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Cencosud: 35 Beef Products Link Retailer to High-Risk Amazon Slaughterhouses

Cencosud is a multi-brand retailer in South America, headquartered in Chile. The company is the fourth largest supermarket chain in Brazil, after Carrefour, GPA (Pão de Açúcar) and Walmart. Cencosud's position in the beef supply chain may expose it to deforestation risks through the beef it sources from slaughterhouses, as cattle is a major driver of deforestation in the Brazilian Amazon. This report analyses Cencosud's deforestation risk exposure on the basis of data collected through store visits. CRR visited 50 Cencosud-owned supermarkets in five Brazilian cities, and inspected 497 randomly selected frozen beef products. Data from the labels on these products, such as the tax identification numbers of the producer and/or meatpacker of the product, establishes supply chain links between Cencosud supermarkets and slaughterhouses located in the Legal Amazon. This data provides evidence of the risks of Cencosud supermarkets being directly linked to deforestation.

Key Findings

- **Cencosud is a major buyer of Brazilian beef from slaughterhouses, meatpackers, distributors and wholesalers.** Cencosud's 2.4 percent market share in the supermarket sector makes it a significant buyer of Brazilian beef. In Brazil, Cencosud operates a total of 204 supermarket stores under the names Bretas, Gbarbosa, Prezunic and Mercantil Rodrigues. Cencosud has no store presence in the legal Amazon. Thus, Cencosud can only legally source beef from Amazon slaughterhouses with Federal Inspection System (SIF) licenses.
- **Twenty-three percent of all sampled products originated from slaughterhouses within the legal Amazon**. Products from the legal Amazon were mostly found in GBarbosa supermarkets in Aracaju and Prezunic supermarkets in Rio de Janeiro. These products have a higher deforestation risk than meat that is slaughtered outside the legal Amazon.
- **Thirty-five products, or 7 percent of all frozen beef products sampled, originate from slaughterhouses with high or very high deforestation risks.** These include 19 products from three companies (Masterboi Ltda., Matadouro and Boi Brasil) that have not signed the Terms of Adjustment of Conduct (TACs) with Brazil's federal government, and 16 products from JBS facilities with high or very high deforestation risks in their supply shed.
- **Cencosud does not have a public zero-deforestation commitment or responsible sourcing policy.** Its environmental policy does not cover deforestation issues, while its forthcoming climate change strategy is not yet publicly available.
- **Deforestation risks, combined with the absence of a zero-deforestation policy, could expose Cencosud to reputational, market and financing risks.** With Brazilian operations accounting for 15 percent of Cencosud's net revenues, reputational and market risks due deforestation could impact up to 3.7 percent on Cencosud's enterprise value and up to 5.7 percent on its market capitalization. Due to potential loss of EBITDA, cost of capital may also increase as Cencosud's net debt/EBITDA ratio is on a high level.

Cencosud: Fourth Largest Retailer in Brazil

Cencosud S.A. is a multi-brand retailer in South America, headquartered in Las Condes, Chile. Eighty-three-year-old Horst Paulman Kemna, who founded the company in 1960, is the chairman of the board. Cencosud describes itself as "one of the largest and most prestigious retail conglomerates in Latin America, with active operations in Argentina, Brazil, Chile, Peru and Colombia." The company employs more than 140,000 people.

The company was incorporated on December 28, 1978 and is listed at the Santiago Stock Exchange and the New York Stock Exchange. It operates through six segments: supermarkets, home improvement stores, department stores, shopping centers, financial services and other. The company is also engaged in the commercial real estate development business in Chile, Argentina, Colombia and Peru, with over 50 shopping malls. The company operates over 940 supermarkets throughout Chile, Argentina, Brazil, Peru and Colombia.

204 Supermarket Stores and 2.4 Percent Market Share in Brazil

Cencosud is the fourth largest supermarket chain in Brazil, after Carrefour, GPA (Grupo Pão de Açúcar) and Walmart. In 2017, Cencosud's market share was 2.4 percent of the Brazilian supermarket sector.

Cencosud started operating in Brazil in 2007. Between 2007 and 2012, the company acquired supermarkets Gbarbosa, Super Familia (rebranded as GBarbosa in 2011), Bretas and Prezunic. The company's operations in Brazil consist of 204 supermarket stores with 572,664 square meters of selling space. In addition to the supermarkets, the company also operates other formats, such as Eletro-show stores (electronics megastores), pharmacies, gas station and delicatessen in Brazil. In 2017, Cencosud's Brazilian operations generated USD 2,576 million in revenues with gross profits of USD 521 million. In 2017, Cencosud experienced a 6.2 percent decrease in sales.

