

FEDERAL RESERVE BOARD

Bank of Montreal
Toronto, Canada

Order Approving the Acquisition of a Bank Holding Company
and Notice to Engage in Nonbanking Activities

Bank of Montreal, Toronto, Canada, and its subsidiaries, Harris Financial Corp. (“HFC”), Harris Bankcorp, Inc. (“HBI”), and Mike Merger Sub, LLC (“Interim Sub”), all of Chicago, Illinois (collectively, “Applicants”), have requested the Board’s approval under section 3 of the Bank Holding Company Act (“BHC Act”)¹ to acquire Marshall & Ilsley Corporation (“M&I”), Milwaukee, and its two subsidiary banks, M&I Marshall & Ilsley Bank (“M&I Bank”), Milwaukee, and M&I Bank of Mayville, Mayville, all of Wisconsin.² In addition, Applicants have requested the Board's approval under sections 4(c)(8) and 4(j) of the BHC Act and section 225.24 of the Board's Regulation Y to acquire M&I’s subsidiary savings bank, M&I Bank FSB (“M&I Savings Bank”), Las Vegas, Nevada, and other nonbanking subsidiaries of M&I and thereby engage in activities in accordance with section 225.28(b) of the Board’s Regulation Y.³ Harris

¹ 12 U.S.C. § 1842. Applicants also have requested the Board’s approval to hold and exercise options that allow Bank of Montreal to purchase up to 19.7 percent of M&I’s outstanding common stock, if certain events occur. The options would expire on consummation of M&I’s merger with Interim Sub.

² Bank of Montreal, HFC, and HBI are financial holding companies within the meaning of the BHC Act. Interim Sub is being established to facilitate the M&I acquisition. Interim Sub has requested the Board’s approval under section 3 of the BHC Act to become a bank holding company through the merger of M&I with and into Interim Sub. Interim Sub would then merge with and into HFC.

³ 12 U.S.C. §§ 1843(c)(8) and (j); 12 CFR 225.24 and 28(b). See Appendix A for a list of these subsidiaries and their respective activities. Applicants also propose to acquire certain other M&I subsidiaries in accordance with section 4(k) of the BHC Act, 12 U.S.C. § 1843(k). As part of this proposal, HFC would purchase all of M&I’s preferred shares and associated warrants acquired by the Department of the Treasury under Treasury’s Capital Purchase Program.

Bank also has given notice under section 25 of the Federal Reserve Act (“FRA”) and section 211.3 of Regulation K in order to continue to operate M&I Bank’s foreign branch in the Cayman Islands.⁴

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (76 Federal Register 10,595 (2011)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in the BHC Act.

Bank of Montreal, with total consolidated assets equivalent to \$436 billion, is the 4th largest depository organization in Canada.⁵ Bank of Montreal operates branches in New York City and Chicago, an agency in Houston, and through HFC and HBI, controls Harris Bank, Harris Bank Arizona, and Harris Central National Association (“Harris Central”), Roselle, Illinois. HFC, with total consolidated assets of \$74 billion, is the 29th largest depository organization in the United States, controlling \$30.5 billion in deposits.⁶ Harris Bank operates in Illinois, Indiana, and Wisconsin; and Harris Bank Arizona operates in Arizona, Florida, and Washington. Harris Central operates only in Illinois. HFC is the 3rd largest depository organization in Illinois, controlling deposits of approximately \$26.8 billion. In Indiana, HFC is the 15th largest depository organization, controlling deposits of approximately \$1.8 billion, and in Wisconsin, it is the 10th largest depository organization, controlling deposits of approximately \$1.4 billion. In Arizona, HFC is the 18th largest depository organization, controlling deposits of approximately

⁴ 12 U.S.C. §§ 601-604a; 12 CFR 211.3. M&I Bank and M&I Savings Bank would be contributed by HFC to HBI. M&I Savings Bank would then convert into a national bank, and M&I Bank, the former M&I Savings Bank, and The Harris Bank, National Association (“Harris Bank Arizona”), Scottsdale, Arizona, would merge into Harris National Association (“Harris Bank”), Chicago. Bank of Montreal has filed the required applications with the Office of the Comptroller of the Currency (“OCC”) and the Office of Thrift Supervision (“OTS”) to effect those transactions.

⁵ Canadian asset and ranking data are as of April 30, 2011, and are based on the exchange rate as of that date.

⁶ Asset data are as of March 31, 2011, and nationwide deposit ranking data are as of June 30, 2010. Statewide deposit and ranking data are as of June 30, 2010, and reflect merger activity as of March 29, 2011.

\$407 million, and in Florida, it is the 214th largest depository organization, controlling deposits of approximately \$114 million.

M&I has total consolidated assets of approximately \$49.7 billion, and its subsidiary insured depository institutions operate in nine states.⁷ M&I is the 326th largest depository organization in Illinois, controlling deposits of approximately \$98 million. In Indiana, M&I is the 13th largest depository organization, controlling deposits of approximately \$1.87 billion, and in Wisconsin, it is the largest depository organization, controlling deposits of approximately \$24.16 billion. In Arizona, M&I is the 6th largest depository organization, controlling deposits of approximately \$2.66 billion, and in Florida, it is the 33rd largest depository organization, controlling deposits of approximately \$1.65 billion.

