

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

IDB Development Corporation Ltd,

Immediate report dated January 15, 2020 - reference number: 2020-01-006144

Subject: Conclusion of Swap Transaction (1.1%) - Clal

Further to that stated in Note 3.B to the financial statements of IDB Development Corporation Ltd. (the “**Company**”) for 2018, and to that stated in Note 3.B to the Company’s financial statements as of September 30, 2019 (the “**Third Quarter Reports**”), in connection with the Company’s investment in Clal Insurance Enterprises Holdings Ltd. (“**Clal Insurance Enterprises**”), the Company hereby reports that in accordance with the Company’s instruction to the financing entity with which it engaged in a swap transaction in connection with shares of Clal Insurance Enterprises in November 2018 (the “**Swap Transaction**”), on January 14, 2020, the swap transaction concluded with respect to 751,000 shares of Clal Insurance Enterprises, which constitute approximately 1.1% of the issued capital of Clal Insurance Enterprises, which were sold in several transactions on the stock exchange and over the counter, for an average price of approximately NIS 45.1 per share. It is hereby clarified that the terms of the swap transaction will remain in effect with respect to the balance of shares of Clal Insurance Enterprises which are the subject of the swap transaction, which constitute approximately 3% of the issued capital of Clal Insurance Enterprises.

Following the partial conclusion of the swap transaction, as stated above, the Company holds approximately 8.5% of the issued capital of Clal Insurance Enterprises (which is included under the “pledged shares” or the “base shares”, as these terms are defined in the trust deed for the Company’s debentures (Series O), as well as an investment through swap transactions with respect to shares of Clal Insurance Enterprises (as reported by the Company) at a rate of approximately 7.1%. 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 third quarter reports. Additionally, for details regarding the position of the Israel Securities Authority regarding the classification of the parties to the swap transactions, see section 3.9.1 in Part A of the Company’s periodic report for 2018.
