Raiffeisen Briefing

Raiffeisen involvement in land grab finance and food speculation

A research paper prepared for Friends of the Earth Europe

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HUNGRY FUTURES
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Friends of the Earth Europe

Raiffeisen Briefing

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Summary

This research paper looks into the involvement of the Austrian banking group **Raiffeisen Group** (Raiffeisen Bank International, its parent RaiffeisenZentralbank and affiliates) in the speculation with soft commodities ('food speculation') as well as the direct and indirect financing of companies involved in large-scale land acquisitions or land grabbing.

RaiffeisenZentralbank, Raiffeisen Bank International and several of their subsidiaries are involved in the marketing and trading of a range of investment products including certificates based on individual or baskets of agricultural commodity futures, commodity funds and commodity index linked certificates. One subsidiary has invested in a farm land fund in Bulgaria.

The RaiffeissenGroup also provides loans to large agribusiness, forestry and mining companies involved in large-scale land acquisitions, and in some cases accused of land grabbing. A number of loans have been identified, in which Raiffeisen Group member participated for an estimated total of EUR 289.2 million. Recent shareholdings related to such companies total an estimated EUR 7.0 million.

RaiffeisenZentralbank is involved in several national and international corporate responsibility and reporting initiatives. However, no reference to an explicit company policy or engagement in relation to food and land issues could be found in company publications, suggesting that these are not high up on the agenda. CSR efforts or developments in these areas can thus not be evaluated.

Introduction

As was described in detail in the Friends of the Earth report "Farming Money" from January 2012, the trend towards increased financialisation of commodity trading in recent years is suspected to have increased the amount and relative size of price changes of food commodities on the world market that are not related to supply and demand.1 The report presents a broad list of EU-based financial institutions that are trading and marketing investment products based on agricultural commodity futures.

At the same time the number of large scale acquisitions of agricultural land in low- and middle-income countries has been soaring in recent years, going along with negative impacts on communities, human rights and the environment. Financial institutions are directly or indirectly facilitating these acquisitions, for example through the provision of loans, through investments in farm land funds or through shareholdings.

The objective of this report is to research the involvement of the Austrian banking group Raiffeisen Group (Raiffeisen Bank International, its parent RaiffeisenZentralbank and affiliates) speculation with soft commodities ('food speculation') and the direct and indirect financing of land grabs.

The focus is on a timeframe from 2009 until today, however, activities that started before this time but reached into the time window or are still ongoing have been considered as well.

The briefing begins with a short company profile of the Raiffeisen Group, RaiffeisenZentralbank and more specifically Raiffeisen Bank International. It then presents the findings on the involvement of Raiffeisen Group companies in food commodity speculation, followed by an overview of direct or indirect financing provided to companies involved in large-scale land acquisitions and land grabbing, ending with some short conclusions.

1 Friends of the Earth Europe, "Farming Money – How European banks and private finance profit from food speculation and land grabs", *Friends of the Earth Europe*, January 2012.

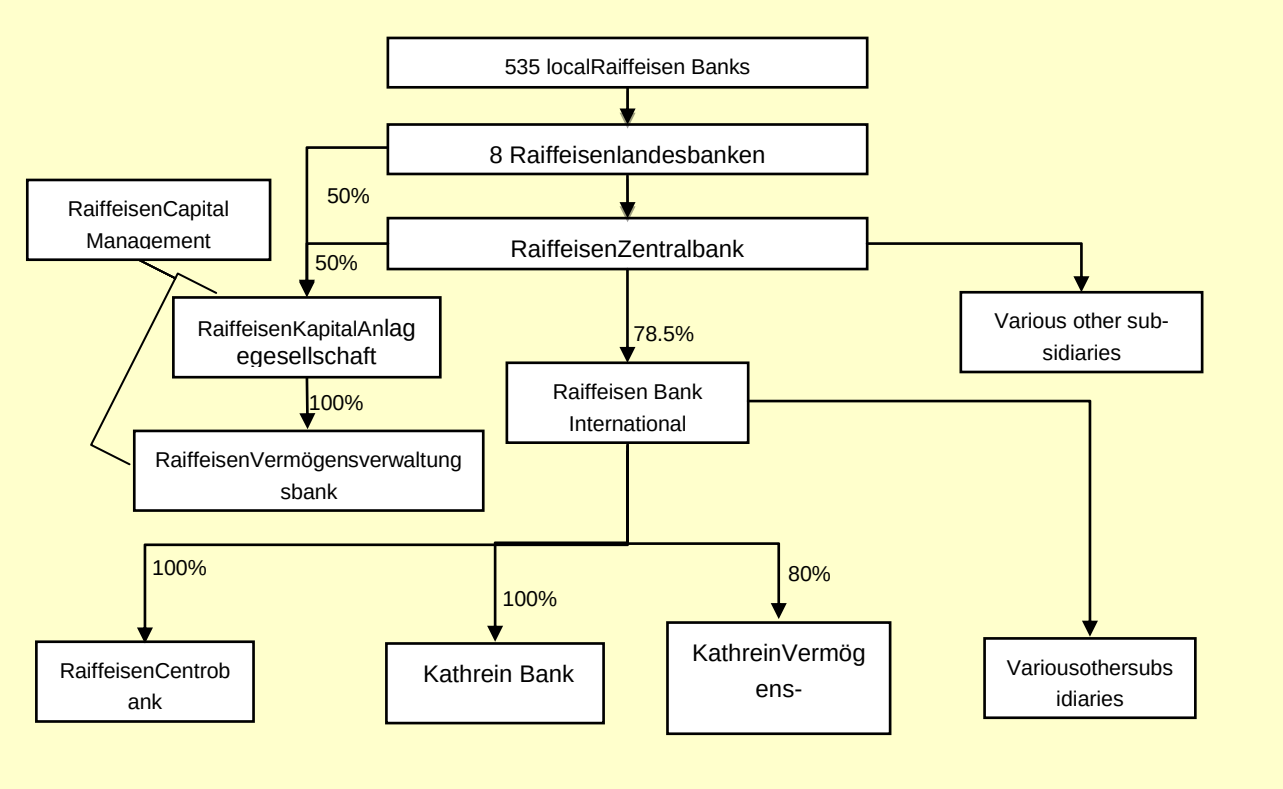

Figure 1 Simplified structure of the Raiffeisen Group (Source: RaiffeisenZentralbank, Raiffeisen Bank International, Raiffeisen Capital Management, 2012.)