On consummation of the proposal, HFC would become the 22nd largest depository organization in the United States in terms of assets, with total consolidated assets of approximately \$126.2 billion. HFC would control deposits of approximately \$70 billion, which represent approximately 1 percent of the total amount of deposits of insured depository institutions in the United States. In Illinois, HFC would remain the 3rd largest depository organization, controlling deposits of approximately \$26.9 billion, which represent approximately 7.5 percent of the total amount of deposits of insured depository institutions in the state (“state deposits”). HFC would also become the 5th largest depository organization in Indiana, controlling deposits of approximately \$3.67 billion (approximately 3.7 percent of state deposits); in Wisconsin, it would become the largest depository organization, controlling deposits of approximately \$25.6 billion (approximately 20.2 percent of state deposits); in Arizona, it would become the 6th largest depository organization, controlling deposits of approximately \$3.1 billion (approximately 3.6 percent of state deposits); and in Florida, it would become the 31st largest depository organization, controlling deposits of approximately \$1.76 billion (less than 1 percent of state deposits).

⁷ M&I Bank operates in Arizona, Florida, Illinois, Indiana, Kansas, Minnesota, Missouri, and Wisconsin. M&I Bank of Mayville also operates in Wisconsin. In addition, M&I Savings Bank operates in Nevada, Minnesota, and Wisconsin.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the bank holding company's home state if certain conditions are met. For purposes of the BHC Act, the home state of Applicants is Illinois,⁸ and M&I's subsidiary banks are located in eight states.⁹

Based on a review of all the facts of record, including relevant state statutes, the Board finds that the conditions for an interstate acquisition enumerated in section 3(d) of the BHC Act are met in this case.¹⁰ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

The BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking market. The BHC Act also prohibits the Board from approving a bank acquisition that would substantially lessen competition in any relevant banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by its probable effect in meeting the convenience and needs of the

⁸ See 12 U.S.C. § 1842(d). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

⁹ For purposes of section 3(d), the Board considers a bank to be located in the states in which the bank is chartered or headquartered or operates a branch. 12 U.S.C. §§ 1841(o)(4)-(7) and 1842(d)(1)(A) and (d)(2)(B). M&I's subsidiary banks are located in Arizona, Florida, Illinois, Indiana, Kansas, Minnesota, Missouri, and Wisconsin.

¹⁰ 12 U.S.C. §§ 1842(d)(1)(A)-(B) and 1842(d)(2)-(3). Applicants are adequately capitalized and adequately managed, as defined by applicable law. M&I's two subsidiary banks have been in existence and operated for the minimum period of time required by applicable state laws and for more than five years. See 12 U.S.C. § 1842(d)(1)(B)(i)-(ii). On consummation of the proposal, Applicants would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States. 12 U.S.C. § 1842(d)(2)(A). Applicants would also control less than 30 percent of, and less than the applicable state deposit cap for, the total amount of deposits of insured depository institutions in the relevant states. 12 U.S.C. § 1842(d)(2)(B)-(D). All other requirements of section 3(d) of the BHC Act would be met on consummation of the proposal.

community to be served.¹¹ The Board also must consider the competitive effects of a proposal to acquire a savings association under the public benefits factor of section 4 of the BHC Act.

Applicants and M&I have subsidiary depository institutions that compete directly in thirteen banking markets, including markets in Arizona, Florida, Indiana, and Wisconsin. The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of all the facts of record. In particular, the Board has considered the number of competitors that would remain in the banking markets, the relative shares of total deposits in depository institutions (“market deposits”) controlled by Applicants and M&I in the markets,¹² the concentration levels of market deposits and the increases in those levels as measured by the Herfindahl-Hirschman Index (“HHI”) under the Department of Justice Merger Guidelines (“DOJ Guidelines”),¹³ and other characteristics of the markets.

¹¹ 12 U.S.C. § 1842(c)(1).

¹² Deposit and market share data are based on data reported by insured depository institutions in the summary of deposits data as of June 30, 2010, adjusted to reflect mergers and acquisitions as of February 11, 2011, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50 percent weighted basis. See, e.g., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991). The deposits of M&I Savings Bank are weighted at 100 percent because the thrift is owned by a commercial banking organization. See, e.g., Norwest Corporation, 78 Federal Reserve Bulletin 452 (1992).

¹³ Under the DOJ Guidelines, a market is considered unconcentrated if the post-merger HHI is less than 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice (“DOJ”) has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. Although the DOJ and the Federal Trade Commission recently issued revised Horizontal Merger Guidelines, the DOJ has confirmed that its guidelines for bank mergers or acquisitions, which were issued

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the DOJ Guidelines in all thirteen banking markets.¹⁴ On consummation, each of the banking markets would either remain unconcentrated or moderately concentrated as measured by the HHI, or the HHI would increase by less than 200 points. In addition, numerous competitors would remain in all the banking markets.

The DOJ has conducted a detailed review of the potential competitive effects of the proposal and has advised the Board that consummation of the transaction would not likely have a significantly adverse effect on competition in any relevant banking market. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any of the banking markets where Applicants and M&I compete directly or in any other relevant banking market. Accordingly, the Board has determined that competitive considerations are consistent with approval.

Financial, Managerial, and Supervisory Considerations

Section 3 of the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and depository institutions involved in the proposal and certain other supervisory factors. The Board also reviews financial and managerial resources of the organizations involved in a proposal under section 4 of the BHC Act.¹⁵ The Board has carefully considered these factors in light of all the facts of record, including confidential supervisory and examination information from the U.S. banking supervisors of the institutions involved, and publicly reported and

in 1995, were not modified. Press Release, Department of Justice (August 19, 2010), available at www.justice.gov/opa/pr/2010/August/10-at-938.html.

¹⁴ Definitions of the banking markets and the effects of the proposal on concentrations of banking resources in the markets are described in Appendix B.

¹⁵ 12 CFR 225.26(b).

other financial information, including information provided by Applicants.¹⁶ The Board also has consulted with the Office of the Superintendent of Financial Institutions (“OSFI”), the agency with primary responsibility for the supervision and regulation of Canadian banks, including Bank of Montreal.

