
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2014**
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: **001-35462**

Vantiv, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

26-4532998

(I.R.S. Employer Identification No.)

**8500 Governor's Hill Drive
Symmes Township, OH 45249**
(Address of principal executive offices)

(513) 900-5250

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of September 30, 2014, there were 146,130,327 shares of the registrant's Class A common stock outstanding and 43,042,826 shares of the registrant's Class B common stock outstanding.

VANTIV, INC.
FORM 10-Q

For the Quarterly Period Ended September 30, 2014

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, our objectives for future operations, and any statements of a general economic or industry specific nature, are forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "continue," "could," "should," "can have," "likely," or the negative or plural of these words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe, based on information currently available to our management, may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations and assumptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We undertake no obligation to publicly update any forward-looking statement after the date of this report, whether as a result of new information, future developments or otherwise, or to conform these statements to actual results or revised expectations, except as may be required by law.

PART I — FINANCIAL INFORMATION**Item 1. Financial Statements**

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(In thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue:				
External customers	\$ 677,073	\$ 512,437	\$ 1,783,494	\$ 1,490,742
Related party revenues	20,036	19,910	59,924	58,980
Total revenue	697,109	532,347	1,843,418	1,549,722
Network fees and other costs	316,592	238,141	843,030	685,708
Sales and marketing	111,233	79,551	280,184	231,963
Other operating costs	60,659	48,340	177,782	148,168
General and administrative	45,422	27,489	126,580	88,450
Depreciation and amortization	65,289	48,604	204,176	136,428
Income from operations	97,914	90,222	211,666	259,005
Interest expense—net	(28,039)	(10,724)	(52,089)	(30,317)
Non-operating expenses	(6,594)	—	(34,250)	(20,000)
Income before applicable income taxes	63,281	79,498	125,327	208,688
Income tax expense	20,436	24,893	38,078	63,650
Net income	42,845	54,605	87,249	145,038
Less: Net income attributable to non-controlling interests	(12,859)	(18,894)	(30,536)	(54,300)
Net income attributable to Vantiv, Inc.	\$ 29,986	\$ 35,711	\$ 56,713	\$ 90,738
Net income per share attributable to Vantiv, Inc. Class A common stock:				
Basic	\$ 0.21	\$ 0.26	\$ 0.40	\$ 0.66
Diluted	\$ 0.20	\$ 0.24	\$ 0.40	\$ 0.62
Shares used in computing net income per share of Class A common stock:				
Basic	144,632,010	139,968,417	141,127,560	138,142,146
Diluted	199,698,988	201,011,014	199,074,819	207,843,165

See Notes to Unaudited Consolidated Financial Statements.

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 42,845	\$ 54,605	\$ 87,249	\$ 145,038
Other comprehensive income, net of tax:				
Gain (loss) on cash flow hedges and other	2,835	(5,671)	(2,984)	627
Comprehensive income	45,680	48,934	84,265	145,665
Less: Comprehensive income attributable to non-controlling interests	(13,788)	(16,873)	(29,368)	(54,662)
Comprehensive income attributable to Vantiv, Inc.	\$ 31,892	\$ 32,061	\$ 54,897	\$ 91,003

See Notes to Unaudited Consolidated Financial Statements.

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited
(In thousands, except share data)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 371,447	\$ 171,427
Accounts receivable—net	529,441	472,196
Related party receivable	6,017	5,155
Settlement assets	116,694	127,144
Prepaid expenses	29,670	18,059
Other	12,571	13,932
Total current assets	1,065,840	807,913
Customer incentives	37,925	30,808
Property, equipment and software—net	279,024	217,333
Intangible assets—net	1,114,843	795,332
Goodwill	3,272,907	1,943,613
Deferred taxes	454,811	362,785
Other assets	47,978	31,769
Total assets	\$ 6,273,328	\$ 4,189,553
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 261,600	\$ 233,383
Related party payable	3,201	2,381
Settlement obligations	434,053	333,649
Current portion of note payable to related party	10,353	17,621
Current portion of note payable	106,148	74,879
Current portion of tax receivable agreement obligations to related parties	23,333	8,639
Deferred income	8,005	9,053
Current maturities of capital lease obligations	8,118	4,326
Other	5,242	1,382
Total current liabilities	860,053	685,313
Long-term liabilities:		
Note payable to related party	194,109	325,993
Note payable	3,111,880	1,392,757
Tax receivable agreement obligations to related parties	637,766	551,061
Tax receivable agreement obligations	144,793	—
Capital lease obligations	17,013	12,044
Deferred taxes	43,053	37,963
Other	21,437	8,100
Total long-term liabilities	4,170,051	2,327,918
Total liabilities	5,030,104	3,013,231
Commitments and contingencies (See Note 7 - Commitments, Contingencies and Guarantees)		
Equity:		
Class A common stock, \$0.00001 par value; 890,000,000 shares authorized; 146,130,327 shares outstanding at September 30, 2014; 141,758,681 shares outstanding at December 31, 2013	1	1
Class B common stock, no par value; 100,000,000 shares authorized; 43,042,826 shares issued and outstanding at September 30, 2014; 48,822,826 shares issued and outstanding at December 31, 2013	—	—
Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Paid-in capital	636,741	597,730
Retained earnings	259,779	203,066
Accumulated other comprehensive (loss) income	(1,552)	264
Treasury stock, at cost; 2,131,554 shares at September 30, 2014 and 1,606,664 shares at December 31, 2013	(49,829)	(33,130)
Total Vantiv, Inc. equity	845,140	767,931
Non-controlling interests	398,084	408,391
Total equity	1,243,224	1,176,322
Total liabilities and equity	\$ 6,273,328	\$ 4,189,553

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(In thousands)

	Nine Months Ended September 30,	
	2014	2013
Operating Activities:		
Net income	\$ 87,249	\$ 145,038
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	169,909	136,428
Write-off of intangible asset	34,267	—
Amortization of customer incentives	8,094	7,466
Amortization and write-off of debt issuance costs	30,416	23,256
Share-based compensation expense	30,797	21,352
Other non-cash items	8,311	—
Change in operating assets and liabilities:		
Accounts receivable and related party receivable	(15,946)	25,734
Net settlement assets and obligations	109,402	13,910
Customer incentives	(11,581)	(10,548)
Prepaid and other assets	(10,321)	(7,535)
Accounts payable and accrued expenses	22,628	(14,508)
Payable to related party	733	1,038
Other liabilities	(1,161)	132
Net cash provided by operating activities	462,797	341,763
Investing Activities:		
Purchases of property and equipment	(76,984)	(46,970)
Acquisition of customer portfolios and related assets	(27,399)	(6,555)
Purchase of investments	(7,487)	(3,174)
Cash used in acquisitions, net of cash acquired	(1,658,694)	(155,654)
Net cash used in investing activities	(1,770,564)	(212,353)
Financing Activities:		
Proceeds from issuance of long-term debt	3,443,000	1,850,000
Repayment of debt and capital lease obligations	(1,838,906)	(1,280,366)
Payment of debt issuance costs	(38,069)	(26,288)
Proceeds from exercise of Class A common stock options	2,774	—
Repurchase of Class A common stock	(34,366)	(400,592)
Repurchase of Class A common stock (to satisfy tax withholding obligations)	(16,699)	(12,739)
Payments under tax receivable agreements	(8,639)	—
Tax benefit from employee share-based compensation	11,845	6,754
Distribution to non-controlling interests	(13,153)	(28,978)
Net cash provided by financing activities	1,507,787	107,791
Net increase in cash and cash equivalents	200,020	237,201
Cash and cash equivalents—Beginning of period	171,427	67,058
Cash and cash equivalents—End of period	\$ 371,447	\$ 304,259
Cash Payments:		
Interest	\$ 44,611	\$ 28,141
Taxes	18,422	43,041
Non-cash Items:		
Issuance of tax receivable agreements to related parties	\$ 109,400	\$ 328,900
Issuance of tax receivable agreement as contingent consideration	137,120	—

See Notes to Unaudited Consolidated Financial Statements.

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF EQUITY
Unaudited
(In thousands)

	Total Equity	Common Stock				Treasury Stock Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interests	
		Class A		Class B							
		Shares	Amount	Shares	Amount						
Beginning Balance, January 1, 2014	\$ 1,176,322	141,759	\$ 1	48,823	\$ —	1,607	\$ (33,130)	\$ 597,730	\$ 203,066	\$ 264	\$ 408,391
Net income	87,249	—	—	—	—	—	—	56,713	—	—	30,536
Issuance of Class A common stock under employee stock plans, net of forfeitures	2,774	225	—	—	—	—	—	2,774	—	—	—
Tax benefit from employee share-based compensation	11,845	—	—	—	—	—	—	11,845	—	—	—
Repurchase of Class A common stock (to satisfy tax withholding obligation)	(16,699)	(525)	—	—	—	525	(16,699)	—	—	—	—
Issuance of Class A common stock and cancellation of Class B common stock in connection with secondary offering	—	5,780	—	(5,780)	—	—	—	—	—	—	—
Repurchase of Class A common stock	(34,366)	(1,109)	—	—	—	—	—	(34,366)	—	—	—
Issuance of tax receivable agreements	(17,400)	—	—	—	—	—	—	(17,400)	—	—	—
Unrealized loss on hedging activities and other, net of tax	(2,984)	—	—	—	—	—	—	—	—	(1,816)	(1,168)
Formation of joint venture	18,839	—	—	—	—	—	—	—	—	—	18,839
Distribution to non-controlling interests	(13,153)	—	—	—	—	—	—	—	—	—	(13,153)
Share-based compensation	30,797	—	—	—	—	—	—	23,324	—	—	7,473
Reallocation of non-controlling interests of Vantiv Holding due to change in ownership	—	—	—	—	—	—	—	52,834	—	—	(52,834)
Ending Balance, September 30, 2014	<u>\$ 1,243,224</u>	<u>146,130</u>	<u>\$ 1</u>	<u>43,043</u>	<u>\$ —</u>	<u>2,132</u>	<u>\$ (49,829)</u>	<u>\$ 636,741</u>	<u>\$ 259,779</u>	<u>\$ (1,552)</u>	<u>\$ 398,084</u>

See Notes to Unaudited Consolidated Financial Statements.

Vantiv, Inc.
CONSOLIDATED STATEMENTS OF EQUITY
Unaudited
(In thousands)

	Total Equity	Common Stock				Treasury Stock Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interests	
		Class A		Class B							
		Shares	Amount	Shares	Amount						
Beginning Balance, January 1, 2013	\$ 1,444,235	142,244	\$ 1	70,219	\$ —	978	\$ (17,906)	\$ 766,337	\$ 69,494	\$ —	\$ 626,309
Net Income	145,038	—	—	—	—	—	—	—	90,738	—	54,300
Issuance of Class A common stock upon vesting of restricted stock awards	—	2	—	—	—	—	—	—	—	—	—
Tax benefit from employee share-based compensation	6,754	—	—	—	—	—	—	6,754	—	—	—
Repurchase of Class A common stock (to satisfy tax withholding obligation)	(12,739)	(568)	—	—	—	568	(12,739)	—	—	—	—
Issuance of Class A common stock and cancellation of Class B common stock in connection with secondary offering	—	21,396	—	(21,396)	—	—	—	—	—	—	—
Repurchase of Class A common stock	(400,592)	(17,453)	—	—	—	—	—	(400,592)	—	—	—
Issuance of tax receivable agreements	(93,000)	—	—	—	—	—	—	(93,000)	—	—	—
Unrealized gain on hedging activities, net of tax	627	—	—	—	—	—	—	—	—	265	362
Distribution to non-controlling interests	(28,978)	—	—	—	—	—	—	—	—	—	(28,978)
Share-based compensation	21,352	—	—	—	—	—	—	14,993	—	—	6,359
Forfeitures of restricted stock awards	—	(347)	—	—	—	—	—	—	—	—	—
Reallocation of non-controlling interests of Vantiv Holding due to change in ownership	—	—	—	—	—	—	—	240,779	—	—	(240,779)
Ending Balance, September 30, 2013	\$ 1,082,697	145,274	\$ 1	48,823	\$ —	1,546	\$ (30,645)	\$ 535,271	\$ 160,232	\$ 265	\$ 417,573

See Notes to Unaudited Consolidated Financial Statements.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Vantiv, Inc., a Delaware corporation, is a holding company that conducts its operations through its majority-owned subsidiary, Vantiv Holding, LLC ("Vantiv Holding"). Vantiv, Inc. and Vantiv Holding are referred to collectively as the "Company," "Vantiv," "we," "us" or "our," unless the context requires otherwise.

The Company provides electronic payment processing services to merchants and financial institutions throughout the United States of America. The Company markets its services through diverse distribution channels, including national, regional and mid-market sales teams, third-party reseller clients and a telesales operation. The Company also has relationships with a broad range of merchant banks; technology partners, which include integrated point-of-sale software developers and dealers; payment facilitators; independent sales organizations ("ISOs") and trade associations as well as arrangements with core processors. On June 13, 2014, the Company acquired Mercury Payment Systems, LLC ("Mercury") (see Note 2 - Business Combination).

Segments

The Company's segments consist of the Merchant Services segment and the Financial Institution Services segment. The Company's Chief Executive Officer, who is the chief operating decision maker ("CODM"), evaluates the performance and allocates resources based on the operating results of each segment. Below is a summary of each segment:

- *Merchant Services*—Provides merchant acquiring and payment processing services to large national merchants, regional and small-to-mid sized businesses. Merchant services are sold to small to large businesses through diverse distribution channels. Merchant Services includes all aspects of card processing including authorization and settlement, customer service, chargeback and retrieval processing and interchange management.
- *Financial Institution Services*—Provides card issuer processing, payment network processing, fraud protection, card production, prepaid program management, automated teller machine ("ATM") driving and network gateway and switching services that utilize the Company's proprietary Jeanie debit payment network to a diverse set of financial institutions, including regional banks, community banks, credit unions and regional personal identification number ("PIN") networks. Financial Institution Services also provides statement production, collections and inbound/outbound call centers for credit transactions, and other services such as credit card portfolio analytics, program strategy and support, fraud and security management and chargeback and dispute services.

Secondary Offerings and Share Repurchases

In October 2013, the Company's board of directors authorized a program to repurchase up to \$137 million of the Company's Class A common stock. During the nine months ended September 30, 2014, approximately 1.1 million shares were repurchased for \$34.4 million, which completed the repurchases under this authorization.

In February 2014, the Company's board of directors authorized a program to repurchase up to an additional \$300 million of the Company's Class A common stock. As of September 30, 2014, no shares had been repurchased under this authorization.

In March 2014, a secondary offering took place in which Advent International Corporation sold its remaining 18.8 million shares of the Company's Class A common stock. The Company did not receive any proceeds from the sale.

In June 2014, a secondary offering took place in which Fifth Third Bank ("Fifth Third") sold 5.8 million shares of the Company's Class A common stock. The Company did not receive any proceeds from the sale.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include those of Vantiv, Inc. and all subsidiaries thereof, including its majority-owned subsidiary, Vantiv Holding, LLC. The accompanying consolidated financial statements have been

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and should be read in conjunction with the Company's 2013 audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K. The accompanying consolidated financial statements are unaudited; however, in the opinion of management they include all normal recurring adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. Results of operations reported for interim periods are not necessarily indicative of results for the entire year. All intercompany balances and transactions have been eliminated.

As of September 30, 2014, Vantiv, Inc. and Fifth Third owned interests in Vantiv Holding of 77.25% and 22.75%, respectively (see Note 8 - Controlling and Non-controlling Interests for changes in non-controlling interests).

The Company accounts for non-controlling interests in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation*. Non-controlling interests primarily represent Fifth Third's minority share of net income or loss of and equity in Vantiv Holding. Net income attributable to non-controlling interests does not include expenses incurred directly by Vantiv, Inc., including income tax expense attributable to Vantiv, Inc. All of the Company's non-controlling interests are presented after Vantiv Holding income tax expense in the accompanying consolidated statements of income as "Net income attributable to non-controlling interests." Non-controlling interests are presented as a component of equity in the accompanying consolidated statements of financial position.

Sponsorship

In order to provide electronic payment processing services, Visa, MasterCard and other payment networks require sponsorship of non-financial institutions by a member clearing bank. In June 2009, the Company entered into a ten-year agreement with Fifth Third (the "Sponsoring Member") to provide sponsorship services to the Company. The Company also has agreements with certain other banks that provide sponsorship into the card networks.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition

The Company has contractual agreements with its clients that set forth the general terms and conditions of the relationship including line item pricing, payment terms and contract duration. Revenues are recognized as earned (i.e., for transaction based fees, when the underlying transaction is processed) in conjunction with ASC 605, *Revenue Recognition*. ASC 605, *Revenue Recognition*, establishes guidance as to when revenue is realized or realizable and earned by using the following criteria: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price is fixed or determinable; and (4) collectibility is reasonably assured.

