

SECURITIES AND EXCHANGE COMMISSION

FORM 424B2

Prospectus filed pursuant to Rule 424(b)(2)

Filing Date: **1994-09-22**
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FILER

COMPASS BANCSHARES INC

CIK: **18568** | IRS No.: **630593897** | State of Incorporation: **AL** | Fiscal Year End: **1231**
Type: **424B2** | Act: **33** | File No.: **033-61018** | Film No.: **94549978**
SIC: **6021** National commercial banks

Business Address
*15 SOUTH 20TH STREET
P O BOX 10566
BIRMINGHAM AL 35233
205-933-3000*

PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED APRIL 28, 1993)

\$50,000,000

[LOGO] COMPASS BANCSHARES, INC.
(FORMERLY CENTRAL BANCSHARES OF THE SOUTH, INC.)

8 3/8% SUBORDINATED NOTES DUE 2004

Interest on the 8 3/8% Subordinated Notes Due 2004 (the "Notes") of Compass Bancshares, Inc. (formerly Central Bancshares of the South, Inc.) (the "Company") is payable semi-annually on March 15 and September 15 of each year, beginning March 15, 1995. The Notes will mature on September 15, 2004. The Notes may not be redeemed prior to maturity and are not subject to any sinking fund. The Notes will be unsecured and subordinate in right of payment to all Senior Indebtedness and all Other Financial Obligations of the Company, as described in the accompanying Prospectus under "Description of Debt Securities--Subordinated Securities." The Notes are subject to acceleration only in the event of bankruptcy, insolvency or reorganization of the Company or a Principal Subsidiary Bank (as defined). The Subordinated Indenture does not provide for any right of acceleration of the payment of principal of the Notes upon a default in the payment of principal or interest or in the performance of any other covenant. See "Description of Debt Securities--Events of Default; Waiver" in the accompanying Prospectus.

The Notes will initially be represented by a global note (a "Global Note") registered in the name of a nominee of The Depository Trust Company, as Depository ("Book-Entry Notes"), but may, under certain limited circumstances, be exchangeable for certificates issued in definitive form. Beneficial interests in Book-Entry Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depository (with respect to its participants' interest) and its participants. See "Book-Entry Procedures."

THE SECURITIES OFFERED HEREBY ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR NON-BANK SUBSIDIARY OF THE COMPANY AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE

ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO COMPANY (1) (3)
<S>	<C>	<C>	<C>
Per Note.....	99.887%	.65%	99.237%
Total.....	\$49,943,500	\$325,000	\$49,618,500

- (1) Plus accrued interest, if any, from September 28, 1994.
(2) The Company has agreed to indemnify the several Underwriters against certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(3) Before deducting expenses payable by the Company estimated at \$80,000.

The Notes are offered by the several Underwriters, subject to prior sale, when, as and if delivered to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Notes will be made on or about September 28, 1994, only in book-entry form through the facilities of the Depository in New York, New York, against payment therefor in New York Clearing House funds.

BEAR, STEARNS & CO. INC.

DEAN WITTER REYNOLDS INC.

SEPTEMBER 21, 1994

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

The Company is a bank holding company with its principal place of business in Birmingham, Alabama. The Company was organized in 1970 and commenced business in late 1971 upon the acquisition of Central Bank & Trust Co. and State National Bank. The Company subsequently acquired substantially all of the outstanding stock of additional banks located in Alabama, 11 of which were merged in late 1981 to create Central Bank of the South, now known as Compass

Bank ("Compass Bank"), Alabama's first statewide bank. In February 1987, the Company acquired First National Bank of Crosby near Houston, Texas, and became the first out-of-state holding company to acquire a bank in Texas. Since that time the Company has acquired 19 banks in the Houston and Dallas areas. Since 1993, the Company has acquired 4 banks in Florida. In addition to Compass Bank, the Company also owns Central Bank of the South, a state chartered bank headquartered in Anniston, Alabama, Compass Bank, N.A., a national bank headquartered in Pensacola, Florida, Compass Bank, a federal savings bank headquartered in Jacksonville, Florida, and Compass Banks of Texas, Inc., a Delaware bank holding company, which owns Compass Bank-Houston in Houston, Texas, and Compass Bank-Dallas in Dallas, Texas. Compass Banks of Texas, Inc. also owns River Oaks Trust Company which has offices in Houston and Dallas, Texas.

The principal role of the Company is to supervise and coordinate the activities of its subsidiaries and to provide them with capital and services of various kinds. The Company derives substantially all of its income from dividends from its subsidiaries. Such dividends are determined on an individual basis, generally in relation to each subsidiary's earnings, deposit growth and capital position.

