



Statement for 31/12/2005 on consolidated basis
Union Bank of Israel Ltd and its subsidiaries, Main data, NIS million

Taken from the annual report to 31.12.2005, 2004-2005:reported amounts (2003:adjusted to CPI for 12.2003)

Summary consolidated balance sheet	End of year			Banking group's share of the banking system		
	2005	2004	2003	2005	2004	2003
Cash and deposits in banks ⁽¹⁾	3,512	3,276	1,927	2.9%	3.1%	2.0%
Securities	4,309	2,780	2,208	2.8%	2.0%	1.8%
Credit to the public	16,114	15,334	14,900	2.8%	2.7%	2.6%
Credit to the government	61	56	57	1.8%	1.3%	1.0%
Investments in companies included on an equity basis	46	22	27	1.0%	0.5%	0.8%
Buildings and equipment	331	330	336	3.0%	3.1%	3.2%
Other assets	1,292	831	880	5.7%	3.8%	3.8%
Total assets	25,665	22,629	20,335	2.8%	2.7%	2.5%
Deposits of the public	21,947	19,622	17,486	3.0%	2.8%	2.6%
Deposits of banks ⁽¹⁾	156	207	155	0.7%	0.9%	0.6%
Deposits of the government	8	10	15	0.1%	0.1%	0.1%
Bonds and subordinated notes	926	854	787	1.7%	2.1%	2.0%
Other liabilities	1,406	811	801	4.3%	2.7%	2.9%
Total liabilities	24,443	21,504	19,244	2.9%	2.7%	2.5%
Quasi-capital items	0	0	0	0.0%	0.0%	0.0%
Minority shareholders' rights	0	0	0			
Equity	1,222	1,125	1,091	2.5%	2.4%	2.5%

Summary consolidated profit and loss statement	End of year			Banking group's share of the banking system		
	2005	2004	2003	2005	2004	2003
Net interest profit before loan-loss provision	582.0	490.0	414.0	2.6%	2.4%	2.2%
Loan-loss provision	149.0	169.0	215.0	3.6%	3.2%	3.4%
Operating and other income	258.0	234.0	226.0	2.0%	1.9%	2.0%
Of which: Operating income	221.0	210.0	203.0	2.1%	2.2%	2.3%
Operating and other expenses	554.0	471.0	507.0	2.5%	2.4%	2.7%
Of which: Salaries and related expenses	325.0	262.0	303.0	2.5%	2.2%	2.7%
Inflation adjustments			11.0			
Ordinary profit before-tax provision	137.0	84.0	-71.0	1.5%	1.1%	not calculated
Provision for taxes on ordinary profit	54.0	46.0	-25.0	1.4%	1.3%	not calculated
Ordinary after-tax profit	83.0	38.0	-46.0	1.5%	0.9%	not calculated
Bank's share in the profit of subsidiaries	2.0	-1.0	0.0			
Minority shareholders' share in profit of consolidated companies	0.0	0.0	0.0			
Extraordinary after-tax profit	-6.0	-1.0	-4.0			
Net profit	79.0	36.0	-50.0	1.2%	0.7%	not calculated

Balances and rates of return on financial items by indexation base on 31.12.2005	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	12,280	3,816	8,469	24,565
Balance of financial liabilities on balance-sheet date	10,861	3,354	9,659	23,874
Excess of financial assets over financial liabilities	1,419	462	-1,190	691
Total indexation balance (incl. Forwards ⁽³⁾ and options in term of basis assets)	252	354	85	691
Options at the money and out of the money (net, capitalized nominal value)	118	0	-118	0
Rate of income on assets (% ⁽⁴⁾)	4.31	7.17	4.14	4.52
Rate of expenses on liabilities (% ⁽⁴⁾)	-2.88	-6.34	-2.93	-3.25
Interest-rate spread	1.43	0.83	1.20	1.27

Internal rate of return on assets (%)	5.79	5.66	5.10	
Internal rate of return on liabilities (%)	3.83	4.68	2.87	
Difference	1.96	0.98	2.23	
Average duration of assets (years)	0.80	3.40	0.20	1.00
Average duration of liabilities (years)	0.20	2.30	0.30	0.50
Difference	0.60	1.10	-0.10	0.50

⁽¹⁾ See note 5.1.7. in the introduction.

⁽²⁾ Including foreign-currency indexed NIS.

⁽³⁾ Forwards transactions.

⁽⁴⁾ including hedging, embedded and ALM derivatives.



Statement for 31/12/2005 on consolidated basis
Union Bank of Israel Ltd., Additional data
 (NIS millions, reported amounts)

Additional data	2005	2004
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	16,591	15,684
Total off-balance-sheet credit risk	12,261	9,969
Total credit risk	28,852	25,653
<i>Of which:</i> Total risk of credit for housing loans	2,521	2,262
Total risk of credit to construction and real estate industry	4,115	3,764

Problem borrowers

Total credit risk due to problem borrowers	1,498	1,469
<i>Of which:</i> Total credit to problem borrowers	1,310	1,293

Data on derivatives

Notional amount	60,272	39,855
Gross positive fair value	1,053	608

Activity with interested and related parties

Total assets on balance-sheet date	134	135
<i>Of which:</i> credit to the public	76	85
Total liabilities on balance-sheet date (including quasi-capital items)	328	784

Branches and personnel

Number of employee posts in Israel, monthly average	1,062	1,058
Number of employee posts abroad, monthly average	0	0
Number of branches in Israel	29	26
Number of branches abroad	0	0

Main financial ratios, in annual terms (%)

Equity/risk-weighted-assets ratio	10.93	10.50
Equity/balance-sheet ratio	4.76	4.97
Financial capital/equity capital ratio	56.55	51.82
Ratio of problem loans to total credit to the public	8.09	8.39
Return on equity (net profit/gross weighted capital ratio)	7.00	3.30
Non-interest income/operating expenses ratio	46.57	49.68
Ratio of loan-loss provision to total credit to the public	0.92	1.10