In evaluating the financial resources in expansion proposals by banking organizations, the Board reviews the financial condition of the organizations involved on both a parent-only and consolidated basis, as well as the financial condition of the subsidiary insured depository institutions and significant nonbanking operations. In this evaluation, the Board considers a variety of information, including capital adequacy, asset quality, and earnings performance. In assessing financial resources, the Board consistently has considered capital adequacy to be especially important. The Board also evaluates the financial condition of the combined organization at consummation, including its capital position, asset quality, and earnings prospects, and the impact of the proposed funding of the transaction.

The Board has carefully considered the financial resources of the organizations involved in the proposal. The capital levels of Bank of Montreal exceed the minimum levels that would be required under the Basel Capital Accord and are therefore considered to be equivalent to the capital levels that would be required of a U.S. banking organization. In addition, the subsidiary depository institutions involved in the proposal are well capitalized and would remain so on consummation. Based on its review of the record, the Board finds that Applicants have sufficient financial resources to effect the proposal.

The Board also has considered the managerial resources of the organizations involved. The Board has reviewed the examination records of Applicants, M&I, and

¹⁶ Some commenters expressed concerns about the compensation to be paid to certain management at M&I Bank in light of M&I’s participation in Treasury’s Capital Purchase Program. As noted, M&I’s preferred shares held by Treasury under the program will be fully redeemed as part of this proposal. In addition, the Board has reviewed the financial and managerial factors in this proposal, including the compensation noted by commenters, in the context of the financial and managerial condition of the Applicants, M&I, and the resulting organization.

their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered its supervisory experiences and those of other relevant banking supervisory agencies, including the OCC and the OTS, with the organizations and their records of compliance with applicable banking and anti-money-laundering laws. The Board also has considered Applicants' plans for implementing the acquisition, including the proposed management after consummation.

Based on all the facts of record, the Board has concluded that considerations relating to the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are the other supervisory factors.¹⁷

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign bank unless the bank is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country.¹⁸ As noted, the OSFI is the primary supervisor of Canadian banks, including

¹⁷ Section 3 of the BHC Act also requires the Board to determine that an applicant has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act. 12 U.S.C. § 1842(c)(3)(A). The Board has reviewed the restrictions on disclosure in the relevant jurisdictions in which Bank of Montreal operates and has communicated with relevant government authorities concerning access to information. In addition, Bank of Montreal has committed that, to the extent not prohibited by applicable law, it will make available to the Board such information on the operations of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the International Banking Act, and other applicable federal laws. Bank of Montreal also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable its affiliates to make such information available to the Board. Based on all facts of record, the Board has concluded that Bank of Montreal has provided adequate assurances of access to any appropriate information the Board may request.

¹⁸ 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. See 12 CFR 225.13(a)(4). Regulation K provides that a foreign bank will be considered subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of

Bank of Montreal. The Board previously has determined that Bank of Montreal is subject to comprehensive supervision on a consolidated basis by its home country supervisor.¹⁹ Based on this finding and all the facts of record, the Board has concluded that Bank of Montreal continues to be subject to comprehensive supervision on a consolidated basis by its home country supervisor.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and to take into account the records of the relevant insured depository institutions under the Community Reinvestment Act (“CRA”).²⁰ The Board must also review the records of performance under the CRA of the relevant insured depository institutions when acting on a notice under section 4 of the BHC Act to acquire voting securities of an insured savings association.²¹ The CRA requires the federal financial supervisory agencies to encourage insured depository institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal financial supervisory agency to take into account a relevant depository institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (“LMI”) neighborhoods, in evaluating bank expansionary proposals.²²

The Board has considered carefully all the facts of record, including evaluations of the CRA performance records of insured depository subsidiaries of HFC and M&I, data reported by HFC and M&I under the Home Mortgage Disclosure

the bank, including its relationship with any affiliates, to assess the bank’s overall financial condition and its compliance with laws and regulations. See 12 CFR 211.24(c)(1).

¹⁹ See Bank of Montreal, 91 Federal Reserve Bulletin C14 (2005) and 80 Federal Reserve Bulletin 925 (1994).

²⁰ 12 U.S.C. § 2901 et seq.; 12 U.S.C. § 1842(c)(2).

²¹ See, e.g., North Fork Bancorporation, Inc., 86 Federal Reserve Bulletin 767 (2000).

²² 12 U.S.C. § 2903.

Act (“HMDA”),²³ other information provided by Applicants, confidential supervisory information, and public comments received on the proposal. Although some commenters provided positive comments about the CRA performance of the depository institution subsidiaries of Applicants and M&I in certain markets, the same commenters also expressed opposition to the applications and notices and requested that the Board not approve the proposal unless HFC made specific CRA commitments in certain Metropolitan Statistical Areas (“MSAs”). Other commenters asserted that Applicants and M&I had not adequately served the credit and investment needs of its LMI communities. Commenters also expressed concern that the proposal might reduce the availability of credit to LMI neighborhoods and communities of color. Commenters alleged that M&I Bank and Harris Bank had not served the credit needs of minorities and had engaged in disparate treatment of minorities in their lending activities in certain markets. A commenter also expressed concerns that the branching records of M&I Bank and Harris Bank in predominantly minority census tracts were not proportionate to the percentage of the population residing in those tracts in the Milwaukee MSA.²⁴

A. CRA Performance Evaluations

As provided in the CRA, the Board has reviewed the convenience and needs factor in light of the evaluations by the appropriate federal supervisors of the relevant insured depository institutions’ CRA performance records. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.²⁵

²³ 12 U.S.C. § 2801 et seq.

