (*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: 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), eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom Savings Bonds) or U.S. Dollar Premium Jubilee Fixed Rate Bonds.

See the "Bond Types and Features" chart on pages 9 to 18 below for further details regarding the features of these types of Bonds.

Currencies: British Pounds Sterling, Euro and United States Dollars.

When purchasing a Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. See Appendix B (*Conditions of the Bonds — Purchase of Bonds*).

Issue Date: 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.

Maturity Dates: 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.

Interest: The Bonds will accrue interest from (and including) the Issue Date until (but not including) the maturity date.

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.

Details of performance of EURIBOR rates can be obtained free of charge from https://www.emmi-benchmarks.eu/benchmarks/euribor/rate/.

Form of Bonds: 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.

Transfer of Bonds: Bonds may be assigned or transferred in the instances specified in Condition 9 of the Bonds. See Appendix B (*Conditions of the Bonds — Transferability*).

Redemption: Subject to any purchase and cancellation or early redemption, Bonds will be redeemed on their Maturity Date 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. 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 Promoter for promoting and arranging subscriptions for the Bonds.

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

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

For a discussion of tax consequences associated with the Bonds, see Section 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 European Economic Area (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 the United Kingdom, 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.

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

The Bonds will be issued on the relevant Issue Date. If subscription documents are accepted by or on behalf of the State of Israel and/or clear funds are accepted or received in the account of the Fiscal Agent on or after an Issue Date (or such other date), the relevant Bond will be issued on a subsequent Issue Date. When a Bond is issued on a subsequent Issue Date, the interest rate applicable to the Bond will be the interest rate applicable to such Issue Date.

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

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 an offer of Bonds 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.

Prospective investors in the Bonds should contact the Promoter for details regarding the possibility of reducing subscriptions during the sales period and the manner for refunding any excess amount paid.

Bond Types and Features

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 Pricing Supplement))	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 Pricing Supplement))			
	United States Dollars	5-Year 10-Year	U.S.$100 (and integral multiples of U.S.$1 in excess of U.S.$100 (or			

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
			such other integral multiples specified in the applicable Pricing Supplement))			
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 Pricing Supplement)) 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 Pricing Supplement)) 2-Year, 3-Year, 5-Year and 10-Year - €1,000			
	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			

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
			applicable Pricing Supplement)) 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 Pricing Supplement))			
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 following their Issue Date.	Two sales periods per month: Bonds issued on the 15th of the month will be offered from the 1st of the month through the 14th of the month; and Bonds issued on the 1st of the month will be offered from the 15th of the month preceding the Issue Date through the last day of that month.
	Euro	1-Year 2-Year 3-Year 5-Year 10-Year	€1,000	Fixed percentage per annum.	May 1st and November 1st in each year and upon maturity, except that for Bonds issued on April 15th and October 15th in each year, the	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

Bond Types and Features

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

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						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 Pricing Supplement)) 2-Year, 3-Year, 5-Year and 10-Year - U.S.$1,200 (and integral multiples of U.S.$100 in excess of U.S.$1,200 (or such other integral multiples specified in the applicable Pricing Supplement))	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.
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 Pricing Supplement)).	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

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						for Israel (International) Limited (http://www.israelbondsintl.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 applicable Pricing Supplement)).	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 Savings Bonds is only available through the website of Development Company for Israel (International) Limited (http://www.israelbondsintl.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 Pricing Supplement)).	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

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						(http://www.israelbondsintl.com).
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 Pricing Supplement)).	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 Pricing Supplement)).	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.
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 Pricing Supplement)).	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.

Bond Types and Features

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 Pricing Supplement)).	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 (http://www.israelbond sintl.com). U.S. Dollar eShalom Savings Bonds can only be issued to a Permitted Holder.
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 Pricing Supplement)).	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 (http://www.israelbond sintl.com). Sterling

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						eShalom Savings Bonds can only be issued to a Permitted Holder.
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 Pricing Supplement)).	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 (http://www.israelbondsintl.com). Euro eShalom Savings Bonds can only be issued to a Permitted Holder.
U.S. Dollar Premium Jubilee Fixed Rate Bonds	United States Dollars	1-Year 2-Year 3-Year 5-Year 10-Year 15-Year	U.S.$1,000,000 (and integral multiples of U.S.$25,000 in excess of U.S.$1,000,000 (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 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

Bond Types and Features

Type of Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						Issue Date through the last day of that month.

Bonds:

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

(2) The maximum amount of 1-Year Savings Bonds that may be purchased by any person to be issued on any Issue Date, is €1,000,000, £1,000,000 or U.S.$1,000,000.

(3) The maximum amount of 1-Year U.S. Dollar Sabra Savings Bonds that may be purchased by any person to be issued on any Issue Date is U.S.$1,000,000.

(4) The maximum amount of 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.$4,999, £4,999 or €4,999.

(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 the specific material risk factors associated with any investment in the Bonds and the Issuer described in this Offering Memorandum together with all other information contained in this Offering Memorandum, the relevant Pricing Supplement and all relevant supplements.

The Issuer has determined the materiality of each risk in respect of the Bonds set out in this section based on the probability of its realisation and the magnitude of its negative impact. Each of the risks described herein may occur individually or together with other risks. Where risks occur concurrently, they may magnify each other in their negative impact. In case of a realisation of one or more of any of the following risks, investors in Bonds could lose all or part of their investment in the Bonds.

*Such risks can be divided into the following two categories (each a "**Risk Category**") and such Risk Categories are divided into sub-categories (each a "**Sub-Category**") as set out in the following overview:*

Organisation of the Risk Factors:

1. Risks related to the State of Israel:

A. Risks related to the geopolitical and economic environment

B. Other risks related to the State of Israel

2. Risks related to the Bonds:

A. Risks related to Bondholders' recourse against the State of Israel

B. Risks related to the Bonds generally

C. Risks related to Floating Rate Bonds

The most material risk or risks in each Risk Category or Sub-Category are specified first in the section or sub-section, in which the risks of a Risk Category or Sub-Category are described. The risks set out after the most material risk or risks are not further ranked by the Issuer in accordance with their respective degree of materiality.

1. Risks related to the State of Israel

A. Risks related to 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.

The Middle East and North Africa, including Israel, have experienced significant political instability, and Israel has been subject to ongoing security concerns. 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 September 11, 2001, news of Iran's reported nuclear programme and the emergence of the ISIS terrorist organization. Since 2005, when Israel withdrew from the Gaza Strip, terrorist violence from Gaza has increased. On October 7, 2023, the terrorist group Hamas launched an unprecedented terror attack on Israel from the Gaza Strip. In response, Israel's Minister of Defense declared a special state of emergency in the region, which was subsequently extended nationwide. The Ministerial Committee for National Security Affairs then authorised military action, leading to the mobilisation of more than 300,000 reservists and the launching of war in Gaza. The stated aims of the operation were to dismantle Hamas's political and military capabilities in Gaza and secure the release of all hostages. Amid these developments, opposition leaders joined the Government to form an emergency unity Government, which remained active until the National Unity Party's departure on June 9, 2024. Ultimately, the outbreak of the war on October 7, 2023 has affected the Israeli economy.

In October 2025, Israel and Hamas agreed to a United States-led ceasefire of the war in Gaza. Israel remains committed to the fulfilment of the twenty-point Comprehensive Plan to End the Gaza Conflict announced by U.S. President Donald Trump on September 29, 2025, which provided the framework upon which the ceasefire agreement was reached. Between October and December 2025, Hamas repeatedly violated the ceasefire terms by refusing to return the last deceased hostage, refusing to progress to the disarmament stage, and committing dozens of other violations, such as crossing the designated line inside Gaza, which Israeli forces withdrew to (the "Yellow Line") and opening fire on Israeli forces. Israel responded to these violations. Phase A of the ceasefire agreement has been implemented, during which Israeli forces withdrew to the Yellow Line, and Hamas released all live hostages and all of the deceased hostages. Negotiations are ongoing to initiate Phase B of the ceasefire agreement but their success remains uncertain.

