

TransUnion expands into Africa

TransUnion, a global credit and information management organisation, has acquired majority shareholding in CRB Holdings Limited, signifying its bold expansion steps into Africa.

 By Gregory Gondwe: @Kalipochi 28 Oct 2011



"For TransUnion, broadening our presence in Africa is part of our strategy to open opportunities for both businesses and consumers, helping to fuel economic growth in these evolving credit markets," said Edward Khoury, group CEO TransUnion Africa.

Making the announcement yesterday, 27 October 2011 in South Africa, TransUnion entered into an agreement with CRB Holdings Limited, the parent company of CRB Africa to purchase a majority shareholding in CRB Holdings Limited, a credit risk management organisation with a presence in eight countries across Africa.

CRB Africa, with headquarters in Nairobi, is Africa's largest networked credit reference bureau and debt management outsource organisation employing 300 employees.

Enhancing existing operations

"The acquisition significantly expands Trans Union's footprint in Africa. Building on its existing presence in South Africa, Namibia, Botswana, Zimbabwe and Swaziland," says the statement issued after the two firms signed the deal.

TransUnion says with the deal, whose terms of the transaction were not disclosed, they can now enhance operations in Botswana and extend its footprint into Kenya, Mozambique, Malawi, Rwanda, Tanzania, Uganda and Zambia.

With this, TransUnion is set to bringing a wide range of credit reporting and risk management solutions to these emerging markets. The two firms said closing of the transaction is subject to satisfaction of customary conditions to closing and regulatory approvals.

Michael Karanja, chairman of CRBAfrica, said the synergies between the two companies will enable the combined business to offer clients an even more compelling value proposition.

"With over twenty years' experience in credit referencing and debt management in Africa, we have built strong relationships with our clients and pride ourselves on our high business ethic, as well as our commitment to our people and the region as a whole," Karanja said.

Introduction to local markets

Karanja said as part of TransUnion, they will have the global reputation, expertise, systems and suite of solutions to dramatically enhance their services within the region.

On the other hand, Khoury said they are delighted to be working with CRB Africa and leveraging their experience and relationships within these countries to introduce to the local markets the many benefits of credit information.

In addition to supporting new retail and banking customers in the region, the two said this will also enable our large customers in South Africa to launch operations further into Africa, whilst being assured of Credit Bureau support.

"With a population of approximately a billion people and a strong gross domestic product, Africa is increasingly the focus both local and international commercial interest and investment," said a statement that announced the transaction.

Benefits are widespread

It further said the benefits of this investment are widespread, but the introduction and influence of credit bureaus in particular are expected to have a significant effect on the economies of Africa in the medium term and positively impact job creation specifically at a Small, Medium and Micro Enterprise (SMME) level.

"Moreover, at a social level, studies have shown that widening access to regulated credit fosters positive results for the distribution of wealth," the statement read.

"Business as usual"

Khoury and Karanja also announced during the ceremony that there are no plans to make any changes to personnel or management, and that it is very much "business as usual".

The two said once the purchase is complete, the markets will begin learning and seeing a wider range of product and service offerings as the transition to the Trans Union brand occurs. As a global leader in information and risk management, Trans Union creates advantages for millions of people around the world by gathering, analysing and delivering information.

While for businesses, TransUnion helps improve efficiency, manage risk, reduce costs and increase revenue by delivering high quality data, and integrating advanced analytics and enhanced decision-making capabilities.

Consumers are also not left out as TransUnion provides the tools, resources and education to help manage their credit health and achieve their financial goals. At the moment Trans Union is working to build stronger economies worldwide as it reaches businesses and consumers in 23 countries around the world.

Based in Johannesburg, with global headquarters located in Chicago in the US, TransUnion is one of South Africa's oldest credit bureaus.

On the other hand, CRB Africa has pioneered the development of credit bureau and debt management services across the African continent to allow major banks, credit card companies, financial institutions, micro-finance and multinational commercial enterprises to reduce their credit risks.

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