

This Prospectus Supplement should be read in conjunction with the Prospectus dated May 20, 2020.

\$2,000,000,000



State of Israel

4.500% Bonds due January 17, 2033

This is an offering by the State of Israel ("Israel" or the "State of Israel") of an aggregate of \$2,000,000,000 4.500% bonds due 2033 (the "bonds").

The bonds will constitute direct, general, unconditional, unsecured and unsubordinated external indebtedness of the State of Israel. The bonds will rank without preference among themselves and equally with all other unsecured and unsubordinated external indebtedness of Israel and will be backed by the full faith and credit of Israel. It is understood that this provision shall not be construed to require Israel to make payments under the bonds ratably with payments being made under any other external indebtedness of Israel. Interest on the bonds will be payable semi-annually on January 17 and July 17 of each year, beginning on July 17, 2023. The bonds will be issued only in denominations of \$200,000 and integral multiples of \$1,000 above that amount.

This prospectus supplement and the accompanying prospectus constitute a prospectus for the purposes of Article 6 (3) of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

This prospectus supplement and the accompanying prospectus have been approved by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg (the "CSSF"), as competent authority under the Prospectus Regulation, on February 22, 2023. The CSSF assumes no responsibility as to the economic and financial soundness of the transaction or the solvency of the State of Israel. The CSSF only approves this prospectus supplement and the accompanying prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the State of Israel, nor the quality of the bonds that are the subject of this prospectus supplement and the accompanying prospectus. Investors should make their own assessment as to the suitability of investing in the bonds. This prospectus supplement and the accompanying prospectus shall be valid until February 22, 2024, the date that is 12 months after the date of such approval. The obligation to supplement this prospectus supplement and the accompanying prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this prospectus supplement and the accompanying prospectus are no longer valid. Application has been made to list the bonds on the official list of the Luxembourg Stock Exchange and to have the bonds admitted to trading on the regulated market of the Luxembourg Stock Exchange (Bourse de Luxembourg), which is a regulated market for the purposes of the Market in Financial Instruments Directive (2014/65/EU) (as amended, "MiFID II").

See the section entitled "Risk Factors" beginning on page S-8 for a discussion of certain factors you should consider before investing in the bonds.

The bonds will be designated collective action securities and will, therefore, contain "collective action clauses", regarding meetings of holders, acceleration of the bonds in an event of default and future modifications to the terms of the bonds. Some of these provisions differ from those applicable to certain other series of bonds issued by the State of Israel. Under the provisions applicable to the bonds, which are described beginning on page 3 of the accompanying prospectus, Israel may amend the payment provisions of the bonds and other "reserve matters" with the consent of the holders of: (1) with respect to a single series of bonds, more than 75% of the aggregate principal amount outstanding of such series; (2) with respect to two or more series of bonds, if certain "uniformly applicable" requirements are met, more than 75% of the aggregate principal amount of the outstanding bonds of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of bonds, whether or not the "uniformly applicable" requirements are met, more than 66% of the aggregate principal amount of the outstanding bonds of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding bonds of each series affected by the proposed modification, taken individually.

	Per bond	Total
Public Offering Price	99.419%	\$1,988,380,000
Underwriting discount	0.125%	\$ 2,500,000
Proceeds to the State of Israel (before expenses)	99.294%	\$1,985,880,000

The public offering price set forth above does not include accrued interest, if any. Interest on the bonds will accrue from January 17, 2023 and must be paid by the purchaser if the bonds are delivered after January 17, 2023.

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None of the Securities and Exchange Commission (the “SEC”), the Israel Securities Authority, or any state securities commission has approved or disapproved of these securities or passed upon the accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The bonds were delivered on or about January 17, 2023 (the “closing date”) in book-entry form only to purchasers through The Depository Trust Company, Clearstream Banking, Luxembourg, *société anonyme*, and the Euroclear System.

Joint Book-Running Managers

Barclays

BNP PARIBAS

BofA Securities

Citigroup

Prospectus Supplement February 22, 2023

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NIS EXCHANGE RATES

On January 6, 2023, the Bank of Israel foreign exchange rate for U.S. dollars was 3.5560 New Israeli Shekels, or NIS, per U.S. dollar. References to dollar, “US\$” or “\$” in this prospectus supplement are to U.S. dollars and references to “NIS” or “shekel” are to New Israeli Shekels. For a discussion of the convertibility of the NIS, see “Currency Protocol” and “Balance of Payments and Foreign Trade — Foreign Exchange Controls and International Reserves” in Exhibit D to Israel’s Annual Report on Form 18-K for the fiscal year ended December 31, 2021, as amended.

FISCAL YEAR

The fiscal year of the Government of Israel (the “Government”) ends December 31. The twelve-month period that ended on December 31, 2021 is referred to herein as “2021”, and other years are referred to in a similar manner.

OFFICIAL STATEMENTS

Information included in this prospectus supplement and the accompanying prospectus, including the documents incorporated herein and therein by reference, that is identified as being derived from a publication of Israel or one of its agencies or instrumentalities or the Bank of Israel is included on the authority of that publication as a public official document of Israel or the Bank of Israel. All other information in this prospectus supplement, the accompanying prospectus and in the registration statement, other than the information included under the caption “Underwriting”, is included as a public official statement made on the authority of the Director General of the Ministry of Finance of Israel, in his official capacity.

ABOUT THIS PROSPECTUS SUPPLEMENT

Israel accepts responsibility for the contents of this prospectus supplement and the accompanying prospectus, including the documents incorporated herein and therein by reference. Israel further declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus supplement and the accompanying prospectus is, to the best of its knowledge, in accordance with the facts in all material respects and contains no material omission likely to affect its import.

A Current Description of the State of Israel is contained in Exhibit D to the Annual Report of the State of Israel on Form 18-K for the fiscal year ended December 31, 2021, as amended. Such Annual Report on Form 18-K for the year ended December 31, 2021 (including its exhibits), as amended, is incorporated by reference in this prospectus supplement. There have been no material adverse changes that would affect the information about the State of Israel included in the Current Description of the State of Israel contained in such Exhibit D, as amended, through the date hereof.

Prospective investors should rely on the information provided in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. No person is authorized by Israel or the underwriters to make any representation or give any information not contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Any such representation or information not contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and the accompanying prospectus must not be relied upon as having been authorized by Israel or the underwriters. Please see “Incorporation by Reference” and “Listing, Admission to Trading and General Information — Where You Can Find More Information” for information on the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Israel is not offering to sell or soliciting offers to buy any securities other than the bonds offered under this prospectus supplement, nor is Israel offering to sell or soliciting offers to buy the bonds in places where such offers are not permitted by applicable law. You should not assume that the information in this prospectus supplement or the accompanying prospectus, or the information incorporated by reference in this prospectus supplement and the accompanying prospectus, is accurate as of any date other than their respective dates. Israel’s economic, fiscal or political circumstances may have changed since such dates.

The bonds described in this prospectus supplement are debt securities of Israel being offered under a registration statement filed with the SEC under the U.S. Securities Act of 1933, as amended. The accompanying prospectus is part of that registration statement. The accompanying prospectus provides you with a general description of the securities that Israel may offer, and this prospectus supplement contains specific information about the terms of this offering and the bonds. This prospectus supplement also adds, updates or changes information provided or incorporated by reference in the accompanying prospectus. Consequently, before you invest, you should read this prospectus supplement together with the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See “Incorporation by Reference” and “Listing, Admission to Trading and General Information — Where You Can Find More Information” for information on the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus. Those documents (such as Israel’s Annual Report on Form 18-K for 2021, as amended) contain information regarding Israel, the bonds and other relevant matters. The registration statement, any post-effective amendments thereto, the various exhibits thereto, and the documents incorporated therein by reference contain additional information about Israel and the bonds. Certain terms used but not defined in this prospectus supplement are defined in the accompanying prospectus.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the bonds in certain jurisdictions may be restricted by law. Persons who receive copies of this prospectus supplement and the accompanying prospectus should inform themselves about and observe any of those restrictions. See “Underwriting” in this prospectus supplement.

Potential investors must determine the suitability of investment in the bonds in light of their own circumstances. In particular, each potential investor should:

- (1) have sufficient knowledge and experience to make a meaningful evaluation of the bonds and the merits and risks of investing in the bonds;
- (2) 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;

- (3) 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;
- (4) understand thoroughly the terms of the bonds and be familiar with the behavior of any relevant indices and financial markets; and
- (5) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, may be used only for the purposes for which they have been produced in connection with the offering of the bonds. Any use of this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, other than in connection with the offering of the bonds, is unauthorized.

FORWARD-LOOKING STATEMENTS

Israel has made forward-looking statements in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue”, “could”, “should”, “would” or similar terminology. Any forward-looking statements in this prospectus supplement or the accompanying prospectus, including the documents incorporated by reference herein and therein, are based on Israel’s current plans, estimates, assumptions and projections, all of which may change or may not align with actual results. Therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and Israel undertakes no obligation to update any of them in light of new information or future events.

Forward-looking statements involve inherent risks. Israel cautions you that many factors could affect the future performance of the Israeli economy. These factors include, but are not limited to:

- External factors, such as:
 - interest rates in financial markets outside Israel;
 - the impact of changes in the credit rating of Israel;
 - the global and regional security situation, including the conflict in Ukraine;
 - the effects of COVID-19;
 - the economic growth and stability of Israel’s major trading partners, including the United States and the European Union;
 - the global high-tech market; and
 - regional economic and political conditions.
- Internal factors, such as:
 - general economic and business conditions in Israel;
 - the security situation in Israel;
 - present and future exchange rates of the Israeli currency;
 - foreign currency reserves;
 - the level of domestic debt;
 - domestic inflation;
 - the level of budget deficit;
 - the level of foreign direct and portfolio investment; and
 - the level of Israeli domestic interest rates.

UK MIFIR PRODUCT GOVERNANCE / ECPS AND PROFESSIONAL INVESTORS TARGET MARKET

In accordance with each manufacturer's product approval process, the target market assessment in respect of the bonds has led to the conclusion that: (i) the target market for the bonds is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 ("UK MIFIR") as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); and (ii) all channels for distribution of the bonds to eligible counterparties and professional clients are appropriate.

Any person subsequently offering, selling or recommending the bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

OVERVIEW OF THE OFFERING

The following overview should be read as an introduction to this prospectus supplement and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus, including the “Risk Factors” section and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. You should base any decision to invest in the bonds on consideration of this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, as a whole.

Issuer	State of Israel.
Title of Securities	\$2,000,000,000 4.500% bonds due 2033.
Issue Date	January 17, 2023.
Maturity Date	The bonds will mature on January 17, 2033.
Interest Rate.	4.500% per annum.
Interest Payment Dates	January 17 and July 17 of each year, starting July 17, 2023.
Price to Public.	99.419% of the principal amount.
	In addition, purchasers will pay accrued interest, if any, from January 17, 2023.
Form	Israel will issue the bonds in the form of one or more book-entry securities in fully registered form, without coupons. Israel will not issue the bonds in bearer form.
Denominations	Israel will issue the bonds in denominations of \$200,000 and integral multiples of \$1,000 above that amount.
Payment of Principal and Interest	Principal and interest on the bonds will be payable in U.S. dollars or other legal tender, coin or currency of the United States of America.
Status and Ranking	The bonds will be direct, general, unconditional, unsecured and unsubordinated external indebtedness of Israel. The bonds will rank without preference among themselves and equally with all other unsecured and unsubordinated external indebtedness of Israel. It is understood that this provision shall not be construed to require Israel to make payments under the bonds ratably with payments being made under any other external indebtedness of Israel.
Redemption; Sinking Fund	The bonds will not be redeemable prior to maturity and are not entitled to the benefit of any sinking fund.
Default	The bonds will contain events of default, the occurrence of which may result in the acceleration of Israel’s obligations under the bonds prior to maturity upon notice by holders of at least 25% of the aggregate principal amount of the outstanding bonds. See “Debt Securities — Collective Action Securities Issued On or After January 5, 2016 — Default” and “— Acceleration of Maturity” in the accompanying prospectus.
Collective Action Securities	The bonds will be designated Collective Action Securities under the Fiscal Agency Agreement, dated as of March 13, 2000, as amended by Amendment No. 1 thereto, dated as of February 24, 2004, and Amendment No. 2 thereto, dated as of January 5, 2016 and, as such, will contain provisions regarding acceleration and voting on amendments, modifications, changes and waivers that differ from those applicable to certain other series of bonds

issued by the State of Israel. Under these provisions, which are described in the section “Debt Securities — Collective Action Securities Issued On or After January 5, 2016” in the accompanying prospectus, Israel may amend the payment provisions of the bonds and other “reserve matters” with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount outstanding of such series; (2) with respect to two or more series of debt securities, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, whether or not the “uniformly applicable” requirements are met, more than 66% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually. Certain of these actions may be taxable events requiring holders to recognize gain or loss for U.S. federal income tax purposes. See “Taxation — United States” in this prospectus supplement.

Use of Proceeds

Israel estimates that the net proceeds from the sale of the bonds offered hereby will be approximately \$1,985,605,000, after deducting the underwriting discount and offering expenses payable by Israel. Israel intends to allocate an amount equal to the net proceeds from the sale of the bonds to finance or refinance projects that may qualify as “eligible green expenditures” under the Green Bond Framework. See “Recent Developments — Green Bond Framework” and “Use of Proceeds”.

Listing and Listing Agent

Application has been made to list the bonds on the official list and admit the bonds to trade on the Regulated Market of the Luxembourg Stock Exchange. The Luxembourg listing agent will be Banque Internationale à Luxembourg, société anonyme.

Fiscal Agent

The bonds will be issued pursuant to a Fiscal Agency Agreement dated as of March 13, 2000, as amended by Amendment No. 1 to Fiscal Agency Agreement dated as of February 24, 2004, and Amendment No. 2 to Fiscal Agency Agreement dated as of January 5, 2016, between Israel and Citibank, N.A., as fiscal agent, paying agent, transfer agent and registrar.

Taxation

For a discussion of the material Israeli and United States federal income tax consequences associated with the bonds, see “Taxation” in this prospectus supplement and “Debt Securities — Taxation by Israel; Additional Amounts” in the accompanying prospectus. Investors should consult their own tax advisors in determining the U.S. federal, state and local, non-U.S. and other tax consequences to them of the purchase, ownership and disposition of the bonds.

Further Issuances

From time to time, without the consent of holders of the bonds, and subject to the required approvals under Israeli law, Israel may create and issue additional debt securities with the same terms and conditions as those of the bonds (or the same except for the amount of the first interest payment); provided that, if such

additional debt securities are not fungible with the outstanding bonds for U.S. federal income tax purposes, such additional debt securities will have a separate CUSIP or other identifying number. See “Description of the Bonds — Further Issuances of Debt Securities of a Series.”

Governing Law

The bonds will be governed by the laws of the State of New York, except with respect to the authorization and execution of the bonds, which will be governed by the laws of the State of Israel.

Risk Factors

There are certain risks relating to the issue of the bonds, which investors should ensure they fully understand. See “Risk Factors.”

Where a claim relating to the information contained in this prospectus supplement or the accompanying prospectus is brought before a court, the plaintiff investor might, under the national legislation of the place of jurisdiction, have to bear the costs of translating this prospectus supplement and the accompanying prospectus before the legal proceedings are initiated.

RISK FACTORS

You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully (including, for the avoidance of doubt, the Annual Report for 2021 which is incorporated by reference in this prospectus supplement in its entirety). Words and expressions defined elsewhere in this prospectus supplement or the accompanying prospectus have the same meaning in this section. Investing in the bonds involves certain risks. Factors that are material for assessing the market risks associated with the bonds are described below. You should consult your financial, tax, legal, accounting and other advisors prior to deciding whether to make an investment in the bonds.

Risks related to the State of Israel's geopolitical environment.

External factors, including regional and international political and economic conditions, may adversely affect the trading price of the bonds and Israel's access to credit.

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 global, regional and Israeli security situations, 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 liquidity of and demand for Israel's debt securities, including the bonds. In addition, any negative change in the credit rating of Israel could adversely affect the trading price of Israel's debt securities, including the bonds.

Israel's political, economic 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 neighbors. Political instability in the Middle East has increased since the terrorist attacks of September 11, 2001, news of Iran's reported nuclear program and the emergence of the ISIS terrorist organization. Since 2005, when Israel withdrew from the Gaza strip, terrorist violence from Gaza has increased, and violence within Israel has increased in 2022. If the level of instability or violence continues to increase in the future, Israel's capital markets, the level of tourism in Israel and foreign investment in Israel, among other things, may suffer. The conflicts with Hamas in the Gaza strip and with Hezbollah in Lebanon may worsen and potentially affect Israel's economic condition. In addition, political situations may affect the stability of the Israeli economy.

Since January 2011, there has been political instability and civil unrest in numerous Middle Eastern and North African countries, including Bahrain, Libya, Egypt, Tunisia, Yemen and Syria. Recent anti-government protests and related violence in Iran remain ongoing. In the past, unrest in Middle Eastern and North African countries has resulted in the removal of long-standing leadership in several of these countries and created turbulent political situations in others.

As Israel is situated in this region, it closely monitors these events, aiming to protect its economic, political and security interests. The delicate relations between Israel and its neighbors could become even more fragile with the domestic turmoil and change in regimes. Instability in the Middle East and North Africa region have so far not 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 instability in the region will not escalate in the future or will not spread to additional countries in the region.

From 2019 to 2022, there have been five legislative elections in Israel. In November 2022, legislative elections were held in Israel to elect the 25th Knesset, following the dissolution of the previous governing coalition. The 2022 elections saw the political party Likud, led by former Prime Minister Benjamin Netanyahu, achieve a parliamentary majority. Following the elections, President Isaac Herzog selected Benjamin Netanyahu of the Likud party to form a coalition government. On December 29, 2022, the State of Israel's

new government was formed. Benjamin Netanyahu is currently standing trial on corruption and it is not clear to what extent this will affect the stability of the government.

Risks related to the State of Israel's economy.

The resurgence of COVID-19 or outbreaks of other infectious diseases may have an adverse impact on Israel's economy.

