



August 13 2018

To:  
The Tel Aviv Stock Exchange (TASE)  
2 Ahuzat Bayit Street  
Tel Aviv 6525216

To:  
The Israel Securities Authority (ISA)  
22 Kanfei Nesharim Street  
Jerusalem 95464

Dear Sir/Madam,

**Re: Signing a Joint Credit Card Issuance and Operation Agreement**

Bank Leumi Le-Israel Ltd. (hereinafter: the "Bank") is hereby announcing as follows:

1. Note 10 to the Bank's financial statements as at March 31 2018, published on May 24 2018 (Ref. No. 2018-01-042177) included information regarding a memorandum of understanding signed by the Bank with Israel Credit Cards Ltd. ("CAL") and Diners Club Israel Ltd. (of the CAL Group) ("Diners") , for the purpose of issuing and operating the issuance of new credit cards to be issued to the Bank's customers, in accordance with the Law for Increasing Competition and Reducing Concentration in Israel's Banking Market (Amendments), 2017, pursuant to which the Bank is required to have the issuance of new credit cards to be issued to the Bank's customers, as of February 2019, operated by at least two issuance operators, without any issuance operator's share exceeding 52% of the new cards to be issued by the Bank.
2. Following the aforesaid, the Bank signed, on August 12 2018, a joint credit card issuance and operation agreement with CAL and Diners. Pursuant to the agreement, the parties will issue debit cards the operation of which shall be executed by the two abovementioned companies of the CAL Group. The abovementioned agreement establishes the revenue sharing mechanism among the parties, as well as their rights and obligations and other arrangements relating to said operation. The entry into force of the agreement is conditional upon meeting such preconditions as approval by the Board of Directors and regulatory entities, as needed.

BANK LEUMI OF ISRAEL LTD.

By:

Hanan Friedman

Head of Strategy and Regulation

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail. The original Hebrew version is available on the distribution website of the Israel Securities Authority: <http://www.magna.isa.gov.il/>