

UNION PLANTERS CORP
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Regions Financial Corporation (Commission File No. 0-6159)

REGIONS & UNION PLANTERS TO MERGE
ANALYST/INVESTOR CONFERENCE CALL TRANSCRIPT
JANUARY 23, 2004

Presentation

Operator: Good morning, everyone, and welcome to the analyst investor conference call discussing the merger of Regions Financial Corp. and Union Planters Corporation. As a reminder this call is being recorded. After the remarks by members of senior management, we will open the call to questions from investors and analysts only. You may ask your questions [Operator Instructions].

I'd now like to turn the conference over to Mr. Carl E. Jones Jr. -- Chairman, President, and CEO of Regions Financial Corporation. Mr. Jones, please go ahead.

Carl Jones: Thank you very much and thanks to everybody for listening in this morning. I'm here in Memphis, Tennessee and with me is Allen Morgan and this recalls a time about three years ago when Allen and I had a conference call similar to this, announcing the merger of our two fine organizations -- Regions and Morgan Keegan. This morning I'm in the offices of Union Planters. And it's great to be back in Memphis. And Jack Moore and I will be announcing the merger of our two companies. With us also are the respective CFOs of our two companies -- Bobby Doxey and Bryan Jordan. We will be making some forward looking comments in our discussion today and as you'll recall that there's some certain risk factors that could cause our results to differ materially from current expectations. They've all been detailed in both our companies' recent SEC filings and we refer you to them.

What I'd like to do first is look at what we perceive to be our vision. We are starting a process of creating a new regional force. We will have a leading market share in the mid South region with high returns and low-risk. In addition, together, we will have meaningful positions in the surrounding high growth markets. And as a new regional force, we will be very diversified with a well-positioned mix of business. While going forward you might ask what will be our strategies to achieve this vision.

On slide 4 for those of you following this on a Web cast you will see that we have three or four strategies.

First, we want to improve a capital generation and our high return markets through cost and scale advantages. Secondly, we think we can leverage that pro forma scale and the breadth of our combined organizations so we can invest in a high growth market. So we can overlay the prevent ability of Morgan Keegan to leverage this enhanced footprint. We think we can extract some synergies from overlapping business lines.

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Also we will support and accelerate the credit leverage and possibility in the Union Planters franchise. And finally we will do this integration in a very intelligent and careful manner by focusing on our customers, our associates and the communities that we serve.

We think this will be a very low-risk transaction. This is a friendly merger. There's no premium to overcome and many key management and other transition decisions have already been made. Both companies have similar cultures, share values and extensive experience in putting organizations together.

We will take a careful and intelligent approach to integrating our companies, which we expect to have completed by 2006.

Slide 6 speaks to another reason. We believe this is a low-risk merger. Jack and I have known each other for a long time. And we've gotten to know each other a lot more lately. We also have learned a lot more about our perspective organizations. What I've learned and I'm sure Jack will agree is that there is a tremendous overlap in the way our two companies do business.

Our business models are very similar. As you can see, on slide 6.

Our corporate headquarters will be in Birmingham. We will continue to maintain a significant corporate presence in Memphis. As Morgan Keegan and our combined mortgage business will be headquartered here in Memphis. Also as you can see, Regions will be raising its dividends to match the current Union Planters dividend rate.

I will continue as CEO until my planned retirement at mid year next year at which time Jack will take over as CEO.

Slide 8 shows some of the key executive decisions that have already been made. I would like to comment about one name that's not on this page. And that's Luann Poynter who has been running the mortgage operation for Union Planters. Luann also serves on the board of directors of Union Planters. I'd all I like to publicly thank Luann for all she's done to help bring this together. She's been trying to retire for a couple of years, Jack tells me. But she has been very very instrumental in helping us develop a strategy and a go forward kind of position for our combined mortgage banking operations.

Now I guess I'd like to turn the presentation over to my good friend and my new partner, Jack Moore.

Jack Moore: Thank you, Carl, and I want to express my own personal enthusiasm -- the enthusiasm of the Union Planters board of directors and the enthusiasm of all of our 11,000 associates across our footprint. As Carl said, we have common roots personally -- we both grew up in Alabama. We got undergraduate schools from -- undergraduate degrees from the University there and I guess Carl and I've known each other for well over a dozen years and we know each other's family and we've watched each other's careers and watched each other develop the cultures of our respective companies. And we're very comfortable with the success that we've seen there.