The outbreak of COVID-19 and the measures taken to contain its spread have had an adverse impact on Israel's economy. To prevent the spread of COVID-19, in 2020 Israel imposed travel restrictions and mandatory self-quarantining, closed schools and universities, prohibited gatherings of more than 10 people and limited public transportation. As a result, in 2020, Israel's GDP contracted by 1.9%.

Currently the trajectory of the COVID-19 outbreak remains uncertain and we cannot predict the duration, severity or effect of the pandemic or any future containment efforts. If the COVID-19 pandemic continues or if there are further resurgences or new variants of COVID-19 or outbreaks of other infectious diseases, Israel may be required to re-introduce restrictive measures to continue the spread of the disease. There is a risk that any such resurgence or the measures taken to contain its spread will have adverse effects on Israel's economy and financial markets, including an economic recession.

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 global economic conditions, including regional and international rates of economic growth. Recent developments in the global economy, including the military conflict in Ukraine, high rates of inflation and related economic curtailment initiatives (such as interest rate increases) and COVID-19-related restrictions in China, have led to increased market volatility and decreased consumer confidence. The potential impact of these developments on the Israeli economy is uncertain.

Although Israel's economy has shown moderate rates of growth in recent years, there can be no assurance that Israel's economy will continue to grow in the case of 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 at the beginning of this decade. If similar price volatility resumes, 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, could have a material adverse impact on Israel's balance of trade and adversely affect Israel's financial condition.

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

There are numerous uncertainties associated with estimating quantities of natural gas reserves and projecting future rates of production and the level of revenue Israel will receive from its natural gas fields. These items are, in part, dependent on the reliability of seismic measurement technologies and the future international market for natural gas and other energy substitutes, as well as future development and operating costs, all of which may vary considerably from Israel's current assumptions. Moreover, certain of Israel's neighboring countries have asserted mineral rights with respect to certain natural gas reserves to which Israel currently lays claim. On October 27, 2022, Israel and Lebanon signed a maritime border agreement that established, among other items, a more defined maritime border between the two countries, which is expected to create greater certainty with respect to the development of offshore gas fields and exploration in each country's respective territorial waters. 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.

Risks related to the State of Israel's sovereign immunity.

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

Israel is a sovereign state. Although Israel has waived its sovereign immunity in respect of the bonds, except for its sovereign immunity in connection with any actions arising out of or based on United States federal or state securities laws, enforcement in the event of a default may nevertheless be impracticable by virtue of legal, commercial, political or other considerations.

Because Israel has not waived its sovereign immunity in connection with any action arising out of or based on United States federal or state securities laws, it will not be possible to obtain a United States judgment against Israel based on such laws unless a court were to determine that Israel is not entitled under the United States Foreign Sovereign Immunities Act of 1976, as amended, to sovereign immunity with respect to such actions.

Risks related to the State of Israel's banking sector.

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 recognized and unrecognized) 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 defense capabilities.

Risks related to the bonds generally.

There can be no assurance that Israel will make disbursements for projects with the specific characteristics described in the "Use of Proceeds" section in an amount equal to the proceeds from the sale of the bonds.

The types of eligible expenditures referred to in the "Use of Proceeds" section of this prospectus supplement and in the Green Bond Framework are for illustrative purposes only and no assurance can be provided that expenditures with these specific characteristics will be made by Israel in an amount equal to the proceeds from the sale of the bonds or that the proposed timeline will be met. There is currently no market consensus or clear definition on what precise attributes are required for a particular project or expenditures or series of debt securities to be defined as "green," "social" or "sustainable," and therefore no assurance can be provided to investors that selected projects or expenditures will meet all investor expectations regarding sustainable performance. Adverse environmental or social impacts may occur during the design, construction or operation of a project, or a project may become controversial or be criticized by activist groups or other stakeholders.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Israel) in connection with the Green Bond Framework or the bonds. No such opinion or certification is, nor should it be deemed to be, a recommendation by Israel, any underwriter or any other person to buy, sell or hold any notes. For the avoidance of doubt, no such opinion or certification is, nor shall it be deemed to be, incorporated into this prospectus supplement. Any such opinion or certification is only current as of the date such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion

or certification for the purpose of any investment in the bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or certification or any additional opinion or certification attesting that we are not complying in whole or in part with any matters for which such opinion or certification is opining or certifying may have a material adverse effect on the value of the bonds and/or result in adverse consequences for investors with mandates to invest in securities to be used for a particular purpose. Furthermore, no such withdrawal will constitute or give rise to a breach or an event of default under the bonds or any other instrument.

Although the Green Bond Framework contemplates certain practices with respect to reporting and use of proceeds, any failure by Israel to conform to these practices will not constitute or give rise to a breach or an event of default under the bonds or any other instrument. Any failure by Israel to disburse an amount equivalent to the net proceeds from the issuance of the bonds as set forth in the Green Bond Framework, or to meet or continue to meet the investment requirements of environmentally or socially focused investors with respect to the bonds, or any withdrawal or modification of any third party opinion or certification, may affect the value of the bonds and may have consequences for investors with portfolio mandates to invest in “green,” “social” or “sustainable” assets.

None of the underwriters is responsible for the ongoing monitoring of the use of the proceeds of the bonds or Israel’s expenditures. The Green Bond Framework and any practices contemplated thereunder are not, nor shall they be deemed to be, incorporated into this prospectus supplement or the terms of the bonds. The Green Bond Framework does not establish any enforceable contractual obligation of Israel or any other person.

Prospective investors should carefully review the information set out in this prospectus supplement regarding the use of proceeds and determine for themselves the relevance of such information for the purpose of any investment in the bonds, together with any other investigation such investor deems necessary. In particular, no assurance is given by Israel or any underwriter that the bonds will satisfy (or will continue to satisfy) any present or future investor expectations or requirements, taxonomies, standards or other investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or other governing rules or investment portfolio mandates, ratings mandates or other independent expectations, in particular with respect to any direct or indirect environmental, sustainability or social impact of any projects funded with the proceeds of the bonds. Any failure by Israel to allocate an amount equal to the net proceeds from the sale of the bonds according to the Green Bond Framework or the failure of those investments or financings to satisfy investor expectations or requirements could have a material adverse effect on the market price of the bonds.

The bonds contain provisions that permit Israel to amend the payment terms and take certain other actions without the consent of all holders.

The bonds contain provisions regarding acceleration and voting on amendments, modifications, changes and waivers, which are commonly referred to as “collective action clauses.” For a description of the collective action clauses applicable to the bonds, see “Debt Securities — Collective Action Securities Issued On or After January 5, 2016 — Meetings and Amendments; Modifications” in the accompanying prospectus. Certain of these actions may be taxable events requiring holders to recognize gain or loss for U.S. federal income tax purposes. See “Taxation — United States” in this prospectus supplement.

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

The terms and conditions of the bonds will be governed by the laws of the State of New York in effect as of the date of this prospectus supplement. There can be no assurance as to the impact of any possible judicial decision or change to New York law or administrative practice after the date of this prospectus supplement.

Legal investment considerations may restrict certain investments.

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 advisors to determine whether and to what extent (i) the bonds are a legal investment for you, (ii) the bonds can be used as collateral for

various types of borrowing and (iii) other restrictions apply to your purchase or pledge of any bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the bonds under any applicable risk-based capital or similar rules.

The bonds are unsecured.

The bonds constitute unsecured obligations of the State of Israel and therefore investors should be aware that there is no recourse to collateral with respect to investment in the bonds, which may impact the investors' assessment of the bonds or the suitability of the bonds for investment by such investor.

Risks related to the market generally.

There is no assurance that active secondary markets for the bonds will develop.

The bonds are new securities for which there currently are no public markets. There can be no assurance that an active trading market for the bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the bonds does not develop or is not maintained, the market or trading price and liquidity of the bonds may be adversely affected. If the bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, recommendations from securities analysts, general economic conditions and the financial condition of the State of Israel. Although an application has been made to list and trade the bonds on the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted. Even if the bonds are approved for listing and trading by the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange, active trading markets for the bonds on the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange may not develop or, even if they develop, may not last, in which case the trading price of the bonds could be adversely affected and your ability to transfer the bonds will be limited.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for the bonds issued by the State of Israel is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in the United States, Europe and other industrialized countries. There can be no assurance that events in Israel, the United States, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the bonds or that economic and market conditions will not have any other adverse effect. Investors in the bonds may be subject to interest rate risks. Investment in fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate bonds.

USE OF PROCEEDS

Israel estimates that the net proceeds from the sale of the bonds offered hereby will be approximately \$1,985,605,000 after deducting the underwriting discount and offering expenses payable by Israel.

As described under “Recent Developments — Green Bond Framework”, Israel has established a framework for the issuance of green bonds (the “Green Bond Framework”). It is Israel’s intention to allocate an amount equal to the net proceeds from the sale of the bonds into projects that may qualify as “eligible green expenditures” under the Green Bond Framework. Eligible green expenditures may include investment expenditures, operating expenditures, fiscal expenditures and subsidies in one or more of the following categories: clean transportation, renewable energy, energy efficiency, green buildings, sustainable water and wastewater management, pollution prevention and control and circular economy, environmentally sustainable management of living natural resources and land use, and climate change adaptation.

The examples of projects described above are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by Israel in an amount equal to the net proceeds from the sale of the bonds. There can be no assurance that any projects so funded will meet investor expectations regarding sustainability performance. Adverse environmental or social impacts may occur during the design, construction or operation of the projects or the projects may become controversial or be criticized by activist groups or other stakeholders.

The Green Bond Framework and any practices contemplated thereunder are not, nor shall they be deemed to be, incorporated into this prospectus supplement or the terms of the bonds. The Green Bond Framework does not establish any enforceable contractual obligation of Israel or any other person.

RECENT DEVELOPMENTS

The following information in this section supplements the information about the State contained in the State's Annual Report for 2021 on Form 18-K filed with the SEC on June 30, 2022 (the "Annual Report for 2021"). To the extent the information in this section is inconsistent with the information contained in the Annual Report for 2021, the information in this section supersedes and replaces such information. The information included in this section is also provided in Amendment No 1 to the Annual Report for 2021. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully (including, for the avoidance of doubt, the Annual Report for 2021 which is incorporated by reference in this prospectus supplement in its entirety).

Economic Developments

Developments in the global economy often influence the Israeli economy, particularly with respect to exports and the high-tech sector. In recent years, the Israeli economy has performed well in terms of macroeconomic and fiscal outcomes. Growth has averaged 4.3% from 2016 to 2019, which is higher than many OECD countries. Israel's economy was set to continue its growth trajectory in 2020; however, the global outbreak of the COVID-19 pandemic had a negative impact on the Israeli economy. As a result, Israel's growth rate contracted by 1.9% in 2020. In 2021, the economy recovered robustly, with strong increases in private consumption, investments and exports, with export growth spearheaded by Israel's active high-tech sector. GDP contracted by 0.9% (annual rate, seasonally adjusted, quarter-on-quarter) during the first quarter of 2021, mainly due to a third national lockdown that was in effect during the period. In the second quarter of 2021, GDP grew by 16.1% quarter-on-quarter (as compared to the first quarter of 2021) following the removal of most COVID-19-related restrictions. GDP further grew by 9.5% quarter-on-quarter in the third quarter of 2021, and by 18.5% quarter-on-quarter in the fourth quarter of 2021. In total, Israel's GDP increased by 8.6% in 2021 compared to 2020. During the first quarter of 2022, GDP contracted by 3.3% (annual rate, seasonally adjusted quarter-on-quarter). This contraction can be attributed to the exceptionally high level of growth in the fourth quarter of 2021 rather than any trend toward economic slowdown. Following the first quarter of 2022, the economy recovered, with GDP growing 7.4% in the second quarter of 2022 and 1.9% in the third quarter of 2022 (each an annual rate, seasonally adjusted, quarter-on-quarter). The GDP growth in the second quarter of 2022 was primarily attributable to a rise in consumption and exports while the growth in the third quarter of 2022 was mainly attributable to a rise in investments and public expenditure. In total, based on preliminary estimates, Israel's GDP is expected to increase by 6.3% in 2022 compared to 2021.

In the latter half of 2022, developments in the global economy led to high rates of inflation globally and related monetary policy responses (such as interest rate increases). These developments have moderated the growth of Israel in the third quarter of 2022.

In 2021, there were no changes in Israel's foreign currency credit rating and outlook from Fitch Ratings ("Fitch"), Moody's Investor Services ("Moody's") or Standard & Poor's Global Ratings ("S&P"). In 2022, there was no change in Israel's foreign currency credit rating from Fitch, Moody's or S&P; however, in April 2022, Moody's updated Israel's outlook from stable to positive.

Balance of Payments and Foreign Trade

Israel had a current account surplus of 4.4% of GDP in 2021, which was the 19th consecutive year in which a positive surplus in the current account was recorded. The current account surplus was 3.7% of GDP in 2017, 3.0% of GDP in 2018, 3.7% of GDP in 2019 and 5.5% of GDP in 2020. In the first quarter of 2022, the current account surplus amounted to 3.7% of GDP (on a seasonally adjusted basis) followed by 3.8% of GDP in the second quarter of 2022 (on a seasonally adjusted basis) and 4.2% of GDP in the third quarter of 2022 (on a seasonally adjusted basis). Israel's net exports were in surplus of \$6.9 billion in 2017 and \$3.3 billion in 2018. The net exports increased to \$9.1 billion in 2019, and grew significantly to \$18.5 billion in 2020, and further increased to \$19.4 billion in 2021. The growth in net exports in recent years has mostly been driven by the export of services. We expect this trend to continue as exports of services contributed to the surplus in the current account in 2022. In the first quarter of 2022, net exports surplus amounted to \$5.1 billion followed by \$4.5 billion in the second quarter of 2022 and \$3.9 billion in the third

quarter of 2022 (each on a seasonally adjusted basis).

In 2021, 25.4% of Israel's exported goods (excluding aircrafts, ships and diamonds) were to the EU (a decrease from 30.9% in 2020), 23.2% were to the United States (an increase from 23.1% in 2020), 22.9% were to Asia (an increase from 22.1% in 2020) and 28.5% were to other markets (an increase from 23.8% in 2020).

In 2021, 34.7% of Israel's imported goods (excluding aircraft, ships and diamonds) originated from the EU (a decrease from 39.7% in 2020), 26.5% from Asia (an increase from 25.1% in 2020), 9.2% from the United States (a decrease from 11.4% in 2020) and 29.6% from other countries (an increase from 23.8% in 2020).

The volume of foreign direct investment in Israel totaled approximately \$17.9 billion in the first three quarters of 2022.

Over the past five years (measured from December 1, 2017 to December 1, 2022), the NIS/USD exchange rate has averaged at 3.4376 NIS to 1.00 USD, fluctuating between a high of 3.8620 (recorded on March 17, 2020) and a low of 3.0740 (recorded on November 17, 2021). The exchange rate as of December 1, 2022 stood at 3.4140 NIS/USD.

Foreign currency reserves at the Bank of Israel ("BoI") at the end of 2022 stood at \$194.1 billion, which was 37.4% of GDP as of December 2022. At the end of 2021, foreign currency reserves stood at \$213.0 billion, which was 44.1% of 2021 GDP, following the acquisition of \$34.8 billion of foreign currency by the BoI in 2021. The level of foreign currency reserves has been maintained above 25% of GDP since late 2009. Following a concentrated effort by the BoI to raise the level of reserves in 2008 and 2009, during which the BoI made daily purchases of foreign currency, the BoI's policy has been to intervene in the foreign currency market on a discretionary basis when there have been unusual movements in the exchange rate that the BoI believes to be inconsistent with underlying economic conditions or when conditions in the foreign exchange market are disorderly.

In addition, since 2013, the BoI has purchased foreign currency to counteract the adverse effect of natural gas production in Israel on the exchange rate. The BoI purchased approximately \$21.2 billion of foreign currency in 2020, \$3.9 billion in 2019, \$3.3 billion in 2018, \$6.6 billion in 2017 and \$6.0 billion in 2016. Of these, the amounts purchased that relate to offsetting the impact of the natural gas program were \$1.5 billion in 2018, \$1.5 billion in 2017, and \$1.8 billion in 2016. In November 2018, the BoI announced that it would cease to purchase foreign currency to counteract the impact of the natural gas program. With Israel's sovereign wealth fund becoming operational in June 2022, the BoI intends to reassess this policy.

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

Fiscal Policy

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

In 2019, the Government continued its debt-reduction policy, lowering central government debt as a percentage of GDP to 57.4% for 2019, a 0.9% reduction from 2018. General government debt-to-GDP, also known as "public debt-to-GDP" (including local authorities' debt), decreased to 58.8% in 2019, a decrease of 1.1% from 2018. In 2020, as a result of COVID-19-related expenditures and lower than expected revenues, the deficit rose to 11.3% of GDP, which was significantly above the deficit target set for the year. Similarly, the public debt-to-GDP ratio for 2020 amounted to 70.7%.

On March 23, 2021, Israel held elections for the fourth time in two years and a government was formed on June 13, 2021. In November 2021, the Knesset approved the budget and economic plan for the 2021 and 2022 fiscal years. The approved plan set the deficit target at 6.8% of GDP for 2021 and 3.9% of GDP for 2022. In 2021, the deficit decreased to 4.4% of GDP, which was lower than expected as state revenues exceeded

expectations and there were lower than expected COVID-19-related expenditures, and the public debt-to-GDP ratio decreased to 68.0%. In light of higher than expected revenues and lower than expected expenditure, as a result of the COVID-19 recovery, a cumulative budget surplus of approximately NIS 7.5 billion (0.4% of GDP) was measured in the last 12 months from December 2021 to November 2022. The budget for 2022, based on preliminary estimates, is expected to conclude with a surplus of 0.4-0.7% of GDP. Based on previous years' results, a surplus is not common in Israel. The volume of gross central government debt, as of September 30, 2022, was NIS 1,037 billion (approximately \$293 billion).

