

REGIONS FINANCIAL CORP

Form S-4/A

August 17, 2006

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**As Filed with the Securities and Exchange Commission on August 17, 2006**  
**REGISTRATION NO. 333-135732**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Amendment No. 1**  
**To**  
**Form S-4**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**REGIONS FINANCIAL CORPORATION**  
*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**  
*(State or Other Jurisdiction of  
Incorporation)*

**6711**  
*(Primary Standard Industrial  
Classification Code Number)*

**63-0589368**  
*(I.R.S. Employer  
Identification Number)*

**417 North 20th Street**  
**Birmingham, Alabama 35203**  
**(205) 944-1300**  
*(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive  
Offices)*

**R. Alan Deer**  
**Executive Vice President,**  
**General Counsel and**  
**Corporate Secretary**  
**417 North 20th Street**  
**Birmingham, Alabama 35203**  
**(205) 326-7317**  
*(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)*

***With Copies To:***

**Edward D. Herlihy**  
**Lawrence S. Makow**  
**Wachtell, Lipton, Rosen & Katz**  
**51 West 52nd Street**  
**New York, New York 10019**  
**(212) 403-1000**

**John D. Buchanan**  
**Executive Vice President,**  
**General Counsel and Corporate Secretary**  
**AmSouth Bancorporation**  
**1900 Fifth Avenue North**  
**Birmingham, Alabama 35203**  
**(205) 326-5319**

**H. Rodgin Cohen**  
**Mitchell S. Eitel**  
**Sullivan & Cromwell LLP**  
**125 Broad Street**  
**New York, New York 10004**  
**(212) 558-4000**

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act ), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and may be changed. We may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

**PRELIMINARY DRAFT DATED AUGUST 17, 2006, SUBJECT TO COMPLETION**

**PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT**

We are pleased to report that the boards of directors of Regions Financial Corporation and AmSouth Bancorporation have unanimously approved a strategic merger involving our two companies. Before we can complete the merger, we must obtain the approval of the stockholders of both Regions and AmSouth. We are sending you this document to ask you to vote in favor of adoption of the merger agreement.

In the merger, AmSouth will merge with and into Regions, with the combined company retaining the name Regions Financial Corporation. If the merger is completed, AmSouth stockholders will receive 0.7974 shares of Regions common stock for each share of AmSouth common stock held immediately prior to the merger. After completion of the merger, we expect that current Regions stockholders will own approximately 62% of the combined company and AmSouth stockholders will own approximately 38% of the combined company.

The exchange ratio in the merger is fixed and will not be adjusted to reflect stock price changes prior to completion of the merger. Based on the closing price of Regions common stock on the New York Stock Exchange on May 24, 2006, the last trading day before public announcement of the merger, the 0.7974 exchange ratio represented approximately \$28.33 in value for each share of AmSouth common stock. Based on the closing price of Regions common stock on the New York Stock Exchange on August 16, 2006, the latest practicable date before the date of this document, the 0.7974 exchange ratio represented approximately \$29.34 in value for each share of AmSouth common stock.

You should obtain current market quotations for both Regions common stock and AmSouth common stock. Regions common stock is listed on the New York Stock Exchange under the symbol RF. AmSouth common stock is listed on the New York Stock Exchange under the symbol ASO.

The merger is intended to be generally tax-free to AmSouth stockholders other than with respect to any cash received instead of fractional shares of Regions common stock.

We cannot complete the merger unless Regions stockholders and AmSouth stockholders adopt the merger agreement. Regions and AmSouth will each hold a stockholders meeting to vote on this merger proposal. **Your vote is important.** Whether or not you plan to attend your meeting, please take the time to submit your proxy with voting instructions in accordance with the instructions contained in this document. If you do not vote, it will have the same effect as voting against the merger. The places, dates and times of the meetings are as follows:

**For Regions Stockholders:**  
October 3, 2006 10:00 AM  
Regions Bank Operations Center  
201 Milan Parkway  
Birmingham, Alabama 35209  
**Regions Board of Directors Unanimously**

**For AmSouth Stockholders:**  
October 3, 2006 11:00 AM  
AmSouth-Harbert Plaza  
1901 Sixth Avenue North  
Birmingham, Alabama  
**AmSouth s Board of Directors Unanimously**

**Recommends That Regions Stockholders Vote  
For Adoption of  
the Merger Agreement**

**Recommends That AmSouth Stockholders Vote  
For Adoption of  
the Merger Agreement**

This document describes the special meetings, the merger, the documents related to the merger, and other related matters. **Please read this entire document carefully.** We look forward to the successful combination of Regions and AmSouth.