Cencosud has no store presence in Amazon states. Cencosud has supermarket operations in three regions in Brazil and operates with different supermarket stores in each region. The company owns the following supermarket stores in Brazil:

- Gbarbosa: A chain of supermarkets, located in the Northeast of Brazil, with stores in the states of Sergipe, Alagoas and Bahia.
- Bretas: A chain of supermarkets, located in the main cities of the states of Minas Gerais, Bahia and Goias.
- Prezunic: A chain of supermarkets, located in Rio de Janeiro.
- Mercantil Rodrigues: A chain of wholesale supermarkets, located in the states of Bahia and Sergipe. This chain was traditionally intended for companies, but it is increasingly visited by end consumers as well.

Figure 1: Cencosud Store Locations in Brazil

Source: Chain Reaction Research

Figure 2: Cencosud Supermarket Stores per State

Source: CRR

	Minas Gerais	Bahia	Rio de Janeiro	Goiás	Sergipe	Alagoas	Ceará	Total
Bretas	58			30				88
Gbarbosa		33			28	10	7	78
Prezunic			31					31
Mercantil Rodrigues		7			1			8
Total	**58**	**40**	**31**	**30**	**29**	**10**	**7**	**205**

* This table was drafted on the basis of lists of supermarkets on the websites of the individual supermarket brands. The number differs from the total presented by Cencosud elsewhere.

Cencosud Is a Major Buyer of Brazilian Beef

Cencosud's role in the beef supply chain consists of buying fresh and frozen beef, either from slaughterhouses/meatpackers or from distributors/wholesalers, and then selling to consumers as well as to restaurants, hotels and other catering providers. While no exact figures are available, Cencosud's market share in the supermarket sector likely means it is a significant buyer of Brazilian beef.

Cencosud does not publish a list of its beef suppliers. The company, however, provides a list of the 20 major suppliers for its overall operations in Latin America. Its wholesale brand Mercantil Rodriguez has published a list of its major suppliers. However, neither of these lists includes beef processing companies or meatpackers.

Limited information is available about how Cencosud has organized its procurement in Brazil. In recent years, Cencosud centralized purchases and retentions of commodities and non-commercial services at the procurement area. This action implies possible centralization for the procurement of beef.

Cencosud builds strategic alliances and long-term relationships with its suppliers in order to develop more responsible and ethical value chains. The relationship with suppliers is managed through Cencosud's Code of Ethics and Supplier Policy. Among others, these codes set the requirements to suppliers in terms of legal and regulatory compliance, good labor and environmental practices.

Cencosud Is Exposed to Deforestation Risks in Its Beef Supply Chain

Cencosud is exposed to deforestation risks in its beef supply chain. This risk is present for any product that it sources from slaughterhouses located within the Legal Amazon. Cencosud can only legally source beef from Amazon slaughterhouses with SIF licenses (under the Federal Inspection System) that allow slaughterhouses to sell meat in the entire country and, in some cases, export. Deforestation risks are more pronounced when slaughterhouses have not signed Terms of Adjustment of Conduct (TACs) with Brazil's federal government, or when deforestation takes place within the supply sheds of these slaughterhouses.

CRR collected data through store visits in August 2018. During visits to 50 Cencosud-owned supermarkets in five Brazilian cities (Aracaju, Goiânia, Rio de Janeiro, Salvador and Uberlandia), CRR inspected 497 randomly selected frozen beef products. Information on the labels of these products shows established supply chain links between Cencosud supermarkets and slaughterhouses located in the Legal Amazon.

Figure 3: A Sample of Beef Products Found in Cencosud-Owned Supermarkets

Source: Repórter Brasil

As shown in the above pictures, CRR collected key data from the labels on frozen beef products, such as the tax identification numbers of the producer and/or meatpacker of the product, as well as the brand name of the product. The research did not include fresh meat products.

Based on the geographical spread of Cencosud's supermarket stores in Brazil, CRR selected five municipalities in the five states with the highest presence of Cencosud stores. This selection included all four supermarket stores that Cencosud operates in Brazil. A random selection of ten supermarkets were selected per municipality. In each supermarket, CRR chose samples of 10 frozen beef products. If possible, a selection was made of different brands and different meat products. The sample totaled 497 products.

