

EXPLANATORY PAGE FOR CUSTOMERS - HOUSING LOANS

Dear Borrowers,

In these explanatory pages, which are intended to make the process of obtaining a loan easier for you, we are bringing to your attention details relating to the stages of obtaining a loan, the documents required to receive such loan and the loan repayment terms.

The types of loans

The bank extends loans for repayment in monthly installments for periods of up to 10 years or bridge loans for periods of up to a year.

You can obtain the following types of loans:

1. Non-indexed loan with variable prime-based interest.
2. Non-indexed loan with fixed interest.

Approval of the loans and their terms is subject to the bank's criteria. The bank may revise and/or discontinue the types of loans offered as above at any time.

Arrangements for obtaining the loan

The loan application by you must include, among other things, the following details: personal details, details of the bank account, the purpose of the transaction, the proposed collateral (funds in the bank or otherwise), details of the property that is the subject of the application, the amount of the loan, the type of loan, the number of installments, the monthly repayment capacity and monthly income.

The aforementioned details must be supported by documents, if you already have them, such as: A purchase agreement, most recent bank statements of the bank account, pay slips and additional documents as set forth below.

Your application will be considered by the branch management and additional parties and you will be given a prompt response.

If you receive written approval in principle to execute the transaction (hereinafter: an "**approval in principle**"), and you request to execute said transaction, you will be required to bring supporting documentation for the information that you provided in your application. If you are required to provide collateral to secure the loan (funds in the bank or otherwise), you will have to complete the process of registering the collateral (insofar as requested) in favor of the bank and for this purpose, to sign the pledge documents.

Insofar as you receive approval in principle for such loan, this is only approval in principle and the granting of the loan is contingent on your furnishing all the documents as shall be required by the bank, compliance with the bank's criteria, as well as signing all the necessary documents and agreements, in such text as shall be required by the bank.

The list of documents that will be required from you, as stated, is not a closed list and is based on your declarations in regard to the condition of the property, how records are kept with respect to said property, etc. The bank will be permitted to require the presentation of additional documents and/or approvals as needed after reviewing the documents and information that you have provided and/or will provide.

If you comply with all the terms detailed in the approval in principle (including signature of the documents) within 12 days of the date of receiving the approval in principle, the interest rate / interest margin approved by the bank will be reserved for you and you will be invited to sign the loan documents and the loan will be credited to your account.

The following is the list of documents that may be required from you depending on the approved transaction:

- ❑ With respect to a loan for a purchase - the property purchase contract.
- ❑ With respect to a loan for property renovation - pro-forma invoice for renovation costs.
- ❑ Most recent bank statements of the bank account (last 3 months) and a printed breakdown of loans from all your bank accounts.
- ❑ Attachment of the last 3 pay slips or Form 106 or a tax assessment, to prove income as declared or a profit and loss statement including certification of income by a CPA.
- ❑ Presentation of a legal ID card and the identification verification documents that will be required.
- ❑ Presentation of a *Masach* (land appreciation) form (a declaration form of parties to a real estate transaction that is submitted to the Land Taxation Authority after executing a transaction)

Calculation of the interest and the monthly debit amounts

The interest percentage on the loan will be determined by the bank according to the prevailing interest rates at the bank for such types of transaction and will be calculated from the loan grant date.

The interest on the loan will be calculated according to the number of days that have actually elapsed divided by 365 or 366 depending on the number of days in the year in which the relevant period falls or divided by 360 if involving a loan that is repaid according to the Spitzer table (fixed monthly payment). The monthly debit amount on the Spitzer table or an equal principal track will include payment of principal and interest. The monthly debit amount in the case of a bullet loan (except for the final payment) will include interest only.

Date of monthly repayment

You can choose repayment dates for the loan that will be one of three repayment dates: 1st, 10th or 15th of the month.

Debits and fees

For the granting of the loan, review of the documents and the ongoing management of the loan a credit - housing loan-processing fee is charged (a one-time debit when the loan is made available).