The Company follows guidance provided in ASC 605-45, *Principal Agent Considerations*. ASC 605-45, *Principal Agent Considerations*, states that whether a company should recognize revenue based on the gross amount billed to a customer or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement and that certain factors should be considered in the evaluation. The Company recognizes processing revenues net of interchange fees, which are assessed to the Company's merchant customers on all processed transactions. Interchange rates are not controlled by the Company, which effectively acts as a clearing house collecting and remitting interchange fee settlement on behalf of issuing banks, debit networks, credit card associations and its processing customers. All other revenue is reported on a gross basis, as the Company contracts directly with the end customer, assumes the risk of loss and has pricing flexibility.

The Company generates revenue primarily by processing electronic payment transactions. Set forth below is a description of the Company's revenue by segment.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Merchant Services

The Company's Merchant Services segment revenue is primarily derived from processing credit and debit card transactions. Merchant Services revenue is primarily comprised of fees charged to businesses, net of interchange fees, for payment processing services, including authorization, capture, clearing, settlement and information reporting of electronic transactions. The fees charged consist of either a percentage of the dollar volume of the transaction or a fixed fee, or both, and are recognized at the time of the transaction. Merchant Services revenue also includes a number of revenue items that are incurred by the Company and are reimbursable as the costs are passed through to and paid by the Company's clients. These items primarily consist of Visa, MasterCard and other payment network fees. In addition, for sales through ISOs and certain other referral sources in which the Company is the primary party to the contract with the merchant, the Company records the full amount of the fees collected from the merchant as revenue. Merchant Services segment revenue also includes revenue from ancillary services such as fraud management, equipment sales and terminal rent. Merchant Services revenue is recognized as services are performed.

Financial Institution Services

The Company's Financial Institution Services segment revenues are primarily derived from debit, credit and ATM card transaction processing, ATM driving and support, and PIN debit processing services. Financial Institution Services revenue associated with processing transactions includes per transaction and account related fees, card production fees and fees generated from the Company's Jeanie network. Financial Institution Services revenue related to card transaction processing is recognized when consumers use their client-issued cards to make purchases. Financial Institution Services also generates revenue through other services, including statement production, collections and inbound/outbound call centers for credit transactions and other services such as credit card portfolio analytics, program strategy and support, fraud and security management and chargeback and dispute services. Financial Institution Services revenue is recognized as services are performed.

Financial Institution Services provides certain services to Fifth Third. Revenues related to these services are included in the accompanying consolidated statements of income as related party revenues.

Expenses

Set forth below is a brief description of the components of the Company's expenses:

- *Network fees and other costs* primarily consist of certain expenses incurred by the Company in connection with providing processing services to its clients, including Visa and MasterCard network association fees, payment network fees, third party processing expenses, telecommunication charges, postage and card production costs.
- *Sales and marketing* expense primarily consists of salaries and benefits paid to sales personnel, sales management and other sales and marketing personnel, residual payments made to ISOs, technology partners, merchant banks and other third party partners and advertising and promotional costs.
- *Other operating costs* primarily consist of salaries and benefits paid to operational and IT personnel, costs associated with operating the Company's technology platform and data centers, information technology costs for processing transactions, product development costs, software consulting fees and maintenance costs.
- *General and administrative* expenses primarily consist of salaries and benefits paid to executive management and administrative employees, including finance, human resources, product development, legal and risk management, share-based compensation costs, equipment and occupancy costs and consulting costs.
- *Non-operating expenses* primarily relate to the refinancing of the Company's senior secured credit facilities (see Note 5 - Long-Term Debt) and the change in fair value of a tax receivable agreement ("TRA") (see Note 4 - Tax Receivable Agreements) entered into in June 2014. The 2013 amount relates to the refinancing of the Company's senior secured credit facilities in May 2013.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Share-Based Compensation

The Company expenses employee share-based payments under ASC 718, *Compensation—Stock Compensation*, which requires compensation cost for the grant-date fair value of share-based payments to be recognized over the requisite service period. The Company estimates the grant date fair value of the share-based awards issued in the form of options using the Black-Scholes option pricing model. The fair value of restricted stock awards and performance awards is measured based on the market price of the Company's stock on the grant date. For the nine months ended September 30, 2014 and 2013 total share-based compensation expense was \$30.8 million and \$21.4 million, respectively.

Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to Vantiv, Inc. by the weighted average shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to Vantiv, Inc., adjusted as necessary for the impact of potentially dilutive securities, by the weighted-average shares outstanding during the period and the impact of securities that would have a dilutive effect on earnings per share. See Note 10 - Net Income Per Share for further discussion.

Dividend Restrictions

The Company does not intend to pay cash dividends on its Class A common stock in the foreseeable future. Vantiv, Inc. is a holding company that does not conduct any business operations of its own. As a result, Vantiv, Inc.'s ability to pay cash dividends on its common stock, if any, is dependent upon cash dividends and distributions and other transfers from Vantiv Holding, which are subject to certain Fifth Third consent rights in the Amended and Restated Vantiv Holding Limited Liability Company Agreement. These consent rights require the approval of Fifth Third for certain significant matters, including the payment of all distributions by Vantiv Holding other than certain permitted distributions, which relate primarily to the payment of tax distributions and tax-related obligations. The amounts available to Vantiv, Inc. to pay cash dividends are also subject to the covenants and distribution restrictions in its subsidiaries' loan agreements. As a result of the restrictions on distributions from Vantiv Holding and its subsidiaries, essentially all of our consolidated net assets are held at the subsidiary level and are restricted as of December 31, 2013 and September 30, 2014.

Income Taxes

Vantiv, Inc. is taxed as a C corporation for U.S. income tax purposes and is therefore subject to both federal and state taxation at a corporate level.

Income taxes are computed in accordance with ASC 740, *Income Taxes*, and reflect the net tax effects of temporary differences between the financial reporting carrying amounts of assets and liabilities and the corresponding income tax amounts. The Company has deferred tax assets and liabilities and maintains valuation allowances where it is more likely than not that all or a portion of deferred tax assets will not be realized. To the extent the Company determines that it will not realize the benefit of some or all of its deferred tax assets, such deferred tax assets will be adjusted through the Company's provision for income taxes in the period in which this determination is made. As of September 30, 2014 and December 31, 2013 the Company had recorded no valuation allowances against deferred tax assets.

The Company's consolidated interim effective tax rate is based upon expected annual income from operations, statutory tax rates and tax laws in the various jurisdictions in which the Company operates. Significant or unusual items, including adjustments to accruals for tax uncertainties, are recognized in the quarter in which the related event occurs.

The Company's effective tax rates were 30.4% and 30.5%, respectively, for the nine months ended September 30, 2014 and 2013. The effective tax rate for each period reflects the impact of the Company's non-controlling interests.

Cash and Cash Equivalents

Investments with original maturities of three months or less (that are readily convertible to cash) are considered to be cash equivalents and are stated at cost, which approximates fair value. Cash equivalents consist primarily of overnight EuroDollar sweep accounts which are maintained at reputable financial institutions with high credit quality and therefore are considered to bear minimal credit risk.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Accounts Receivable—net

Accounts receivable primarily represent processing revenues earned but not collected. For a majority of its customers, the Company has the authority to debit the client's bank accounts through the Federal Reserve's Automated Clearing House; as such, collectibility is reasonably assured. The Company records a reserve for doubtful accounts when it is probable that the accounts receivable will not be collected. The Company reviews historical loss experience and the financial position of its customers when estimating the allowance. As of September 30, 2014 and December 31, 2013, the allowance for doubtful accounts was not material to the Company's consolidated statements of financial position.

Customer Incentives

Customer incentives represent signing bonuses paid to customers. Customer incentives are paid in connection with the acquisition or renewal of customer contracts, and are therefore deferred and amortized using the straight-line method based on the contractual agreement. Related amortization is recorded as contra-revenue.

Property, Equipment and Software—net

Property, equipment and software consists of the Company's facilities, furniture and equipment, software and leasehold improvements. These assets are depreciated on a straight-line basis over their respective useful lives, which are 15 to 40 years for the Company's facilities and related improvements, 2 to 10 years for furniture and equipment, 3 to 5 years for software and 3 to 10 years for leasehold improvements or the lesser of the estimated useful life of the improvement or the term of lease. Also included in property, equipment and software is work in progress consisting of costs associated with software developed for internal use which has not yet been placed in service. Accumulated depreciation as of September 30, 2014 and December 31, 2013 was \$187.8 million and \$137.4 million, respectively.

The Company capitalizes certain costs related to computer software developed for internal use and amortizes such costs on a straight-line basis over an estimated useful life of 3 to 5 years. Research and development costs incurred prior to establishing technological feasibility are charged to operations as such costs are incurred. Once technological feasibility has been established, costs are capitalized until the software is placed in service.

Goodwill and Intangible Assets

In accordance with ASC 350, *Intangibles—Goodwill and Other*, the Company tests goodwill for impairment for each reporting unit on an annual basis, or when events occur or circumstances indicate the fair value of a reporting unit is below its carrying value. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that fair value of the goodwill within the reporting unit is less than its carrying value. The Company performed its most recent annual goodwill impairment test for all reporting units as of July 31, 2014 using market data and discounted cash flow analyses. Based on this analysis, it was determined that the fair value of all reporting units was substantially in excess of the carrying value. There have been no other events or changes in circumstances subsequent to the testing date that would indicate impairment of these reporting units as of September 30, 2014.

Intangible assets consist of acquired customer relationships, trade names and customer portfolios and related assets that are amortized over their estimated useful lives. Subsequent to the Mercury acquisition in June 2014, the Company decided to phase out an existing trade name used in the ISO channel within the Merchant Services segment. As a result of this decision, the remaining useful life was changed from indefinite to definite which resulted in the Company recording a charge to amortization expense of \$34.3 million during the quarter ended June 30, 2014. The remaining fair value will be amortized on a straight-line basis over the remaining estimated useful life of two years. The Company reviews finite lived intangible assets for possible impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. As of September 30, 2014, there have been no such events or circumstances that would indicate potential impairment.

Settlement Assets and Obligations

Settlement assets and obligations result from Financial Institution Services when funds are transferred from or received by the Company prior to receiving or paying funds to a different entity. This timing difference results in a settlement asset or obligation. The amounts are generally collected or paid the following business day.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The settlement assets and obligations recorded by Merchant Services represent intermediary balances due to differences between the amount the Sponsoring Member receives from the card associations and the amount funded to the merchants. Such differences arise from timing differences, interchange costs, merchant reserves and exception items. In addition, certain card associations limit the Company from accessing or controlling merchant settlement funds and, instead, require that these funds be controlled by the Sponsoring Member. The Company follows a net settlement process whereby, if the settlement received from the card associations precedes the funding obligation to the merchant, the Company temporarily records a corresponding liability. Conversely, if the funding obligation to the merchant precedes the settlement from the card associations, the amount of the net receivable position is recorded by the Company, or in some cases, the Sponsoring Member may cover the position with its own funds in which case a receivable position is not recorded by the Company.

Derivatives

The Company accounts for derivatives in accordance with ASC 815, *Derivatives and Hedging*. This guidance establishes accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the statement of financial position at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative will be recorded in accumulated other comprehensive income ("AOCI") and will be recognized in the statement of income when the hedged item affects earnings. The Company does not enter into derivative financial instruments for speculative purposes.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2014-09, "Revenue From Contracts With Customers." The ASU supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. The amendment provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principal that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendment also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amendment is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016, with early adoption prohibited. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company is currently evaluating which transition approach to use and assessing the impact of the adoption of this principle on the Company's consolidated financial statements.

2. BUSINESS COMBINATION

Acquisition of Mercury Payment Systems, LLC

On June 13, 2014, the Company completed the acquisition of Mercury, acquiring all of the outstanding voting interest. Mercury is a payment technology and service leader whose solutions are integrated into point-of-sale software applications and brought to market through dealer and developer partners. This acquisition helps to accelerate the Company's growth in the integrated payments channel.

The following is the estimated fair value of the purchase price for Mercury (in thousands):

Cash purchase price paid at closing	\$ 1,681,179
Fair value of contingent consideration related to a TRA	137,120
Total purchase price	\$ 1,818,299

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The acquisition was accounted for as a business combination under ASC 805, *Business Combinations*. The purchase price was allocated to the assets acquired and the liabilities assumed based on the estimated fair value at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, a significant portion of which is deductible for tax purposes. Goodwill, assigned to Merchant Services, consists primarily of the acquired workforce and growth opportunities, none of which qualify as an intangible asset. The preliminary purchase price allocation is as follows (in thousands):

Cash acquired	\$	22,485
Current assets		47,421
Property, equipment and software		34,156
Customer relationship intangible assets		412,500
Goodwill		1,329,294
Deferred tax assets		13,496
Other non-current assets		9,026
Current and non-current liabilities		(50,079)
Total purchase price	\$	1,818,299

The above estimated fair values of assets acquired and liabilities assumed are preliminary and are based on the information that was available as of the reporting date to estimate the fair value of assets acquired and liabilities assumed. The Company believes that the information provides a reasonable basis for estimating the fair values, but the Company is waiting for additional information necessary to finalize those amounts, particularly with respect to the estimated fair value of intangible assets and goodwill. The potential for measurement period adjustments related to the acquired assets and assumed liabilities exists based on the Company's continuing review of all matters related to the acquisition and could be significant. The Company expects to finalize the valuation and complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

Simultaneously and in connection with the completion of the Mercury acquisition, the Company entered into a Tax Receivable Agreement (the "Mercury TRA") with pre-acquisition owners of Mercury ("Mercury TRA Holders"). See Note 4 - Tax Receivable Agreements for further discussion of the Mercury TRA. The Mercury TRA is considered contingent consideration under ASC 805 as it is part of the consideration payable to the former owners of Mercury. In accordance with ASC 805, the contingent consideration is initially measured at fair value at the acquisition date and recorded as a liability. The Mercury TRA liability is therefore recorded at fair value based on estimates of discounted future cash flows associated with estimated payments to the Mercury TRA Holders. The Company recorded an initial Mercury TRA liability of \$137.1 million as part of the consideration transferred. The liability recorded by the Company for the Mercury TRA obligations will be re-measured at fair value at each reporting date with the change in fair value recognized in earnings as a non-operating expense.

Customer relationship intangible assets have a weighted average estimated useful life of 10 years.

The Company incurred transaction and integration expenses of approximately \$13.6 million during the nine months ended September 30, 2014 in conjunction with the acquisition of Mercury, which are included within general and administrative expenses on the accompanying consolidated statement of income.

Under the terms of the Mercury transaction agreement, the Company replaced unvested employee stock options held by certain employees of Mercury. The number of replacement stock options was based on a conversion factor into equivalent stock options of the Company on the acquisition date. The weighted average fair value of the replacement options was \$32.1 million and was calculated on the acquisition date using the Black-Scholes option pricing model. The portion of the fair value of the replacement awards related to services provided prior to the acquisition of \$17.7 million was part of the consideration transferred to acquire Mercury. The remaining portion of the fair value is associated with future service and will be recognized as expense over the future service period.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following pro forma information shows the Company's results of operations for the three months and nine months ended September 30, 2014 and 2013 as if the Mercury acquisition had occurred January 1, 2013. The pro forma information is presented for informational purposes only and is not necessarily indicative of what would have occurred if the acquisition had been made as of that date, nor is it intended to be indicative of future operating results.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014 (Actual)	2013 (Pro forma)	2014 (Pro forma)	2013 (Pro forma)
	(in thousands, except share data)			
Total revenue	\$ 697,109	\$ 619,033	\$ 2,003,239	\$ 1,791,065
Income from operations	97,914	101,127	223,034	262,580
Net income including non-controlling interests	42,845	50,451	95,160	102,656
Net income attributable to Vantiv, Inc.	29,986	32,090	62,623	61,017
Net income per share attributable to Vantiv, Inc. Class A common stock:				
Basic	\$ 0.21	\$ 0.23	\$ 0.44	\$ 0.44
Diluted	\$ 0.20	\$ 0.22	\$ 0.44	\$ 0.41
Shares used in computing net income per share of Class A common stock:				
Basic	144,632,010	139,968,417	141,127,560	138,142,146
Diluted	199,698,988	201,011,014	199,074,819	207,843,165

Earnings per share is calculated independently for each separately reported period. Accordingly, the sum of the separately reported periods may not necessarily be equal to the per share amount for the corresponding nine months ended period, as independently calculated.

