AMSOUTH BANCORPORATION
Form 10-Q
August 14, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2001 Commission file number 1-7476

AmSouth Bancorporation
(Exact Name of registrant as specified in its charter)

Delaware	63-0591257
(State or other jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
AmSouth--Sonat Tower 1900 Fifth Avenue North Birmingham, Alabama (Address of principal executive offices)	35203 (Zip Code)

(205) 320-7151
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

As of July 31, 2001, AmSouth Bancorporation had 368,294,308 shares of common stock outstanding.

AMSOUTH BANCORPORATION

FORM 10-Q

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Forward-Looking Statements. Statements made in this report that are not purely historical are forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995), including any statements regarding descriptions of management's plans, objectives or goals for future operations, products or services, and forecasts of its revenues, earnings or other measures of performance. Factors that could cause future results to vary from current management expectations include, but are not limited to: legislation; general economic conditions, especially in the Southeast; changes in interest rates; deposit flows; the cost of funds; cost of federal deposit insurance premiums; demand for loan products; demand for financial services; competition; changes in the quality or composition of AmSouth's loan and investment portfolios; changes in accounting principles, policies or guidelines; other economic, competitive, governmental, regulatory, and technical factors affecting AmSouth's operations, products, services and prices; and the outcome of litigation, which is inherently uncertain and depends on the findings of judges and juries. Forward-looking statements in this report speak only as of the date of this report. AmSouth does not undertake a duty to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

AMSOUTH BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CONDITION
(Unaudited)

	June 30 2001	December 31 2000	June 30 2000
	(In thousands)		
ASSETS			

Cash and due from banks.................	$ 1,115,681	$ 1,276,431	$ 1,529,787
Federal funds sold and securities purchased under agreements to resell...	1,015,400	2,155,665	87,351
Trading securities.....................	13,538	11,942	34,090
Available-for-sale securities...........	4,503,894	1,908,917	5,935,980
Held-to-maturity securities (market value of $4,582,237, $6,729,880 and $6,726,831, respectively)..............	4,508,527	6,650,439	6,932,616
Loans held for sale....................	231,343	92,811	144,462
Loans..................................	25,202,042	25,088,186	25,938,197
Less: Allowance for loan losses.........	380,663	380,434	346,030
Unearned income...................	461,618	471,751	348,787
Net loans.........................	24,359,761	24,236,001	25,243,380
Other interest-earning assets...........	54,422	61,060	36,329
Premises and equipment, net.............	644,890	634,201	635,877
Customers' acceptance liability.........	3,083	1,418	3,474
Accrued interest receivable and other assets................................	1,996,684	1,907,093	2,012,720
	$38,447,223	$38,935,978	$42,596,066
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits and interest-bearing liabilities:			
Deposits:			
Noninterest-bearing demand...........	$ 4,738,023	$ 4,934,466	$ 4,988,178
Interest-bearing demand..............	9,819,838	9,579,868	9,600,304
Savings..............................	1,212,610	1,212,652	1,384,274
Time.................................	7,675,598	7,841,567	7,655,930
Foreign time.........................	252,860	503,414	1,441,561
Certificates of deposit of $100,000 or more............................	2,285,972	2,551,337	2,828,671
Total deposits....................	25,984,901	26,623,304	27,898,918
Federal funds purchased and securities sold under agreements to repurchase...	2,131,079	2,320,264	3,685,232
Other borrowed funds..................	147,809	536,848	1,605,411
Long-term Federal Home Loan Bank advances.............................	5,177,955	4,898,308	4,905,659
Other long-term debt..................	992,053	985,097	980,808
Total deposits and interest-bearing liabilities......................	34,433,797	35,363,821	39,076,028
Acceptances outstanding.................	3,083	1,418	3,474
Accrued expenses and other liabilities..	1,102,892	757,332	695,613
Total liabilities.................	35,539,772	36,122,571	39,775,115
Shareholders' equity:			
Preferred stock--no par value:			
Authorized--2,000,000 shares; Issued and outstanding--none..............	-0-	-0-	-0-
Common stock--par value $1 a share:			
Authorized--750,000,000 shares; Issued--416,939,073, 416,941,331 and 416,948,890 shares, respectively....	416,939	416,941	416,949
Capital surplus.......................	691,798	691,677	690,953
Retained earnings.....................	2,563,007	2,466,048	2,542,327
Cost of common stock in treasury-- 48,095,098, 43,134,387 and 38,092,716 shares, respectively.................	(738,183)	(651,328)	(571,624)