Figure 4: Selected supermarket locations for data collection

Source: CRR/Repórter Brasil

Municipality	State	Cencosud brands
Aracaju	Sergipe	Gbarbosa Mercantil Rodrigues
Goiânia	Goias	Bretas
Rio de Janeiro	Rio de Janeiro	Prezunic
Salvador	Bahia	Gbarbosa Mercantil Rodrigues
Uberlândia	Minas Gerais	Bretas

Twenty-three Percent of Sample Products from Amazon Slaughterhouses

Of the 497 products assessed, 23 percent (or 116 products) originated from slaughterhouses located within the legal Amazon. These products have a heightened risk of being linked to deforestation. Products from the legal Amazon were mostly found in GBarbosa supermarkets in Aracaju in the state of Sergipe (43 products) and Prezunic supermarkets in Rio de Janeiro (64 products).

Cencosud sourced the remaining 77 percent (or 381 products) from non-Amazonian states. These products are considered as having reduced deforestation risks attached to them.

Figure 5: Origin of Beef Products Found in Cencosud Supermarkets

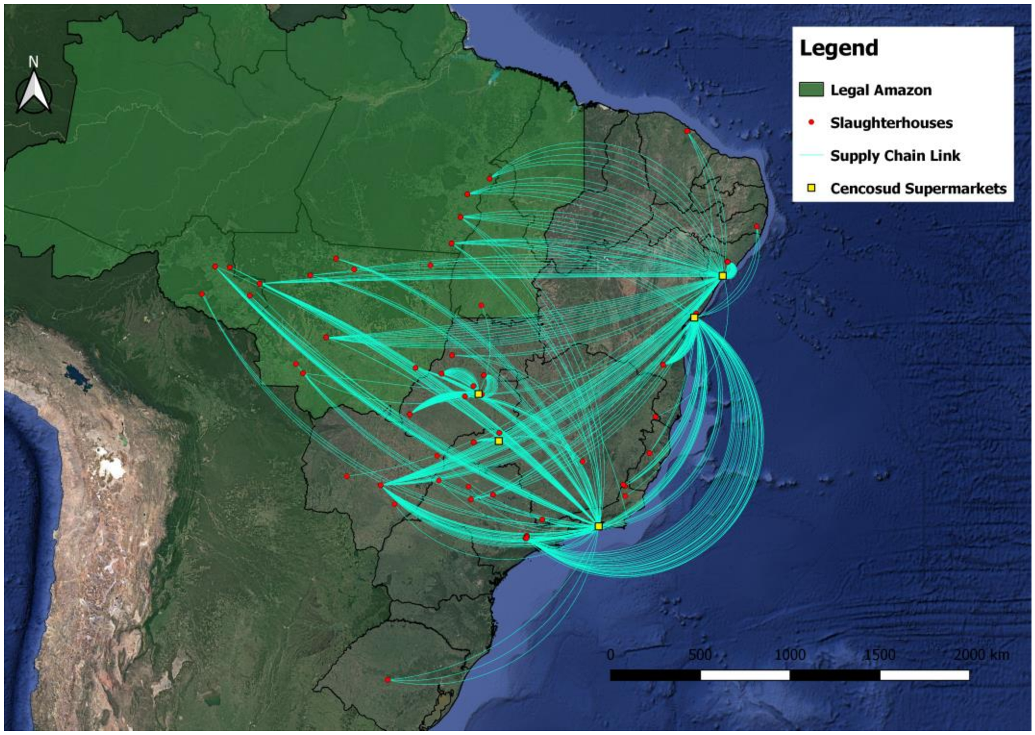
Source: CRR/Repórter Brasil

Supermarket Store	Within legal Amazon	Outside legal Amazon
Bretas	3	194
Gbarbosa	43	117
Mercantil Rodrigues	6	34
Prezunic	64	36
Total	**116**	**381**

Figure 6 maps the location of the slaughterhouses for each of the sampled products.