The State of Israel continues to implement the phased measures outlined in the twenty-point Comprehensive Plan to End the Gaza Conflict, and the overall security situation remains relatively stable, characterised by sustained reductions in active hostilities. However, localised security alerts and defence readiness measures have persisted.

In northern Israel, Israel shares borders with Syria and Lebanon, where Hezbollah, another Iranian-backed terrorist group, is active.

In June 2026, Israel signed a framework agreement with the Government of Lebanon. Under the agreement, the United States and Lebanon recognized Israel's right to maintain a security zone inside Lebanon for as long as necessary to safeguard its security. The parties also agreed to launch a pilot program in two adjacent areas near the Yellow Line, as recommended by the Israel Defense Forces, under which Hezbollah would be disarmed and control of the territory would be transferred to the Lebanese Armed Forces.

Since the Assad regime in Syria was overthrown in December 2024 by jihadi groups, significant changes have taken place in Syria, prompting Israel to take military action to protect its security interests in the region. Israel's actions are aimed at addressing emerging jihadi threats, protecting Syrian minorities and preserving its strategic position amidst growing instability in the region. Discussions and negotiations regarding these matters continue to take place among relevant stakeholders.

In addition, Iran has engaged in years of developing a clandestine nuclear program. Discoveries of rapidly accumulating highly enriched uranium well beyond what is necessary for peaceful purposes and with a short breakout time to nuclear weapon capability, created an imminent threat to Israel, the region and beyond. In response, on June 13, 2025, Israel launched a precision operation to target Iran's nuclear and military sites, including missile launchers and enrichment facilities (also known as "Operation Rising Lion"). In retaliation, Iran launched more than 1,000 drones and 500 ballistic missiles at Israel, causing loss of life and property. However, the economic and structural impact of this Iranian attack were greatly diminished, as the Israel Defense Forces intercepted the majority of incoming threats. On June 22, 2025, the United States acted decisively to neutralise three key facilities of Iran's nuclear program. On June 24, 2025, the Government of Israel announced that it had achieved all of its objectives in Operation Rising Lion and agreed to President Trump's proposal for a bilateral ceasefire.

On February 28, 2026, after diplomatic avenues regarding Iran's nuclear capabilities and ballistic missile programs had been exhausted, the United States and the State of Israel launched a joint comprehensive military campaign against the Islamic Republic of Iran (designated by Israel as "Operation Roaring Lion", and by the United States as "Operation Epic Fury"). The stated objectives of the operation were the destruction of Iran's missile systems, the weakening of Iran's military infrastructure, and the prevention of Iran from developing nuclear weapons, as the Iranian state poses an existential threat to Israel and broader regional security. The initial phases of the campaign targeted Iranian nuclear facilities, military infrastructure, command-and-control assets, and leadership centres, resulting in the elimination of senior Iranian officials, including Iran's Supreme Leader Ali Khamenei and Iran's Army Chief of Staff Abdolrahim Mousavi.

In response, the Iranian regime initiated extensive regional counter-strikes across the entire Middle East. During 40 days of active combat, approximately 650 ballistic missiles, many carrying cluster munitions, and thousands of unmanned aerial vehicles (UAVs) were launched from Iranian territory toward Israel, U.S. military bases in the region and neighbouring Arab countries, including Bahrain, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Notably, several of these Arab countries publicly condemned Iran's missile attacks on their territory, reflecting a significant broadening of regional alignment in response to Iran's aggression. Concurrently in Lebanon, the Iran-backed Hezbollah organisation executed rocket and drone attacks against central and northern Israel, prompting the Israel Defense Forces to mobilise troops to the northern border and conduct targeted ground and aerial operations in southern Lebanon to degrade Hezbollah's hostile rocket infrastructure and establish a forward defence posture.

Israel's multi-layered aerial defence network successfully intercepted the vast majority of incoming projectiles, while targeted counter-strikes destroyed or disabled the vast majority of Iran's ballistic missile launchers and severely degraded its missile production capacities.

In connection with the conflict, the Iranian regime imposed a commercial blockade on the Strait of Hormuz, a critical global maritime trade corridor, resulting in a near-total cessation of merchant shipping through the waterway and inducing severe volatility in global energy and commodity supply chains. While a counter naval effort deployed defensive counter-measures and sought to establish alternative maritime transit routes, the disruption to regional shipping lines introduced operational complexities also for Israeli import and export logistics. The ultimate impact of these supply chain constraints on Israel's current account surplus, net exports, and broader trade balances remains subject to the long-term stabilisation of regional maritime corridors and global trade dynamics.

Following intense international diplomatic mediation efforts, a conditional ceasefire took effect on April 8, 2026, resulting in a temporary lull in active combat operations. More recently, in June 2026, the United States and Iran agreed on a Memorandum of Understanding ("MoU"). The MoU established a framework for a temporary cessation of hostilities and a defined negotiation period aimed at reaching a broader agreement concerning Iran's nuclear program and regional security issues. The arrangements have facilitated the reopening of the Strait of Hormuz to commercial shipping, improving near-term energy market stability and reducing immediate risks to global trade flows. The MoU also provides for limited sanctions relief and enhanced cooperation with the International Atomic Energy Agency ("IAEA") during the negotiation period. However, implementation of both the ceasefire arrangements and the MoU remains subject to ongoing negotiations.

The Houthis, an Iranian-backed terrorist militia based in Yemen, carried out multiple missile and drone strikes on Israel during the Gaza war as part of the Iranian proxy groups' efforts to oppose Israel and Israel subsequently retaliated.

It is currently unclear how long the war against Hamas in Gaza may continue. If the war escalates, or the level of instability and violence increases in the future, including through the involvement of additional actors in attacks against Israel, Israel's capital markets, the Israeli economy, Israel's sovereign credit ratings, the level of tourism in Israel and foreign investment in Israel, among other military, social and economic factors, may suffer.

Since 2011, there has been political instability and civil unrest in numerous Middle Eastern 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. The delicate relations between Israel and its neighbours could become even more fragile with the domestic turmoil and change in regimes. Instability in the Middle East and North Africa region have not so far materially affected Israel's financial or political situation, and countries that have signed peace agreements with Israel have remained committed to them, regardless of internal political developments. Nevertheless, there can be no assurance that such instability in the region will not escalate in the future or will not spread to additional countries in the region. Military efforts have significantly decreased the presence of ISIS (Islamist State in Iraq and Syria) in Syria and Iraq, but there is growing concern regarding Shiite militias taking control over the relinquished territory. Israel "monitors the situation and terror infrastructure in Syria very closely as well as the increased Iranian and radical presence in the area. Israel remains vigilant about security of its border with Syria, possible transfers of strategic weapons, and the possible spillover of radical forces along the border with Israel.

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

Israel's economy is affected by current global economic conditions, including regional and international rates of economic growth. Recent political and economic developments in the global economy, including the war against Hamas, the military conflict in Ukraine, the recently initiated global trade war and high rates of inflation and related economic curtailment initiatives (such as interest rate increases), have led to increased market volatility and decreased consumer confidence and may have a continuing negative impact on the European and global economy. The potential impact of such developments on Israel is uncertain.

Although Israel's economy has shown moderate rates of growth in recent years, the war in Gaza resulted in a disruption to the Israeli economy particular in the fourth quarter of 2023 and continues to impact various sectors and 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 2009 – 2012 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, the impact of the war against Hamas and 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. Sluggish economic growth or negative growth in the European Union, which is one of Israel's major trading partners, and/or any negative outcome of the European Union’s current review of its free trade agreement with Israel could have a material adverse impact on Israel's balance of trade and adversely affect Israel's financial condition.