Deferred compensation on restricted stock	(18,134)	(2,381)	(4,369)
Accumulated other comprehensive loss	(7,976)	(107,550)	(253,285)
Total shareholders' equity	2,907,451	2,813,407	2,820,951
	$38,447,223	$38,935,978	$42,596,066

See notes to consolidated financial statements.

AMSOUTH BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS
(Unaudited)

	Six Months Ended June 30		Three Months Ended June 30	
	2001	2000	2001	2000
	(In thousands except per share data)			
INTEREST INCOME				
Loans	$1,027,944	$1,129,647	$502,490	$567,340
Available-for-sale securities	155,905	200,053	83,483	99,438
Held-to-maturity securities	147,723	229,498	72,897	114,443
Trading securities	136	1,489	128	746
Loans held for sale	9,502	4,284	7,539	1,680
Federal funds sold and securities purchased under agreements to resell	35,272	1,834	10,827	917
Other interest-earning assets	1,916	854	1,217	397
Total interest income	1,378,398	1,567,659	678,581	784,961
INTEREST EXPENSE				
Interest-bearing demand deposits	155,668	151,603	72,061	79,878
Savings deposits	9,550	26,155	4,641	9,566
Time deposits	227,124	206,928	110,539	105,684
Foreign time deposits	6,231	39,098	2,434	21,341
Certificates of deposit of $100,000 or more	72,549	79,004	34,082	40,744
Federal funds purchased and securities sold under agreements to repurchase	48,985	102,486	21,368	51,032
Other borrowed funds	6,726	59,684	2,218	33,073
Long-term Federal Home Loan Bank advances	148,050	148,052	73,695	74,096
Other long-term debt	30,298	33,440	14,169	16,911
Total interest expense	705,181	846,450	335,207	432,325
NET INTEREST INCOME	673,217	721,209	343,374	352,636
Provision for loan losses	84,300	48,200	46,100	22,800
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	588,917	673,009	297,274	329,836

NONINTEREST REVENUES				
Service charges on deposit accounts...	126,440	113,686	66,569	56,833
Trust income.........................	57,088	56,552	28,209	29,067
Consumer investment services income...	46,103	121,591	22,431	56,964
Bank owned life insurance policies....	27,434	24,429	13,353	12,211
Interchange income...................	27,081	24,947	14,035	12,932
Mortgage income......................	11,466	21,622	6,567	11,555
Portfolio income.....................	6,295	8,075	3,352	3,946
Gains on sales of businesses..........	-0-	538	-0-	538
Other noninterest revenues...........	68,041	68,022	33,131	35,379
Total noninterest revenues.........	369,948	439,462	187,647	219,425
NONINTEREST EXPENSES				
Salaries and employee benefits........	289,776	295,551	148,044	144,968
Equipment expense....................	60,509	63,309	30,213	31,129
Net occupancy expense................	55,680	58,048	27,867	28,099
Postage and office supplies...........	24,199	25,705	11,290	13,394
Communications expense...............	21,171	20,027	10,893	10,467
Amortization of intangibles...........	17,062	19,546	8,545	9,589
Marketing expense....................	17,083	20,978	8,576	8,985
Subscribers' commissions.............	-0-	57,879	-0-	27,285
Merger-related costs.................	-0-	110,178	-0-	88,224
Other noninterest expenses...........	94,602	94,310	46,587	48,034
Total noninterest expenses.........	580,082	765,531	292,015	410,174
INCOME BEFORE INCOME TAXES...........	378,783	346,940	192,906	139,087
Income taxes.........................	119,051	108,106	59,385	39,190
NET INCOME........................	$ 259,732	$ 238,834	$133,521	$ 99,897
Average common shares outstanding.....	370,457	389,138	368,688	386,682
Earnings per common share............	$ 0.70	$ 0.61	$ 0.36	$ 0.26
Diluted average common shares outstanding.........................	373,695	392,035	372,464	389,571
Diluted earnings per common share.....	$ 0.70	$ 0.61	$ 0.36	$ 0.26

See notes to consolidated financial statements.