If you see on slide 9 you can see that we have an unparalleled banking and financial services market presence in our new footprint. We are indeed creating a new regional force in banking and financial services. You can see the dots and the squares and the diamonds and you can see the opportunities for business development there for growth and for the things that we have the opportunity to do across a five plus million customer base. 1400 branches, 1700 ATMs, over 1200

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financial advisers, and a growing base of online customers within our two organizations.

On slide 10, you can see our financial strength on a consolidated basis that shows that we are in the top 15 in the country as a consolidated company in terms of earnings, market capitalization, and tangible equity. We will have a very strong balance sheet which will give us the opportunity -- as Carl indicated -- to pay a good dividend, grow our dividend, and to return good value to our shareholders.

On slide 11, it breaks down the business mix of our consolidated companies. You can see that our new revenue profile will be very well diversified as Carl indicated. We will have approximately 43 percent of our revenues coming from fee-based sources and we also have a good balance of fee generating business. As you can see, that both our mortgage banking consolidated business as well as our Morgan Keegan financial services company will contribute, each, about 12 percent or total of about 25 percent to the consolidated company.

On slide 12 -- and this is one that we really came to set the opportunity in our companies as we look at this and develop what these numbers represent. If you look at the legacy markets of Union Planters and Regions and where our roots are in terms of the states and the surrounding and bordering states that do border are two primary markets of Tennessee and Alabama. If you add Arkansas, Georgia, Louisiana and Mississippi to Alabama and Tennessee, you can see the dominant presence that we have in those markets.

You can see that we have total deposit market share of 9 percent which is 50 percent larger than the number 2 bank organization. So we will have a very dominant presence in the Midsouth. We like those markets. We've been in those markets for over 100 years and our franchises, respectively, and these are low-risk markets and they've got high return

for us. And as you can see from the chart, we do have that number one market position in these core markets.

If you look at page 13, that's some information on the demographics of these core markets in our Midsouth regions. The medium income of the region is about the national average as you can see and the projected house income growth of 4 of 5 key markets that are within this region as well as those of the entire region is above the national average.

On slide 14, this also excites us about the consolidation. You can see that we have some high-growth and investment potential markets. Florida -- we will have the number six pro forma rank in the state of Florida with a 7 percent market share. Georgia, strong presence -- number 5 pro forma rank in Georgia and a 6.4 percent market share. Memphis -- we will put our organizations together here in Memphis over 17 percent market share number 2 ranking. St. Louis -- a growing market that the Morgan Keegan in franchise and the opportunity that we can do there has a tremendous potential. You can see our Texas presence that is growing. Our consolidated presence in Nashville and the positions that Regions has in the Carolinas and that Union Planters has in Indianapolis and Indianapolis is -- while it's in the Midwest and we've been in that market for a while -- it's got a lot of the same characteristics that Birmingham has, that Memphis has, that Nashville has and those markets that we do very well in and got really strong management in those markets.

On slide 15, as Carl indicated in one of the strategic opportunities for us, we believe that Regions' historic credit culture can accelerate the credit quality recovery that is underway at union planters. For those of you that follow Union

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Planters you've seen that we've improved our credit quality over the last five quarters and if you look on the right hand of slide 15, right hand side, you can see the significant improvement in pretax income that can be contributed to the consolidated company as we accelerate the credit improvement of the Union Planters loan portfolio.

At this time, it's my pleasure to introduce my good friend, Allen Morgan. I've known Allen for 25 plus years and it's a very exciting time and a very exciting day for those of us in this room where we've got two great Memphis institutions -- Morgan Keegan and Union Planters -- and we're coming together with another great institution -- Regions -- and are creating this new regional force in banking and financial services. Allen?

Allen Morgan: Thank you, Jack. As you can see on page 16 or slide 16 it gives a picture of the footprint of Morgan Keegan and Union Planters and where we hopefully can take advantage of this enlarged footprint. Morgan Keegan has 147 brokerage locations in 15 states in Canada and we have 900 financial advisers. Our brokerage assets are \$40 billion in this area. And we have a presence in 90 of the Regions bank branches. Union Planters as you can see has 717 bank branches to add to this combined company and they have approximately 325 Series 6 and 7 brokers and they have assets in their brokerage business of about \$2 billion.