Jackson W. Moore  
Chairman of the Board, President and  
Chief Executive Officer  
Regions Financial Corporation

C. Dowd Ritter  
Chairman of the Board, President and  
Chief Executive Officer  
AmSouth Bancorporation

**Neither the securities and exchange commission nor any state securities commission has approved or disapproved the Regions common stock to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

The securities to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is August 17, 2006, and it is first being mailed to Regions stockholders and AmSouth stockholders on or about August 18, 2006.

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**REGIONS FINANCIAL CORPORATION  
417 NORTH 20TH STREET  
BIRMINGHAM, ALABAMA 35203**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON OCTOBER 3, 2006**

Regions Financial Corporation will hold a special meeting of Regions stockholders at Regions Bank Operations Center, 201 Milan Parkway, Birmingham, Alabama, 35209, at 10:00 a.m. local time, on October 3, 2006 to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, by and between Regions Financial Corporation and AmSouth Bancorporation, dated as of May 24, 2006, as it may be amended from time to time, pursuant to which AmSouth Bancorporation will be merged with and into Regions Financial Corporation;

a proposal to approve the adjournment of the Regions special meeting, if necessary or appropriate, to solicit additional proxies; and

such other business as may properly come before the special meeting of stockholders or any adjournment or postponement of the meeting.

Upon completion of the merger, Regions will be the surviving corporation, and each share of AmSouth common stock will be converted into 0.7974 shares of Regions common stock. Your attention is directed to the joint proxy statement/prospectus accompanying this notice for a complete discussion of the merger. A copy of the merger agreement is included as **Annex A** to the accompanying joint proxy statement/prospectus.

The board of directors has fixed the close of business on August 14, 2006 as the record date for the Regions special meeting. Regions stockholders of record at such time are entitled to notice of, and to vote at, the Regions special meeting or any adjournment or postponement of the special meeting.

**Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope.** Alternatively, you may use the toll-free telephone number indicated on the proxy card to vote by telephone or visit the website indicated on the proxy card to vote on the internet. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Regions common stock who is present at the Regions special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. Also, a proxy may be revoked in writing at any time before the Regions special meeting.

**The Regions board of directors has unanimously approved the merger agreement and unanimously recommends that Regions stockholders vote for adoption of the merger agreement.**

**By Order of the Board of Directors,**

R. Alan Deer  
Executive Vice President, General  
Counsel and Corporate Secretary

Birmingham, Alabama

August 17, 2006

**YOUR VOTE IS IMPORTANT**

**Please complete, sign, date and return your proxy card, or vote via phone or the internet promptly, whether or not you plan to attend the special meeting.**

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**AMSOUTH BANCORPORATION  
1900 FIFTH AVENUE NORTH  
BIRMINGHAM, ALABAMA 35203**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON OCTOBER 3, 2006**

AmSouth Bancorporation will hold a special meeting of AmSouth stockholders at the auditorium of AmSouth Bank in the AmSouth-Harbert Plaza, 1901 Sixth Avenue North in Birmingham, Alabama at 11:00 a.m., local time, on October 3, 2006 to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, by and between Regions Financial Corporation and AmSouth Bancorporation, dated as of May 24, 2006, as it may be amended from time to time, pursuant to which AmSouth Bancorporation will be merged with and into Regions Financial Corporation;

a proposal to approve the adjournment of the AmSouth special meeting, if necessary or appropriate, to solicit additional proxies; and

such other business as may properly come before the special meeting of stockholders or any adjournment or postponement of the meeting.

Upon completion of the merger, Regions will be the surviving corporation, and each share of AmSouth common stock will be converted into 0.7974 shares of Regions common stock. Your attention is directed to the joint proxy statement/prospectus accompanying this notice for a complete discussion of the merger. A copy of the merger agreement is included as **Annex A** to the accompanying joint proxy statement/prospectus.

The board of directors has fixed the close of business on August 14, 2006 as the record date for the AmSouth special meeting. AmSouth stockholders of record at such time are entitled to notice of, and to vote at, the AmSouth special meeting or any adjournment or postponement of the special meeting.

**Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope.** Alternatively, you may use the toll-free telephone number indicated on the proxy card to vote by telephone or visit the website indicated on the proxy card to vote on the internet. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of AmSouth common stock who is present at the AmSouth special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. Also, a proxy may be revoked in writing at any time before the AmSouth special meeting.

