

Vantiv, Warburg Pursue RBC and BMO's U.S. Payments Unit

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Payments processor Vantiv Inc. and buyout firm Warburg Pincus are among suitors seeking to buy a U.S. payments business owned by Royal Bank of Canada and Bank of Montreal, according to people familiar with the matter.

Moneris U.S., a division of Canadian payments processing giant Moneris Solutions Corp., could fetch as much as \$600 million in a sale, the people said, asking not to be identified as the process is private. The unit has also drawn interest from rival payments processors Cielo SA, based in Brazil, and First Data Corp., among more than a half-dozen potential bidders, the people said.

Private equity shops Bain Capital, Silver Lake Management, Welsh Carson Anderson & Stowe and Advent International are also pursuing Moneris U.S., they said. Some of the buyout firms have also expressed interest in buying its parent, Moneris Solutions, and would be willing to pay as much as \$6 billion for the whole company, they said.

Royal Bank and Bank of Montreal have no current plans to pursue a sale of Moneris Solutions, the people said, though Bank of Montreal is more open to the idea than its partner in the joint venture, according to one of the people. Moneris Solutions, a 50-50 joint venture formed by Royal Bank and Bank of Montreal in 2000, is Canada's dominant processor of credit and debit card transactions.

Royal Bank is Canada's largest lender by assets, while Bank of Montreal is No. 4.

Second round offers for Moneris U.S. are due in about a week, said one of the people.

Representatives for Bank of Montreal, Moneris, Silver Lake, Royal Bank, Warburg Pincus, Welsh Carson and Vantiv declined to comment. Representatives for Advent, Bain, Cielo and First Data didn't immediately respond to requests for comment.

Plastic Purchases

Mergers among companies that help process payments have accelerated in the last 18 months as consumers increasingly rely on plastic to make purchases, spurring transaction services companies to bulk up to boost their share of a competitive market.

Global Payments Inc. agreed in December to [buy](#) smaller rival Heartland Payment Systems Inc. for about \$4.3 billion, combining two of the U.S.'s largest so-called merchant acquirers, or companies that provide technology for helping businesses and government entities process credit and debit transactions.

While Moneris Solutions is dominant in Canada it is a relatively modest player in the U.S. market. It was the 18th largest merchant acquirer in the U.S. in 2014 ranked by volume of Visa and MasterCard transactions processed, according to The Nilson Report, an industry trade publication.

Moneris U.S. generates about \$45 million in annual earnings before interest, taxes, depreciation and amortization, according to the people familiar with the matter, a key gauge of cash flow.

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