

Convenience translation

In any case of inconsistency, the immediate report in Hebrew shall prevail

**IDB Development Corporation Ltd,**

Immediate report dated March 8, 2020 - reference number: 2020-01-019270

**Subject: Supplementation of Collateral (Clal) - Dolphin's Undertaking**

Further to the immediate reports of IDB Development Corporation Ltd. (the “**Company**”) dated February 5, 2020, February 18, 2020 and March 3, 2020 in connection with guarantees provided by Dolphin Netherlands BV (the Company’s direct controlling shareholder, “**Dolphin Netherlands**”), undertook towards the financing entities through whom swap transactions were performed by the Company in connection with shares of Clal Insurance Enterprises Holdings Ltd. in August 2018 and in November 2018 (jointly: the “**Banks**” and the “**Swap Transactions**”, respectively), which constitute a part of the pledged deposits (which the Company undertook as part of the terms of the aforementioned swap transactions (for additional details, see Note 3.B.3 to the Company’s financial statements for 2018), the Company updates that in March 8, 2020, Dolphin Netherlands has deposited additional guarantees in the aggregate amount (for both banks) of approximately NIS 21 million (and in aggregate amount of approximately NIS 57.4 million), all in accordance with the dolphin obligation (as detailed in the Company's report dated February 5, 2020) and in accordance with the terms of the swap transactions (as described in Note 3.B.3 above).

As of the date of this report, Clal Insurance Enterprises is held by the Company at a rate of approximately 8.5% (of which, approximately 3.5% through the trustee for the Company’s shares in Clal Insurance Enterprises, Mr. Moshe Terry). The investment in Clal Insurance Enterprises includes, in addition to the aforementioned holding, also an investment through swap transactions with respect to shares of Clal Insurance Enterprises at a rate of approximately 7.1%, as reported by the Company. For additional details, including regarding the accounting presentation of the investment in Clal Insurance Enterprises (including the aforementioned swap transactions) in the Company’s statement of financial position, see Note 3.B. to the Company's financial statements as of September 30, 2019. Additionally, for details regarding the position of the Israel Securities Authority regarding the classification of the parties to the swap transaction, see section 3.9.1 in Part A of the Company’s periodic report for 2018.

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