The pro forma results include certain pro forma adjustments that were directly attributable to the business combination as follows:

- additional amortization expense that would have been recognized relating to the acquired intangible assets,
- adjustment of interest expense to reflect the additional borrowings of the Company in conjunction with the acquisition and removal of Mercury historical debt, and
- a reduction in non-operating expenses in the nine months ended September 30, 2014 and a corresponding increase in the nine months ended September 30, 2013 for acquisition-related transaction costs and debt refinancing costs incurred by the Company.

3. GOODWILL AND INTANGIBLE ASSETS

A summary of changes in goodwill through September 30, 2014 is as follows (in thousands):

	Merchant Services	Financial Institution Services	Total
Balance as of December 31, 2013	\$ 1,368,763	\$ 574,850	\$ 1,943,613
Goodwill attributable to acquisition of Mercury	1,329,294	—	1,329,294
Balance as of September 30, 2014	\$ 2,698,057	\$ 574,850	\$ 3,272,907

Intangible assets consist of acquired customer relationships, trade names and customer portfolios and related assets. The useful lives of customer relationships are determined based on forecasted cash flows, which include estimates for customer attrition associated with the underlying portfolio of customers acquired. The customer relationships acquired in conjunction with acquisitions are amortized based on the pattern of cash flows expected to be realized taking into consideration expected revenues and customer attrition, which are based on historical data and the Company's estimates of future performance. These estimates result in accelerated amortization on certain acquired intangible assets.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Indefinite lived trade names are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Subsequent to the Mercury acquisition in June 2014, the Company decided to phase out an existing trade name used in the ISO channel. The trade name was originally expected to remain in use for the foreseeable future and therefore was deemed an indefinite lived intangible asset not subject to amortization. As a result of this decision, the remaining useful life was changed from indefinite to definite which resulted in the Company recording a charge to amortization expense of \$34.3 million during the nine months ended September 30, 2014. The trade name was revalued utilizing an income approach using the relief-from-royalty method. The revised fair value of \$6.7 million will be amortized on a straight-line basis over the remaining estimated useful life of two years.

The Company reviews finite lived intangible assets for possible impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

As of September 30, 2014 and December 31, 2013, the Company's intangible assets consisted of the following (in thousands):

	September 30, 2014	December 31, 2013
Customer relationship intangible assets	\$ 1,677,118	\$ 1,234,042
Trade name - indefinite lived	—	41,000
Trade name - finite lived	14,733	500
Customer portfolios and related assets	55,128	26,422
	<u>1,746,979</u>	<u>1,301,964</u>
Less accumulated amortization on:		
Customer relationship intangible assets	609,321	496,906
Trade name - finite lived	2,041	208
Customer portfolios and related assets	20,774	9,518
	<u>632,136</u>	<u>506,632</u>
	<u>\$ 1,114,843</u>	<u>\$ 795,332</u>

During the nine months ended September 30, 2014, the Company acquired approximately \$28.7 million of customer portfolios and related assets, which are being amortized over a weighted average useful life of 4.0 years. Amortization expense on intangible assets for the three months ended September 30, 2014 and 2013 was \$47.1 million and \$32.9 million, respectively. Amortization expense on intangible assets for the nine months ended September 30, 2014 and 2013 was \$152.1 million and \$95.6 million, respectively. For the nine months ended September 30, 2014, intangible amortization expense included the \$34.3 million charge related to the phasing out of a trade name discussed above.

The estimated amortization expense of intangible assets for the next five years is as follows (in thousands):

Three months ending December 31, 2014	\$ 46,205
2015	180,112
2016	168,966
2017	158,976
2018	154,756
2019	150,990

4. TAX RECEIVABLE AGREEMENTS

The Company is party to two tax receivable agreements with Fifth Third ("IPO TRAs") that were entered into at the time of the Company's initial public offering ("IPO"). One provides for the payment by the Company to Fifth Third of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income tax that the Company actually realizes as a result of the increases in tax basis that may result from the purchase of Vantiv Holding units from Fifth Third or from the future exchange of units by Fifth Third for cash or shares of the Company's Class A common stock, as well as the tax benefits

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

attributable to payments made under such tax receivable agreement. Any actual increase in tax basis, as well as the amount and timing of any payments under the agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of the Company's Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of the Company's income. The other IPO TRA provides for the payment by the Company to Fifth Third of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income tax that National Processing Company ("NPC") actually realizes as a result of its use of its net operating losses ("NOLs") and other tax attributes.

In connection with the secondary offering in June 2014, as discussed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies, Fifth Third exchanged Class B units of Vantiv Holding for shares of Vantiv, Inc. Class A Common Stock. As a result of the secondary offering and exchange of units of Vantiv Holding, the Company recorded an additional liability under the IPO TRA of \$109.4 million and an additional deferred tax asset of \$92.0 million in the second quarter of 2014 associated with the increase in tax basis. The Company recorded a corresponding reduction to paid-in capital for the difference between the IPO TRA liability and the related deferred tax asset.

As discussed in Note 2 - Business Combination, the Company entered into the Mercury TRA, which generally provides that the Company will pay to the Mercury TRA Holders 85% of the value of the amount of cash savings, if any, in U.S. federal, state, local and foreign income tax that the Company actually realizes as a result of the increase in tax basis of the assets of Mercury and the use of the net operating losses and other tax attributes of Mercury. The timing and/or amount of aggregate payments due under the Mercury TRA may vary based on a number of factors, including the amount and timing of the taxable income the Company generates in the future and the tax rate then applicable, the use of loss carryovers and amortizable basis. The Company recorded an initial liability of \$137.1 million for the Mercury TRA and non-operating expenses of \$6.5 million and \$7.7 million related to the change in fair value of the Mercury TRA during the three and nine months ended September 30, 2014, respectively.

The following table reflects TRA activity and balances as of September 30, 2014 (in thousands):

	Balance as of December 31, 2013	2014 TRA Payment	2014 Secondary Offering	Acquisition of Mercury	Change in Value	Balance as of September 30, 2014
IPO TRAs	\$ 559,700	\$ (8,639)	\$ 109,400	\$ —	\$ 638	\$ 661,099
Mercury TRA	—	—	—	137,120	7,673	144,793
Total	\$ 559,700	\$ (8,639)	\$ 109,400	\$ 137,120	\$ 8,311	\$ 805,892

Payments under each of the TRAs discussed above are only required to the extent the Company realizes cash savings as a result of the underlying tax attributes. The cash savings realized by the Company are computed by comparing the Company's actual income tax liability to the amount of such taxes the Company would have been required to pay had there been no deductions related to the tax attributes discussed above. As such, obligations recorded pursuant to the TRAs are based on estimates of future taxable income and future tax rates. The Company will retain the benefit of the remaining 15% of the cash tax savings associated with each of the TRAs discussed above.

Payments under the TRAs, if necessary, are required to be made no later than January 5th of the second year immediately following the current taxable year. The first contractually obligated payment under the IPO TRA of approximately \$8.6 million was paid in January 2014. The first contractually obligated payment under the Mercury TRA is due in January 2016. As of September 30, 2014, the balance of the current portion of tax receivable agreement obligations to related parties on the accompanying statement of financial position is \$23.3 million. The term of the TRAs will continue until all such tax benefits have been utilized or expired, unless the Company exercises its right to terminate the TRAs for an amount based on the agreed payments remaining to be made under the agreements.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. LONG-TERM DEBT

As of September 30, 2014 and December 31, 2013, the Company's debt consisted of the following:

	September 30, 2014	December 31, 2013
(in thousands)		
\$2,050.0 million term A loan, maturing on June 2019, and bearing interest at a variable base rate (LIBOR) plus a spread rate (200 basis points) (total rate of 2.15% at September 30, 2014) and amortizing on a basis of 1.25% per quarter during each of the first twelve quarters, 1.875% per quarter during the next four quarters and 2.50% during next three quarters with a balloon payment due at maturity	\$ 2,024,375	\$ —
\$1,850.0 million term A loan, maturing on May 15, 2018, and bearing interest at a variable base rate (LIBOR) plus a spread rate (175 basis points) (total rate of 1.92% at December 31, 2013) and amortizing on a basis of 1.25% during each of the first eight quarters, 1.875% during each of the second eight quarters and 2.5% during each of the following three quarters, with a balloon payment due at maturity	—	1,803,750
\$1,400.0 million term B loan, maturing on June 2021, and bearing interest at a variable base rate (LIBOR) plus a spread rate (300 basis points) with a floor of 75 basis points (total rate of 3.75% at September 30, 2014) and amortizing on a basis of 0.25% per quarter, with a balloon payment due at maturity	1,396,500	—
\$10.1 million leasehold mortgage, expiring on August 10, 2021 and bearing interest payable monthly at a fixed rate (rate of 6.22% at September 30, 2014)	10,131	10,131
Less: Current portion of note payable and current portion of note payable to related party	(116,501)	(92,500)
Less: Original issue discount	(8,516)	(2,631)
Note payable and note payable to related party	<u>\$ 3,305,989</u>	<u>\$ 1,718,750</u>

June 2014 Debt Refinancing

On June 13, 2014, Vantiv, LLC completed a debt refinancing by entering into an amended and restated loan agreement ("Amended Loan Agreement"). The Amended Loan Agreement provides for senior secured credit facilities comprised of a \$2.05 billion term A loan, a \$1.4 billion term B loan and a \$425 million revolving credit facility. Proceeds from the refinancing were primarily used to fund the Mercury acquisition and repay the prior term A loan with an outstanding balance of approximately \$1.8 billion. The prior revolving credit facility was also terminated. The maturity date and debt service requirements relating to the new term A and term B loans are listed in the table above. The new revolving credit facility matures in June 2019 and includes a \$100 million swing line facility and a \$40 million letter of credit facility. The commitment fee rate for the unused portion of the revolving credit facility is 0.375% per year.

As of September 30, 2014 and December 31, 2013, Fifth Third held \$204.5 million and \$343.6 million, respectively, of the term A loans.

Original Issue Discount and Deferred Financing Fees

As a result of the Company's June 2014 debt refinancing discussed above, the Company expensed approximately \$26.5 million during the three months ended June 30, 2014, which consisted primarily of the write-offs of unamortized deferred financing fees and original issue discount ("OID") associated with the component of the refinancing accounted for as a debt extinguishment and certain third party costs incurred in connection with the refinancing. Amounts expensed in connection with the refinancing are recorded as a component of non-operating expenses in the accompanying consolidated statement of income for the nine months ended September 30, 2014. At September 30, 2014, deferred financing fees of approximately \$26.6 million and OID of approximately \$8.5 million are recorded as a component of other non-current assets and as a reduction of note payable, respectively, in the accompanying consolidated statement of financial position.

Guarantees and Security

The Company's debt obligations at September 30, 2014 are unconditional and are guaranteed by Vantiv Holding and certain of Vantiv Holding's existing and subsequently acquired or organized domestic subsidiaries. The refinanced debt and related guarantees are secured on a first-priority basis (subject to liens permitted under the Amended Loan Agreement) by

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

substantially all the capital stock (subject to a 65% limitation on pledges of capital stock of foreign subsidiaries and domestic holding companies of foreign subsidiaries) and personal property of Vantiv Holding and any obligors as well as any real property in excess of \$10 million in the aggregate held by Vantiv Holding or any obligors (other than Vantiv Holding), subject to certain exceptions.

Covenants

There are certain quarterly financial and non-financial covenants contained in the Amended Loan Agreement for the refinanced debt, which are tested on a quarterly basis. At September 30, 2014, the Company was in compliance with these covenants.

6. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives

The Company enters into derivative financial instruments to manage differences in the amount, timing and duration of its known or expected cash payments related to its variable-rate debt. As of September 30, 2014 and December 31, 2013, the Company's derivative instruments consisted of interest rate swaps, which hedged the variable rate debt by converting floating-rate payments to fixed-rate payments. These swaps are designated as cash flow hedges for accounting purposes.

Accounting for Derivative Instruments

The Company recognizes derivatives in other current and non-current assets or liabilities in the accompanying consolidated statements of financial position at their fair values. Refer to Note 9 - Fair Value Measurements for a detailed discussion of the fair value of its derivatives. The Company designates its interest rate swaps as cash flow hedges of forecasted interest rate payments related to its variable-rate debt.

The Company formally documents all relationships between hedging instruments and underlying hedged transactions, as well as its risk management objective and strategy for undertaking hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to forecasted transactions. A formal assessment of hedge effectiveness is performed both at inception of the hedge and on an ongoing basis to determine whether the hedge is highly effective in offsetting changes in cash flows of the underlying hedged item. Hedge effectiveness is assessed using a regression analysis. If it is determined that a derivative ceases to be highly effective during the term of the hedge, the Company will discontinue hedge accounting for such derivative.

The Company's interest rate swaps qualify for hedge accounting under ASC 815, *Derivatives and Hedging*. Therefore, the effective portion of changes in fair value were recorded in AOCI and will be reclassified into earnings in the same period during which the hedged transactions affected earnings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company uses interest rate swaps as part of its interest rate risk management strategy. As of September 30, 2014, the Company had 12 outstanding interest rate swaps with a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion) covering an exposure period from June 2014 through June 2017 that were designated as cash flow hedges of interest rate risk. Fifth Third is the counterparty to 5 of the 12 outstanding interest rate swaps with notional balances ranging from \$318.8 million to \$262.5 million.

The Company does not offset derivative positions in the accompanying consolidated financial statements. The table below presents the fair value of the Company's derivative financial instruments designated as cash flow hedges included within the accompanying consolidated statements of financial position (in thousands):

	Consolidated Statement of Financial Position Location	September 30, 2014	December 31, 2013
Interest rate swaps	Other long-term assets	\$ 1,649	\$ 4,545
Interest rate swaps	Other current liabilities	2,882	—
Interest rate swaps	Other long-term liabilities	1,885	3,728

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Any ineffectiveness associated with such derivative instruments is recorded immediately as interest expense in the accompanying consolidated statements of income. As of September 30, 2014, the Company estimates that \$4.7 million will be reclassified from AOCI as an increase to interest expense during the next 12 months.

The table below presents the effect of the Company's interest rate swaps on the accompanying consolidated statements of income for the three months and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Derivatives in cash flow hedging relationships:				
Amount of gain (loss) recognized in other comprehensive income (effective portion)	\$ 2,968	\$ (8,057)	\$ (5,865)	\$ 506
Amount of loss reclassified from AOCI into earnings (effective portion)	(1,114)	(243)	(1,932)	(277)
Amount of gain (loss) recognized in earnings (1)	—	—	(2)	—

(1) Amount represents ineffectiveness and is recorded as a component of interest expense-net in the accompanying consolidated statement of income.

Credit Risk Related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

As of September 30, 2014, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements was \$4.1 million. As of September 30, 2014, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at September 30, 2014, it could have been required to settle its obligations under the agreements at their termination value of \$4.1 million.

7. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Legal Reserve

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes none of these matters, either individually or in the aggregate, would have a material effect upon the Company's consolidated financial statements.

8. CONTROLLING AND NON-CONTROLLING INTERESTS

As discussed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies, Vantiv, Inc. owns a controlling interest in Vantiv Holding, and therefore consolidates the financial results of Vantiv Holding and its subsidiaries and records non-controlling interest for the economic interests in Vantiv Holding held by Fifth Third.

The Company and Peoples United Bank ("PUB") formed People's United Merchant Services ("PUMS") during the second quarter of 2014, which represents a joint venture that will provide customers a comprehensive suite of payment solutions. Vantiv Holding owns 51% of PUMS and PUB owns 49%. PUMS will be consolidated by the Company in accordance with ASC 810, *Consolidation*, with the associated non-controlling interest included in "Net income attributable to non-controlling interests" in the consolidated statements of income. PUB contributed a merchant asset portfolio to PUMS valued at \$18.8 million which was recorded to non-controlling interests in the Consolidated Statements of Equity.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

As of September 30, 2014, Vantiv, Inc.'s interest in Vantiv Holding was 77.25%. Changes in units and related ownership interest in Vantiv Holding are summarized as follows:

	Vantiv, Inc.	Fifth Third	Total
As of December 31, 2013	141,758,681	48,822,826	190,581,507
<i>% of ownership</i>	74.38%	25.62%	
Fifth Third exchange of Vantiv Holding units for shares of Class A common stock in connection with June 2014 secondary offering	5,780,000	(5,780,000)	—
Share repurchases	(1,108,700)	—	(1,108,700)
Equity plan activity (a)	(299,654)	—	(299,654)
As of September 30, 2014	146,130,327	43,042,826	189,173,153
<i>% of ownership</i>	77.25%	22.75%	

- (a) Includes stock issued under equity plans less Class A common stock withheld to satisfy employee tax withholding obligations upon vesting or exercise of employee equity awards and forfeitures of restricted Class A common stock awards.