B. Other risks related to the State of Israel

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

There are numerous uncertainties associated with estimating quantities of natural gas reserves and projecting future rates of production and the level of revenue Israel will recover from its natural gas fields. These items are, in part, dependent on the reliability of seismic measurement technologies, the future international market for natural gas and other energy substitutes, as well as future development and operating costs, all of which may in fact vary considerably from Israel's current assumptions concerning royalties and tax revenues. Moreover, certain of Israel's neighbouring countries have asserted mineral rights with respect to certain natural gas reserves to which Israel currently lays claim. 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.

Cybersecurity breaches on Israel’s banking sector, if experienced, may have deleterious impacts.

The sophistication of new technologies has increased the scope of cyber-attacks and the risk that the Israeli banking sector may become subject to such cyber-attacks. This has heightened the need for regulators to expand financial resources and to hire and deploy staff that possess expertise in technology and cybersecurity.

The scope of cyber-attacks may continue to develop due to the adoption and promotion of innovation and digital transformation in Israel’s banking system. In view of the trends in cyber-attacks observed in previous years, cyber-attacks may also intensify due to the increased sophistication and activities of the attackers. This includes a continuing upward trend in both the number of events and their sophistication; the exploitation of vulnerabilities (both recognised and unrecognised) in order to carry out attacks; diverse abilities and intentions on the part of attackers; and continued exploitation of the supply chain as a vector of attack.

As cyber-attacks continue to evolve in scope and sophistication, Israeli banking system entities (entities supervised by the Banking Supervision Department) and the Banking Supervision Department are concentrating efforts to increase cyber resilience and cyber defence capabilities. Any such cyber-attacks and/or cybersecurity breaches may disrupt the functioning of, or cause economic harm to, the Israeli banking sector and the Israeli economy.

2. Risks related to the Bonds

A. Risks related to Bondholders' recourse against the State of Israel

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 as a result risk incurring losses of some or all of their capital invested as a result.

No collateralisation, statutory deposit guarantee or compensation scheme in respect of the Bonds

The Issuer's obligations under the Bonds are unsecured debt obligations of the State of Israel and are not, either directly or indirectly an obligation of any third party. Furthermore, the Bonds are not covered by the protection of any statutory compensation or guarantee scheme, such as the Financial Services Compensation Scheme.

In the event that State of Israel were to default on its obligations, Bond holders may not receive any amounts owed to them including any repayment of principal under the terms of the Bonds and will not have recourse to any security or other assets of the State of Israel. In a worst-case scenario, Bond holders may suffer a total loss of the capital they invest in the Bonds.

B. Risks related to the Bonds generally

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 offers of Bonds.

During any sales period specified in the applicable Pricing Supplement, the Promoter, on behalf of the Issuer, reserves the right to cancel or terminate early the relevant offer of any Tranche or Series of Bonds, or all 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 issue price for the Bonds 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 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.

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 Pricing Supplement (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 Offering 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 Offering 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 Offering Memorandum. Any such change could materially adversely impact the value of any Bonds impacted by it.

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 Offering 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.

C. Risks related to Floating Rate Bonds

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

Regulation (EU) No. 2016/1011 (as amended) (the " **Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope 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 in-scope "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 which is in-scope of one or both regulations, 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.

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 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, 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 (*Benchmark Discontinuation*) 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.

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 PRICING SUPPLEMENT 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 Offering 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), eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom Savings Bonds) or U.S. Dollar Premium Jubilee Fixed Rate 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 × £1,000 × 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 Offering Memorandum.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Offering Memorandum save that any statement contained herein or in any information which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained in any such subsequent information which is subsequently incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise):

1. Exhibit D to the Issuer's Annual Report on Form 18-K to the United States Securities and Exchange Commission for the fiscal year ended December 31, 2025 dated as of June 30, 2026 (the "**Form 18-K**"): 18k_2026.pdf:

2. The Issuer's Annual Report of the Government Debt Management Unit in the Accountant General's Office for the year 2025: https://www.gov.il/BlobFolder/dynamiccollectorresultitem/annual-debt-report-2025/en/files-eng_Annual-Debt-Reports_annual-debt-report-2025-accessible-version-en.pdf:

In addition to the above, the following information shall be incorporated in, and form part of, this Offering Memorandum as and when it is published on www.sec.gov/edgar/browse/?CIK=52749 or https://www.gov.il/en/departments/dynamiccollectors/annual-debt-report?skip=0:

[1] Only the English language version of the Organizational Chart is incorporated by reference herein.

3. The information set out in the following sections of any Exhibit D to the Annual Report of the Issuer on Form 18-K or any Amendment to Exhibit D to the Annual Report of the Issuer on Form 18-K, published after the date of this Offering Memorandum:

   Currency Protocol

   Fiscal Year

   Summary Information and Recent Developments

   State of Israel

   The Economy

   Balance of Payments and Foreign Trade

   The Financial System

   Public Finance

   Public Debt

   Debt Record

4. Any Annual Report of the Government Debt Management Unit in the Accountant General's Office of the Issuer published after the date of this Offering Memorandum.

Information incorporated by reference pursuant to paragraphs 3 and 4 above shall, to the extent applicable, be deemed to modify or supersede statements contained in this Offering Memorandum.

Electronic copies of any documents incorporated by reference herein and in any supplements hereto will be available on the Promoter's website at www.israelbondsintl.com.

Where any information incorporated by reference in turn incorporates information by reference, such information does not form part of the Offering Memorandum.

Those parts of the document incorporated by reference which are not incorporated by reference into this Offering 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 Offering Memorandum.

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

SECTION 5. SUBSCRIPTION AND SALE

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

SUBSCRIPTION AND SALE

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

United States of America

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

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

Prohibition of sales to EEA Retail Investors

In relation to each Member State of the EEA, the Promoter represents and agrees that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Bonds to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(c) 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 paragraphs (a) to (c) above shall require the Issuer or the Promoter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any 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

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

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Promoter undertakes that it will not offer or sell any Bonds directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Belgium

The Promoter represents and agrees that an offering of Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that is has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Bonds, directly or indirectly, to any Belgian Consumer.

General

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

Neither the Issuer nor the Promoter represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or 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 Promoter's understanding as of the date of this Offering 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.

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 a 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 is 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.

SECTION 7. 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 8. 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.

Israel's GDP grew by 2.9% in 2025 compared to 2024, a lower rate than those amounts recorded in 2021 and 2022, but an improvement compared to 2023 and 2024. The beginning of an economic recovery process is evident both in the growth rate and its composition. While in 2024, public expenditure drove most of the growth, in 2025, growth stemmed primarily from a recovery in exports and an increase in gross domestic investment. During the first quarter of 2025, GDP grew by 5.9% (annual rate, seasonally adjusted, quarter on quarter), as gross domestic capital formation grew and the labour market stabilised. In the second quarter of 2025, growth shrunk by (4.4)% (annual rate, seasonally adjusted quarter-on- quarter), as "Operation Rising Lion" hurt economic activity, mainly via private consumption. In the third quarter of 2025, GDP grew by 12.3% (annual rate, seasonally adjusted quarter-on- quarter), as private consumption rebounded and security conditions improved. In the fourth quarter of 2025, GDP grew by 2.8% (annual rate, seasonally adjusted quarter-on- quarter). In the first quarter of 2026, GDP shrunk by (3.8)% (annual rate, seasonally adjusted, quarter on quarter), as "Operation Roaring Lion" hurt economic activity during the last month of the quarter. "**GDP**" is defined as gross national product (total value of all goods and services produced by the residents and businesses of a country in a given year) minus the investment income of Israeli residents abroad, the earnings of Israeli residents working abroad, and other income from work and leases abroad, less corresponding payments made abroad (after deducting payments to foreign companies regarding production facilities located in Israel).

