

## Statement for the third quarter - consolidated Union Bank of Israel Ltd. and its subsidiaries , Main data, NIS million

Taken from the quarterly report to 30.09.2005, reported amounts



Summary consolidated balance sheet	30.09.2005	31.12.2004	Bank's share of the banking system	
			30.09.2005	31.12.2004
Cash and deposits in banks <sup>1</sup>	3,126	3,276	2.9%	3.1%
Securities	4,003	2,780	2.7%	2.0%
Credit to the public	16,268	15,334	2.8%	2.7%
Credit to the government	60	56	1.6%	1.3%
Investments in companies included on an equity basis	46	22	1.1%	0.5%
Buildings and equipment	324	330	3.0%	3.1%
Other assets	1,092	831	4.8%	3.7%
<b>Total assets</b>	<b>24,919</b>	<b>22,629</b>	<b>2.8%</b>	<b>2.7%</b>
Deposits of the public	21,368	19,622	3.0%	2.8%
Deposits of banks <sup>1</sup>	217	207	0.9%	0.9%
Deposits of the government	8	10	0.1%	0.1%
Bonds and subordinated notes	953	854	1.9%	2.1%
Other liabilities	1,149	811	3.6%	2.7%
<b>Total liabilities</b>	<b>23,695</b>	<b>21,504</b>	<b>2.9%</b>	<b>2.7%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,224	1,125	2.4%	2.4%

Summary consolidated profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
	30.09.2005	30.09.2004	Nine months to		
	30.09.2005	30.09.2004	30.09.2005	30.09.2004	30.09.2005
Net interest profit before loan-loss provision	438.0	362.0	2.7%	2.3%	144.0
Loan-loss provision	118.0	133.0	3.7%	3.6%	34.0
Operating and other income	196.0	174.0	2.0%	2.0%	72.0
Of which: Operating income	165.0	159.0	2.2%	2.2%	57.0
Operating and other expenses	409.0	342.0	2.6%	2.4%	144.0
Of which: Salaries and related expenses	240.0	189.0	2.5%	2.2%	81.0
Ordinary before-tax provision	107.0	61.0	1.5%	1.0%	38.0
Provision for taxes on ordinary profit	44.0	37.0	1.5%	1.3%	16.0
Ordinary after-tax profit	63.0	24.0	1.5%	0.7%	22.0
Bank's share in the profit of subsidiaries	2.0	0.0			1.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	-6.0	0.0			0.0
<b>Net profit</b>	<b>59.0</b>	<b>24.0</b>	<b>1.1%</b>	<b>0.6%</b>	<b>23.0</b>

Balances and rates of return on financial items by indexation base on 30.09.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>2</sup>	Total financial items
Balance of financial assets on balance-sheet date	11,520	3,565	8,701	23,786
Balance of financial liabilities on balance-sheet date	10,379	3,436	9,388	23,203
Excess of financial assets over financial liabilities	1,141	129	-687	583
Total indexation balance (incl. forwards and options in term of basis assets) <sup>3</sup>	599	-19	3	583
Rate of income on assets (percent) <sup>4</sup>	4.15	7.02	4.75	4.75
Rate of expenditure on liabilities (percent) <sup>4</sup>	-2.79	-6.21	-3.51	-3.50
Interest-rate differential	1.36	0.81	1.24	1.25

Problem borrowers	30.09.2005	31.12.2004
Total credit risk dew to problem borrowers	1,575	1,465
Total credit to problem borrowers	1,324	1,293

Main financial ratios - consolidated (percent)	30.09.2005	31.12.2004
Equity/balance-sheet ratio	4.91	4.97
Financial capital/equity ratio	47.63	51.82
Equity/risk-weighted-assets ratio	10.30	10.50
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	7.10	3.30
Operating income/operating expenses ratio <sup>6</sup>	47.92	49.68

<sup>1</sup> See note 5.1.7 in the introduction<sup>2</sup> Including foreign-currency indexed NIS.<sup>3</sup> Forwards transactions.<sup>4</sup> Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.<sup>5</sup> Annual basis.<sup>6</sup> For nine months. Comparative data are annual.