In November 2022, legislative elections were held in Israel to elect the 25th Knesset, following the dissolution of the previous governing coalition. Following the elections, President Isaac Herzog selected former Prime Minister Benjamin Netanyahu, head of the political party Likud, to form a coalition government. On December 29, 2022, the State of Israel's new government was formed. One of the first orders of business for the government is to develop a budget and economic plan for the fiscal year 2023, which will include setting the deficit target. Until such a budget is passed, Israeli law states that the government shall operate utilizing a continuing budget.

Inflation and Monetary Policy

The average annual inflation rate over the last decade (2011 to 2021) was approximately 0.8%, slightly below the Government's target range of 1%-3%. The changes in the Consumer Price Index ("CPI") reflect a rise in prices of commodities, housing and agricultural products in Israel. Measured at year-end, the CPI growth rate was negative in 2016 amounting to -0.2%, returned to positive values in 2017 at 0.4%, grew by 0.8% in 2018 and 0.6% in 2019 and decreased by 0.7% in 2020. In 2021, the CPI increased by 1.5%, which was within the target of the BoI for the first time since 2013. Between November 2021 and November 2022, the CPI increased by 5.3% as a result of the deteriorating global economic conditions.

In 2021, the BoI's interest rate remained unchanged and stood at 0.1%. Due to rising inflation, the BoI has increased the interest rate seven times during the period from January 1, 2022 to the date hereof to 3.75%, with the most recent interest rate increase announced on January 2, 2023. The real interest rate (nominal interest rate less inflation expectations) averaged -0.2%, -0.9%, -0.8%, 0.1% and -1.8% in 2017, 2018, 2019, 2020 and 2021, respectively. As of December 31, 2022, the real interest rate was 0.78%.

Labor Market

Prior to the outbreak of COVID-19, the labor force participation rate, which is the labor force as a percentage of the population over the age of 15, averaged 63.0% in January 2020 to February 2020, slightly lower than the annual average of 63.5% in 2019. Unemployment averaged 3.5% in January 2020 to February 2020, slightly lower than the annual average of 3.8% in 2019.

Since the outbreak of COVID-19, unemployment increased significantly as a result of lockdowns and other restrictions to reduce the spread of COVID-19. Total unemployment averaged 5.0% in 2021, with an additional 2.9% absent from work due to reasons related to COVID-19, such as unpaid leave, and an additional 2.1% that left the labor force due to reasons related to COVID-19, such as dismissal or workplace closure from March 2020. As of November 2022, the unemployment rate stood at 4.1%, with an additional 0.4% absent from work due to reasons related to COVID-19, and an additional 0.6% that left the labor force due to reasons related to COVID-19.

Capital Markets

The BoI, together with other governmental authorities and regulators, monitors Israeli banks and financial institutions on an ongoing basis, supervising the banking system's conditions and operations as a whole. In addition, the BoI cooperates with the Ministry of Finance and the Israel Securities Authority to achieve comprehensive regulation and supervision of Israel's financial markets, to ensure coordination among the various entities in the financial sector and to set policies and measures that will be implemented and enforced with respect to such entities.

According to the BoI's estimates, the value of the public's total financial assets, which excludes assets of the Government, the BoI, nonresidents' investments, commercial banks and mortgage banks, reached NIS 5,052.3 billion at the end of 2021, and grew by 14.7%, 7.9% and 11.2% in 2021, 2020 and 2019, respectively.

The Tel Aviv Stock Exchange (the “TASE”) is Israel’s sole stock exchange and the Tel Aviv 125 (“TA-125”) and Tel Aviv 35 (“TA-35”) are its main indices and primary indicators of the stock price performance of companies publicly trading on the TASE. The TA-125 and TA-35 measure the 125 and 35 companies listed on the TASE, respectively, with the highest market capitalization. In 2021, the TA-35 and TA-125 indices increased by 32.0% and 31.1%, respectively, compared to increases in the S&P 500 of 26.9% and in the NASDAQ Composite of 21.4% over the same period. Between December 31, 2021 and November 30, 2022, the TA-35 and TA-125 decreased by 6.5% and 8.4%, respectively, compared to decreases in the S&P 500 and the NASDAQ Composite of 17.4% and 26.7%, respectively, over the same period.

Designated Bond Reform

“Designated bonds” are CPI-linked, non-tradable domestic bonds, issued by the Government only for pension funds. According to previous regulations, pension funds were required to invest up to a level of 30% of their portfolio in designated bonds. By law, the Government had to issue these bonds to match the pension funds’ demands.

In 2021, a new law was enacted, the Economic Efficiency Act 2021, that replaces designated bond issuances with an “Ensuring Yield” mechanism effective from October 1, 2022, which allows pension funds to invest assets in the capital markets that would otherwise have been used to purchase designated bonds, and in turn, the Government guarantees a specific return on such amounts. This reform was carried out in order to ensure yield stability in pension fund portfolios while improving budgetary efficiency and strengthening debt management.

Global Issuances

In recent years, Israel has been active in the global sovereign debt markets. In January 2017, Israel completed a dual-tranche issuance in the Euro market, issuing an aggregate €1.5 billion principal amount of 1.5% bonds due 2027 and an aggregate €750 million principal amount of 2.375% bonds due 2037. In January 2018, Israel completed a dual-tranche issuance in the global markets, issuing an aggregate \$1 billion principal amount of 3.25% bonds due 2028 and an aggregate \$1 billion principal amount of 4.125% bonds due 2048. In January 2019, Israel completed a dual-tranche issuance in the Euro market, issuing an aggregate €1.25 billion principal amount of 1.5% bonds due 2029 and an aggregate €1.25 billion principal amount of 2.5% bonds due 2049.

In January 2020, Israel completed a dual-tranche issuance in the global markets, issuing an aggregate \$1 billion principal amount of 2.5% bonds due 2030 and an aggregate \$2 billion principal amount of 3.375% bonds due 2050. In March 2020, Israel completed a triple-tranche issuance in the global markets, issuing an aggregate \$2 billion principal amount of 2.75% bonds due 2030, an aggregate \$2 billion principal amount of 3.875% bonds due 2050 and an aggregate \$1 billion principal amount of 4.5% bonds due 2120. In April 2020, Israel completed an aggregate \$5 billion principal amount of 3.8% bonds due 2060. This issuance was dual-listed on the London Stock Exchange and, for the first time, on the Taiwanese Stock Exchange.

In January 2022, Israel completed an issuance in the Euro market, issuing €1.5 billion principal amount of 0.625% bonds due 2032.

Green Bond Framework

In November 2022, Israel published its Green Bond Framework (the “Framework”) in order to support achieving Israel’s climate and broader environmental goals. The Framework has been developed to be aligned with best sustainable practices and has been favorably evaluated by CICERO Shades of Green, an internationally recognized Second Party Opinion (“SPO”) provider for green bonds. In the SPO delivered to Israel and published in November 2022, CICERO Shades of Green assigned the Framework an overall shading of “Dark Green” (its highest rating) and a governance score of “Good”.

Israel’s Framework is aligned with the International Capital Market Association’s 2021 Green Bond Principles (the “ICMA Green Bond Principles”), as was indicated by the SPO. The Framework is structured in accordance with the ICMA Green Bond Principles’ four core components, which include: (i) use of

proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds and (iv) reporting. The Framework also follows the recommendation of the Green Bond Principles with regard to external review. While the EU Taxonomy does not apply to Israel, Israel recognizes its importance and the Framework considers the Substantial Contribution Criteria of the EU Taxonomy, as well as the draft Israeli Taxonomy, to the extent possible.

The Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classification systems. Any updated version of the Framework will either maintain or improve the current level of transparency, reporting and disclosures, and will be subject to the same external review standards.

Use of Proceeds

Under the Framework, Israel can issue “Green Bonds” with an amount equivalent to the net proceeds from the issuance being used to finance or refinance, in part or in full, government expenditures providing distinct environmental benefits and which comply with the eligibility criteria outlined in the Framework (“Eligible Green Expenditures”). Eligible Green Expenditures are limited to government expenditures that occurred no earlier than two budget years prior to the issuance of the Green Bonds, the budget year of issuance of the Green Bonds and the two budget years following the issuance of the Green Bonds.

Eligible Green Expenditures may include investment expenditures, operating expenditures, fiscal expenditures, and subsidies, as all such expenditures can be deployed to meet Israel’s environmental goals and policies. Eligible Green Expenditures will exclude any State disbursements to a local agency or local authority that participates in capital markets to raise financing, such as the issuance of Green Bonds. For the avoidance of doubt, expenditures already financed via external dedicated funding sources will not be eligible under the Framework in order to avoid any double counting. Where projects are partially funded by Israel, the proportion funded by the State can be considered as eligible, so long as underlying criteria are met.

Under the Framework, the Eligible Green Expenditure categories include the following: clean transportation, renewable energy, energy efficiency, green buildings, sustainable water and wastewater management, pollution prevention and control and circular economy, environmentally sustainable management of living natural resources and land use, and climate change adaptation.

Expenditures related to the following activities are explicitly excluded from being financed through Israel’s Green Bonds: fossil fuel energy, waste to landfill, investments related to pure internal combustion engines, gambling, tobacco, alcohol and weapons.

Process for Project Evaluation and Selection

Israel has established a Sustainable Finance Working Group (the “SFWG”) to ensure appropriate evaluation and selection of Eligible Green Expenditures in line with its use of proceeds criteria. The SFWG’s responsibilities include: (i) reviewing and assessing the proposed expenditures to determine their compliance with the Framework; (ii) annually monitoring the compliance of the selected Eligible Green Expenditures; (iii) in the event of an expenditure postponement, cancellation, divestment or ineligibility, identifying a new Eligible Green Expenditure; and (iv) supporting and facilitating impact and allocation reporting.

Management of Proceeds

In accordance with the Framework, the proceeds of each Green Bond will be deposited in general funding accounts. The Ministry of Finance will oversee the allocation and tracking of an amount equivalent to the net proceeds from all outstanding Green Bonds to Eligible Green Expenditures through a “Green Bond Register”. Proceeds of the Green Bonds will be managed on an aggregated basis for multiple Green Bonds (portfolio approach).

Reporting

For each Green Bond, Israel commits to publish on its website an annual allocation report until full allocation of the proceeds. Impact reporting will be published between one and three years following the respective issuance and at least once in the bond’s lifetime.

Political Situation

Overview of Israel's Political Structure. The State of Israel was established in 1948 as a parliamentary democracy. It functions on a set of foundational laws, titled “Basic Laws”, which have a special status that grants exclusive judicial review jurisdiction to the Israeli Supreme Court. Israel’s constitutional jurisprudence is grounded in judicial decisions and in the State’s Declaration of Independence.

Israel’s governmental powers are divided amongst its legislative, executive and judiciary branches. The Supreme Court is the highest court of Israel, and also sits as a High Court of Justice. Any Israeli citizen has the right to appeal a lower court’s decision to the Supreme Court. Approximately 10,000 proceedings are initiated in the Supreme Court annually. The legislative power of the State resides in the Knesset, a unicameral parliament that consists of 120 members from several political factions elected by Israel’s citizens under a system of proportional representation (see “*State of Israel — Form of Government and Political Parties*”, in Exhibit D to Israel’s Annual Report for 2021).

The executive power of the State of Israel is held by a democratically elected government. A proposed government requires approval by the Knesset, which is presented with a coalition supported by a majority of the Knesset members, even if not all supporting parties are members of the proposed government. A proposed government is usually made up of a coalition of different political parties. The Prime Minister serves as the head of government and as the chief executive of the state. The President serves as the “Head of State”, and plays an important role in leading the process of forming a government. The functions of the President are defined in the Basic Law of 1964: President of the State. The President assigns the task of forming a new government to a member of Knesset, who is usually the leader of the party that received the most Knesset seats in the latest general elections. In addition, the President assumes public functions and activities. Among the President’s formal functions are signing laws, opening the first session of a new Knesset, receiving the credentials of new Ambassadors from foreign states, pardoning prisoners or commuting their sentences and approving the appointment of civil and religious judges, the State Comptroller and the Governor of the Bank of Israel.

Israel and Gaza. In 2005, Israel withdrew completely from the Gaza Strip (“Gaza”), dismantling all Israeli communities and military bases in Gaza, as well as four Israeli settlements in the northern West Bank (see “*State of Israel — International Relations*” in Exhibit D to Israel’s Annual Report for 2021). Despite this, there has been ongoing tension at the border between Israel and Gaza.

In June 2007, Hamas, a terror organization, assumed control over Gaza. In December 2008, in response to Hamas firing an increasing number of rockets from Gaza into Israel, Israel commenced “Operation Cast Lead” in Gaza with the goal of suppressing the rocket fire. The operation concluded in January 2009, contributing to a relatively calm atmosphere from 2009 until 2011. Operation Cast Lead did not materially affect the Israeli economy.

From 2011 into 2012, Hamas intensified its terrorist activities and substantially increased its rocket attacks from Gaza, deploying long-range rockets capable of reaching Tel Aviv and Jerusalem. In response, in November 2012, Israel launched “Operation Pillar of Defense”, an eight-day military campaign against terrorist targets in Gaza. In the summer of 2014, in response to Hamas resuming firing rockets from Gaza into Israel, as well as the terrorist kidnapping and murder of three Israeli teenagers, Israel took defensive military action and embarked on “Operation Protective Edge”. The aim of the operation was to put an end to Hamas’ rocket launches, some of which reached Israeli cities and towns as far away as 100 kilometers from Gaza. Operation Protective Edge concluded in August 2014.

In October 2015, there was an increase in acts of violence against Israelis, perpetrated mostly by individual Palestinians using knives or cars as weapons. This wave of violence was welcomed and encouraged by Hamas and, at first, by the Palestinian Authority as well. The Palestinian Authority has, however, continued its security cooperation with Israel and has, in general, become more cautious in expressing encouragement of violence.

In May 2018, Hamas organized violent protests along the fence between Gaza and Israel. Many protesters were armed with knives and guns, and many hurled Molotov cocktails and burning tires in an attempt to breach the fence. Some protesters caused fires along the Israeli side of the fence through use of incendiary balloons/kites. Hamas referred to these protests as part of its “March of Return” to claim Israeli

territory. Some protesters linked the events to the relocation of the U.S. embassy to Jerusalem, and others associated the protests with the economic hardship in Gaza. The protests continue on a regular basis. Israeli security forces prevented any breaching of the fence and border. A few dozen violent protesters lost their lives in the process, many of whom were identified as Hamas militants. The Israel Defense Forces (the “IDF”) have since launched an investigation into Israel’s military response to the protests.

A wave of terror attacks, including drive-by shootings and ramming attacks, took place in the West Bank during November and December 2018. The attacks resulted in a few Israeli casualties and the IDF conducted special operations to apprehend the terrorists.

In the beginning of May 2019, there was a wave of rocket attacks from Gaza and over 700 rockets were launched into Israeli territory. Four Israeli civilians and two Palestinians were killed by Hamas rocket fire. Within three days, this wave of violence was suppressed and a ceasefire was agreed to.

On May 10, 2021, Hamas and other terrorist organizations initiated an indiscriminate attack on civilian population centers in Israel, firing rockets at Jerusalem, Ashkelon and Israeli communities along the border with Gaza. This attack incited an 11-day conflict referred to in Israel as “Operation Guardian of the Walls”. During the conflict, the Hamas terror organization launched thousands of rockets into Israel, targeting dense civilian populations in cities, towns and villages across Israel. The Israeli Iron Dome Aerial Defense System intercepted hundreds of these rockets. In response to the continuous rocket fire from the Gaza Strip into Israeli territory, the IDF struck sites in the Gaza Strip that Hamas uses for its terrorist activities, including the Hamas headquarters, underground tunnels, rocket launchers, military posts and other Hamas infrastructure. A ceasefire was reached on May 21, 2021.

On August 5, 2022, following a wave of deadly terrorist attacks, the IDF began “Operation Breaking Dawn” against the Islamic Jihad terror network in Gaza. During the 56 hours of the operation, terrorist forces from Gaza fired 1,100 missiles on Israel and the IDF hit 170 military targets of the group. The operation ended with a ceasefire brokered by Egypt on August 7, 2022.

Israeli-Palestinian peace negotiations. In July 2013, Israeli-Palestinian negotiations were reinitiated under the auspices of the U.S. Secretary of State. While some progress was made, prior to the last phase of implementation of a prisoner release by Israel for which government approval was imminent, the Palestinian Authority breached its commitments by submitting requests to accede to fifteen different international conventions. The different Palestinian factions subsequently announced their intentions to form a pact between Fatah and Hamas intended to serve as the foundation of the planned national consensus government. No further progress has been made since.

In February 2020, then-U.S. President Donald Trump introduced his plan for a comprehensive peace treaty between Israel and the Palestinians, which Israel viewed favorably. Then-Prime Minister, Benjamin Netanyahu, declared that the plan would be reviewed in full cooperation with the United States, while maintaining all of Israel’s peace agreements and strategic interests.

In July 2022, President Joe Biden visited Israel. During his meeting with Prime Minister Yair Lapid in Jerusalem on July 14, 2022, the leaders of the United States and Israel adopted the Joint Declaration on the U.S.-Israel Strategic Partnership. In the declaration, the United States and Israel reaffirmed the unbreakable bond between the two countries and the enduring commitment of the United States to Israel’s security and qualitative military edge, as well as the foundation of the strategic U.S.-Israel partnership based on a bedrock of shared values, interests and a true friendship. The declaration also addresses the Iranian nuclear program, committing both countries to “use all elements of national power” to prevent Iran from acquiring a nuclear weapon.

Abraham Accords and Other Regional Developments. In August 2020, an agreement for the normalization of relations between Israel and the United Arab Emirates (the “UAE”) was reached and in September 2020 the Abraham Accords Peace Treaty was signed at the White House. The Accords officially established diplomatic relations between Israel and the UAE. This was shortly followed by an agreement for the normalization of ties between Israel and the Kingdom of Bahrain, which was signed in a Joint Communique between Israel and Bahrain in Manama, Bahrain in November 2020.

In December 2020, Israel and Morocco established full diplomatic relations. In January 2021, Sudan acceded to the Abraham Accords during the visit of then-U.S. Treasury Secretary Steven Mnuchin to Khartoum.