The potential for us -- as you can see in a lot of areas -- is going to be quite good. The ones that we would -- the cities that we would target would be principally with -- be St. Louis, Indianapolis, and Miami where we have very little presence and they're very big markets. So we are excited about this.

Quite frankly, we haven't totally taking advantage over the last three years of all that we can do within the Regions system but that really opens it up for us.

On the next page or slide 17 you can see the success of Morgan Keegan with both average assets for regional financial adviser and how they've grown over the last three years and you can see that the retail revenues for regional financial adviser has also grown. This really doesn't look like what's happened in the markets, this is really a result of our combination with Regions that's made us a much stronger brokerage entity and allowed us to bring a lot more business to the table.

I should, I guess, turn this back over to Carl or Jack.

Jack Moore: Thank you, Allen. Let me make just a few comments about the other main line of business that the consolidated company will be in that helps diversify our business model and is a good balance product -- core product in the banking business for a long time and something that both Union Planters and Regions have been in the business for a long time and that's the mortgage business and you can see that on slide 18 that we will have a balanced mortgage business with scale.

When we combine our mortgage operations we will have a better product diversification, we will clearly have better improved geographic distribution with significant loan production and servicing capabilities. The consolidated loan production and servicing platforms of our two companies will rank in the top 20 in the United States and, as we indicated earlier, that's expected to generate about 12 percent of the consolidated companies' total revenue and pretax income. We got geographic distribution in 22 states. We would collectively last year would've originated over 25 billion in mortgage loans. And we will have a loan servicing portfolio of slightly over \$44 billion.

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On slide 19, we show there the opportunity we have within the mortgage banking business to improve our profitability. Clearly, our increased scale will allow us to improve our efficiency. There is a tremendous amount of efficiency opportunities within this business. It is a scale business, incremental servicing, incremental production can be added on to existing platforms that we have that will leverage those for significantly improving profitability through that efficiency.

Our new distribution network will increase revenue opportunities from the nonconforming mortgage products that we both have. Regions has one, we have one, and they're different. So it gives us an opportunity to leverage those.

Within our plan on a preliminary basis, we intend to focus more on the mortgage opportunities within our new expanded footprint. As Carl said, Luann Horner and her

team and Bob Goffi (ph) and his team had been looking at this and studying it and they're excited about the opportunities there and we certainly intend to exit some origination and servicing functions that are outside our current and expanding geographic footprint. So we have the right sizing opportunity, we've got the revenue enhancement opportunity and we have the expense rationalization opportunity within the mortgage business.

At this time, I would like to introduce Bryan Jordan, the Regions CFO and the new CFO of the consolidated company to discuss the financials. Bryan.

Bryan Jordan: Thank you, Jack. Let me also say that I'm very excited about the combinations we are announcing this morning. We believe the merger of these two companies will create significant value for our combined shareholder base. With the next few slides beginning on page 21 I will walk through our performance financials.

For presentation purposes, we are basing our pro formas on \$3.06 and \$3.31 per share of Regions stand-alones in 2004 and 2005 respectively. For Union Planters we're using \$2.25 in 2004, \$2.54 in 2005. Our pro formas are based \$200 million (indiscernible) estimated cost segment realized somewhat conservatively over 2 1/2 years -- \$200 million dollars in cost savings is roughly 7 percent of our combined expense (indiscernible). We are assuming \$300 million in merger restructure and merger related charges. We have not -- we have not built revenue enhancements in to these pro formas.

On page 22, we have presented pro forma estimates of after-tax earnings and earnings per share. The EPS -- the EPS estimates are presented both on a GAAP basis and on a cash basis. As you can see, we expect this merger to be cash accretive to the combined shareholder base in 2004 and to both GAAP and cash basis accretive in 2005 with only 60 percent realization of our estimated fully phased in cost sales. Again we expect this combination to be GAAP accretive in the first full calendar year.

Also presented is 2005's (indiscernible) effect to 100 percent of estimated cost savings. When we complete the integration of these two companies and realize the full benefit of our estimated efficiencies, this merger provides substantial accretion to our shareholders.

2005 -- assuming full phase in of the cost saves results in 4.8 percent and 9.2 percent GAAP and cash basis accretion, respectively, for Regions -- for the Regions shareholder base -- for the Union Planters shareholder base comparable GAAP and cash basis of accretive is over 10 and 12 percent, respectively.