Company profile

Key figures

RBI is the third biggest bank and one of the leading commerce and investment banks in Austria. It was created in 2010 through the fusion of the main business areas of the RZB with the Raiffeisen International Holding AG. RBI has been listed on the Vienna stock exchange since 2005. RZB remained the majority shareholder after the merger, holding around 78.5% of the shares, with the remainder being in free float. Total assets reached EUR 147 billion as of 31 December 2011.[2]

Structure

The RaiffeisenZentralbank (RZB) is the lead institute of the Austrian Raiffeisen Banking Group. The RZB is the majority shareholder of Raiffeisen Bank International (RBI) and besides several other subsidiaries it also holds 50% of Raiffeisen Capital Management (RCM), the leading asset manager on the Austrian market with a market share of 20.6%. Raiffeisen Capital Management is the umbrella brand comprising RaiffeisenKapitalanlagegesellschaft and Raiffeisen-Vermögensverwaltungsbank.[3]

Geographical presence

RBI sees Austria and Central and Eastern Europe (CEE) as its key markets; it ranks among the top 5 banks in twelve CEE countries and occupies a strong position in Russia. Besides Austria, RBI and its subsidiaries are active in 16 countries (Albania, Belarus, Bosnia Herzegowina, Bulgaria, Kosovo, Croatia, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Hungary, Czech Republic and Ukraine). Other European representations include Belgium, Germany, Sweden, Malta, Italy, Turkey, France, Spain, the UK, Moldova, and Montenegro.[4]

RBI sees itself as a niche player on other international markets, with representations in Asia (China, Hong Kong, India, Kazakhstan, Malaysia, Singapore, South Korea and Vietnam) and the United States.[5]
RBI has a range of fully consolidated subsidiaries as well as non-consolidated subsidiaries and equity participations in Austria and CEE countries.[6]

2 Raiffeisen Bank International, "Annual Report 2011", *Raiffeisen Bank International*, 12 March 2012.

3 Raiffeisen Capital Management, "Annual Report 2011", *Raiffeisen Capital Management*, 2012.

4 Raiffeisen Bank International, "Annual Report 2011", *Raiffeisen Bank International*, 12 March 2012.

5 Raiffeisen Bank International, "Network", *Website Raiffeisen Bank International* (www.rbinternational.com/eBusiness/rzb_template2/677226413664515143-677226413664515144_677923839312575165_677925736077509013-677925736077509013-NA-10-EN.html), viewed June 2012.

6 Raiffeisen Bank International, "Annual Report 2011", *Raiffeisen Bank International*, 12 March 2012.

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Figure 2 Raiffeisen Bank international presence (Source: Raiffeisen Bank International 2012.)

Important companies include RaiffeisenCentrobank (RCB), a wholly-owned subsidiary and the equity house of RBI. Centrobank offers investment banking services to private and institutional investors. Core business areas include securities trading and sales and capital market financings.[7] KathreinPrivatbank is another wholly-owned subsidiary of RBI, engaging in private banking as well as asset management.[8]

Corporate Social Responsibility

For corporate social and environmental issues group members are referring to the RZB and its bi-yearly corporate responsibility report, the most recent one dating from 2010.[9] RZB states to have integrated comprehensive corporate responsibility measures into its business activity. Particular reference is made to the bank's endorsement of environmental (especially climate) protection, human rights, fighting corruption and assisting stable economic development.[10]

Among others, RZB is a member of United Nations Global Compact and a signatory of the UNEP Finance Initiative. The bank is applying the Global Reporting Initiative (GRI) guidelines.[11]

Neither the CSR report nor the annual reports of the RZB or RBI make reference to a policy of the financial institutions in relation to food speculation or investments in land.

7 RaiffeisenCentrobank, "Overview", *Website RaiffeisenCentrobank* (www.rcb.at/_ber_uns.6.0.html?id=88&L=EN&lang=DE), viewed June 2012.

8 KathreinPrivatbank, "Partner in a financially strong banking group", *Website KathreinPrivatbank* (www.kathrein.at/parse.php?id=20000%2C%2C1128852%2C), viewed June 2012.

9 Raiffeisen Bank International, "Annual Report 2011", *Raiffeisen Bank International*, 12 March 2012.

10 Raiffeisen Bank International, "Corporate Responsibility at RBI", *Website Raiffeisen Bank International* (www.rbinternational.com/eBusiness/rzb_template2/677226413664515143-677226413664515144_677923839312575165_677925615818424494-677925615818424494-NA-10-EN.html), viewed June 2012.

11 Raiffeisen Bank International, "Memberships", *Website Raiffeisen Bank International* (www.rbinternational.com/eBusiness/rzb_template2/677226413664515143-677226413664515144_677923839312575165_677925615818424494_6828319320559855 95-682831932055985595-NA-10-EN.html), viewed June 2012.