The Abraham Accords led to the stationing of official diplomatic representatives from the UAE, Bahrain and Morocco in Israel, and Israeli representatives in the UAE, Bahrain and Morocco. Official delegations from the various countries have met many times since the signing of the Accords, which resulted in numerous bilateral agreements.

These treaties resulted in several partnerships and cooperation efforts have been set up in the finance, culture and tourism sectors. Direct flight routes have also been established between Israel and Morocco, the UAE and Bahrain. As of November 2022, trade between Israel and the UAE was estimated at approximately \$2.358 billion, an increase of approximately 115% compared to the same period in 2021. Trade with Bahrain and Morocco has also increased over this period.

In April 2022, Israel and the UAE completed negotiations on a bilateral free trade agreement, which was ratified in December 2022, representing the first comprehensive free trade agreement reached between Israel and an Arab country. In addition, free trade agreement discussions have begun with the Kingdom of Bahrain.

The Abraham Accords have enhanced regional cooperation. On November 24, 2021, Israel and Morocco signed a defense Memorandum of Understanding, which formalized defense relations between the countries and sets a foundation for future cooperation on intelligence and military training, among other areas. This represents a significant step in the deepening relations of Israel and the Kingdom of Morocco, which already benefit from increased economic cooperation and bilateral tourism. In addition, on November 22, 2021, the governments of Jordan, Israel and the UAE signed a landmark declaration of intent to build renewable electricity and water desalination facilities to address the threat posed by climate change to energy and water security in the region.

On March 28, 2022, Israel hosted the Negev Summit where Foreign Minister Yair Lapid was joined by his counterparts from the United States, Egypt, Morocco, Bahrain and the UAE. Following the success of the summit, it was decided to host such a summit on an annual basis. The Negev Forum's steering committee met in Manama, Bahrain in June 2022 and the founding document of the Negev Forum was adopted in the following months. The Negev Forum will incorporate six working groups in the fields of Food Security, Health, Regional Security, Energy, Tourism and Tolerance. Further meetings between the Negev Forum countries, at the working groups, steering committee and ministerial levels, are expected to take place in the first quarter of 2023.

In July 2022, United States National Security Advisor Jake Sullivan announced that Saudi Arabia had decided to approve the opening of its airspace to all aircraft flying to and from Israel. This marked a significant decision for Israeli aviation, tourism and commerce, as long-haul flights from Ben Gurion airport to the East were substantially shortened. In parallel, Saudi Arabia received Israel's agreement to transfer the Tiran and Sanafir islands from Egyptian to Saudi sovereignty, which were to remain a demilitarized zone occupied by a U.S.-led multi-national force according to the peace agreement between Israel and Egypt.

A maritime agreement between Israel and Lebanon was agreed to in October 2022. This U.S.-brokered deal produced a binding and internationally recognized agreement that formally ended a protracted maritime dispute in the eastern Mediterranean. Importantly, it delimited the maritime boundary between Israel and Lebanon from the five-kilometer mark to the far edge of the exclusive economic zone. The maritime agreement also functioned as the first de-facto recognition of Israel by Lebanon, which has had a long-standing policy of animosity towards its southern neighbor. This mutual recognition between the two states offers another example of the evolving political environment in the Middle East.

Israel-Turkey Relations. In August 2022, Israel and Turkey agreed to resume normal diplomatic relations with the announcement that the two countries will return their ambassadors after years without senior diplomatic representation. The decision to reinstate ambassadors was the culmination of a positive trend in the relations between the countries during 2022, which included President Isaac Herzog's visit to Ankara, mutual visits of the foreign ministers in Jerusalem and Ankara and visits by the Ministers of Commerce and Defense to Turkey.

Privatization

Historically, the Government has been involved in nearly all sectors of the Israeli economy. In the past several decades, privatization has been an essential element of broader Government-initiated market reforms, which aim to promote the growth of the private sector, mainly by enhancing competition. Israel has made substantial progress in recent years, resulting in the privatization of many enterprises owned by the State and the reduction of State subsidization of business enterprises. In total, between 1986 and 2021, 98 Government Companies (as defined in “*The Economy — Role of the State in the Economy*”, in Exhibit D to Israel’s Annual Report for 2021) became partially or fully private. The proceeds stemming from privatizations between 2005 and 2021 totaled \$4.5 billion. The Government plans to continue with the process of privatizing its interests in financial institutions, as well as State-owned land, seaports, the Postal Company, energy and transportation utilities and parts of the defense industry (see “*The Economy — Role of the State in the Economy*”, in Exhibit D to Israel’s Annual Report for 2021).

Loan Guarantee Program

In 1992, the United States approved up to \$10 billion of loan guarantees during U.S. fiscal years 1993 through 1998 to help Israel absorb the influx of immigrants over this period. Israel completed its financings under this program in January 1998. In April 2003, the United States approved up to \$9 billion in additional loan guarantees for Israel to be issued during U.S. government fiscal years 2003 through 2005, with an option to extend the program by an additional year. In 2005, the United States approved Israel’s request to extend the \$9 billion program for two more years; in 2006, this program was extended again through U.S. fiscal year 2011 (with an option to carry forward unused guarantee amounts for an additional year); and in 2012, the program was extended again through 2016. On October 24, 2012, the United States and Israel entered into an agreement establishing a new framework for administering its loan guarantee program. The program provides Israel with access to up to approximately \$3.8 billion in future loan guarantees as part of the initial \$9 billion commitment made by the U.S. in 2003. On January 3, 2023, the U.S. Congress approved an extension of the loan guarantee program until September 2028.

The amount of guarantees that may be issued to Israel under the loan guarantee program may be reduced by an amount equal to the amount extended or estimated to have been extended by Israel for activities that the President of the United States determines are inconsistent with the objectives and understandings reached between the United States and Israel regarding the implementation of the loan guarantee program. Under the program, the United States issues guarantees with respect to all payments of principal and interest on certain bonds issued by Israel. The proceeds of the guaranteed loans may be used to refinance existing debt. Under the \$9 billion loan guarantee program, between September 2003 and November 2004 Israel issued guaranteed notes totaling \$4.1 billion face value. Israel has not issued any notes under the loan guarantee program since November 2004, and up to approximately \$3.8 billion of U.S. loan guarantees (subject to the reductions described above) remains available.

Table No. 2

Selected Economic Indicators
(In Billions of NIS Unless Otherwise Noted)

	2017	2018	2019	2020	2021
Main Indicators					
GDP (at constant 2015 prices).....	1,285.4	1,337.7	1,393.3	1,367.4	1,485.2
Real GDP growth.....	4.3%	4.1%	4.2%	-1.9%	8.6%
GDP per capita (in NIS, at constant 2015 prices).....	147,578	150,648	153,934	148,000	158,546
GDP per capita, percentage change.....	2.3%	2.1%	2.2%	-3.6%	6.8%
Inflation (change in CPI – annual average).....	0.2%	0.8%	0.8%	-0.6%	1.5%
Industrial production.....	3.7%	3.5%	2.9%	6.3%	5.9%
Business sector product (at constant 2015 prices).....	954.3	996.9	1,044.8	1,019.9	1,125.3
Permanent average population (thousands).....	8,713	8,883	9,054	9,215	9,367
Unemployment rate.....	4.2%	4.0%	3.8%	4.3% ⁽¹⁾	5.0% ⁽²⁾
Foreign direct investment (inflows, in billions of dollars).....	16.9	21.5	17.4	23.1	21.5
Trade Data					
Exports (F.O.B) of goods and services (NIS, at constant 2015 prices).....	394.9	417.5	432.9	421.0	482.3
Imports (F.O.B) of goods and services (NIS, at constant 2015 prices).....	379.7	406.9	419.8	385.5	465.1
External Debt					
External debt liabilities (in millions of dollars, at year-end).....	90,084	94,307	103,202	130,480	162,006
Net external debt (in millions of dollars, at year-end)...	-164,162	-156,360	-170,256	-202,925	-222,223
Central Government Debt					
Total gross central government debt (at end-of-year current prices).....	747.1	788.3	823.2	983.9	1,044.1
Total gross central government debt as percentage of GDP.....	57.9%	58.3%	57.4%	69.2%	66.2%
Revenues and Expenditures (net)					
Revenues and grants.....	316.5	317.2	325.4	317.9	392.9
Expenditures.....	447.9	444.9	492.1	563.1	587.6
Expenditures other than capital expenditures.....	321.2	336.8	354.8	426.4	426.9
Development expenditures (including repayments of debt).....	126.8	108.1	137.3	136.7	160.7
Repayments of debt.....	100.2	79.0	104.9	97.4	119.8

(1) A broader definition of unemployment used since the outbreak of COVID-19 totaled 15.3% in 2020, and included those absent from work due to reasons related to COVID-19 such as unpaid leave (9.5%) and those who left the labor force due to COVID-19 related reasons such as dismissal or closure of the workplace (1.4%).

(2) In 2021 unemployment (as defined in footnote 1 above) amounted to 10.0% including those absent from work due to reasons related to COVID-19 such as unpaid leave (2.9%) and those who left the labor force due to COVID-19 related reasons such as dismissal or closure of the workplace (2.1%).

Source: Central Bureau of Statistics, Bank of Israel and Ministry of Finance.

DESCRIPTION OF THE BONDS

Israel will issue the bonds under the Fiscal Agency Agreement dated as of March 13, 2000, as amended by Amendment No. 1 to Fiscal Agency Agreement, dated as of February 24, 2004, and Amendment No. 2 to Fiscal Agency Agreement, dated as of January 5, 2016, between Israel and Citibank, N.A., as fiscal agent, paying agent, transfer agent and registrar.

This section of this prospectus supplement is an overview of the material provisions of the bonds and the fiscal agency agreement. Therefore, Israel urges you to read prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, which includes the fiscal agency agreement and the form of bonds, in making your decision as to whether to invest in the bonds. Israel has filed copies of these documents with the SEC, and all of these documents are available at the SEC's website at www.sec.gov or may be inspected at the office of the SEC listed in the accompanying prospectus under the heading "Where You Can Find More Information About the State of Israel". Copies of the fiscal agency agreement, including the form of bonds, may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the fiscal agent in New York City and the Luxembourg listing agent in Luxembourg.

Any capitalized terms that are defined in the accompanying prospectus have the same meanings in this section unless a different definition appears in this section. If there are any inconsistencies between the information in this section and the information in the accompanying prospectus, the information in this section controls.

General Terms of the Bonds

The bonds, issued in an aggregate principal amount of \$2,000,000,000, bear interest at a rate of 4.500% per annum and mature on January 17, 2033. The bonds will pay interest semi-annually in arrears in equal installments on January 17 and July 17 of each year, starting on July 17, 2023 and ending on January 17, 2033, to be paid to the person in whose name the global bond is registered at the close of business on the preceding January 2 or July 2. The yield to maturity of the bonds will be 4.573%.

The bonds will:

- be designated collective action securities and will, therefore, contain "collective action clauses" as described under "Debt Securities — Collective Action Securities Issued On or After January 5, 2016" in the accompanying prospectus;
- bear interest from January 17, 2023 or from the most recent interest payment date on which interest has been paid, calculated on the basis of a 360-day year consisting of twelve 30-day months;
- be issued in fully registered form, without coupons, in denominations of \$200,000 and integral multiples of \$1,000 above that amount;
- upon issuance, be direct, general, unconditional, unsecured and unsubordinated external indebtedness of Israel and will rank without preference among themselves and equally with all other unsecured and unsubordinated external indebtedness of Israel;
- be recorded on, and transferred through, the records maintained by The Depository Trust Company ("DTC") and its direct and indirect participants, including the Euroclear System ("Euroclear") and Clearstream Banking, Luxembourg, *société anonyme* ("Clearstream Banking Luxembourg");
- not be available in definitive form except under certain limited circumstances (see "— Certificated Bonds" below for a description of the circumstances when bonds in definitive form (certificated bonds) will be available); and
- not be redeemable prior to maturity or subject to any sinking fund.

Fiscal Agent and Listing Agent

The bonds will be issued pursuant to the Fiscal Agency Agreement dated March 13, 2000, as amended by Amendment No. 1 to Fiscal Agency Agreement, dated as of February 24, 2004, and Amendment No. 2

to Fiscal Agency Agreement, dated as of January 5, 2016, between Israel and Citibank, N.A., as fiscal agent. The fiscal agency agreement will govern the duties of the fiscal agent. The fiscal agent is an agent of Israel, not a trustee for the holders of the bonds and, unlike a trustee, does not have the responsibility or duty to act for the holders of the bonds. You may obtain a copy of the fiscal agency agreement and the form of bonds included therein, free of charge, at the office of the Luxembourg listing agent in Luxembourg and at the office of Israel's Consul and Chief Fiscal Officer for the Western Hemisphere listed in the accompanying prospectus under the heading "Where You Can Find More Information About the State of Israel."

In addition, so long as the bonds are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, Israel will maintain a listing agent in Luxembourg. Israel has initially appointed Banque Internationale à Luxembourg, *société anonyme*, to serve as its Luxembourg listing agent.

Israel may at any time appoint a new fiscal agent. Israel will promptly provide notice (as described under "— Notices") of the termination or appointment of, or of any change in the office of, the fiscal agent or the listing, paying or transfer agent.

Israel may maintain deposit accounts and conduct other banking transactions in the ordinary course of business with the fiscal agent and the Luxembourg listing agent.

Interest

If an interest payment date is not a Business Day at the relevant place of payment, payment of interest will be made on the next day that is a Business Day at that place of payment. "Business Day" means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law to close in The City of New York and, for any place of payment outside of The City of New York, in such place of payment.

Interest on the bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Global Clearance and Settlement

Israel has obtained the information in this section from sources it believes to be reliable, including from DTC, Euroclear and Clearstream Banking Luxembourg. DTC, Euroclear and Clearstream Banking Luxembourg are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at any time. None of Israel, the underwriters or the registrar of the bonds will be responsible for DTC's, Euroclear's or Clearstream Banking Luxembourg's performance of their obligations under their rules and procedures; nor will Israel or the registrar be responsible for the performance by direct or indirect participants of their obligations under their rules and procedures.

Introduction

The Depository Trust Company

DTC is:

- a limited-purpose trust company organized under the New York Banking Law;
- a "banking organization" under the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" under the New York Uniform Commercial Code; and
- a "clearing agency" registered under the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between its participants. It does this through electronic book-entry changes in the accounts of its direct participants, eliminating the need for physical movement of securities certificates. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the

holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries.

The foregoing information about DTC has been provided to Israel by DTC for informational purposes only and is not a representation, warranty or contract modification of any kind.

Euroclear and Clearstream Banking Luxembourg

Like DTC, Euroclear and Clearstream Banking Luxembourg hold securities for their participants and facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in their accounts. Euroclear and Clearstream Banking Luxembourg provide various services to their participants, including the safekeeping, administration, clearance and settlement and lending and borrowing of internationally traded securities. Euroclear and Clearstream Banking Luxembourg participants are financial institutions such as the underwriters of this offering, securities brokers and dealers, banks, trust companies and other organizations. The underwriters are participants in Euroclear or Clearstream Banking Luxembourg. Other banks, brokers, dealers and trust companies have indirect access to Euroclear or Clearstream Banking Luxembourg by clearing through or maintaining a custodial relationship with Euroclear or Clearstream Banking Luxembourg participants.

Ownership of Bonds Through DTC, Euroclear and Clearstream Banking Luxembourg

Israel will issue the bonds in the form of a fully registered book-entry security, registered in the name of Cede & Co., a nominee of DTC. Financial institutions, acting as direct and indirect participants in DTC, will represent your beneficial interests in the book-entry security. These financial institutions will record the ownership and transfer of your beneficial interests through book-entry accounts.

You may hold your beneficial interests in the book-entry security through Euroclear or Clearstream Banking Luxembourg if you are a participant in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream Banking Luxembourg will hold their participants' beneficial interests in the book-entry security in their customers' securities accounts with their depositaries.

These depositaries of Euroclear and Clearstream Banking Luxembourg in turn will hold such interests in their customers' securities accounts with DTC.

Israel and the fiscal agent generally will treat the registered holder of the bonds, initially Cede & Co., as the absolute owner of the bonds for all purposes. Once Israel and the fiscal agent make payments to the registered holders, Israel and the fiscal agent will no longer be liable on the bonds for the amounts so paid. Accordingly, if you own a beneficial interest in the book-entry security, you must rely on the procedures of the institutions through which you hold your interests in the book-entry security (including DTC, Euroclear, Clearstream Banking Luxembourg and their participants) to exercise any of the rights granted to the holder of the book-entry security. Under existing industry practice, if you desire to take any action that Cede & Co., as the holder of such book-entry security, is entitled to take, then Cede & Co. would authorize the DTC participant through which you own your beneficial interest to take such action, and that DTC participant would then either authorize you to take the action or act for you on your instructions.

DTC may grant proxies or authorize its participants (or persons holding beneficial interests in the bonds through such participants) to exercise any rights of a holder or take any other actions that a holder is entitled to take under the fiscal agency agreement or the bonds. Euroclear's or Clearstream Banking Luxembourg's ability to take actions as a holder under the bonds or the fiscal agency agreement will be limited by the ability of their respective depositaries to carry out such actions for them through DTC. Euroclear and Clearstream Banking Luxembourg will take such actions only in accordance with their respective rules and procedures.

The fiscal agent will not charge you any fees for the bonds, other than reasonable fees for the replacement of lost, stolen, mutilated or destroyed bonds. However, you may incur fees for the maintenance and operation of the book-entry accounts with the clearing systems in which your beneficial interests are held.

The laws of some states require certain purchasers of securities to take physical delivery of the securities in definitive form. These laws may impair your ability to transfer beneficial interests in the bonds to such purchasers. DTC can act only on behalf of its direct participants, who in turn act on behalf of indirect participants and certain banks. Thus, your ability to pledge a beneficial interest in the bonds to persons that do not participate in the DTC system, and to take other actions, may be limited because you will not possess a physical certificate that represents your interest.

Transfers Within and Between DTC, Euroclear and Clearstream Banking Luxembourg

Trading Between DTC Purchasers and Sellers

DTC participants will transfer interests in the bonds among themselves in the ordinary way according to DTC rules. DTC participants will pay for such transfers by wire transfer.

