

EXECUTION VERSION

FINAL TERMS

MiFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) all channels for distribution of the Notes are appropriate to eligible counterparties and professional clients; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice and portfolio management. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

Final Terms dated 14 January 2019

STATE OF ISRAEL

Legal Entity Identifier ("LEI"): 213800T8ZHTFZIBYPE21

Issue of EUR 1,250,000,000 1.500 per cent. Notes due 16 January 2029
(the "Notes")

under the EUR 10,000,000,000
Euro Medium Term Note Programme

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Member State of the European Economic Area which has implemented the Prospectus Directive.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 August 2018 and the supplement to it dated 4 January 2019 which together constitute a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. However, a summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus and the supplement thereto have been published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and is available for viewing at, and copies may be obtained from, the Ministry of Finance of Israel at 1 Kaplan Street/Hakiria, Jerusalem 91131, Israel and the offices of Citibank NA London Branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

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| 1. | Issuer: | State of Israel |
| 2. | (i) Series Number: | 17 |
| | (ii) Tranche Number: | 1 |

(iii)	Date on which the Notes become fungible:	Not Applicable
3.	Specified Currency:	Euro ("EUR")
4.	Aggregate Nominal Amount:	
	(i) Series:	EUR 1,250,000,000
	(ii) Tranche:	EUR 1,250,000,000
5.	Issue Price:	99.320 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denomination(s):	EUR 1,000
	(ii) Calculation Amount:	EUR 1,000
7.	(i) Issue Date:	16 January 2019
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	16 January 2029
9.	Interest Basis:	1.500 per cent. Fixed Rate
10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11.	Put/Call Options:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	1.500 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	16 January in each year, from and including 16 January 2020, up to and including the Maturity Date; not adjusted
	(iii) Fixed Coupon Amount:	EUR 15.00 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Fixed Day Count Fraction:	Actual/Actual (ICMA)
13.	Floating Rate Note Provisions	Not Applicable
14.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

15.	Notice periods for Condition 6(b) and 6(c):	Not Applicable
16.	Issuer Call	Not Applicable
17.	Investor Put	Not Applicable
18.	Final Redemption Amount of each Note	EUR 1,000 per Calculation Amount
19.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	EUR 1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 20. | Form of Notes: | Registered Notes:
Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg |
| 21. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 22. | Calculation Agent: | Not Applicable |
| 23. | Additional Financial Centre(s): | Not Applicable |
| 24. | Additional Renminbi Clearing Financial Centre(s): | Not Applicable |

SIGNATURE

Signed on behalf of State of Israel:

By: 
 Duly authorised
Ronny Hizkiyahu
 Accountant General


Gil Cohen
 Senior Deputy Accountant General

By:
 Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Application will be made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange effective as of 16 January 2019.

2. RATINGS

The Notes to be issued have been rated:

S&P Global Ratings, acting through Standard and Poor's Credit Market Services Europe Limited: AA-

Moody's Investors Service, Inc.: A1

Fitch Ratings Ltd: A+

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

The Issuer is not aware of any interest(s) material to the issue of the Notes, other than any fees payable to the Joint Lead Managers.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer:	The net proceeds from the issue of the Notes will be used for the general financing purposes of the Issuer.
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Estimated net proceeds:	EUR 1,239,937,500
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Estimated total expenses:	£4,560
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5. YIELD

Indication of yield: 1.574 per cent per annum

6. OPERATIONAL INFORMATION

ISIN:	XS1936100483
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Common Code:	193610048
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CFI Code:	DTFXFR
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FISN:	STATE OF ISRAEL/1EMTN 20290116
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Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	Not Applicable
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Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
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Delivery:	Delivery against payment
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7. DISTRIBUTION

Method of distribution:	Syndicated
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If syndicated:	Applicable
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(i) Names and addresses of Managers and underwriting commitments:	Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB England
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BNP Paribas
10 Harewood Avenue
London NW1 6AA
England

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
England

(ii) Date of Subscription Agreement:	14 January 2019
(iii) Stabilisation Manager:	BNP Paribas
If non-syndicated, name of Manager:	Not Applicable
Indication of the overall amount of the underwriting commission and of the placing commission:	0.125 per cent. of the Aggregate Nominal Amount
U.S. Selling Restrictions:	Regulation S Compliance Category 1; TEFRA not applicable

SUMMARY OF THE ISSUE

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Section A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Words and expressions defined in the Base Prospectus have the same meanings in this summary.

