



Comptroller of the Currency
Administrator of National Banks

Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Avenue, NE
Atlanta, Georgia 30303

Conditional Approval #286
October 1998

May 1, 1998

Kathryn M. Cole, Esquire
Alston & Bird LLP
601 Pennsylvania Avenue, N.W.
North Building, 11th Floor
Washington, D.C. 20004-2601

Re: 98-SE-02-014 - Union Planters Bank, N.A., Memphis, Tennessee

Dear Ms. Cole:

This is to inform you that the Office of the Comptroller of the Currency (“OCC”) has conditionally approved your proposal to merge Capital Savings Bank, FSB, Jefferson City, Missouri (“CSB”) with and into Union Planters Bank, National Association, Memphis, Tennessee (“UP”), under the title and charter of Union Planters Bank, National Association, Memphis, Tennessee. This approval is granted based on the information available and representations in the application and other materials.

UP will be acquiring an operating subsidiary known as Capital Savings Financial Services, Inc. (“CSFS”) as a result of the merger. Based on the information and representations in the application, we conclude that the proposed sale of annuities, mutual funds, and certain equity securities for the accounts of its customers are permissible activities for national banks and their operating subsidiaries.

In addition, to a very limited extent, CSFS engages in sales of term life and long term care insurance policies as agent. CSFS is located at the main office of CSB in Jefferson City, Missouri, a place the population of which exceeds 5,000. With respect to these insurance sales activities, as requested by the Bank, the OCC will allow the bank a two-year transition period to establish the legal permissibility of these activities, or restructure the activities to bring them into compliance with national banking law. This transition period would enable the Bank to bring its newly acquired business into compliance, as necessary, within a commercially reasonable period, without incurring the disruption of a partial shutdown of insurance activity. In Conditional Approval No. 208, the OCC permitted a national bank a two-year transition period under almost

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identical circumstances. This response is based solely on the facts as represented and any changes in the facts might require a different result. Our analysis also reflects current legal prudential standards and may be subject to revision as future developments warrant.

The following condition is a condition 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.

The Bank shall establish the legal permissibility of CSFS' insurance activities or restructure the activities to bring them into compliance with national banking law within two years of the date of this approval.

Also, in the event that CSB was formerly a mutual institution, UP must establish and maintain the liquidation account that was established by CSB at the time it converted to a stock form of ownership.

If the merger is not consummated within one year from this date, the approval shall automatically terminate unless the OCC has granted an extension.

The district office must be advised in writing at least 10 days in advance of the desired effective date for the transaction, so that the OCC may issue the necessary certification letter. The effective date must be after the expiration of the period during which the DOJ may file an injunction to stop the merger, i.e., at least 15 days after the date of this letter.

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

1. A Secretary's Certificate for each applicant institution, certifying that a majority of the board of directors has agreed to the proposed merger,
2. An executed merger agreement, and,
3. If required, a Secretary's Certificate from each institution, certifying that the required shareholder approvals have been obtained.

If you have questions, please contact the Bank Analysis Division at (404) 588-4525.

Very truly yours,

/s/

John O. Stein
Corporate Manager

Charter No. 13349