On June 30, 1994, the Company and its subsidiaries had consolidated assets of approximately \$7.8 billion, consolidated deposits of approximately \$6.0 billion, and total shareholders' equity of approximately \$569 million. Of the Company's approximately \$7.8 billion of consolidated assets, approximately \$5.2 billion are held in Alabama, approximately \$2.0 billion are held in Texas, and approximately \$549 million are held in Florida. The executive offices of the Company are located at 15 South 20th Street, Birmingham, Alabama 35233, and its telephone number at such address is (205)933-3000.

RECENT DEVELOPMENTS

The Company reported record net income of \$48 million for the first six months of 1994, an increase of 8 percent over the prior year. Net income per common share was \$1.30 for the first six months of 1994, compared to \$1.17 for the same period in 1993, an 11 percent increase. For the second quarter of 1994, net income increased 8 percent to \$24 million, while net income per common share increased 12 percent from \$0.59 per share to \$0.66 per share. Return on average assets was 1.27 percent and return on average common shareholders' equity was 17.38 percent for the period ended June 30, 1994, as compared to 1.28 percent and 17.31 percent, respectively, for the comparable period in 1993. For the quarter ended June 30, 1994, return on average assets was 1.26 percent, compared with 1.29 percent in 1993, while return on average common shareholders' equity increased from 17.18 percent in the second quarter of 1993 to 17.49 percent in the second quarter of 1994.

Total assets increased 10 percent to \$7.8 billion at June 30, 1994, from \$7.1 billion at June 30, 1993, and deposits increased 11 percent to \$6.0 billion from \$5.4 billion. Shareholders' equity increased 5 percent to \$569 million at June 30, 1994.

The Company completed the acquisition of First Federal Savings Bank of Northwest Florida and Peoples Holding Company, Inc., both located in Ft. Walton Beach, Florida, in October, 1993 and 1st Performance National Bank, located in Jacksonville, Florida, in January, 1994. In November, 1993, the Company completed the acquisition of Spring National Bank, located in Houston, Texas, and in May, 1994, the Company acquired Security Bank, N.A., located in Houston, Texas, and three banking offices of Anchor Savings Bank, F.S.B., located in Jacksonville, Florida. Acquisitions pending include the acquisition of approximately \$885 million in deposits of First Heights Bank, located in Houston, Texas, and the acquisition of Southwest Bankers, Inc. and its bank subsidiary, The Bank of San Antonio, located in San Antonio, Texas, which has assets of approximately \$135 million.

The Company from time to time considers, and engages in discussions regarding, possible acquisitions relating to its core lines of business. Except as described above, at the date of this Prospectus Supplement, there is no agreement or understanding with respect to any significant acquisition. Acquisitions that may be under consideration at any time may be significant and may include, without limitation, acquisitions of business operations or asset portfolios or of banks, thrifts or savings associations or their assets (and corresponding assumptions of liabilities). The Company expects that such acquisitions would generally be made in markets in which the Company presently operates or in markets within a reasonably close proximity to the Company's then existing markets or would otherwise have a strategic fit with the Company's then existing lines of business.

Until recently amended, Florida's regional banking act did not permit the Company to acquire banks in Florida because of the percentage of its assets located in Texas. As a result, the Company established a Florida subsidiary federal savings bank in order to be able to acquire banks located in Florida. In view of recent amendments to Florida's regional banking act which now permit the Company to acquire banks in Florida, the Company has filed applications to convert its federal savings bank headquartered in Florida to a state bank headquartered in Florida. Upon receipt of necessary regulatory approvals, the Company intends to merge its Florida federal savings bank and national bank in Florida into a Florida state bank. See "Supervision and Regulation" in the accompanying Prospectus.

Congress recently enacted and the President is expected shortly to sign into law the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Interstate Act"), which permits, commencing one year after enactment, bank holding companies to acquire banks located in any state without regard to whether the transaction is prohibited under any state law (except that states may establish the minimum age of their local banks (up to a maximum of 5 years) subject to interstate acquisition by out-of-state bank holding companies). Accordingly, following the effective date of the Interstate Act's bank holding company acquisition provisions, the Company will be permitted to undertake interstate acquisitions of banks consistent with those provisions, notwithstanding the limitations currently imposed by the interstate banking laws of Alabama, Florida, Texas or any other state.

SELECTED FINANCIAL DATA

The following selected financial data is qualified in its entirety by the detailed information and financial statements included in the documents incorporated herein by reference. Amounts have been restated to reflect acquisitions accounted for as poolings-of-interest. See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus.