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction and Warnings.	<p>This summary must be read as an introduction to the Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference.</p> <p>Following the implementation of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, including any information incorporated by reference or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid Investors when considering whether to invest in the Notes.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p>
A.2	Consent to use of the Base Prospectus.	<p>Not Applicable. The Notes may only be offered within the EEA to qualified investors (as defined in the Prospectus Directive) on an exempt basis pursuant to Article 3(2) of the Prospectus Directive. The Issuer has not, and will not, give its consent for any financial intermediary or other offeror to use the Base Prospectus in connection with any offer of the Notes.</p>

SECTION B – THE ISSUER		
B.17	Credit ratings.	<p>The long-term foreign currency sovereign credit ratings of the Issuer are: A1 (Moody's Investors Service, Inc.), AA- (Standard & Poor's Credit Market Services Europe Limited) and A+ (Fitch Ratings Ltd).</p> <p>The Programme has also been rated (P)A1 by Moody's Investors Service, Inc., AA- by S&P Global Ratings, acting through Standard and Poor's Credit Market Services Europe Limited and A+ by Fitch Ratings Ltd.</p>

SECTION B – THE ISSUER		
		<p>The Notes to be issued have been rated:</p> <p>S&P Global Ratings, acting through Standard and Poor's Credit Market Services Europe Limited: AA-.</p> <p>Moody's Investors Service, Inc.: A1.</p> <p>Fitch Ratings Ltd: A+.</p>
B.47	Description of the Issuer, including its economy.	<p>State of Israel is a sovereign issuer, located in the State of Israel.</p> <p>The Israeli economy grew based on preliminary estimations, at a pace of 3.2% in 2018, as compared to growth rates of 3.5% in 2017, 4.0% in 2016, 2.6% in 2015 and 3.9% in 2014. In 2017, gross domestic product ("GDP") increased by 0.8%, 3.8%, 4.7% and 4.4% in the first, second, third and fourth quarters, respectively, and in 2018, GDP increased by 4.3%, 0.8% and 2.1% in the first, second and third quarters, respectively, in each case compared to the previous quarter, using seasonally adjusted data at an annualised rate; the low growth rate in the first quarter of 2017 was due, among other things, to a drop in vehicle purchases, following a peak in the fourth quarter of 2016.</p> <p>In 2014, business sector product (calculated as GDP less certain general government services, services of private non-profit institutions and housing services) decreased compared to the 2013 growth rate, as business sector output grew by 3.5% in 2014. This slowdown was partly due to the negative effects of Operation Protective Edge, (a defensive military operation in response to Hamas firing rockets from Gaza into Israel in the summer of 2014), which took place in July and August of 2014. In 2015, the business sector output grew by 2.7%, lower than the 2014 figure. In the fourth quarter of 2015, the growth rate accelerated, and the relatively high growth rates continued in 2016, as the business sector GDP grew by 4.3%. In 2017, the business sector GDP grew at 3.4%, a similar pace to the total economy.</p> <p>Growth of private consumption increased in 2017 as compared to 2016, with total private consumption reaching 697 in 2017, 675 in 2016, 636 in 2015 and 612 in 2014 (in billions of NIS at constant 2015 prices). Annual growth in private consumption, which was 4.6% during 2013-2016, was 3.4% in 2017, similar to the annual GDP growth rate which stood at 3.5%. During 2013 to 2016, growth in fixed capital formation was volatile and, after stagnation in 2014-2015, it rose to 11.9% in 2016, mainly due to a sharp increase in the number of purchases of passenger cars. In 2017 gross fixed capital formation increased by 2.8%.</p>
B.48	Public finance and trade.	<p><i>Balance of Payments and Foreign Trade</i></p> <p>Israel had a current account surplus of 1.2% of GDP in the first 3 quarters of 2018 (on a non-seasonally adjusted basis) following a surplus of 2.9% of GDP in 2017. This surplus follows fifteen years of a positive surplus in the current account.</p> <p>Israel is a party to free trade agreements with its major trading partners and it is one of the few nations that has signed free trade agreements with both the United States and the European Union (the "EU").</p>
		<p>Israeli net exports decreased from a peak surplus of \$9.6 billion in 2015 to a surplus of \$5.9 billion in 2016, which remained stable in 2017. In the first three quarters of 2018, both imports and exports (seasonally adjusted) grew significantly. Even with slightly higher growth in total imports as compared to</p>

SECTION B – THE ISSUER

exports, the total value of exports remained slightly higher than imports (by \$262.3 million, seasonally adjusted).

