

BMO Financial Group Agreed to Buy the Diners Club North American Franchise from Citigroup

By Mary Ann McNulty
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BMO Financial Group agreed to buy the Diners Club North American franchise from Citigroup, to more than double BMO's corporate card business that until recently was dominated by a purchasing card program for Canada-based companies. In addition to the right to issue both corporate and professional Diners Club cards in the United States and Canada, BMO would gain almost \$1 billion in net receivables, \$7.8 billion in card transactions, 6,000 North American corporate clients with nearly 250,000 cardholders, and 100,000 Diners Club Professional cardholders in Canada and the United States. BMO said the deal is subject to regulatory review but it hoped to close the transaction by March.

In August as BMO announced deals with expense and meeting vendors, BMO Spend and Payment Solutions managing director Terry Wellesley said, "We're very optimistic that in 2010 we'll see some dramatic results in the U.S. market where we've not been a big player. We dominate Canada now as the No. 1 player in p-card over American Express. The U.S. is about 15 percent to 20 percent of my (p-card) business in North America, but the ideal is to grow it to" 80 percent from the United States and 20 percent from Canada. Discover Financial Services in April 2008 announced it would acquire the Diners International brand, but Citigroup retained 13 of 44 licensee territories, including the United States, Canada, Europe and Japan.