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July 6, 2022

### Via E-Apps

Colette A. Fried  
Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60604-1413

Re: Additional Information Regarding Application by Bank of Montreal and BMO Financial Corp. to Acquire Bank of the West

Dear Ms. Fried:

We are submitting this letter and the related exhibits in response to your request for additional information, dated June 23, 2022, regarding the application seeking the prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve") for Bank of Montreal ("BMO") and BMO Financial Corp. ("BFC") to acquire all the shares of BancWest Holding Inc. ("BW Holding") and thereby acquire control of its subsidiary bank, Bank of the West ("BOTW") (the "Application"). For ease of reference, your questions are included in bold with the responses immediately following. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Application.

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\* \* \*

Confidential treatment is being requested under the federal Freedom of Information Act, 5 U.S.C. § 552 (the “FOIA”), and the implementing regulations of the Federal Reserve, for the information contained in the Confidential Exhibits Volume to this response (the “Confidential Materials”). The Confidential Materials include, for example, nonpublic information regarding the business strategies and plans of (1) BMO, BFC and BHB and (2) BNP Paribas S.A. (“BNPP”), BW Holding and BOTW, and other information regarding additional matters of a similar nature, which is commercial or financial information that is both customarily and actually treated as private by BMO, BFC, BHB, BNPP, BW Holding and BOTW and provided to the government under an assurance of privacy. Certain information in the Confidential Materials also includes confidential supervisory information, which is protected from disclosure. None of this information is the type of information that would otherwise be made available to the public under any circumstances. All such information, if made public, could result in substantial and irreparable harm to BMO, BFC, BHB, BNPP, BW Holding and BOTW. Other exemptions from disclosure under the FOIA may also apply. In addition, investors and potential investors could be influenced or misled by such information, which is not reported in any documents filed or to be filed in accordance with the disclosure requirements of applicable securities laws, as a result of which BMO, BFC, BHB, BNPP, BW Holding and BOTW could be exposed to potential inadvertent violations of law or exposure to legal claims. Accordingly, confidential treatment is respectfully requested for the Confidential Materials under the FOIA and the Federal Reserve’s implementing regulations.

Please contact me or Richard K. Kim (212-403-1354) before any public release of any of this information pursuant to a request under the FOIA or a request or demand for disclosure by any governmental agency, congressional office or committee, court or grand jury. Such prior notice is necessary so that BMO, BFC, BHB, BNPP, BW Holding and BOTW may take appropriate steps to protect such information from disclosure.

If you have any questions about this submission or confidential treatment request, please do not hesitate to contact me.

Very truly yours,

Rosemary Spaziani

Enclosures

cc: Anne Marie Fernandez

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**Response to Federal Reserve Additional Information Request**

**1. Provide copies of all agreements (if any) formed by Bank of Montreal and/or BFC with BW Holding and/or BOTW and an unaffiliated third party (“triparty agreement”).**

Please see Confidential Exhibit A for a copy of the one executed triparty agreement with a service provider identified therein (“Vendor A”) and the one triparty agreement currently being negotiated with a service provider identified there (“Vendor B”).

In addition to the triparty agreements, BOTW has a number of vendors that are providing and will provide additional assistance to BOTW in connection integration planning and BHB has agreed to pay for such incremental services (subject to the relevant caps) pursuant to a number of negotiated side letter agreements (“Side Letter Agreements”). Please see BHB’s form for such Side Letter Agreements in Confidential Exhibit B.

The use of the triparty agreements and Side Letter Agreements is to ensure that integration planning can be enabled while protecting against the potentially improper sharing of confidential information between BHB and BOTW. All of the triparty agreements and Side Letter Agreements specifically include protections against improper sharing or use of BOTW or BHB confidential information and requirements for the destruction of deliverables based on such information in the event the Proposed Transaction does not close.

Separately, BHB and BOTW have each entered into, and expect to continue to enter into, statements of work (“SOW”) with existing BHB and BOTW third party vendors, respectively, under existing service agreements to provide incremental services in connection with the integration planning and post-closing readiness. Vendors providing these integration and readiness services may require additional data from BOTW or BHB, as applicable, to satisfy their obligations. In such cases, BOTW and BHB have each entered into, and expect to enter into, separate bilateral agreements or statements of work with the relevant vendors.

