

INVESTING IN INFRASTRUCTURES: HAREL WILL FINANCE UNDERSEA COMMUNICATIONS CABLE AT A LEVEL OF 175 MILLION SHEKELS

Harel is continuing investing in real estate and infrastructure loans outside Israel. Harel has recently signed an agreement with the French **Natixis Bank** for financing an infrastructure project in an amount of 342 million shekels, with Harel's share standing at 175 million shekels. The project includes the manufacture, laying and operation of an undersea cable, based on optical fibers in the Pacific Ocean enabling extensive communication with North America.

The loan is secured by a primary lien on all of the project assets and the cashflow is secured under agreements with a number of big customers, including large internet providers, large communications and telecommunications corporations and government agencies, who seek to use bigger connection volumes for communications within the USA, shortening network surfing times.

The increasing interest and demand for an undersea cable derives from the increasing and growing use of the internet. Nowadays, 99% of international internet data are transferred via more than 420

undersea communications cables, lying on the seabed and comprising some 1.1 million km worldwide. The use of undersea cables represents an alternative to transferring data via satellite, the undersea cables permitting faster transfer of data, with no significant delays. The cables network is concentrated around economic information focuses, such as Singapore and New York, with cables reaching and connecting with almost any point in the world, including remote islands in the Pacific Ocean.

Harel: "This type of complex and unique engagement for financing infrastructure projects overseas, including linking up with a leading international bank, is yet another example of the deep familiarity and accumulated experience of Harel's credit department in executing real estate and infrastructure loans also outside Israel with leading banks around the world". Harel also said that: "The deal is being executed on behalf of Harel's savers, as part of a desire to diversify investments geographically and from a sectoral point of view,

and to provide an ongoing and relatively stable yield, by giving loans for highly essential projects in known technologies and under supportive market conditions, whilst maintaining suitable parameters for granting credit".

Bank Natixis is the arm for investments, asset management, insurance and financial services of the **BPCE Group**, which is France's second largest banking group, with 31.2 million customers served by two retail banking chains (**Banque Populaire** and **Caisse d'Epargne**). The bank has over 17 thousand employees and specializes in a number of areas organized in four main divisions: asset and capital management, banking for organizations and investments, insurance and special financial services. Natixis has a broad customer base which includes companies, financial institutions, institutional investors and private customers, and is a global player in financing projects in the area of communications and telecom infrastructures, combining financial advice and expertise in financing.