Figure 6: Locations of Slaughterhouses Supplying Sampled Cencosud Stores

Source: CRR/ Repórter Brasil



19 Meat Products From Slaughterhouses Without TACs

CRR found a total of 19 meat products that originated from slaughterhouses in the legal Amazon that did not sign a TACs -- which represents 16 percent of all products from the legal Amazon. For products sourced within the Legal Amazon, deforestation risks are significantly heightened if the supplying slaughterhouse has not signed the legally binding TACs with Brazil's federal government. Slaughterhouses that signed these TACs committed to buying from only ranches free of deforestation after 2009. Of all active meatpacking plants in the Legal Amazon, 49 percent has signed a TAC in 2016.

Figure 7: Products from Amazon Slaughterhouses with/without TACs

Source: CRR/Repórter Brasil

Supermarket Store	TAC	No TAC
Bretas	2	1
Gbarbosa	38	5
Mercantil Rodrigues	6	
Prezunic	51	13
Total	**97**	**19**

These 19 products originated from three different slaughterhouses. They were found in supermarkets in Aracaju (5 products), Rio de Janeiro (13 products) and Goiânia (1 product). The slaughterhouses are owned by Masterboi Ltda., Matadouro and Boi Brasil.

Figure 8: Cencosud suppliers without TACs

Source: CRR/Repórter Brasil

Non-TAC producer	State	Number of products
Masterboi Ltda.	Pará	5
Matadouro (Frigorífico Irmãos Gonçalves Comércio e Industria Ltda)	Rondonia	13
Boi Brasil (Indústria e Comércio de Carnes e Derivados Boi Brasil Ltda)	Tocantins	1
Total		**19**

A 2017 Imazon study ranked Masterboi, the supplier for five products found at GBarbosa supermarkets, as a high-risk company in terms of deforestation exposure. Its buying zone includes over 600,000 ha of the following types of land:

1) embargoed areas;
2) lands deforested between 2010-2015; and
3) lands at risk of deforestation between 2016-2018.

In Pará, the Federal Public Prosecutor's office found irregularities with Masterboi's acquisition of nearly 40,000 heads of cattle (31 percent of all inspected heads of cattle) in 2016.

Sixteen Products from high-Risk JBS Slaughterhouses, 7 from Ibama Fined Plants

CRR also found 16 products from JBS facilities with high or very high risks of deforestation. These facilities are located in Alta Floresta, Colider, Juara (all in the state of Mato Grosso) and Pimenta Bueno (state of Rondonia). CRR's sample data includes 85 products sourced from Amazon slaughterhouses owned by JBS SA. JBS, the largest meatpacker in Brazil and a TAC signatory, has the highest deforestation risk of all meatpackers that operate in the Amazon.

Sourcing from slaughterhouses with TACs may still carry large risks because deforestation occurs in their supply sheds. TAC slaughterhouses saw an estimated 8.3 million ha of deforestation within their buying zones between 2010 and 2015. A 2017 Imazon study ranked slaughterhouses' exposure to deforestation risks based on the characteristics of their buying zones.

CRR identified seven products at Prezunic supermarkets in Rio de Janeiro from two JBS slaughterhouses accused of sourcing cattle from embargoed and illegally deforested areas. In 2017, operation "Carne Fria" carried out by IBAMA found that JBS procured the largest number of cattle raised in embargoed and illegally deforested areas. Two of JBS' slaughterhouses in Pará (Santana do Araguaia and Redenção) were accused by IBAMA of acquiring 49,438 cattle, or 84 percent of the total number identified during the operation.

Cencosud Does Not Have Policies to Mitigate Deforestation Risks

Cencosud does not have a zero-deforestation commitment or a responsible sourcing policy. The company only recently published its first sustainability report, relatively late compared to international competitors. Cencosud has launched certification goals for fruit and vegetables, as well as a generic goal to seek to strengthen the traceability of its value chain and market sustainable products. There are, however, no goals related to beef products or deforestation in its beef supply chain.

Cencosud does have a broad environmental policy and has committed to reduce its direct greenhouse gas emissions through energy efficiency, waste management, reduced consumption of natural resources and increased stakeholder awareness. The company reports annually on its environmental indicators, but only for its Chile-based operations. Additionally, Cencosud indicated to CRR that it is currently developing a climate change strategy. The strategy was not yet publicly available at the time of this report.

Cencosud has one of the lowest scores on sustainability in the cattle supply chain based on a deforestation benchmark of retailers put together by Chain Reaction Research from December 2017 (report on file). This benchmark shows that Cencosud has a score of only 5 percent (1.5 points on a total of 30 points). To put this score in perspective, the three largest retailers in Brazil have scores of 38 percent (Casino/GPA), 47 percent (Carrefour) and 52 percent (Walmart).

