

RECEIVABLES COVER AND RISK SHARING

For suppliers, credit insurers and banks

STAGE

IN DEVELOPMENT

PILOT IN DESIGN

PILOT RUNNING

LIVE

WHERE THIS STANDS

In early design with underwriters and funders. Indemnity levels, eligible buyers and advance rates will be set by the insurer and the bank, not by us.

Introductions that would help: trade credit insurers and banks interested in insured receivables finance.

Insure the credit you give. Then borrow against it.

Suppliers carry retailer and distributor credit on their own books. Banks will not lend against those receivables because they cannot see the buyers. We grade every buyer, an insurer covers the book on those grades, and a bank funds the insured receivables.

WHAT YOU DEAL WITH TODAY

- Receivables are your largest asset and the one a bank values least.
- One large buyer failing can wipe out a year's margin.
- Credit insurers cannot rate small and informal buyers they know nothing about.
- Sales stop growing at the edge of your own balance sheet.

THREE LAYERS OF RISK, ONE SET OF GRADES

- 1 Your first loss.** A small first share stays with you, so your sales team still cares who it sells to.
- 2 Insured loss.** The insurer covers losses above your share, up to each buyer's insured limit, set on the UNBRDN grade.
- 3 Bank funding.** Cash advanced against insured receivables, with the policy assigned to the bank.

Across all three layers

VALR Capital, through UNBRDN: buyer grades and limits, daily monitoring, early warning to every party, and the evidence pack for any claim.

A distributor carrying KES 40 million of retailer credit

STEP	RESULT
Receivables graded A to C and inside insured buyer limits	KES 32,000,000
Distributor keeps the first 5% of losses on the insured book	First loss
Insurer pays 85% of losses above that, up to each buyer's limit	Insured loss
Bank advances 80% of insured receivables	KES 25,600,000

KES 25.6 million back in the business to sell to more buyers on the same rules. Indemnity levels, eligible buyers and advance rates are set by the insurer and the bank. Illustration.

WHAT EACH PARTY GETS

SUPPLIER	CREDIT INSURER	BANK
Cash for its receivables and protection from one bad buyer	Buyer-level data on a segment it could not rate before	Insured, self-liquidating lending tied to real trade
Room to sell more on the same rules	Daily monitoring and early warning on every insured buyer	A pipeline of graded buyers for direct lending later

Suppliers: send us your receivables ledger.

We show you how much of it could be graded, insured and funded, and what it would take to get there. Insurers and banks: ask for the programme outline.

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