

**Statement for the first quarter - consolidated**  
**Union Bank of Israel Ltd. and its subsidiaries , Main data, NIS millior**

Taken from the quarterly report to 31.03.2006, reported amounts



Summary consolidated balance sheet	31.03.2006	31.12.2005	Bank's share of the banking system	
			31.03.2006	31.12.2005
Cash and deposits in banks <sup>1</sup>	3,695	3,512	2.8%	2.9%
Securities	4,235	4,309	2.7%	2.8%
Credit to the public	16,310	16,114	2.8%	2.8%
Credit to the government	61	61	1.9%	1.8%
Investments in companies included on an equity basis	46	46	1.2%	1.0%
Buildings and equipment	328	331	2.9%	3.0%
Other assets	1,055	1,292	4.6%	5.7%
<b>Total assets</b>	<b>25,730</b>	<b>25,665</b>	<b>2.8%</b>	<b>2.8%</b>
Deposits of the public	22,288	21,947	3.0%	3.0%
Deposits of banks <sup>1</sup>	140	156	0.6%	0.7%
Deposits of the government	6	8	0.0%	0.1%
Bonds and subordinated notes	928	926	1.7%	1.7%
Other liabilities	1,105	1,406	3.3%	4.3%
<b>Total liabilities</b>	<b>24,467</b>	<b>24,443</b>	<b>2.8%</b>	<b>2.9%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,263	1,222	2.4%	2.5%

Summary consolidated profit and loss statement	Three months to		Bank's share of the banking system	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Net interest profit before loan-loss provision	132.0	143.0	2.4%	2.7%
Loan-loss provision	23.0	33.0	2.9%	2.8%
Operating and other income	64.0	61.0	1.8%	2.0%
Of which: Operating income	56.0	54.0	2.0%	2.2%
Operating and other expenses	145.0	133.0	2.3%	2.6%
Of which: Salaries and related expenses	89.0	80.0	2.2%	2.6%
Ordinary before-tax provision	28.0	38.0	1.5%	1.9%
Provision for taxes on ordinary profit	11.0	19.0	1.3%	2.2%
Ordinary after-tax profit	17.0	19.0	1.5%	1.7%
Bank's share in the profit of subsidiaries	0.0	0.0		
Share of minority shareholders in profit of consolidated companies	0.0	0.0		
Extraordinary after-tax profit	22.0	-1.0		
<b>Net profit</b>	<b>39.0</b>	<b>18.0</b>	<b>1.5%</b>	<b>1.0%</b>

Balances and rates of return on financial items by indexation base on 31.03.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>(2)</sup>	Total financial items
Balance of financial assets on balance-sheet date	12,416	3,654	8,778	24,848
Balance of financial liabilities on balance-sheet date	10,777	3,369	10,114	24,260
Excess of financial assets over financial liabilities	1,639	285	-1,336	588
Total indexation balance(incl.forwards and options in term of basis assets) <sup>3</sup>	352	129	107	588
Rate of income on assets (percent) <sup>4</sup>	5.48	5.25	6.41	5.94
Rate of expenditure on liabilities(percent) <sup>4</sup>	-3.52	-4.72	-5.50	-4.68
Interest-rate differential	1.96	0.53	0.91	1.25

Problem borrowers	31.03.2006	31.12.2005
Total credit risk dew to problem borrowers	1,488	1,463
Total credit to problem borrowers	1,304	1,275

Main financial ratios - consolidated (percent)	31.03.2006	31.12.2005
Equity/balance-sheet ratio	4.91	4.76
Financial capital/equity ratio	46.56	56.55
Equity/risk-weighted-assets ratio	10.90	10.90
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	7.50	7.00
Operating income/operating expenses ratio <sup>6</sup>	44.14	46.57

<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> Three-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

<sup>5</sup> Annual basis.

<sup>6</sup> For three months. Comparative data are annual.