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On page 23, we have provided some detail on our estimated cost savings and our restructuring cost. We believe that our estimated cost savings are conservative at only 7 percent of combined expense budget. Included in the appendix on page 32 is a comparison of our expense efficiency estimates to those of other mergers. We intend to take a conservative and measured process to integrating our Company through minimizing impact on customers. As such we estimate that we will achieve 15 percent of our cost savings in 2004, 60 percent of the fully phased in amount in 2005, 85 percent in 2006, and 100 percent thereafter.

Turning to page 25, you'll see a number of metrics that we believe support significant outside potential in our stock.

Page 26 lays out an estimate of a value accretive for our shareholders through realization of our estimated cost savings. The shareholder base created by our estimated cost savings is over \$1 billion. Combined with the opportunity for further value creation through the strong market position of the combined companies and our broad diversified product set we think this combination of Regions and Union Planters creates significant shareholder value. With that, Carl, I'll turn it back over to you.

Carl Jones: I want to leave some time for questions and answers but I do have a few closing comments. I guess first and foremost Jack and I truly believe this is a merger that will provide significant benefits to our shareholders. We will have a leading market position and a higher return in the Midsouth region, we will have a significant presents and high-growth in high potential markets that surround our core franchises and we will have a well diversified business mix and the ability to leverage our complementary business line across the larger customer base.

This will be a low-risk transaction that we believe will create significant franchise and shareholder value, but this transaction is bigger than the numbers and size. It's about a passion for customer service, respect and providing opportunity for ,employees and continued service to our communities. It's also about taking a measured approach to integrating our companies. We will do this carefully and intelligently. Paying close attention to these details will make this a very successful merger.

And now we will be pleased to take your questions.

Q-and-A

Operator: [Operator Instructions].

Jason Goldberg with Lehman Brothers.

Jason Goldberg: A couple of questions. I guess, first off, in terms of projection is there any share backpack factored into that and just thoughts -- you talked about creating (indiscernible) ?

Bryan Jordan: Jason, this is Bryan. We presented the pro forma financials and projected share counts on the pro forma. We don't give specific guidance about share buyback activity and to my knowledge I don't think Union Planters has either but you can interpolate based on the pro forma that we presented there.

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Jason Goldberg: And, secondly, on page 16 (indiscernible) the benefits of improvement in asset quality pro forma company. I imagine you (indiscernible) a lot of that benefit and kind of using Union Planners 2004 guidance which I think includes a 30 plus basis point improvement in that charge off ratio?

Unidentified Company Representative: The guidance that has been given would capture some of that but would not capture all of that.

Jason Goldberg: Okay and then you mentioned kind of exiting some businesses particularly on the mortgage size. Is that factored into the pro forma numbers that you presented?

Unidentified Company Representative: The information that Union Planters has talked to about previously in the restructuring charge is factored into the pro forma -- nothing else that has been discussed on this call has been factored into this point. Just the cost savings opportunities around the consolidation of those two entities.

Jason Goldberg: I guess (indiscernible). On slide 14, you mentioned the 7 percent market share in Florida. I think it's closer to 3 percent combined. Is there something that we're missing there?

Unidentified Company Representative: No. We think we calculated right, Jason, (indiscernible) later to figure out the difference.

Jason Goldberg: (indiscernible) Lastly, your decision to do it one for one per (indiscernible) shareholders as opposed to one for one for Regions shareholder which is the larger organization? Any particular reason to structure it that way?

Jack Moore: Jason, this is Jack. One of the things Carl and I wanted to do was to create this new company because we do see that this is going to be a new force within our footprint and it just worked out that that was the right way to do it. It was easier for the dividend, it was easier for our shareholders to understand they'll get one share back for each share they got, their dividend will remain the same, so we didn't have to make any adjustments there. No magic around that.

Operator: Kevin Fitzsimmons of (indiscernible).

Kevin Fitzsimmons: On a couple of slides and in a couple places you mentioned that your core franchise and you've kind described it as the Midsouth and shown those respective states. I'm just curious looking forward -- has there been any discussion or outlook on some of the upper Midwest states, specifically Indiana, Illinois, Iowa and also I'd throw in Missouri in there in terms of if there's not perceived as part of your core franchise any possible rationalization of the franchise or would you be open to selling either branch sales or whole portions of those franchises? Thank you.

