



**Pemba**  
Capital Partners



## **Arteva Funding**

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Pemba Capital Partners, an investor in high growth financial services businesses, has invested in two independent premium funding companies, Premium Funding and Principal Finance, to create Australia's largest independent player in the insurance premium funding sector, Arteva Funding.

**BASE CAMP**

Insurance



# Arteva Funding

Principal Finance and Premium Funding were looking to partner with an experienced investor to back the merger and drive growth in the combined businesses. Pemba was chosen as the preferred partner due to their deep expertise in non-bank financial services and their track record in supporting the organic and acquisitive growth strategies for Australian businesses.

## THE DEAL

Pemba - a leading investor in private businesses with a focus on growth partnerships - invested in and merged two independent premium funding businesses, Premium Funding and Principal Finance, to create Australia's leading independent player in the insurance premium funding sector. The companies rebranded in July 2021 to become Arteva Funding.

### About Premium Finance/Principal Funding

Principal Finance and Premium Funding were founded in 1985 in Adelaide and 1992 in Brisbane, respectively. Both are independent insurance premium funding businesses focused on the Australian SME market.

Premium funding enables customers to select payment terms for underlying commercial or non-commercial insurance products. Both companies have experienced strong growth, driven by a fundamental need for SME funding. Together, they form the leading independent insurance premium funder in the Australian market, with most other providers owned by banks, insurers or insurance brokers.

### Background to Pemba's investment

Pemba first began discussions with both Principal Finance and Premium Funding in 2018, after identifying insurance premium funding as an attractive, high growth sector. Two years later the businesses had experienced significant growth and were looking at a variety of organic and inorganic growth opportunities. The

Pemba team had a deep understanding of the aspirations of both businesses, strong existing relationships and were a natural fit as custodians for the merged entity.

## THE VENDOR'S PERSPECTIVE

“Both Principal Finance and Premium Funding have been instrumental in driving innovation to make premium funding easier for brokers and clients. The opportunity to bring both companies together and partner with Pemba, who understand our industry and have the resources and expertise to support our growth aspirations, is extremely exciting.”

DANIEL GRONERT  
MANAGING DIRECTOR, ARTEVA FUNDING

## THE FUTURE

Pemba will work with the management team in funding investments in staff, systems and operational initiatives to support further growth and maintain the business' market leading position within the insurance premium funding industry. Pemba will also support the business through identifying, approaching, negotiating and financing carefully selected acquisition and merger partnerships.

## PEMBA & NON-BANK FINANCIAL SERVICES

Pemba is a leading investor in the Australian and New Zealand non-bank financial services sector, with investments in Bepoz (hospitality payments), Coverforce (insurance broking), Placard (payments technology), and Bluestone Mortgages (non-conforming mortgages).

Pemba is looking to invest in further high-quality non-bank financial services providers. If you are considering outside investment and would like to find out more about how Pemba partners with its investee companies to achieve significant growth, please email [opportunities@pemba.com.au](mailto:opportunities@pemba.com.au).

## PEMBA CAPITAL HAS EXPERTISE IN THE FOLLOWING SECTORS.

Business Services / Education & Training / Healthcare / Non-Bank Financial Services / Technology.