Furthermore, in the event that you will be required to provide collateral to secure the loan (funds in the bank or otherwise), there will also be registration costs at the registrars and third-party expenses, including but not limited to registering the collateral in the relevant registries and all as appearing on the bank's fee tariff, which is available on the bank's website.

In addition to the aforesaid and to the fees specified on this explanatory page, there are additional fees related to the execution and management of the loan, which will be debited, as applicable, as part of such monthly payments, as specified in the bank's fee tariff, which is available on the bank's website.

Repayment arrangements

The loan will be repaid by debiting the current account that will be maintained at the branch.

There is an option to debit the loan payments directly to a current account at another bank, provided that an authorization letter to debit the account, authorized by the bank, is furnished.

If the monthly payment on account of the loan is made through the current account that will be maintained at the branch, the date of the 1st of the month, or the 10th or the 15th of the month, as applicable, will be deemed the repayment date, and if the monthly payment is made through a different banking institution, the date when the bank is actually credited in respect of said payment will be deemed the repayment date.

It is your responsibility to ensure that the account balance enables the debiting of the account with the periodic payment of the loan. A periodic payment that is not paid will be transferred to an arrears account.

The monthly payments will include payment on account of interest or principal and interest, all according to the terms of the loan.

Payments on account of prime-based loans will be updated according to the change in the prime rate, as set forth in the loan documents.

Within five days after the full repayment of the loan, we will deliver to you discharge confirmations pursuant to the rules detailed in the directives of the Bank of Israel. However, if the repayment is made by check in a foreign currency, the confirmation will be delivered within 16 business days and if the repayment is made in cash or by bank transfer, the confirmation will be delivered within two business days of the delivery of a document to the bank evidencing the execution of the bank transfer.

Early prepayment

You have the option, at any time, to request to make early prepayment of all or part of the loan.

Full or partial early prepayment of a loan may cause losses to the bank. Therefore, the Bank of Israel has established rules for charging an early prepayment fee in certain cases, to minimize the damages incurred by the bank. Attached please find, as an integral part of this document, an explanatory page of the terms of the early prepayment according to the type of loan that will be made.

Guarantees of the Sale (Apartments) Law

Please note, if involving the first-hand purchase of an apartment, the seller must furnish collateral to you in accordance with the Sale (Apartments) (Assurance of Investments of Purchasers of Apartments) Law 5735 (above and below: the "**Sale (Apartments) Law**") and you must ensure that the collateral is received in the same amount as the amounts paid by you (including the loan funds). In accordance with the Sale (Apartments) Law, when the seller's financing is accomplished through a closed construction loan agreement, in a purchase governed by the Sale (Apartments) Law, then the consideration for the purchase of the property is paid to the seller, to the credit of the construction loan account of the project to which the property relates, by payment vouchers, which are to be issued by the bank providing the project's construction loan. Pursuant to the directives of the Bank of Israel, a banking corporation providing the project's construction loan must verify the construction loan account number and the name of the project for the purchaser and this including by contacting the bank branch where the construction loan account is maintained, by telephone answering service or on the website or in any other manner as is prescribed and/or will be prescribed by law.

Deferral of the monthly repayment date of a housing loan in special circumstances

- a. Upon the occurrence of any of following events (hereinafter: a "**qualifying event**") and no more than 3 times throughout the loan period, and subject to the provisions and terms prescribed in the loan documents, you will be entitled to defer the payments of loans that are not yet due for a period not exceeding 3 months each time:
- (1) One or more of the borrowers has terminated his employment in the course of the year preceding the date of submitting the deferral application and has not worked since.
 - (2) One or more of the borrowers has fallen ill or was injured and is unfit for work for a continuous period exceeding three months.
 - (3) The borrower has given birth, six months have not yet elapsed from the date of the birth and she is not working.
- b. The deferral of payments due to such qualifying event is given at your option. If you have elected to defer the payments, you will be required to submit a written application together with all the documents and certificates evidencing the existence of the qualifying event. Your attention is drawn to the fact, among others, that if you have elected to defer payments due to a qualifying event, it will not be possible to request such deferral due to an additional qualifying event, until 12 months have elapsed from the date when the previous deferral ended.
- c. The deferred monthly payments can be repaid in one of two ways: (a) The deferral of the payments will result in the deferred payments being added to the remaining payments, without deferring the final repayment date of the loan, in such manner that the outstanding balance of the loan will be rescheduled according to the terms of the loan, including bearing interest according to the terms of the loan (including during the deferral period) or (b) the deferred payments will be paid at the end of the loan repayment period pursuant to the loan documents in periodic installments as the number of monthly payments deferred.
- d. In addition, in respect of the deferral you will be charged a fee that will be specified from time to time in the bank's fee tariff for freezing payments and/or any other fee as will be set from time to time. The applicable fee amounts as of the date of submitting the loan application will appear on the fee tariff, which is available on the bank's website.
- e. The deferral will not apply to incidental payments, such as commissions or fees.