Trading Between Euroclear and/or Clearstream Banking Luxembourg Participants

Participants in Euroclear and Clearstream Banking Luxembourg will transfer interests in the bonds among themselves in the ordinary way according to the rules and operating procedures of Euroclear and Clearstream Banking Luxembourg.

Trading Between a DTC Seller and a Euroclear or Clearstream Banking Luxembourg Purchaser

When the bonds are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream Banking Luxembourg participant, the purchaser must first send instructions to Euroclear or Clearstream Banking Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream Banking Luxembourg will then instruct its depositary to receive the bonds and make payment for them. On the settlement date, the depositary will make payment to the DTC participant's account and the bonds will be credited to the depositary's account. After settlement has been completed, DTC will credit the bonds to Euroclear or Clearstream Banking Luxembourg, Euroclear or Clearstream Banking Luxembourg will credit the bonds, in accordance with its usual procedures, to the participant's account, and the participant will then credit the purchaser's account. These securities credits will appear the next day (European time) after the settlement date. The cash debit from Euroclear's or Clearstream Banking Luxembourg's account will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the cash debit will instead be valued at the actual settlement date.

Participants in Euroclear and Clearstream Banking Luxembourg will need to make funds available to Euroclear or Clearstream Banking Luxembourg in order to pay for the bonds by wire transfer on the value date. The most direct way of doing this is to pre-position funds (i.e., have funds in place at Euroclear or Clearstream Banking Luxembourg before the value date), either from cash on hand or existing lines of credit. Under this approach, however, participants may take on credit exposure to Euroclear and Clearstream Banking Luxembourg until the bonds are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream Banking Luxembourg has extended a line of credit to a participant, the participant may decide not to pre-position funds, but to allow Euroclear or Clearstream Banking Luxembourg to draw on the line of credit to finance settlement for the bonds. Under this procedure, Euroclear or Clearstream Banking Luxembourg would charge the participant overdraft charges for one day, assuming that the overdraft would be cleared when the bonds were credited to the participant's account. However, interest on the bonds would accrue from the value date. Therefore, in many cases the interest income on bonds which the participant earns during that one-day period will substantially reduce or offset the amount of the participant's overdraft charges. Of course, this result will depend on the cost of funds (i.e., the interest rate that Euroclear or Clearstream Banking Luxembourg charges) to each participant.

Since the settlement will occur during New York business hours, a DTC participant selling an interest in the bonds can use its usual procedures for transferring bonds to the depositaries of Euroclear or Clearstream Banking Luxembourg for the benefit of Euroclear or Clearstream Banking Luxembourg participants. The DTC seller will receive the sale proceeds on the settlement date. Thus, to the DTC seller, a cross-market sale will settle no differently than a trade between two DTC participants.

Trading Between a Euroclear or Clearstream Banking Luxembourg Seller and DTC Purchaser

Due to time zone differences in their favor, Euroclear and Clearstream Banking Luxembourg participants can use their usual procedures to transfer bonds through their depositaries to a DTC participant. The seller must first send instructions to Euroclear or Clearstream Banking Luxembourg through a participant at least one business day prior to the settlement date.

Euroclear or Clearstream Banking Luxembourg will then instruct its depositary to credit the bonds to the DTC participant's account and receive payment. The payment will be credited in the account of the Euroclear or Clearstream Banking Luxembourg participant on the following day, but the receipt of the cash proceeds will be back-valued to the value date (which will be the preceding day if the settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the receipt of the cash proceeds will instead be valued at the actual settlement date.

If the Euroclear or Clearstream Banking Luxembourg participant selling the bonds has a line of credit with Euroclear or Clearstream Banking Luxembourg and elects to be in debt for the bonds until it receives the sale proceeds in its account, then the back-valuation may substantially reduce or offset any overdraft charges that the participant incurs over that one-day period.

Finally, a day trader that uses Euroclear or Clearstream Banking Luxembourg and that purchases bonds from a DTC participant for credit to a Euroclear or Clearstream Banking Luxembourg accountholder should note that these trades will automatically fail on the sale side unless affirmative action is taken, including:

- (a) borrowing through Euroclear or Clearstream Banking Luxembourg for one day (until the purchase side of the day trade is reflected in its Euroclear or Clearstream Banking Luxembourg account) in accordance with the clearing system's customary procedures;
- (b) borrowing the bonds in the United States from a DTC participant no later than one day prior to settlement, which would give the bonds sufficient time to be reflected in the borrower's Euroclear or Clearstream Banking Luxembourg account in order to settle the sale side of the trade; or
- (c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear or Clearstream Banking Luxembourg account holder.

Same-Day Settlement and Payment

The underwriters will settle the bonds in immediately available funds. Israel will make principal and interest payments on the bonds in immediately available funds or the equivalent. Secondary market trading between DTC direct participants will occur in accordance with DTC rules and will be settled in immediately available funds using DTC's Same Day Funds Settlement System. Secondary market trading between Clearstream Banking Luxembourg customers and Euroclear participants will occur in accordance with the applicable rules and operating procedures of Clearstream Banking Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Certificated Bonds

Unless and until they are exchanged, in whole or in part, for bonds in definitive form in accordance with the terms of the bonds, the bonds may not be transferred except (1) as a whole by DTC to a nominee of DTC, (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor. The bonds cannot be partially exchanged into definitive bonds.

Israel will issue certificated bonds in definitive form to you or your nominees, rather than to DTC or its nominees, only if:

- Israel advises the fiscal agent in writing that DTC is no longer willing or able to discharge its responsibilities properly or that DTC is no longer a registered clearing agency under the Securities Exchange Act of 1934, and the fiscal agent or Israel is unable to locate a qualified successor within 90 days;

- an event of default has occurred and is continuing under the fiscal agency agreement or the bonds;
or
- Israel, at its option, elects to terminate the book-entry system through DTC.

If any of the three above events occurs, DTC is required to notify all direct participants that bonds in fully certificated registered form are available through DTC. DTC will then surrender the global bond representing the bonds along with instructions for re-registration. The fiscal agent will re-issue the bonds in fully certificated registered form, in denominations of \$200,000 and integral multiples of \$1,000 above that amount, and will recognize the registered holders of the certificated bonds as holders under the fiscal agency agreement.

If Israel issues certificated bonds in definitive form, they will have the same terms and authorized denominations as the bonds in book-entry format. You may present bonds in definitive form for transfer, exchange or payment at the corporate trust office of the fiscal agent in New York City, according to the procedures in the fiscal agency agreement, and, in the case of bonds in definitive form presented for payment, principal and interest thereon will be payable at the office of the fiscal agent in New York City. In the case of a transfer of part of a bond in definitive form, the registrar or transfer agent will issue a new bond in definitive form to the transferee and a second bond in definitive form in respect of the balance of the bond in definitive form to the transferor. Certificated bonds presented for transfer must be accompanied by an executed instrument of assignment and transfer.

Replacement of Bonds

If any certificated bond in definitive form becomes mutilated, destroyed, stolen or lost, you can have it replaced by delivering the certificated bond or the evidence of its loss, theft or destruction to the fiscal agent. Israel and the fiscal agent may require you to sign an indemnity under which you agree to pay Israel, the fiscal agent or any other agent of Israel for any losses that they may suffer relating to the certificated bond in definitive form that was mutilated, destroyed, stolen or lost. Israel and the fiscal agent may also require you to present other documents or proof of ownership. After you deliver these documents, if neither Israel nor the fiscal agent have notice that a *bona fide* purchaser has acquired the certificated bond in definitive form you are exchanging, Israel will execute, and the fiscal agent will authenticate and deliver to you, a substitute certificated bond in definitive form with the same terms as the certificated bond in definitive form you are exchanging. You will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, destroyed, stolen or lost certificated bond in definitive form.

Notices

The fiscal agent will mail notices by first class mail, postage prepaid, to each registered holder's last known address as it appears in the security register that the fiscal agent maintains. The fiscal agent will only mail these notices to Cede & Co., as the registered holder of the bonds, unless Israel reissues the bonds to you or your nominees in fully certificated form.

In addition, if, and for so long as, the bonds are listed on the official list of the Luxembourg Stock Exchange, the fiscal agent will publish notices regarding the bonds, including notice of any modification, in a daily newspaper of general circulation in Luxembourg. Israel expects that this newspaper will be the *Luxembourg Wort*. Notices can also be published on the website of the Luxembourg Stock Exchange, [https:// www.luxse.com](https://www.luxse.com). Published notices will be deemed to have been given on the date they are published. If publication as described above becomes impossible, then the fiscal agent may publish sufficient notice by alternate means that approximate the terms and conditions described in this paragraph.

Prescription

Under the State of New York's statute of limitations, any legal action to enforce Israel's obligation to pay principal and interest under the bonds must be commenced within six years after any such payment is due. Thereafter, Israel's payment obligations will generally become unenforceable.

Governing Law

The fiscal agency agreement and the bonds, for all purposes, shall be governed by and construed in accordance with the laws of the State of New York, except with respect to the authorization and execution of the fiscal agency agreement and the bonds on behalf of Israel, which shall be governed by the laws of Israel.

Further Issuances of Debt Securities of a Series

From time to time, without the consent of holders of the bonds, and subject to the required approvals under Israeli law, Israel may create and issue additional debt securities with the same terms and conditions as those of the bonds (or the same except for the amount of the first interest payment); provided that, if such additional debt securities are not fungible with the outstanding bonds for U.S. federal income tax purposes, such additional debt securities will have a separate CUSIP or other identifying number. Israel may also consolidate the additional debt securities to form a single series with the outstanding bonds.

TAXATION

United States

The following discussion describes the material U.S. federal income tax consequences of your purchase, ownership and disposition of a bond.

This discussion assumes that you (i) hold the bond as a capital asset for U.S. federal income tax purposes (generally, an asset held for investment), (ii) were the initial purchaser of the bond and (iii) acquired the bond for cash at its issue price. This discussion also assumes that you are not subject to any special U.S. federal income tax rules, including, among others, the special tax rules applicable to:

- dealers in securities or currencies;
- securities traders using a mark-to-market accounting method;
- financial institutions, regulated investment companies, real estate investments trusts and insurance companies;
- banks or life insurance companies;
- persons required under section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), to conform the timing of income accruals with respect to the bonds to their financial statements;
- persons subject to the alternative minimum tax;
- U.S. expatriates;
- partnerships or other entities treated as partnerships for U.S. federal income tax purposes, or persons holding debt securities through partnerships or other pass-through entities;
- persons that do not use the U.S. dollar as their functional currency; or
- tax-exempt organizations.

Finally, this discussion assumes that you are not using a bond as part of a more complex transaction, such as a “straddle” or a hedging transaction. If any of these assumptions are not correct in your case, the purchase, ownership or disposition of a bond may have U.S. federal income tax consequences to you that are not covered in this discussion.

This discussion is limited to consequences relevant to a U.S. Holder (as defined below) and does not cover any U.S. state, local or non-U.S. tax issues, nor does it cover issues under the U.S. federal estate or gift tax laws or the Medicare tax on net investment income. This discussion is based on the provisions of the Code, its legislative history, and existing and proposed regulations promulgated under the Code, published rulings and judicial decisions interpreting the Code as of the date that this prospectus supplement was issued. All of these laws and authorities are subject to change at any time and may be repealed, revoked or modified, possibly with retroactive effect. No assurances can be given that any changes in these laws or authorities will not affect the validity and accuracy of this discussion.

Israel has not sought any ruling from the U.S. Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with all of such statements and conclusions. A different treatment from that described below could adversely affect the amount, timing and character of income, gain or loss in respect of an investment in the bonds.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of a bond that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state of the United States, or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more "United States persons" as defined in the Code (each a "U.S. Person") have authority to control all substantial decisions, or a trust that was in existence on August 20, 1996 and has made a valid election under U.S. Treasury regulations to be treated as a U.S. trust.

If a partnership (including any entity classified as a partnership for U.S. federal income tax purposes) is a beneficial owner of a bond, the U.S. federal income tax treatment of a partner in that partnership generally will depend on the status of the partner and the activities of the partnership. Holders of bonds that are partnerships and partners in those partnerships should consult their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the bonds.

We expect, and the remainder of this overview assumes, that the bonds will not be issued with greater than a de minimis amount of "original issue discount" for U.S. federal income tax purposes.

You should consult your own tax advisor concerning the U.S. federal, state, local, non-U.S. and other tax consequences to you of the purchase, ownership or disposition of a bond in light of your particular circumstances, as well as the effect of any relevant U.S. state, local, non-U.S. or other tax laws.

Deemed Taxable Exchange. A change made to the terms of the bonds pursuant to the collective action clause may give rise to a deemed taxable exchange for U.S. federal income tax purposes upon which gain or loss is realized if the modified bond differs materially either in kind or extent from the original bond (a "significant modification"). Such gain or loss would be measured by the difference between the principal amount (or fair market value in certain circumstances) of the bond after the modification and the holder's tax basis in such bond before the modification. In addition, if the "stated redemption price at maturity" of the modified bond exceeds its issue price (i.e., the stated principal amount of the modified bond, or, in certain circumstances, its fair market value) by more than a statutorily defined de minimis amount, such modified bond would be treated as issued with original issue discount, which a U.S. Holder would be required to include in income on a yield to maturity basis regardless of such U.S. Holder's usual method of accounting for U.S. federal income tax purposes. A modification of a bond that is not a significant modification does not create a deemed exchange for U.S. federal income tax purposes. Under applicable U.S. Treasury regulations, the modification of a bond is a significant modification if, based on all of the facts and circumstances and taking into account all modifications of the bond collectively (other than modifications that are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered is "economically significant." The applicable U.S. Treasury regulations also provide specific rules to determine whether certain modifications, such as a change in the timing of payments, are significant.

Payments of Stated Interest. Payments or accruals of stated interest on a bond generally will be taxable to you as ordinary income at the time you receive or accrue such amounts (in accordance with your regular method of tax accounting). If you generally report your taxable income using the accrual method of accounting, you must include payments of interest in your income as they accrue. If you generally report your taxable income using the cash method of accounting, you must include payments of interest in your income when you receive them.

In addition to interest on the bond, you will be required to include any tax withheld from the interest payment as ordinary income, even though you did not in fact receive it, and any additional amounts paid in respect of such tax withheld.

For purposes of the "foreign tax credit" provisions of the Code, interest (including any additional amounts) on a bond generally will constitute income from sources outside the United States. Under the foreign tax credit rules, that interest, depending on your circumstances, will generally be categorized as "passive" category income, which is treated separately from some other types of income for purposes of computing the foreign tax credit allowable to you under the U.S. federal income tax laws. The rules governing foreign tax credits are complex and you should consult your own tax advisor regarding the application of the foreign tax rules in your situation.

Purchase, Sale, Redemption and Retirement of a Bond. If you sell or otherwise dispose of a bond in a taxable disposition, you generally will recognize gain or loss equal to the difference between your “amount realized” and your “adjusted tax basis” in the bond. Your “amount realized” will be the amount of cash or the value of any other property you receive for selling or otherwise disposing of the bond, other than amounts that represent interest that is due to you but that has not yet been paid (which will be taxed to you as ordinary income to the extent not previously included in income). Your “adjusted tax basis” in the bond generally will equal the amount that you paid for the bond.

Gain or loss from the sale or other taxable disposition of a bond generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time you sell or otherwise dispose of the bond, you have held the bond for more than one year. Under the current U.S. federal income tax law, long-term capital gains of non-corporate taxpayers may be taxed at lower rates than items of ordinary income or short-term capital gain. Limitations may apply to your ability to deduct a capital loss. Any capital gains or losses that arise when you sell or otherwise dispose of a bond generally will be treated as U.S. source income, or loss allocable to U.S. source income, for purposes of the foreign tax credit provisions of the Code.

Information with Respect to Foreign Financial Assets. Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the taxable year, or \$75,000 at any time during the taxable year, generally may be required to file information reports with respect to such assets with their U.S. federal income tax returns. Depending on your circumstances, higher threshold amounts may apply. “Specified foreign financial assets” include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in non-U.S. entities.

The bonds may be treated as specified foreign financial assets. You may be subject to this information reporting regime and be required to file a form listing these assets with your U.S. federal income tax return. Failure to file information reports may subject you to penalties. You should consult your own tax advisor regarding your obligation to file information reports with respect to the bonds.

Backup Withholding and Information Reporting. If you are a U.S. Holder, and unless you prove that you are otherwise exempt, information reporting requirements may apply to payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions). Backup withholding may apply to such payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) if (i) you fail to furnish your taxpayer identification number in the matter required, (ii) you fail to provide an accurate taxpayer identification number; (iii) you are notified by the IRS that you have failed to report all interest and dividend income required to be shown on your U.S. federal income tax returns; or (iv) you fail to demonstrate your eligibility for an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to you generally will be allowed as a refund or a credit against your U.S. federal income tax liability as long as you provide the required information to the IRS. You are urged to consult your own tax advisors regarding qualification for an exemption from backup withholding and information reporting and the procedures for obtaining such an exemption, if applicable.

Israeli Taxation

Under Israeli law as presently in effect, payments made under the bonds to holders who are not residents of Israel will be exempt from Israeli taxation; and for the aforementioned holders, there is no transfer, stamp or similar taxes under the laws of Israel payable in connection with the issuance, transfer or sale of the bonds.

European Union and the Proposed Financial Transaction Tax

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

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

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in debt securities where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) when the financial instrument that is subject to the dealings is issued in a participating Member State. The Commission's Proposal involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives, which would be subject to a minimum 0.01% tax rate.

The FTT remains subject to negotiation between the participating Member States. Although the FTT implementation was originally envisaged for January 1, 2014, the process has been delayed. On December 9, 2019, the German Finance Minister proposed a revised FTT directive to be adopted by the remaining participating Member States under enhanced cooperation, which included an optional exemption for pension schemes and a new system for mutualization of the FTT revenues. Spain enacted a unilateral FTT on October 15, 2020. General approval to and scope of the Commission's Proposal are therefore currently uncertain. The Directive may still be altered prior to any implementation. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the bonds are advised to seek their own professional advice in relation to the FTT.