As a result of the changes in ownership interests in Vantiv Holding, an adjustment of \$52.8 million has been recognized during the nine months ended September 30, 2014 in order to reflect the portion of net assets of Vantiv Holding attributable to non-controlling unit holders based on ownership interests in Vantiv Holding since the end of 2013.

The table below provides a reconciliation of net income attributable to non-controlling interests based on relative ownership interests as discussed above (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 42,845	\$ 54,605	\$ 87,249	\$ 145,038
Items not allocable to non-controlling interests:				
Vantiv, Inc. expenses (a)	12,687	17,857	32,501	41,922
Vantiv Holding net income	55,532	72,462	119,750	186,960
Net income attributable to non-controlling interests of Fifth Third (b)	12,695	18,894	30,071	54,300
Net income attributable to PUMS non-controlling interest (c)	164	—	465	—
Total net income attributable to non-controlling interests	\$ 12,859	\$ 18,894	\$ 30,536	\$ 54,300

- (a) Primarily represents income tax expense related to Vantiv, Inc.
(b) Net income attributable to non-controlling interests of Fifth Third reflects the allocation of Vantiv Holding's net income based on the proportionate ownership interests in Vantiv Holding held by the non-controlling unit holders. The net income attributable to non-controlling unit holders reflects the changes in ownership interests summarized in the table above.
(c) Reflects net income attributable to the non-controlling interest of PUMS.

9. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the hierarchy prescribed in ASC 820, *Fair Value Measurement*, based upon the available inputs to the valuation and the degree to which they are observable or not observable in the market. The three levels in the hierarchy are as follows:

- *Level 1 Inputs*—Quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

- *Level 2 Inputs*—Inputs other than quoted prices within Level 1 that are observable either directly or indirectly, including but not limited to quoted prices in markets that are not active, quoted prices in active markets for similar assets or liabilities and observable inputs other than quoted prices such as interest rates or yield curves.
- *Level 3 Inputs*—Unobservable inputs reflecting the Company’s own assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014			December 31, 2013		
	Fair Value Measurements Using					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Interest rate swaps	\$ —	\$ 1,649	\$ —	\$ —	\$ 4,545	\$ —
Liabilities:						
Interest rate swaps	\$ —	\$ 4,767	\$ —	\$ —	\$ 3,728	\$ —
Mercury TRA	—	—	144,793	—	—	—

Interest Rate Swaps

The Company uses interest rate swaps to manage interest rate risk. The fair value of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on the expectation of future interest rates (forward curves) derived from observed market interest rate curves. In addition, to comply with the provisions of ASC 820, *Fair Value Measurements*, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its interest rate swaps for the effect of nonperformance risk, the Company has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company determined that the majority of the inputs used to value its interest rate swaps fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its interest rate swaps utilized Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of September 30, 2014 and December 31, 2013, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its interest rate swaps and determined that the credit valuation adjustment was not significant to the overall valuation of its interest rate swaps. As a result, the Company classified its interest rate swap valuations in Level 2 of the fair value hierarchy. See Note 6 - Derivatives and Hedging Activities for further discussion of the Company’s interest rate swaps.

Mercury TRA

The Mercury TRA is considered contingent consideration as it is part of the consideration payable to the former owners of Mercury. Such contingent consideration is measured at fair value and is based on significant inputs not observable in the market, which is classified in Level 3 of the fair value hierarchy. The Mercury TRA is recorded at fair value based on estimates of discounted future cash flows associated with the estimated payments to the Mercury TRA Holders. The liability recorded is re-measured at fair value at each reporting period with the change in fair value recognized in earnings as a non-operating expense. The Company recorded non-operating expenses of \$6.5 million and \$7.7 million related to the change in fair value during the three and nine months ended September 30, 2014, respectively. See Note 2 - Business Combination and Note 4 - Tax Receivable Agreements for further discussion of the Mercury TRA.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes carrying amounts and estimated fair values for financial assets and liabilities, excluding assets and liabilities measured at fair value on a recurring basis, as of September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash and cash equivalents	\$ 371,447	\$ 371,447	\$ 171,427	\$ 171,427
Liabilities:				
Note payable	3,422,490	3,390,827	1,811,250	1,815,459

Due to the short-term nature of cash and cash equivalents, the carrying value approximates fair value. Cash and cash equivalents are classified in Level 1 of the fair value hierarchy. The fair value of the Company's note payable was estimated based on rates currently available to the Company for bank loans with similar terms and maturities and is classified in Level 2 of the fair value hierarchy.

10. NET INCOME PER SHARE

Basic net income per share is calculated by dividing net income attributable to Vantiv, Inc. by the weighted-average shares of Class A common stock outstanding during the period.

Diluted net income per share is calculated assuming that Vantiv Holding is a wholly-owned subsidiary of Vantiv, Inc., therefore eliminating the impact of Fifth Third's non-controlling interests. As such, due to Vantiv, Inc.'s structure as a C corporation and Vantiv Holding's structure as a pass-through entity for tax purposes, the numerator in the calculation of diluted net income per share is adjusted accordingly to reflect the Company's income tax expense assuming the conversion of the Fifth Third non-controlling interest into Class A common stock. The denominator is adjusted to include the weighted-average shares of Class A common stock outstanding assuming conversion of the Class B units of Vantiv Holding held by Fifth Third on an "if-converted" basis. As of September 30, 2014 and 2013, there were approximately 43.0 million and 48.8 million Class B units outstanding, respectively.

In addition to the Class B units discussed above, potentially dilutive securities during the three months and nine months ended September 30, 2014 and 2013 included restricted stock awards, stock options, performance share units and the warrant to purchase Class C units of Vantiv Holding held by Fifth Third. During the three months and nine months ended September 30, 2014 and 2013 approximately 563,000 and 211,000, respectively, performance share units have been excluded as the applicable performance metrics had not been met as of the reporting date. Approximately 652,000 stock options were excluded for the three months and nine months ended September 30, 2013 as they were anti-dilutive during the period.

The shares of Vantiv, Inc. Class B common stock do not share in the earnings or losses of the Company and are therefore not participating securities. Accordingly, basic and diluted net income per share of Class B common stock has not been presented.

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table sets forth the computation of basic and diluted net income per share (in thousands, except share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Basic:				
Net income attributable to Vantiv, Inc.	\$ 29,986	\$ 35,711	\$ 56,713	\$ 90,738
Shares used in computing basic net income per share:				
Weighted-average Class A common shares	144,632,010	139,968,417	141,127,560	138,142,146
Basic net income per share	\$ 0.21	\$ 0.26	\$ 0.40	\$ 0.66
Diluted:				
Consolidated income before applicable income taxes	\$ 63,281	\$ 79,498	\$ 125,327	\$ 208,688
Income tax expense excluding impact of non-controlling interest	23,098	30,607	45,744	80,345
Net income attributable to Vantiv, Inc.	\$ 40,183	\$ 48,891	\$ 79,583	\$ 128,343
Shares used in computing diluted net income per share:				
Weighted-average Class A common shares	144,632,010	139,968,417	141,127,560	138,142,146
Weighted-average Class B units of Vantiv Holding	43,042,826	50,833,696	46,282,167	60,934,515
Warrant	10,349,050	8,429,342	10,058,028	6,987,250
Restricted stock awards	1,140,561	1,779,559	1,352,914	1,779,254
Stock options	534,541	—	254,150	—
Diluted weighted-average shares outstanding	199,698,988	201,011,014	199,074,819	207,843,165
Diluted net income per share	\$ 0.20	\$ 0.24	\$ 0.40	\$ 0.62

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The activity of the components of accumulated other comprehensive income (loss) related to cash flow hedging and other activities for the three months and nine months ended September 30, 2014 and 2013 is presented below (in thousands).

	AOCI Beginning Balance	Total Other Comprehensive Income (Loss)					AOCI Ending Balance
		Pretax Activity	Tax Effect	Net Activity	Attributable to non- controlling interests	Attributable to Vantiv, Inc.	
Three months ended September 30, 2014							
Net change in fair value recorded in accumulated OCI	\$ (4,120)	\$ 2,968	\$ (856)	\$ 2,112	\$ (675)	\$ 1,437	\$ (2,683)
Net realized loss reclassified into earnings (a)	658	1,114	(321)	793	(254)	539	1,197
Other	4	(70)	—	(70)	—	(70)	(66)
Net change	<u>\$ (3,458)</u>	<u>\$ 4,012</u>	<u>\$ (1,177)</u>	<u>\$ 2,835</u>	<u>\$ (929)</u>	<u>\$ 1,906</u>	<u>\$ (1,552)</u>
Three months ended September 30, 2013							
Net change in fair value recorded in accumulated OCI	\$ 3,900	\$ (8,057)	\$ 2,210	\$ (5,847)	\$ 2,082	\$ (3,765)	\$ 135
Net realized loss reclassified into earnings (a)	15	243	(67)	176	(61)	115	130
Net change	<u>\$ 3,915</u>	<u>\$ (7,814)</u>	<u>\$ 2,143</u>	<u>\$ (5,671)</u>	<u>\$ 2,021</u>	<u>\$ (3,650)</u>	<u>\$ 265</u>
Nine months ended September 30, 2014							
Net change in fair value recorded in accumulated OCI	\$ (5)	\$ (5,865)	\$ 1,569	\$ (4,296)	\$ 1,618	\$ (2,678)	\$ (2,683)
Net realized loss reclassified into earnings (a)	269	1,932	(554)	1,378	(450)	928	1,197
Other	—	(66)	—	(66)	—	(66)	(66)
Net change	<u>\$ 264</u>	<u>\$ (3,999)</u>	<u>\$ 1,015</u>	<u>\$ (2,984)</u>	<u>\$ 1,168</u>	<u>\$ (1,816)</u>	<u>\$ (1,552)</u>
Nine months ended September 30, 2013							
Net change in fair value recorded in accumulated OCI	\$ —	\$ 506	\$ (80)	\$ 426	\$ (291)	\$ 135	\$ 135
Net realized loss reclassified into earnings (a)	—	277	(76)	201	(71)	130	130
Net change	<u>\$ —</u>	<u>\$ 783</u>	<u>\$ (156)</u>	<u>\$ 627</u>	<u>\$ (362)</u>	<u>\$ 265</u>	<u>\$ 265</u>

(a) The reclassification adjustment on cash flow hedge derivatives affected the following lines in the accompanying consolidated statements of income:

OCI Component	Affected line in the accompanying consolidated statements of income
Pretax activity	Interest expense-net
Tax effect	Income tax expense
OCI Attributable to non-controlling interests	Net income attributable to non-controlling interests

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. SEGMENT INFORMATION

Segment operating results are presented below (in thousands). The results reflect revenues and expenses directly related to each segment. The Company does not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

Segment profit reflects total revenue less network fees and other costs and sales and marketing costs of the segment. The Company's CODM evaluates this metric in analyzing the results of operations for each segment.

	Three Months Ended September 30, 2014		
	Financial Institution		
	Merchant Services	Services	Total
Total revenue	\$ 580,082	\$ 117,027	\$ 697,109
Network fees and other costs	282,431	34,161	316,592
Sales and marketing	104,460	6,773	111,233
Segment profit	<u>\$ 193,191</u>	<u>\$ 76,093</u>	<u>\$ 269,284</u>

	Three Months Ended September 30, 2013		
	Financial Institution		
	Merchant Services	Services	Total
Total revenue	\$ 413,360	\$ 118,987	\$ 532,347
Network fees and other costs	203,642	34,499	238,141
Sales and marketing	72,534	7,017	79,551
Segment profit	<u>\$ 137,184</u>	<u>\$ 77,471</u>	<u>\$ 214,655</u>

	Nine Months Ended September 30, 2014		
	Financial Institution		
	Merchant Services	Services	Total
Total revenue	\$ 1,486,991	\$ 356,427	\$ 1,843,418
Network fees and other costs	738,440	104,590	843,030
Sales and marketing	260,225	19,959	280,184
Segment profit	<u>\$ 488,326</u>	<u>\$ 231,878</u>	<u>\$ 720,204</u>

	Nine Months Ended September 30, 2013		
	Financial Institution		
	Merchant Services	Services	Total
Total revenue	\$ 1,197,497	\$ 352,225	\$ 1,549,722
Network fees and other costs	585,364	100,344	685,708
Sales and marketing	213,034	18,929	231,963
Segment profit	<u>\$ 399,099</u>	<u>\$ 232,952</u>	<u>\$ 632,051</u>

Vantiv, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

A reconciliation of total segment profit to the Company's income before applicable income taxes is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Total segment profit	\$ 269,284	\$ 214,655	\$ 720,204	\$ 632,051
Less: Other operating costs	(60,659)	(48,340)	(177,782)	(148,168)
Less: General and administrative	(45,422)	(27,489)	(126,580)	(88,450)
Less: Depreciation and amortization	(65,289)	(48,604)	(204,176)	(136,428)
Less: Interest expense—net	(28,039)	(10,724)	(52,089)	(30,317)
Less: Non-operating expenses	(6,594)	—	(34,250)	(20,000)
Income before applicable income taxes	\$ 63,281	\$ 79,498	\$ 125,327	\$ 208,688

* * * * *

Vantiv, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For an understanding of the significant factors that influenced our results, the following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes appearing elsewhere in this report. This management's discussion and analysis should also be read in conjunction with the management's discussion and analysis and consolidated financial statements for the year ended December 31, 2013 included in our Annual Report on Form 10-K filed with the SEC on February 14, 2014.

General

We are the third largest merchant acquirer and the largest personal identification number ("PIN") debit acquirer by transaction volume, according to the Nilson Report, and a leading, integrated payment processor in the United States differentiated by a single, proprietary technology platform. This enables us to efficiently provide a suite of comprehensive services to both merchants and financial institutions of all sizes in the United States. Our technology platform offers our clients a single point of access and service that is easy to connect to and use in order to access a broad range of payment services and solutions. Our integrated business and single platform strategy also enable us to innovate, develop and deploy new services and provide us with significant economies of scale. Our varied and broad distribution provides us with a diverse base of clients and channel partner relationships.

We believe our single, proprietary technology platform is differentiated from our competitors' multiple platform architectures. Because of our single point of service and ability to collect, manage and analyze data across the payment processing value chain, we can identify and develop new services more efficiently. Once developed, we can more cost-effectively deploy new solutions to our clients through our single platform. Our single scalable platform also enables us to efficiently manage, update and maintain our technology, increase capacity and speed and realize significant operating leverage.

We enable merchants of all sizes to accept and process credit, debit and prepaid payments and provide them supporting services, such as information solutions, interchange management and fraud management, as well as vertical-specific solutions in sectors such as grocery, pharmacy, retail, and restaurants/quick service restaurants. We also provide mission critical payment services to financial institutions, such as card issuer processing, payment network processing, fraud protection, card production, prepaid program management, automated teller machine ("ATM") driving and network gateway and switching services that utilize our proprietary Jeanie PIN debit payment network.

We provide small and mid-sized clients with the comprehensive solutions that we have developed to address the extensive requirements of our large clients. We then tailor these solutions to the unique needs of our small and mid-sized clients. In addition, we take a consultative approach to providing these services that helps our clients enhance their payments-related services.

We distribute our services through diversified distribution channels using a unified sales approach that enables us to efficiently and effectively target merchants and financial institutions of all sizes. These channels include national sales forces that target financial institutions and national merchants, regional and mid-market sales teams that sell solutions to merchants and third-party reseller clients and a telesales operation that targets small and mid-sized merchants. In addition, we have relationships with a broad range of merchant banks; technology partners, which include integrated point-of-sale software developers and dealers; payment facilitators; independent sales organizations, or ISOs; and trade associations that target merchants, including difficult to reach small and mid-sized merchants. We also have relationships with third-party resellers and core processors that target financial institutions.

Executive Overview

Revenue for the three months ended September 30, 2014 increased 31% to \$697.1 million from \$532.3 million in 2013. Revenue for the nine months ended September 30, 2014 increased 19% to \$1,843.4 million from \$1,549.7 million in 2013.

Income from operations for the three months ended September 30, 2014 increased 9% to \$97.9 million from \$90.2 million in 2013. Income from operations for the nine months ended September 30, 2014 decreased 18% to \$211.7 million from \$259.0 million in 2013.