Information card

Borrowers who have a credit card and/or a card for cash withdrawals and/or an information card issued by the bank in an account maintained at the bank, can obtain through said card information on all the loans for which payments are debited in the same account and that have been provided to them by the bank. Access to such information is also available online, and this for borrowers who have an account maintained at the bank that they can access online.

Examples of payment schedules

The following is a breakdown of payment schedules in which monthly repayments on account of principal and interest appear according to various interest rates and number of years. The payment schedules are suitable for non-indexed fixed interest loans.

The bank branches throughout the country are always at your service for further explanations.

Examples of monthly payment amounts for a loan in the sum of NIS 10,000 (excluding fees) - Spitzer table

Mont hly paym ent	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Mont hly paym ent
	9.0%	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%		
12	874.51	872.20	869.88	867.57	865.27	862.96	860.66	858.37	856.07	853.79	851.50	849.22	846.94	844.66	842.39	840.12	837.85	12	
24	456.85	454.56	452.27	450.00	447.73	445.46	443.21	440.96	438.71	436.48	434.25	432.03	429.81	427.60	425.44	423.21	421.02	24	
36	318.00	315.68	313.36	311.06	308.77	306.49	304.22	301.96	299.71	297.47	295.24	293.02	290.81	288.61	286.43	284.25	282.08	36	
48	248.85	246.48	244.13	241.79	239.46	237.15	234.85	232.56	230.29	228.03	225.79	223.56	221.34	219.14	216.95	214.78	212.61	48	
60	207.58	205.17	202.76	200.38	198.01	195.66	193.33	191.01	188.71	186.43	184.17	181.92	179.69	177.47	175.28	173.10	170.94	60	
72	180.26	177.78	175.33	172.90	170.49	168.10	165.73	163.38	161.05	158.74	156.45	154.18	151.94	149.71	147.50	145.32	143.16	72	
84	160.89	158.36	155.86	153.38	150.93	148.49	146.09	143.70	141.34	139.00	136.69	134.40	132.13	129.89	127.67	125.48	123.31	84	
96	146.50	143.92	141.37	138.84	136.34	133.86	131.41	128.99	126.60	124.23	121.89	119.58	117.30	115.04	112.81	110.61	108.43	96	
108	135.43	132.79	130.19	127.61	125.06	122.55	120.06	117.60	115.17	112.78	110.41	108.07	105.77	103.50	101.25	99.04	96.86	108	
120	126.68	123.99	121.33	118.70	116.11	113.55	111.02	108.53	106.07	103.64	101.25	.8989	96.56	94.27	92.01	89.79	87.60	120	
132	119.61	116.86	114.15	111.48	108.84	106.24	103.67	101.14	98.64	96.19	93.77	91.38	89.04	86.73	84.46	82.23	80.03	132	
144	113.80	111.01	108.25	105.52	102.84	100.19	97.59	95.02	92.49	90.00	87.55	85.15	82.78	80.45	78.17	75.93	73.72	144	