Focusing on trade in goods, in 2018 (January to November), 32.5% of Israel's goods exports (excluding aircraft, ships and diamonds, and using seasonally adjusted data) were to the EU (slightly down from 34.2% in 2017 and higher than 29.1% in 2016), 23.2% were to the United States (down from 24.3% in 2017 and 26.1% in 2016), 22.0% were to Asia (up from 18.4% in 2017 and similar to 2016), and 22.3% were to other markets (down from 23.1% in 2017 and 22.8% in 2016). Of Israel's goods imports (excluding aircraft, ships and diamonds) in 2018 (January to November), 43.2% came from the EU (up from 42.8% in 2017 and down from 43.6% in 2016), 24.1% came from Asia (down from 25.7% in 2017 and 2016), 11.8% came from the United States (up from 11.1% in 2017 and down from 12.1% in 2016), and 20.8% came from other countries (up from 20.3% in 2017 and 18.6% in 2016).

Fiscal Policy

The budget and economic plan proposal for the fiscal years 2017 and 2018 was approved by the Knesset on 22 December 2016 and for the fiscal year 2019 was approved by the Knesset on 15 March 2018. In the approved budget for fiscal years 2017 and 2018 and in the approved budget for the fiscal year 2019 the deficit target was set to 2.9% of GDP.

The deficit for 2017 stood at 1.9% and the deficit for 2018 is expected to be at or slightly above the deficit target. Since 1995, the deficit has exceeded 4% only in 2003 and 2009, and in the four years (2014-2017) the deficit has been below 3%.

In 2017, the Government continued its debt-reduction policy, reducing government debt as a percent of GDP by 1.6% compared to 2016, to a level of 58.8% for 2017. Public debt (including local authorities' debt) as a percent of GDP also continued its declining path, falling to a level of 60.5% at the end of 2017, a decline of 1.6% relative to 2016. For 2018, the debt as a percentage of GDP is expected to have slightly risen as compared to 2017, but to have declined as compared to 2016.

As a result of the Government's fiscal discipline, Israel's total gross public debt as a percentage of GDP has been on a declining path in the last decade. Israel's gross public debt as a percentage of GDP stood at 60.5% in 2017, 62.1% in 2016, 63.7% in 2015, 65.8% in 2014 and 67.1% in 2013.

Inflation and Monetary Policy

Measured at year end, the consumer price index ("CPI") increased by 0.4% in 2017 and by 1.2% between November 2017 and November 2018, as compared to a decrease by 0.2% in 2016, 1.0% in 2015 and by 0.2% in 2014. The changes in the CPI reflect a rise in the prices of commodities, housing and agricultural products. In order to support further growth, the Bank of Israel has lowered its interest rate, most recently to 0.10% in March 2015; the key interest rate remained at that level until December 2018 when it was increased to 0.25%.

Over the past five years (measured from 31 December 2013 to 31 December 2018), the NIS/USD exchange rate has averaged 3.700, fluctuating between a high of 4.053 (recorded on 20 March 2015) and a low of 3.388 (recorded on 26 January 2018). The current exchange rate (3.748 as of 31 December 2018) is thus slightly above the five-year average but reflects a depreciation of the NIS since

SECTION B – THE ISSUER	
	the beginning of 2018.

SECTION C – THE NOTES		
C.1	Type and class of the Notes.	<p>Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except for the issue dates, interest commencement dates and/or issue prices of the respective Tranches.</p> <p>Forms of Notes: Notes may be issued in either bearer or registered form. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i>. Each Tranche of Notes will initially be represented by one or more global Notes, which will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in circumstances described in each global Note, investors will not be entitled to receive Notes in definitive form.</p>
		<p>Notes issued in bearer form will initially be represented by a temporary global Note or a permanent global Note. Interests in each temporary global Note will be exchanged for either interests in a permanent global Note or for Definitive Notes, in either case not earlier than the later of (i) 40 days after the applicable Issue Date and (ii) 40 days after completion of distribution of the relevant Tranche upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. If U.S. Treasury Regulation §.1.163.5(c)(2)(i)(D) (“TEFRA D”) is applicable to a Series of Notes, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in the temporary global Note or receipt of any payment of interest in respect of the temporary global Note. Each permanent global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes in bearer form will, if interest-bearing, have Coupons and, if on exchange into definitive form more than 27 Coupon payments are left, a Talon for further Coupons attached.</p> <p>Notes issued in registered form will initially be represented by a global Note in registered form which will be registered in the name of the nominee for the Common Depository of Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. A global Note in registered form will be exchangeable in whole but not in part for registered Notes in definitive form without receipts, interest coupons or talons attached in accordance, in accordance with its terms.</p> <p>Notes will be represented on issue by a global Note in registered form registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg. The registered global Notes will be exchangeable for Definitive registered Notes in accordance with its terms.</p> <p>Security Identification Number(s): The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). Each Tranche of Notes will be allocated an International Securities Identification Number (ISIN), Common Code, and may be allocated a Classification of Financial Instrument (CFI) code and Financial Instrument Short Name (FISN). Notes issued in Series comprising more than one Tranche may be assigned a temporary ISIN and Common Code on issue.</p> <p>The Notes have the ISIN XS1936100483, the Common Code 193610048, the CFI Code DTFXFR and the FISN STATE OF ISRAEL/IEMTN 20290116.</p>