**The AmSouth board of directors has unanimously approved the merger agreement and unanimously recommends that AmSouth stockholders vote for adoption of the merger agreement.**

**By Order of the Board of Directors,**

John D. Buchanan  
Executive Vice President,  
General Counsel and Corporate Secretary

Birmingham, Alabama



August 17, 2006

**YOUR VOTE IS IMPORTANT**

**Please complete, sign, date and return your proxy card, or vote via phone or the internet promptly, whether or not you plan to attend the special meeting.**

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**REFERENCES TO ADDITIONAL INFORMATION**

This document incorporates important business and financial information about Regions and AmSouth from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document, by requesting them in writing or by telephone from the appropriate company at the following addresses:

**Regions Financial Corporation**

417 North 20th Street  
Birmingham, Alabama 35203  
Attention: Jenifer Kimbrough  
Investor Relations  
Phone: (205) 944-1300

**AmSouth Bancorporation**

1900 Fifth Avenue North  
Birmingham, Alabama 35203  
Attention: M. List Underwood, Jr.  
Investor Relations  
Telephone: (205) 801-0265

You will not be charged for any of these documents that you request. Regions stockholders and AmSouth stockholders requesting documents should do so by September 26, 2006 in order to receive them before the meetings.

See **Where You Can Find More Information** on page 79.

**You should rely only on the information contained or incorporated by reference into this document to vote on the merger agreement. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 17, 2006. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date other than that date. Neither our mailing of this document to Regions stockholders or AmSouth stockholders nor the issuance by Regions of common stock in connection with the merger will create any implication to the contrary.**

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ANNEXES

ANNEX A	Agreement and Plan of Merger, dated as of May 24, 2006, by and between Regions Financial Corporation and AmSouth Bancorporation
ANNEX B	Stock Option Agreement, dated as of May 24, 2006, between AmSouth Bancorporation (as issuer) and Regions Financial Corporation (as grantee)

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- ANNEX C Stock Option Agreement, dated as of May 24, 2006, between Regions Financial Corporation (as issuer) and AmSouth Bancorporation (as grantee)
- ANNEX D Opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated dated as of May 24, 2006
- ANNEX E Opinion of Goldman, Sachs & Co., dated as of May 24, 2006

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What Am I Being Asked To Vote On?**

A: Regions stockholders and AmSouth stockholders are each being asked to adopt a merger agreement entered into between Regions Financial Corporation and AmSouth Bancorporation. In the merger, AmSouth will be merged with and into Regions, and Regions will be the surviving corporation.

**Q: Why Is My Vote Important?**

A: The affirmative vote of the holders of at least a majority of the outstanding shares of each of Regions and AmSouth is required to adopt the merger agreement. Accordingly, if a Regions stockholder or an AmSouth stockholder fails to vote or abstains, this will have the same effect as a vote against adoption of the merger agreement.

**Q: What Do I Need To Do Now?**

A: After you have carefully read this document, indicate on your proxy card how you want your shares to be voted. Then complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible. Alternatively, you may vote by telephone or the internet. This will enable your shares to be represented and voted at the Regions special meeting or the AmSouth special meeting, as applicable.

**Q: If My Shares Are Held In Street Name By My Broker, Will My Broker Automatically Vote My Shares For Me?**

A: **No.** Without instructions from you, your broker will not be able to vote your shares. You should instruct your broker to vote your shares, following the directions your broker provides. Please check the voting form used by your broker to see if it offers telephone or internet voting.

**Q: What If I Fail To Instruct My Broker?**

A: If you fail to instruct your broker to vote shares held in street name, the resulting broker non-vote will have the same effect as a vote against adoption of the merger agreement.

**Q: Can I Change My Vote?**

A: Yes. If you have not voted through your broker, there are three ways you can change your vote after you have submitted your proxy (whether by mail, phone or the internet):

First, you may send a written notice to the corporate secretary of Regions or AmSouth, as appropriate, stating that you would like to revoke your proxy.

Second, you may complete and submit a new proxy card or vote again by telephone or the internet. Your latest vote actually received by Regions or AmSouth, as the case may be, before the special meeting will be counted, and any earlier votes will be revoked.

Third, you may attend the Regions or AmSouth special meeting, as the case may be, and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will not revoke an earlier proxy you may have given.

If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker in order to change or revoke your vote.

