



# Case Study 1: Supporting SME Growth in East Africa

**Innovative financing unlocks working capital.**

## Overview

This case study highlights how UA Specialty supported an innovative start-up in East Africa to provide essential liquidity to Small and Medium Enterprises (SMEs) through factoring and invoice discounting. By insuring the invoices, UA Specialty enabled the start-up to access international funding and empower SMEs to unlock their working capital.

## Client Profile

**Client:** Innovative/IT-driven Start-up

**Maximum Sum Insured:** US\$ 1.5 million

**Country:** East Africa

**Nature of Business:** Factoring and Invoice Discounting

## The Challenge

The start-up aimed to address a critical need in the East African market: providing liquidity to SMEs. By discounting invoices, the start-up could enable SMEs to access working capital faster. However, the start-up faced a significant hurdle:

Difficulty in accessing international funding due to the perceived high risk of borrower default.

## UA Specialty's Solution

UA Specialty provided a tailored insurance solution that addressed the start-up's specific needs:

**Invoice Insurance:** UA Specialty insured the invoices being discounted by the start-up.

This innovative solution allowed the start-up to:

Venture into factoring with reduced risk. Access liquidity from international markets with confidence.

## Impact and Results

The partnership between the start-up and UA Specialty yielded significant positive outcomes:

**Access to International Liquidity:** The start-up successfully accessed international liquidity markets, securing the necessary funding to scale its operations.

**SME Empowerment:** SMEs were empowered to unlock their working capital by discounting insured invoices, improving their cash flow and financial stability.

**Business Expansion:** Multiple small enterprises were able to expand their businesses, creating jobs and stimulating economic growth in the region.

## Conclusion

UA Specialty's insurance solution played a crucial role in enabling an innovative start-up to thrive and support SME growth in East Africa. By mitigating the risk of borrower default, UA Specialty facilitated access to international funding, empowering SMEs to unlock working capital and fueling economic development.