Net income for the three months ended September 30, 2014 decreased 22% to \$42.8 million from \$54.6 million in 2013. Net income attributable to Vantiv, Inc. for the three months ended September 30, 2014 decreased 16% to \$30.0 million from income of \$35.7 million in 2013. Net income for the nine months ended September 30, 2014 decreased 40% to \$87.2 million from \$145.0 million in 2013. Net income attributable to Vantiv, Inc. for the nine months ended September 30, 2014 decreased 37% to \$56.7 million from \$90.7 million in 2013. The decrease in net income attributable to Vantiv, Inc. for the nine months ended September 30, 2014 is primarily the result of a charge related to phasing out a trade name, the refinancing of our senior secured credit facilities, expense related to the change in fair value of a tax receivable agreement ("TRA"), an increase in transition, acquisition and integration costs and an increase in interest expense.

In October 2013, our board of directors authorized a program to repurchase up to \$137 million of our Class A common stock. During the nine months ended September 30, 2014, approximately 1.1 million shares were repurchased for \$34.4 million, which completed the repurchases under this authorization.

In February 2014, our board of directors authorized a program to repurchase up to an additional \$300 million of our Class A common stock. As of September 30, 2014, no shares had been repurchased under this authorization.

In March 2014, a secondary offering took place in which Advent International Corporation ("Advent") sold its remaining 18.8 million shares of Class A common stock. We did not receive any proceeds from the sale.

In June 2014, a secondary offering took place in which Fifth Third sold 5.8 million shares of Class A common stock. We did not receive any proceeds from the sale.

Recent Acquisitions

On June 13, 2014, we acquired Mercury Payment Services, LLC ("Mercury") for approximately \$1.681 billion in cash and \$137.1 million in contingent consideration related to a tax receivable agreement ("Mercury TRA") entered into with pre-acquisition owners of Mercury ("Mercury TRA Holders") in connection with the Mercury acquisition. We funded the Mercury acquisition by borrowing an additional \$1.7 billion through an amendment and refinancing of our senior secured credit facilities.

Mercury is a payment technology and service leader whose solutions are integrated into point-of-sale software applications and brought to market through dealer and developer partners. This acquisition helps to accelerate our growth in the integrated payments channel. The operations of Mercury are included in our Merchant Services segment operating results.

On July 31, 2013, we acquired Element Payment Services, Inc. for approximately \$162.5 million in cash. This acquisition provides us the strategic capabilities to partner with integrated point-of-sale developers and dealers and positions us to increase our presence in the integrated payments channel.

Our Segments, Revenue and Expenses

Segments

We operate as a single integrated business and report our results of operations in two segments, Merchant Services and Financial Institution Services. We evaluate segment performance based upon segment profit, which is defined as net revenue, which represents total revenue less network fees and other costs, less sales and marketing expense attributable to that segment.

Merchant Services

We provide a comprehensive suite of payment processing services, including acquiring and processing transactions, value-added services and merchant services for banks and credit unions. We authorize, clear, settle and provide reporting for electronic payment transactions for our merchant services clients at the point-of-sale and on-line. Our client base includes over 500,000 merchant locations, with a concentration in the non-discretionary everyday spend categories where spending has generally been more resilient during economic downturns.

We provide our merchant services to merchants of varying sizes, which provides us with a number of key benefits. Due to the large transaction volume that they generate, large national merchants provide us with significant operating scale efficiencies and recurring revenues. Small and mid-sized merchants are more difficult to reach on an individual basis, but generally generate higher net revenue per transaction.

Financial Institution Services

We provide integrated card issuer processing, payment network processing and value-added services to financial institutions. Our services include a comprehensive suite of transaction processing capabilities, including fraud protection, card production, prepaid cards, ATM driving, portfolio optimization, data analytics and card program marketing and allow financial institutions to offer electronic payments solutions to their customers on a secure and reliable technology platform at a competitive cost. We provide these services using a consultative approach that helps our financial institution clients enhance their payments-related business.

We serve a diverse set of financial institutions, including regional banks, community banks, credit unions and regional PIN debit networks. We focus on small to mid-sized institutions with less than \$15 billion in assets. Smaller financial institutions, including many of our clients, generally do not have the scale or infrastructure typical of large banks and are more likely to outsource payment processing needs. We provide a turnkey solution to such institutions to enable them to offer payment processing solutions.

Revenue

We generate revenue primarily by processing electronic payment transactions. Set forth below is a description of our revenues by segment and factors impacting segment revenues.

Our Merchant Services segment revenues are primarily derived from processing credit and debit card transactions. Merchant Services revenue is primarily comprised of fees charged to businesses, net of interchange fees, for payment processing services, including authorization, capture, clearing, settlement and information reporting of electronic transactions. The fees charged consist of either a percentage of the dollar volume of the transaction or a fixed fee, or both, and are recognized at the time of the transaction. Merchant Services revenue also includes a number of revenue items that are incurred by us and are reimbursable as the costs are passed through to and paid by our clients. These items primarily consist of Visa, MasterCard and other payment network fees. In addition, for sales through referral partners in which we are the primary party to the contract with the merchant, we record the full amount of the fees collected from the merchant as revenue. Associated residual payments made to referral partners are included in sales and marketing expenses. Merchant Services revenue also includes revenue from ancillary services such as fraud management, equipment sales and terminal rent. Revenue in our Merchant Services segment is impacted primarily by transaction volume, average transaction size, the mix of merchant types in our client portfolio, the performance of our merchant clients and the effectiveness of our distribution channels.

Our Financial Institution Services revenues are primarily derived from debit, credit and ATM card transaction processing, ATM driving and support, PIN debit processing services and value added services such as fraud mitigation services. Financial Institution Services revenue associated with processing transactions includes per transaction and account related fees, card production fees and fees generated from our Jeanie network. Financial Institution Services revenue is impacted by the number of financial institutions using our services as well as their transaction volume. The number of financial institutions in the United States has declined as a result of prevailing economic conditions and consolidation, as well as other market and regulatory pressures. These factors have contributed to industry-wide pricing compression of the fees that financial institutions are willing to pay for payment processing. Since 2011, pricing compression in the Financial Institution Services segment has represented on average 3% or less of net revenue on an annual basis.

Network Fees and Other Costs

Network fees and other costs consist primarily of charges incurred by us which we pass through to our clients, including Visa, MasterCard and other payment network fees, third party processing expenses, telecommunication charges, postage and card production costs.

Net Revenue

Net revenue is revenue, less network fees and other costs and reflects revenue generated from the services we provide to our clients. Management uses net revenue to assess our operating performance. We believe that net revenue, when reviewed together with revenue, is meaningful to our investors in order to understand our performance.

Expenses

Set forth below is a brief description of the components of our expenses, aside from the network fees and other costs discussed above:

- *Sales and marketing* expense primarily consists of salaries and benefits paid to sales personnel, sales management and other sales and marketing personnel, residual payments made to referral partners and advertising and promotional costs.
- *Other operating costs* primarily consist of salaries and benefits paid to operational and IT personnel, costs associated with operating our technology platform and data centers, information technology costs for processing transactions, product development costs, software consulting fees and maintenance costs.
- *General and administrative* expenses primarily consist of salaries and benefits paid to executive management and administrative employees, including finance, human resources, product development, legal and risk management, share-based compensation costs, equipment and occupancy costs and consulting costs.
- *Depreciation and amortization* expense consists of our depreciation expense related to investments in property, equipment and software as well as our amortization of intangible assets, principally customer relationships acquired in connection with the acquisition of a majority interest in Vantiv Holding in June 2009 and our subsequent acquisitions. Depreciation and amortization expense for the nine months ended September 30, 2014 also includes a charge related to phasing out a trade name.
- *Interest expense—net* consists primarily of interest on borrowings under our senior secured credit facilities less interest income earned on our cash and cash equivalents.
- *Income tax expense* represents federal, state and local taxes based on income in multiple jurisdictions.
- *Non-operating expenses* primarily relate to the refinancing of our senior secured credit facilities (see Note 5 - Long-Term Debt) and the change in fair value of the Mercury TRA (see Note 4 - Tax Receivable Agreements) entered into in June 2014. The 2013 amount relates to the refinancing of our senior secured credit facilities in May 2013.

Non-Controlling Interest

As a result of the non-controlling ownership interest in Vantiv Holding held by Fifth Third Bank ("Fifth Third") and the non-controlling ownership interest in the People's United Merchant Services ("PUMS") joint venture held by Peoples United Bank ("PUB"), our results of operations include net income attributable to non-controlling interests. Net income attributable to non-controlling interests for the three months ended September 30, 2014 and 2013 was \$12.9 million and \$18.9 million, respectively. Net income attributable to non-controlling interests for the nine months ended September 30, 2014 and 2013 was \$30.5 million and \$54.3 million, respectively. Future sales or redemptions of ownership interests in Vantiv Holding by Fifth Third will continue to reduce the amount recorded as non-controlling interest and increase net earnings attributable to our Class A stockholders.

Factors and Trends Impacting Our Business and Results of Operations

We expect a number of factors will impact our business, results of operations and financial condition. In general, our revenue is impacted by the number and dollar volume of card based transactions which in turn are impacted by general economic conditions, consumer spending and the emergence of new technologies and payment types, such as ecommerce, mobile payments, and prepaid cards. In our Merchant Services segment, our net revenues are impacted by the mix of the size of merchants that we provide services to as well as the mix of transaction volume by merchant category. In our Financial Institution Services segment, our net revenues are impacted by the mix of the size of financial institutions to which we provide services as well as consolidation and market and industry pressures, which have contributed and are expected to continue to contribute to pricing compression of payment processing fees in this segment. We also expect our results of operations to be impacted by the factors discussed below.

Pro Forma Adjusted Net Income

We use pro forma adjusted net income for financial and operational decision making as a means to evaluate period-to-period comparisons of our performance and results of operations. Pro forma adjusted net income is also incorporated into performance metrics underlying certain share-based payments issued under the 2012 Vantiv, Inc. Equity Incentive Plan and our annual incentive plan. We believe pro forma adjusted net income provides useful information about our performance and

operating results, enhances the overall understanding of past financial performance and future prospects and allows for greater transparency with respect to key metrics used by management in its financial and operational decision making.

In calculating pro forma adjusted net income, we make certain non-GAAP adjustments, as well as pro forma adjustments, to adjust our GAAP operating results for the items discussed below. This measure should be considered together with GAAP operating results.

Non-GAAP Adjustments

Transition, Acquisition and Integration Costs

In connection with our acquisitions, we incurred costs associated with the acquisitions and related integration activities, consisting primarily of consulting fees for advisory and integration services and related personnel costs. Additionally, our expenses include costs associated with a one-time signing bonus issued to certain employees that transferred to us from Fifth Third in connection with our separation from Fifth Third in June 2009. This signing bonus contained a five-year vesting period beginning on the date of the separation. Also included are charges related to employee termination benefits. These transition, acquisition and integration costs are included in other operating costs and general and administrative expenses. For the three months ended September 30, 2014 and 2013, transition, acquisition and integration costs were \$7.5 million and \$3.2 million, respectively. For the nine months ended September 30, 2014 and 2013, transition, acquisition and integration costs were \$30.2 million and \$9.2 million, respectively.

Share-Based Compensation

We have granted share-based awards to certain employees and members of our board of directors and intend to continue to grant additional share-based awards in the future. During the three months ended September 30, 2014 and 2013, we incurred share-based compensation expense of \$10.8 million and \$7.4 million, respectively. During the nine months ended September 30, 2014 and 2013, we incurred share-based compensation expense of \$30.8 million and \$21.4 million, respectively. Share-based compensation is included in general and administrative expense.

Intangible Amortization Expense

These expenses represent amortization of intangible assets acquired through business combinations and customer portfolio and related asset acquisitions. For the nine months ended September 30, 2014, intangible amortization expense also included a \$34.3 million charge related to phasing out a trade name.

Non-operating Expenses

For the three months ended September 30, 2014, we recorded \$6.5 million within non-operating expenses related to the change in fair value of the Mercury TRA. For the nine months ended September 30, 2014, we recorded \$34.3 million within non-operating expenses related to the refinancing of our senior secured credit facilities and the change in fair value of the Mercury TRA. For the nine months ended September 30, 2013, we recorded \$20.0 million within non-operating expenses related to the refinancing of our senior secured credit facilities in May 2013.

Pro Forma Adjustments

Income Tax Expense Adjustments

Our effective tax rate reported in our results of operations reflects the impact of our non-controlling interest not being taxed at the statutory corporate tax rate. For purposes of calculating pro forma adjusted net income, income tax expense is adjusted to reflect an effective tax rate assuming conversion of Fifth Third's non-controlling interest into shares of Class A common stock, including the income tax effect of the non-GAAP adjustments described above. The adjusted effective tax rate for the three months and nine months ended September 30, 2014 and 2013 was 36.5% and 38.5%, respectively. The 2014 adjusted effective tax rate was primarily impacted favorably by deductions related to Internal Revenue Code Section 199, which allows for the deduction of a portion of the income related to domestically produced computer software.

Tax Adjustments

In addition to the adjustment described above, income tax expense is also adjusted for the cash tax benefits resulting from certain tax attributes, primarily the amortization of tax intangible assets resulting from or acquired with our acquisitions, the tax basis step up associated with our separation from Fifth Third and the purchase or exchange of Class B units of Vantiv Holding, net of payment obligations under tax receivable agreements established at the time of our IPO and in connection with our acquisition of Mercury. The estimate of the cash tax benefits is based on the consistent and highly predictable realization of the underlying tax attributes.

In the fourth quarter of 2013, we entered into an agreement to terminate and settle in full our obligations to Advent and JPDN Enterprises, LLC ("JPDN") under their TRAs. As a result, the full amount of the cash tax benefits resulting from the realization of the tax attributes underlying the respective TRAs is reflected in the September 30, 2014 pro forma adjusted net income.

The table below provides a reconciliation of pro forma adjusted net income to GAAP income before applicable income taxes for the three months and nine months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)		(in thousands)	
Income before applicable income taxes	\$ 63,281	\$ 79,498	\$ 125,327	\$ 208,688
Non-GAAP Adjustments:				
Transition, acquisition and integration costs	7,508	3,215	30,174	9,235
Share-based compensation	10,753	7,422	30,797	21,352
Intangible amortization	45,146	31,968	147,495	92,874
Non-operating expenses	6,594	—	34,250	20,000
Non-GAAP Adjusted Income Before Applicable Taxes	133,282	122,103	368,043	352,149
Pro Forma Adjustments:				
Income tax expense adjustment	(48,648)	(47,010)	(134,336)	(135,577)
Tax adjustments	12,418	4,875	34,005	13,511
Less: JV non-controlling interest	(186)	—	(487)	—
Pro Forma Adjusted Net Income	\$ 96,866	\$ 79,968	\$ 267,225	\$ 230,083

Results of Operations

The following tables set forth our statements of income in dollars and as a percentage of net revenue for the periods presented.

	Three Months Ended September 30,		\$ Change	% Change
	2014	2013		
	(dollars in thousands)			
Revenue	\$ 697,109	\$ 532,347	\$ 164,762	31%
Network fees and other costs	316,592	238,141	78,451	33
Net revenue	380,517	294,206	86,311	29
Sales and marketing	111,233	79,551	31,682	40
Other operating costs	60,659	48,340	12,319	25
General and administrative	45,422	27,489	17,933	65
Depreciation and amortization	65,289	48,604	16,685	34
Income from operations	\$ 97,914	\$ 90,222	\$ 7,692	9%
Non-financial data:				
Transactions (in millions)	5,360	4,266		26%

<u>As a Percentage of Net Revenue</u>	Three Months Ended September 30,	
	2014	2013
Net revenue	100.0%	100.0%
Sales and marketing	29.2	27.1
Other operating costs	16.0	16.4
General and administrative	11.9	9.3
Depreciation and amortization	17.2	16.5
Income from operations	25.7%	30.7%

	Nine Months Ended September 30,			
	2014	2013	\$ Change	% Change
	(dollars in thousands)			
Revenue	\$ 1,843,418	\$ 1,549,722	\$ 293,696	19 %
Network fees and other costs	843,030	685,708	157,322	23
Net revenue	1,000,388	864,014	136,374	16
Sales and marketing	280,184	231,963	48,221	21
Other operating costs	177,782	148,168	29,614	20
General and administrative	126,580	88,450	38,130	43
Depreciation and amortization	204,176	136,428	67,748	50
Income from operations	\$ 211,666	\$ 259,005	\$ (47,339)	(18)%
Non-financial data:				
Transactions (in millions)	14,420	12,435		16 %

<u>As a Percentage of Net Revenue</u>	Nine Months Ended September 30,	
	2014	2013
Net revenue	100.0%	100.0%
Sales and marketing	28.0	26.9
Other operating costs	17.8	17.1
General and administrative	12.7	10.2
Depreciation and amortization	20.4	15.8
Income from operations	21.1%	30.0%

Three Months Ended September 30, 2014 Compared to Three Months Ended September 30, 2013 and Nine Months Ended September 30, 2014 Compared to Nine Months Ended September 30, 2013

Revenue

Revenue increased 31% to \$697.1 million for the three months ended September 30, 2014 from \$532.3 million for the three months ended September 30, 2013. The increase during the three months ended September 30, 2014 was due primarily to transaction growth of 26%, including the impact of our recent acquisitions.

