



Banco AXIAL S.A.

São Paulo, Brazil

[www.bancoaxial.com](http://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
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# 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
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# “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)

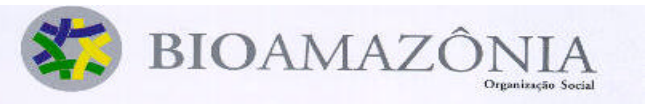
❑ Biodiversity (Terra Capital): US\$ 15-50



❑ 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<sub>(e)</sub> : 20.8%**



# Organic Vegetables - Brazil



**Investment: US\$800.000**

**IRR (e): 24.8%**



# NTEP Amazonian Babassu - Tocantins





# Babassu Traditional Kernel Oil Extraction



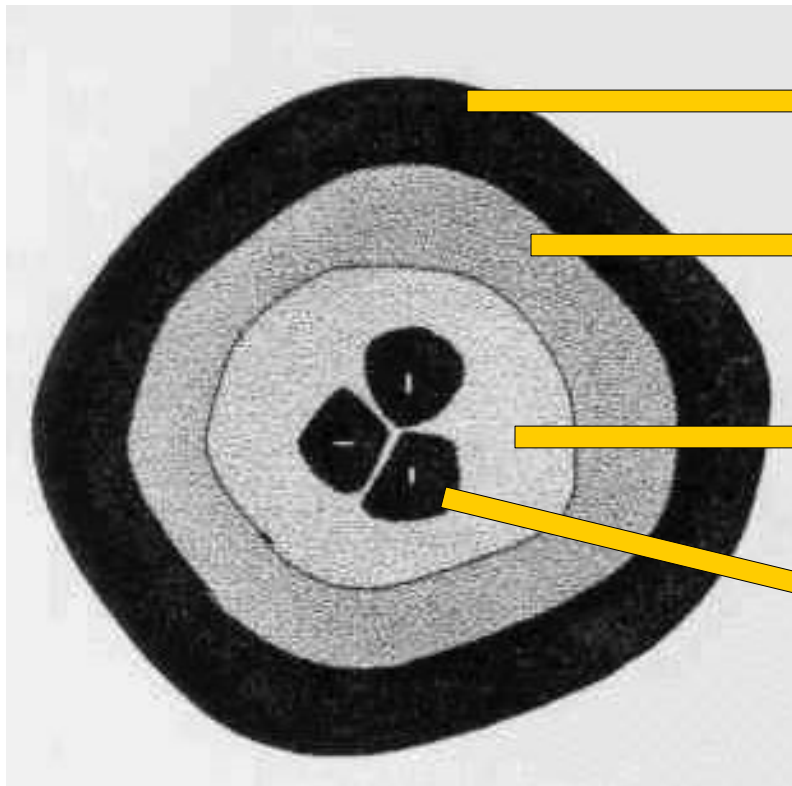