<TABLE>

<CAPTION>

	SIX MONTHS ENDED		YEAR ENDED		
	JUNE 30, 1994	JUNE 30, 1993	1993	1992	1991
	(UNAUDITED)				
	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
Income statement:					
Net interest income....	\$ 163,268	\$ 165,698	\$ 329,013	\$ 316,924	\$ 257,593
Provision for loan losses.....	2,305	21,775	36,306	53,175	38,199
Noninterest income.....	34,745	52,574	103,186	96,887	86,971
Noninterest expense....	123,321	126,481	257,703	245,945	213,514
Net income.....	48,334	44,552	89,718	76,003	63,374
Balance sheet:					
Loans.....	\$5,311,865	\$4,912,127	\$5,197,464	\$4,679,059	\$3,983,814
Allowance for loan losses.....	110,523	102,793	110,616	83,859	55,982
Total deposits.....	6,036,005	5,415,812	5,625,097	5,420,013	5,117,766
FHLB and other borrowings.....	325,370	278,317	325,437	203,913	13,181
Average total equity...	560,752	529,941	538,787	482,047	409,482
Average assets.....	7,680,156	7,019,994	7,125,744	6,811,121	6,129,106
Period-end total equity.....	569,264	542,903	551,337	510,817	453,505
Period-end assets.....	7,769,637	7,139,363	7,333,594	7,084,441	6,781,121
Selected ratios:					
Net yield on earning assets(1).....	4.73%	5.28%	5.11%	5.20%	4.72%
Average equity to assets.....	7.30	7.55	7.56	7.08	6.68
Average net loans to average total deposits.....	88.59	89.06	90.24	82.77	80.27
Return on average assets(1).....	1.27	1.28	1.26	1.12	1.03
Return on average common equity(1).....	17.38	17.31	16.90	16.11	15.78
Return on average total equity(1).....	17.38	16.95	16.65	15.77	15.48
Nonperforming assets as a percentage of loans					

and ORE.....	0.57	1.21	0.77	1.40	1.93
Allowance for loan losses as a percentage of total loans.....	2.08	2.09	2.13	1.79	1.41
Allowance for loan losses as a percentage of nonperforming assets.....	363.23	172.55	275.58	127.20	72.16
Net chargeoffs as a percentage of average total loans(1).....	0.12	0.14	0.22	0.59	0.85
Ratio of earnings to fixed charges:					
Including interest on deposits.....	1.66x	1.70x	1.69x	1.50x	1.31x
Excluding interest on deposits.....	4.09	4.65	4.46	3.64	2.57

</TABLE>

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(1) These percentages are presented on an annualized basis.

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CAPITALIZATION

The following table sets forth the unaudited consolidated capitalization of the Company as of June 30, 1994, and as adjusted as of such date to give effect to the issuance of the Notes offered hereby.

<TABLE>

<CAPTION>

	ACTUAL	ADJUSTED FOR ISSUANCE OF NOTES
	-----	-----
	(DOLLAR AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
FHLB ADVANCES AND OTHER BORROWINGS:		
FHLB advances.....	\$246,000	\$246,000
Other borrowings.....	4,844	4,844
7% subordinated notes due May 1, 2003.....	74,526	74,526
8 3/8% subordinated notes due September 15, 2004...	--	50,000
	-----	-----
Total FHLB advances and other borrowings.....	\$325,370	\$375,370
	-----	-----
SHAREHOLDERS' EQUITY:		
Cumulative, convertible preferred stock, \$.10 par value; authorized 25,000,000 shares; none issued....	\$ -0-	\$ -0-
Common stock, \$2.00 par value; authorized 100,000,000 shares; issued 36,947,883 shares.....	73,896	73,896
Loans to finance stock purchase.....	(6,034)	(6,034)

Net unrealized holding loss on available-for-sale securities.....	(8,074)	(8,074)
Surplus.....	37,342	37,342
Retained earnings.....	472,134	472,134
	-----	-----
Total shareholders' equity.....	\$569,264	\$569,264
	-----	-----
Total FHLB advances and other borrowings and shareholders' equity.....	\$894,634	\$944,634
	=====	=====

</TABLE>

DESCRIPTION OF THE NOTES

The Notes will be issued under an Indenture, dated as of May 1, 1993 (the "Subordinated Indenture"), between the Company and Chemical Bank, as Trustee (the "Trustee"). A copy of the form of the Subordinated Indenture is filed as an exhibit to the Registration Statement and the terms of such form are more fully described in the accompanying Prospectus. The following description of the particular terms of the Notes offered hereby (referred to in the accompanying Prospectus as the "Debt Securities") and of the Subordinated Indenture supplements, and to the extent inconsistent therewith replaces, the descriptions of the general terms and provisions of the Debt Securities and of the Subordinated Indenture as set forth in the accompanying Prospectus under "Description of Debt Securities," to which descriptions reference is hereby made. Capitalized terms not defined herein have the respective meanings assigned to such terms in the Prospectus.