156	108.9 7	106.1 2	103.3 1	100.5 4	97.81	95.12	92.47	89.87	87.31	84.79	82.31	79.88	77.49	75.15	72.85	70.60	68.39	156
168	104.8 9	101.9 9	99.13	96.31	93.54	90.81	88.12	85.48	82.89	80.34	77.83	75.38	72.97	70.61	68.29	66.03	63.81	168
180	101.4 3	98.47	95.57	92.70	89.88	87.11	84.39	81.71	79.08	76.50	73.97	71.49	69.06	66.68	64.35	62.07	59.85	180
192	98.45	95.45	92.49	89.58	86.72	83.91	81.14	78.43	75.77	73.16	70.60	68.09	65.64	63.25	60.90	58.62	56.38	192
204	95.88	92.83	89.83	86.87	83.97	81.11	78.31	75.56	72.87	70.22	67.64	65.11	62.64	60.22	57.86	55.57	53.32	204
216	93.64	90.55	87.50	84.50	81.55	78.66	75.82	73.03	70.30	67.63	65.02	62.47	59.97	57.54	55.17	52.86	50.61	216
228	91.69	88.54	85.45	82.41	79.42	76.49	73.61	70.79	68.03	65.33	62.69	60.11	57.59	55.14	52.76	50.43	48.18	228
240	89.97	86.78	83.64	80.56	77.53	74.56	71.64	68.79	66.00	63.26	60.60	58.00	55.46	52.99	50.59	48.25	45.99	240

Examples of monthly payment amounts for a loan in the sum of NIS 10,000 (excluding fees) - payment of a fixed principal and interest on the outstanding balance (first payment)

Montly paym ent	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Inter est	Montly paym ent
	9.0%	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%			
12	908.3 3	904.1 7	900.0 0	895.8 3	891.6 7	887.5 0	883.3 3	879.1 7	875.0 0	870.8 3	866.6 7	862.5 0	858.3 3	854.1 7	850.0 0	845.8 3	841.6 7	12		
24	491.6 7	487.5 0	483.3 3	479.1 7	475.0 0	470.8 3	466.6 7	462.5 0	458.3 3	454.1 7	450.0 0	445.8 3	441.6 7	437.5 0	433.3 3	429.1 7	425.0 0	24		
36	352.7 8	348.6 1	344.4 4	340.2 8	336.1 1	331.9 4	327.7 8	323.6 1	319.4 4	315.2 8	311.1 1	306.9 4	302.7 8	298.6 1	294.4 4	290.2 8	286.1 1	36		
48	283.3 3	279.1 7	275.0 0	270.8 3	266.6 7	262.5 0	258.3 3	254.1 7	250.0 0	245.8 3	241.6 7	237.5 0	233.3 3	229.1 7	225.0 0	220.8 3	216.6 7	48		
60	241.6 7	237.5 0	233.3 3	229.1 7	225.0 0	220.8 3	216.6 7	212.5 0	208.3 3	204.1 7	200.0 0	195.8 3	191.6 7	187.5 0	183.3 3	179.1 7	175.0 0	60		
72	213.8 9	209.7 2	205.5 6	201.3 9	197.2 2	193.0 6	188.8 9	184.7 2	180.5 6	176.3 9	172.2 2	168.0 6	163.8 9	159.7 2	155.5 6	151.3 9	147.2 2	72		