The war in Gaza resulted in a disruption to the Israeli economy particularly in the fourth quarter of 2023 and continues to impact various sectors. The construction industry and tourism were particularly impacted. There was a significant decrease in demand in the construction industry and, since the start of the war, the number of flights and airlines arriving in Israel has been limited. The war in Gaza negatively affected growth drivers such as private consumption. However, public consumption increased as war costs increased defence expenditure, and civil expenditure rose as the Government financed accommodations of civilians that were displaced within Israel and undertook certain other measures to support households and businesses.

Public Finance and Trade

Balance of Payments and Foreign Trade

Israel had a current account surplus of 1.5% of GDP at the end of 2025, which was the 23rd consecutive year in which a surplus in the current account was recorded. In the first quarter of 2026, the current account 4.2shifted to a slight deficit of 0.1% 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. In December 2025, Israel and the United States concluded a new long-term agricultural trade agreement, replacing the temporary framework that had been in place since 2004. The agreement expanded reciprocal market access and was accompanied by U.S. measures extending duty-free treatment for specified Israeli agricultural products through the end of 2026. As a result, a meaningful portion of Israeli agricultural exports continues to benefit from preferential access to the U.S. market, mitigating the impact of the broader 15% tariff regime applied to certain imported goods and supporting bilateral trade relations.

Israel's net exports have grown significantly in recent years, but slowed as a result of the war. Net exports grew from $13.1 billion in 2024 to $14.2 billion in 2025. The growth in net exports in recent years has mostly been driven by the export of services. In the first quarter of 2026, the net exports surplus amounted to $5.4 billion (on a seasonally adjusted basis).

In 2025, 28.7% of Israel's exported goods (excluding aircraft, ships and diamonds) were to the European Union (decrease from 29.9% in 2024), 26.0% were to the United States (same as 2024), 22.3% were to Asia (an increase from 20.3% in 2024) and 23.0% were to other markets (a decrease from 23.7% in 2024).

In 2025, 35.0% of Israel's imported goods (excluding aircrafts, ships and diamonds) originated from the European Union (an increase from 34.5% in 2024), 32.8% were from Asia (an increase from 31.2% in 2024), 9.7% were from the United States (a decrease from 10.0% in 2024) and 22.5% were from other countries (a decrease from 24.3% in 2024).

Fiscal Policy

Budget proposals in Israel are legally constrained by two distinct 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.

The general government debt-to-GDP ratio, also referred to as "**public debt-to-GDP**" (including local authorities' debt), increased to 71.1% of GDP in 2020, significantly above the deficit target set for that. This was due to COVID-related expenditures and lower-than-expected revenues. In 2021, the deficit decreased to 4.3% of GDP, lower than the target, as state revenues exceeded expectations and COVID-related expenditures were lower than anticipated, pulling the public debt-to-GDP ratio down to 67.7%. In light of higher-than-expected revenues and lower-than-expected expenditures following the recovery from the COVID-19 pandemic, a cumulative budget surplus of approximately NIS 9.8 billion (0.6% of GDP) was recorded in 2022, further reducing the debt ratio to 60.3%. However, this reversed due to war-related expenditures in the fourth quarter of 2023, with the deficit rising to 4.1% of GDP in 2023, and pushed the 2023 debt-to-GDP ratio up to 61.3%. In 2024, which was a full year of Israel at war, the deficit continued to rise, reaching 6.8% of GDP, driving the debt-to-GDP ratio up to 67.7%. In 2025, Israel was at war most of the year (including in "Operation Rising Lion"); the budget deficit decreased to 4.7% of GDP, but the debt-to-GDP ratio still edged upward to 68.4%.

Inflation and Monetary Policy

The average annual inflation rate over the last decade (from 2016 through 2025) was approximately 1.7%, which is within 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. In 2021, the CPI increased by 1.5%, which was within the Bank of Israel's target range for the first time since 2013. In 2022, the CPI rose by an annual average of 4.4%, as inflation increased worldwide. In 2023, the CPI increased by an annual average of 4.2%. In 2024, the CPI rose by 3.1%, slightly above the Bank of Israel's target range. In 2025, the CPI rose by 3.0%, re-entering the target range.

Since April 2022, due to rising inflation, the Bank of Israel increased the interest rate ten times from 0.10% to 4.75% in May 2023. In January 2024, the Bank of Israel lowered the interest rate by 0.25% to 4.50%, as inflation returned to within the target range. The Bank of Israel lowered the rate again by 0.25% in December 2025, bringing it to 4.25%. In January 2026, the Bank of Israel lowered the interest rate by 0.25%, so that the interest rate ended the reviewed period at 4.00%. In May 2026, the Bank of Israel lowered the interest rate again by 0.25%, so that the interest rate ended the reviewed period at 3.75%. By June 2026, the interest rate remained at 3.75%, as inflation moderated. The real interest rate (nominal interest rate less inflation expectations) averaged (1.8)% in 2021, (1.7)% in 2022, 1.8% in 2023, 1.7% in 2024 and 2.8% in 2025.

Over the past five years (measured from January 1, 2021 through December 31, 2025), the NIS/USD exchange rate has averaged at 3.49 NIS/USD, fluctuating between a high of 4.08 (recorded on October 27, 2023) and a low of 3.07 NIS/USD (recorded on November 17, 2021). The exchange rate as of June 15, 2026 stood at 2.91 NIS/USD.

Recent Developments

On October 7, 2023, the terrorist group Hamas launched an unprecedented terror attack on Israel from the Gaza Strip. In response, Israel's Minister of Defense declared a special state of emergency in the region, which was subsequently extended nationwide. The Ministerial Committee for National Security Affairs then authorised military action, leading to the mobilisation of more than 300,000 reservists and the launching of war in Gaza. The stated aims of the operation were to dismantle Hamas's political and military capabilities in Gaza and secure the release of all hostages. Amid these developments, opposition leaders joined the Government to form an emergency unity Government, which remained active until the National Unity Party's departure on June 9, 2024. Ultimately, the outbreak of the war on October 7, 2023, has affected the Israeli economy.

In October 2025, Israel and Hamas agreed to a United States-led ceasefire of the war in Gaza. Israel remains committed to the fulfilment of the twenty-point Comprehensive Plan to End the Gaza Conflict announced by U.S. President Donald Trump on September 29, 2025, which provided the framework upon which the ceasefire agreement was reached. Between October and December 2025, Hamas repeatedly violated the ceasefire terms by refusing to return the last deceased hostage, refusing to progress to the disarmament stage, and committing dozens of other violations, such as crossing the designated line inside Gaza, which Israeli forces withdrew to (the "Yellow Line") and opening fire on Israeli forces. Israel responded to these violations. Phase A of the ceasefire agreement has been implemented, during which Israeli forces withdrew to the Yellow Line, and Hamas released all live hostages and all of the deceased hostages. Negotiations are ongoing to initiate Phase B of the ceasefire agreement but their success remains uncertain.

The State of Israel continues to implement the phased measures outlined in the twenty-point Comprehensive Plan to End the Gaza Conflict, and the overall security situation remains relatively stable, characterised by sustained reductions in active hostilities. However, localised security alerts and defence readiness measures have persisted.

In northern Israel, Israel shares borders with Syria and Lebanon, where Hezbollah, another terrorist group, is active. In June 2026, Israel signed a framework agreement with the Government of Lebanon. Under the agreement, the United States and Lebanon recognized Israel's right to maintain a security zone inside Lebanon for as long as necessary to safeguard its security. The parties also agreed to launch a pilot program in two adjacent areas near the Yellow Line, as recommended by the Israel Defense Forces, under which Hezbollah would be disarmed and control of the territory would be transferred to the Lebanese Armed Forces.

Since the Assad regime in Syria was overthrown in December 2024 by jihadi groups, significant changes have taken place in Syria, prompting Israel to take military action to protect its security interests in the region. Israel's actions are aimed at addressing emerging jihadi threats, protecting Syrian minorities and preserving its strategic position amidst growing instability in the region. Discussions and negotiations regarding these matters continue to take place among relevant stakeholders.