AMSOUTH BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited)

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Deferred Compensation on Restricted Stock	Ac Com
				(In thousands)		
BALANCE AT JANUARY 1, 2001...........	$416,941	$691,677	$2,466,048	$(651,328)	$ (2,381)	$
Comprehensive income:						
Net income..........................	-0-	-0-	259,732	-0-	-0-	

Other comprehensive income, net of tax:						
Cumulative effect of accounting change (net of $6,324 tax expense)...........................	-0-	-0-	-0-	-0-	-0-	
Change in unrealized gains on derivative instruments (net of $3,840 tax expense)................	-0-	-0-	-0-	-0-	-0-	
Changes in unrealized gains and losses on available-for-sale securities, net of reclassification adjustment (net of $32,299 tax expense)...........................	-0-	-0-	-0-	-0-	-0-	
Comprehensive income						
Cash dividends declared..............	-0-	-0-	(159,173)	-0-	-0-	
Common stock transactions:						
Purchase of common stock............	-0-	-0-	-0-	(129,406)	-0-	
Employee stock plans................	(2)	46	(3,256)	36,789	(15,753)	
Dividend reinvestment plan...........	-0-	75	(344)	5,762	-0-	
BALANCE AT JUNE 30, 2001.............	$416,939	$691,798	$2,563,007	$(738,183)	$(18,134)	$
Disclosure of reclassification amount:						
Unrealized holding gains on available-for-sale securities arising during the period.........................						$
Less: Reclassification adjustment for gains realized in net income.........						
Net unrealized gains on available-for-sale securities, net of tax.........						$
Unrealized holding gains on derivatives arising during the period.............................						$
Less: Reclassification adjustment for gains realized in net income.........						
Net unrealized gains on derivatives, net of tax.........................						$

See notes to consolidated financial statements.

AMSOUTH BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30	
	2001	2000
	(In thousands)	

OPERATING ACTIVITIES		
Net income	$ 259,732	$ 238,834
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	84,300	48,200
Depreciation and amortization of premises and equipment	43,699	43,377
Amortization of premiums and discounts on held-to-maturity securities and available-for-sale securities	(9,011)	1,785
Noncash portion of merger-related costs	-0-	67,052
Net gain on branch sale	-0-	(7,668)
Net (increase) decrease in loans held for sale	(138,532)	26,720
Net decrease in trading securities	7,766	17,387
Net gains on sales of available-for-sale securities	(5,203)	(6,469)
Gains on sales of loans to dealer conduits	-0-	(9,323)
Gains on sales of loans to mortgage conduits	-0-	(15,307)
Net loss on loans held for accelerated disposition	-0-	1,759
Net increase in accrued interest receivable and other assets	(48,927)	(173,728)
Net increase (decrease) in accrued expenses and other liabilities	57,806	(79,348)
Provision for deferred income taxes	100,765	105,600
Amortization of intangible assets	17,039	19,480
Other operating activities, net	20,650	13,676
Net cash provided by operating activities	390,084	292,027
INVESTING ACTIVITIES		
Proceeds from maturities and prepayments of available-for-sale securities	607,453	281,358
Proceeds from sales of available-for-sale securities	218,807	384,701
Purchases of available-for-sale securities	(1,176,736)	(644,889)
Proceeds from maturities, prepayments and calls of held-to-maturity securities	656,032	487,467
Purchases of held-to-maturity securities	(502,515)	(338,491)
Net decrease in federal funds sold and securities purchased under agreements to resell	1,140,265	45,332
Net decrease (increase) in other interest-earning assets	6,638	(15,141)
Net increase in loans, excluding dealer securitization and mortgage and dealer conduits sales	(244,161)	(1,542,295)
Proceeds from sales of loans to dealer conduits	-0-	1,001,106
Proceeds from sales of loans to mortgage conduits	-0-	999,288
Net purchases of premises and equipment	(54,388)	(14,791)
Net cash from sales of branches, business operations, subsidiaries and other assets	-0-	(77,053)
Net cash provided by investing activities	651,395	566,592
FINANCING ACTIVITIES		
Net (decrease) increase in deposits	(638,403)	213,837
Net decrease in federal funds purchased and securities sold under agreements to repurchase	(189,185)	(410,515)
Net decrease in other borrowed funds	(389,039)	(530,309)
Issuance of long-term Federal Home Loan Bank advances and other long-term debt	600,013	4,175,000