Carl Jones: I think the term that Jack used is the legacy part of our company which is where both of us got started but we love every customer we've got no matter whether they're in the core franchise, the legacy franchise or our new expanding growing markets around the perimeter. At this point, we have absolutely no strategy to rationalize. This strategy is really about growing, serving our customers, serving our communities and we are excited about those opportunities.

Kevin Fitzsimmons: Okay, one quick follow-up. I just want to kind of follow-up on one of the points Jason brought up. The Union Planters had been aiming to

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bring earnings -- improve earnings by \$30-\$35 million, I believe. Is any of the 200 million in cost savings including any of that or is that all totally consolidation related?

Unidentified Company Representative: All the cost savings that we presented are totally related to the integration of the two companies.

Operator: Amy Eisner of Friedman Billings Ramsey.

Amy Eisner: Two quick questions. First who will be running the combined mortgage operation now that Luann has retired and, two, could you talk a bit about how this deal came about? Who approached who? And maybe how long the deal's been in the works?

Carl Jones: Amy, this is Carl. Luann is very key to this and will be helping us through this transition but at that point actually Luann and I have a place at the beach right next to each other and she's been wanting to get down there --

Jack Moore: That didn't have anything with us getting together.

Carl Jones: But Luann will be very important through the transition but Bob Goffi (ph) will be the CEO of our combined mortgage operations after that.

Your second question has to do with how long Jack and I've been talking about this and, really, I guess we started getting really excited about it just last month and but we have done all the things that we should do in these last six weeks and we feel really good about the prospects here of what were doing about building a new regional force.

Operator: Jeff (ph) Davis of FTN Securities.

Jeff Davis: Deal looks good -- makes a lot of sense. Question. What is I guess (indiscernible) industry issue but with regards to your assumptions for both of you what happens if we get into '05, '06 if you're into the crux of your integration with the rising rate environment?

Bryan Jordan: Our balance sheets are positioned very similarly. We both are slightly asset sensitive, we're very well balanced almost in and around neutral. We feel like our balance sheets will continue to perform very very well in the face of rising rates.

Jeff Davis: Okay and then with regards and -- sorry I did jump off the call -- but Kevin was starting to ask the question but just clarification. The upper parts of the Midwest -- those are for the time being will remain parts of the franchise?

Jack Moore: Yes, Jeff, this is Jack. Yes sir. We continue to see good growth and opportunities in Indiana, Indianapolis, and Lafayette -- West Lafayette. Good markets. We see good growth and a lot of the demographics of Iowa whether it's Waterloo or Des Moines or West Des Moines are not dissimilar from some of our core markets in the Midsouth. So I think you missed Carl's comment, but I echo it that we love every customer we have and we want those customers to grow with us and we want to add more customers to it. So we don't have any plans at all to dispose of any of the markets we're in right now.

Operator: Kevin Revy (ph) with Rhinebeck.

Kevin Revy: My first question is related to amortization and core deposit intangibles. (indiscernible) anticipating (indiscernible) (inaudible) and if so

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how much and how would that be amortized?

Bryan Jordan: This is Bryan, Kevin. The CVI (ph) estimate is about 1.75 percent of deposits or about \$385 million. We expect it will amortize that on an accelerated basis probably over seven years.

Kevin Revy: So it'd be on a straight line basis.

Bryan Jordan: No, it's accelerated.

Kevin Revy: Accelerated. And then, my second question is with regards to your expectations about customer attrition. Do you foresee any attrition as a result of this merger and if so, can you give us some color on that?

Carl Jones: We hope there's absolutely no attrition. There's minimal overlap in this put-together. It's more about making two great footprints fit. And overlap is just very minimal. This is really about increasing the breadth of what we can do for our combined customer base and increasing the depth of what we can do with our existing customers. We just don't see much attrition and there's nothing really factored in these projections. If we do it in a careful and intelligent way and we stay focused on our customers we think there will be very minimal attrition.

Operator: Jefferson Harralson of KBW.

Jefferson Harralson: My question is to the operating model of the combined company. In particular the (indiscernible) methodology that Regions has been successful in using, do you plan on using that with the combined company as well?

Carl Jones: Yes we do, Jefferson. We really believe pretty strongly in going through a risk adjusted exercise to see what kind of a return we're getting on our capital, both for products, for customers and for lines of business and so, yes, as a combined institute we'll be making use of that.

Jefferson Harralson: Have you already run some of that analysis on Union Planters as lines of businesses or footprints?

