



Comptroller of the Currency
Administrator of National Banks

Southeastern District
Marquis One Tower, Suite 600
245 Peachtree Center Ave., N.E.
Atlanta, Georgia 30303

Corporate Decision #98-29 June 1998

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION OF UNION PLANTERS BANK, NATIONAL ASSOCIATION, MEMPHIS, TENNESSEE, TO MERGE WITH CITY BANK AND TRUST COMPANY, MCMINNVILLE, TENNESSEE, UNDER THE CHARTER OF UNION PLANTERS BANK, NATIONAL ASSOCIATION.

DECISION

Introduction

On March 20, 1998, application was made to the Office of the Comptroller of the Currency for prior authorization for City Bank and Trust Company, McMinnville, Tennessee (hereinafter, "CBT") to merge with/into Union Planters Bank, National Association, Memphis, Tennessee (hereinafter, "UPB"). This application was based on an agreement finalized between the proponents on April 15, 1998.

The Financial Institutions Involved

As of December 31, 1998, CBT, a state-chartered bank, had total deposits of \$219 million and operated 7 offices. On the same date, UPB had total deposits of \$2.8 billion and operated 518 offices. UPB is 100% owned and controlled by Union Planters Corporation, Memphis, Tennessee, a multi-bank holding company.

Competitive Analysis

The relevant geographic market for this proposal is DeKalb County, Tennessee. This is the area where competition between UPB and CBT is direct and immediate. Within this market, six banks compete for approximately \$183MM in deposits. UPB is the second largest depository institution with approximately 25 percent of the market's total deposits. CBT ranks fourth with approximately 18 percent of the market's deposits. Upon consummation of this transaction, UPB would become the largest depository institution with approximately 43 percent of the market's deposits. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any adverse competitive factors would be mitigated by the relative market

strength of the remaining competitors. Accordingly, consummation of this transaction will not have a significantly adverse effect on competition in any banking market.

Banking Factors

The Bank Merger Act requires the OCC to consider "...the financial and managerial resources and future prospects of the existing and proposed institutions, and convenience and needs of the community to be served." We find that the financial and managerial resources of UPB and CBT do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served. The merger will provide the customers of the target bank enhanced lending services, with UPB's substantial resources and expertise. The resulting bank will also offer several products/services that are not currently available from the target bank. In addition, the merger will provide the CBT's customers with additional access to banking services with more branches and ATMs. The resulting bank will provide the customers with competitive rates and generally foster competition in the area. Therefore, it appears that the transaction will have no adverse effects on the convenience and needs of the community. There are no branches being closed.

Community Reinvestment Act

A review of the record of this application and other information available to the OCC, as a result of its regulatory responsibilities, revealed no evidence that the applicants' record of helping to meet the credit needs of their communities, including low and moderate income neighborhoods, is less than satisfactory.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not significantly lessen competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

_____/s/
John O. Stein, II
Corporate Manager

5-18-98
Date

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