

Convenience translation

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

IDB Development Corporation Ltd.

Immediate report dated March 28, 2019 - reference number: 2019-01-029005

Subject: Controlling Shareholder's Request for a Control Permit - Clal

Further to that stated in Notes 3.F.2.A. and B. to the financial statements of IDB Development Corporation Ltd. (the "**Company**") for 2017, and in Notes 3.A.1.A. and 9.A. to the Company's financial statements as of as of September 30, 2018, and in the Company's immediate report dated January 2, 2019, in connection with the outline for the sale of the Company's control of and holdings in Clal Insurance Enterprises Holdings Ltd., which was formulated by the Head of the Capital Market, Insurance and Savings Authority (the "**Outline**", "**Clal Insurance Enterprises**" and the "**Commissioner**", respectively), and regarding swap transactions which were performed by the Company with respect to shares of Clal Insurance Enterprises, and further to the Company's immediate reports dated December 18, 2018 and January 20, 2019, inter alia, regarding the continued evaluation of various alternatives for the sale of the control of Clal Insurance Enterprises by the Company's Board of Directors and management, to various entities (including by contacting Discount Investment Corporation Ltd. ("**DIC**"), a company controlled by the Company's controlling shareholder), the Company hereby reports, that on March 28, 2019, its controlling shareholder, Mr. Eduardo Elsztain (the "**Controlling Shareholder**") submitted to the Commissioner a request for a control permit (the "**Request**") in Clal Insurance Enterprises and Clal Insurance Company Ltd., a private company, approximately 99.8% of whose shares are held by Clal Insurance Enterprises (together - "**Clal Insurance**").

The Request refers to shares of Clal Insurance Enterprises which are held by the Company (as of the date of this immediate report - shares which constitute approximately 25.3% of the issued capital of Clal Insurance Enterprises, of which approximately 20.3% through the trustee who was appointed by the Commissioner in accordance with the outline), and additional shares of Clal Insurance Enterprises, regarding which the Company engaged in swap transactions (as of the date of this immediate report - shares which constitute approximately 28.9% of the issued capital of Clal Insurance Enterprises. On this matter, see also the Company's immediate report dated March 3, 2019, regarding legal position number 101-22, which was published by the Israel Securities Authority), all or part of them.

It is noted that the Request focuses on receipt of a control permit in Clal Insurance through a special purpose vehicle to be formed by corporations controlled by the controlling shareholder which would acquire from the Company its holdings in Clal Insurance. In addition, in the request, the controlling shareholder addressed other possible alternatives regarding the method for holding Clal Insurance - holding through the Company or through DIC (which would acquire from the Company its holdings in Clal Insurance).

It is hereby clarified that there is no certainty that the Request will be approved by the Commissioner, and in any case, there is no certainty regarding any of the various alternatives with respect to the holding structure, as stated above, some of which are subject to various approvals (including approvals by the competent organs of the Company, DIC, and relevant corporations controlled by the Controlling Shareholder, insofar as may be required) and to meeting financial and other regulatory requirements. It is further clarified, that to this date, no understandings or agreements have been formulated between the Company and the Controlling Shareholder and/or corporations controlled by him.