JURISDICTION, CONSENT TO SERVICE AND ENFORCEABILITY

The State of Israel is a foreign sovereign government. Consequently, it may be difficult for you to sue Israel or to collect upon a judgment against Israel. Israel will irrevocably agree not to assert any defense based on immunity, including foreign sovereign immunity, from jurisdiction to which it might otherwise be entitled in any action arising out of or based on the bonds which may be instituted by the holder of any bonds in any federal court in the Southern District of New York, any state court in the City of New York or in any competent court in Israel. Israel has appointed the Head of Israel Economic Mission — Western Hemisphere of the Ministry of Finance of the Government of Israel in New York, New York, as its authorized agent upon whom process may be served. This appointment is limited to any action arising out of or based on the bonds which the holder 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. The appointment will be irrevocable until Israel pays all amounts due or to become due on or in respect of all the bonds. If for any reason the authorized agent ceases to be able to act as Israel's authorized agent or no longer has an address in New York, Israel will appoint another person in New York as its authorized agent. The Head of Israel Economic Mission is not the agent for service for actions under the United States federal securities laws or state securities laws and Israel's waiver of immunity does not extend to such actions. Because Israel has not waived its sovereign immunity in connection with any action arising out of or based on United States federal or state securities laws, it will not be possible to obtain a United States judgment against Israel based on such laws unless a court were to determine that Israel is not entitled under the Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such actions. Under the laws of Israel, assets of Israel are immune from any form of execution.

UNDERWRITING

Israel has entered into an underwriting agreement, dated January 10, 2023, with respect to the bonds with Barclays Bank PLC, BNP Paribas, BofA Securities, Inc. and Citigroup Global Markets Inc. Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have severally and not jointly agreed to purchase the principal amount of bonds set forth opposite their respective names:

Underwriters	Principal Amount of the bonds
Barclays Bank PLC	\$ 500,000,000
BNP Paribas	\$ 500,000,000
BofA Securities, Inc.	\$ 500,000,000
Citigroup Global Markets Inc.	<u>\$ 500,000,000</u>
Total	<u>\$2,000,000,000</u>

The underwriting agreement provides that the obligation of the underwriters to pay for and accept delivery of the bonds is subject to certain conditions, including the delivery of certain legal opinions. Under the terms and conditions of the underwriting agreement, the underwriters are committed to take and pay for all of the bonds covered by the underwriting agreement if any are taken. Subject to the conditions set forth in the underwriting agreement, each underwriter has agreed to purchase the bonds set forth opposite its name in the above table at a discount from the price indicated on the cover page of this prospectus supplement, and to offer the bonds to the public at the public offering price set forth on the cover page of this prospectus supplement. After the initial offering of the bonds, the underwriters may from time to time vary the offering price. The offering of the bonds by the underwriters is subject to receipt and acceptance of an order and subject to the underwriters' right to reject any order in whole or in part.

Israel will pay transaction expenses, estimated to be approximately \$275,000, not including the underwriting discount.

Israel has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments the underwriters may be required to make in respect of any of these liabilities.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and their affiliates have from time to time, directly or indirectly, provided investment and/or commercial banking or financial advisory services to Israel, for which they have received customary fees and commissions, and expect to provide these services to Israel in the future, for which they expect to receive customary fees and commissions.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements, and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Israel. Certain of the underwriters or their respective affiliates that have a lending relationship with Israel routinely hedge their credit exposure to Israel consistent with their customary risk management policies. Typically, such underwriters and their respective affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the bonds offered hereby. Any such short positions could adversely affect future trading prices of the bonds offered hereby. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

To the extent any underwriter that is not a U.S.-registered broker-dealer intends to effect sales of the bonds in the United States, it will do so through one or more U.S.-registered broker-dealers in accordance with the applicable U.S. securities laws and regulations.

We expect that delivery of the bonds will be made against payment thereof on or about the closing date specified in this prospectus supplement, which will be the fourth business day, accounting for federal holidays as observed in the United States, following the date of pricing of the bonds (this settlement cycle being referred to as “T+4”). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade bonds on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the bonds initially will settle in T+4, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of bonds who wish to trade bonds on the date of pricing or the next succeeding business day should consult their own advisor.

STABILIZATION

In connection with this offering, the underwriters and their respective affiliates (the “Stabilizing Underwriters”) may overallocate or effect transactions with a view to supporting the market price of the bonds at a level that is higher than that which might otherwise prevail for a limited period. Those transactions may include stabilization transactions effected in accordance with Rule 104 of Regulation M under the Securities Exchange Act of 1934, pursuant to which those underwriters and affiliates may bid for or purchase bonds for the purpose of stabilizing the market price. The Stabilizing Underwriters also may create a short position for the account of the underwriters by selling more bonds in connection with this offering than they are committed to purchase from Israel. In that case, the Stabilizing Underwriters may purchase bonds in the open market following completion of this offering to cover their short position. The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased bonds sold by or for the account of such underwriter in stabilizing or short covering transactions. Any of the transactions described in this paragraph may result in the maintenance of the price of the bonds at a level above that which might otherwise prevail in the open market. None of the transactions described in this paragraph are required, however, and such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

Neither Israel nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the bonds. In addition, neither Israel nor any of the underwriters makes any representation that any of the underwriters will engage in such transactions, or that such transactions, once begun, will not be discontinued without notice.

OFFERING RESTRICTIONS

European Economic Area

The bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

This prospectus supplement has been prepared on the basis that any offer of bonds in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of bonds. Neither this prospectus supplement nor the accompanying prospectus is a prospectus for the purposes of the Prospectus Regulation.

United Kingdom

The bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

This prospectus supplement has been prepared on the basis that any offer of bonds in the United Kingdom will be made pursuant to an exemption under the FSMA and the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “UK Prospectus Regulation”) from the requirement to publish a prospectus for offers of bonds. Neither this prospectus supplement nor the accompanying prospectus is a prospectus for the purposes of the UK Prospectus Regulation.

In addition, in the United Kingdom, each underwriter has represented and agreed in the underwriting agreement that the bonds may not be offered other than by an underwriter that: (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the bonds in circumstances in which Section 21(1) of the FSMA does not apply to us; and (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the bonds in, from or otherwise involving the United Kingdom.

Hong Kong

The bonds may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong). No advertisement, invitation or document relating to the bonds has been or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus supplement has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter acknowledges that the bonds may not be offered or sold, or be made the subject of an invitation for subscription or purchase, nor may the prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the bonds be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the bonds are subscribed or purchased in reliance on an exemption under Sections 274 or 275 of the SFA, the bonds shall not be sold within the period of six months from the date of the initial acquisition of the debt securities, except to any of the following persons:

- an institutional investor (as defined in Section 4A of the SFA);
- a relevant person (as defined in Section 275(2) of the SFA); or
- any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the bonds pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the bonds are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Israel

This prospectus supplement and the accompanying prospectus are not, and under no circumstances are to be construed as, an advertisement or a public offering of securities in Israel. Any public offer or sale of securities in Israel may be made only in accordance with the Israeli Securities Act-1968 (which requires, among other things, the filing of a prospectus in Israel).

Switzerland

This prospectus supplement is not intended to constitute an offer or solicitation to purchase or invest in the bonds. The bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the bonds constitutes a prospectus pursuant to the FinSA, and none of this prospectus supplement, the accompanying prospectus or any other offering or marketing material relating to the bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Taiwan

The bonds have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the bonds in Taiwan.

LISTING, ADMISSION TO TRADING AND GENERAL INFORMATION

Listing and Listing Agent

Luxembourg Stock Exchange

Application has been made to list the bonds on the official list of the Luxembourg Stock Exchange and to have the bonds admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (Bourse de Luxembourg). The total fees and expenses in connection with the admission of the bonds to trading on the Regulated Market are expected to be approximately €17,200.

The Luxembourg Stock Exchange takes no responsibility for the contents of this prospectus supplement or the accompanying prospectus, makes no representation as to their accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus supplement and the accompanying prospectus.

Offers and sales of the bonds are subject to restrictions in relation to the European Economic Area and the United Kingdom, details of which are set out in the section titled “Offering Restrictions.” The distribution of this prospectus supplement and the accompanying prospectus and the offering of the bonds in certain other jurisdictions may also be restricted by law.

The Luxembourg listing agent is Banque Internationale à Luxembourg, *société anonyme*, 69 Route d’Esch, L-2953, Luxembourg.

Clearing

The bonds have been accepted for clearance through DTC, Euroclear and Clearstream Banking Luxembourg. The bonds have been allocated the following codes: International Security Identification Number (ISIN) US46514BRA79; CUSIP No. 46514B RA7; and Common Code 257738116. The address of DTC is 55 Water Street, New York, NY 10041-0099, United States of America. The address of Euroclear is Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream Banking Luxembourg is 42 Avenue Kennedy L-1855 Luxembourg.

Due Authorization

Israel has authorized the creation and issue of the bonds pursuant to State Property Law 5711-1951. The State of Israel has obtained all necessary consents, approvals and authorizations in the State of Israel in connection with the issue and performance of the bonds.

Litigation

Neither Israel nor any governmental agency of Israel is involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which Israel is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position of Israel.

General Information

The information contained in the Annual Report for 2021, which contains the economic, financial and statistical information for fiscal years ended December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017, shall be deemed to be incorporated by reference in, and to form part of, this prospectus supplement and the accompanying prospectus. Except as disclosed on page S-15 to S-17 (*Economic Developments, Balance of Payments and Foreign Trade, and Fiscal Policy*) of this prospectus supplement, on pages D-1 to D-3 (PDF pages 5 to 7) of Amendment No. 1 to the Annual Report for 2021 (*Economic Developments, Balance of Payments and Foreign Trade, and Fiscal Policy*) and on pages D-53 through D-64 (PDF pages 59 to 70) (*Balance of Payments and Foreign Trade*) and pages D-87 through D-94 (PDF pages 93 to 100) (*Public Finance*) in the Annual Report for 2021, since December 31, 2021, there have been no significant changes relating to Israel’s public finance or trade.

There are no interests of any natural or legal persons, including conflicting interests, that are material to

the issue of the bonds. The State of Israel will irrevocably waive, to the fullest extent permitted by law, any immunity, including foreign sovereign immunity, from jurisdiction to which it might otherwise be entitled in any action arising out of or based on the debt securities which may be instituted by the holder of any debt securities in any state or federal court in the City of New York or in any competent court in Israel. Israel's waiver of immunity does not extend to actions under the United States federal securities laws or state securities laws.

The address of the State of Israel is Government of Israel, Ministry of Finance, 1 Kaplan Street, Hakiryah, Jerusalem 91131, Israel, telephone: +972-25317470.

Documents Relating to the Bonds

Copies of the fiscal agency agreement, including the form of bonds, may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the fiscal agent and the Luxembourg listing agent.

Where You Can Find More Information

So long as the bonds are listed on the official list of the Luxembourg Stock Exchange and the rules of the exchange so require (provided that such period is no shorter than the term of the registration statement of which this prospectus supplement and the accompanying prospectus form a part), copies of the following documents may be inspected at the registered office of the Luxembourg listing agent in Luxembourg and at <https://www.gov.il/en/Departments/DynamicCollectors/prospectuses?skip=0>:

- the latest available Annual Report of the State of Israel on Form 18-K filed with the SEC with economic, financial and statistical information for the five preceding years;
- the amendment to the latest available Annual Report of the State of Israel on Form 18-K/A filed with the SEC;
- copies of the following contractual documents: the fiscal agency agreement, the underwriting agreement and the bonds; and
- the budget of the State of Israel for 2021-2022.

Israel has filed its Annual Report for 2021 on Form 18-K with the SEC. The Annual Report of Israel for 2021 on Form 18-K, as amended, and each additional amendment to that Annual Report on Form 18-K that Israel files with the SEC after the date of this prospectus supplement but before the end of the offering of the bonds are considered part of and incorporated by reference in this prospectus supplement. All of these documents have been filed with the SEC.

Upon approval for listing on the Luxembourg Stock Exchange, this prospectus supplement and the accompanying prospectus, including the documents containing the information incorporated by reference, will also be published on the website of the Luxembourg Stock Exchange, <https://www.luxse.com/issuer/Israel/45703>. The documents containing the information incorporated by reference, shall be available in electronic form for at least 10 years following the date of this prospectus supplement as indicated below.

- The Annual Report for 2021 and its exhibits are available at: https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021/en/Prospectuses_prospectuses_18k_report_2021.pdf.
- Amendment No. 1 to the Annual Report for 2021 on Form 18-K/A and its exhibits, filed with the SEC on January 9, 2023 ("Amendment No. 1 to the Annual Report"), are available at: https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021_amendment1/en/Prospectuses_prospectuses_18k_report_2021_Amendment1.pdf.
- Amendment No. 2 to the Annual Report for 2021 on Form 18-K/A and its exhibits, filed with the SEC on January 17, 2023 ("Amendment No. 2 to the Annual Report") are available at: https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021_amendment2/en/Prospectuses_prospectuses_18k_report_2021_Amendment2.pdf.

You may also obtain a copy of such documents free of charge at the office of the Luxembourg listing agent in Luxembourg or at the office of Israel's Consul and Chief Fiscal Officer for the Western Hemisphere listed in the accompanying prospectus under the heading "Where You Can Find More Information About the State of Israel."

Israel's Green Bond Framework is published on the Government's website, <https://www.gov.il/en/departments/publications/reports/green-bond-framework>. The information in this website is provided for information purposes only and does not form any part of this prospectus supplement and the accompanying prospectus.

VALIDITY OF THE BONDS

White & Case LLP, New York, New York, United States counsel to Israel and the Legal Advisor to the Ministry of Finance of the State of Israel, will pass upon the validity of the bonds for Israel. Cravath, Swaine & Moore LLP, New York, New York and Meitar Law Offices, Israel, represent the underwriters. As to all matters of Israeli law, White & Case LLP may rely on the opinion of the Legal Advisor to the Ministry of Finance and Cravath, Swaine & Moore LLP may rely on the opinions of Meitar Law Offices and the Legal Advisor to the Ministry of Finance. All statements with respect to matters of Israeli law in this prospectus supplement and the accompanying prospectus have been passed upon by the Legal Advisor to the Ministry of Finance and are made upon his authority.

INCORPORATION BY REFERENCE

Israel has filed its Annual Report for 2021 on Form 18-K with the SEC. The Annual Report of Israel for 2021 on Form 18-K and its exhibits, each as amended, and any further amendment to that Annual Report on Form 18-K or its exhibits that Israel files with the SEC after the date of this prospectus supplement but before the end of the offering of the bonds, are considered part of and incorporated by reference in this prospectus supplement. All of these documents have been filed with the SEC.

Upon approval for listing on the Luxembourg Stock Exchange, this prospectus supplement and the accompanying prospectus, including the documents containing the information incorporated by reference, will also be published on the website of the Luxembourg Stock Exchange, <https://www.luxse.com/issuer/Israel/45703>. The documents containing the information incorporated by reference, shall be available in electronic form for at least 10 years following the date of this prospectus supplement as indicated below.

- The Annual Report for 2021 and its exhibits are available at:
https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021/en/Prospectuses_prospectuses_18k_report_2021.pdf.
- Amendment No. 1 to the Annual Report for 2021 on Form 18-K/A and its exhibits, filed with the SEC on January 9, 2023 (“Amendment No. 1 to the Annual Report”), are available at:
https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021_amendment1/en/Prospectuses_prospectuses_18k_report_2021_Amendment1.pdf.
- Amendment No. 2 to the Annual Report for 2021 on Form 18-K/A and its exhibits, filed with the SEC on January 17, 2023 (“Amendment No. 2 to the Annual Report”) are available at:
https://www.gov.il/BlobFolder/dynamiccollectorresultitem/prospectuses_18k_report_2021_amendment2/en/Prospectuses_prospectuses_18k_report_2021_Amendment2.pdf.

You may obtain a copy of all such documents, free of charge, at the offices of the fiscal agent in New York City or the Luxembourg listing agent in Luxembourg or at the office of Israel’s Consul and Chief Fiscal Officer for the Western Hemisphere listed in the accompanying prospectus under the heading “Where You Can Find More Information About the State of Israel.”

For the purposes of the review of this prospectus supplement and the accompanying prospectus by the CSSF pursuant to the Prospectus Regulation, (1) except as expressly stated in this prospectus supplement, the documents incorporated by reference in the accompanying prospectus are not deemed to be incorporated by reference and do not form part of this prospectus supplement and the accompanying prospectus reviewed by the CSSF and (2) Exhibit C to the Annual Report of Israel for 2021 on Form 18-K is not deemed to be incorporated by reference and does not form part of this prospectus supplement and the accompanying prospectus reviewed by the CSSF; to the extent material, information contained in such Exhibit C is covered elsewhere in this prospectus supplement.

INCORPORATION BY REFERENCE CROSS-REFERENCE TABLE

The table below sets forth the page references containing the information incorporated by reference, as required by Article 19 of the Prospectus Regulation, from the Annual Report on the Form 18-K for the State of Israel (for the purposes of this section, the “Issuer”) for the fiscal year ended December 31, 2021 filed with the SEC on June 30, 2022 (for the purposes of this section, the “Annual Report”), as amended through January 9, 2023, which contains the economic, financial and statistical information for fiscal years ended December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018 and December 31, 2017:

The Issuer’s website is <https://www.gov.il/en>. The Issuer’s budget for fiscal years 2021 – 2022 can be located on the website of the State of Israel Ministry of Finance, <http://www.mof.gov.il/en>.

The information that is not included in the above cross-reference list and therefore not incorporated herein by reference for the purposes of the Prospectus Regulation is either (a) covered elsewhere in the Prospectus; or (b) not relevant for the investor. This prospectus supplement and the accompanying prospectus, including the documents containing the information incorporated by reference, will be published on the website of the Luxembourg Stock Exchange, <https://www.luxse.com/issuer/Israel/45703>.