²⁴ Applicants indicate that their branch network in the Milwaukee MSA is principally the result of their entry into that market in 2008 through acquisitions. Applicants further note that the acquisition of M&I would significantly expand their branch network in predominantly minority tracts in the Milwaukee MSA.

²⁵ See Interagency Questions and Answers Regarding Community Reinvestment, 75 Federal Register 11,642 at 11,665 (2010).

HFC's subsidiary banks each received a "satisfactory" rating at its most recent CRA performance evaluation by the OCC.²⁶ M&I Bank and M&I Savings Bank received an "outstanding" and "satisfactory" CRA performance rating, respectively, at their most recent evaluations by the relevant federal supervisors.²⁷ Applicants have represented that, on consummation of the proposed merger of M&I Bank, the former M&I Savings Bank, and Harris Bank Arizona into Harris Bank, Harris Bank would select elements from each bank to meet the needs of the communities that the combined organization would serve.²⁸

CRA Performance of Harris Bank. In Harris Bank's CRA evaluation,²⁹ examiners considered the bank's overall rating to be "satisfactory," with lending performance rated "high satisfactory." Examiners reported that the bank's geographic distribution of HMDA loans and small loans to businesses were adequate and that the

²⁶ The most recent CRA performance evaluations for Harris Bank and Harris Bank Arizona were as of July 1, 2009. Harris Central is a special-purpose bank exempt from performance evaluations under the CRA. 12 CFR 345.11(c)(3).

²⁷ The most recent CRA performance evaluation for M&I Bank by the Federal Reserve was as of February 16, 2009. The most recent CRA performance evaluation for M&I Savings Bank by the OTS was as of December 18, 2008. M&I Bank of Mayville is a special-purpose bank exempt from performance evaluations under the CRA. 12 CFR 345.11(c)(3).

²⁸ Several commenters requested that Applicants commit to undertake certain activities in the communities Applicants will serve on consummation of the proposal, including activities related to home lending and foreclosure, economic development, consumer lending and services, community development, and philanthropy. Applicants have stated that they plan to explore new methods and approaches to enhance the level of services provided to the communities they serve. The Board consistently has stated that neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges or enter into commitments or agreements with any organization and that the enforceability of any such third-party pledges, initiatives, and agreements are matters outside the CRA. See Bank of America Corporation, 90 Federal Reserve Bulletin 217, 232-33 (2004). Instead, the Board focuses on the existing CRA performance record of an applicant and the programs that an applicant has in place to serve the credit needs of its assessment areas at the time the Board reviews a proposal under the convenience and needs factor. In addition, the Board notes that neither the CRA nor the agencies' implementing rules require institutions to engage in charitable giving.

²⁹ The evaluation period was January 1, 2006, through June 30, 2009.

bank's lending activity reflected excellent responsiveness to the credit needs of its assessment area, considering its size, resources, and the market for deposits and loans in the Chicago assessment area. Examiners also noted that during the evaluation period, Harris Bank made 112 community development loans totaling \$172 million and that its community development lending addressed the need for affordable housing, economic development, and community services, and supported efforts to stabilize and revitalize the community. During the evaluation period, Harris Bank made more than 26,000 small business loans totaling more than \$2.6 billion in its assessment areas and in particular, 470 small business loans totaling \$84.8 million in the Milwaukee assessment area.³⁰ Examiners also noted that the bank's distribution of small loans to businesses of different revenue sizes was excellent.

The bank received a "high satisfactory" rating in the investment test. Examiners noted that Harris Bank exhibited a good level of responsiveness to credit and community development needs and that the bank made qualified investments within its assessment areas through equity-equivalent investments, purchases of securities, cash contributions, and grants totaling almost \$166 million during the evaluation period.

The bank also received a "high satisfactory" rating in the service test. Examiners noted that the bank has an adequate distribution of delivery systems that are reasonably accessible to individuals and geographies of different income levels in the Chicago assessment area. Within LMI geographies, the bank opened six offices and closed one during the evaluation period. Examiners noted that the bank's strategy during much of the evaluation period placed an emphasis on opening offices in LMI geographies, which

³⁰ In this context, "small business loans" are loans with original amounts of \$1 million or less that are secured by nonfarm, nonresidential properties or are commercial and industrial loans to borrowers in the United States. Commenters alleged that the small business lending performance of Harris Bank in 2009 was worse when compared to all lenders with respect to loans less than \$100,000 in the Milwaukee MSA. The Applicants note that the bank's performance in small business lending is consistent with its peers. Moreover, there is no standard for the percentage of small business loans in amounts of \$100,000 or less that a reporting institution is required to make.

improved access to the bank's offices in those geographies. The bank also offers various alternative systems for delivering retail banking services.

CRA Performance of Harris Bank Arizona. Harris Bank Arizona received an overall "satisfactory" rating in its 2009 evaluation.³¹ Under the lending test, Harris Bank Arizona received a "high satisfactory" rating, and examiners reported that the lending levels demonstrated excellent responsiveness to the credit needs of the bank's assessment areas. Examiners also noted that the bank's geographic distribution of loans was considered adequate, with a good level of lending to borrowers of different income levels.

Harris Bank Arizona received an "outstanding" rating under the investment test and examiners reported that the bank had an excellent level of qualified investment activity and community development lending within its assessment areas.

Harris Bank Arizona received a "low satisfactory" rating under the service test and examiners reported that the bank had an adequate geographic distribution of bank offices.