In addition, Iran has engaged in years of developing a clandestine nuclear program. Discoveries of rapidly accumulating highly enriched uranium well beyond what is necessary for peaceful purposes and with a short breakout time to nuclear weapon capability, created an imminent threat to Israel, the region and beyond. In response, on June 13, 2025, Israel launched a precision operation to target Iran's nuclear and military sites, including missile launchers and enrichment facilities (also known as "Operation Rising Lion"). In retaliation, Iran launched more than 1,000 drones and 500 ballistic missiles at Israel, causing loss of life and property. However, the economic and structural impact of this Iranian attack were greatly diminished, as the Israel Defense Forces intercepted the majority of incoming threats. On June 22, 2025, the United States acted decisively to neutralise three key facilities of Iran's nuclear program. On June 24, 2025, the Government of Israel announced that it had achieved all of its objectives in Operation Rising Lion and agreed to President Trump's proposal for a bilateral ceasefire.

On February 28, 2026, after diplomatic avenues regarding Iran's nuclear capabilities and ballistic missile programs had been exhausted, the United States and the State of Israel launched a joint comprehensive military campaign against the Islamic Republic of Iran (designated by Israel as "Operation Roaring Lion", and by the United States as "Operation Epic Fury"). The stated objectives of the operation were the destruction of Iran's missile systems, the weakening of Iran's military infrastructure, and the prevention of Iran from developing nuclear weapons, as the Iranian state poses an existential threat to Israel and broader regional security. The initial phases of the campaign targeted Iranian nuclear facilities, military infrastructure, command-and-control assets, and leadership centres, resulting in the elimination of senior Iranian officials, including Iran's Supreme Leader Ali Khamenei and Iran's Army Chief of Staff Abdolrahim Mousavi.

In response, the Iranian regime initiated extensive regional counter-strikes across the entire Middle East. During 40 days of active combat, approximately 650 ballistic missiles, many carrying cluster munitions, and thousands of unmanned aerial vehicles (UAVs) were launched from Iranian territory toward Israel, U.S. military bases in the region and neighbouring Arab countries, including Bahrain, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Notably, several of these Arab countries publicly condemned Iran's missile attacks on their territory, reflecting a significant broadening of regional alignment in response to Iran's aggression. Concurrently in Lebanon, the Iran-backed Hezbollah organisation executed rocket and drone attacks against central and northern Israel, prompting the Israel

Defense Forces to mobilise troops to the northern border and conduct targeted ground and aerial operations in southern Lebanon to degrade Hezbollah's hostile rocket infrastructure and establish a forward defence posture.

Israel's multi-layered aerial defence network successfully intercepted the vast majority of incoming projectiles, while targeted counter-strikes destroyed or disabled the vast majority of Iran's ballistic missile launchers and severely degraded its missile production capacities.

In connection with the conflict, the Iranian regime imposed a commercial blockade on the Strait of Hormuz, a critical global maritime trade corridor, resulting in a near-total cessation of merchant shipping through the waterway and inducing severe volatility in global energy and commodity supply chains. While a counter naval effort deployed defensive counter-measures and sought to establish alternative maritime transit routes, the disruption to regional shipping lines introduced operational complexities also for Israeli import and export logistics. The ultimate impact of these supply chain constraints on Israel's current account surplus, net exports, and broader trade balances remains subject to the long-term stabilisation of regional maritime corridors and global trade dynamics.

Following intense international diplomatic mediation efforts, a conditional ceasefire took effect on April 8, 2026, resulting in a temporary lull in active combat operations. More recently, in June 2026, the United States and Iran agreed on a Memorandum of Understanding ("MoU"). The MoU established a framework for a temporary cessation of hostilities and a defined negotiation period aimed at reaching a broader agreement concerning Iran's nuclear program and regional security issues. The arrangements have facilitated the reopening of the Strait of Hormuz to commercial shipping, improving near-term energy market stability and reducing immediate risks to global trade flows. The MoU also provides for limited sanctions relief and enhanced cooperation with the International Atomic Energy Agency ("IAEA") during the negotiation period. However, implementation of both the ceasefire arrangements and the MoU remains subject to ongoing negotiations

The Houthis, an Iranian-backed terrorist militia based in Yemen, carried out multiple missile and drone strikes on Israel during the Gaza war as part of the Iranian proxy groups' efforts to oppose Israel and Israel subsequently retaliated.

It is currently unclear how long the war against Hamas in Gaza may continue.

For further information regarding the international reaction to the war, the economic effects of the war and the government initiatives in response to the war, see the section entitled "*October 7, 2023 Attack on Israel, the War in Gaza and Other Related Military Conflicts*" in the Form 18-K, incorporated by reference in this Offering Memorandum.

Legal Proceedings

On December 29, 2023, South Africa instituted proceedings against Israel in the International Court of Justice (the "**ICJ**"), requesting that the ICJ rule that Israel was violating the Convention on the Prevention and Punishment of the Crime of Genocide in the war in Gaza. The ICJ issued provisional measures on January 26, 2024, March 28, 2024, and May 24, 2024, relating to Israel's conduct in the war in Gaza and related reporting. On March 12, 2026, Israel filed its Counter-Memorial in response to South Africa's Memorial, including objections to the ICJ's jurisdiction and the admissibility of the application. In May 2026, the ICJ ordered a second round of written pleadings, setting a deadline of November 22, 2027, for South Africa to submit its Reply and a deadline of May 22, 2029, for Israel to submit its Rejoinder. As a result, the proceedings are expected to continue for several years before any judgment on the merits is rendered. Israel rejects the allegations and maintains that its actions are consistent with its obligations under internationallaw.

On November 21, 2024, the International Criminal Court seated in The Hague (the "**ICC**") announced the issuance of arrest warrants against Prime Minister Benjamin Netanyahu and former Minister of Defense Yoav Gallant for war crimes and crimes against humanity. However, Israel is not a member of the ICC, and Israel's position is that the arrest warrants were issued without any legal basis and in violation of its sovereignty and rights under international law and the ICC's own statute. Israel has initiated several legal proceedings challenging the ICC's decision, including on the basis of the ICC's lack of jurisdiction, which remain pending.

The effects of the ICC's issuance of the warrants on Israel's foreign relations (including whether they will be enforced by an ICC member state), if any, are not clear.

SECTION 9. FORM OF PRICING SUPPLEMENT

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

FORM OF PRICING SUPPLEMENT

Pricing Supplement for the sales period [ ], 20[26/27] to [ ], 20[26/27] [or in respect of [the Mazel Tov Savings Bonds/eMazel Tov Savings Bonds/Shalom Savings Bonds/eShalom Savings Bonds] [ ], 20[26/27] to [ ], 20[26/27]]

STATE OF ISRAEL

Legal entity identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of
[Euro Savings Bonds (22nd Euro Series) /
Euro Floating Rate Bonds (23rd Euro Series) /
Euro Jubilee Bonds (8th Euro Series) /
Sterling Savings Bonds (18th Sterling Series) /
Sterling Jubilee Bonds (18th Sterling Series) /
U.S. Dollar Jubilee Fixed Rate Bonds (16th International Dollar Series) /
U.S. Dollar Maccabee Fixed Rate Bonds (16th International Dollar Series) /
U.S. Dollar Sabra Savings Bonds (16th International Dollar Series) /
U.S. Dollar Savings Bonds (16th International Dollar Series) /
Euro Mazel Tov Savings Bonds (18th Euro Series) /
Sterling Mazel Tov Savings Bonds (18th Sterling Series) /
U.S. Dollar Mazel Tov Savings Bonds (16th International Dollar Series) /
U.S. Dollar eMazel Tov Savings Bonds (9th International Dollar Series) /
Sterling eMazel Tov Savings Bonds (9th Sterling Series) /
Euro eMazel Tov Savings Bonds (9th Euro Series) /
U.S. Dollar Shalom Savings Bonds (6th International Dollar Series) /
Sterling Shalom Savings Bonds (6th Sterling Series) /
Euro Shalom Savings Bonds (6th Euro Series) /
U.S. Dollar eShalom Savings Bonds (4th International Dollar Series) /
Sterling eShalom Savings Bonds (4th Sterling Series) /
Euro eShalom Savings Bonds (4th Euro Series) /
U.S. Dollar Premium Jubilee Fixed Rate Bonds (2nd International Dollar 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 offering memorandum dated September 1, 2026 [and the supplement(s) to it dated [ ]] (the "**Offering Memorandum**").

