



# Case Study 2: Enabling Factoring for SMEs in East Africa

## Invoice insurance unlocking working capital

### Client & Location

**Client:** Innovative IT-Driven Startup (Factoring & Invoice Discounting)

**Country:** East Africa

### Challenge

The startup needed liquidity to support SMEs by discounting invoices. A significant hurdle was the lack of adequate risk coverage to secure these transactions and attract investors.

### Solution

UA Specialty provided Invoice Insurance with a maximum sum insured of US\$ 1.5 million. This insurance policy secured receivables from local corporates, mitigating the risk associated with invoice discounting.

### Impact

- **Access to International Liquidity:** The insurance coverage allowed the startup to access international liquidity markets, providing the necessary capital for its operations.
- **Empowered SMEs:** SMEs were empowered to unlock working capital by discounting their insured invoices, improving their cash flow and financial stability.
- **Facilitated Business Expansion:** The solution facilitated business expansion for multiple small enterprises by providing them with access to immediate funds against their invoices.

### Summary

This case study highlights the critical role of invoice insurance in enabling factoring for SMEs in East Africa. By mitigating risk and providing security, UA Specialty facilitated access to liquidity, empowered small businesses, and supported economic growth in the region.