Banco AXIAL S.A.
São Paulo, Brazil
www.bancoaxial.com
A Brazilian Investment Bank

- Founder/principal shareholder: Pierre Landolt
- Established in January 1997
- Located in São Paulo
- Initial capital US$ 20 Million
- 100% Brazilian
- 35 employees
Management Focus

• Wholesale bank, fund management
• M&A investment banking niche player:
  - Brazilian mid-size firms
  - Regional Brazilian markets
  - New (emerging) economic sectors
• Specialized Environment financial services
“Green is business”

- Effective Change in Consumer Demand patterns
- Facilitated by Globalization's Environmental barriers
- Accelerated by the I. T. Revolution
- Stimulated by the new fears of Biotech and GMOs
- Used to hedge real and/or perceived liabilities
- Alarmed by increased Natural Disaster awareness
- Promoted through the “Back to nature” culture
Environment Funds
(in Millions)

- Biodiversity (Terra Capital): US$ 15-50
- Sustainable Forestry: US$ 100 - 200
- Amazon Permanent Fund: US$ 150
- Carbon Sequestration: US$ 100-150
Terra Capital Investors Ltd

- US$ 15-50 Million
- MIF, IFC, Swiss Govt., Triodos Bank, NL, ...
- US$ 5 Million GEF Grant
- 10 Year Venture Capital Fund
- Preservation & Promotion of Biodiversity
- Target: Latin American Enterprises
- Expected average annual ROE 20-22%
Biodiversity Sectors

- Organic agriculture
- Native species aquaculture
- Native species reforestation
- Non timber forest products
- Nature tourism
Projects—Geographic Distribution
Terra Capital Team

- AXIAL: -John M. Forgach, CEO 51
  -Patricia Moles, G.M. 33
  -Jaime Bunge, Agro/forestry, 42
  -Patricia Freitas, Project officer, 33
  -Philippe Lisbona, Bio + Fin. Analyst, 24
  -Renata Toledo, Admin., 26
- EEAF: -Brooks Browne, CEO 51
- SDI: -Marcelo de Andrade, CEO 41
Organic Berries - Chile

Investment: US$750,000  IRR(e) : 20.8%
Organic Vegetables - Brazil

Investment: US$800,000  IRR (e): 24.8%
NTFP Amazonian Babassu - Tocantins
Babassu Traditional Kernel Oil Extraction

Total Yield: 6%
Babassu Integral Utilization

**Investment:** US$2.1 MM  
**IRR \(_{(e)}\):** 28.9%

- **Epicarp (12%):** Energy
- **Mesocarp (22%):** Starch and Alcohol
- **Endocarp (50%):** Activated Charcoal
- **Kernel (6%):** Oil and Amid

**Total Yield:** 90%
NTFP  Amazonian Heart of Palm - Marajó
NTFP  Amazonian Heart of Palm - Marajó

Investment: US$1.1 MM    IRR (e): 26.6%
Traditional Risk Management

Risk: Identification, Quantification, Mitigation.

Environmental
Social
Labor
Indirect Impacts

Non-measurable
Traditional

Financial
Commercial
Logistic

Project
Investment
Time
Development obstacles

- Unreliable accounting (audited or not)
- Survival through tax evasion/avoidance
- Require patience and hand holding:
  - Need guidance to prepare Business Plan,
  - Investment needs monitoring but doesn’t like partners
- Need field/technicians + Certifiers
- No market liquidity => difficult exits
Business Rewards

• Competitive financial returns
• Important poverty alleviation and social benefits
• Tangible positive Environmental Impacts
• Strong demonstration effects (benchmarking)
• Facilitator of Private/Public Sector Partnerships
• Bridging first and final stage develop’t projects
• Personally rewarding for the Management team
Banco AXIAL S.A.
São Paulo, Brazil
www.bancoaxial.com