This document constitutes the Pricing Supplement of the Bonds described herein and must be read in conjunction with the Offering Memorandum in order to obtain all the relevant information. Copies of the Offering Memorandum and relevant Rate Sheet(s) may be obtained from the Promoter's website at www.israelbondsintl.com.]

Investors should note that if a supplement to or an updated version of the Offering Memorandum referred to above is published at any time during the sales period (as described above), such supplement or updated prospectus as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of this Pricing Supplement.

[Euro Savings Bonds (22nd 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: [ ]]
	[5-Year Euro Savings Bond: [ ]]
	[10-Year Euro Savings Bond: [ ]]]

[Euro Floating Rate Bonds (23rd 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 (8th 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 (18th 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 (18th 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 (16th 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 (16th 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 (16th 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.$1,200]]
	[3-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.$[ ] in excess of U.S.$1,200]]
	[5-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.$[ ] in excess of U.S.$1,200]]
	[10-Year U.S. Dollar Sabra Savings Bond:	[As set out in Condition 2.3.4/U.S.$[ ] in excess of U.S.$1,200]]
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 (16th 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 (18th 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 (18th 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 (16th 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 (9th 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 (9th 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 (9th 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 Savings Bond:	[ ]% per annum]
	[10-Year Euro eMazel Tov Savings Bond:	[ ]% per annum]
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 (6th 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 Savings Bond:	[ ]% per annum]

	[2-Year U.S. Dollar Shalom Savings Bond:	[ ]% per annum]
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 (6th Sterling Series)

Specified Currency:	British Pounds Sterling	
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 (6th 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 (4th 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 Savings Bond:	[ ]% per annum]
	[2-Year U.S. Dollar eShalom Savings Bond:	[ ]% per annum]
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 (4th 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 Savings Bond:	[ ]% per annum]
	[2-Year Sterling eShalom Savings Bond:	[ ]% per annum]
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 (4th 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 Bond:	[ ]% per annum]
	[2-Year Euro eShalom Savings Bond:	[ ]% per annum]
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:	[ ]]]

[U.S. Dollar Premium Jubilee Fixed Rate Bonds (2nd International Dollar Series)

Specified Currency:	U.S. Dollars	
Integral multiples:	[As set out in Condition 2.3.9/ U.S.$[ ] in excess of U.S.$1,000,000]	
Interest Rate:	[1-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
	[2-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
	[3-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
	[5-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
	[10-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
	[15-Year U.S. Dollar Premium Jubilee Fixed Rate Bond:	[ ]% per annum]
Issue Date:	[ ]	

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

SECTION 10. ADDITIONAL INFORMATION

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

ADDITIONAL INFORMATION

1. **No Significant Change**

Save as disclosed in any Exhibit D to the Issuer's Annual Report on Form 18-K (or any amendment thereto), 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 end of the last financial period for which the Issuer has published an Annual Report on Form 18-K.

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

Except as set out under "*Legal Proceedings*" on pages 46 to 47, 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 later of (i) the date of this Offering Memorandum, and (ii) any supplement hereto which may have, or have had in the recent past, significant effects on the financial position of the Issuer.

3. **Documents Available**

So long as any Bonds are outstanding, electronic copies of the following documents will be available on the Promoter's website at https://israelbondsintl.com/information-memorandum-and-final-terms/:

(i) this Offering Memorandum and any supplements hereto, any future offering memoranda and any information incorporated by reference herein or therein;

(ii) any Pricing Supplement;

(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 Offering Memorandum.

4. **Pricing**

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

5. **Yield**

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

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

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

The Pricing Supplement in respect of any floating rate Bonds will not include any indication of yield.

6. **Termination**

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

7. Website

The website of the Issuer is: https://www.gov.il/en

APPENDIX A. DEFINED TERMS

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

DEFINED TERMS

Unless otherwise specified, all references in this Offering 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;
- "**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, 2026.

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

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

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

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 Pricing Supplement).
"**eShalom Savings Bonds**"	Bonds which are eShalom savings Bonds (as specified in the relevant Pricing Supplement).
"**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 Pricing Supplement).
"**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 Pricing Supplement).
"Investment Form"	the form published by the Promoter 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).
"Jubilee Bonds"	Bonds which are jubilee Bonds (as specified in the relevant Pricing Supplement).
"Mazel Tov Savings Bonds"	Bonds which are mazel tov savings Bonds (as specified in the relevant Pricing Supplement).
"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".
"Rate Sheet"	the rate sheet for a given Bond (if any), as made available from time to time by the Promoter, in which details of the rate(s) of interest for that Bond (among other details) are stated.
"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 Pricing Supplement).
"Shalom Savings Bonds"	Bonds which are shalom savings Bonds (as specified in the relevant Pricing Supplement).
"**Specified Currency**"	in relation to a given Bond, the currency of that Bond (as specified in the relevant Pricing Supplement).
"**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 eShalom Savings Bonds**"	eShalom 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 Pricing Supplement).
"**U.S. Dollar Maccabee Fixed Rate Bonds**"	Bonds which are maccabee fixed rate Bonds (as specified in the relevant Pricing Supplement).
"**U.S. Dollar Mazel Tov Savings Bonds**"	Mazel Tov Savings Bonds which are denominated in U.S. Dollars.
"**U.S. Dollar Premium Jubilee Fixed Rate Bonds** "	Bonds which are premium jubilee fixed rate Bonds (as specified in the relevant Pricing Supplement).
"**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 Pricing Supplement).
"**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), eShalom Savings Bonds (Euro eShalom Savings Bonds, Sterling eShalom Savings Bonds or U.S. Dollar eShalom Savings Bonds) or U.S. Dollar Premium Jubilee Fixed Rate Bonds.

2.1 ***Bonds denominated in Euros***

2.1.1 *The Euro Floating Rate Bonds*

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

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

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

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

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

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

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

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

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

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

2.1.2 *The Euro Jubilee Bonds*

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

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

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

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

Interest will accrue from (and including) the Issue Date of the Euro Jubilee Bond up to (but not including) the maturity date. Except in the cases described in this Offering 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

2.1.3 *The Euro Mazel Tov Savings Bonds*

The minimum purchase amount of the Euro Mazel Tov Savings Bonds is €100. Euro Mazel Tov Savings Bonds may be purchased in integral multiples of €1 in excess of €100 (or in such other integral multiples specified in the applicable Pricing Supplement) *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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 €1,000. 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 Pricing Supplement). 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 €4,999. The purchase of Euro eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

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

2.2.1 *The Sterling Jubilee Bonds*

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

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

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

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

Interest will accrue from (and including) the Issue Date of the Sterling Jubilee Bond up to (but not including) the maturity date. Except in the cases described in this Offering 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

2.2.2 *The Sterling Mazel Tov Savings Bonds*

The minimum purchase amount of the Sterling Mazel Tov Savings Bonds is £100. Sterling Mazel Tov Savings Bonds may be purchased in integral multiples of £1 in excess of £100 (or in such other integral multiples specified in the applicable Pricing Supplement) *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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

2.2.3 *The Sterling Savings Bonds*

The minimum purchase amount of the 2-Year, 3-Year, 5-Year and 10-Year Sterling Savings Bonds is £1,000. The minimum purchase amount of the 1-Year Sterling Savings Bond is £5,000. 1-Year Sterling Savings Bonds may be purchased in integral multiples of £500 in excess of £5,000 (or in such other integral multiples specified in the applicable Pricing Supplement). 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 £4,999. The purchase of Sterling eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

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

2.3.1 *The U.S. Dollar 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 Pricing Supplement).