84	194.0 5	189.8 8	185.7 1	181.5 5	177.3 8	173.2 1	169.0 5	164.8 8	160.7 1	156.5 5	152.3 8	148.2 1	144.0 5	139.8 8	135.7 1	131.5 5	127.3 8	84
96	179.1 7	175.0 0	170.8 3	166.6 7	162.5 0	158.3 3	154.1 7	150.0 0	145.8 3	141.6 7	137.5 0	133.3 3	129.1 7	125.0 0	120.8 3	116.6 7	112.5 0	96
108	167.5 9	163.4 3	159.2 6	155.0 9	150.9 3	146.7 6	142.5 9	138.4 3	134.2 6	130.0 9	125.9 3	121.7 6	117.5 9	113.4 3	109.2 6	105.0 9	100.9 3	108
120	158.3 3	154.1 7	150.0 0	145.8 3	141.6 7	137.5 0	133.3 3	129.1 7	125.0 0	120.8 3	116.6 7	112.5 0	108.3 3	104.1 7	100.0 0	95.83	91.67	120
132	150.7 6	146.5 9	142.4 2	138.2 6	134.0 9	129.9 2	125.7 6	121.5 9	117.4 2	113.2 6	109.0 9	104.9 2	100.7 6	96.59	92.42	88.26	84.09	132
144	144.4 4	140.2 8	136.1 1	131.9 4	127.7 8	123.6 1	119.4 4	115.2 8	111.1 1	106.9 4	102.7 8	98.61	94.44	90.28	86.11	81.94	77.78	144
156	139.1 0	134.9 4	130.7 7	126.6 0	122.4 4	118.2 7	114.1 0	109.9 4	105.7 7	101.6 0	97.44	93.27	89.10	84.94	80.77	76.60	72.44	156
168	134.5 2	130.3 6	126.1 9	122.0 2	117.8 6	113.6 9	109.5 2	105.3 6	101.1 9	97.02	92.86	88.69	84.52	80.36	76.19	72.02	67.86	168
180	130.5 6	126.3 9	122.2 2	118.0 6	113.8 9	109.7 2	105.5 6	101.3 9	97.22	93.06	88.89	84.72	80.56	76.39	72.22	68.06	63.89	180
192	127.0 8	122.9 2	118.7 5	114.5 8	110.4 2	106.2 5	102.0 8	97.92	93.75	89.58	85.42	81.25	77.08	72.92	68.75	64.58	60.42	192
204	124.0 2	119.8 5	115.6 9	111.5 2	107.3 5	103.1 9	99.02	94.85	90.69	86.52	82.35	78.19	74.02	69.85	65.69	61.52	57.35	204
216	121.3 0	117.1 3	112.9 6	108.8 0	104.6 3	100.4 6	96.30	92.13	87.96	83.80	79.63	75.46	71.30	67.13	62.96	58.80	54.63	216
228	118.8 6	114.6 9	110.5 3	106.3 6	102.1 9	98.03	93.86	89.69	85.53	81.36	77.19	73.03	68.86	64.69	60.53	56.36	52.19	228
240	116.6 7	112.5 0	108.3 3	104.1 7	100.0 0	95.83	91.67	87.50	83.33	79.17	75.00	70.83	66.67	62.50	58.33	54.17	50.00	240

Signature of the borrowers: _____

EXPLANATORY PAGE FOR THE EARLY PREPAYMENT FEE OF HOUSING LOANS

Branch name: _____

Address: _____

Facsimile number: _____

Dear customers,

You have the option, at any time, to request early prepayment of all or part of the loan.

However, the execution of the early prepayment is contingent on the payment of a fee that is calculated in accordance with the rules established by the Bank of Israel and detailed in the Banking Order (Early Repayment of Housing Loans), 5762-2002 (hereinafter: the "**Banking Order**"). Under said order, the Governor of the Bank of Israel established a formula for calculating the early prepayment fee, which reflects part of the economic loss incurred by the bank as a result of the early prepayment of a loan, which is made by the customer, before the repayment date agreed between the customer and the bank.

The following is a breakdown of components of the early prepayment fee, which may help you in making a decision on the best date to make the early prepayment:

1. Operating fee (processing fee):

In respect of executing an early prepayment, an operating fee will be charged in the maximum amount prescribed by the Supervisor of Banks, which currently stands at a sum of NIS 60.

This amount may be updated from time to time in accordance with the directives of the Supervisor of Banks.

2. Fee for failure to give prior notice:

Prior notice is to be given to the bank at least 10 days in advance of your wish to repay all or part of the loan by early prepayment and provided that the payment on account of such discharge is made commencing from the 11th day from the date the notice is given and up to 45 days from the date the notice is given. In other words - prior notice cannot be given more than 45 days prior to the date on which the early prepayment is made. Prior notice that does not satisfy this requirement will not be deemed prior notice for the purpose of charging the fee for failure to give prior notice and will result in the borrower being charged with this fee.

In respect of a failure to give prior notice as stated above, the bank will charge a fee as compensation for the loss incurred by the bank due to its inability to timely refinance the repaid funds, at a rate of 0.1% of the repaid amount (amount of the principal repaid by early prepayment plus interest amounts accrued up to the early prepayment date) (hereinafter: "**the repaid amount**").