Investments in food commodities

Introduction

Several members of the Raiffeisen Banking Group are offering products to investors which enable investments in food commodity markets. An overview is presented in the following paragraphs

Raiffeisen Bank International

Raiffeisen Bank International (RBI) states on its website that it develops tailor-made solutions to limit the costs of commodity procurement or to hedge for commodity sales. Over-the-counter (OTC) swaps and options for several markets, including soft commodities (sugar, wheat and corn) are named.[12]

RaiffeisenCentrobank

Certificates

RCB offers a range of different certificates with relation to agricultural commodities. Certificates allow the participation in the value development of a commodity future or a commodity index. 'Long certificates' identically mirror the performance of the underlying future or index, i.e. investors profit from rising prices; 'short certificates' inversely mirror the performance of the underlying commodity future or index, i.e. investors profit from falling prices.[13] 'Turbos' or knock-out products also track the performance of an underlying instrument, but with a leverage effect. They expire as soon as the predefined knock-out barrier of the underlying instrument is hit or breached.[14] Guarantee certificates provide full capital protection at the end of the term.[15]

RCB launched the *Index / Participation Certificate Long Dow Jones UBS Commodity Index Open End* mirroring the development of the DJ-UBS Commodity Index in 2008. The index certificate is listed at stock exchanges in Vienna, Frankfurt, Stuttgart and Warschau.[16]The Dow Jones UBS commodity index is made up of exchange-traded funds on physical commodities. It currently presents 20 commodities from different sectors, including crops and soft commodities (wheat, corn, soybeans, coffee, cotton, sugar, livestock and soybean oil), energy, and precious and industrial metals, based on the economic relevance of the commodities in world economy. Agriculture currently has a 30.91% weight.[17]

- RCB launched various *Turbo Certificates Long* on food commodity futures between 2007 and 2011, including cacao, coffee, corn, soybeans and soybean oil, sugar and wheat. *Turbo Certificates Short Open End* on various food commodities were launched between 2009 and 2011, listed in Vienna, Stuttgart and Frankfurt.[18]

- Several *Index Certificates Long Open End* launched by RCB in 2007 cover single food commodity futures, including soybean, wheat and corn, listed in Vienna, Frankfurt, Stuttgart, Warsaw.[19]

- *Index Certificate Short Corn Future Open End* was issued in 2008, inversely mirroring corn future. It is listed in Vienna, Stuttgart and Frankfurt.[20]

- *Index/Participation Certificate Long Soft Commodity Basket Focus Soft Commodity Open End,FocusSoft Commodity 2 Open End, Focus Bioenergy Open End* and *Focus Bioenergy 2 Open End* mirror the performance of underlying soft commodity baskets with a focus on food grains and oilseeds futures. The certificates were launched between 2008 and 2011 and are listed in Vienna, Stuttgart, Frankfurt and partly in Warsaw.[21]

12 Raiffeisen Bank International, "Commodity", *Website Raiffeisen Bank International* (www.rbinternational.com/eBusiness/rzb_template2/677226413664515143-677226413664515144_677923806831884932_677924112311434704-677924112311434704-NA-10-EN.html), viewed June 2012.

13 RaiffeisenCentrobank, "FokusRohstofftracker: Partizipationszertifikate", *RaiffeisenCentrobank*, January 2011; RaiffeisenCentrobank, "RohstoffezurDiversifikation des Portfolios", *RaiffeisenCentrobank*, January 2011.

14 Börse Stuttgart, "Knock-out products", *Börse Stuttgart* (www.boerse-stuttgart.de/en/marketandprices/leverageproducts/knock-outproducts/basicknowledge/basicknowledge.html), viewed June 2012.

15 RaiffeisenCentrobank, "Investment Products", *WebsiteRaiffeisenCentrobank (*www.rcb.at/en/investment-products/anlageprodukte/uebersicht/), viewed June 2012.

16 RaiffeisenCentrobank, "Dow Jones UBS Commodity Index Open End", *RaiffeisenCentrobank,* 2012 (www.rcb.at/en/pdf/participation/?ID_NOTATION=61072794), viewed June 2012; Ariva, "RaiffeisenCentrobank – Neues Dow Jones AIG Commodity Index Zertifikat", *Ariva*, 11 March 2008 (www.ariva.de/news/Neues-Dow-Jones-AIG-Commodity-Index-Zertifikat-Raiffeisen-Centrobank-2517551), viewed June 2012.

17 Dow Jones Indixes, "Dow Jones UBS Commodity Index", Dow *Jones Indixes*, 31 May 2012 (www.djindexes.com/mdsidx/downloads/fact_info/Dow_Jones-UBS_Commodity_Index_Fact_Sheet.pdf), viewed June 2012.

18 RaiffeisenCentrobank, "Turbo Certificates", *RaiffeisenCentrobank* (www.rcb.at/en/search-products/?c854_risk-class[]=2&c854_risk-class[]=1&c854_risk-class[]=3&c854_risk-class[]=4&security-type=turbo&c854_underlying=all&c854_market-trend=all&c854_underlying-class=all&c854_country=all&c854_filtering=1&c854_sliders=0&c854_SORT_BY=underlying&c854_SORT_ORD=ASC&query=query_empty), viewed June 2012.

19 RaiffeisenCentrobank, "Index/Participation Certificates", *RaiffeisenCentrobank* (www.rcb.at/en/investment-products/anlageprodukte/uebersicht/?c887_risk-class%5B%5D=2&c887_risk-class%5B%5D=1&c887_risk-class%5B%5D=3&c887_risk-class%5B%5D=4&security-type=participation&c887_underlying=all&c887_market-trend=all&c887_underlying-class=all&c887_country=all&c887_filtering=1&c887_sliders=0&c887_SORT_BY=market-trend&c887_SORT_ORD=DESC), viewed June 2012.

20 RaiffeisenCentrobank, "Short Index Certificates", *RaiffeisenCentrobank* (www.rcb.at/en/pdf/participation/?ID_NOTATION=61073243), viewed June 2012.