The Notes will be unsecured and will be subordinate in right of payment to all Senior Indebtedness and all Other Financial Obligations of the Company. There is no limitation on the issuance of additional Senior Indebtedness or the incurrence of Other Financial Obligations of the Company. The Company expects from time to time to incur additional indebtedness constituting Senior Indebtedness. As of June 30, 1994, the aggregate principal amount of Senior Indebtedness of the Company (parent company only) outstanding was approximately \$90 million.

The Notes will be limited to \$50,000,000 aggregate principal amount. The Notes will mature on September 15, 2004, and will bear interest at the rate per annum shown on the front cover of this Prospectus

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Supplement from September 28, 1994, or from the most recent Interest Payment Date to which interest has been paid or provided for, payable semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 1995, to the persons in whose names the Notes (or any predecessor Notes) are registered at the close of business on the preceding March 1 or September 1, as the case may be. The Trustee will serve as Security Registrar and, initially, as Paying Agent for the Notes.

The Notes will be denominated in U.S. dollars and payments of principal of and interest on the Notes will be in U.S. dollars. The Notes will be issued in

denominations of \$1,000 and integral multiples thereof. Upon issuance, the Notes will be Book-Entry Notes represented by a Global Note registered in the name of the nominee of the Depositary. See "Book-Entry Procedures" below.

Payment of the principal of and interest on each Global Note representing Book-Entry Notes will be made on each Interest Payment Date or at maturity by the Trustee as Paying Agent by wire transfer of immediately available funds to a separate account of the Depositary or its nominee at the Federal Reserve Bank of New York, provided that, in the case of payments made at maturity of such Global Note, such Global Note is presented to the Trustee in time for the Trustee to make such payments in accordance with its normal procedures. Payments to beneficial owners of Book-Entry Notes will be made through the Depositary and its participants. See "Book-Entry Procedures" below.

The Notes will not be redeemable by the Company prior to their stated maturity and will not be entitled to the benefit of a sinking fund. The Company may at any time repurchase the Notes at any price in the open market or otherwise.

BOOK-ENTRY PROCEDURES

Upon issuance, all Notes will be represented by one or more Global Notes. Each such Global Note will be deposited with or on behalf of The Depositary Trust Company, New York, New York, as Depositary, and registered in the name of the Depositary or a nominee thereof. Unless and until it is exchanged in whole or in part for Notes in definitive form, no Global Note may be transferred except as a whole by the Depositary to a successor Depositary, or between such Depositary or successor Depositary and any nominee of either.

The Depositary has advised the Company as follows: the Depositary is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Depositary holds securities of organizations that have accounts with the Depositary ("Participants") and facilitates the settlement of transactions among its Participants in such securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. The Depositary's Participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom own the Depositary. Access to the book-entry system is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Participant, either directly or indirectly.

Ownership of beneficial interests in the Notes will be limited to Participants or persons that may hold interests through Participants. The Depositary has advised the Company that upon the issuance of the Global Notes representing the Notes, and the deposit of such Global Notes with the Depositary, the Depositary will credit, on its book-entry registration and transfer system, the Participants' accounts with the respective principal amounts of the Notes beneficially owned by such Participants. Ownership of beneficial interest in such Global Notes will be shown on, and the transfer of

such ownership interests will be effected only through, records maintained by the Depositary or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons holding through Participants). The laws of

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some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in Global Notes.

So long as the Depositary, or its nominee, is the registered owner of a Global Note, the Depositary or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Subordinated Indenture. Except as provided below, owners of beneficial interest in a Global Note will not be entitled to have the Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or holders thereof under the Subordinated Indenture. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of the Depositary and, if such person is not a Participant, on the procedures of the Participant through which such person owns its interest, to exercise any rights of an owner or holder under the Subordinated Indenture. The Company understands that under existing industry practice, in the event that the Company requests any action of owners or holders or that an owner of a beneficial interest in such a Global Note desires to give or take any action which an owner or holder is entitled to give or take under the Subordinated Indenture, the Depositary would authorize the Participants holding the relevant beneficial interest to give or take such action, and such Participants would authorize beneficial owners holding through them.