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 Pricing Supplement). 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 Offering 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement).

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 Pricing Supplement). 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 Offering 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) *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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement). The maximum amount of 1-Year U.S. Dollar Sabra Savings Bonds that may be purchased by any person to be issued on any Issue Date is U.S.$1,000,000.

The minimum purchase amount of the 2-Year U.S. Dollar Sabra Savings 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.$1,200. These U.S. Dollar Sabra Savings Bonds may be purchased in integral multiples of U.S.$100 in excess of U.S.$1,200 (or in such other integral multiples specified in the applicable Pricing Supplement).

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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement). 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 Pricing Supplement)). 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) *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.$4,999. The purchase of U.S. Dollar eMazel Tov Savings Bonds is only available through the website of Development Company for Israel (International) Limited (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's 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 Pricing Supplement) 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 (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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

2.3.9 *The U.S. Dollar Premium Jubilee Fixed Rate Bonds*

The minimum purchase amount of the U.S. Dollar Premium Jubilee Fixed Rate Bonds is U.S.$1,000,000. U.S. Dollar Premium Jubilee Fixed Rate Bonds may be purchased in integral multiples of U.S.$25,000 in excess of U.S.$1,000,000 (or in such other integral multiples specified in the applicable Pricing Supplement).

In addition, if you have purchased a minimum of U.S.$1,000,000 of U.S. Dollar Premium 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 Premium Jubilee Fixed Rate Bonds of the same maturity period in denominations of U.S.$100,000 or integral multiples of U.S.$25,000 (or in such other integral multiples specified in the applicable Pricing Supplement). 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 Premium Jubilee Fixed Rate Bond, 2-Year U.S. Dollar Premium Jubilee Fixed Rate Bond, 3-Year U.S. Dollar Premium Jubilee Fixed Rate Bond, 5-Year U.S. Dollar Premium Jubilee Fixed Rate Bond, 10-Year U.S. Dollar Premium Jubilee Fixed Rate Bond and 15-Year U.S. Dollar Premium 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 Premium 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 Premium

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 Premium Jubilee Fixed Rate 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 on maturity of the U.S. Dollar Premium Jubilee Fixed Rate Bond.

Interest Payment Dates for the U.S. Dollar Premium 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 Premium 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 Premium 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 Pricing Supplement, the applicable Rate Sheet and on the Promoter's website.

3. Status of the Bonds

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

4. Early Redemption

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

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

4.1 *At the Request of a Bond holder*

A Bond may be repurchased by the State of Israel prior to its maturity, but only on the first Business Day of a given month, within sixty (60) days following the State of Israel's receipt of a Bond holder's written request accompanied by an instrument of transfer in a form approved by the Fiscal Agent, under the following circumstances, 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 Pricing Supplement) the relevant Spread. Interest shall be paid from and including the date of default until but not including the date of actual payment. If the default shall continue for a period of ninety (90) days then the Registered Owner will be entitled to give a written demand to the State of Israel requiring payment of the principal sum which will then become due and payable (together with unpaid accrued interest) on the date such written demand is actually received by the State of Israel unless the default shall have been cured by the State of Israel prior to such date.

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

6.1 ***General***

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

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

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

6.2.2 *Benchmark Discontinuation*

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

An Independent Adviser appointed pursuant to this Condition 6.2.2 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, any other party specified in the applicable Pricing Supplement as being responsible for calculating the rate of interest or the Bond holders 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 Bond holders, 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 Bond holders, 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 Pricing Supplement as being responsible for calculating the rate of interest and the Bond holders 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 Pricing Supplement 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 paragraph (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 paragraph (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 Bond holders 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 paragraph (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 paragraph (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 paragraph (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 Pricing Supplement 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 Bond holders in writing of (i) such appointment; (ii) the substitute or successor interest rate that the Calculation Agent determines will be applicable in accordance with the above; and (iii) any consequential amendments to these Conditions required in connection with the same.

7. Interest and Principal Payment

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

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

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

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

On maturity of a Bond that, in the exceptional circumstances detailed in these Conditions, is represented by a Bond certificate, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond by posting a cheque 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 Promoter’s Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter’s anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Information Form are available on the Promoter’s website or copies may be obtained by contacting the Promoter directly. The State of Israel is not obliged to accept your subscription documents.

In order to purchase a Bond on a specific Issue Date, your subscription documents must be accepted by or on behalf of the State of Israel and cleared funds in respect of the full purchase price of such Bond must be received and accepted in the account of the Fiscal Agent before such Issue Date (or before such other date announced by the State of Israel). Your application to purchase a Bond will be accepted only when (1) your properly completed subscription documents are received by the Promoter and (2) the full purchase price of such Bond is actually received by the Fiscal Agent prior to the Issue Date. The purchase of eMazel Tov Savings Bonds and eShalom Savings Bonds is only available through the website of Development Company for Israel (International) Limited (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 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 ***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 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6, Canada. Attention: State of Israel Bonds. The telephone number is +1 (416) 263 9200.

14. **Governing Law**

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

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

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

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

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

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

APPENDIX C. THE PROMOTER

This section sets out a description of the Promoter.

THE PROMOTER

Development Company for Israel (International) Limited (LEI: 254900VRG4HL2G9DMZ30) has been appointed a promoter of the various Bonds to which this Offering 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 Offering 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.

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

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

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

Any new information with respect to the Promoter which is, in the view of the Promoter, relevant to Investors in Bonds issued under this Programme and which is unknown at the time of the approval of this Offering Memorandum or the filing of any Pricing Supplement, as the case may be, will be published on the Promoter's 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

Accountant General's Office,
Ministry of Finance
1 Kaplan Street
Jerusalem
9195015
Israel

Attention: Director, Global Debt Capital Markets and Foreign Currency Transactions
Telephone: +972-2-5317122
Fax: +972-2-5317225

FISCAL AGENT

Computershare Trust Company of Canada
320 Bay Street, 14th Floor
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Ontario M5H 4A6
Canada

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

PROMOTER

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INFORMATION MEMORANDUM FOR FINANCING AND REINVESTMENT BONDS

Pages 101 to 120 (inclusive) of this document comprise an information memorandum (the "**Information Memorandum**"). The Information Memorandum has been prepared by the Issuer in connection with the issuance of U.S. Dollar Jubilee Fixed Rate Financing Bonds (as defined below) and U.S. Dollar Reinvestment Savings Bonds (as defined below) (the "**Financing and Reinvestment Bonds**").

This 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 PRM.

The Issuer is an exempt issuer pursuant to rule 1.3.1 of the PRM. Accordingly, this Information Memorandum has not been reviewed or approved by the FCA as a prospectus under the PRM.

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

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

- "*Important Notices*"
- 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 7 (*Use of Proceeds*)
- Section 10 (*Additional Information*)
- Appendix A (*Defined Terms*)
- Appendix C (*The Promoter*)

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

1. All references to the "Offering Memorandum" shall be deemed to be references to this Information Memorandum.
2. All references to the "Bonds" shall be deemed to be references to the Financing and Reinvestment Bonds.
3. All references to the "Conditions" shall be deemed to be references to the "*Conditions of the Financing and Reinvestment Bonds*" set out herein.