Payments for maturing long-term debt................	(320,366)	(3,890,417)
Cash dividends paid.................................	(157,269)	(225,336)
Proceeds from employee stock plans and dividend reinvestment plan................................	21,426	27,515
Purchase of common stock............................	(129,406)	(251,092)
Net cash used for financing activities...........	(1,202,229)	(891,317)
Decrease in cash and cash equivalents...............	(160,750)	(32,698)
Cash and cash equivalents at beginning of period....	1,276,431	1,562,485
Cash and cash equivalents at end of period..........	$ 1,115,681	$ 1,529,787

See notes to consolidated financial statements.

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AMSOUTH BANCORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Six Months Ended June 30, 2001 and 2000

General--The consolidated financial statements conform to accounting principles generally accepted in the United States. The accompanying interim financial statements are unaudited; however, in the opinion of management, all adjustments necessary for the fair presentation of the consolidated financial statements have been included. All such adjustments are of a normal recurring nature. Certain amounts in the prior year's financial statements have been reclassified to conform with the 2001 presentation. These reclassifications had no effect on net income. The notes included herein should be read in conjunction with the notes to consolidated financial statements included in AmSouth Bancorporation's (AmSouth) 2000 annual report on Form 10-K.

Accounting Changes--Effective January 1, 2001, AmSouth adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and for Hedging Activities," (Statement 133) as amended, and, at that time, designated anew the derivative instruments used for risk management into hedging relationships in accordance with the requirements of the new standard. Derivative instruments used to hedge changes in the fair value of assets and liabilities due to changes in interest rates were designated as fair value hedges. Derivative instruments used to hedge the variability of forecasted cash flows attributable to interest rate risk were designated as cash flow hedges. The impact of adopting Statement 133 on AmSouth's financial condition was a net-of-tax increase to other comprehensive income of approximately $5,650,000, of which $2,031,000 is expected to be reclassified into earnings during 2001 due to the receipt of variable interest on its hedged variable rate loans. The impact to net income of adopting Statement 133 was immaterial. AmSouth also recorded an increase to other comprehensive income of $26,612,000 as a result of transferring $2,107,919,000 of securities from held-to-maturity to available-for-sale in conjunction with the adoption of Statement 133. The transition amounts were determined based on the interpretive guidance issued by the Financial Accounting Standards Board (FASB) to date. The FASB continues to issue interpretive guidance which could require changes to AmSouth's application of Statement 133 and adjustments to the transition amounts.

In September 2000, Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (Statement 140), was issued by the FASB. Statement 140 replaces

Statement 125, issued in June 1996. Statement 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, but carries over most of Statement 125's provisions without reconsideration. Statement 140 is effective for transfers occurring after March 31, 2001, except for certain paragraphs related to the isolation standards for financial institutions subject to receivership by the FDIC or other affected entities. For these entities, Statement 140's isolation standards will be effective for transfers of financial assets occurring after December 31, 2001. Therefore, affected institutions will have until December 31, 2001, to modify documents establishing securitization structures to comply with the new isolation standards. AmSouth is reviewing its conduit and securitization structures under this new guidance and plans to make any necessary revisions in the structure of these transactions to ensure these sales comply with the new guidance. The expanded disclosures about securitizations and collateral are effective for fiscal years ending after December 15, 2000. AmSouth has adopted the disclosure requirements and does not expect the remaining provisions of Statement 140 to have a material impact on its financial condition or results of operations.