This fee will not be charged in the event that the loan is refinanced through the bank, i.e. in the event that the bank extends a substitute loan for the purpose of the early prepayment of the loan being repaid, as well as when early prepayment is made in the event of the borrower's death.

The prior notice of your request to make early prepayment is to be given by you in one of the following ways:

Delivery in writing to the branch, sending by mail, by facsimile, or by other means of communication that the bank has proposed and by which you wish to operate.

Delivery to the branch / by regular mail - the prior notice is considered to have been delivered on the date it is received by the bank.

By registered mail - the prior notice is considered to have been delivered 3 days after the date of the mailing.

The bank's contact details are specified at the top of the page.

3. Interest differentials fee:

A fee charged for the loss incurred by the bank as a result of the difference between the interest rate on the loan on the early prepayment date and the average interest (as defined below) on the early prepayment date or as a result of the difference between the average interest rate on the loan grant date and the average interest rate on the early prepayment date, whichever is lower. This fee is calculated by way of discounting, as stipulated in the formula of the Supervisor of Banks prescribed in the Banking Order.

(1) In the event that the last known average interest rate, published by the Bank of Israel (on the 10th of the month or on any other date to be determined by the Bank of Israel) and notice of which was given to the banking corporations (hereinafter: "**the average interest**")¹ on the early prepayment date is lower than the periodic interest rate that applies to the loan on the early prepayment date, a fee will be charged that will not exceed the difference between the future payments that you wish to repay by early prepayment, where they are discounted to their present value on the day of the early prepayment according to the average interest as at the date of the early prepayment, and the same payments where they are discounted to the present value on the day of the early prepayment according to the periodic interest that applies to the loan on the date of the early prepayment.

(2) Notwithstanding the aforesaid in clause 3(1) above, if the average interest rate on the loan grant date is lower than the periodic interest rate that applies to the loan on the loan grant date - a fee will be charged that will not exceed the difference between the future payments that you wish to repay by early prepayment where they are discounted to their present value on the date of the early prepayment according to the average interest as at the date of the early prepayment, and the same payments where they are discounted to the present value on the day of the early prepayment according to the average interest on the loan grant date.

If the average interest rate was not published on the loan grant date, then the periodic interest that applies to the loan on the loan grant date will be deemed the average interest that applies to said loan on such date.

The fee charged pursuant to clause 3(1) or clause 3(2) above, if any, will be made according to whichever is lower.

The discounting will be carried out in accordance with the discounting rules specified in the Banking Order.

A fee as set forth in clauses 3(1) and 3(2) above will be calculated according to the formula in the Second Schedule to the Banking Order, in item B.

Where a number of average interest rates have been set according to different periods, the fee in clauses 3(1) and 3(2) will be calculated according to an average interest rate for the period remaining until the date of the final repayment of the loan.

¹The average interest is determined according to a calculation of the average weighted interest of loans (other than loans granted according to a special arrangement under the Banking Order) granted by banking corporations or according to a different calculation and all as determined by the Supervisor of Banks with the approval of the Finance Committee. The Supervisor of Banks may publish different rates of average interest rates according to different periods and different loan segments.

Please note, in the case of variable interest loans where the variable interest rate is unknown at the time of receiving the loan (such as prime-based loans), there is an exemption from the interest differentials fee but an operating fee will be paid.

4. Deductions from the interest differentials fee according to the loan period:

Where the early prepayment is made three to five years after the loan grant date, 20% will be deducted from the fee calculated for interest differentials.

Where the early prepayment is made more than 5 years after the loan grant date, 30% will be deducted from the fee calculated for interest differentials.

5. Reducing the total fee rate for interest differentials:

In the event that the average interest rate, published by the Bank of Israel for the type of loan and for the remaining loan period on the early prepayment date, is higher than the interest rate on the loan on the early prepayment date (insofar as a calculation is made according to clause 3(1) above), or higher than or equal to the average interest rate on the loan grant date (insofar as a calculation is made according to clause 3(2) above), the amount of the result of the calculation based on the difference between the two interest rates as specified above will be offset from the fees specified in clauses 1 (operating fee) and 2 (fee for failure to give prior notice) above.

