

Hapoalim Sold a NIS 180 Million Chunk in its Financing of Granite Hacarmel's Desalination Plant to Institutional Investors*

Since the beginning of the year, Bank Hapoalim has sold portions of debt to the tune of over NIS 1 billion in the aggregate.

By Sivan Isescu ~ 10/10/2012

Bank Hapoalim sold a NIS 180 million stake in its long term financing of Granite Hacarmel's "Via Maris" desalination facility in Palmachim to institutional investors, including to funds managed by Clal Insurance and Dash.

Prior to the sale, Bank Hapoalim's long-term financing of the project amounted to a total of NIS 850 million. Hapoalim financed the construction of the desalination facility, which began operating in 2007, as well as the project's three expansions over the last few years.

Bank Hapoalim's syndication department is managed by Oren Cohen. Since the beginning of the year, Bank Hapoalim has sold chunks of debt to the tune of over NIS 1 billion in the aggregate. These sale transactions were executed as part of the bank's capital and risk management strategies. In this transaction, Poalim was represented by Advocates David Schapiro, Eliran Furman and Avinoam Shefa of Yigal Arnon & Co.

In such transactions, in which the bank sells portions of loans that it had previously extended, the bank continues managing the loan in exchange for a management fee. As a result, for capital management purposes, it is frequently worthwhile for the bank to sell the loan to a third party, to continue receiving a management fee and to employ the capital in new transactions.

*Translated from the original Hebrew:

סיון איזסקו, "הפועלים מכר למוסדיים נתח של 180 מיליון שקל מההלוואה למתקן ההתפלה של גרנית הכרמל", TheMarker, 10/10/2012 :1.1839144 <http://www.themarker.com/markets/1.1839144>