



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Conditional Approval #288
October 1998

September 30, 1998

Ms. Fonda Gamlin
Mergers and Acquisition Specialist
Union Planters Bank, National Association
P.O. Box 387
Memphis, Tennessee 38147

Re: Application to merge Magna Bank, National Association, St. Louis, Missouri with and into Union Planters Bank, National Association, Memphis, Tennessee, under the charter and title of the latter
Application Control Number: 98-SE-02-0059

Dear Ms. Fonda:

This is to inform you that on September 30, 1998, the Office of the Comptroller of the Currency ("OCC") approved the proposal to merge Magna Bank, National Association, St. Louis, Missouri ("Magna") with and into Union Planters Bank, National Association, Memphis, Tennessee ("UPBNA") under the charter and title of the latter, subject to the condition set forth in this letter.

This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, the merger agreement and those of the banks' representatives.

The merger of Magna Bank, National Association, St. Louis, Missouri, and Union Planters Bank, National Association, Memphis, Tennessee is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 U.S.C. §§ 215a-1 and 1831u(a), and the resulting bank is authorized to retain and operate the offices of both banks under 12 U.S.C. §§ 36(d) and 1831u(d)(1). The OCC previously approved an interstate merger transaction in which Missouri, Illinois, and Iowa were "host states." See, e.g., *Decision on the Application to merge Boatmen's Bank of Vandalia, Vandalia, Missouri and twenty-two other affiliate banks with and into NationsBank, National Association, Charlotte, North Carolina*, (OCC Corporate Decision No. 97-47, June 6, 1997), and the *Decision on the Application to merge Boatmen's National Bank of Arkansas, Little Rock, Arkansas, Twenty-Five Other Affiliated Banks, and NationsBank, National Association, Charlotte, North Carolina*, (OCC Corporate Decision No. 97-75, August 7, 1997).

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As a consequence of the merger, UPBNA will acquire Magna Insurance Agency, Inc. and InBank Insurance Agency, Inc., which sell life and health insurance in the states of Missouri and Illinois. As detailed in your application, UPBNA requested OCC approval to operate these subsidiaries for a period no longer than two years after consummation of the merger. Consistent with prior approvals,¹ approval of the merger is subject to the following condition:

- UPBNA shall establish the legal permissibility of Magna Insurance Agency, Inc. and InBank Insurance Agency, Inc., or restructure the activities to bring them into compliance with national banking law within two years from consummation of the merger.

The above condition is imposed in writing by the agency in connection with the granting of any application or other request within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

You represented in your application that UPBNA will merge its Missouri insurance operating subsidiaries, PFIC Missouri Agency, Brentwood, TN (“PFIC”) and Capital Savings Financial Services, Jefferson city, MO (“CSFS”), into Magna Insurance Agency, Inc. In previous decisions the OCC allowed UPBNA two-year periods to establish the legal permissibility of certain of the insurance activities of these subsidiaries or to restructure the activities to bring them into compliance with national banking law.² Please be advised the merger of Magna into UPBNA does not alter these requirements. With respect to certain term life insurance activities currently performed by PFIC, UPBNA has until February 26, 1999 to establish the legal permissibility of the activities or bring them into compliance with national banking law. Similarly, with respect to term life and long term care insurance activities currently performed by CSFS, UPBNA has until May 1, 2000 to establish legal permissibility of the activities or bring them into compliance with national banking law.

The OCC also authorizes the resulting bank, should the proposed transaction occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed before consummating the combination, as adjusted for the combination. The resulting bank will then

¹ See letter dated February 26, 1997, to Mr. Benjamin W. Rawlins, Jr., Chairman and Chief Executive Officer, Union Planters Corporation, from William J. Abernathy, Jr., Director for Compliance and Bank Analysis where by the OCC conditionally approved the acquisition of PFIC Corporation as an operating subsidiary and letter dated May 1, 1998, to Ms. Kathryn M. Cole, Esquire, Alston & Bird LLP, from John Stein, Corporate Manager where by the OCC conditionally approved the merger of Capital Savings Bank, FSB, Jefferson City, Missouri with and into Union Planters Bank, N.A., Memphis, Tennessee.

² Ibid.

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file a new Call Report and begin calculating its legal lending limit according to 12 CFR § 32.4(a) at the end of the quarter following consummation of the combination.

We will not issue a letter certifying consummation of the merger until we have received:

1. A Secretary's Certificate for each institution, certifying approval by a majority of the board of directors;
2. An executed merger and purchase and assumption agreements with Articles of Association for the resulting banks attached, and
3. A Secretary's Certificate for each institution, certifying that the shareholders' approvals have been obtained.

The Southeastern District Office must be advised in writing in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter. The effective date of the merger must be on or after the approval date and the receipt of other required regulatory approvals.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

All correspondence regarding this application should reference the application control number. If you have any questions concerning this letter, please contact me at (202) 874-5060 or Senior Corporate Analyst Louis Gittleman in our Southeastern District Office at (404) 588-4525.

Sincerely,

/s/

Maria G. Arevalo
National Bank Examiner
Bank Organization and Structure