

**Statement for 2015 - on consolidated basis**  
**Union Bank of Israel Ltd., Main data, NIS million**  
 Taken from the annual report to 31.12.15, reported amounts

Summary consolidated balance sheet	End of year			Rate of change	
	2015	2014	2013	2015	2014
Cash and deposits in banks	6,668	9,848	9,924	-32.29%	-0.77%
Securities	10,371	6,789	4,810	52.76%	41.14%
Securities borrowed or purchased under agreements to resell	293	182	503	60.99%	-63.82%
Credit to the public	22,505	21,959	22,420	2.49%	-2.06%
Credit-loss allowance	190	246	285	-22.76%	-13.68%
Credit to the public, net	22,315	21,713	22,135	2.77%	-1.91%
Credit to the government	0	0	0		
Investments in companies included on an equity basis	0	0	1		
Buildings and equipment	356	371	376	-4.04%	-1.33%
Intangible assets and goodwill	0	0	0		
Assets-derivative instruments	255	504	572	-49.40%	-11.89%
Other assets	637	1,458	1,169	-56.31%	24.72%
<b>Total assets</b>	<b>40,895</b>	<b>40,865</b>	<b>39,490</b>	<b>0.07%</b>	<b>3.48%</b>
Deposits of the public	32,466	31,498	30,622	3.07%	2.86%
Deposits of banks	483	152	209	217.76%	-27.27%
Deposits of the government	1	1	3	0.00%	-66.67%
Securities loaned or sold under agreements to repurchase	0	0	0		
Bonds and subordinated notes	3,179	3,474	3,109	-8.49%	11.74%
Liabilities-derivative instruments	293	575	667	-49.04%	-13.79%
Other liabilities	2,063	2,883	2,609	-28.44%	10.50%
<b>Total liabilities</b>	<b>38,485</b>	<b>38,583</b>	<b>37,219</b>	<b>-0.25%</b>	<b>3.66%</b>
Noncontrolling interests	0	0	0		
Equity capital attributed to shareholders of the banking corporation	2,410	2,282	2,271	5.61%	0.48%
<b>Total equity capital</b>	<b>2,410</b>	<b>2,282</b>	<b>2,271</b>	<b>5.61%</b>	<b>0.48%</b>

  

Summary consolidated profit and loss statement	End of year			Rate of change	
	2015	2014	2013	2015	2014
Interest income	735	865	1,209	-15.03%	-28.45%
Interest expenses	164	298	547	-44.97%	-45.52%
Net interest income	571	567	662	0.71%	-14.35%
Provisions for credit losses	-107	95	23		313.04%
Non-interest income	383	386	360	-0.78%	7.22%
Of which: Commissions	295	278	280	6.12%	-0.71%
Operating and other expenses	836	838	819	-0.24%	2.32%
Of which: Salaries and related expenses	474	476	463	-0.42%	2.81%
Before-tax profit	225	20	180	1025.00%	-88.89%
Provision for taxes on profit	81	-3	43		
After-tax profit	144	23	137	526.09%	-83.21%
Share of the bank in after-tax profit of companies included on equity basis, after the effect of tax	0	0	0		
Net profit before attributing to holders of noncontrolling interests	144	23	137	526.09%	-83.21%
Net profit attributed to holders of noncontrolling interests	0	0	0		
<b>Net profit attributed to shareholders of the banking corporation</b>	<b>144</b>	<b>23</b>	<b>137</b>	<b>526.09%</b>	<b>-83.21%</b>
Basic earning, in NIS per share	1.96	0.31	1.87		