21 RaiffeisenCentrobank, "Index Certificates", *RaiffeisenCentrobank* (www.rcb.at/Index_Certificates.index_open_end.0.html), viewed June 2012; RaiffeisenCentrobank, "Index/Participation Certificate: Long Soft Commodity Basket FokusNahrungsmittel 2 EUR open end", *RaiffeisenCentrobank*, 15 June 2012 (www.rcb.at/en/pdf/participation/?ID_NOTATION=61072216), viewed June 2012; RaiffeisenCentrobank, "Index/Participation Certificate: Long Soft Commodity Basket FokusNahrungsmittel open end", *RaiffeisenCentrobank*, 15 June 2012

- The baskets of RCB´s 5-year *Guarantee Certificates Soft Commodity Winner, Soft Commodity Winner 2* and *Winner 3* issued in 2007 and 2008 contain corn, soybean, wheat and sugar. The guarantee certificates are listed in Vienna, Stuttgart and Frankfurt.[22]

Ceres AgriGrowth Investment Fund

RaiffeisenCentrobank is named as a major institutional investor in *Ceres AgriGrowth Investment Fund* that was launched in 2006.[23] It was set up by Bulgarian private equity company Rosslyn Capital Partners.[24] Ceres, with more than 20,000 hectares one of the biggest owners of agricultural land in Bulgaria, aims to concentrate land acquisitions in selected focus locations. Its website states as an aim to "*accelerate land consolidation and concentration, stimulate price appreciation*".[25]

Raiffeisen Capital Management

Raiffeisen Active Commodities Fund

The global sector fund *Raiffeisen Active Commodities Fund* offered by Raiffeisen Capital Management (RCM) was launched in 2009. It participates in the price trends for stock-exchange listed commodities and commodities derivatives. The fund portfolio comprises agricultural products, energy and precious and industrial metals, investing in ETFs, ETCs, commodities strategy funds and commodities derivatives. It participates in the development of commodity prices but does not itself purchase physical commodities. Total fund assets as of 31 January 2012 were EUR 44.4 million. It targets both institutional and private investors with a recommended investment horizon of at least 8 years. The fund is registered in Austria, Bulgaria, Czech Republic, Hungary, Italy, Poland, Slovenia, Slovak Republic.[26]

VIPclassic

RCM offers several products for market-oriented asset management, among them *VIPclassic* which is based on a mix of investment funds and individual stocks. It is open for customers with a minimum investment of EUR 75,000 and has several key asset classes; *VIPclassic 10* has up to 20% commodities, real estate and hedge funds, *VIPclassic 35*, *VIPclassic 50* and *VIPclassic 75* up to 15% and *VIPclassic 100* up to 10% commodities, real estate and hedge funds.[27] No details could be found on the role of agricultural commodities in this mix.

(www.rcb.at/en/pdf/participation/?ID_NOTATION=61072104), viewed June 2012; RaiffeisenCentrobank, "Index/Participation Certificate: Long Soft Commodity Basket FokusBioenergie open end", *RaiffeisenCentrobank*, 15 June 2012 (www.rcb.at/en/pdf/participation/?ID_NOTATION=61072246), viewed June 2012; RaiffeisenCentrobank, "Index/Participation Certificate: Long Soft Commodity Basket FokusBioenergie 2 EUR open end", *RaiffeisenCentrobank*, 15 June 2012 (www.rcb.at/en/pdf/participation/?ID_NOTATION=61072705), viewed June 2012

22 RaiffeisenCentrobank, "Soft Commodity Winner", *RaiffeisenCentrobank* (www.rcb.at/en/pdf/guarantee/?ID_NOTATION=61298718), viewed June 2012; RaiffeisenCentrobank, "Soft Commodity Winner 2", *RaiffeisenCentrobank* (www.rcb.at/en/pdf/guarantee/?ID_NOTATION=61298712), viewed June 2012; RaiffeisenCentrobank, "Soft Commodity Winner 3", *RaiffeisenCentrobank* (www.rcb.at/en/pdf/guarantee/?ID_NOTATION=61298743), viewed June 2012.

23 Ceres AgriGrowth Investment Fund, "Акционери", *Website Ceres* (www.ceres.bg/?op=page&lan=BG&page=Shareholders), viewed June 2012.

24 Ceres AgriGrowth Investment Fund, "Ceres", *Website Ceres* (www.ceres.bg/?op=page&lan=EN&page=Ceres), viewed June 2012.

25 Ceres AgriGrowth Investment Fund, "Farming", *Website Ceres* (www.ceres.bg/?op=page&lan=EN&page=Projects), viewed June 2012.

26 Raiffeisen Capital Management, "Raiffeisen Active Commodities Annual Fund Report 2010-2011", *Raiffeisen Capital Management*, 2011 (www.rcm.at/at/Fonds_C/28342/1217525760409?packedargs=subtype%3DFondsDokumente), viewed June 2012; Raiffeisen Capital Management, "Raiffeisen Active Commodities Semi-Annual Fund Report 2011-2012", *Raiffeisen Capital Management*, 29 February 2012 (www.rcm.at/at/Fonds_C/28342/1217525760409?packedargs=subtype%3DFondsDokumente), viewed June 2012.

27 Raiffeisen Capital Management, "RaiffeisenVIPclassic", *Raiffeisen Capital Management* (www.rcm.at/at/1232629133545), viewed June 2012; Raiffeisen Capital Management, "Vermögensverwaltung in Perfektion", *Raiffeisen Capital Management*, 9 May 2008 (www.rcm-international.com/it/Content_C/1217525833898/1232628114668), viewed June 2012.

Large-scale land acquisitions and land grabbing

Overview

Financial databases, company documents and media archives have been searched for information on financial relationships between the Raiffeisen Banking Group and companies involved in large-scale land acquisitions and land grabbing.

Two forms of financial relationships were researched: loans and credits provided by subsidiaries of the Raiffeisen Banking Group to these companies, and shareholdings; subsidiaries of RaiffeisenZentralbank or Raiffeisen Bank International manage investment funds which own shares of various companies that control already or acquire further large areas of land, sometimes also accused of being involved in land grabbing.

Table 1 summarizes the shareholdings in companies involved in land grabbing, while Table 2 provides an overview of the loans found.

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Table 1 Shareholdings in land-acquiring companies

Raiffeisen company	Security Name	% of outstanding shares	Value in US$ million	Value in EUR million	Filing date
RaiffeisenKapitalanlage-GesellschaftmbH	AngloGold Ashanti	0.01	0.7	0.5	30/04/2012
RaiffeisenKapitalanlage-GesellschaftmbH	Bunge	0.01	0.8	0.6	30/04/2012
RaiffeisenKapitalanlage-GesellschaftmbH	Kuala Lumpur Kepong	0.07	6.4	4.8	31/03/2012
Kathrein& Co. PrivatgeschäftsbankAktiengesellschaft	Stora Enso	0.01	0.3	0.2	30/04/2012
RaiffeisenKapitalanlage-GesellschaftmbH	Stora Enso	0.03	1.2	0.9	30/04/2012
Total				**7.0**	

Source: Thomson One Database, viewed June 2012.