Any websites referred to in this prospectus supplement and the accompanying prospectus, including in the documents incorporated by reference, are for information purposes only. The information in such websites does not form any part of this prospectus supplement and the accompanying prospectus and has not been scrutinized or approved by the competent authority, unless that information is expressly incorporated by reference into this prospectus supplement and the accompanying prospectus.

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Amendment No 1 to Form 18-K/A Dated January 9, 2023		
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Form of Fiscal Agency Agreement, dated as of March 13, 2000, between the Registrant and Citibank, N.A., as Fiscal Agent	Form of Fiscal Agency Agreement, dated as of March 13, 2000, between the Registrant and Citibank, N.A., as Fiscal Agent	5-51
Form of Amendment No. 1, dated as of February 24, 2004, to Fiscal Agency Agreement between the Registrant and Citibank, N.A., as Fiscal Agent	Form of Amendment No. 1, dated as of February 24, 2004, to Fiscal Agency Agreement between the Registrant and Citibank, N.A., as Fiscal Agent	52-62
Form of Amendment No. 2, dated as of January 5, 2016, to the Fiscal Agency Agreement, as amended by Amendment No. 1 to Fiscal Agency Agreement between the Registrant and Citibank, N.A., as Fiscal Agent	Form of Amendment No. 2, dated as of January 5, 2016, to the Fiscal Agency Agreement, as amended by Amendment No. 1 to Fiscal Agency Agreement between the Registrant and Citibank, N.A., as Fiscal Agent	63-77
Underwriting Agreement dated January 10, 2023 by and among the State of Israel, Barclays Bank PLC, BNP Paribas, BofA Securities, Inc., and Citigroup Global Markets Inc.	Underwriting Agreement dated January 10, 2023 by and among the State of Israel, Barclays Bank PLC, BNP Paribas, BofA Securities, Inc., and Citigroup Global Markets Inc.	78-100

PROSPECTUS



State of Israel

\$15,000,000,000

Debt Securities

The State of Israel, which may be referred to herein as Israel or the State, may offer up to U.S.\$15,000,000,000 (or its equivalent in other currencies) aggregate principal amount of its debt securities.

The debt securities will be direct, general, unconditional, unsecured and unsubordinated external indebtedness of Israel. The debt securities will rank without preference among themselves and equally with all other unsecured and unsubordinated external indebtedness of Israel and will be backed by the full faith and credit of Israel. It is understood that this provision shall not be construed so as to require Israel to make payments under the debt securities ratably with payments being made under any other external indebtedness of Israel.

The debt securities will contain “collective action clauses,” unless otherwise indicated in the applicable prospectus supplement. Under these provisions, which differ from the terms of Israel’s external indebtedness issued prior to January 5, 2016, Israel may amend the payment provisions of the debt securities and other “reserve matters” with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount outstanding of such series; (2) with respect to two or more series of debt securities, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually.

Israel will offer the debt securities from time to time as separate issues. Israel will provide a description of the specific terms of the debt securities it is offering, including the amounts, prices and terms of the debt securities, in supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest.

Israel may sell the debt securities directly, through agents designated from time to time or through underwriters or dealers.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different or additional information. We are not making an offer of these securities in any place where the offer is not permitted. You should not assume that the information contained in this prospectus or any prospectus supplement or any document incorporated by reference is accurate as of any date other than the date on the front of those documents.

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WHERE YOU CAN FIND MORE INFORMATION ABOUT THE STATE OF ISRAEL

Israel is not subject to the informational requirements of the Securities Exchange Act of 1934. Israel files annual reports on Form 18-K with the Securities and Exchange Commission, or the SEC, on a voluntary basis. These reports and any amendments to these reports include certain financial, statistical and other information about Israel and may be accompanied by exhibits. You may read and copy any document Israel files with the SEC at the SEC's public reference room located at the Office of Investor Education and Assistance, U.S. Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C., 20549-0213. Israel's SEC filings, including the Registration Statement of which this prospectus forms a part, are also available to the public from the SEC's website at <http://www.sec.gov>. You may obtain information on the public reference room by calling the SEC at 1-800-SEC-0330.

The SEC allows Israel to "incorporate by reference" into this prospectus the information Israel files with it. This means that Israel can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this prospectus. Israel incorporates by reference the following documents:

- Israel's Annual Report on Form 18-K for the year ended December 31, 2018, file number 002-94917, as amended through the date of this prospectus.

Israel also incorporates by reference all future annual reports and amendments to annual reports until it sells all of the debt securities covered by this prospectus. Each time Israel files a document with the SEC that is incorporated by reference, the information in that document automatically updates the information contained in previously filed documents.

You may read and copy any of these filings at the SEC's public reference room or from the SEC's website referred to above. You may request a copy of these filings, at no cost, by writing to or telephoning Israel's Head of Israel Economic Mission — Western Hemisphere, Ministry of Finance at the following address:

Ministry of Finance
Government of Israel
800 Second Avenue, 17th floor
New York, NY 10017
Telephone: (212) 499-5710
Facsimile: (212) 499-5715

USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, Israel will use the net proceeds from the sale of the debt securities offered hereby for general purposes of the State, which may include the refinancing of domestic and external indebtedness of Israel.

DEBT SECURITIES

Israel may issue debt securities in distinct series at various times, and these debt securities will be issued pursuant to a fiscal agency agreement between Israel and a fiscal agent. The prospectus supplement that relates to any series of debt securities will identify the fiscal agent and any other paying agent that Israel has appointed for such series of debt securities. The prospectus supplement relating to your series of debt securities will also describe the financial terms and other specific terms of such series of debt securities. If the terms or conditions described in the prospectus supplement that relate to your series of debt securities differ from the terms or conditions described in this prospectus, you should rely on the terms or conditions described in the prospectus supplement.

The prospectus supplement that relates to your debt securities will specify the following terms relating to your debt securities, if applicable:

- the specific title or designation of the debt securities;
- the principal amount of the debt securities;
- the price of the debt securities;
- the stated maturity date on which Israel must repay the debt securities;
- the rate of any interest the debt securities will bear and, if variable, the method by which the interest rate will be calculated;
- the dates when any interest payments are scheduled to be made;
- the date or dates from which any interest will accrue;
- the record dates for any interest payable on an interest payment date;
- whether and in what circumstances Israel may redeem the debt securities before maturity;
- the currency or currencies in which the debt securities are denominated, which may be U.S. dollars, another foreign currency or units of two or more currencies;
- whether and under what circumstances and terms the holders of the debt securities may opt to have their respective debt securities prepaid;
- whether and under what circumstances the debt securities will be entitled to the benefit of a sinking fund or other similar arrangement;
- whether and under what circumstances and terms the holders of the debt securities may opt to obligate Israel to repurchase or exchange their respective securities, either pursuant to an option that is included in the debt securities or that is or becomes separately tradable following their issuance;
- the currency or currencies for which such debt securities may be purchased and in which principal, premium, if any, and interest may be payable;
- whether any amount payable in respect of the debt securities will be determined based on an index or formula, and, if so, how any such amount will be determined;
- whether the debt securities will be issued upon the exchange or conversion of other debt securities and, if so, the specific terms relating to this exchange or conversion;
- whether any part or all of the debt securities will be in the form of a global security and the circumstance in which a global security is exchangeable for certificated (physical) securities;
- whether the debt securities will be listed and, if listed, the stock exchange on which these debt securities will be listed; and
- any other terms of the debt securities.

The prospectus supplement may also describe any United States federal or Israeli income tax consequences and special considerations applicable to that particular series of debt securities if applicable.

Status of the Debt Securities

The debt securities will constitute direct, general, unconditional, unsecured and unsubordinated external indebtedness of Israel. Israel has pledged its full faith and credit for the due and punctual payment of principal of, premium, if any, on, and interest on the debt securities.

The debt securities will rank without preference among themselves and equally with all other unsecured and unsubordinated external indebtedness of Israel. It is understood that this provision shall not be construed so as to require Israel to make payments under the debt securities ratably with payments being made under any other external indebtedness of Israel. For purposes of this paragraph, “external indebtedness” means indebtedness which is payable by its terms or at the option of its holder in any currency other than the currency of Israel (other than any such indebtedness that is originally issued within Israel), and “indebtedness” means all unsecured and unsubordinated obligations of Israel in respect of money borrowed and guarantees given by Israel in respect of money borrowed by others.

Form of Debt Securities

Unless otherwise specified in the applicable prospectus supplement, debt securities denominated in U.S. dollars will be issued:

- only in fully registered form;
- without interest coupons; and
- in denominations of \$1,000 and greater multiples.

Debt securities denominated in another monetary unit will be issued in the denominations set forth in the applicable prospectus supplement.

Global Securities

The prospectus supplement that relates to your debt securities will indicate whether any of the debt securities you purchase will be represented by a global security. The aggregate principal amount of any global security equals the sum of the principal amount of all the debt securities it represents. The global security will be registered in the name of the depositary identified in the prospectus supplement or its nominee, and will be deposited with the depositary, its nominee or a custodian.

Limitations on Your Ability to Obtain Debt Securities Registered in Your Name

The global security will not be registered in the name of any person other than the depositary or its nominee. Similarly, the global security will not be exchanged for debt securities that are registered in the name of any person other than the depositary or its nominee. An exception to these restrictions would be made only if:

- the depositary notifies Israel that it is unwilling, unable or no longer qualified to continue to act as the depositary and Israel has not appointed a replacement depositary;
- at any time Israel decides it no longer wishes to have all or part of the debt securities represented by a global security; or
- a default occurs that entitles the holders of the debt securities to accelerate the maturity date and such default has not been cured.

In those circumstances, the depositary will determine in whose names to register any certificated (physical) debt securities issued in exchange for the global security. Any such debt securities will be denominated in principal amounts of \$1,000 or integral multiples of \$1,000, or such other denominations as may be specified in the applicable prospectus supplement.

The depositary or its nominee will be considered the sole owner and holder of the global security for all purposes. As a result:

- You cannot get debt securities registered in your name for so long as they are represented by the global security;

- You cannot receive certificated (physical) debt securities in your name in exchange for your beneficial interest in the global security;
- You will not be considered to be the owner or holder of the global security or any debt securities represented by that global security for any purpose;
- You cannot assert any right of a holder of the debt securities unless you are authorized by the depositary and the participant through which you hold your beneficial interest; and
- All payments on the global security will be made to the depositary or its nominee.

In some jurisdictions, certain types of purchasers (such as some insurance companies) are not permitted to own securities represented by a global security. These laws may limit your ability to sell or transfer your beneficial interest in the global security to these types of purchasers.

Beneficial Interests in and Payments on the Global Security

Institutions that have accounts with the depositary or a nominee of the depositary, such as securities brokers and dealers, are called participants. Only participants, and persons that may hold beneficial interests through participants, can own a beneficial interest in the global security. The depositary keeps records of the ownership and transfer of beneficial interests in the global security by its participants. In turn, participants keep records of the ownership and transfer of beneficial interests in the global security by other persons (such as their customers). No other records of the ownership and transfer of interests in the global security will be kept.

Israel will make principal and interest payments on debt securities represented by the global security to the depositary or its nominee. When the depositary receives payment of principal or interest on the global security, the depositary is expected to credit its participants' accounts in amounts that correspond to their respective beneficial interests in that global security. In turn, after the participants' accounts are credited, the participants are expected to credit the accounts of the owners of beneficial interests in the global security in amounts that correspond to the owners' respective beneficial interests in the global security.

The depositary and its participants establish policies and procedures that govern payments, transfers, exchanges and other important matters that affect owners of beneficial interests in a global security. The depositary and its participants may change these policies and procedures from time to time. Israel has no responsibility or liability for the records of owners of beneficial interests in the global security, or for payments made or not made to owners of beneficial interests in the global security. Also, Israel is not responsible for maintaining, supervising or reviewing those records or payments. Israel has no responsibility or liability for any aspect of the relationship between the depositary and its participants or for any aspect of the relationship between participants and owners of beneficial interests in the global security.

The giving of notices and other communications by the depositary to participants and by participants to owners of beneficial interests in the global security will be arranged among themselves, subject to any statutory or regulatory requirements. Neither the depositary nor its nominee will consent or vote with respect to any debt securities. Under its usual procedures, the depositary would mail an omnibus proxy to Israel with respect to any vote or consent, assigning the consenting or voting rights of the depositary's nominee to those participants to whose account debt securities are credited on the date for determining the holders entitled to consent or vote.

Payment

Unless otherwise specified in the applicable prospectus supplement, the principal of and interest on the debt securities will be payable in U.S. dollars at the New York office of the fiscal agent to the registered holders of the debt securities on the related record date; provided, however, that unless otherwise specified in the prospectus supplement, payments of interest will be paid by check mailed to the registered holders of the debt securities at their registered addresses.

If any date on which principal or interest is due to be paid is not a business day, Israel may pay interest on the next day that is a business day and no additional interest will accrue on that payment. For this purpose,

business day means any day, other than a Saturday or Sunday, on which banks in The City of New York are not required or authorized by law or executive order to be closed.

The register of holders of debt securities will be kept at the New York office of the fiscal agent.

Any monies held by the fiscal agent in respect of any debt securities and remaining unclaimed for two years after those amounts have become due and payable will be returned by the fiscal agent to Israel. The holders of those debt securities may thereafter seek payment only from Israel. The debt securities will become void unless holders present them for payment within five years after their maturity date.

Israel may replace the fiscal agent at any time, subject to the appointment of a replacement fiscal agent. The fiscal agent is not a trustee for the holders of the debt securities and does not have the same responsibilities or duties to act for such holders as would a trustee. Israel may maintain deposit accounts and conduct other banking transactions in the ordinary course of business with the fiscal agent.

Purchase of Debt Securities by Israel

Israel may at any time purchase any debt securities in any manner including, without limitation, open market purchases, privately negotiated purchases and tenders, and at any price. If purchases are made by tender, tenders must be available to all holders of debt securities of the same series. Any debt securities purchased by or on behalf of Israel may be held, resold or cancelled.

Collective Action Securities Issued On or After January 5, 2016

Israel may designate a particular series of debt securities to be “Collective Action Securities.” The following descriptions apply to any series of debt securities that has been designated Collective Action Securities and issued on or after January 5, 2016.

Default

Unless otherwise specified in the applicable prospectus supplement, any of the following events will be an event of default with respect to any series of debt securities:

- (1) Israel fails to pay, when due, principal of or interest on any debt securities of that series and such failure continues for a period of 30 days;
- (2) Israel defaults in the performance or observance of or compliance with any other obligations under the debt securities of that series, which default is materially prejudicial to the interests of the holders of the debt securities of that series and is not remedied within 60 days after the holder of any debt security of that series has given written notice of the default to Israel at the office of the fiscal agent; or
- (3) Israel declares a moratorium with respect to the payment of principal of or interest on debt securities of a series which is materially prejudicial to the holders of the debt securities of such series.

Acceleration of Maturity

If an event of default described under the heading “Debt Securities — Collective Action Securities Issued On or After January 5, 2016 — Default” above occurs and is continuing with respect to any series of debt securities that have been designated Collective Action Securities, the holders of at least 25% of the aggregate principal amount of the outstanding debt securities of that series may, by notice to the fiscal agent, declare all the debt securities of that series to be due and payable immediately. Holders of less than 25% of the aggregate principal amount of the outstanding debt securities of that series may not, on their own, declare the debt securities of that series to be due and payable immediately. Holders of debt securities may exercise these rights only by providing a written demand to Israel at the office of the fiscal agent at a time when the event of default is continuing.

Upon any declaration of acceleration, the principal, interest and all other amounts payable on the debt securities of that series will be immediately due and payable on the date Israel receives written notice of the

declaration, unless Israel has remedied the event or events of default prior to receiving the notice. The holders of 50% or more of the aggregate principal amount of the outstanding debt securities of that series may rescind a declaration of acceleration if the event or events of default giving rise to the declaration have been cured or waived.

Meetings and Amendments; Modifications

Israel may call a meeting of the holders of debt securities of a series at any time regarding the fiscal agency agreement or the debt securities of the series. Israel will determine the time and place of the meeting. Israel will instruct the fiscal agent to notify the holders of the time, place and purpose of the meeting not less than 30 and not more than 60 days before the meeting.

In addition, Israel or the fiscal agent will call a meeting of holders of debt securities of a series if the holders of at least 10% in principal amount of all debt securities of such series then outstanding have delivered a written request to Israel or the fiscal agent (with a copy to Israel) setting out the purpose of the meeting. Within 10 days of receipt of such written request or copy thereof, Israel will notify the fiscal agent and the fiscal agent will notify the holders of the time and place of the meeting called by the holders, to take place not less than 30 and not more than 60 days after the date on which such notification is given.

Only holders and their proxies are entitled to vote at a meeting of holders. Israel will set the procedures governing the conduct of the meeting and if additional procedures are required, Israel shall establish such procedures as are customary in the market.

Modifications may also be approved by holders of debt securities of a series pursuant to written action with the consent of the requisite percentage of debt securities of such series. If a modification is to be approved by a written action, Israel will solicit the consent of the relevant holders to the modification not less than 10 and not more than 30 days before the expiration date for the receipt of such consents as specified by Israel.

The holders may generally approve any proposal by Israel to modify the fiscal agency agreement or the terms of the debt securities of a series with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding principal amount of the debt securities of that series.

However, the holders may only approve, by vote or consent through one of three modification methods described below, any proposed modification by Israel that would do any of the following (such subjects referred to as “reserve matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount (other than in accordance with the express terms of the debt securities and the fiscal agency agreement) of the debt securities;
- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the fiscal agency agreement);
- change the currency or place of payment of any amount payable on the debt securities;
- modify Israel’s obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the debt securities;
- change the definition of “outstanding” or the percentage of affirmative votes or written consents, as the case may be, required to make a “reserve matter modification”;
- change the definition of “uniformly applicable” or “reserve matter modification”;
- authorize the fiscal agent, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of Israel or any other person; or

- change the legal ranking, governing law, agreement to arbitrate, submission to jurisdiction in Israel or waiver of immunities provisions of the terms of the debt securities.