6. Partial early prepayment:

In the case of partial early prepayment, under which specific periodic payments are repaid (such as: shortening of the loan period by prepaying the final payments), the bank may calculate the fee (according to the formula) for the economic loss incurred due to the payments that were advanced.

In the case of partial early prepayment, under which the periodic payments were reduced, but the original loan period has remained unchanged, the bank will calculate the fee (according to the formula), according to the proportionate part of the loan that is repaid by early prepayment.

Without prejudice to the aforesaid, if partial early prepayment is made, the loan period will be shortened. However, the borrower will be permitted to apply to the bank in writing within 10 days of the date of making such partial early prepayment and to request that the loan period will not be shortened, but that the monthly payments be reduced, proportionately, in light of such partial early prepayment and this until the end of the loan period.

7. Giving confirmation of discharge of the loan by the bank:

After full repayment is made of the loan, the bank will send the borrower a discharge confirmation in which it will be written that the borrower has fully repaid the loan and if the properties provided as collateral to secure the loan are not charged in favor of the bank to secure credit loans or other banking services that have not yet been paid, the bank will note in the confirmation that it has no interest in the properties charged in its favor to secure the loan and that the bank is required to cancel the charges in respect of the loan within the periods of time specified in Section 9A of the Banking (Service to Customer) Law, 5741-1981.

It is clarified that this explanatory page relates solely to a housing loan that was granted by the bank. The terms of the early prepayment fee, including the terms for the charging and/or rate and/or payment of said fee and/or any other detail included in this explanatory page may change as determined by the Bank of Israel (or any other competent authority) from time to time and any such amendment and/or change will bind the borrower at all times. The bank will charge the maximum rates and amounts of the early prepayment fee, as they will be from time to time. In the case of a discrepancy between what is published above and the

Banking Order, the text of the order or any statute, or temporary order will prevail, as they will be in effect from time to time.

We would clarify that the aforesaid is information that is intended to provide details with regard to the early prepayment fee and the way it is calculated, however the bank is not and will not be responsible in any way for weighing the advisability of making an early prepayment on a loan and including with regard to the date of making the early prepayment, its amount and choosing the loan in which the early prepayment amount is to be credited, which are the sole responsibility of the borrower.

For further details and inquiries on the issue of the early prepayment fee, you may contact our branch according to the details specified above.

EXAMPLES FOR CALCULATING AN EARLY REPAYMENT FEE RATE (FOR ILLUSTRATIVE PURPOSES ONLY)

The type of loan - fixed interest; amount of the loan - NIS 100,000; the interest rate on the loan on the early prepayment date - 6.5%*; the loan period - 12 years.

Examples for calculating an early repayment fee rate (for illustrative purposes only)

Non-notification fee (in NIS)			Operational fee in) (NIS	Interest differential fee (in NIS)			Average interest rate for capitalization at the time the loan was issued	Average discounted interest rate on early repayment date
At the end of 10 years from the day the loan was issued	At the end of 4 years from the day the loan was issued	At the end of 2 years from the day the loan was issued		At the end of 10 years from the day the loan was issued	At the end of 4 years from the day the loan was issued	At the end of 2 years from the day the loan was issued		
65.66	88.86	94.79	60	5,585.22	13,399.44	19,879.74	7%	4%
65.66	88.86	94.79	60	2,342.72	5,763.08	8,617.87	5%	

Clarifications in regard to the examples:

- The examples relate to early prepayment of the full amount of the loan balance made in the second half of the month.
- The operating fee does not vary according to the loan repayment date.

- The amounts specified above in relation to the interest differentials fee and the fee for failure to give prior notice are calculated on the principal balance. At the time of the repayment, the sum of the repaid principal amount and the additional interest accrued up to the date of the early repayment will be calculated.

* The average interest rate for discounting on the early prepayment date will reflect the average interest according to Bank of Israel publications, after it is transformed from effective interest to nominal interest.

Signature of the borrowers: _____