



Strategic Alliance Announcement: The Archipelago Group and Qbera Capital LLP.

Date: 05 August 2019

The facilitation of global trade is in the DNA of Archipelago. The Archipelago story brings us back to the significant era of the Indian Ocean Trade that gained an important role in history and played a key factor in East-West exchanges.

Today, global trade faces disruption, largely driven by policy, however its growth evolves and continues. Accordingly, demand for trade credit insurance and funding, particularly for Small and Mid-Market producers, traders and buyers has never been stronger.

As such, we at Archipelago have decided to play a more active role in trade finance.

Despite the attraction of trade credit insurance: attractive yields, low default rates and high recovery rates (as noted in the ICC Trade Risk Register Report 2018), given the multitude of risk factors and counterparts involved in a trade flow, we recognised the need to work with highly experienced and professional trade financiers. Accordingly, we have partnered with Qbera Capital, a London headquartered Advisory and Asset Management firm (who also operate a Trade Finance Fund) to increase our exposure in this segment. Qbera will work with Archipelago to source quality counterparts and assist with transactional risk assessment and due diligence.

Speaking on the partnership, Ian Lim Teck Soon, Archipelago Group Chief Executive said – “The primary challenge the market must overcome is breaching the widespread lack of awareness about the product and getting people to understand how we can build solutions for companies. Distribution of trade credit insurance is not as well established as it is in other lines of insurance. Limited to a small number of specialists, there are very few brokers/intermediaries who invest in distributing this line of business. Despite all of the digital advances in insurance, trade credit insurance will always need human expertise. Hence the collaboration between Archipelago and Qbera to provide a holistic solution of both trade credit insurance and trade financing to companies”.

And Ali Shafqat, Founder and CEO of Qbera Capital said – “Having the opportunity to work with Archipelago on their trade insurance strategy is an exciting prospect. I am very enthusiastic that insurers are looking to increase their trade related activities, not only with respect to trade credit insurance, but also funding transactions. We have seen more and more insurers looking to invest in trade finance, particularly given that the asset class exhibits a consistent risk-adjusted return profile as well as a low correlation to other fixed income strategies.”

About The Archipelago Group

The Archipelago Group underwrites all lines of General and Life Insurance including Takaful and Reinsurance. For more details, please visit: <https://archipelagogrp.com/>

About Qbera Capital LLP

Qbera Capital LLP is an independent Asset Management & Corporate Advisory firm, facilitating and providing debt and equity solutions in frontier and emerging markets. For more details, please visit: <https://www.qberacapital.com/>