A change to a reserve matter (a “reserve matter modification”), including the payment terms of any series of debt securities, can be made without your consent, as long as the change is approved pursuant to one of the following three modification methods, by vote or consent by:

- where such proposed modification would affect the outstanding debt securities of a single series, the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of such series;
- where such proposed modification would affect the outstanding debt securities of two or more series (a “cross-series modification”), the holders of more than 75% of the aggregate principal amount of outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain “uniformly applicable” requirements are met (a “cross-series modification with single aggregated voting”); or
- where such proposed modification would affect the outstanding debt securities of two or more series, whether or not the “uniformly applicable” requirements are met, the holders of more than 66% of the aggregate principal amount of the outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, and the holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the modification, taken individually (a “cross-series modification with two-tier voting”).

“Uniformly applicable,” as referred to above, in the context of a proposed cross-series modification, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration.

A modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Israel may, in its discretion, select any modification method for a proposed reserve matter modification in accordance with the fiscal agency agreement and designate which series of debt securities will be included in the aggregated voting for a proposed cross-series modification. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

A cross-series modification constituting or including a reserve matter modification to the terms and conditions of the affected debt securities that is not uniformly applicable must be effected pursuant to a cross-series modification with two-tier voting; such a cross-series modification that is uniformly applicable may be effected pursuant to a cross-series modification with single aggregated voting or a cross-series modification with two-tier voting, at Israel’s option.

Before soliciting any consent or vote of any holder of debt securities for any reserve matter modification, Israel will provide the following information to the fiscal agent for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of Israel’s economic and financial circumstances which are, in Israel’s opinion, relevant to the request for the proposed modification, a description of Israel’s existing debts and a description of any broad policy reform program and provisional macroeconomic outlook;

- if Israel shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of Israel's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if Israel is then seeking any reserve matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the debt securities of a series has approved any amendment, modification or change to, or waiver of, the debt securities or the fiscal agency agreement, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction under the fiscal agency agreement, the debt security is held by Israel or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by Israel or a public sector instrumentality, except that (x) debt securities held by Israel or any public sector instrumentality or by any corporation, trust or other legal entity that is controlled by Israel or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the fiscal agent the pledgee's right so to act with respect to such debt securities and that the pledgee is not Israel or a public sector instrumentality or a corporation, trust or other legal entity controlled by Israel or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the fiscal agent in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information that is in the possession of the fiscal agent, upon the certificate, statement or opinion of or representations by the fiscal agent; and (y) in determining whether the fiscal agent will be protected in relying upon any such action or instructions under the fiscal agency agreement, or any notice from holders, only debt securities that a responsible officer of the fiscal agent knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means the Bank of Israel, any department, ministry or agency of Israel, and a corporation, trust or other legal entity controlled by Israel or by a public sector instrumentality, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Further Issuances of Debt Securities of a Series

From time to time, without the consent of holders of the debt securities of any series that have been designated Collective Action Securities, and subject to the required approvals under Israeli law, Israel may create and issue additional debt securities with the same terms and conditions as those of the debt securities of that series (or the same except for the amount of the first interest payment and the issue price), provided that such additional debt securities do not have, for purposes of U.S. federal income taxation (regardless of whether any holders of such debt securities are subject to the U.S. federal tax laws), a greater amount of original issue discount than the debt securities of that series have as of the date of issuance of such additional debt securities. Israel may also consolidate the additional debt securities to form a single series with the outstanding debt securities.

Collective Action Securities Issued Prior to January 5, 2016

The following descriptions apply to any series of debt securities that has been designated Collective Action Securities and issued prior to January 5, 2016 (including further issuances of such debt securities).

Default

Unless otherwise specified in the applicable prospectus supplement, any of the following events will be an event of default with respect to any series of debt securities:

- (1) Israel fails to pay, when due, principal of or interest on any debt securities of that series and such failure continues for a period of 30 days;
- (2) Israel defaults in the performance or observance of or compliance with any other obligations under the debt securities of that series, which default is materially prejudicial to the interests of the holders of the debt securities of that series and is not remedied within 60 days after the holder of any debt security of that series has given written notice of the default to Israel at the office of the fiscal agent; or
- (3) Israel declares a moratorium with respect to the payment of principal of or interest on the debt securities of that series which is materially prejudicial to the interests of the holders of the debt securities of that series.

Acceleration of Maturity

If an event of default described under the heading “Debt Securities — Collective Action Securities Issued Prior to January 5, 2016 — Default” above occurs and is continuing with respect to any series of debt securities that have been designated Collective Action Securities, the holders of at least 25% of the aggregate principal amount of the outstanding debt securities of that series may, by notice to the fiscal agent, declare all the debt securities of that series to be due and payable immediately. Holders of less than 25% of the aggregate principal amount of the outstanding debt securities of that series may not, on their own, declare the debt securities of that series to be due and payable immediately. Holders of debt securities may exercise these rights only by providing a written demand to Israel at the office of the fiscal agent at a time when the event of default is continuing.

Upon any declaration of acceleration, the principal, interest and all other amounts payable on the debt securities of that series will be immediately due and payable on the date Israel receives written notice of the declaration, unless Israel has remedied the event or events of default prior to receiving the notice. The holders of 50% or more of the aggregate principal amount of the outstanding debt securities of that series may rescind a declaration of acceleration if the event or events of default giving rise to the declaration have been cured or waived.

Meetings and Amendments

General. A meeting of holders of any series of debt securities that have been designated Collective Action Securities may be called at any time:

- to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the fiscal agency agreement or the debt securities of that series to be made, given or taken by holders of debt securities of that series; or
- to modify, amend or supplement the terms of the debt securities of that series or, insofar as affects the debt securities of that series, the fiscal agency agreement, in anyway.

Israel may at any time call a meeting of holders of a series of debt securities that have been designated Collective Action Securities for any purpose described above. This meeting will be held at the time and place determined by Israel. The fiscal agent will call a meeting of the holders of the debt securities of a series if Israel or the holders of at least 10% in aggregate principal amount of all debt securities of the series then outstanding (as defined in the fiscal agency agreement) have delivered a written request to the fiscal agent setting forth the action they propose to take.

Notice. The notice of a meeting will set forth the time and place of the meeting and in general terms the action proposed to be taken at the meeting. This notice shall be given as provided in the terms of the debt securities. In addition, this notice shall be given between 30 and 60 days before the meeting date; however, in the case of any meeting to be reconvened after adjournment for lack of a quorum, this notice shall be given between 15 and 60 days before the meeting date.

Voting; Quorum. A person that holds outstanding debt securities of a series or is duly appointed to act as a proxy for a holder of these debt securities will be entitled to vote at a meeting of holders of the debt securities of that series. Holders or proxies representing a majority of the aggregate principal amount of the outstanding debt securities of a series will normally constitute a quorum with respect to that series of debt securities. However, if a meeting is adjourned for a lack of a quorum, then holders or proxies representing 25% of the aggregate principal amount of the outstanding debt securities of a series will constitute a quorum with respect to that series of debt securities when the meeting is rescheduled. For purposes of a meeting of holders that proposes to discuss “reserved matters”, which are specified below, including any adjourned or rescheduled meetings for such purpose, holders or proxies representing 75% of the aggregate principal amount of the outstanding debt securities will constitute a quorum.

Regulations. The fiscal agent may make reasonable and customary regulations as it deems advisable for any meeting with respect to:

- the proof of the holding of debt securities of a series;
- the adjournment and chairmanship of such meeting;
- the appointment and duties of inspectors of votes, certificates and other evidence of the right to vote; and
- other matters concerning the conduct of the meeting that the fiscal agent deems appropriate.

Amendments. Israel, the fiscal agent and the holders may generally modify or take actions with respect to the fiscal agency agreement or the terms of the debt securities of any series with:

- the affirmative vote of the holders of more than 66% in aggregate principal amount of the outstanding debt securities of that series that are represented at a duly called and held meeting; or
- the written consent of the holders of more than 66% in aggregate principal amount of the outstanding debt securities of that series.

However, the holders of not less than 75% in aggregate principal amount of the outstanding debt securities of that series, voting at a meeting or by written consent, must consent to any amendment, modification, change or waiver with respect to the debt securities of that series that would:

- change the due date for the payment of the principal of, or any installment of interest on, the debt securities of that series;
- reduce the principal amount of the debt securities of that series;
- reduce the portion of the principal amount that is payable in the event of an acceleration of the maturity of the debt securities of that series;
- reduce the interest rate on any debt securities of that series;
- change the currency in which any amount in respect of the debt securities of that series is payable or exclude the Borough of Manhattan, The City of New York, as a required place at which payment with respect to interest, premium or principal is payable;
- shorten the period during which Israel is not permitted to redeem the debt securities of that series or permit Israel to redeem the debt securities of that series if, prior to such action, Israel is not permitted to do so;
- change the obligation of Israel to pay any additional amounts;
- change the definition of “outstanding” with respect to the debt securities of that series;
- change the governing law provision of the debt securities of that series;

- change Israel's appointment of an agent for the service of process in the United States or Israel's agreement not to claim and to waive irrevocably immunity (sovereign or otherwise) in respect of any suit, action or proceeding arising out of or relating to the fiscal agency agreement or to the debt securities of that series;
- change the status of the debt securities of that series, as described under "Debt Securities — Status of the Debt Securities" above;
- in connection with an offer to acquire all or any portion of the debt securities of that series, amend any event of default under the debt securities of that series; or
- reduce the proportion of the principal amount of the debt securities of that series that is required:
- to modify, amend or supplement the fiscal agency agreement or the terms and conditions of the debt securities of that series; or
- to make, take or give any request, demand, authorization, direction, notice, consent, waiver or other action.

Israel refers to the above subjects as "reserved matters." A change to a reserved matter, including the payment terms of any series of debt securities that have been designated Collective Action Securities, can be made without your consent, as long as a supermajority of the holders (that is, the holders of at least 75% in aggregate principal amount of the outstanding debt securities) agrees to the change.

If both Israel and the fiscal agent agree, they may, without the vote or consent of any holder of debt securities of a series, modify, amend or supplement the fiscal agency agreement or the debt securities of any series for the purpose of:

- adding to the covenants of Israel;
- surrendering any right or power conferred upon Israel;
- securing the debt securities of that series pursuant to the requirements of the debt securities or otherwise;
- curing any ambiguity or curing, correcting or supplementing any defective provision contained in the fiscal agency agreement or in the debt securities of that series; or
- amending the fiscal agency agreement or the debt securities of that series in any manner that Israel and the fiscal agent may determine that is not inconsistent with the debt securities of that series and that does not adversely affect the interest of any holder of debt securities of that series in any material respect.

Any modification, amendment or supplement approved in the manner described in this section shall be binding on the holders of debt securities of such series.

For purposes of determining whether the required percentage of holders of any series of debt securities that have been designated Collective Action Securities is present at a meeting of holders for quorum purposes or has approved any amendment, modification or change to, or waiver of, such debt securities or the fiscal agency agreement, or whether the required percentage of holders has delivered a notice of acceleration, debt securities owned, directly or indirectly, by or on behalf of Israel or any public sector instrumentality of Israel will be disregarded and deemed not to be "outstanding", except that in determining whether the fiscal agent shall be protected in relying upon any amendment, modification, change or waiver, or any notice from holders, only debt securities that the fiscal agent knows to be so owned shall be so disregarded. As used in this paragraph, "public sector instrumentality" means the Bank of Israel, any department, ministry or agency of the federal government of Israel or any corporation, trust, financial institution or other entity owned or controlled by the federal government of Israel or any of the foregoing and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

Further Issuances of Debt Securities of a Series

From time to time, without the consent of holders of the debt securities of any series that have been designated Collective Action Securities, and subject to the required approvals under Israeli law, Israel may create and issue additional debt securities with the same terms and conditions as those of the debt securities of that series (or the same except for the amount of the first interest payment and the issue price), provided that such additional debt securities do not have, for purposes of U.S. federal income taxation (regardless of whether any holders of such debt securities are subject to the U.S. federal tax laws), a greater amount of original issue discount than the debt securities of that series have as of the date of issuance of such additional debt securities. Israel may also consolidate the additional debt securities to form a single series with the outstanding debt securities.

Taxation by Israel; Additional Amounts

Israel will make all payments of principal and interest in respect of the debt securities free and clear of, and without withholding or deducting, any present or future taxes imposed by or within Israel, unless required by law. In that event, Israel will pay additional amounts so that the holders of the debt securities of a series receive the amounts that would have been received by them had no withholding or deduction been required. Israel will not be required to pay any additional amount to or on behalf of a holder where the holder is liable to pay such taxes in respect of debt securities because the holder has some connection with Israel other than the mere holding of debt securities or the receipt of principal and interest. Any holder who wants to receive these additional amounts would have to present the debt security for payment within 30 days of when payment is due. If the fiscal agent has not received the full amount of the money payable on or prior to the due date, then any holder who wants to receive the additional amounts would have until 30 days after the date that the holders have been notified that the fiscal agent has received the money to present the debt security for payment. If no additional amount would be payable on a debt security presented for payment on the 30th day after the payment was due, then any holder presenting that debt security for payment after the 30th day will only be entitled to the payment due, but not to any additional amount. This 30-day period will not start until Israel has paid to the fiscal agent the amount of the payment due.

Any reference to “principal” or “interest” on the debt securities includes any additional amounts which may be payable on those debt securities.

Jurisdiction, Consent to Service and Enforceability

The State of Israel is a foreign sovereign government. Consequently, it may be difficult for you to sue Israel or to collect upon a judgment against Israel. Israel will irrevocably agree not to assert any defense based on immunity, including foreign sovereign immunity, from jurisdiction to which it might otherwise be entitled in any action arising out of or based on the debt securities which may be instituted by the holder of any debt securities of any series in any federal court in the Southern District of New York, any state court in the City of New York or in any competent court in Israel. Israel has appointed the Head of Israel Economic Mission — Western Hemisphere of the Ministry of Finance of the Government of Israel in New York, New York, as its authorized agent upon whom process may be served. This appointment is limited to any action arising out of or based on the debt securities which the holder of any debt securities may institute in any federal court in the Southern District of New York or any state court in the City of New York. The appointment will be irrevocable until Israel pays all amounts due or to become due on or in respect of all the debt securities issuable under the fiscal agency agreement. If for any reason the authorized agent ceases to be able to act as Israel’s authorized agent or no longer has an address in New York, Israel will appoint another person in New York as its authorized agent. The Head of Israel Economic Mission — Western Hemisphere is not the agent for service for actions under the United States federal securities laws or state securities laws and Israel’s waiver of immunity does not extend to such actions. Because Israel has not waived its sovereign immunity in connection with any action arising out of or based on United States federal or state securities laws, it will not be possible to obtain a United States judgment against Israel based on such laws unless a court were to determine that Israel is not entitled under the Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such actions. Under the laws of Israel, assets of Israel are immune from any form of execution.

GOVERNING LAW

The fiscal agency agreement and the debt securities will be governed by and interpreted in accordance with the laws of the State of New York. The laws of Israel will govern all matters governing authorization and execution of the debt securities by Israel.

PLAN OF DISTRIBUTION

Israel may sell the debt securities: (a) through underwriters or dealers; (b) through agents; or (c) directly to one or more institutional purchasers. Each prospectus supplement will include:

- the names of any underwriters or agents;
- the purchase price of the debt securities of that series;
- the net proceeds to Israel from the sale of such debt securities;
- any underwriting discounts, agent commissions or other items constituting underwriters' or agents' compensation; and
- any discounts or concessions allowed or reallocated or paid to dealers.

The underwriters may change any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

Any underwriters or agents used in the sale may sell the debt securities either on a "best efforts" or on a firm commitment basis. If the underwriters distribute debt securities on a firm commitment basis, the underwriters will acquire the debt securities for their own account and may resell the debt securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined by the underwriters at the time of sale. Israel may offer the debt securities to the public either through underwriting syndicates represented by managing underwriters or directly by underwriters. Unless otherwise set forth in the applicable prospectus supplement, the obligations of the underwriters to purchase the debt securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of the debt securities offered thereby if any are purchased.

Israel may agree to indemnify agents and underwriters against certain liabilities, including liabilities under the United States Securities Act of 1933, or to contribute to payments the agents or underwriters may be required to make in respect of any of these liabilities. Agents and underwriters may engage in transactions with or perform services for Israel.

OFFICIAL STATEMENTS

Information included herein and the registration statement which is identified as being derived from a publication of Israel or one of its agencies of instrumentalities or the Bank of Israel is included on the authority of such publication as a public official document of Israel or the Bank of Israel. All other information herein and in the Registration Statement is included as a public official statement made on the authority of the Accountant General of the Ministry of Finance of Israel, in his official capacity.

VALIDITY OF THE DEBT SECURITIES

The validity of the debt securities will be passed upon for Israel by White & Case LLP, United States counsel to Israel and by the Legal Advisor to the Ministry of Finance of the State of Israel. As to all matters of Israeli law, White & Case LLP may rely on the opinion of the Legal Advisor to the Ministry of Finance. All statements with respect to matters of Israeli law in the prospectus have been passed upon by the Legal Advisor to the Ministry of Finance and are made upon his authority.

AUTHORIZED REPRESENTATIVE

The Authorized Representative of the State of Israel in the United States of America is the Head of Israel Economic Mission — Western Hemisphere, Ministry of Finance of the State of Israel, 800 Second Avenue, 17th Floor, New York, New York 10017.

ISSUER

Government of Israel
Ministry of Finance
1 Kaplan Street
Hakiria, Jerusalem 91131
Israel

**REGISTRAR, FISCAL, TRANSFER AND
PRINCIPAL PAYING AGENT**

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg, *société anonyme*
69 Route d'Esch L-2953
Luxembourg

LEGAL ADVISORS

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Ministry of Finance
1 Kaplan Street
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White & Case LLP
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To the Underwriters:
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Meitar Law Offices
16 Abba Hillel Silver Street
12th Floor
Ramat Gan
Israel

as to U.S. law
Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, NY 10019
United States

\$2,000,000,000



State of Israel

4.500% Bonds due 2033

PROSPECTUS SUPPLEMENT

Joint Book-Running Managers

Barclays

BNP PARIBAS

BofA Securities

Citigroup

February 22, 2023