CRA Performance of M&I Bank. As noted, M&I Bank received an overall "outstanding" rating in its 2009 evaluation.³² Under the lending test, M&I Bank received a "high satisfactory" rating, and the examiners reported that the distribution of loans to small businesses was good. During the evaluation period, M&I Bank made 32,600 small business loans totaling almost \$6.8 billion throughout its assessment areas, with 19,600 small business loans totaling \$3.9 billion to businesses in Wisconsin.³³ Examiners reported

³¹ The evaluation period was January 1, 2006, through June 30, 2009.

³² The evaluation period was January 1, 2007, through December 31, 2008. Several commenters expressed concerns that M&I Bank might not continue to maintain its "outstanding" CRA rating after consummation of the proposal. Applicants note that M&I Bank has received a composite CRA rating of "outstanding" in its nine previous CRA evaluations. Applicants have also stated that they will review their and M&I's current products and services with a view toward selecting elements from each to meet the credit needs of the communities that the combined organization will serve.

³³ One commenter alleged that M&I Bank's small business lending in 2009 was worse when compared to all lenders with respect to loans less than \$100,000 in the Milwaukee MSA. As previously noted, there is no standard for the percentage of small business loans in amounts of \$100,000 or less that a reporting institution is required to make.

that the bank's lending activity reflected good responsiveness to credit needs throughout the bank's assessment areas.

Examiners reported that M&I Bank was a leader in making community development loans and made extensive use of innovative and flexible lending practices. During 2007 and 2008, M&I Bank originated 551 community development loans totaling approximately \$1.4 billion in its assessment areas. The majority of those loans were for affordable housing and economic development projects.

M&I Bank received an "outstanding" rating under the investment test. Examiners noted that the bank had an excellent level of qualified community development investments and grants and often served in a leadership position, particularly with respect to those investments not routinely provided by private investors. Examiners commended the bank for exhibiting excellent responsiveness to credit and community development needs.

M&I Bank also received an "outstanding" rating under the service test. Examiners found that M&I Bank's retail delivery systems were accessible to all portions of its assessment areas and that banking services and business hours were tailored to the convenience and needs of those areas, which included LMI census tracts and individuals. Examiners noted that banking services and business hours were tailored to meet the convenience and needs of the bank's assessment areas, including LMI areas.

CRA Performance of M&I Savings Bank. M&I Savings Bank received an overall "satisfactory" rating in its 2008 evaluation.³⁴ Under the lending test, M&I Savings Bank received a "low satisfactory" rating. Examiners reported that although the savings bank's overall lending activities were strong, the majority of its HMDA and small business loans were made outside its two assessment areas and that the lending levels reflected adequate responsiveness to the assessment areas' credit needs. Examiners reported that the savings bank generated a very strong volume of community development loans that provided a counterbalance for limited HMDA loan activity within its assessment areas.

³⁴ The evaluation period was January 1, 2005, through December 31, 2007.

M&I Savings Bank received an “outstanding” rating under the investment test. Examiners found a substantial amount of qualified investments and noted that when all those investments were considered, the total amount was 173 percent of the amount in the preceding examination and represented approximately 1.2 percent of the institution’s assets.

M&I Savings Bank received a “low satisfactory” rating under the service test. Examiners noted that the savings bank had limited deposit-taking offices and derived a major portion of its funding from brokers. Community development services were considered to be adequate. Examiners also reported that the savings bank offered various banking services, including free ATM transactions, direct telephone banking, and electronic online banking.

B. HMDA and Fair Lending Records

The Board has carefully considered the HMDA data for 2008, 2009, and preliminary data for 2010 reported by HFC’s and M&I’s insured depository institutions, in their respective combined assessment areas and in the MSAs of concern to the commenters,³⁵ and the fair lending records of HFC and M&I, in light of public comments received on the proposal. Several commenters alleged, based on HMDA data reported in 2009, that HFC and M&I had not adequately served the credit needs of their LMI communities or had engaged in disparate treatment of minority individuals in home mortgage lending.

HMDA lending data for HFC’s depository institutions in 2008 and 2009 in their combined assessment areas were generally consistent with the aggregate lending by all reporting lenders in the relevant assessment areas (“aggregate lenders”) with respect to the percentage of their loans to African Americans and in predominantly minority census tracts but lagged the aggregate lenders in their lending in LMI census tracts in both years.

³⁵ For HFC, the MSAs of concern to the commenters include the MSAs for Chicago, Illinois; Gary, Indiana; and Milwaukee, Wisconsin. For M&I, the commenters expressed concern about the Appleton, Eau Claire, Madison, and Milwaukee MSAs in Wisconsin; the Indianapolis MSA in Indiana; the Orlando MSA in Florida; the Phoenix MSA in Arizona; and the St. Louis MSA in Missouri.

However, the banks' lending exceeded the aggregate lenders in loans to Hispanic borrowers and in loans to LMI individuals generally. The denial rates to African Americans relative to white applicants (denial disparity ratios or "DDR") in the combined assessment areas, in Illinois (HFC's home state), and in Chicago specifically were consistent with, or lower than, the aggregate lenders' DDRs in 2008 and 2009. For Hispanic borrowers, the DDR was generally consistent with the aggregate lenders in both years in those areas. The Board has also reviewed preliminary 2010 HMDA data and notes a significant decrease in the volume of applications and loans for HFC's depository institutions and the industry as a whole due to a weak housing market. This decline appears to have had a greater effect in predominantly minority and LMI geographies.

The HMDA-reportable lending data for 2008 for M&I's depository institutions in their combined assessment areas generally lagged aggregate lenders in lending to African Americans and Hispanics, in predominantly minority census tracts, and to LMI individuals. In 2009, HMDA-reportable lending data were generally consistent with the data for aggregate lenders with respect to the percentage of its loans to African Americans and Hispanics and in LMI census tracts but lagged aggregate lenders in the percentage of loans to LMI individuals and in predominantly minority census tracts. The DDR for African Americans relative to white applicants in the combined assessment areas was higher than for aggregate lenders in 2008 but was largely consistent with aggregate lenders in 2009. For Hispanic borrowers, the DDR was largely consistent with aggregate lenders in both years.

