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March 31, 2025

Joint Press Release

**Annual Report of the Citizens of Israel Fund**

Today, the annual report of the Citizens of Israel Fund was published following its approval by the Fund’s Council.

The Citizens of Israel Fund was established to manage the state’s revenues from the levy on oil and natural gas profits collected under the provisions of the Natural Resources Profits Tax Law. Its purpose, as defined by the Citizens of Israel Fund Law, is to manage the state’s revenues from the levy with a long-term economic perspective to maximize them and ensure the Fund’s continued existence for many generations. The Citizens of Israel Fund Law was enacted in 2014, and the Fund began its operations in June 2022, after the accumulated levy amount reached NIS 1 billion—the threshold set for the law to take effect.

Betzalel Smotrich, Minister of Finance and Chairman of the Fund’s Council, stated: “The year 2024 was one of the most challenging years in the history of Israel in terms of security, economy, and society. This year tested the purpose of the Citizens of Israel Fund as a fund that operates beyond considerations of “the here and now” and remains true to its role and mission for the benefit of future generations. We maintained an investment policy focused on the long term, unaffected by local fluctuations, and operated based on principles of stability, responsibility, and steady economic growth, even in difficult times. The Fund continued to grow throughout the year, and achieved a return of approximately 11.5%. This growth, along with the significant increase in the Fund’s assets, demonstrated how we are succeeding in ensuring a stable and valuable economic resource for the citizens of Israel for the coming years, resulting from the development of the natural gas sector and Israel’s energy independence. I would like to thank my colleagues on the Fund’s Council, the Investment Committee, the Audit Committee, and the Citizens of Israel Fund Management Department at the Bank of Israel for their professional and dedicated work this year. The results we achieved would not have been possible without their commitment and significant contributions.”

Bank of Israel Governor Prof. Amir Yaron commented: “The Citizens of Israel Fund operates with a long-term vision and commitment to future generations, emphasizing the need for investments in the economic, social, and educational fields. These investments are intended to develop and strengthen human capital and physical infrastructure in the Israeli economy, thereby contributing to increased productivity and ensuring sustainable growth in the long term. The past year was undoubtedly one of the most challenging and complex that Israel has experienced. Against the backdrop of the past year, it is worth noting that developing the economy with a long-term strategic vision may be a key factor in the economy’s ability to face the challenges ahead. The Bank of Israel is proud to lead the management of the Fund and be a central partner in promoting its growth and assets, thereby ensuring a stable and valuable economic resource for the coming years. I want to thank the Fund’s institutions and the employees of the Management Department at the Bank of Israel for their fruitful cooperation, professional work, dedication, and commitment during a particularly complex year.”

Yarom Ariav, Chairman of the Fund’s Investment Committee, stated: “The prolonged and resource-intensive war highlights the importance of the Citizens of Israel Fund, which is focused on the long term and invests its assets outside of Israel and in foreign currency, unaffected by local events such as the war. In this way, the Fund may provide the state with a stable economic anchor in times of crisis. Throughout the year, despite the difficult war events, the Fund continued to expand and develop, achieving a particularly high annual return of approximately 11.5%.”

Lena Kropalnik, Head of the Citizens of Israel Fund Management Department and member of the Bank of Israel’s management, remarked: “The year 2024 was undoubtedly a difficult and challenging year on a national level due to the Swords of Iron War. Despite the sadness, difficulties, and challenges, we continued with professional momentum and in building the Department. Especially during such a period, we felt the importance of working for the long term, and chose to focus on building a professional department aimed at maximizing profits for future generations. This year, we made significant progress in developing the Fund’s investment strategy, which includes expanding into additional investment channels and building comprehensive infrastructure for the Department’s activities, alongside the ongoing management of the Fund’s assets to maximize returns.”

Key business results:

As of December 31, 2024, the Fund’s assets totaled approximately US$ 2,080 million. During the year, the Fund received revenues from the state, according to the provisions of the Natural Resources Profits Tax Law, amounting to approximately $417 million. In 2023, the Fund transferred approximately $33.6 million to the state budget for the fiscal years 2023 and 2024. In 2024, the Citizens of Israel Fund recorded a nominal dollar return of approximately 11.5%. Since its establishment, the Fund has recorded an average annual return of approximately 11.7%.