**Q: If I Am An AmSouth Stockholder, Should I Send In My Stock Certificates Now?**

A: No. Please do **NOT** send in your stock certificates at this time. You will be provided at a later date with instructions regarding the surrender of your stock certificates. You should then, prior to the election deadline, send your AmSouth common stock certificates to the exchange agent, together with your completed, signed form of election. There is no need for Regions stockholders to send in or exchange their existing stock certificates at any time in connection with the merger.



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**Q: When Do You Expect To Complete The Merger?**

A: We currently expect to complete the merger in the fourth quarter of 2006. However, we cannot assure you when or if the merger will occur. We must first obtain the approvals of our stockholders at the special meetings and the necessary regulatory approvals.

**Q: Whom Should I Call With Questions?**

A: If you are a Regions stockholder and you have questions about the merger or the Regions special meeting or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

DF King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Telephone: 1-800-714-3305

If you are an AmSouth stockholder and you have questions about the merger or the AmSouth special meeting or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022  
Telephone: 1-877-750-9498

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**SUMMARY**

**This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which we refer in order to fully understand the merger and the related transactions. In addition, we incorporate by reference into this document important business and financial information about Regions and AmSouth. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled "Where You Can Find More Information" on page 79. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.**

**The Merger (Page 19)**

We encourage you to read the merger agreement, which is attached as **Annex A** to this document. The merger agreement provides that AmSouth will merge with and into Regions, with Regions as the surviving company. Each share of AmSouth common stock outstanding prior to the merger will automatically be converted in the merger into 0.7974 shares of Regions common stock. The combined company will retain the name Regions Financial Corporation and its common stock will continue to trade on the New York Stock Exchange, or the NYSE, under the symbol RF.

**Exchange Ratio in the Merger (Page 19)**

Upon completion of the merger, each AmSouth stockholder will receive 0.7974 shares of Regions common stock for each share of AmSouth common stock held immediately prior to the merger. We sometimes refer to this ratio as the exchange ratio. The aggregate number of shares of Regions common stock to which an AmSouth stockholder will be entitled upon completion of the merger will equal 0.7974 multiplied by the number of shares of AmSouth common stock held by that AmSouth stockholder. However, Regions will not issue any fractional shares. AmSouth stockholders entitled to a fractional share will instead receive an amount in cash equal to the fraction of a whole share of Regions common stock to which such stockholder would otherwise be entitled multiplied by the closing sale price of Regions common stock on the trading day immediately prior to the date on which the merger is completed. As an example, a holder of 100 shares of AmSouth common stock would receive 79 shares of Regions common stock and an amount of cash equal to the product of .74 and the Regions closing price on the trading day immediately prior to the date on which the merger is completed.

The exchange ratio is a fixed ratio. Therefore, the number of shares of Regions common stock to be received by holders of AmSouth common stock in the merger will not change if the trading price of Regions common stock or AmSouth common stock changes between now and the time the merger is completed.

Upon completion of the merger, we expect that Regions stockholders will own approximately 62% of the combined company and former AmSouth stockholders will own approximately 38% of the combined company.

**The market prices of both Regions common stock and AmSouth common stock will fluctuate prior to the merger. You should obtain current stock price quotations for Regions common stock and AmSouth common stock.**

**Regions Board of Directors Unanimously Recommends that You Vote FOR the Adoption of the Merger Agreement (Page 21)**

Regions board of directors believes that the merger is in the best interests of Regions and its stockholders and has unanimously approved the merger agreement. For the factors considered by the Regions board of directors in reaching its decision to approve the merger agreement, see the section entitled The Merger Regions Reasons for the Merger; Recommendation of Regions Board of Directors. Regions board of directors unanimously recommends that Regions stockholders vote **FOR** the adoption of the merger agreement.

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**AmSouth's Board of Directors Unanimously Recommends that You Vote FOR the Adoption of the Merger Agreement (Page 23)**

AmSouth's board of directors believes that the merger is in the best interests of AmSouth and its stockholders and has unanimously approved the merger agreement. For the factors considered by the AmSouth board of directors in reaching its decision to approve the merger agreement, see the section entitled "The Merger - AmSouth's Reasons for the Merger; Recommendation of AmSouth's Board of Directors." AmSouth's board of directors unanimously recommends that AmSouth stockholders vote FOR the adoption of the merger agreement.

