

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

Taken from the quarterly report to 30.09.2009, reported amounts



Summary consolidated balance sheet	30.09.2009	31.12.2008	Bank's share of the banking system	
			30.09.2009	31.12.2008
Cash and deposits in banks ¹	5,910	5,146	4.0%	4.1%
Securities	4,659	6,920	3.1%	5.0%
Securities borrowed or purchased under agreements to resell	336	11	6.4%	0.8%
Credit to the public	19,013	18,539	2.6%	2.5%
Credit to the government	186	0	6.2%	0.0%
Investments in companies included on an equity basis	1	16	0.0%	0.4%
Buildings and equipment	347	356	2.6%	2.6%
Other assets	532	3,115	1.8%	7.0%
Total assets	30,984	34,103	2.9%	3.2%
Deposits of the public	25,801	27,799	3.1%	3.4%
Deposits of banks ¹	277	177	1.3%	0.9%
Deposits of the government	1	1	0.0%	0.0%
Securities loaned or sold under agreements to repurchase	0	0	0.0%	0.0%
Bonds and subordinated notes	1,699	1,323	2.2%	2.0%
Other liabilities	1,289	3,234	1.8%	4.1%
Total liabilities	29,067	32,534	2.9%	3.3%
Minority shareholders' rights	0	0		
Equity	1,917	1,569	2.9%	2.6%

Summary consolidated profit and loss statement	Nine months ended		Bank's share of the banking system		Three months ended
			Nine months ended		
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	30.09.2009
Net interest profit before loan-loss provision	472.0	449.0	2.7%	3.1%	155.0
Loan-loss provision	84.0	49.0	2.1%	1.9%	26.0
Operating and other income	235.0	191.0	2.0%	1.9%	92.0
Of which: Operating income	186.0	181.0	1.8%	1.8%	66.0
Operating and other expenses	458.0	459.0	2.4%	2.4%	160.0
Of which: Salaries and related expenses	259.0	263.0	2.4%	2.3%	89.0
Ordinary profit before-tax provision	165.0	132.0	2.5%	3.5%	61.0
Provision for taxes on ordinary profit	80.0	59.0	3.0%	3.1%	39.0
Ordinary profit after-tax	85.0	73.0	2.2%	4.0%	22.0
Bank's share in the profit of subsidiaries	0.0	2.0			0.0
Share of minority shareholders in profit of consolidated companies	0.0	0.0			0.0
Ordinary net profit	85.0	75.0	2.1%	3.3%	22.0
Extraordinary after-tax profit	-2.0	0.0			-2.0
Net profit	83.0	75.0	2.0%	3.0%	20.0
Basic earning in NIS per share	1.3	1.2			0.3

Balances and rates of return on financial items by indexation base on 30.09.2009	Unindexed NIS	CPI-indexed NIS	Foreign Currency ⁽²⁾	Total financial items
Balance of financial assets on balance-sheet date	19,620	4,904	5,730	30,254
Balance of financial liabilities on balance-sheet date	17,277	4,219	7,409	28,905
Excess of financial assets over financial liabilities	2,343	685	-1,679	1,349
Total indexation balance (incl. futures, forwards and options in term of basis assets)	1,195	168	-14	1,349
Rate of income on assets (percent) ³	2.66	8.83	3.77	3.75
Rate of expenditure on liabilities (percent) ³	-1.04	-8.57	-3.03	-2.70
Interest-rate spread	1.62	0.26	0.74	1.05

Internal rate of return on assets (%)	5.10	3.93	6.27	
Internal rate of return on liabilities (%)	3.40	3.89	1.08	
Difference	1.70	0.04	5.19	
Average duration of assets (years)	0.40	4.50	0.40	1.10
Average duration of liabilities (years)	0.40	3.50	0.20	0.80
Difference	0.00	1.00	0.20	0.30

¹ See note 5.1.7 in the introduction² Including foreign-currency indexed NIS.³ Nine-month rate of income (expenses), on annual basis including hedging, embedded and ALM derivatives.

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Additional data	30.09.2009	31.12.2008
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Total off-balance-sheet and credit risk

Credit to the public and credit risk	20,138	19,976
Total off-balance-sheet credit risk	12,708	16,113
Total credit risk	32,846	36,089
<i>Of which: Total risk of credit for housing loans</i>	4,583	4,032
Total risk of credit to construction and real estate industry	6,712	7,105

Additional disclosure for bonds - fair value

Treasury bonds	4,450	6,675
Of which: mortgage and asset' backed bonds	74	80

Problem borrowers

Total credit risk dew to problem borrowers	1,058	1,143
Of which: Total credit to problem borrowers	910	937
Total credit risk of problem banks	0	0

Data on derivatives

Notional amount	29,080	50,762
Gross positive fair value	447	2,534

Main financial ratios - consolidated (percent)

Equity/balance-sheet ratio	6.19	4.60
Finanancial capital/equity ratio	70.37	60.42
Equity/risk-weighted-assets ratio	14.49	11.53
Return on equity (net profit average equity ratio) ⁵	4.70	3.40
Operating income/operating expenses ratio ⁶	51.31	39.90

⁵ Annual basis.⁶ For nine months. Comparative data are annual.