All supplements to the Offering Memorandum are incorporated by reference into 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 (which has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

OVERVIEW OF THE PROGRAMME AND THE FINANCING AND REINVESTMENT BONDS

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

Words and expressions defined in "Conditions of the Financing and Reinvestment 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.
Promoter:	Development Company for Israel (International) Limited.
Fiscal Agent:	Computershare Trust Company of Canada.
Financing and Reinvestment Bonds:	The Financing and Reinvestment Bonds are debt instruments issued by the Issuer. Financing and Reinvestment Bonds may be U.S. Dollar Jubilee Fixed Rate Financing Bonds or U.S. Dollar Reinvestment Savings Bonds. See the chart on pages 106 to 107 below for further details regarding the features of these types of Financing and Reinvestment Bonds.
Currencies:	United States Dollars. When purchasing a Financing and Reinvestment Bond, investors may tender funds in Euro, British Pounds Sterling or United States Dollars. See "*Conditions of the Financing and Reinvestment Bonds — Purchase of Bonds*".
Issue Date:	15th of the month (for Financing and Reinvestment Bonds offered from the 1st of the month through the 14th of the month) or 1st of the month (for Financing and Reinvestment Bonds offered from the 15th of the month preceding the Issue Date through the last day of that month).
Maturity Dates:	Financing and Reinvestment 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 Financing and Reinvestment Bond occurs.
Interest:	The Financing and Reinvestment Bonds will accrue interest from (and including) the Issue Date until (but not including) the maturity date. Interest may be paid on an annual or semi-annual basis, or may be only paid on the maturity date of the relevant Financing and Reinvestment Bond, as the case may be.
Risk Factors:	There are certain risks relating to the Financing and Reinvestment Bonds, which investors should ensure they fully understand before purchasing any Financing and Reinvestment Bond. See "*Risk Factors*" in the Offering Memorandum.

Form of Financing and Reinvestment Bonds:	The Financing and Reinvestment Bonds are issued in book-entry form, which means that ownership of the Financing and Reinvestment 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 Financing and Reinvestment Bonds:	Financing and Reinvestment Bonds may be assigned or transferred in the instances specified under "*Conditions of the Financing and Reinvestment Bonds — Transferability*".
Redemption:	Subject to any purchase and cancellation or early redemption, Financing and Reinvestment Bonds will be redeemed on their Maturity Date at par.
Early Redemption:	The State of Israel is entitled to redeem or repurchase any issued Financing and Reinvestment Bonds in whole or in part at any time. See "*Conditions of the Financing and Reinvestment 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 Financing and Reinvestment Bond or upon the termination of an employee benefit scheme in accordance with the Conditions. See "*Conditions of the Financing and Reinvestment Bonds — Early Redemption — At the Request of a Bond holder*". The State of Israel has reserved the right to repurchase the Financing and Reinvestment 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 Financing and Reinvestment 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 Financing and Reinvestment Bonds to be admitted to trading on any exchange, market or other trading platform.
Taxation:	Interest and principal sums due under the Financing and Reinvestment 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 Financing and Reinvestment Bond or the receipt of income therefrom). For a discussion of tax consequences associated with the Financing and Reinvestment Bonds, see "*Taxation*" in the Offering Memorandum. Investors should consult their own tax advisers in determining the tax consequences to them of the purchase, ownership and disposition of the Financing and Reinvestment Bonds.
Governing Law:	The Financing and Reinvestment 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 Financing and Reinvestment 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 Offering Memorandum.

Application for Financing and Reinvestment Bonds:

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

If the State of Israel does not accept your application to purchase Financing and Reinvestment 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 Financing and Reinvestment Bonds is not accepted by the State of Israel, a prospective Bond holder will be allotted 100% of the Financing and Reinvestment Bonds applied for. The Fiscal Agent will post a confirmation of the allotment of Financing and Reinvestment 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 Financing and Reinvestment 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 Financing and Reinvestment Bonds — Purchase of Bonds*".

Type of Financing and Reinvestment 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: • on the 1st of the month, the Issue Date of the U.S. Dollar Reinvestment

Type of Financing and Reinvestment Bond:	Currency:	Maturity:	Minimum purchase amount:	Interest:	Interest Payment Date(s):	Sales Period(s):
						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.

CONDITIONS OF THE FINANCING AND REINVESTMENT 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 Financing and Reinvestment Bonds issued under the Programme on or after September 1, 2026.

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

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

Copies of the applicable Pricing Supplement are available for viewing at and copies may be obtained from the website of Development Company for Israel (International) Limited (the "**Promoter**") at www.israelbondsintl.com. 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 Promoter 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 Promoter, 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 Promoter's 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 Promoter's website.

3. Status of the Bonds

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

4. Early Redemption

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

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

4.1 At the Request of a Bond holder

A Bond may be repurchased by the State of Israel prior to its maturity, but only on the first Business Day of a given month, within sixty (60) days following the State of Israel's receipt of a Bond holder's written request accompanied by an instrument of transfer in a form approved by the Fiscal Agent, under the following circumstances, 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 Promoter for such purposes. Interest payments made by bank transfer to a bank account in the United Kingdom or any EEA Member State (being a member state of the European Union which adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union) will be made by the Fiscal Agent, through a bank in the United Kingdom or that EEA Member State.

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

On maturity of a Bond that, in the exceptional circumstances detailed in these Conditions, is represented by a Bond certificate, the Fiscal Agent will pay the principal amount and accrued interest on the relevant Bond by posting a cheque 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 Promoter’s Terms of Business, complete a Client Information Form and provide satisfactory evidence of their identity for the Promoter’s anti-money laundering checks and provide any additional information required by local law in the jurisdiction of subscription. The Terms of Business and Client Information Form are available on the Promoter’s website or copies may be obtained by contacting the Promoter directly.

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

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

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

10.2 Limitation on purchases of U.S. Dollar Jubilee Fixed Rate Financing Bonds

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 Promoter fifteen (15) days prior to the due date of such bank transfer about your request to cancel the bank transfer and reinvest the proceeds.

ONCE PRINCIPAL AND INTEREST PAYMENT(S) FOR YOUR MATURED BONDS ARE DEPOSITED IN YOUR BANK ACCOUNT BY BANK TRANSFER OR BY CHEQUE, YOU WILL NOT BE ABLE TO REINVEST THE PROCEEDS OF THE MATURED BONDS IN A U.S. DOLLAR REINVESTMENT SAVINGS BOND.

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

If you are reinvesting a matured State of Israel bond in Bonds other than U.S. Dollar Reinvestment Savings Bonds, in order for your new Bond to be issued on the maturity date of your reinvested bond, your subscription must be accepted by or on behalf of the State of Israel by the fifth of the month during which the maturity date occurs of your reinvested bond (or, if such date falls on a non-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 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6, 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 FINANCING AND REINVESTMENT BONDS

Pricing Supplement for the sales period [ ] to [ ]

STATE OF ISRAEL

Legal Entity Identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of
U.S. Dollar Reinvestment Savings Bonds (15th 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 information memorandum dated September 1, 2026 (the "**Information Memorandum**"). This document constitutes the Pricing Supplement of the Bonds described herein and must be read in conjunction with the Information 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 [ ]

STATE OF ISRAEL

Legal Entity Identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of
U.S. Dollar Jubilee Fixed Rate Financing Bonds (15th 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 information memorandum dated September 1, 2026 (the "**Information Memorandum**"). This document constitutes the Pricing Supplement of the Bonds described herein and must be read in conjunction with the Information Memorandum.]

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 800 Second Avenue, 17th Floor New York, New York 10017 United States of America	Accountant General's Office, Ministry of Finance 1 Kaplan Street Jerusalem 9195015 Israel
Attention: Consul and Chief Legal Officer and Head of Israel Economic Mission - Western Hemisphere Telephone: +1 (646) 779-6811 Fax: +1 (646) 779 6815	Attention: Director, Global Debt Capital Markets and Foreign Currency Transactions Telephone: +972-2-5317122 Fax: +972-2-5317225

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