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<b>Balances and rates of return on financial items by indexation base on 31.12.15 - consolidated</b>	<b>Unindexed NIS.</b>	<b>CPI-indexed NIS</b>	<b>Foreign Currency (1)</b>	<b>Total financial items</b>
Balance of financial assets on balance-sheet date	29,678	5,699	4,577	39,954
Balance of financial liabilities on balance-sheet date	25,753	4,260	8,030	38,043
Excess of financial assets over financial liabilities	3,925	1,439	-3,453	1,911
Total indexation balance (incl. futures, forwards and options in term of base assets)	634	1,340	-63	1,911
Options in the money and out of the money (net, capitalized nominal value)	715	0	-715	0
Rate of income on assets (%) <sup>(2)</sup>	1.91	1.83	2.87	2.01
Rate of expenses on liabilities (%) <sup>(2)</sup>	-0.47	-1.27	-0.46	-0.62
Interest-rate spread	1.43	0.57	2.41	1.38
Interest-rate spread on the corresponding date in the previous year				1.40
Internal rate of return on assets (%)	2.31	3.61	5.45	2.85
Internal rate of return on liabilities (%)	1.46	0.98	0.82	1.27
Average duration of assets (years)	0.70	3.00	1.50	1.10
Average duration of liabilities (years)	0.30	1.80	0.10	0.40
<b>Additional data</b>			<b>2015</b>	<b>2014</b>
<b>Credit risk</b>				
Total credit risk to the public		35,968	34,028	
Of which: Total credit risk - housing loans		7,740	7,556	
Total credit risk - construction and real estate industry		7,675	6,983	
Exposure to foreign financial institutions		698	575	
<b>Additional disclosure for bonds - fair value</b>				
Total bonds		10,221	6,663	
Of which: mortgage-backed and asset-backed bonds		83	87	
<b>Problem credit risk</b>				
Credit risk, on-balance sheet: Impaired credit risk		222	276	
Subordinated credit risk		57	112	
credit risk under special supervision		184	278	
Total off-balance sheet credit risk		70	71	
Total problem credit risk		533	737	
<b>Data on derivatives</b>				
Notional amount		40,513	51,543	
Gross positive fair value		255	504	
<b>Activity with interested and related parties</b>				
Total assets on balance-sheet date		302	262	
Of which: credit to the public, net		302	262	
Total liabilities on balance-sheet date (including quasi-capital items)		328	533	
<b>Branches and personnel</b>				
Number of employee posts in Israel, monthly average		1,259	1,264	
Number of employee posts abroad, monthly average		0	0	
Number of branches in Israel		37	36	
Number of branches abroad		0	0	
<b>Main financial ratios - consolidated (percent)</b>				
Total net credit to total assets		54.57%	53.13%	
Equity/balance-sheet ratio <sup>3</sup>		5.89%	5.58%	
Ratio of Tier 1 capital to risk-adjusted assets		9.79%	9.64%	
Ratio of total capital to risk-weighted assets		14.84%	15.63%	
Return on equity (net profit/average equity ratio)		6.10%	1.00%	
Problematic credit risk in respect of the public, as a percentage of total credit risk in respect of the public, net		1.49%	2.18%	
Non-interest income to operating expenses ratio		45.81%	46.06%	

<sup>(1)</sup> Including foreign-currency indexed NIS.

<sup>(2)</sup> Includes derivatives used for hedging. Refers to activity in Israel.

<sup>3</sup> Attributed to shareholders of the banking corporation

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		The household segment	The private banking segment <sup>1</sup>	The small businesses segment	The commercial segment <sup>2</sup>	The business sector <sup>3</sup>	Financial management segment	Others and adjustments	Total
Net interest income before loan-loss provision	Median	224	0	0	0	254	51	42	571
	Between sectors	18	0	0	0	7	-22	-3	0
Non-interest income	Median	126	0	0	0	141	97	19	383
	Between sectors	1	0	0	0	12	-13	0	0
<b>Total income</b>		<b>369</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>414</b>	<b>113</b>	<b>58</b>	<b>954</b>
Loan-loss provision		8	0	0	0	-135	0	20	-107
Operating and other expenses (excluding depreciation and amortization)		374	0	0	0	366	61	35	836
Profit before taxes		-13	0	0	0	183	52	3	225
Provision for taxes on profit		-5	0	0	0	66	19	1	81
Profit after taxes		-8	0	0	0	117	33	2	144
Bank share in profit of companies included on equity basis		0	0	0	0	0	0	0	0
Net profit	Before attributing to holders of noncontrolling interests	-8	0	0	0	117	33	2	144
	Attributed to holders of noncontrolling interests	0	0	0	0	0	0	0	0
	Attributed to shareholders of the banking corporation	-8	0	0	0	117	33	2	144
Return on equity (net profit/average equity ratio)		-1.40	0.00	0.00	0.00	8.80	15.60	0.00	6.10
Average balance of assets		10,106	0	0	0	11,909	16,029	2,618	40,662
Average balance of liabilities		17,897	0	0	0	16,321	810	2,710	37,738
Average balance of risk assets		6,198	0	0	0	14,093	2,236	2,514	25,041
Components of interest profit before loan-loss provision	Margin earned on granting credit	183	0	0	0	235	0	37	455
	Margin earned on accepting deposits	25	0	0	0	11	0	0	36
	Other	34	0	0	0	15	29	2	80
<b>Total net interest income before loan-loss provision</b>		<b>242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>261</b>	<b>29</b>	<b>39</b>	<b>571</b>

<sup>1)</sup> Preferential banking services provided to wealthy customers.

<sup>2)</sup> Medium-sized businesses.

<sup>3)</sup> Large businesses.