Several commenters were particularly concerned about the 2009 HMDA data for M&I's and HFC's depository institutions in the Milwaukee MSA. With respect to M&I, the lending performance slightly exceeded that of aggregate lenders with respect to the percentage of its loans to African Americans and Hispanics, in predominantly minority census tracts, and in LMI census tracts. The depository institutions were slightly higher than aggregate lenders with respect to their percentage of loans to LMI individuals. The DDR for African Americans in the MSA was lower than aggregate lenders in 2009 but was

higher for Hispanics in the same year. The Board has also reviewed preliminary 2010 HMDA data in the Milwaukee MSA and notes significant improvements in lending to African Americans and Hispanics, in predominantly minority census tracts, in LMI census tracts, and to LMI individuals.

The HMDA-related lending performance of HFC's depository institutions in the Milwaukee MSA in 2009 was consistent with or exceeded that of aggregate lenders with respect to the percentage of loans to Hispanics, in predominantly minority census tracts, in LMI tracts, and to LMI individuals but lagged aggregate lenders with respect to the percentage of loans to African Americans. The DDRs for African Americans and Hispanics in the MSA were lower than the aggregate lenders in 2009.

Although the HMDA data might reflect certain disparities in the rates of loan applications, originations, and denials among members of different racial or ethnic groups in certain local areas, they provide an insufficient basis by themselves on which to conclude whether or not HFC is excluding or imposing higher costs on any group on a prohibited basis. The Board recognizes that HMDA data alone, even with the recent addition of pricing information, provide only limited information about the covered loans.³⁶ HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has engaged in illegal lending discrimination.

The Board is nevertheless concerned when HMDA data for an institution indicate disparities in lending and believes that all lending institutions are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending but also equal access to credit by creditworthy applicants regardless of their race or ethnicity. Because of the limitations of HMDA data, the Board has considered these data

³⁶ The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. In addition, credit history problems, excessive debt levels relative to income, and high loan amounts relative to the value of the real estate collateral (reasons most frequently cited for a credit denial or higher credit cost) are not available from HMDA data.

carefully and taken into account other information, including examination reports that provide on-site evaluations of compliance with fair lending laws by HFC, M&I, and their subsidiaries. The Board also has consulted with the OCC about the fair lending compliance records of Harris Bank and Harris Bank Arizona and with the OTS about the fair lending compliance record of M&I Savings Bank. In addition, the Board has considered information provided by Applicants about their compliance-risk-management systems.

The record of this proposal, including confidential supervisory information, indicates that HFC has taken steps to ensure compliance with fair lending and other consumer protection laws. Applicants have in place a formal fair lending policy and program that apply to their U.S. operations, including those operations involved in home mortgage and small business lending. Applicants provide internal compliance training. Their bank management, line-of-business, and compliance staffs attend outside conferences and seminars and other fair lending and consumer protection training sessions. Applicants have indicated that the combined institution will continue to have such policies and procedures on consummation of the proposal. In the fair lending reviews conducted at the most recent CRA examinations of HFC's and M&I's depository institutions, the appropriate federal supervisory agency did not report any evidence of illegal credit discrimination.

The Board also has considered the HMDA data in light of other information, including the overall performance records of the subsidiary banks of Applicants and M&I under the CRA. Their established efforts and records of performance demonstrate that the institutions are active in helping to meet the credit needs of their entire communities and are not excluding individuals or geographies on a prohibited basis.

C. Conclusion on Convenience and Needs and CRA Performance

The Board has considered carefully all the facts of record, including reports of examination of the CRA records of the institutions involved, information provided by Applicants, public comments received on the proposal, and confidential supervisory information. Applicants represent that the proposal would result in increased credit availability and access to a broader array of financial products and services for customers of the combined organization. Based on a review of the entire record, and for the reasons

discussed above, the Board concludes that considerations relating to the convenience and needs factor and the CRA performance records of the relevant insured depository institutions are consistent with approval of the proposal.³⁷

Nonbanking Activities

As noted above, Applicants also have filed a notice under sections 4(c)(8) and 4(j) of the BHC Act to acquire certain nonbanking subsidiaries of M&I, including M&I Savings Bank, and to engage in a number of other nonbanking activities that are permissible for bank holding companies under Regulation Y, including financial and investment advisory activities, agency transactional services, trust company functions, activities related to extending credit, community development activities, and extending credit and servicing loans.³⁸ The Board previously has determined by regulation that the operation of a savings association by a bank holding company, and the other nonbanking activities for which Applicants have requested approval, are closely related to banking for purposes of section 4(c)(8) of the BHC Act.³⁹

As part of its evaluation of the public interest factors under section 4(j) of the BHC Act, the Board also must determine that Applicants' proposed acquisition of M&I's nonbanking subsidiaries "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."⁴⁰ As part of its evaluation of these factors, the Board has considered the financial condition and managerial

³⁷ A commenter expressed concern that the proposed acquisition would result in a loss of jobs. The effect of a proposed transaction on employment in a community is not among the factors that the Board is authorized to consider under the BHC Act, and the federal banking agencies, courts, and the Congress consistently have interpreted the convenience and needs factor to relate to the effect of a proposal on the availability and quality of banking services in a community. See, e.g., Wells Fargo & Company, 82 Federal Reserve Bulletin 445, 457 (1996).

³⁸ 12 U.S.C. §§ 1843(c)(8) and 1843(j); see 12 U.S.C. § 1843(i).