Payment of principal of and interest on Notes registered in the name of the Depositary or its nominee will be made to the Depositary or its nominee, as the case may be, as the registered owner of the Global Notes representing such Notes. Such payments to the Depositary or its nominee, as the case may be, will be made by the Trustee by wire transfer of immediately available funds to the Depositary or its nominee, provided that, in the case of payments made at maturity of such Notes, such Global Notes are presented to the Trustee in time for the Trustee to make such payments in accordance with normal procedures. None of the Company, the Trustee or any agent of the Company or the Trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the Depositary, upon receipt of any payment of principal or interest in respect of a Global Note, will credit the accounts of the Participants with payment in amounts proportionate to their respective beneficial interest in such Global Note as shown on the records of the Depositary. The Company also expects that payments by Participants to owners of beneficial interests in a Global Note will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name,"

and will be the responsibility of such Participants.

If (i) the Depository is at any time unwilling or unable to continue as Depository or the Depository ceases to be a clearing agency registered or in good standing under the Exchange Act and the Company does not appoint a successor Depository within 90 days of notice of such condition; (ii) the Company determines that the Notes shall no longer be represented by a Global Note; or (iii) any event shall have happened and be continuing which, after notice or lapse of time, or both, would become an Event of Default with respect to the Notes, the Global Notes will be transferable or exchangeable, in whole but not in part, for Notes in definitive registered form of like tenor and of an equal aggregate principal amount, in denominations of \$1,000 and integral multiples thereof. Such definitive Notes shall be registered in such name or names and in such authorized denominations as the Depository shall instruct the Trustee. It is expected that such instructions may be based upon directions received by the Depository from Participants with respect to ownership of beneficial interests in such Global Notes.

The Subordinated Indenture provides that the Company may designate a successor depository under certain circumstances. In that event, the Company anticipates that such successor depository would implement record-keeping and clearing procedures comparable to those described above.

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UNDERWRITING

The Underwriters named below have severally agreed to purchase from the Company the following respective principal amounts of the Notes:

<TABLE>

<CAPTION>

UNDERWRITER -----	PRINCIPAL AMOUNT -----
<S>	<C>
Bear, Stearns & Co. Inc.....	\$25,000,000
Dean Witter Reynolds Inc.....	25,000,000

Total.....	\$50,000,000 =====

</TABLE>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Notes if any of the Notes are purchased.

The Company has been advised that the Underwriters propose to offer the Notes to the public initially at the public offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession of .40% of the principal amount of the Notes; that the Underwriters and such dealers may allow a discount of .25% of such principal amount on sales to certain other dealers; and that after the initial public offering, the public offering price and concessions and discounts to dealers may be changed.

The Notes will not be listed on any securities exchange. The Notes are a new series of securities with no established trading market. The Underwriters have informed the Company that they intend to act as market makers for the Notes. However, the Underwriters are not obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

The Company has agreed to indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act of 1933, as amended, or to contribute to payments which the Underwriters may be required to make in respect thereof.

The Underwriters and their associates and affiliates may be customers of, including borrowers from, engage in transactions with, and perform services for the Company and its subsidiaries in the ordinary course of business.

LEGAL OPINIONS

The validity of the Notes will be passed upon for the Company by Jerry W. Powell, Esquire, General Counsel, Secretary and an employee of the Company. As of June 30, 1994, Mr. Powell was the beneficial owner of an aggregate of approximately 45,784 shares of the Company's Common Stock. Balch & Bingham, Birmingham, Alabama, is also expected to render legal opinions as to certain legal matters on behalf of the Company. Certain legal matters in connection with the issuance of the Notes are subject to the approval of Covington & Burling, Washington, D.C., counsel to the Underwriters. As to matters of Alabama law, Covington & Burling will rely on the opinions of Balch & Bingham and Jerry W. Powell. Stanley M. Brock, a partner in the law firm of Balch & Bingham, is a director of the Company and, as of June 30, 1994, was the beneficial owner of an aggregate of approximately 170,335 shares of the Company's Common Stock.

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NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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\$50,000,000

[LOGO]

COMPASS BANCSHARES, INC.
(FORMERLY CENTRAL BANCSHARES OF THE SOUTH, INC.)

8 3/8% SUBORDINATED NOTES
DUE 2004

PROSPECTUS SUPPLEMENT

BEAR, STEARNS & CO. INC.

DEAN WITTER REYNOLDS INC.

SEPTEMBER 21, 1994