In July 2001, the FASB issued Statement No. 141 (Statement 141), "Business Combinations", and Statement No. 142 (Statement 142), "Goodwill and Other Intangible Assets". Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Statement 141 also specifies the criteria for intangible assets acquired in a purchase method business combination to be recognized and reported apart from goodwill. Statement 142 will require goodwill and intangible assets with indefinite useful lives to no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of Statement 142. Statement 142 will also require intangible assets with definite

useful lives to be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with the FASB's Statement No. 121 (Statement 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of".

AmSouth is required to adopt the provisions of Statement 141 immediately and Statement 142 effective January 1, 2002. Furthermore, any goodwill and any intangible assets determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001 will not be amortized, but will continue to be evaluated for impairment in accordance with the appropriate pre-Statement 142 accounting literature. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 will continue to be amortized prior to the adoption of Statement 142.

Statement 141 will require upon adoption of Statement 142, that AmSouth evaluate its existing intangible assets and goodwill that were acquired in prior purchase business combinations, and make any necessary reclassifications in order to conform with the new criteria in Statement 141 for recognition apart from goodwill. Upon adoption of Statement 142, AmSouth will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, AmSouth will be required to test the intangible asset for impairment in accordance with the provisions of Statement 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

As of the date of adoption, AmSouth expects to have unamortized goodwill in the amount of $290.6 million, and unamortized identifiable intangible assets in the amount of $16.4 million, all of which will be subject to the transition provisions of Statements 141 and 142. Amortization expense related to goodwill was $32.5 million and $14.7 million for the year ended December 31, 2000 and the six months ended June 30, 2001, respectively.

Cash Flows--For the six months ended June 30, 2001 and 2000, AmSouth paid interest of $702,737,000 and $834,980,000, respectively. During the six months ended June 30, 2001, AmSouth received income tax refunds of $12,601,000 and during the six months ended June 30, 2000, AmSouth paid income taxes of $31,068,000. Noncash transfers from loans to foreclosed properties for the six months ended June 30, 2001 and 2000, were $17,629,000 and $16,100,000, respectively, and noncash transfers from foreclosed properties to loans were $380,000 and $199,000, respectively. For the six months ended June 30, 2000, noncash transfers from loans to available-for-sale securities and to other assets of approximately $31,277,000 and $20,495,000, respectively, were made in connection with the participation of loans to third-party conduits.

Derivatives--In accordance with Statement 133, AmSouth recognizes all of its derivative instruments as either assets or liabilities in the statement of financial condition at fair value. For those derivative instruments that are designated and qualify as hedging instruments, AmSouth designates the hedging instrument, based upon the exposure being hedged, as either a fair value hedge or a cash flow hedge.

For derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in other noninterest revenue during the period of the change in fair values. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any, is recognized in other noninterest revenue during the period of change. For derivative instruments not designated as hedging instruments, the gain or loss is recognized in current earnings during the period of change.

Fair Value Hedging Strategy--AmSouth has entered into interest rate swap agreements for interest rate risk exposure management purposes. The interest rate swap agreements utilized by AmSouth effectively modify AmSouth's exposure to interest rate risk by converting a portion of AmSouth's fixed-rate certificates of deposit to floating rate. AmSouth also has interest rate swap agreements which effectively convert portions of its fixed-rate long-term debt to floating rate. During the six-month period ended June 30, 2001, AmSouth recognized a net gain of $832,000 related to the ineffective portion of its hedging instruments.

Cash Flow Hedging Strategy--AmSouth has entered into interest rate swap agreements that effectively convert a portion of its floating-rate loans to a fixed-rate basis, thus reducing the impact of interest-rate changes on future interest income. Approximately $725,000,000 of AmSouth's loans were designated as the hedged items to the interest rate swap agreements at June 30, 2001. During the six-month period ended June 30, 2001, AmSouth recognized a net gain of $219,000 related to the ineffective portion of its hedging instruments.

Comprehensive Income--Total comprehensive income was $144.9 million and $359.3 million for the three and six months ended June 30, 2001 and $118.3 million and $234.4 million for the three and six months ended June 30, 2000. Total comprehensive income consists of net income, the change in the unrealized gains or losses on AmSouth's available-for-sale securities portfolio arising during the period and the effective portion of cash flow hedges marked to market.