Table 2 Participation in loans for land-acquiring companies

Raiffeisen company	Recipient	Country	Signing date	Duration	Total amount US$ million	(estimated) Raiffeisen share US$ million	(estimated) Raiffeisen share EUR million	Source
Raiffeisen Bank International	MonradIntanBarakat – Bakrie Sumatera	Indonesia	02/2010	2 years	25.0	25.0	18.4	28
RaiffeisenZentralbank	GrahaduraLeidong Prima – Bakrie Sumatera	Indonesia	09/2009	2 years	20.0	20.0	13.5	29
RaiffeisenNiederösterreich Wien	Glencore International	Switzerland	05/2010	3 years	11,265.0	70.0	48.8	30
RaiffeisenZentralbank	Glencore International	Switzerland	05/2010	3 years	11,265.0	70.0	48.8	31
RaiffeisenZentralbank	Glencore International	Switzerland	10/2010	1 year	1,215.0	24.0	17.3	32
RaiffeisenZentralbank	Glencore International	Switzerland	05/2010	3 years	9,745.0	62.0	50.7	33
RaiffeisenZentralbank	Glencore Singapore	Singapore	05/2010	1 year	515.0	3.0	2.4	34
RaiffeisenZentralbank	Glencore International	Switzerland	10/2009	1 year	1,220.0	28.0	18.7	35
Raiffeisen Bank Aval	Landkom International – AlpcotAgri	Ukraine/ Sweden	03/2011	1 year	9.0	9.0	6.5	36
RaiffeisenZentralbank	Louis Dreyfus Commodities	Switzerland	12/2011	3 years	797.4	17.0	13.0	37
Raiffeisen Bank International	Noble Group	Hong Kong	07/2011	3 years	3,185.0	28.0	19.8	38
Raiffeisen Bank International	Noble Group	Hong Kong	12/2010	1 year	2,543.0	18.0	13.6	39
Raiffeisen Bank International	United Fiber Systems (UFS)	Singapore	2005		21.0	17.7	17.7	40
Total							**289.2**	

Note:In cases where no details on the share of individual financiers is available, their shares have been estimated based on the assumption that bookrunners account for a total of 40% of the total amount and other participants for the remaining 60%.

In the following sections we describe the companies mentioned in Table 1 and Table 2.

28 Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.
29 Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.
30 Thomson One Database, "Tearsheet 2717342115", *Thomson One Database*, 3 May 2011, viewed June 2012.
31 Thomson One Database, "Tearsheet 2717342115", *Thomson One Database*, 3 May 2011, viewed June 2012.
32 Thomson One Database, "Tearsheet 2653422115", *Thomson One Database*, 20 October 2010, viewed June 2012.
33 Thomson One Database, "Tearsheet 2572386115", *Thomson One Database*, 10 May 2010, viewed June 2012.
34 Thomson One Database, "Tearsheet 2592941115", *Thomson One Database*, 10 May 2010, viewed June 2012.
35 Thomson One Database, "Tearsheet 2516102115", *Thomson One Database*, 20 October 2009, viewed June 2012.
36 StockMarketWire, "Landkom agrees $9m short-term financing", *StockMarketWire*, 23 March 2011 (www.stockmarketwire.com/article/4109549/Landkom-agrees-9m-short-term-financing.html), viewed June 2012; Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.
37 Thomson One Database, "Tearsheet 2800941115", *Thomson One Database*, 13 December 2011, viewed June 2012.
38 Thomson One Database, "Tearsheet 2719279115", *Thomson One Database*, 13 December 2011, viewed June 2012.
39 Thomson One Database, "Tearsheet 2646052115", *Thomson One Database*, 18 December 2011, viewed June 2012.
40 United Fiber System, "Annual Report 2011", *United Fiber System*, 15 May 2012; United Fiber System, "Annual Report 2005", *United Fiber System*, 7 April 2006.

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Besides the holdings outlined in Table 1, Raiffeisen subsidiaries also hold shares in a number of other companies which are involved in extractive industries in various countries. Especially gold and other metals mining have been named the new wave of land grabbing. Damages include vast open-pit mines and mountain top removal, and the poisoning of water systems, deforestation, and the contamination of topsoil.[41]

AngloGold Ashanti

AngloGold Ashanti (South Africa) is engaged in gold exploration and production. In Colombia it is the company holding the largest number of land titles assigned for mining, covering an estimated 400,000 hectares.[42] The company has been accused of grabbing and contaminating land in Ghana.[43]

As of 30 April 2012, RaiffeisenKapitalanlageGesellschaft owned or managed shares of AngloGold Ashanti valued at US$ 0.7 million (EUR 0.5 million).[44]

Bunge

Bunge (United States) is one of the largest agribusiness companies in the world, controlling large areas of land; sugar cane plantations alone cover almost 200,000 hectares of owned or leased land in Brazil.[45] In its latest move for expansion Bunge also started to invest in oil palm plantations in Asia.[46]

As of 30 April 2012, RaiffeisenKapitalanlageGesellschaft owned or managed Bunge shares valued at US$ 0.8 million (EUR 0.6 million).[47]

Bakrie Sumatera

Bakrie Sumatera Plantations, part of the Bakrie Group of companies (Indonesia), is operating large-scale oil palm and rubber plantations and is continuously expanding its land bank. The company and its subsidiaries managed a total plantation area of around 145,000 hectares at the end of 2010, located in Sumatra and Central Kalimantan (Indonesia).[48] It is planning further significant expansion for its production area. For 2012 additional oil palm plantations of 15,000 hectares in Indonesia for a total investment of US$ 3.0 million (EUR 2.4 million) have been reported.[49] In 2009, company representatives were quoted about long-term plans of Bakrie Sumatera to expand oil palm and rubber plantation to Africa, namely Liberia and Ivory Coast.[50] Bakrie Sumatera has been accused of land grabbing in Indonesia in the past.[51]