Bryan Jordan: We have not done anything specific in contemplation of this transaction but Bobby and the Union Planters team have been implementing very similar methodology over the last several years so we are very similar in that regard, Jefferson.

Jefferson Harralson: How aggressive are you guys going to be on -- once you do relay the (indiscernible) methodology on the Union Planters system, how aggressive can we expect you guys to be in making sure that the risk adjusted returns [technical difficulty]

I don't know if you heard the last part of that -- how aggressive can we expect that you will be on -- when you overlay down the Union Planters footprints that you will be making the risk adjusted returns acceptable returns?

Bryan Jordan: Jefferson, this is Bryan and Carl and Jack probably want to add to this but we -- by embracing that discipline, you act upon that discipline and I think that's what you can expect from the management of the combined companies.

Carl Jones: I think discipline is a key word -- this is Carl, Jefferson -- the other two words that Jack and I have been talking about we want to stay focused on our customers and we want to use common sense in all these decisions. So

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while we do have a discipline, I think the practical approach and the use of common sense is going to prevail and we're going to make the right decisions in a very smart intelligent way.

Operator: John Pandtle with Raymond James.

John Pandtle: I'd like to segue a bit from Jefferson's question. Carl and Bryan, last time you and I spoke we talked about how Rayrock and you overlaid it in Regions the past couple of years. It took a while for people in the system to get used to it and that's been ongoing with your sales culture. Can you talk about the plan going forward to overlay your sales culture on the UPC franchise? And on a related question, I understand how this transaction from an arithmetic standpoint really boosts at least year one year two EPS but can you talk more about what you expect in terms of a long-term growth rate? Does this enhance the long-term growth rate of the combined company?

Carl Jones: Jack, let me talk about the first issue and you pick up on the second issue if that's okay. The sales culture, John, we both think we've got some pluses there. And it's just a question of picking up the best out of each company and really forging a new sales culture going forward. We both have had some success, we both are somewhere along the journey of building a sales culture in our organization but, together, we think we can even

do more in building a sales culture. We take care of our customers and in our case we've learned an awful lot from the Morgan Keegan team. Now these guys are still four or five steps ahead of us in development of a sales culture. And so that's an opportunity to sort of overlay some of the Morgan Keegan in sales culture on both of our companies. Jack -- you want to try to touch on... ?

Jack Moore: Yes and it really dovetails into that very well because really putting the two companies together we think that if you look at each of us independently, that by putting the two companies together, the growth rate of the consolidated company and Carl's utilization of keeping the customers foremost and applying common sense in all the decisions that we make is very important, but the opportunity to leverage the Morgan Keegan product set, the Morgan Keegan experience, their sales ability, their investment management services across our several hundred thousand households is in and of itself just a modest amount of execution, is going to show incremental growth that Union Planters would not have had otherwise. Then you take the markets that Union Planters is in and has some meaningful customers in growth markets and you bring that product to that area as well, that will even have more incremental growth opportunities. So I think while there's no number specifically we can put on it Carl and I both agree that by putting the organizations together and utilizing the skill set that Morgan Keegan and products that they bring to us is going to enhance the growth rate that either of us would have the opportunity to do on our own.

Operator: Jackie Reeves (ph) with Rhinebeck.

Jackie Reeves: Just a few follow-up questions [inaudible] growth market. Can you give us some additional color with exactly how and when you plan to continue to invest in these core markets or more probably when?

Carl Jones: Jack, I'm going to let you take that one. Okay?

Jack Moore: That would be great. Well, we know in the Texas markets when we're looking outside the core Midsouth and the core legacy markets of our respective companies, I know that Regions right now is building branches in Texas. I know they're building branches in Georgia. They're building branches in Carolina.

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We're building branches in Nashville, we're building branches in Indiana, in Indianapolis. And it isn't about bricks and mortar by any means. It really goes back more to -- I think -- the opportunity in those markets where we both have some presence, we can put our organizations together and we can spread. Here again, the Morgan Keegan product set across that customer base and we can bring Morgan Keegan into some markets where we have significant presence -- St. Louis, Indianapolis, and we are expanding in those markets to provide that growth. And we got excess capital from these markets. Our legacy markets that will give us the ability to leverage that across our growth market. So it really fits very well together for the Midsouth markets and the perimeter growth markets that we have there.