Revenue increased 19% to \$1,843.4 million for the nine months ended September 30, 2014 from \$1,549.7 million for the nine months ended September 30, 2013. The increase during the nine months ended September 30, 2014 was due primarily to transaction growth of 16%, including the impact of our recent acquisitions.

Network Fees and Other Costs

Network fees and other costs increased 33% to \$316.6 million for the three months ended September 30, 2014 from \$238.1 million for the three months ended September 30, 2013. The increase was due primarily to transaction growth of 26%, including the impact of our recent acquisitions, and to a lesser extent an increase in third party processing costs.

Network fees and other costs increased 23% to \$843.0 million for the nine months ended September 30, 2014 from \$685.7 million for the nine months ended September 30, 2013. The increase was due primarily to transaction growth of 16%, including the impact of our recent acquisitions, and to a lesser extent an increase in third party processing costs.

Net Revenue

Net revenue increased 29% to \$380.5 million for the three months ended September 30, 2014 from \$294.2 million for the three months ended September 30, 2013. The increase in net revenue was due to the factors discussed above.

Net revenue increased 16% to \$1,000.4 million for the nine months ended September 30, 2014 from \$864.0 million for the nine months ended September 30, 2013. The increase in net revenue was due to the factors discussed above.

Sales and Marketing

Sales and marketing expense increased 40% to \$111.2 million for the three months ended September 30, 2014 from \$79.6 million for the three months ended September 30, 2013. The increase was largely attributable to our recent acquisitions and personnel related costs.

Sales and marketing expense increased 21% to \$280.2 million for the nine months ended September 30, 2014 from \$232.0 million for the nine months ended September 30, 2013. The increase was largely attributable to our recent acquisitions and personnel related costs.

Other Operating Costs

Other operating costs increased 25% to \$60.7 million for the three months ended September 30, 2014 from \$48.3 million for the three months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and an increase in information technology infrastructure in support of growth initiatives.

Other operating costs increased 20% to \$177.8 million for the nine months ended September 30, 2014 from \$148.2 million for the nine months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and an increase in information technology infrastructure in support of growth initiatives. Also contributing to the increase was a \$6.2 million increase in acquisition and integration costs.

General and Administrative

General and administrative expenses increased 65% to \$45.4 million for the three months ended September 30, 2014 from \$27.5 million for the three months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and increases in acquisition and integration costs and share-based compensation of \$3.9 million and \$3.3 million, respectively.

General and administrative expenses increased 43% to \$126.6 million for the nine months ended September 30, 2014 from \$88.5 million for the nine months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and increases in acquisition and integration costs and share-based compensation of \$14.7 million and \$9.4 million, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased 34% to \$65.3 million for the three months ended September 30, 2014 from \$48.6 million for the three months ended September 30, 2013. The increase was due primarily to an increase in capital expenditures largely related to our information technology infrastructure in support of growth initiatives, as well as depreciation and amortization expense related to assets acquired in connection with our recent acquisitions, primarily consisting of amortization of customer relationship intangible assets.

Depreciation and amortization expense increased 50% to \$204.2 million for the nine months ended September 30, 2014 from \$136.4 million for the nine months ended September 30, 2013. The increase was due primarily to a \$34.3 million charge related to phasing out a trade name, an increase in capital expenditures largely related to our information technology infrastructure in support of growth initiatives, as well as depreciation and amortization expense related to assets acquired in connection with our recent acquisitions, primarily consisting of amortization of customer relationship intangible assets.

Income from Operations

Income from operations increased 9% to \$97.9 million for the three months ended September 30, 2014 from \$90.2 million for the three months ended September 30, 2013.

Income from operations decreased 18% to \$211.7 million for the nine months ended September 30, 2014 from \$259.0 million for the nine months ended September 30, 2013.

Interest Expense—Net

Interest expense - net was \$28.0 million for the three months ended September 30, 2014, reflecting an increase compared to \$10.7 million for the three months ended September 30, 2013. Interest expense - net was \$52.1 million for the nine months ended September 30, 2014, reflecting an increase compared to \$30.3 million for the nine months ended September 30, 2013. The increase in interest expense - net for the three and nine months ended September 30, 2014 is primarily attributable to our June 2014 debt refinancing, which resulted in an increase in the amount of debt of approximately \$1.7 billion, as well as an increase in interest rates.

Non-Operating Expenses

Non-operating expenses for the three months ended September 30, 2014, consisted primarily of the change in the fair value of the Mercury TRA entered into in June 2014. Non-operating expenses were \$34.3 million for the nine months ended September 30, 2014, which consisted primarily of a charge related to the refinancing of our senior secured credit facilities and the change in fair value of the Mercury TRA entered into in June 2014.

Non-operating expenses were \$20.0 million for the nine months ended September 30, 2013, which consisted of a charge related to the refinancing of our senior credit facilities in May 2013.

Income Tax Expense

Income tax expense for the three months ended September 30, 2014 was \$20.4 million compared to \$24.9 million for the three months ended September 30, 2013, reflecting effective tax rates of 32.3% and 31.3%, respectively. Income tax expense for the nine months ended September 30, 2014 was \$38.1 million compared to \$63.7 million for the nine months ended September 30, 2013, reflecting effective tax rates of 30.4% and 30.5%, respectively. Our effective tax rate reflects the impact of our non-controlling interest not being taxed at the statutory corporate tax rate. Further, as our non-controlling interest declines to the point Vantiv Holding is a wholly-owned subsidiary, we expect our effective rate to increase to approximately 36.5%.

As a result of the acquisition of Litle & Co., LLC in 2012, we generated tax benefits to be recognized over a period of 15 years from the date of the acquisition. During the nine months ended September 30, 2014, these benefits were approximately \$8.0 million. This benefit does not have an impact on our effective tax rate; however, savings retained by us are reflected in pro forma adjusted net income discussed above.

We are currently party to two TRAs with Fifth Third. The TRAs obligate us to make payments to Fifth Third equal to 85% of the amount of cash savings, if any, in income taxes that we realize as a result of certain tax basis increases and net operating losses. We will retain the remaining 15% of cash savings. As we purchase units of Vantiv Holding from Fifth Third or as Fifth Third exchanges units of Vantiv Holding for shares of Vantiv, Inc. Class A common stock in the future, we expect the associated cash savings to increase as a result of additional tax basis increases.

In the fourth quarter of 2013, we entered into an agreement to terminate and settle in full our obligations to Advent and JPDN under their TRAs. As a result, the full amount of the cash tax benefits resulting from the realization of the tax attributes underlying the respective TRAs is reflected in the September 30, 2014 pro forma adjusted net income.

Simultaneously and in connection with the Mercury acquisition, we entered into the Mercury TRA. The Mercury TRA obligates us to make payments to the Mercury TRA Holders equal to 85% of the amount of cash savings, if any, in income

taxes that we realize as a result of certain tax basis increases and net operating losses. We will retain the remaining 15% of cash savings.

During the nine months ended September 30, 2014, the cash savings retained by us were approximately \$26.0 million for these TRAs. These TRAs do not have an impact on our effective tax rate; however, savings retained by us are reflected in pro forma adjusted net income discussed above.

Segment Results

The following tables provide a summary of the components of segment profit for our two segments for the three months and nine months ended September 30, 2014 and 2013.

Merchant Services

	Three Months Ended September 30,			
	2014	2013	\$ Change	% Change
	(dollars in thousands)			
Total revenue	\$ 580,082	\$ 413,360	\$ 166,722	40%
Network fees and other costs	282,431	203,642	78,789	39
Net revenue	297,651	209,718	87,933	42
Sales and marketing	104,460	72,534	31,926	44
Segment profit	\$ 193,191	\$ 137,184	\$ 56,007	41%
Non-financial data:				
Transactions (in millions)	4,398	3,345		31%
	Nine Months Ended September 30,			
	2014	2013	\$ Change	% Change
	(dollars in thousands)			
Total revenue	\$ 1,486,991	\$ 1,197,497	\$ 289,494	24%
Network fees and other costs	738,440	585,364	153,076	26
Net revenue	748,551	612,133	136,418	22
Sales and marketing	260,225	213,034	47,191	22
Segment profit	\$ 488,326	\$ 399,099	\$ 89,227	22%
Non-financial data:				
Transactions (in millions)	11,575	9,741		19%

Net Revenue

Net revenue in this segment increased 42% to \$297.7 million for the three months ended September 30, 2014 from \$209.7 million for the three months ended September 30, 2013. The increase during the three months ended September 30, 2014 was due primarily to transaction growth of 31%, including the impact of our recent acquisitions.

Net revenue in this segment increased 22% to \$748.6 million for the nine months ended September 30, 2014 from \$612.1 million for the nine months ended September 30, 2013. The increase during the nine months ended September 30, 2014 was due primarily to transaction growth of 19%, including the impact of our recent acquisitions.

Sales and Marketing

Sales and marketing expense increased 44% to \$104.5 million for the three months ended September 30, 2014 from \$72.5 million for the three months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and investments in high growth channels.

Sales and marketing expense increased 22% to \$260.2 million for the nine months ended September 30, 2014 from \$213.0 million for the nine months ended September 30, 2013. The increase was primarily attributable to our recent acquisitions and investments in high growth channels.

Financial Institution Services

	Three Months Ended September 30,			
	2014	2013	\$ Change	% Change
	(dollars in thousands)			
Total revenue	\$ 117,027	\$ 118,987	\$ (1,960)	(2)%
Network fees and other costs	34,161	34,499	(338)	(1)
Net revenue	82,866	84,488	(1,622)	(2)
Sales and marketing	6,773	7,017	(244)	(3)
Segment profit	\$ 76,093	\$ 77,471	\$ (1,378)	(2)%
Non-financial data:				
Transactions (in millions)	962	921		4 %
	(dollars in thousands)			
	Nine Months Ended September 30,			
	2014	2013	\$ Change	% Change
Total revenue	\$ 356,427	\$ 352,225	\$ 4,202	1 %
Network fees and other costs	104,590	100,344	4,246	4
Net revenue	251,837	251,881	(44)	—
Sales and marketing	19,959	18,929	1,030	5
Segment profit	\$ 231,878	\$ 232,952	(1,074)	— %
Non-financial data:				
Transactions (in millions)	2,845	2,694		6 %

Net Revenue

Net revenue in this segment decreased slightly to \$82.9 million for the three months ended September 30, 2014 from \$84.5 million for the three months ended September 30, 2013. An increase in transactions and higher value added services revenue was more than offset by a decrease in net revenue per transaction, which was driven by a continuing shift in the mix of our portfolio resulting in a lower rate per transaction.

Net revenue in this segment was flat for the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. An increase in transactions and higher value added services revenue was offset by a decrease in net revenue per transaction, which was driven by a continuing shift in the mix of our portfolio resulting in a lower rate per transaction.

Sales and Marketing

Sales and marketing expense of \$6.8 million for the three months ended September 30, 2014 decreased slightly from the three months ended September 30, 2013.

Sales and marketing expense increased 5% to \$20.0 million for the nine months ended September 30, 2014 from \$18.9 million for the nine months ended September 30, 2013, due primarily to personnel related costs associated with our product initiatives.

Liquidity and Capital Resources

Our liquidity is funded primarily through cash provided by operations, debt and a line of credit, which is generally sufficient to fund our operations, planned capital expenditures, tax distributions made to our non-controlling interest holders, required payments under TRAs, debt service and acquisitions. However, because payments under the TRAs are determined based on realized cash savings resulting from the underlying tax attributes, a period of declining profitability would result in a corresponding reduction in our TRA payments, thus resulting in the TRA having a minimal effect on our liquidity and capital resources. As of September 30, 2014, our principal sources of liquidity consisted of \$371.4 million of cash and cash

equivalents and \$425.0 million of availability under the revolving portion of our senior secured credit facilities. Our total indebtedness, including capital leases, was \$3.4 billion as of September 30, 2014.

In February 2014, our board of directors authorized a program to repurchase up to an additional \$300 million of our Class A common stock. As of September 30, 2014, no shares had been repurchased under this authorization.

In connection with our IPO, we entered into an Exchange Agreement with Fifth Third, under which Fifth Third has the right, from time to time, to exchange its units in Vantiv Holding for shares of our Class A common stock or, at our option, cash. If we choose to satisfy the exchange in cash, we anticipate that we will fund such exchange through cash from operations, funds available under the revolving portion of our senior secured credit facilities, equity financings or a combination thereof.

We do not intend to pay cash dividends on our Class A common stock in the foreseeable future. Vantiv, Inc. is a holding company that does not conduct any business operations of its own. As a result, Vantiv, Inc.'s ability to pay cash dividends on its common stock, if any, is dependent upon cash dividends and distributions and other transfers from Vantiv Holding, which are subject to certain Fifth Third consent rights in the Amended and Restated Vantiv Holding Limited Liability Company Agreement. These consent rights require the approval of Fifth Third for certain significant matters, including the payment of all distributions by Vantiv Holding other than certain permitted distributions, which relate primarily to the payment of tax distributions and tax-related obligations. The amounts available to Vantiv, Inc. to pay cash dividends are also subject to the covenants and distribution restrictions in its subsidiaries' loan agreements. As a result of the restrictions on distributions from Vantiv Holding and its subsidiaries, essentially all of our consolidated net assets are held at the subsidiary level and are restricted as of September 30, 2014.

In addition to principal needs for liquidity discussed above, our strategy includes expansion into high growth segments and verticals, entry into new geographic markets and development of additional payment processing services.

We anticipate that to the extent that we require additional liquidity, it will be funded through the incurrence of other indebtedness, equity financings or a combination of these funding sources. We cannot assure you that we will be able to obtain this additional liquidity on reasonable terms, or at all. Additionally, our liquidity and our ability to meet our obligations and fund our capital requirements are also dependent on our future financial performance, which is subject to general economic, financial and other factors that are beyond our control. Accordingly, we cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available under our credit facilities or otherwise to meet our liquidity needs. If we decide to pursue one or more significant acquisitions, we may incur additional debt or sell additional equity to finance such acquisitions.

Cash Flows

The following table presents a summary of cash flows from operating, investing and financing activities for the nine months ended September 30, 2014 and 2013 (in thousands).

	Nine Months Ended September 30,	
	2014	2013
Net cash provided by operating activities	\$ 462,797	\$ 341,763
Net cash used in investing activities	(1,770,564)	(212,353)
Net cash provided by financing activities	1,507,787	107,791

Cash Flow from Operating Activities

Net cash provided by operating activities was \$462.8 million for the nine months ended September 30, 2014 as compared to \$341.8 million for the nine months ended September 30, 2013. The increase is due primarily to changes in working capital, principally related to changes in net settlement assets and obligations. Settlement assets and obligations can fluctuate due to seasonality as well as the day of the month end.

Cash Flow from Investing Activities

Net cash used in investing activities was \$1,770.6 million for the nine months ended September 30, 2014 as compared to \$212.4 million for the nine months ended September 30, 2013. The increase was primarily due to the acquisition of Mercury as well as an increase in capital expenditures and the acquisition of customer portfolios and related assets.

Cash Flow from Financing Activities

Net cash provided by financing activities was \$1,507.8 million for the nine months ended September 30, 2014 as compared to \$107.8 million for the nine months ended September 30, 2013. Cash provided by financing activities during the nine months ended September 30, 2014 consisted primarily of proceeds from the June 2014 refinancing, partially offset by the repayment of existing debt, related debt issuance costs and capital leases, the net impact of which was an inflow of \$1,566.0 million. Additional financing activities included repurchases of Class A common stock, payments made under the tax receivable agreements and tax distributions of \$13.2 million to our non-controlling interest holders. During the nine months ended September 30, 2013, net cash provided by financing activities consisted primarily of proceeds from the May 2013 debt refinancing, partially offset by the repayment of existing debt, related debt issuance costs, the repurchase of Class A common stock, and tax distributions to our non-controlling interest holders.