In February 2010, Raiffeisen Bank International provided a US$ 25.0 million (EUR 18.4 million) 2-year loan to MonradIntanBarakat, an oil palm plantation subsidiary of Bakrie Sumatera. The proceeds were destined to refinance debt.[52]

GrahaduraLeidong Prima is another subsidiary of Bakrie Sumatera. The company has also been accused by NGOs to be involved in land grabbing in Indonesia.[53]

In September 2009, GrahaduraLeidong Prima obtained a 2-year term loan from RaiffeisenZentralbank with a total value of US$ 20.0 million (EUR 13.5 million). The proceeds were destined to refinance debt.[54]

Glencore International

Glencore International (Switzerland), one of the largest commodities traders in the world, controls according to own information almost 10 per cent of the world's wheat market and one quarter of the world market in barley, sunflower and rape seed.[55] The company has a land bank of an estimated 300,000 hectares owned or leased land worldwide, including Australia, Paraguay, Russia, Ukraine and Kazakhstan.[56] Belgian prosecutors charged Glencore employees with criminal conspiracy and corruption in 2011, alleging they illicitly sought confidential information on European export subsidies from a public official.[57] Judgement in the case is expected in summer 2012.[58]

41 Sibaud, P., "Opening Pandora's box: The new wave of land grabbing by the extractive industry and the devastating impact on earth", *The Gaia Foundation*, 2012 (gallery.mailchimp.com/02c4daf3f04db09cb03d78dc8/files/Pandora_sbox_lowres.pdf), viewed June 2012.

42 Portafolio, "30% de áreastituladas la tienen 18 grandesmineras", *Portafolio*, 8 April 2012 (www.portafolio.co/economia/30-areas-tituladas-la-tienen-18-grandes-mineras), viewed June 2012; Richani, N., "Sovereignty for sale: Corporate land grab in Colombia", *North American Congress on Latin America*, 10 April 2012 (nacla.org/blog/2012/4/10/sovereignty-sale-corporate-land-grab-colombia), viewed June 2012.

43 FIAN, "The case of the AngloGold Ashanti Iduapriem Mine in Ghana", *FIAN video*, 10 January 2009 (www.youtube.com/watch?v=P7Mz4hsCEpk), viewed June 2012.

44 Thomson One Database, "Share ownership", *Thomson One Database*, viewed June 2012.

45 Bunge, "Annual Report 2011", *Bunge*, 27 February 2012.

46 PRNewswire, "Bunge to invest in palm plantation company", *PRNewswire*, 1 November 2011; Reuters, "Bunge seeks palm plantation in Indonesia", *Reuters*, 2 August 2010; Agrimoney, "Palm oil at "dawn of new era of expansion"", *Agrimoney*, 5 December 2011.

47 Thomson One Database, "Share ownership", *Thomson One Database*, viewed June 2012.

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52 Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.

53 Siagian, S.P., Siahaan, A., Khairani , N., "The loss of reason – Human rights violations in oil palm plantation in Indonesia", *Lentera Rakyat &Brotfür die Welt*, September 2011 (www.brot-fuer-die-welt.de/downloads/niemand-isst-fuer-sich-allein/loss-of-reason.pdf), viewed June 2012.

54 Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.

55 Arsenault, C., "Glencore: Profiteering from hunger and chaos", *Al Jazeera*, 9 May 2011 (farmlandgrab.org/post/view/18569), viewed June 2012.

56 Glencore International, "Grains, Oils/Oilseeds", *Website Glencore International* (www.glencore.com/agriculture.php), viewed June 2012.

57 Arsenault, C., "Glencore: Profiteering from hunger and chaos", *Al Jazeera*, 9 May 2011 (farmlandgrab.org/post/view/18569), viewed June 2012.

58 Reuters, "Glencore, others accused of paying bribes in EU case", *Reuters*, 10 May 2012 (www.trust.org/trustlaw/news/glencore-others-accused-of-paying-bribes-in-eu-case/), viewed June 2012.

- In May 2011, Glencore International obtained a US$ 11,265.0 million (EUR 7,848.9 million) facility, to be used to refinance a 3-year revolving credit facility obtained in May 2010 for general corporate purposes. RaiffeisenNiederoesterreich-Wien and RaiffeisenZentralbank were two of the banks participating in the syndicate, accounting for an estimated US$ 70.0 million (EUR 48.8 million) each.[59,60]

- In October 2010, Glencore International obtained a 1-year US$ 1,215.0 million (EUR 877.3 million) term loan for refinancing purposes. RaiffeisenZentralbank participated with an estimated US$ 24.0 million (EUR 17.3 million).[61]

- In May 2010, Glencore International obtained a 3-year revolving credit facility over US$ 9,745.0 million (EUR 7,945.5 million), to be used for refinancing and general corporate purposes. RaiffeisenZentralbank participated with an estimated US$ 62.0 million (EUR 50.7 million).[62]

- Also in May 2010, Glencore Singapore obtained a 1-year syndicated loan over US$ 515.0 million (EUR 419.9 million), with proceeds being used for refinancing. RaiffeisenZentralbank participated with an estimated US$ 3.0 million (EUR 2.4 million).[63]

- In October 2009, Glencore International obtained a 1-year US$ 1,220.0 million (EUR 819.5 million) term loan with proceeds going into refinancing. RaiffeisenZentralbank participated with an estimated US$ 28.0 million (EUR 18.7 million).[64]

Kuala Lumpur Kepong

Kuala Lumpur Kepong (Malaysia) is mainly engaged in oil palm and rubber plantations. The company has a land bank of about 250,000 hectares, 45% of which are located in Malaysia, and 55% in Indonesia. Especially through large new plantations in Indonesia, the company is expecting to further expand its operations in the coming years.[65] Total planted area in 2010 was 204,618 hectares, an increase of 29,611 hectares or 17% from the previous year. Since 2007, the total planted area has increased by 43%.[66]