**Total Yield: 6%**



# Babassu Integral Utilization

**Investment: US\$2.1 MM**

**IRR<sub>(e)</sub>: 28.9%**



Epicarp (12%): Energy

Mesocarp (22%):  
Starch and Alcohol

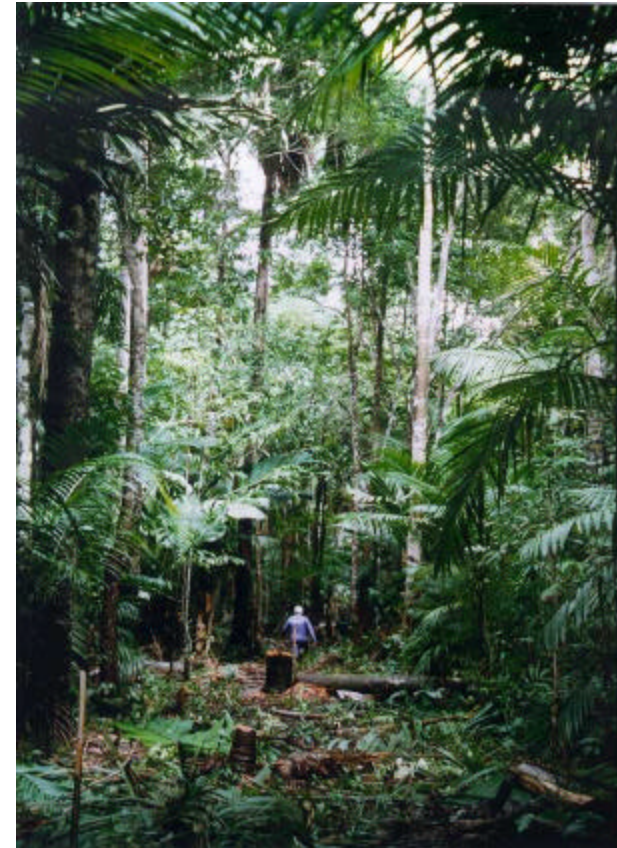
Endocarp (50%):  
Activated Charcoal

Kernel (6%): Oil and Amid

**Total Yield: 90%**



# NTFP Amazonian Heart of Palm - Marajó





# NTFP Amazonian Heart of Palm - Marajó



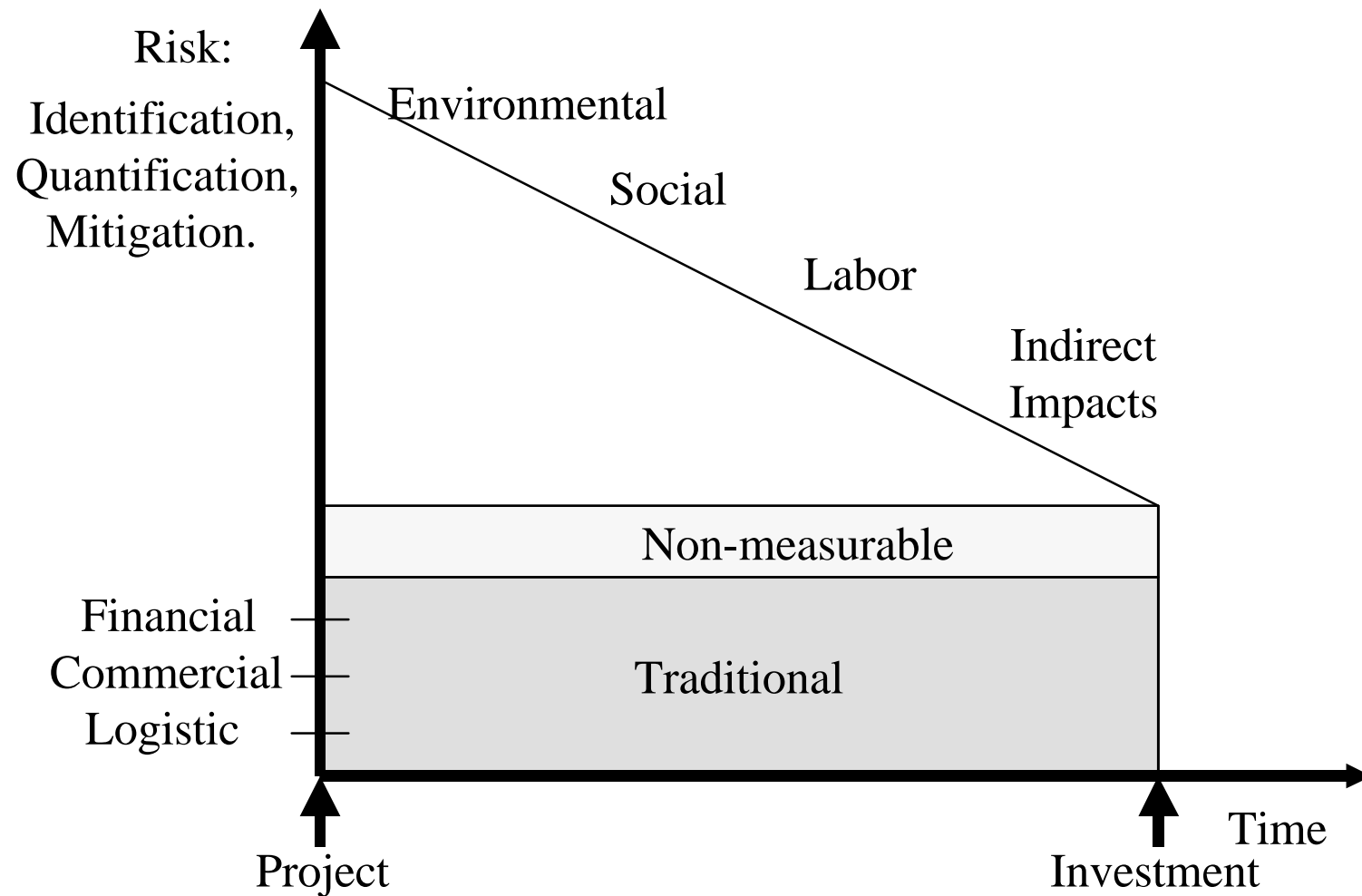
Investment: US\$1.1 MM

IRR<sub>(e)</sub>: 26.6%

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# Risk Management





# 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



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