SECTION C – THE NOTES		
C.2	Currencies.	<p>Currencies: Notes will be issued in such currencies as may be agreed between the Issuer and the relevant Dealer(s), subject to any applicable legal or regulatory restrictions or requirements.</p> <p>The Specified Currency of the Notes is Euro (“EUR”).</p> <p>Denominations: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s), provided that no Notes may be issued under the Programme which have a minimum denomination of less than €1,000 (or nearly equivalent in another currency) and subject to compliance with all applicable legal and/or regulatory and/or central bank requirements applicable to the relevant Specified Currency.</p> <p>Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.</p> <p>Where any global Note is exchangeable for a definitive Note other than in the limited circumstances specified in the relevant global Note, such Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).</p> <p>The Notes are issued in denomination(s) of EUR 1,000.</p>
C.5	Restrictions on free transferability of the Notes.	<p>Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.</p>
C.8	Ranking of the Notes, rights of the Notes and any limitations to those rights.	<p>Status of the Notes: The Notes will constitute direct, unconditional and unsecured obligations of the Issuer and will rank <i>pari passu</i>, without preference among themselves, with all other unsecured External Indebtedness of the Issuer, from time to time outstanding, provided further that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due on the Notes and <i>vice versa</i>.</p> <p>"External Indebtedness" means any Indebtedness which is payable by its terms or at the option of its holder in any currency other than the currency of Israel and "Indebtedness" means all obligations of the Issuer in respect of borrowed money and guarantees given by the Issuer in respect of money borrowed by others.</p>

SECTION C – THE NOTES

		<p>Taxation: All payments of principal and interest in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within State of Israel unless required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required by law to pay additional amounts in respect of the amounts so deducted.</p> <p>Governing law: The Notes and all non-contractual obligations arising out of, or in connection with them, will be governed by English law.</p> <p>Enforcement of Notes in global form: In the case of global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 7 September 2017.</p> <p>Limitations on the rights attaching to the Notes: This part of the Element is not applicable, as there are no such limitations on rights attaching to the Notes.</p>
<p>C.9</p>	<p>Interest, redemption, yield and representative of the Noteholders.</p>	<p>Interest: Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate. The applicable interest rate or its method of calculation may differ from time to time or be constant for any Series of Notes. Notes may have a maximum interest rate, a minimum interest rate, or both. The length of the interest periods for the Notes may also differ from time to time or be constant for any Series of Notes.</p> <p>The Notes are interest bearing and are Fixed Rate Notes.</p> <p>Nominal interest rate: 1.500%.</p> <p>Interest Commencement Date: 16 January 2019.</p> <p>Interest Payment Date(s): 16 January in each year, from and including 16 January 2020, up to and including the Maturity Date; not adjusted.</p> <p>Day Count Fraction: Actual/Actual (ICMA).</p> <p>Maturity: Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.</p> <p>Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on 16 January 2029.</p> <p>Redemption: Subject to any purchase and cancellation or early redemption, Notes will be redeemed on their Maturity Date at par.</p> <p>Notes may be redeemed before their stated maturity if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the State of Israel.</p> <p>Issue Price: Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.</p> <p>The issue price of the Notes is 99.320 per cent. of their aggregate principal amount.</p> <p>Yield: The yield of each Tranche of Notes will be calculated by interpolation on</p>