Credit Facilities

On June 13, 2014, Vantiv, LLC completed a debt refinancing by entering into an amended and restated loan agreement ("Amended Loan Agreement"). The Amended Loan Agreement provides for senior secured credit facilities comprised of a \$2.05 billion term A loan, a \$1.4 billion term B loan and a \$425 million revolving credit facility. Proceeds from the refinancing were primarily used to fund the Mercury acquisition and repay the prior term A loan with an outstanding balance of approximately \$1.8 billion. At September 30, 2014, the Company had \$2.02 billion and \$1.4 billion outstanding under the term A and term B loans, respectively, and there were no outstanding borrowings on the Company's revolving credit facility. See additional discussion in Note 5 - Long-Term Debt to the Notes to Unaudited Consolidated Financial Statements.

The Amended Loan Agreement requires us to maintain a maximum leverage ratio (based upon the ratio of total funded debt to consolidated EBITDA, as defined in the loan agreement) and a minimum interest coverage ratio (based upon the ratio of consolidated EBITDA to interest expense), which are tested quarterly based on the last four fiscal quarters, commencing on September 30, 2014. The required financial ratios become more restrictive over time, with the specific ratios required by period set forth in the table below.

Period	Leverage Ratio (must not exceed)	Interest Coverage Ratio (must exceed)
September 30, 2014 to March 31, 2015	6.50 to 1.00	4.00 to 1.00
June 30, 2015 to September 30, 2016	6.25 to 1.00	4.00 to 1.00
December 31, 2016 to September 30, 2017	5.50 to 1.00	4.00 to 1.00
December 31, 2017 to September 30, 2018	4.75 to 1.00	4.00 to 1.00
December 31, 2018 and thereafter	4.25 to 1.00	4.00 to 1.00

As of September 30, 2014, we were in compliance with a leverage ratio of 4.90 to 1.00 and an interest coverage ratio of 12.51 to 1.00.

Interest Rate Swaps

As of September 30, 2014, we had 12 outstanding interest rate swaps with a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion) covering an exposure period from June 2014 through June 2017 that were designated as cash flow hedges of interest rate risk.

Contractual Obligations

The following describes significant additional contractual obligations and commitments that have arisen subsequent to those disclosed in our Annual Report on Form 10-K as of December 31, 2013.

Tax Receivable Agreements

In connection with a secondary offering in June 2014, Fifth Third exchanged Class B units of Vantiv Holding for shares of Vantiv, Inc. Class A common stock, resulting in an additional liability of \$109.4 million under a TRA with Fifth Third. In connection with the acquisition of Mercury in June 2014, the Company entered into the Mercury TRA resulting in an initial TRA liability of \$137.1 million. There are no payment obligations due on any of our existing TRAs during the remainder of

2014. Existing payment obligations on TRAs subsequent to 2014 are estimated to be \$74.2 million during 2015 and 2016, \$134.7 million during 2017 and 2018, and \$1,065.6 million thereafter.

Borrowings

As a result of our debt refinancing in June 2014 discussed above, total principal and variable interest payments due under our senior secured credit facilities and our loan agreement for our corporate headquarters facility are as follows: \$53.8 million during the remainder of 2014, \$422.9 million during 2015 and 2016, \$513.0 million during 2017 and 2018, and \$2,978.9 million thereafter. Variable interest payments were calculated using interest rates as of September 30, 2014.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our audited consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates including those related to revenue recognition, goodwill and intangible assets, derivative financial instruments, income taxes and share-based compensation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

During the nine months ended September 30, 2014, we have not adopted any new critical accounting policies, have not changed any critical accounting policies and have not changed the application of any critical accounting policies from the year ended December 31, 2013. Our critical accounting estimates are described fully within Management's Discussion and Analysis of Financial Condition and Results of Operations included within our Annual Report on Form 10-K filed with the SEC on February 14, 2014.

Off-Balance Sheet Arrangements

We have no off-balance sheet financing arrangements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are exposed to interest rate risk in connection with our senior secured credit facilities, which are subject to variable interest rates.

As of September 30, 2014, we had 12 outstanding interest rate swaps with a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion) covering an exposure period from June 2014 through June 2017. As of September 30, 2014, we had \$2.1 billion of variable rate debt not subject to a fixed rate swap.

Based on the amount outstanding under our senior secured credit facilities at September 30, 2014, a change in one percentage point in variable interest rates, after the effect of our interest rate swaps, would cause an increase or decrease in interest expense of \$21.5 million on an annual basis.

Item 4. Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2014. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of September 30, 2014, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

There were no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION**Item 1. Legal Proceedings**

From time to time, we are involved in various litigation matters arising in the ordinary course of our business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes none of these matters, either individually or in the aggregate, would have a material adverse effect on us.

Item 1A. Risk Factors

You should carefully consider the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2013. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our common stock to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward looking statements made by or on behalf of Vantiv. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the risks of our businesses described elsewhere in this Quarterly Report on Form 10-Q. There have been no material changes from the risk factors disclosed in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth information regarding shares of Class A common stock repurchased by us during the three months ended September 30, 2014:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share	Total Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (2)
July 1, 2014 to July 31, 2014	28,534	\$ 33.47	—	\$ 300.0
August 1, 2014 to August 31, 2014	4,561	\$ 32.94	—	\$ 300.0
September 1, 2014 to September 30, 2014	19,619	\$ 31.00	—	\$ 300.0

(1) Includes shares of Class A common stock surrendered to us to satisfy tax withholding obligations in connection with the vesting of restricted stock awards.

(2) On February 12, 2014, our board of directors authorized a program to repurchase up to \$300 million of our Class A common stock. As of September 30, 2014, no share repurchases have been transacted under this authorization. The share repurchase program has no expiration date.

Item 5. Other Information

On and effective as of October 28, 2014, our Board of Directors approved the addition of a new Article XVI to Vantiv, Inc.’s Amended and Restated Bylaws which provides that unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for certain specified actions or proceedings against us or our directors, officers or employees shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

The foregoing summary of the amendment to our Amended and Restated Bylaws is subject to, and qualified in its entirety by, the full text of our Amended and Restated Bylaws, as so amended, a copy of which is attached to this quarterly report as Exhibit 3.2 and incorporated herein by reference.

Item 6. Exhibits

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VANTIV, INC.

October 30, 2014

By: /s/ Mark L. Heimbouch

Mark. L. Heimbouch
Chief Financial Officer

/s/ Christopher Thompson

Christopher Thompson
SVP, Controller and Chief Accounting Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.2	Amended and Restated Bylaws of Vantiv, Inc.
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Interactive Data Files

AMENDED AND RESTATED BYLAWS OF
VANTIV, INC.
(a Delaware corporation)

As effective on October 28, 2014

PREAMBLE

These Bylaws are subject to, and governed by, the General Corporation Law of the State of Delaware (the “DGCL”) and the Amended and Restated Certificate of Incorporation of Vantiv, Inc., a Delaware corporation (the “Corporation”), then in effect (the “Certificate of Incorporation”). In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the DGCL or the provisions of the Certificate of Incorporation, such provisions of the DGCL or the Certificate of Incorporation, as the case may be, will be controlling.

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of the Corporation shall be fixed in the Certificate of Incorporation.

SECTION 2. Other Offices. The Corporation’s Board of Directors (the “Board of Directors”) may at any time establish other offices at any place or places where the Corporation is qualified to do business or as the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 1. Annual Meetings. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year at such place, date and time, within or without the State of Delaware, as the Board of Directors shall determine.

SECTION 2. Special Meetings. Special meetings of stockholders for the transaction of such business as may properly come before the meeting may be held only upon call by the Board of Directors or the Chief Executive Officer, and shall be held at such place, date and time, within or without the State of Delaware, as may be specified by such body or person or persons in such call. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive office of the Corporation.

SECTION 3. Notice of Meetings. Written notice of all meetings of the stockholders, stating the place (if any), date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the place within the city or other municipality or community at which the list of stockholders may be examined, shall be mailed or delivered to each stockholder not less than 10 nor more than 60 days prior to the meeting. Notice of any special meeting shall state in general terms the purpose or purposes for which the meeting is to be held. Only business within the purpose or purposes described in the notice may be conducted at a special meeting of stockholders.

SECTION 4. Postponement and Cancellation of Meeting. Any previously scheduled annual or special meeting of the stockholders may be postponed, and any previously scheduled annual or special meeting of the stockholders called by the Board of Directors may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

SECTION 5. Stockholder Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not

so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

SECTION 6. Quorum. Except as otherwise provided by law or the Certificate of Incorporation, a quorum for the transaction of business at any meeting of stockholders shall consist of the holders of record of a majority of the issued and outstanding shares of the capital stock of the Corporation entitled to vote at the meeting, present in person or by proxy. If there be no such quorum, the holders of a majority of such shares so present or represented may adjourn the meeting from time to time, without further notice, until a quorum shall have been obtained. When a quorum is once present it is not broken by the subsequent withdrawal of any stockholder.

SECTION 7. Organization. Meetings of stockholders shall be presided over by the Chairperson, if any, or if none or in the Chairperson's absence the Vice Chairperson, if any, or if none or in the Vice Chairperson's absence the Chief Executive Officer, if any, or if none or in the Chief Executive Officer's absence the President, if any, or if none or in the President's absence a Vice President, or, if none of the foregoing is present, by a chairperson to be chosen by the stockholders entitled to vote who are present in person or by proxy at the meeting. The Secretary of the Corporation, or in the Secretary's absence an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as secretary of the meeting. The Board of Directors may adopt before a meeting such rules for the conduct of the meeting, including an agenda and limitations on the number of speakers and the time which any speaker may address the meeting, as the Board of Directors determines to be necessary or appropriate for the orderly and efficient conduct of the meeting. Subject to any rules for the conduct of the meeting adopted by the Board of Directors, the person presiding at the meeting may also adopt, before or at the meeting, rules for the conduct of the meeting.

SECTION 8. Voting; Proxies; Required Votes; Action by Written Consent.

- (a) General. At each meeting of stockholders, every stockholder shall be entitled to vote in person or by proxy appointed by instrument in writing, subscribed by such stockholder or by such stockholder's duly authorized attorney-in-fact (but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period), and, unless the Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such stockholder on the books of the Corporation on the applicable record date fixed pursuant to these Bylaws.
- (b) Director Elections. Directors shall be elected as set forth in the Certificate of Incorporation.
- (c) All Other Matters. Except as otherwise required by law or the Certificate of Incorporation, any other action of the stockholders shall be authorized by the vote of the majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Where a separate vote by a class or classes, present in person or represented by proxy, shall constitute a quorum entitled to vote on that matter, the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class, unless otherwise provided in the Certificate of Incorporation.
- (d) Actions by Written Consent. Any action required or permitted to be taken by the stockholders of the Corporation may be effected at a duly called annual or special meeting of the stockholders of the Corporation or by the stockholders in writing in lieu of such a meeting to the extent permitted by these Bylaws; provided that, on or after the date upon which (i) investment funds managed by Advent International Corporation and (ii) Fifth Third Bank, collectively with their respective successors and Affiliates, cease to beneficially own (directly or indirectly) 50% or more of the outstanding shares of the Common Stock, any action required or permitted to be taken by the stockholders of the Corporation may be effected only at a duly-called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders. For purposes of this Article II, (i) "Affiliate" means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person; the term "control," as used in this definition, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlled" and "controlling" have meanings correlative to the foregoing, (ii) "Person" means an individual, any general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity and (iii) "beneficial ownership"

shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

SECTION 9. Advance Notification of Business to be Transacted at Meetings of Stockholders. To be properly brought before the annual or any special meeting of the stockholders, any business to be transacted at an annual or special meeting of stockholders must be either (a) specified in the notice of meeting (or any supplement or amendment thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 9 of Article II and on the record date for the determination of stockholders entitled to notice of and to vote at the meeting and (ii) who complies with the advance notice procedures set forth in this Section 9 of Article II. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting, the foregoing clause (c) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of stockholders. Stockholders seeking to nominate persons for election to the Board of Directors must comply with Section 10 of Article II, and this Section 9 of Article II shall not be applicable to nominations.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's written notice addressed to the Secretary of the Corporation must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the date of the immediately preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than thirty (30) days prior to, or delayed by more than sixty (60) days after, the anniversary of the preceding year's annual meeting, to be timely, notice by the stockholder must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting is first given or made (which for this purpose shall include any and all filings of the Corporation made on the EDGAR system of the U.S. Securities and Exchange Commission ("SEC") or any similar public database maintained by the SEC), whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary of the Corporation must set forth as to each matter such stockholder proposes to bring before a meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and record address of such stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is made, (iii) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned beneficially or of record by such stockholder, (iv) any derivative positions held or beneficially held, directly or indirectly, by such stockholder, (v) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder with respect to any share of stock of the Corporation, (vi) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business; (vii) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder has or shares a right to vote any shares of any security of the Corporation, (viii) any direct or indirect interest of such stockholder in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (ix) any pending or threatened litigation in which such stockholder is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (x) any material transaction occurring during the prior twelve months between such stockholder, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (xi) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting, and (xii) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies or consents by such stockholder in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act, and the rules and regulations promulgated thereunder.

Notwithstanding the foregoing provisions of this section, a stockholder shall also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this Section 9 of Article II. Nothing in this Section 9 of Article II shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at the annual or any special meeting of the stockholders except business brought before the meeting in accordance with the procedures set forth in this Section 9 of Article II; provided, however, that, once business has been properly brought before the meeting in accordance with such procedures, nothing in this Section 9 of Article II shall be deemed to preclude discussion by any stockholder of any such business. The officer of the Corporation presiding at the meeting shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the provisions of this Section 9 of Article II, and if such officer shall so determine, such officer shall so declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

SECTION 10. Advance Notification of Nominations for Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as is otherwise provided in the Certificate of Incorporation with respect to the rights of the holders of shares of Class B Common Stock or preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. All nominations of persons for election to the Board of Directors shall be made at any annual meeting of the stockholders, or at any special meeting of the stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 10 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (ii) who complies with the advance notice procedures set forth in this Section 10. The foregoing clause (b) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting or special meeting, other than matters properly brought before the meeting pursuant to notice given under Rule 14a-8 of the Exchange Act and included in the Corporation's notice of meeting.

In addition to any other applicable requirements, for a director nomination to be properly made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's written notice to the Secretary of the Corporation must be delivered to or mailed and received at the principal executive offices of the Corporation, in the case of (x) an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the date of the immediately preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than sixty (60) days after the anniversary of the preceding year's annual meeting, to be timely, notice by the stockholder must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting is first given or made (which for this purpose shall include any and all filings of the Corporation made on the EDGAR system of the SEC or any similar public database maintained by the SEC), whichever first occurs, and (y) a special meeting of the stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting is first given or made (which for this purpose shall include any and all filings of the corporation made on the EDGAR system of the SEC or any similar public database maintained by the SEC).

To be in proper written form, a stockholder's notice to the Secretary of the Corporation must set forth:

- (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation that are, directly or indirectly, owned beneficially or of record by the person, if any, (iv) any derivative positions held or beneficially held, directly or indirectly, by such stockholder, (v) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the stockholder, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder with respect to any share of stock of the Corporation, (vi) a statement whether such person, if elected, intends to tender, promptly following such person's election or reelection, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation's Corporate Governance Guidelines, (vii) any direct or indirect voting commitments or other arrangements of such person with respect to their actions as a director, and (viii) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings of the proposing stockholder required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and

- (b) as to the stockholder giving the notice (i) the name and record address of such stockholder proposing such nomination and the beneficial owner, if any, on whose behalf the nomination is made, (ii) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such stockholder, (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements or understandings during the past three years, and any other material relationships, between such stockholder and each proposed nominee, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such stockholder were the “registrant” for purposes of such rule and the proposed nominee were a director or executive officer of such registrant, (iv) any derivative positions held or beneficially held, directly or indirectly, by such stockholder, (v) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder with respect to any share of stock of the Corporation, (vi) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, and (vii) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings of the proposing stockholder required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named or referred to as a nominee and to serve as a director if elected. The Corporation may require any proposed nominee to furnish such other information (which may include attending meetings to discuss the furnished information) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

Notwithstanding the foregoing provisions of this section, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 10.