Earnings Per Common Share--The following table sets forth the computation of earnings per common share and diluted earnings per common share:

	Three Months Ended June 30		Six Months Ended June 30	
	2001	2000	2001	2000
	(In thousands except per share data)			
Earnings per common share computation:				
Numerator:				
Net income...........................	$ 133,521	$ 99,897	$259,732	$238,834
Denominator:				
Average common shares outstanding.....	368,688	386,682	370,457	389,138
Earnings per common share..............	$ .36	$ .26	$ .70	$ .61
Diluted earnings per common share computation:				
Numerator:				
Net income...........................	$ 133,521	$ 99,897	$259,732	$238,834
Denominator:				
Average common shares outstanding.....	368,688	386,682	370,457	389,138
Dilutive shares contingently issuable............................	3,776	2,889	3,238	2,897
Average diluted common shares outstanding........................	372,464	389,571	373,695	392,035
Diluted earnings per common share.......	$ .36	$ .26	$ .70	$ .61

Shareholders' Equity--On April 20, 2000, AmSouth's Board of Directors approved the repurchase by AmSouth of up to 35.0 million shares of its outstanding common stock over a two year period for the purpose of funding employee benefit and dividend reinvestment plans and for general corporate purposes. Through June 30, 2001, 29.9 million shares have been purchased under this authorization at a cost of $499.1 million. Cash dividends of $0.21 per common share were declared in the second quarter of 2001. This represents a five percent increase over the dividend paid during the second quarter of 2000.

Business Segment Information--AmSouth has three reportable segments: Consumer Banking, Commercial Banking, and Wealth Management. Treasury & Other is comprised of balance sheet management activities that include the investment portfolio, nondeposit funding and off-balance sheet financial instruments. Treasury & Other also includes income from bank owned life insurance policies, net gains on sales of fixed assets, taxable-equivalent adjustments associated with lease restructuring transactions, merger-related costs, and corporate expenses such as corporate overhead and goodwill amortization. As a result of the sale of IFC Holdings, Inc. (IFC) at the end of the third quarter of 2000, all revenues and expenses of IFC for 2000 have been reclassified into Treasury & Other from Wealth Management. The following is a summary of the segment performance for the three months and six months ended June 30, 2001 and 2000:

	Consumer Banking	Commercial Banking	Wealth Management	Treasury & Other	Total
	(In thousands)				
Three Months Ended June 30, 2001					
Net interest income from external customers.....	$119,972	$ 169,852	$ (338)	$ 53,888	$ 343,374
Internal funding........	129,977	(71,354)	1,545	(60,168)	-0-
Net interest income.....	249,949	98,498	1,207	(6,280)	343,374
Noninterest revenues....	87,910	25,771	50,691	23,275	187,647
Total revenues..........	337,859	124,269	51,898	16,995	531,021
Provision for loan losses................	26,710	19,373	-0-	17	46,100
Noninterest expenses....	173,576	44,644	40,190	33,605	292,015
Income/(loss) before income taxes...........	137,573	60,252	11,708	(16,627)	192,906
Income taxes/(benefits).......	51,786	22,625	4,395	(19,421)	59,385
Segment net income......	$ 85,787	$ 37,627	$ 7,313	$ 2,794	$ 133,521
Three Months Ended June 30, 2000					
Net interest income from external customers.....	$128,841	$ 207,487	$ (148)	$ 16,456	$ 352,636
Internal funding........	112,074	(102,400)	917	(10,591)	-0-
Net interest income.....	240,915	105,087	769	5,865	352,636
Noninterest revenues....	92,141	21,636	50,618	55,030	219,425
Total revenues..........	333,056	126,723	51,387	60,895	572,061
Provision for loan losses................	18,991	3,737	-0-	72	22,800
Noninterest expenses....	178,094	36,165	35,039	160,876	410,174
Income before income taxes.................	135,971	86,821	16,348	(100,053)	139,087
Income taxes/(benefits).......	51,125	32,645	6,147	(50,727)	39,190
Segment net income/(loss)..........	$ 84,846	$ 54,176	$ 10,201	$ (49,326)	$ 99,897
Six Months Ended June 30, 2001					
Net interest income from external customers.....	$216,577	$ 346,686	$ (726)	$ 110,680	$ 673,217
Internal funding........	265,491	(152,470)	2,743	(115,764)	-0-
Net interest income.....	482,068	194,216	2,017	(5,084)	673,217
Noninterest revenues....	169,192	51,234	103,414	46,108	369,948