As of 31 March 2012, RaiffeisenKapitalanlageGesellschaft owned or managed shares of Kuala Lumpur Kepong valued at US$ 6.4 million (EUR 4.8 million).[67]

Landkom / AlpcotAgri

In March 2011, Raiffeisen Bank Aval (Ukraine), of which RBI holds a 96.2% share, provided a US$ 9.0 million (EUR 6.5 million) loan for short-term financing to Ukrainian agricultural producer Landkom International.[68] At the time Landkom International had a landbank of approximately 74,000 hectares.[69] In December 2011, Landkom was taken over by Swedish AlpcotAgri, which held already a land bank of 181,000 hectares in Russia and 18,800 hectares in Ukraine.[70] As of May 2012 the facility provided by Raiffeisen Bank Aval to Landkom had not yet been drawn down.[71]

Louis Dreyfus

Louis Dreyfus is one of the biggest commodity traders in the world and holds major land assets in various regions, continuously expanding its land bank. In April 2012, it was reported that RZ Agro Ltd., controlled by members of the Dreyfus-family, and Russian financial corporation Sistema JSFC, will form an agricultural joint venture named RZ Agro Holding Ltd. RZ Agro Ltd's Russian holdings of around 90,000 hectares will form part of the joint venture.[72] It is aiming to reach 150,000 to 250,000 hectares in the medium term.[73]

Louis Dreyfus also controls Calyx Agro, a venture focused on the acquisition, development, rental and operation of agricultural land located in South America, focusing on Brazil and also active in Argentina, Uruguay and Paraguay. It claims that it "*will become the best investment option in agricultural land in Latin America*".[74]

In December 2011, Louis Dreyfus Commodities (Switzerland) obtained a 3-year syndicated loan for a total amount of US$ 797.4 million (EUR 605.8 million). The proceeds will be used for general funding purposes. RaiffeisenZentralbank participated with an estimated US$ 17.0 million (EUR 13.0 million).[75]

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59 In cases were no details on the share of individual financiers is available, their shares have been estimated based on the assumption that bookrunners account for a total of 40% of the total amount and other participants for the remaining 60%.

60 Thomson One Database, "Tearsheet 2717342115", *Thomson One Database*, 3 May 2011, viewed June 2012.

61 Thomson One Database, "Tearsheet 2653422115", *Thomson One Database*, 20 October 2010, viewed June 2012.

62 Thomson One Database, "Tearsheet 2572386115", *Thomson One Database*, 10 May 2010, viewed June 2012.

63 Thomson One Database, "Tearsheet 2592941115", *Thomson One Database*, 10 May 2010, viewed June 2012.

64 Thomson One Database, "Tearsheet 2516102115", *Thomson One Database*, 20 October 2009, viewed June 2012.

65 Kuala Lumpur Kepong, "Company Profile", *Website Kuala Lumpur Kepong*, (www.klk.com.my/home.php), viewed June 2012. Kuala Lumpur Kepong, "Plantations", *Website Kuala Lumpur Kepong* (www.klk.com.my/plantation_overview.php), viewed June 2012.

66 Kuala Lumpur Kepong, "5-Year Plantation Statistics", *Kuala Lumpur Kepong*, (www.klk.com.my/pdf/fyps.pdf), viewed June 2012.

67 Thomson One Database, "Share ownership", *Thomson One Database*, viewed June 2012.

68 StockMarketWire, "Landkom agrees $9m short-term financing", *StockMarketWire*, 23 March 2011 (www.stockmarketwire.com/article/4109549/Landkom-agrees-9m-short-term-financing.html), viewed June 2012; Bloomberg, "Bloomberg Loan Finder", *Bloomberg Database*, viewed June 2012.

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74 Calyx Agro, "Company", *Website Calyx Agro* (www.calyxagro.com/company.php), viewed June 2012.

75 Thomson One Database, "Tearsheet 2800941115", *Thomson One Database*, 13 December 2011, viewed June 2012.

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Noble

Noble Group (Hong Kong) is a market leader in managing global supply chains of agricultural, industrial and energy products, including products such as coal, steel, coffee, soybeans and sugar.[76] At the end of 2010, Noble Group's land assets included soybean and grain plantations in Argentina and Uruguay of approximately 26,481 hectares (2009: 37,989 hectares), sugar cane plantation in Brazil of approximately 42,410 hectares (2009: 39,523 hectares).[77]

Since June 2010, Noble has a majority stake in PT HenrisonIntiPersada (a joint venture with Kayu Lapis Indonesia (KLI) Group) which added 32,500 hectares of land for palm oil production in Sorong, West Papua, Indonesia to the company's portfolio. Further expansion in the oil palm business are expected.[78] All of the KLI group's activities in Sorong are on the land of the Malamooi tribe. Since the company arrived in the area in 2004 the local communities have been in conflict with them.[79]
In July 2011, Noble Group (Hong Kong) obtained a 3-year revolving credit facility over a total of US$ 3,185.0 million (EUR 2,278.4 million) from a syndicate of banks. Raiffeisen Bank International participated with an estimated US$ 28.0 million (EUR 19.8 million).[80]

In December 2010, Noble Group obtained a 1-year US$ 2,543.0 million (EUR 1,949.4 million) term loan, to be used for refinancing purposes. Raiffeisen Bank International accounted for US$ 18.0 million (EUR 13.6 million).[81]

Stora Enso

Stora Enso is an integrated paper, packaging and wood products company headquartered in Finland and active in 35 countries worldwide.