In the scorecard of retailer rankings on cattle by the Global Canopy Project, Cencosud also scores extremely low. For cattle, the company has a score of zero out of five. The score says it has "No policy in place to reduce impact on forests." At the present, the company does not likely screen its beef suppliers on sustainability risks. This conclusion is in line with the findings of the Zero Deforestation Working Group, which reported Cencosud as one of three companies (together with DB and Líder) in Brazil without a zero-deforestation policy.

In March 2017, the country's federal police accused some of Brazil's largest meat producers of bribing health inspectors to turn a blind eye to grubby practices. These include repackaging beef past its sell-by date, making turkey ham out of soybeans rather than actual turkeys, and overusing potentially harmful additives. Estimates say that the police operation, dubbed Weak Flesh, could reduce Brazil's meat exports, worth USD 13 billion a year, and damage its two big global meat producers, JBS and BRF. This scandal has eroded customer confidence in beef products in Brazil and other markets that import beef from Brazil, including Chile. Cencosud does note the risks associated with the beef supply chain in its 2016 Annual Report in relation to the scandal of tainted Brazilian beef. Cencosud notes: "*As more countries suspend beef imports from Brazil, the global price for available beef is expected to rise, which, coupled with consumer perception after the scandal, could adversely affect our sales* *in Brazil and Chile*." Still, it appears that beef exports have not structurally suffered from this scandal, as exports have recently reached new record export levels.

Deforestation Exposes Cencosud to Business Risks

The exposure to deforestation risks in its supply chain, in combination with the absence of an effective zero-deforestation policy, may expose Cencosud to a number of business risks.

Reputational and market risks

Cencosud could become the target of continued civil society and consumer campaigns. In November 2015, Cencosud scored 1 point out of 30 in a Greenpeace ranking of supermarket actions to halt Amazon deforestation. After that, consumers took action against Cencosud's competitor Pão de Açúcar, which received a score of 4.5 points. After thousands of customers made it known they wanted an end to deforestation-linked beef, Pão de Açúcar committed in April 2016 to stop selling beef linked to Amazon destruction. Other Cencosud competitors have made similar pledges. With Cencosud lagging behind some competitors, the likelihood of future civil society and consumer campaigns is increasing. As a result, Cencosud could incur reputational damage or lose market share.

Financing risks

In conjunction with growing civil society and consumer awareness of the link between beef and deforestation, a growing group of responsible investors is also addressing the issue. For instance, United Nations-supported Principles for Responsible Investment (PRI) and Ceres have launched collaborative investor engagement efforts with companies in the cattle value chain. This initiative aims to support and coordinate engagements with companies to eliminate deforestation from their beef and leather supply chains within Latin America. Their working group members holdings represent USD 6.3 trillion in assets under management. While responsible investors are mostly engaging with their investee companies on these issues, they may divest their holdings if such engagement processes conclude unsatisfactorily or if they consider risks as too high. Such developments could increase Cencosud's financing costs.

Financial Risk Analysis

Recent results

In the last five years, Cencosud's revenue decreased with an average year rate of 5.1 percent from USD 20.9 billion (2013) to USD 16.1 billion (2017). From 2013 to 2017, Cencosud's profitability also decreased as EBITDA and net profit dropped with an average rate of 7.1 and 8.8 percent, respectively.

Figure 9: Key figures of Cencosud (Fiscal years end December)

Sources: Bloomberg, Chain Reaction Research

USD million	2013	2014	2015	2016	2017	2018E	CAGR 2013-17
Net revenues	20,907	18,793	16,840	15,293	16,128	14,617	-5.1%
Gross profit	6,003	5,059	4,869	4,405	4,624	4,171	-5.1%
EBITDA	1,488	1,068	1,002	1,006	1,030	1,081	-7.1%
Operating income	1,106	713	666	669	657	831	-9.9%
Net profit	348	123	105	167	220	358	-8.8%
Capital expenditures	-644	-399	-263	-308	-296	-409	-14.4%
Free cash flow after capex	-288	-33	375	-86	1	288	-134.6%
EPS (USD)	0.13	0.04	0.04	0.06	0.08	0.12	-
EBITDA margin	7.1%	5.7%	6.0%	6.6%	6.4%	7.4%	-

