

Translation of Immediate Report

Bank Leumi le-Israel B.M.

Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.EinShay@bll.co.il

Date: 7 January 2019
Reference: 2019-01-003336

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Nature of Event: **Signature of Issuance and Operation Agreement**

See the attached annex – signature of issuance and operation of issuance of debit cards agreement.pdf.

The company is not an envelope company as defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event or matter: 7 January 2019, at 11:00.

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/>

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8859419, Facsimile: 076-8859732
Electronic Mail: livnat.ein-shay@bll.co.il

7 January 2019
To
Tel Aviv Stock Exchange
Ahuzat Bayit Street 2
Tel Aviv 6525216

To
Israel Securities Authority
Kanfei Nesharim Street 22
Jerusalem 95464

Dear Sir or Madam:

Re: **Signature of Agreement for the Issuance and Operation of Issuance of Debit Cards**

Bank Leumi le-Israel B.M. (the “**Bank**”) is pleased to report as follows:

1. In accordance with Note 10 of the Bank’s Financial Statements as of 30 September 2018, published on 13 November 2018 (Reference No. 2018-01-107541), the Bank signed an agreement on 11 March 2018 with Isracard Ltd. and Europay (Eurocard) Israel Ltd. (of the Isracard Group) for the issuance and operation of issuance of new debit cards that will be issued to the Bank’s customers (hereafter: "the Agreement on Principles"); this was in accordance with the provisions of the Law on Minimizing Market Centralization and Promoting Economic Competition (Legislative Amendments), 5777 - 2017, according to which the Bank is required to operate the issuance of new credit cards that will be issued to the Bank's customers, as of February 2019 – through at least two issuance operators, with no issuance operator's share exceeding reaching a maximum of 52% of the said new cards which will be issued by the Bank. Pursuant to the said contractual agreement, the parties worked to have a detailed agreement signed.
2. Pursuant to the Agreement on Principles, a detailed agreement between the parties was signed on 7 January 2019. According to the provisions of the detailed agreements, the parties will issue credit cards which will be operated by the above-mentioned companies from the Isracard Group. The detailed agreement establishes the distribution of the income among the parties, and the parties’ rights and obligations and additional arrangements concerning the described activity. The detailed agreement will enter into force upon the satisfaction of a condition precedent concerning the receipt of regulatory approval as is required.

Respectfully,

Bank Leumi le-Israel B.M.

By

Hanan Friedman, Head of the Strategy and Regulation Division