Notwithstanding anything in these Bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 10. The officer of the Corporation presiding at the meeting shall, if the facts warrant, determine and declare to the meeting that the nomination was not made in accordance with the provisions of this Section 10, and if such officer shall also determine, such officer shall so declare to the meeting that any such defective nomination shall be disregarded.

SECTION 11. Inspectors. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not so appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by such inspector or inspectors and execute a certificate of any fact found by such inspector or inspectors.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation required to be exercised or done by the stockholders.

SECTION 2. Qualification; Number; Term; Remuneration.

- (a) Each director shall be at least eighteen (18) years of age. A director need not be a stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors shall be fixed from time to time

by action of the Board of Directors, one of whom may be selected by the Board of Directors to be its Chairperson. The use of the phrase “entire Board” herein refers to the total number of directors which the Corporation would have if there were no vacancies.

- (b) Directors may be reimbursed or paid in advance their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

SECTION 3. Quorum and Manner of Voting. Except as otherwise provided by law, a majority of the entire Board of Directors then in office shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors so long as such act is consistent with the terms of the Certificate of Incorporation.

SECTION 4. Places of Meetings. Meetings of the Board of Directors may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

SECTION 5. Annual Meeting. Following the annual meeting of stockholders, the newly elected Board of Directors shall meet for the purpose of the election of officers and the transaction of such other business as may properly come before the meeting. Such meeting may be held without notice immediately after the annual meeting of stockholders at the same place at which such stockholders’ meeting is held.

SECTION 6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time by resolution determine. Notice need not be given of regular meetings of the Board of Directors held at times and places fixed by resolution of the Board of Directors.

SECTION 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairperson of the Board, Chief Executive Officer, President or by a majority of the directors then in office.

SECTION 8. Notice of Meetings. A notice of the place, date and time and the purpose or purposes of each meeting of the Board of Directors shall be given to each director (a) by mailing the same at least three days before the special meeting, or (b) by telephoning or emailing the same or by delivering the same personally not later than the day before the day of the meeting.

SECTION 9. Organization. At all meetings of the Board of Directors, the Chairperson, if any, or if none or in the Chairperson’s absence or inability to act, the President, or in the President’s absence or inability to act any Vice President who is a member of the Board of Directors, or in such Vice President’s absence or inability to act as chairperson chosen by the directors, shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board of Directors when present, and, in the Secretary’s absence, the presiding officer may appoint any person to act as secretary of the meeting.

SECTION 10. Resignation. Any director may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the letter of resignation.

SECTION 11. Attendance by Telephone. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

SECTION 12. Action by Written Consent. Except as otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

ARTICLE IV

Committees

SECTION 1. Appointment; Limitations. From time to time the Board of Directors by a resolution adopted by a majority of the entire Board may appoint any committee or committees for any purpose or purposes, to the extent lawful, which shall have powers as shall be determined and specified by the Board of Directors in the resolution of appointment. No Committee of the Board shall take any action to amend the Certificate of Incorporation or these Bylaws, adopt any agreement to merge or consolidate the Corporation, declare any dividend or recommend to the stockholders a sale, lease or exchange of all or substantially all of the assets and property of the Corporation, a dissolution of the Corporation or a revocation of a dissolution of the Corporation. No Committee of the Board shall take any action which is required in these Bylaws, in the Certificate of Incorporation or by statute to be taken by a vote of a specified proportion of the whole Board of Directors.

SECTION 2. Procedures, Quorum and Manner of Acting. Each committee shall fix its own rules of procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a committee shall constitute a quorum for the transaction of business by that committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the committee present shall be the act of the committee. Each committee shall keep minutes of its proceedings, and actions taken by a committee shall be reported to the Board of Directors.

SECTION 3. Action by Written Consent. Except as otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any meeting of any committee may be taken without a meeting if all the members of such committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of such committee.

SECTION 4. Term; Termination. In the event any person shall cease to be a director of the Corporation, such person shall simultaneously therewith cease to be a member of any committee appointed by the Board of Directors.

ARTICLE V

Officers

SECTION 1. Election and Qualifications. The Board of Directors shall elect the officers of the Corporation, which shall include a Chief Executive Officer, President, Secretary and a Treasurer and may include, by election or appointment, one or more Vice Presidents (any one or more of whom may be given an additional designation of rank or function) and such Assistant Treasurers, such Assistant Secretaries and such other officers as the Board may from time to time deem proper. Each officer shall have such powers and duties as may be prescribed by these Bylaws and as may be assigned by the Board of Directors or the Chief Executive Officer. Any two or more offices may be held by the same person unless specifically prohibited therefrom by law.

SECTION 2. Term of Office and Remuneration. The term of office of all officers shall be one year and until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the Corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

SECTION 3. Resignation; Removal. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by vote of a majority of the entire Board of Directors, and any officer appointed by an executive officer or by a committee may be removed either with or without cause by the officer or committee who appointed him or her or by the Chairperson or President.

SECTION 4. Chairperson of the Board. The Chairperson of the Board of Directors, if there be one, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be assigned by the Board of Directors.

SECTION 5. Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, and shall have such duties as customarily pertain to that office. The Chief Executive Officer shall have general management and supervision of the property, business and affairs of the Corporation and over its other officers; may appoint and remove assistant officers and other agents and employees, other than officers referred to in Section 1 of this Article V; may execute

and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments; and shall have such other powers and authority as from time to time may be assigned by the Board of Directors.

SECTION 6. President. The President shall have such duties as customarily pertain to that office. The President shall have general management and supervision of the property, business and affairs of the Corporation and over its other officers; may appoint and remove assistant officers and other agents and employees, other than officers referred to in Section 1 of this Article V; may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments; and shall have such other powers and authority as from time to time may be assigned by the Board of Directors.

SECTION 7. Vice President. A Vice President may execute and deliver in the name of the Corporation contracts and other obligations and instruments pertaining to the regular course of the duties of said office, and shall have such other authority as from time to time may be assigned by the Board of Directors or the President.

SECTION 8. Treasurer. The Treasurer shall in general have all duties incident to the position of Treasurer and such other duties as may be assigned by the Board of Directors or the President.

SECTION 9. Secretary. The Secretary shall in general have all the duties incident to the office of Secretary and such other duties as may be assigned by the Board of Directors or the President.

SECTION 10. Assistant Officers. Any assistant officer shall have such powers and duties of the officer such assistant officer assists as such officer or the Board of Directors shall from time to time prescribe.

SECTION 11. Other Officers. The Chief Executive Officer or Board of Directors may appoint other officers and agents for any group, division or department into which this Corporation may be divided by the Board of Directors, with titles as the Chief Executive Officer or Board of Directors may from time to time deem appropriate. All such officers and agents shall receive such compensation, have such tenure and exercise such authority as the Chief Executive Officer or Board of Directors may specify. All appointments made by the Chief Executive Officer hereunder and all the terms and conditions thereof must be reported to the Board of Directors.

ARTICLE VI

Indemnification of Directors, Officers and Others

SECTION 1. Indemnification of Directors, Officer and Others. Each person who is or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person is or was a director or officer of the Corporation or, while serving as such director or officer, is or was serving at the request of the Corporation as a director, officer, employee or agent of, or in any other fiduciary capacity of or for, another corporation or of a partnership, joint venture, trust or other enterprise, including, without limitation, service with respect to employee benefit plans (any such entity, an "Other Entity"), shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law (the "DGCL"), as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection therewith if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful, and such indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such person's heirs, executors and administrators; provided, however, that, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The Corporation may enter into agreements with any such person for the purpose of providing for such indemnification. Nothing herein shall be deemed to abrogate any provision of the LLC Agreement (as defined in the Certificate of Incorporation) and to the extent of any inconsistency, the LLC Agreement shall govern.

SECTION 2. Reimbursement and Advancement of Expenses. The Corporation shall, from time to time, reimburse or advance to any current or former director or officer the funds necessary for payment of expenses (including attorney's fees and disbursements) actually and reasonably incurred by such person in investigating, responding to, defending or testifying in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature, to which such person becomes or is threatened to be made a party by reason of the fact that such person is or was, or is alleged to have been, a director or officer of the Corporation, or is or was, or is alleged to have been, serving at the request of the Corporation

as a director, officer, employee or agent of or in any other fiduciary capacity of or for, any Other Entity; provided, however, that the Corporation may pay such expenses in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking, if such undertaking is required by the DGCL, by or on behalf of such person to repay such amount if it shall ultimately be determined by final judicial decision that such person is not entitled to be indemnified by the Corporation against such expenses. Expenses may be similarly advanced or reimbursed to persons who are and were not directors or officers of the Corporation in respect of their service to the Corporation or to any Other Entity at the request of the Corporation to the extent the Board of Directors at any time determines that such persons should be so entitled to advancement or reimbursement of such expenses, and the Corporation may enter into agreements with such persons for the purpose of providing such advances or reimbursement. Nothing herein shall be deemed to abrogate any provision of the LLC Agreement and to the extent of any inconsistency, the LLC Agreement shall govern.

SECTION 3. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 4. Preservation of Other Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article VI shall not be exclusive of, and the Corporation is authorized to honor or provide, any other right that any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, which other right may provide indemnification and advancement in excess of the indemnification and advancement otherwise permitted by Section 145 of the DGCL, subject only to limits created by applicable Delaware law (statutory or non-statutory) with respect to actions for breach of duty to the Corporation, its stockholders and others and to the provisions of the LLC Agreement with respect to breaches of the LLC Agreement.

SECTION 5. Survival.

- (a) The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Article VI shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such person's heirs, executors and administrators.
- (b) The provisions of this Article VI shall be a contract between the Corporation, on the one hand, and each person who was a director and officer at any time while this Article VI is in effect and any other person indemnified hereunder, on the other hand, pursuant to which the Corporation and each such person intend to be legally bound. Any repeal or modification of the provisions of this Article VI shall not adversely affect any right or protection of any director, officer, employee or agent of the Corporation existing at the time of such repeal or modification, regardless of whether a claim arising out of such action, omission or state of facts is asserted before or after such repeal or amendment.

SECTION 6. Enforceability of Right to Indemnification. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Article VI shall be enforceable by any person entitled to such indemnification or reimbursement or advancement of expenses in any court of competent jurisdiction. If a claim under Sections 1 and 2 of this Article VI is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. The burden of proving that such indemnification or reimbursement or advancement of expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) to have made a determination prior to the commencement of such action that such indemnification or reimbursement or advancement of expenses is proper in the circumstances nor an actual determination by the Corporation (including its Board of Directors, its independent legal counsel and its stockholders) that such person is not entitled to such indemnification or reimbursement or advancement of expenses shall constitute a defense to the action or create a presumption that such person is not so entitled. Such a person shall also be indemnified by the Corporation against any expenses reasonably incurred in connection with successfully establishing his or her right to such indemnification or reimbursement or advancement of expenses, in whole or in part.

ARTICLE VII

Books and Records

SECTION 1. Location. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in the Bylaws and by such officer or agent as shall be designated by the Board of Directors.

SECTION 2. Addresses of Stockholders. Notices of meetings and all other corporate notices may be delivered personally or mailed to each stockholder at the stockholder's address as it appears on the records of the Corporation.

SECTION 3. Fixing Date for Determination of Stockholders of Record.

- (a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.
- (b) Provided that the Board of Directors has authorized stockholder action by written consent under Section 8(d) of Article II, in order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this State, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by this chapter, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.
- (c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VIII

Certificates Representing Stock

SECTION 1. Certificates; Signatures; Rules and Regulations. There may be issued to each holder of fully paid shares of capital stock of the Corporation a certificate or certificates for such shares; however, the Corporation may issue uncertificated shares of its capital stock. Every holder of capital stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate, signed by or in the name of the Corporation by the Chairperson or Vice Chairperson of the Board of Directors, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or

an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the books of the Corporation. The Board of Directors may appoint one or more transfer agents for the Corporation's capital stock and may make, or authorize such agent or agents to make, all such rules and regulations as are expedient governing the issue, transfer and registration of shares of the capital stock of the Corporation and any certificates representing such shares.

SECTION 2. Transfers of Stock. The capital stock of the Corporation shall be transferred only upon the books of the Corporation either (a) if such shares are certificated, by the surrender to the Corporation or its transfer agent of the old stock certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, or (b) if such shares are uncertificated, upon proper instructions from the holder thereof or such holder's attorney lawfully constituted in writing, in each case with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Prior to due presentment for registration of transfer of a security (whether certificated or uncertificated), the Corporation shall treat the registered owner of such security as the person exclusively entitled to vote, receive notifications and dividends, and otherwise to exercise all the rights and powers of such security.

SECTION 3. Fractional Shares. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a stockholder except as therein provided.

SECTION 4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in place of any certificate, theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify, or otherwise indemnify, the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

ARTICLE IX

Dividends

Subject always to the provisions of law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

Ratification

Any transaction, questioned in any lawsuit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or stockholder, non-disclosure, miscomputation, or the application of improper principles or practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the stockholders, and if so ratified shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE XI

Corporate Seal

The corporate seal shall have inscribed thereon the name of the Corporation and the year of its incorporation, and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The corporate seal may be used by printing, engraving, lithographing, stamping or otherwise making, placing or affixing, or causing to be printed, engraved, lithographed, stamped or otherwise made, placed or affixed, upon any paper or document, by any process whatsoever, an impression, facsimile or other reproduction of said corporate seal.

ARTICLE XII

Fiscal Year

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall be the calendar year.

ARTICLE XIII

Waiver of Notice

Whenever notice is required to be given by these Bylaws or by the Certificate of Incorporation or by law, a written waiver thereof, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

ARTICLE XIV

Bank Accounts, Drafts, Contracts, Etc.

SECTION 1. Bank Accounts and Drafts. In addition to such bank accounts as may be authorized by the Board of Directors, the primary financial officer or any person designated by said primary financial officer, whether or not an employee of the Corporation, may authorize such bank accounts to be opened or maintained in the name and on behalf of the Corporation as he or she may deem necessary or appropriate, payments from such bank accounts to be made upon and according to the check of the Corporation in accordance with the written instructions of said primary financial officer, or other person so designated by such primary financial officer.

SECTION 2. Contracts. The Board of Directors may authorize any person or persons, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 3. Proxies; Powers of Attorney; Other Instruments. The Chairperson, Chief Executive Officer, the President or any other person designated by either of them shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the rights and powers incident to the ownership of stock by the Corporation. The Chairperson, the President or any other person authorized by proxy or power of attorney executed and delivered by either of them on behalf of the Corporation may attend and vote at any meeting of stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, or otherwise as specified in the proxy or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any other person.

SECTION 4. Financial Reports. The Board of Directors may appoint the primary financial officer or other fiscal officer or any other officer to cause to be prepared and furnished to stockholders entitled thereto any special financial notice and/or financial statement, as the case may be, which may be required by any provision of law.

ARTICLE XV

Amendments

In furtherance and not in limitation of the powers conferred by law, subject to any limitations contained elsewhere in the Certificate of Incorporation or these Bylaws, these Bylaws may be adopted, amended or repealed by a majority of the Board of Directors of the Corporation, but any Bylaws adopted by the Board of Directors may be amended or repealed by the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of Common Stock; provided, however, that no provision of the Bylaws may be adopted, amended or repealed which shall interpret or qualify, or impair or impede the implementation of any provision of the Certificate of Incorporation or which is otherwise inconsistent with the provisions of the Certificate of Incorporation. Any inconsistency between these Bylaws and the Certificate of Incorporation shall be construed in favor of the Certificate of Incorporation; provided, further that no provision of Article III or Section 1 of Article IV of these Bylaws that adversely affects the Class B Directors may be adopted without the consent of the Class B Directors.

ARTICLE XVI

Forum for Adjudication of Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

ARTICLE XVII

Miscellaneous

When used in these Bylaws and when permitted by applicable law, the terms "written" and "in writing" shall include any "electronic transmission," as defined in Section 232(c) of the DGCL, including without limitation any telegram, cablegram, facsimile transmission and communication by electronic mail, and "address" shall include the recipient's electronic address for such purposes.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles D. Drucker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vantiv, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2014

/s/ CHARLES D. DRUCKER

Charles D. Drucker

President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark L. Heimbouch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vantiv, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2014

/s/ MARK L. HEIMBOUCH

Mark L. Heimbouch
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Vantiv, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

October 30, 2014

/s/ CHARLES D. DRUCKER

Charles D. Drucker
President and Chief Executive Officer

October 30, 2014

/s/ MARK L. HEIMBOUCH

Mark L. Heimbouch
Chief Financial Officer

[A signed original of this written statement required by Section 906 has been provided to Vantiv, Inc. and will be retained by Vantiv, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]