(%)	2013	2014	2015	2016	2017
Argentina	17.3	29.0	16.8	17.3	16.2
Chile	4.7	-0.5	3.3	6.4	3.2
Peru	1.5	4.6	0.8	1.0	-0.6
Brazil	-0.5	-0.6	-6.3	-2.4	-6.2
Colombia	-7.4	-1.5	1.4	5.0	-4.9

The drop in Cencosud's net revenues over the last five years is in line with the decrease in the revenue of the company's supermarket segment, which is the main contributor of Cencosud's revenue, accounting for 71 percent in 2017. Cencosud's declining revenue in the supermarket segment is following the trend of the also declining same store sales of the supermarkets in the countries the company is active.

Figure 10: Risk Profile of JBS Facilities

Source: CRR/Repórter Brasil

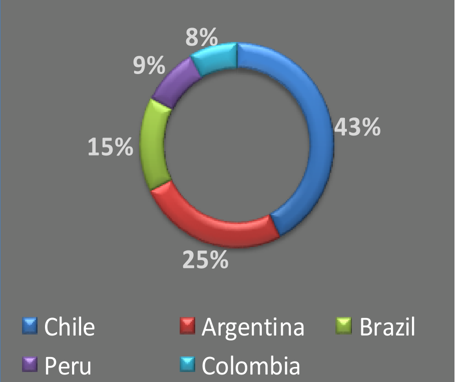
Supermarket Store	Very high risk	High risk	Medium risk	Low risk	Very low risk	Total
Gbarbosa	2	2		27	1	32
Mercantil Rodrigues				5	1	6
Prezunic	5	7	3	23	9	47
Total	**7**	**9**	**3**	**55**	**11**	**85**

Brazil is the third most significant country for Cencosud in terms of revenue

With a total of 925 shops in Latin America at the end of 2017, 22 percent are in Brazil and these are nearly all supermarkets. On average, they are smaller than the average store of Cencosud. More than 90 percent of the supermarkets in Brazil are leased compared to 60 percent for Cencosud on average. The Brazilian stores contribute to 15 percent to Cencosud total revenues. Cencosud in 2017 held 2.4 percent of the Brazilian market. In Brazil, the main competitors of Cencosud are CBD, Carrefour and Wal-Mart.

Figure 11: Geographical breakdown, percentage of revenue per country, FY2017

Source: Bloomberg



In 2017, the Cencosud's supermarkets in Brazil realized a small EBITDA loss due to a drop in the net revenue partially offset by lowered expenses. The weak economy in the regions of Brazil that Cencosud is operating explains the declining net revenue. The company's gross profit in Brazil is declining steadily over the last five years with a rate of 11.7 percent. Same store sales are weak in Brazil. In 2017 this was -6.2 percent, due to the weak economic conditions in the country. The country's GDP in real terms is declining over the last three years and there is financial uncertainty due to political unstable conditions and this might further affect Cencosud's FY2018 gross.

Reputation and market risks: Cencosud might lose between 5 to 10 percent of its customers

If Cencosud becomes the target of civil society and consumer campaigns related to sourcing beef from deforested Amazon areas, the company may suffer reputation damage at least in the short run. As a result, Cencosud could lose between 5 to 10 percent of its customers in its Brazilian supermarkets. With Brazilian supermarkets contributing 15 percent to the company's total revenue, Cencosud may face:

- USD 122 to 243 million revenue-at-risk, taking the FY2017 as the base revenue;
- USD 35 to 69 million loss of gross profit, assuming that the company's gross margin will stay at 28.4 percent, the average gross margin over the last five years; and
- USD 242 to 484 million in a discounted cash flow calculation, which equals 1.9 to 3.7 percent of Cencosud's current Enterprise Value (Figure 8) and 2.9 to 5.7 percent of its market capitalization (Figure 8).

Ownership of Cencosud: Majority of shares are privately held

Cencosud is listed on the Santiago Stock Exchange and on the New York Stock Exchange. Figure 12 shows the top-10 shareholders of Cencosud. The majority of the shares is held by Paulmann Family (51.8 percent).