**2. Identify whether any additional triparty agreements are contemplated. If so, provide a draft copy of the anticipated triparty agreement (if available). If a draft is not available, provide a detailed description of each anticipated agreement, including the services to be provided under the agreement.**

There are no other triparty agreements contemplated at this time other than those provided in Confidential Exhibit A.

**3. For each current and contemplated triparty agreement (if any)—**  
**a. Describe how the agreement came about, including a detailed discussion of whether Applicants or BOTW initiated the process.**

With regard to the agreement with Vendor A, BOTW initially identified that additional

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resources would be necessary for integration planning and requested that BHB pay for the additional resources. Based on that identified need and request, BHB and BOTW decided to proceed with the engagement of Vendor A to support integration planning efforts at BOTW. At that time, BHB had already engaged Vendor A for integration consulting services and BOTW had already used Vendor A as a vendor for other purposes. It was determined at the time that a tri-party agreement would be the most efficient way to document the needed services while also providing for, and ensuring that all parties agree to, appropriate information sharing and other protections. Under the terms of the agreement, BOTW controls and directs the resources being provided by Vendor A to support BOTW. The agreement provides for two separate Vendor A teams (i.e., it prohibits the individuals supporting BOTW from providing support to BHB and vice versa) and it contains restrictions on the sharing of information. With regard to the support being provided to BOTW, BHB is only responsible for payment, up to a capped fee.

Similarly, in connection with a review of the primary vendors of BHB and BOTW, it was determined each entity uses Vendor B for various services. In order to review requirements for system integration, Vendor B needs to use each institution's data in a joint test environment to perform integration and conversion-related programming and other services supporting integration planning. Therefore, in order for Vendor B to use such data in their testing environment, it requested a triparty agreement among itself, BHB and BOTW. The agreement solely relates to testing work and does not relate to any production work. Pursuant to the agreement, neither bank may access the other's data in the test environment. In the event that the Proposed Transaction does not close, the environment data will be destroyed. This agreement is expected to be executed in the very near term.

**b. Describe the payment arrangements. If the agreement provides that one party would pay for services rendered to another party, explain why.**

Pursuant to the agreement with Vendor A, BHB is responsible for the payment of the additional services provided by Vendor A to BOTW. It is also anticipated that BHB will be responsible for paying for the testing work to be performed by Vendor B. In addition, as described above, BHB has agreed to pay for additional work being performed by various vendors in connection with integration planning. We believe such arrangements are consistent with standard practice.

**c. Discuss why the parties chose to enter into the agreement rather than form a bilateral agreement with the unaffiliated third party.**

As noted above, BHB and BOTW entered or plans to enter into two triparty agreements. As stated above, the use of a triparty agreement with Vendor A was determined at the time to be the most efficient way to document the needed services while also providing for, and ensuring that all parties agree to, appropriate information sharing and other protections. With regard to the proposed triparty agreement with Vendor B, the use of a triparty agreement is due to the specific scope of the project and request of the vendor. For both agreements, given the scope of work, comfort with the vendors and protections included in the agreements, BHB and BOTW agreed to use a triparty agreement structure. BHB is structuring all other arrangements as bilateral agreements.

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**d. Describe what would happen under the agreement if the proposed transaction is not consummated.**

In the event that the Proposed Transaction is not consummated, BHB is responsible for the fees incurred to date of termination, and the triparty agreements and Side Letter Agreements would be terminated.

**4. For each current triparty agreement (if any), discuss whether the agreement affords the Applicants the power to exercise, directly or indirectly, a controlling influence over the management or policies of BW Holding or BOTW.**

No agreements afford the Applicants the power to exercise, directly or indirectly, a controlling influence over management or policies of BW Holding or BOTW. The triparty agreements and the Side Letter Agreements are all structured to enable payment by BHB for the relevant services rendered and to minimize the information flow between BOTW and BHB. The agreements are solely for the purpose of integration planning and preparation for closing; they do not provide any additional rights or information to BFC or BHB in relation to BW Holding or BOTW.