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# Report slams bank links to clusterbomb production

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By Olesya Dmitracova

LONDON (Reuters) - Leading banks have funded arms manufacturers, whose products include cluster bombs, to the tune of \$5 billion in the past two years, despite an international accord to ban such weapons, a study said Thursday.

The report by Profundo consultancy and several NGOs said the banks loaned money to companies whose products include cluster bombs or their components.

It did not say the funds went directly to make cluster bombs. The manufacturers could use the money for any of their production lines.

The top five loan providers were Bank of America, Citigroup, JP Morgan, Barclays and Goldman Sachs, the study said.

The researchers used publicly available information, such as that supplied by stock exchanges and financial databases, to produce their study.

According to the research, the banks have provided financing for diversified manufacturer Textron, aerospace and defense group Alliant Techsystems and defense contractor Lockheed Martin, all based in the United States.

Barclays said in a statement it provided financial services to arms makers within a specific policy framework, taking into account the likely use of the equipment.

"Our policy ... explicitly prohibits financing trade in landmines, cluster bombs or any equipment designed to be used as an instrument of torture," Barclays said.

Asked to clarify, a Barclays' spokeswoman declined further comment.

Bank of America and JP Morgan declined to comment while Citigroup and Goldman Sachs also had no immediate reaction.

Cluster bombs, which open in mid-air and scatter a multitude of bomblets over a wide area, have killed and maimed tens of thousands of civilians, campaigners say.

Nations agreed to outlaw cluster bombs in May 2008. The resulting convention will come into force when 30 countries have ratified it -- 23 have already done so.

Neither the United States nor Britain, where the top five loan providers are based, have yet ratified the treaty.

The Convention on Cluster Munitions includes a ban on assisting anyone to make the bombs.

"We feel very strongly that assistance in production means investment. If you invest in a company, you're considered to assist the production of these (bombs)," Roos Boer, one of the report's authors, said at the

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