Figure 12: Top-10 shareholders of Cencosud as of most recent filing dates

Sources: Thomson Reuters Eikon, Chain Reaction Research

Investor	Country	Value (USD mln)	% outstanding
Paulmann Family	Chile	3,651	51.8
AFP Habitat	Chile	402	5.7
Banco de Chile	Chile	318	4.5
Banco Bilbao Vizcaya Argentaria (BBVA)	Spain	131	1.9
AFP Cuprum	Chile	121	1.7
AFP Modelo	Chile	115	1.4
Vanguard	United States	112	1.6
BlackRock	United States	98	1.4
Dimensional Fund Advisors	United States	62	0.9
AFP PlanVital	Chile	49	0.6

APG Group (Netherlands), Legal & General (United Kingdom) and Sumitomo Mitsui Trust (Japan), which are members of the PRI Deforestation Advisory Committee, hold together 0.03 percent of Cencosud's shares.

Financiers of Cencosud and the increasing cost of capital

With investors increasingly paying attention to sustainability, the cost of capital may increase. Given that Cencosud relies on debt, the company is facing the risk of increasing cost of capital in the future due to sustainability reasons. Domestic or foreign banks might be willing to provide loans but with a higher interest rate.

Cencosud is 65 percent financed by equity, while net debt accounts for 35 percent (FY 2017). The company's net debt is relatively high with a net debt/EBITDA ratio of 4.5x for 2017. Although net debt has declined on average by 2.4 percent since 2013, it has been increasing since 2015. This trend, together with a rather stable EBITDA (Figure 8), has resulted in a gradually deteriorating net debt/EBITDA ratio (Figure 13). Due to the high debt levels the company has incurred, it could face significant financial risks. In case a drop in the company's revenues occurs (see revenue-at-risk analysis above), EBITDA will drop and together with the high level of net debt, this can result in an even higher ratio of net debt/EBITDA putting the refinancing of debt and the cost of financing at risk.

Figure 13: Key Financing Figures of Cencosud (Fiscal years end December, share price as of 3rd October 2018)

Sources: Bloomberg, Chain Reaction Research

USD million	2013	2014	2015	2016	2017
Enterprise value	15,394	11,840	9,537	12,205	13,055
Market capitalization	10,188	7,058	5,649	8,029	8,453
Gross debt	5,627	5,224	4,628	4,916	5,223
Net debt	5,206	4,784	3,889	4,177	4,604
Net debt/EBITDA	3.5x	4.5x	3.9x	4.2x	4.5x

Issued bonds currently contribute to all total outstanding gross debt. However, Cencosud has also unused and available borrowing capacity of USD 180 million. The company and its subsidiaries have issued loans that have not yet matured. This amount is relatively low compared to the company's gross debt (3.4 percent). As a result, the risk the company is facing by losing its loan providers is also low.

Figure 14 below shows the financial institutions that provided loans to Cencosud. The World Bank (through the International Finance Corporation, IFC) issued the majority of Cencosud's loans in terms of value. The loan by the IFC was issued in 2009 with a purpose to support Cencosud's activities in Argentina and held the total value of USD 140 million. IFC arranged the loan, and the Inter-American Development Bank and Proparco (France) were participants. In 2015, Bancoex (Venezuela) together with Santander (Spain) provided to Cencosud USD 40 million.

Figure 14: Financial institutions providing loans to Cencosud

Sources: Bloomberg, Thomson Reuters Eikon, Chain Reaction Research

Financial institution	Country	Value (USD mln)	Maturity date
World Bank	n/a	56	June 2019
The Inter-American Development Bank	United States	42	June 2019
Proparco	France	42	June 2019
Bancoex	Venezuela	20	July 2020
Santander	Spain	20	July 2020

Although the total amount of Cencosud's outstanding debt in bonds currently is USD 6 billion, very limited information is publicly available regarding the company's bondholders. Figure 15 below shows the top-10 bondholders of Cencosud as of the most recent filing date.

Figure 15: Top-10 bondholders of Cencosud as of most recent filing dates

Sources: Thomson Reuters Eikon, Chain Reaction Research

Investor	Country	Value (USD mln)	% outstanding
MetLife	United States	55	0.86
T. Rowe Price	United States	40	0.61
White Mountains Insurance	Bermuda	25	0.39
Principal Financial Group	United States	21	0.32
Crédit Agricole	France	16	0.24
AXA	France	15	0.24
Voya Financial	United States	14	0.21
BlackRock	United States	13	0.21
American International Group (AIG)	United States	13	0.20
MassMutual Financial	United States	12	0.19

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