

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

## **IDB Development Corporation Ltd,**

Immediate report dated March 29, 2020 - reference number: 2020-01-027325

### **Subject: Agreements with the Bank Regarding the Swap Transaction for Clal Insurance Enterprises Shares**

Further to Note 3 B 3 to the 2018 financial statements of IDB Development Corporation Ltd. ("**Company**") regarding the swap transactions undertaken by the Company through financing entities ("**Banks**") vis-à-vis with the shares of Clal Insurance Enterprises Holdings Ltd. ("**Clal Insurance Enterprises**"), and further to the Company's Immediate reports of 15.3.2020, 16.3.2020 and March 18, 2020, regarding (inter alia) a temporary injunction to prevent the sale of shares reflecting approximately 4% of the issued share capital of Clal Insurance Enterprises, against which a swap transaction was effected through one of the banks ("**Swap Shares**" and "**Bank**", respectively), the Company notes that on 26.03.2020, it reached agreements with the Bank regarding the issues in dispute, which were approved by the Court. ("**Agreements**").

It is noted that, in accordance with the agreements, the Bank it will not be allowed to sell the swap shares (or some of them), and the Company is not required to increase the scope of its pledged collateral (for which the Company undertook under the terms of the swap transaction with the Bank - for details see Note 3 B 3), as noted, said at this time, and considering the value of the shares of Clal Insurance Enterprises, as of this reporting date. In addition, included under the agreements, certain circumstances have been updated, which may grant the Bank the right to close the swap transaction and sell the swap shares.

As of the date of this report, 8.5% of Clal Insurance Enterprises are held by the Company (of which approximately 3.5% is 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 said holding, an investment through swap transactions vis-à-vis the shares of Clal Insurance Enterprises of 7.1%, as reported by the Company. For further details, including details of the accounting presentation of the investment in Clal Insurance Enterprises (including the swap transactions, as stated) in the Company's Statement of Financial Position, see Note 3 B to the Company's 30.9.2019 financial statements. In addition, 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 of Part I of Chapter A to the Company's 2018 Periodic Report.

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