Jackie Reeves: Especially the stand-alone plan that both companies had had to expand into the various markets as you mentioned still remains intact. There's maybe no acceleration of that based on excess capital generation or further focus?

Jack Moore: Well, we're going to do this as Carl said and as Bryan said, we're going to do this on a measured pace carefully and intelligently. And as we proceed forward in the process and we see the opportunity to enhance or accelerate any of the initiatives that are going to improve our growth or improve our profitability but not hurt the customer we're going to do that. But we think there's some opportunities out there that we're not smart enough yet to realize but we got a lot of smart people that are going to be involved in this and working on it together and we're pretty sure they're going to find those opportunities and beyond. As Carl said, it's more than the numbers here. There are things not only in putting the companies together and the opportunity there but I think there's more than these numbers here. And we try to approach these very conservatively and very intelligently in our forecast.

Jackie Reeves: You've also mentioned a few times about the conservative nature of your projections on the cost-saving side. Are there areas that you could discuss beyond the 200 million identified that are in the thinking or is that also to be flushed out as we move through?

Bryan Jordan: Jackie, this is Bryan. I think the answer to that will ball as we go through this integration process. We went through a very bottoms up process and tried to build it with a great degree of consistency in terms of a slow integration process that has minimal impact on the customer. If there are upside potentials in that we will realize it as we put these organizations together over the next couple of years.

Operator: Charlie Ernst with KBW.

Charlie Ernst: Congratulations, guys. Could you talk about what the pro forma regulatory capital ratios are? If you got those? And also what balance sheet opportunities you may have to leverage some of that capital if there is excess capital? One thing that I notice is that your bond portfolio is just under 19 percent on a pro forma basis which would be relatively low compared to the industry, so could you give us a little color there?

Bryan Jordan: This is Bryan. The tier one leverage ratio is going to be a little above 7 percent. You can deduct from the pro forma that are there we will have about a 55 percent payout ratio declining to -- with moderate dividend growth to around 50 percent. We still think we generate sufficient excess capital to continue to grow our dividend and make the investments that need to be made in these markets and need to be very strategic in the way we deploy it. With respect to the bond portfolio it's not our intent as we sit here today to lever that portfolio. We do it as a tool to manage interest rate risk in the

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organization and to manage liquidity and it's not something we sit around thinking about how large should that be in relation to the portfolio that it is really a tool to help us manage interest rate risk.

Operator: Ed Magarian (ph) with Merrill Lynch.

Ed Magarian: First question is, will Union Planters still take the restructuring charge they previously outlined a few weeks ago and go through that restructuring process ahead of the merger? That's question No. 1. Question No. 2 is just sort of a broader question. As I'm sure all you guys know there's been not a real great history in terms of the execution of mergers of equals in the banking industry because of bureaucracy and indecision when you try to bring two management teams together and some things like that so I was wondering if you could just address your plans for avoiding some of the past problems that we've seen with mergers of equals? Those will be my two questions, thanks.

Jack Moore: Let me take the first part, Ed, on the restructuring. Clearly as we were developing that restructuring charge -- even in December when we put our press release out relative to the mortgage business and talked about a restructuring charge -- we were in these discussions with Regions, obviously. And we were very careful and mindful of the restructuring focus that we released in our year-end release last week. We would not -- some of those will change from the categories they're in now. Some of them will roll into part of the consolidated company restructuring charge. But some of those, we will go ahead and take in due course of our operations as we had intended and we will stay on plan with those.

On the second question, I'll make a quick comment and you know I think we're going to have a strong partnership. I think our cultures are good. I think Carl and I go back a long way and he's a man of principles, integrity, and I feel very good about our execution capacity and I've known Allen for 25 years and I think the senior team that we will have working on this and making it happen is going to be very important.

Carl Jones: I'm going to make a couple of comments and then I'd like Allen's comment from his perspective because this is a risk. Any time you got the integration of 2 organizations, but in this case I mean we got cultures that are very similar, we got business models that are very similar. We got two strong leaders in our companies -- Bobby Doxey and Rick Horsley are going to be the integration leaders putting this together and then we got a history of being able to do this. And Allen, I guess I'd like you to speak to us and (indiscernible) if you would, Allen, because you and I have been partners now for almost three years and (MULTIPLE SPEAKERS).

