

# Creating Alpha with Data-driven Investments in Private Credit in Asia

Radek Jezbera is Co-Founder & Chief Executive Officer of Kilde. At the Hubbis Independent Wealth Management Forum in Dubai on March 15 he gave a presentation to delegates on data-driven private credit investments. He said that data-driven investing is no longer exclusive to public markets. Using the power of big data and artificial intelligence, investors can now reap large yields from private assets such as consumer and MSMEs loans. In fact, he reported that in a year fraught with uncertainty - 2022 – Kilde was able to achieve an 11.6% annual return on private credit notes along with 160% collateral cash coverage. He told delegates that by leveraging artificial intelligence software that mines loan repayment data for small loans over short tenures, it is possible to establish a reliable cash flow baseline used as collateral. The result is lucrative fixed income opportunities previously only available to major institutions and banks.



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**Radek Jezbera**  
Kilde

**Kilde is a** fixed income investment platform that disrupts term deposits. They offer terms from 3 to 36 months with an 8-13% yearly return, and interest paid monthly. The objective is to generate high but safe returns by lending funds to leading consumer and SME lending companies in Asia and Europe.

Kilde is regulated by the Monetary Authority of Singapore as a financial institution dealing in securities and an exempt financial adviser. Their senior team has 30+ years of experience in consumer and SME lending, and they serve 200+ individual and institutional investors who in 2022 invested USD9,500,000 in exchange for an average net return of 11.46%.

Kilde aims to bring productive income investments to investors using data science to discover suitable investments and arrange them into private bonds, which can be purchased by qualified investors through their in-house developed highly scalable investment platform.

In addition, they report they have built cutting-edge credit risk analytics software for selecting the best investment opportunities supported by their own expertise in consumer and SME finance.

“There is an amazing amount of data created every day,” he noted. “If you are able to get and process this data and these data trails, it can help generate some very interesting fixed income opportunities.”

With that, he cited trade finance receivables at rates of 8%-18%, settlement finance at 6%-8%, consumer and MSME loans 12%-15%, and non-performing loans 15%-20%, all annualised returns.

“But you would not go into any of these without data and without rigorous analysis, which is what we do,” he told delegates. “To fully understand the risk and the potential returns, you need computing power to process data and at the same time ensure you are not breaching

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He explained that Kilde focuses on the consumer and the micro SMEs loans, collecting vast amounts of data about the loans issued in Southeast Asia and Central Asia, and then forging them into investment opportunities for income investors, which can use Kilde’s smart risk management and portfolio management to obtain risk-mitigated exposures to these assets, and indirectly these obligors, such as small shop owner or other small business.

He explained they currently have about 50,000 loans in their pool of

collateral with 160% cash coverage and their investors can obtain access to a highly diversified asset pool with a short tenor of 90 days on average, and monthly returns equating to 10% to 13% per annum. “We have processed some 20 million data points in recent years, and the result is we can predict outcomes with roughly 95% accuracy,” he stated. “We made 11.6% net yield for our investors in 2022, compared with the JP Morgan emerging market high yield bond ETF, that was down 11%. And we no delinquency.”

He then explained that the platform is open to any investors, from mass affluent upwards. Those investors need to put in any amount from USD25000 and lock in for anywhere between three and 36 months.

“We are licensed in Singapore, we offer free client onboarding with the Singapore National Identity, 24/7 access, and achieve market beating returns,” he enthused. “As to this region, we also have an office in the UAE, in the Abu Dhabi General Market.”

He also reported that the firm is backed by venture capital, and in the UAE they count Mashreq Bank, the DIFC itself and Dubai Fintech Ventures as minority shareholders.

“We are now looking for expansion possibilities in this region to work with intermediaries who are looking for partnerships, so our door is open to discussion,” he said on closing his talk. ■