SECTION C – THE NOTES		
		<p>an annual or semi-annual basis using the relevant issue price at the relevant issue date, using the formula below. It is not an indication of future yield.</p> $P = \frac{C}{r}(1 - (1 + r)^{-n}) + A(1 + r)^{-n}$ <p>Where:</p> <p>"P" is the Issue Price of the Notes;</p> <p>"C" is the annualised Interest Amount;</p> <p>"A" is the principal amount of the Notes due on redemption;</p> <p>"n" is the time to maturity in years; and</p> <p>"r" is the annualised yield.</p> <p>The annual yield of the Notes, calculated on the Issue Date, is 1.574 per cent.</p> <p>Representative of the Noteholders: This part of the Element is not applicable, as there is no trustee appointed to act on behalf of the Noteholders.</p>
C.10	Derivative components in interest payment.	Not Applicable. No such Notes will be issued under the Programme.
C.11	Listing and admission to trading of the Notes.	Application will be made for the Notes to be admitted to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange effective as of 16 January 2019.
C.21	Market for which the Base Prospectus has been published.	Applications have been made for Notes issued during the period of 12 months from the date of the Base Prospectus to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange.

SECTION D – RISKS		
D.2	Key risks specific to the Issuer.	Escalation of political volatility in the Middle East and North Africa region and worsening of global economic conditions may have an adverse effect, if these risks materialise, on Israel's economy and its financial condition and credit. By investing in the Notes, an investor is exposed to the risk that some or all of these factors could negatively affect the Issuer, and in turn, negatively impact the value of the Notes.
D.3	Key risks specific to the Notes.	<p>Investing in Notes issued under the Programme involves risks.</p> <p>Risks related to the structure of a particular issue of Notes</p> <p>Features of Notes issued under the Programme may give rise to particular risks. An optional redemption feature exercisable at the option of the Issuer may reduce the return on investment provided by a Note compared to the return that would have been achieved had the Note been redeemed at maturity and the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. Also, the market value of Notes other than conventional interest-bearing securities (such as variable rate Notes, inverse floating rate Notes, fixed/floating rate Notes and Notes issued at a substantial discount or premium) may be more volatile and will tend to fluctuate more than "plain vanilla" Notes. Generally, the longer the remaining term of the securities, the greater the price</p>

SECTION D – RISKS		
		<p>volatility as compared to conventional interest-bearing securities with comparable maturities.</p> <p><i>Risks relating to Renminbi Notes</i></p> <p>Investors in Notes denominated in Renminbi ("Renminbi Notes") should be aware of the risks relating to an investment in Renminbi Notes. Renminbi is not completely freely convertible and there is only limited availability of Renminbi outside the People's Republic of China, which may affect the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes. Additionally, changes in economic and political conditions may have an impact on the value of the Renminbi against the U.S. Dollar and changes in policies may also heighten the interest rate volatility and all payments in respect of Renminbi Notes will only be made in accordance with the modes of payment prescribed in the terms and conditions. Investment in Renminbi Notes may be subject to PRC tax.</p> <p><i>Risks related to Notes generally</i></p> <p>Investors in Notes issued under the Programme should be aware that such investments include the risks that deductions are made from payments to Noteholders for withholding tax purposes or that a future change in the laws or administrative practice of the governing law of the Notes affects conditions drafted on the basis of such law prior to the relevant change(s).</p> <p><i>Risks related to the market generally</i></p> <p>Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued) and there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. The lack of a trading market for Notes, or an illiquid market for Notes, may mean that an investor is unable to find a purchaser for Notes and rising interest rates may adversely affect the value, and therefore the potential price an investor would obtain on sale, of Notes. The investment of investors whose financial activities are denominated in a currency other than the Specified Currency of the Notes may be adversely affected by changes in exchange rates or currency appreciation, or by the imposition of exchange controls and, furthermore, any adverse change in an applicable credit rating could adversely affect the trading price for Notes issued under the Programme. One or more of these risk factors could affect the ability of investors to sell their Notes and the price(s) at which Notes could be sold.</p>

SECTION E – OFFER		
E.2b	Reasons for the offer and use of proceeds.	The net proceeds from the issue of the Notes are intended to be used for the general financing purposes of the Issuer.
E.3	Terms and conditions of the offer.	Not Applicable. The Notes may only be offered within the EEA to qualified investors (as defined in the Prospectus Directive) on an exempt basis pursuant to Article 3(2) of the Prospectus Directive.
E.4	Any interest(s)	The Issuer is not aware of any interest(s) material to issues of Notes under the

SECTION E – OFFER		
	material to the issue/offer.	Programme, other than any fees payable to the Dealer(s) acting as underwriter(s) and/or Stabilisation Manager(s) of issues of Notes.
E.7	Expenses charged to the Investor by the Issuer or the Authorised Offeror(s).	Not Applicable.