Allen Morgan: Carl, they've told us over the last three years that brokerage business and banking business has never mixed very well and yet I think that the Morgan Keegan Regions deal has been proclaimed as one of the really the best mergers of these kinds of businesses on the street and it was really for two reasons, in my opinion. One which you guys know how to do deals. You've done a lot of deals. You got a history of doing a lot of acquisitions and I think you know how to do it. And the second thing that people don't talk about, which is extremely important is the culture -- the culture of the organizations and even though bank and brokerage is very different, the culture within the two firms and the value systems were very much the same and I see that in the Union Planters Regions combination.

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Ed Magarian: Okay, thanks. Just to follow-up quickly. Jack, does that mean you'll take less than a \$50 to \$60 million restructuring charge (indiscernible)?

Jack Moore: We haven't said -- when we said that we did not say we would take it all in the first quarter. We said that that would be a restructuring charge we would take during the year so, to date, we would plan to take less than that in the first quarter.

Carl Jones: We have time for just a couple more questions.

Operator: Todd Haberman (ph) with Fox-Pitt Kelton.

Todd Haberman: If you could, maybe, Bobby and Bryan, talk a little bit about the systems, the operating platforms in the two companies, the timing in terms of that you've laid out in terms and integration and if you could give a more insight -- I noticed on your cost-saving assumptions a lot of that is flowing through on the systems side. If you can help us kind of understand kind of the behind the scenes on that?

Bobby Doxey: Yes, this is Bobby. When we went through the due diligence process one of the things that we were very pleased about -- as you know, Union Planters has changed I guess we changed almost every one of our front end systems over the last 18 months through Project UP Excel. The good news about this is Regions on the front end systems, we share very similar systems and of course also the good news is in terms of their deposit core systems, they have the best of breed in core systems which we will certainly be integrating into. In terms of time, I think Jack and Carl have both said -- stressed and even during due diligence, we emphasized that this thing is about the customer. We're going to do it smart and you know that integration process, we are expecting it to go three years or so. And we're going to do it the right way. So we feel very excited on our side about the opportunities, especially after the due diligence and understanding their systems. Bryan.

Bryan Jordan: I agree. I think our systems are very compatible. Our technology and operations folks spent a good bit of time over the last several weeks, mapping out a plan -- they have a good strategy for doing it, and as Bobby and Carl and Jack and everybody said it is about customers and doing it right for a customer and (indiscernible) success of this organization. It'll take us 2, 2 1/2 years to get it all done.

Todd Haberman: When do you plan to start the process?

Bryan Jordan: Well, the first requisite petition is consummation of the transaction. We expect that mid year and you will see us start right after that. We got a little bit of planning opportunity in here but once the transaction consummates you will start to see us make some of those integration moves.

Todd Haberman: Okay and assuming that there's not much overlap in terms of the branch system is it fair to say that most of your cost-saving opportunities you're more or less seeing in the mortgage side of the business?

Unidentified Company Representative: This is spread all over. There are some -- there's a lot of BackOffice opportunities. I wouldn't characterize it as a lot in the mortgage office mortgage banking areas -- it is spread across the franchise.

Todd Haberman: Okay, and if I could quickly follow-up. Bryan, maybe you could just detail kind of the purchase accounting adjustments you envision -- where those are centered?

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Bryan Jordan: Yes we are expecting from an accounting perspective the Union Planters balance sheet would be the one marked-to-market per se in purchase accounting. It creates about 2.7 billion -- \$2.7 billion in additional goodwill, for deposit and intangible of about \$385 million. So I touched on the amortization period and the methodology around that and then about \$10 billion in equity. We have not gone through -- we've made some rough estimates in terms of marking the relative assets and liabilities to market, but nothing that would be fair to talk about this morning.

Operator: Ros Looby with Credit Suisse First Boston.

Ros Looby: Congratulations, guys. Jack, I guess I have one question for you and then one follow-up. You mentioned you've been talking to Regions for a month or six weeks. Did you talk to anyone else before that or during the process?

Jack Moore: Ros, Regions culture and our culture and our opportunities together are what we're focused on and we see the growth there. We got some -- realizing that here today and we're excited about the opportunity we're going to create through that process.

Carl Jones: At this point, I think we really have run out of time and wanted to thank every body for listening in this morning and questions were great and appreciate your participation. And we are excited about this journey we're beginning today. Thank you very much.

Unidentified Company Representative: Thank you.

Operator: Thank you. This does conclude today's teleconference. You may disconnect your lines at this time and have a wonderful day.

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