³⁹ 12 CFR 225.28(b)(1), (2), (4), (5), (6), (7), and (12). See Appendix A.

⁴⁰ 12 U.S.C. § 1843(j)(2)(A).

resources of Applicants, their subsidiaries, and the companies to be acquired, as well as the effect of the proposed transaction on those resources. For the reasons discussed above, and based on all the facts of record, the Board concludes that financial and managerial considerations are consistent with approval.

The Board also has reviewed the competitive effects of Applicants' proposed acquisition of M&I's nonbanking depository subsidiary, M&I Savings Bank. For the reasons stated earlier, and based on all the facts of record, consummation of this proposal would be consistent with Board precedent and DOJ Guidelines in the banking markets where Applicants' subsidiary banks and M&I Savings Bank compete directly.

In addition, Applicants and M&I compete directly in investment advisory services, trust and custodial services, and community development services. The geographic markets for each of these nonbanking activities are regional or national in scope, except the market for community development, which is local. The record in this case indicates that there are numerous providers of each of these services and that Applicants' and M&I's levels of participation in those activities are relatively small. Based on all the facts of record, the Board concludes that consummation of the proposed nonbanking acquisitions is not likely to have any significantly adverse competitive effects.

The Board also has reviewed carefully the public benefits of the proposed acquisition of M&I's nonbank subsidiaries. Applicants have indicated that the expanded geographic scope of their nonbanking operations would provide added convenience to current and future customers of Applicants and M&I and that customers of both institutions would have access to a broader array of products and services.

For the reasons discussed above, and based on the entire record, the Board has determined that the conduct of the proposed nonbanking activities within the framework of Regulation Y and Board precedent is not likely to result in adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of the public benefits under the standard of section 4(j)(2) of the BHC Act is consistent with approval.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications and notices⁴¹ should be, and hereby are, approved.⁴² In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Applicants with the conditions in this order and all the commitments made to the Board in connection with the proposal. For purposes of this action, these commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

⁴¹ Harris Bank also has given notice pursuant to section 25 of the FRA, 12 U.S.C. §§ 601-604a, and section 211.3 of Regulation K, 12 CFR 211.3, to acquire the Cayman Islands branch of M&I Bank. The Board has considered the factors it is required to consider when reviewing a notice to establish a branch under section 25 of the FRA and, based on all the facts of record, finds these factors to be consistent with approval.

⁴² Several commenters requested that the Board hold a public meeting or hearing on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authorities for the bank to be acquired make a timely written recommendation of denial of the application. 12 CFR 225.16(e). The Board has not received such a recommendation from the appropriate supervisory authorities. The Board's regulations provide for a hearing under section 4 of the BHC Act if there are disputed issues of material fact that cannot be resolved in some other manner. 12 CFR 225.25(a)(2). Under its regulations, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 CFR 262.3(3) and 262.25(d). The Board has considered carefully the commenters' requests in light of all the facts of record. In the Board's view, the commenters had ample opportunity to submit views and, in fact, submitted written comments that the Board has considered carefully in acting on the proposal. The requests fail to identify disputed issues of fact that are material to the Board's decision that would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the requests for a public meeting or hearing on the proposal are denied.

The proposal may not be consummated before the fifteenth calendar day after the effective date of this order, or later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors,⁴³ effective June 20, 2011.

(signed)

Robert deV. Frierson
Deputy Secretary of the Board

⁴³ Voting for this action: Chairman Bernanke, Vice Chair Yellen, and Governors Duke and Tarullo. Abstaining from this action: Governor Raskin.

Appendix A

Applicants propose to engage in the following nonbanking activities:

1. Acquiring and holding loans, in accordance with section 225.28(b)(1) of the Board's Regulation Y (12 CFR 225.28(b)(1));
2. Engaging in activities related to extending credit, including real estate settlement servicing, in accordance with section 225.28(b)(2)(viii) of the Board's Regulation Y (12 CFR 225.28(b)(2)(viii));
3. Operating a savings association, in accordance with section 225.28(b)(4)(ii) of the Board's Regulation Y (12 CFR 225.28(b)(4)(ii));
4. Engaging in trust company functions, in accordance with section 225.28(b)(5) of the Board's Regulation Y (12 CFR 225.28(b)(5));
5. Engaging in financial and investment advisory activities, in accordance with section 225.28(b)(6) of the Board's Regulation Y (12 CFR 225.28(b)(6));
6. Providing agency transactional services, in accordance with section 225.28(b)(7)(i) of the Board's Regulation Y (12 CFR 225.28(b)(7)(i)); and
7. Engaging in community development activities, in accordance with section 225.28(b)(12) of the Board's Regulation Y (12 CFR 225.28(b)(12)).

Appendix B

<p align="center">Bank of Montreal/M&I Banking Markets in Arizona Consistent with Board Precedent and DOJ Guidelines</p>						
<p>Deposit data are as of June 30, 2010. Deposit amounts are unweighted. Rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent (M&I Savings Bank at 100 percent).</p>						
<p>Phoenix – includes the Phoenix metropolitan area, including branches in the Phoenix Ranally Metropolitan Area (“RMA”) and Fountain Hills, Gold Canyon, and Maricopa.</p>						
	Rank	Amount of Deposits (000)	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	14	378.44	0.64	1842	5	60
<i>M&I</i>	4	2138.57	3.61			
<i>Bank of Montreal Post-Consummation</i>	4	2517.01	4.25			
<p>Tucson – includes the Tucson metropolitan area, including branches in the Tucson RMA and Green Valley.</p>						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	17	28.87	0.25	1703	2	18
<i>M&I</i>	6	353.06	3.04			
<i>Bank of Montreal Post-Consummation</i>	6	381.92	3.29			

**Bank of Montreal/M&I Banking Markets in Florida
Consistent with Board Precedent and DOJ Guidelines**

Deposit data are as of June 30, 2010. Deposit amounts are unweighted. Rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent (M&I Savings Bank at 100 percent).