Stora Enso procures most of its wood from private forest owners, state forests and companies in Finland, Sweden, the Baltic states, Continental Europe and Russia. Around 6% of the wood comes from tree plantations in the China and Latin America.[82] As part of joint venture Montes del Plata together with Celulosa Arauca y Constitucion, Stora Enso owned 247,000 hectares of land in Uruguay in 2011 and leased another 18,000 hectares. Together with Brazilian partner Fibria, Stora Enso set up a 50/50 joint venture called Veracel with a plantation of 211,676 hectares in Bahia in 2011. In Brazilian state Rio Grande do Sul, Stora Enso owns another 45,000 hectares of land. In China, Stora Enso Group has rental commitments for up to 50 years for 90,000 hectares of land.[83]
In China, Stora Enso has been under attack by NGOs since 2010 for cooperating with local officials and local middlemen, who have been found to violate the law in order to secure land for 120,000 hectares of eucalyptus plantations for the company.[84]

Veracel has been attacked by Brazilian Landless Movements since 2009, who claim that 20,000 hectares of Veracel's plantations are located on so-called "terrasdevolutas", which are owned by the State of Bahia and should be destined for small-holder agriculture under the land reform.[85]

As of 30 April 2012, Kathrein Bank owned or managed Stora Enso shares valued at US$ 0.3 million (EUR 0.2 million), RaiffeisenKapitalanlageGesellschaft owned or managed shares valued at US$ 1.2 million (EUR 0.9 million).[86]

United Fiber System

United Fiber System (UFS), based in Singapore, is an investment holding company which engages in the forestry and pulp sector and the construction and property businesses.[87]
The group's forestry and pulp segment is engaged in forestry operations and the manufacture of wood chips in South Kalimantan, Indonesia. It holds a forest concession right of 268,585 hectares in South Kalimantan.[88]

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76 Noble Group, "Products", *Website Noble Group* (www.thisisnoble.com/index.php?option=com_content&view=article&id=45&Itemid=58), viewed June 2012.

77 Noble Group, "Annual Report 2010", *Noble Group*, 2011, p.131.

78 Noble Group, "Annual Report 2010", *Noble Group*, 2011, p.131. Financial Times, "Deal of the day: Noble Group moves in on palm oil boom", *Financial Times*, 15 June 2010, (www.thisisnoble.com/index.php?option=com_content&view=article&id=1050%3Adeal-of-the-day-noble-group-moves-in-on-palm-oil-boom&catid=23%3Anoble-coverage&Itemid=147&lang=en), viewed June 2012.

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EIA/Telapak, "Up for grabs: Deforestation and Exploitation in Papua's Plantations Boom", *EIA/Telapak*, 2009 (www.ascension-publishing.com/BIZ/BD-Papua.pdf, viewed June 2012.

80 Thomson One Database, "Tearsheet 2719279115", *Thomson One Database*, 13 December 2011, viewed June 2012.

81 Thomson One Database, "Tearsheet 2646052115", *Thomson One Database*, 18 December 2011, viewed June 2012.

82 Stora Enso, "Wood & Forest", *Website Stora Enso* (www.storaenso.com/wood-forest/Pages/wood-forest.aspx), viewed June 2012.

83 Stora Enso, "Financial Report 2011", *Stora Enso*, 20 February 2012, p.79, 118. Stora Enso, "Stora Enso in Latin America", *Website Stora Enso* (www.storaenso.com/about-us/organisation/latin-america/Pages/latin-america.aspx), viewed June 2012.

84 Rights and Resources Initiative, "A case study on large-scale forestland acquisition in China: The Stora Enso plantation project in Hepu County, Guangxi Province", *Rights and Resources Initiative*, October 2010; HelsinginSanomat, "Stora Enso accused of complicity in mistreatment of rural Chinese", *HelsinginSanomat*, 11 October 2010 (www.hs.fi/english/article/Stora+Enso+accused+of+complicity+in+mistreatment+of+rural+Chinese/1135260802054), viewed June 2012; HelsinginSanomat, "Chinese lawyer investigating Stora Enso land dispute still faces threats", *HelsinginSanomat*, 15 June 2009 (www.hs.fi/english/article/Chinese+lawyer+investigating+Stora+Enso+land+dispute+still+faces+threats/1135246884490), viewed June 2012.

85 World Rainforest Movement, "Brazil: Occupation foVeracel's tree plantations calls upon land reform", *World Rainforest Movement*, April 2009 (wrm.org/bulletin/141/Brazil_2.html), viewed June 2012.

86 Thomson One Database, "Share ownership", *Thomson One Database*, viewed June 2012.

87 United Fiber System, "Annual Report 2010", *United Fiber System*, April 2011; Lang, C. "UFS", *Pulpmillwatch.org*, March 2007.

88 Bloomberg Businessweek, "United Fiber System", *Bloomberg Businessweek*investing.businessweek.com/research/stocks/snapshot/snapshot_article.asp?ticker=UFS:SP), viewed June 2012.

In March 2012, UFS had outstanding indebtedness with RBI amounting to an aggregate of approximately US$ 10.7 (EUR 8.0 million), maturing on 31 March 2012, presumably from the 2005 facility. UFS announced the plan to refinance the company's outstanding obligations to RBI (Singapore office) by issuing a zero coupon convertible bond of up to S$15.8 million (EUR 9.9 million) to RBI.[89]

Conclusions

RaiffeisenZentralbank, Raiffeisen Bank International and several subsidiaries have been found to be involved in investments in food commodities as well as the direct and indirect financing of a number of companies that are involved in large-scale land acquisitions and land grabbing in low- and middle-income countries.
Considering the large number of financial products on offer and the often limited information available on portfolio composition, this picture may not even be complete yet.

No reference to a company policy or engagement on these issues could be found in company publications, what suggests that these are not high on the agenda. It is thus not possible to make a statement on an actual development in terms of CSR efforts in these areas. A direct request to RaiffeisenZentralbank may result in more information, asking for a statement regarding their involvement in food speculation and farm land acquisitions, through direct or indirect financing relationships with agribusiness, forestry and mining companies.

89 United Fiber System, "Annual Report 2011", *United Fiber System*, 15 May 2012; United Fiber System, "Proposed issue of up to S$15.8 million zero coupon convertible bonds to Raiffeisen Bank International AG Singapore Branch", *Website OneFinance Asia* (stockmarket.sg/read-corporate-announcements/38445-UNITED-FIBER-SYSTEM-LIMITED.html?page=21), viewed June 2012; Thomson One Database, "Tearsheet 2395512102", *Thomson One Database*, 7 March 2012.

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