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AUDITORS' REPORT  
To the Governor and the Supervisory Council of the  
BANK OF ISRAEL

We have audited the accompanying Statements of Financial Position of the Bank of Israel ("the Bank") as of December 31, 2022 and 2021, and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Deficit Equity and Cash Flows of the Bank for each of the years ended December 31, 2022 and 2021 ("the financial statements") featured on pages 20-83 below. These financial statements are the responsibility of the Bank's Supervisory Council, Governor and Director General. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Israel, including those prescribed by the Auditors' Regulations (Auditor's Mode of Performance), 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, and the results of its operations, changes in its deficit equity and cash flows for each of the years ended December 31, 2022 and 2021, in conformity with International Financial Reporting Standards ("IFRS").

Tel-Aviv, Israel  
March 23, 2023

*Kost Forer Gabbay and Kasierer*  
**KOST FORER GABBAY & KASIERER**  
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