Naples – includes the county of Collier, excluding the town of Immokalee.

	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	28	53.3	0.51	933	1	38
<i>M&I</i>	14	141.99	1.37			
<i>Bank of Montreal Post-Consummation</i>	13	195.29	1.88			

Sarasota – includes the counties of Manatee and Sarasota, excluding that portion of Sarasota County that is both east of the Myakka River and south of Interstate 75, which includes the town of North Port; the peninsular portion of the county of Charlotte west of the Myakka River (currently includes Englewood Beach, New Point Comfort, Grove City, Cape Haze, Rotonda, Rotonda West and Placida); and Gasparilla Island (the town of Boca Grande) in the county of Lee (all in Florida).

	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	42	22.52	0.13	939	1	46
<i>M&I</i>	8	568.73	3.41			
<i>Bank of Montreal Post-Consummation</i>	8	591.25	3.54			

**Bank of Montreal/M&I Banking Markets in Indiana
Consistent with Board Precedent and DOJ Guidelines**

Deposit data are as of June 30, 2010. Deposit amounts are unweighted. Rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent (M&I Savings Bank at 100 percent).

Indianapolis – includes the counties of Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby; and Green township in the county of Madison (all in Indiana).

	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	11	495.29	1.68	1364	20	52
<i>M&I</i>	5	1791.2	6.07			
<i>Bank of Montreal Post-Consummation</i>	4	2286.49	7.75			

<p align="center">Bank of Montreal/M&I Banking Markets in Wisconsin Consistent with Board Precedent and DOJ Guidelines</p>						
<p>Deposit data are as of June 30, 2010. Deposit amounts are unweighted. Rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent (M&I Savings Bank at 100 percent).</p>						
<p>Green Bay – includes the counties of Brown and Kewaunee; Morgan, Abrams, Pensaukee, Chase, and Little Suamico townships in the county of Oconto; Angelica and Maple Grove townships in the county of Shawano; Oneida township in the county of Outagamie; and Cooperstown township in the county of Manitowoc (all in Wisconsin).</p>						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	21	10.86	0.13	3343	2	21
<i>M&I</i>	2	829.85	9.64			
<i>Bank of Montreal Post-Consummation</i>	2	840.71	9.76			
<p>La Crosse – includes the county of La Crosse; the town of Glencoe in the county of Buffalo; the towns of Arcadia, Preston, Ettrick, and Gale in the county of Trempealeau; the towns of Curran, Springfield, Franklin, North Bend, and Melrose in the county of Jackson (all in Wisconsin); the county of Houston; and Honier, Richmond, Pleasant Hill, New Hartford, and Dresbach townships in the county of Winona (all in Minnesota).</p>						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	22	14.07	0.57	767	8	25
<i>M&I</i>	6	177.95	7.17			
<i>Bank of Montreal Post-Consummation</i>	6	192.02	7.74			
<p>Madison – includes the county of Dane, excluding the eastern tier of townships (York, Medina, Deerfield, Christiana, and Albion); and Dekorra, Lowville, Otsego, Fountain Prairie, Columbus, Hampden, Leeds, Arlington, Lodi, and West Point townships in the county of Columbia (all in Wisconsin).</p>						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	19	179.97	1.48	768	54	41
<i>M&I</i>	1	2217.29	18.22			
<i>Bank of Montreal Post-Consummation</i>	1	2397.26	19.7			

Milwaukee – includes the counties of Milwaukee, Ozaukee, and Waukesha; East Troy township in the county of Walworth; Waterford, Norway, and Raymond townships in the county of Racine; Ixonia township in the county of Jefferson; and Polk, Jackson, Richfield, and Germontown townships in the county of Washington (all in Wisconsin).						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	7	804.9	1.76	1886	114	59
<i>M&I</i>	1	14713.13	32.26			
<i>Bank of Montreal Post-Consummation</i>	1	15518.03	34.03			
Sauk County – includes the county of Sauk; Westford and Willow townships in the county of Richland; Wyoming and Arena townships in the county of Iowa; and Newport township in the county of Columbia (all in Wisconsin).						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	4	167.67	10.74	1639	215	16
<i>M&I</i>	5	156.33	10.01			
<i>Bank of Montreal Post-Consummation</i>	2	324	20.75			
Shawano – includes the county of Menominee; the county of Shawano, excluding Angelica, Maple Grove, Hutchins, Aniwa, Birnamwood, Wittenberg, and Germania townships; and Dupont, Larrabee, and Matteson townships in the county of Waupaca (all in Wisconsin).						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	10	8.01	1.27	1805	72	10
<i>M&I</i>	1	178.45	28.33			
<i>Bank of Montreal Post-Consummation</i>	1	186.46	29.6			

Sheboygan County – includes the county of Sheboygan, excluding Russell and Rhine townships (all in Wisconsin).						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	11	46.94	2.54	1237	48	16
<i>M&I</i>	4	175.23	9.48			
<i>Bank of Montreal Post-Consummation</i>	3	222.17	12.02			
West Bend – includes the county of Washington, excluding Polk, Jackson, Richfield, and Germantown townships (all in Wisconsin).						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>Bank of Montreal Pre-Consummation</i>	15	8.07	0.56	1133	24	15
<i>M&I</i>	1	306.26	21.42			
<i>Bank of Montreal Post-Consummation</i>	1	314.33	21.98			