

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

Taken from the quarterly report to 30.09.2006, reported amounts



Summary consolidated balance sheet	30.09.2006	31.12.2005	Bank's share of the banking system	
			30.09.2006	31.12.2005
Cash and deposits in banks <sup>1</sup>	4,334	3,512	3.4%	2.9%
Securities	3,907	4,309	2.5%	2.8%
Credit to the public	16,952	16,114	2.9%	2.8%
Credit to the government	0	61	0.0%	1.8%
Investments in companies included on an equity basis	42	46	1.1%	1.0%
Buildings and equipment	323	331	2.7%	3.0%
Other assets	1,095	1,292	4.5%	5.7%
<b>Total assets</b>	<b>26,653</b>	<b>25,665</b>	<b>2.9%</b>	<b>2.8%</b>
Deposits of the public	22,941	21,947	3.1%	3.0%
Deposits of banks <sup>1</sup>	157	156	0.6%	0.7%
Deposits of the government	4	8	0.0%	0.1%
Bonds and subordinated notes	838	926	1.6%	1.7%
Other liabilities	1,173	1,406	3.9%	4.3%
<b>Total liabilities</b>	<b>25,113</b>	<b>24,443</b>	<b>2.9%</b>	<b>2.9%</b>
Quasi-capital items	0	0	0.0%	0.0%
Minority shareholders' rights	0	0		
Equity	1,540	1,222	2.8%	2.5%

Summary consolidated profit and loss statement	Nine months to		Bank's share of the banking system		Three months to
	30.09.2006	30.09.2005	Nine months to		
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	30.09.2006
Net interest profit before loan-loss provision	414.0	438.0	2.4%	2.7%	137.0
Loan-loss provision	73.0	118.0	3.1%	3.7%	7.0
Operating and other income	191.0	196.0	1.8%	2.0%	57.0
Of which: Operating income	166.0	165.0	2.0%	2.2%	54.0
Operating and other expenses	429.0	409.0	2.4%	2.6%	142.0
Of which: Salaries and related expenses	252.0	240.0	2.2%	2.5%	80.0
Ordinary before-tax provision	103.0	107.0	1.5%	1.5%	45.0
Provision for taxes on ordinary profit	42.0	44.0	1.3%	1.5%	20.0
Ordinary after-tax profit	61.0	63.0	1.6%	1.5%	25.0
Bank's share in the profit of subsidiaries	-3.0	2.0			-1.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Extraordinary after-tax profit	42.0	-6.0			0.0
<b>Net profit</b>	<b>100.0</b>	<b>59.0</b>	<b>1.5%</b>	<b>1.1%</b>	<b>24.0</b>

Balances and rates of return on financial items by indexation base on 30.09.2006	Unindexed NIS	CPI-indexed NIS	Foreign Currency <sup>2</sup>	Total financial items
Balance of financial assets on balance-sheet date	13,490	3,681	8,453	25,624
Balance of financial liabilities on balance-sheet date	12,432	3,550	8,758	24,740
Excess of financial assets over financial liabilities	1,058	131	-305	884
Total indexation balance(incl. forwards and options in term of basis assets) <sup>3</sup>	775	29	80	884
Rate of income on assets (percent) <sup>4</sup>	5.47	6.51	2.65	4.14
Rate of expenditure on liabilities(percent) <sup>4</sup>	-3.59	-5.75	-1.90	-2.92
Interest-rate differential	1.88	0.77	0.75	1.22

Problem borrowers	30.09.2006	31.12.2005
Total credit risk dew to problem borrowers	1,774	1,463
Total credit to problem borrowers	1,464	1,275

Main financial ratios - consolidated (percent)	30.09.2006	31.12.2005
Equity/balance-sheet ratio	5.78	4.76
Financial capital/equity ratio	57.40	56.55
Equity/risk-weighted-assets ratio	11.90	10.90
Return on equity (net profit/gross weighted-capital ratio) <sup>5</sup>	9.10	7.00
Operating income/operating expenses ratio <sup>6</sup>	44.52	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> 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.