Total revenues..........	651,260	245,450	105,431	41,024	1,043,165
Provision for loan losses.................	55,362	28,709	-0-	229	84,300
Noninterest expenses....	344,218	91,167	79,417	65,280	580,082
Income before income taxes..................	251,680	125,574	26,014	(24,485)	378,783
Income taxes/(benefits).......	94,736	47,144	9,755	(32,584)	119,051
Segment net income......	$156,944	$ 78,430	$ 16,259	$ 8,099	$ 259,732
Six Months Ended June 30, 2000					
Net interest income from external customers.....	$241,530	$ 417,478	$ (310)	$ 62,511	$ 721,209
Internal funding........	227,786	(206,257)	1,519	(23,048)	-0-
Net interest income.....	469,316	211,221	1,209	39,463	721,209
Noninterest revenues....	174,261	42,628	97,577	124,996	439,462
Total revenues..........	643,577	253,849	98,786	164,459	1,160,671
Provision for loan losses.................	40,261	7,851	-0-	88	48,200
Noninterest expenses....	357,759	75,677	74,957	257,138	765,531
Income before income taxes..................	245,557	170,321	23,829	(92,767)	346,940
Income taxes/(benefits).......	92,329	64,041	8,960	(57,224)	108,106
Segment net income/(loss)..........	$153,228	$ 106,280	$ 14,869	$ (35,543)	$ 238,834

Securitizations--During the six-month period ended June 30, 2001, there were no securitizations or transfers to the dealer conduits or residential mortgage conduits. Therefore, no gains or losses on transfers were recognized during the period ended June 30, 2001. No gains or losses were recognized on commercial loans sold to third-party conduits nor was any retained interest recorded due to the relatively short life of the commercial loans sold into the conduits (average life of 30 days). The following table provides the assumptions used in the subsequent valuation of retained interests at June 30, 2001, the cash flows received from and paid to third-party conduits and securitization trusts during the year and the sensitivity of the current fair value of residual cash flows to a hypothetical immediate 10 and 20 percent adverse change in the current assumptions:

	Residential Mortgage Conduit	Dealer Conduit	Dealer Securitization
		(Dollars in millions)	
Cash flow information:			

Servicing fees and retained interests	$21.3	$11.7	$16.3
Valuation assumptions at June 30, 2001:			
Discount rate	15-20%	15%	15%
Prepayment rate	15-30% CPR*	1 1/2% ABS**	1 1/2% ABS**
Weighted average life (years)	3.15	1.25	1.34
Expected credit losses	.12%	1.32%	1.31%
Residual cash flow sensitivity:			
Fair value of servicing and retained interests at June 30, 2001	$57.9	$23.7	$25.0
Prepayment speed:			
10% change	(2.9)	(1.8)	(0.1)
20% change	(5.6)	(3.7)	(0.2)
Credit losses:			
10% change	(0.2)	(0.6)	(0.8)
20% change	(0.4)	(1.2)	(1.7)

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*   CPR--Constant prepayment rate model
** ABS--Absolute prepayment speed model

This sensitivity test is hypothetical and isolates the potential impact of changes in a single assumption on total fair value. These and other assumptions used in the calculation of fair values may in fact exhibit some correlation (which would potentially magnify the impact of a scenario) or may exhibit some negative correlation (which would potentially have some partial offsetting benefit). Also, changes in assumptions do not provide linear results. Thus, it is not possible to extrapolate the impact of other scenarios from these projections.