**Regions' Financial Advisor Has Provided an Opinion to the Regions Board of Directors as to the Fairness of the Exchange Ratio, from a Financial Point of View, to Regions (Page 25)**

In deciding to approve the merger, the Regions board of directors considered the opinion of its financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which was given to the Regions board of directors on May 24, 2006, that, as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations described in the opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to Regions. A copy of this opinion is attached to this document as **Annex D**. Regions stockholders should read the opinion completely and carefully to understand the assumptions made, matters considered and limitations on the review undertaken by Merrill Lynch in providing its opinion.

**AmSouth's Financial Advisor Has Provided an Opinion to the AmSouth Board of Directors as to the Fairness of the Exchange Ratio, from a Financial Point of View, to AmSouth Stockholders (Page 32)**

In deciding to approve the merger, the AmSouth board of directors considered the opinion of its financial advisor, Goldman, Sachs & Co., which was given to the AmSouth board of directors on May 24, 2006, that, as of the date of such opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of AmSouth common stock. A copy of this opinion is attached to this document as **Annex E**. AmSouth stockholders should read the opinion completely and carefully to understand the assumptions made, matters considered and limitations of the review undertaken by Goldman Sachs in providing its opinion.

**Certain Executive Officers and Directors Have Financial Interests in the Merger (Pages 42 and 44)**

Certain executive officers and directors of Regions and AmSouth have financial interests in the merger in addition to their interests as stockholders. The boards of directors of each of Regions and AmSouth considered financial interests of each company's executive officers and directors, among other matters, in approving the merger. In the case of AmSouth, these interests include rights of executive officers under change of control agreements with AmSouth, rights under stock-based benefit programs and awards of AmSouth, rights under supplemental retirement benefit and thrift plans, and, in the case of C. Dowd Ritter, Chairman of the Board, President and Chief Executive Officer of AmSouth, rights under two split-dollar life insurance agreements with AmSouth. The AmSouth board of directors was aware of, and the Regions board of directors was notified of, these interests. Jackson W. Moore, Chairman, President and Chief Executive Officer of Regions, entered into an employment agreement superseding his existing agreement, which will become effective as of the completion of the merger, as more fully described under "The Merger - Interests of Regions' Officers in the Merger." Certain other executive officers of Regions have rights under change of control agreements with Regions, rights under stock-based benefit programs and awards of Regions, and rights under supplemental retirement benefit and thrift plans. The Regions board of directors was aware of, and the AmSouth board of directors was notified of, these interests.

**Board of Directors and Management of Regions Following the Merger (Page 42)**

Upon completion of the merger, the board of directors of Regions will consist of twelve current directors of Regions designated by Regions (plus up to one additional director with the mutual agreement of Regions and AmSouth), and nine current directors of AmSouth designated by AmSouth (plus up to one additional director with the mutual agreement of Regions and AmSouth).

Immediately following the merger, Jackson W. Moore, Chairman, President and Chief Executive Officer of Regions, will serve as Chairman of the Board of Regions, and C. Dowd Ritter, Chairman of the Board, President and Chief Executive Officer of AmSouth, will serve as President and Chief Executive Officer of Regions.

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**Regulatory Approvals We Must Obtain for the Merger (Page 47)**

We cannot complete the merger unless we obtain the prior approval of the Board of Governors of the Federal Reserve System. We have made or will make the necessary filings with the Federal Reserve Board. We estimate, as of the date of this document, that we will need to make divestitures of branches in 14 markets with aggregate deposits of approximately \$2.2 to \$2.5 billion, and related loans and securities, in order to obtain approval of the merger by the Federal Reserve Board, although this is a preliminary estimate and the actual divestitures we will need to make may be more or less than this estimate. We also have made or will make filings with various state banking departments, antitrust authorities and several other regulatory agencies as well.

Although we currently believe we should be able to obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to the combined company after the completion of the merger. As a matter of Federal Reserve Board policy, we must enter into written agreements for the divested branches before Federal Reserve Board approval can be obtained for the merger.

**Conditions to Completion of the Merger (Page 52)**

As more fully described in this document and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including:

adoption of the merger agreement by the stockholders of both companies;

receipt of governmental and regulatory approvals required to complete the merger, which approvals must not be subject to any condition that would have a material adverse effect on the combined company after the completion of the merger;

there being no injunction, decree, or order enjoining or prohibiting the merger;

listing of the Regions common stock to be issued in the merger on the NYSE;

the receipt by each party of an opinion of their respective counsel that the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

the accuracy of the other party's representations and warranties, subject to the material adverse effect standard in the merger agreement; and

the other party having performed and complied with its covenants in the merger agreement in all material respects.