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The following table presents managed loan information on loans which have been securitized or sold to conduits. This information includes the total principal amount outstanding, the portion that has been derecognized and the portion that continues to be recognized in the statement of financial condition as of June 30, 2001, along with quantitative information about delinquencies and net credit losses (in millions). The following table includes commercial loans sold to third-party conduits, residential mortgages and dealer loans sold to third-party conduits during prior years, dealer loans securitized in 2000, and mortgage loans which were securitized through REMICS in 1998:

	Residential	Dealer	Equity Loans	Commercial

	Mortgages	Loans	and Lines	Loans
		(Dollars in millions)		
Outstanding as of 6/30/01:				
Loans held in portfolio.........	$1,529	$3,169	$4,868	$ 8,763
Loans securitized/sold..........	2,361	1,291	-0-	1,541
REMIC (bond portfolio)..........	124	-0-	224	-0-
Total managed loans...........	$4,014	$4,460	$5,092	$10,304
Total delinquencies at 6/30/01....	$ 112	$ 111	$ 129	$ 215
Delinquencies as a percent of ending managed loans.............	2.79%	2.49%	2.53%	2.09%
Net credit losses during 2001.....	$ 0.6	$ 24.4	$ 6.7	$ 40.4
Net credit losses as a percent of ending managed loans.............	0.03%	1.08%	0.26%	0.79%

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
AmSouth Bancorporation

We have reviewed the accompanying consolidated statement of condition of AmSouth Bancorporation and subsidiaries as of June 30, 2001 and 2000, and the related consolidated statement of earnings for the three-month and six-month periods ended June 30, 2001 and 2000, the consolidated statement of cash flows for the six-month periods ended June 30, 2001 and 2000, and the consolidated statement of shareholders' equity for the six-month period ended June 30, 2001. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated statement of condition of AmSouth Bancorporation and subsidiaries as of December 31, 2000, and the related consolidated statements of earnings, shareholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated January 31, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of condition as of December 31, 2000 is fairly stated, in all material respects, in relation to the consolidated statement of condition from which it has been derived.

/s/ ERNST & YOUNG LLP

August 8, 2001

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

AmSouth Bancorporation (AmSouth) reported net income for the quarter ended June 30, 2001 of $133.5 million, or $.36 per share and $259.7 million, or $.70 per share for the first six months of 2001. In the same periods last year, net income totaled $99.9 million, or $.26 per share, and $238.8 million, or $.61 per share, respectively. For the three months and six months ended June 30, 2001, AmSouth's return on average assets was 1.40 percent and 1.36 percent, respectively, compared to .93 percent and 1.10 percent, respectively, for the same periods in 2000. Return on equity increased to 18.72 percent and 18.40 percent for the second quarter and first half of 2001 from 13.84 percent and 16.42 percent for the second quarter and first six months of 2000.

Total assets at June 30, 2001 were $38.4 billion, down from $38.9 billion at year-end reflecting a decrease in Federal funds sold and securities purchased under agreements to repurchase, offset by increases in loans and loans held for sale and the investment portfolio. Loans net of unearned income at June 30, 2001 remained relatively stable with balances increasing $124 million over year-end. Managed loans, which include loans contained in third-party conduits and loans securitized, decreased by $801 million at June 30, 2001 from year-end levels. This decrease was attributable to lower levels of residential first mortgages and indirect auto loans. In addition, the decrease in managed loans reflected a decrease in commercial loans primarily as a result of management's decision, beginning in 2000, to reduce AmSouth's exposure to syndicated loans. The decrease in these loan categories was offset by a $212 million increase in home equity loans compared to December 31, 2000 levels. The investment portfolio, which consists of available-for-sale (AFS) and held-to-maturity (HTM) securities, increased to $9.0 billion at June 30, 2001, compared to $8.6 billion at December 31, 2000. On January 1, 2001, AmSouth transferred approximately $2.1 billion of securities from HTM to AFS in conjunction with AmSouth's adoption of Statement 133. Federal funds sold and securities purchased under agreements to resell decreased to $1.0 billion at June 30, 2001 from $2.2 billion at December 31, 2000. The decrease reflected management's decision to sell off lower yielding Federal funds to help fund consumer loan growth and offset planned decreases in higher cost time deposits.

On the funding side of the balance sheet, total deposits at June 30, 2001 decreased by $638 million compared to December 31, 2000. Excluding the $251 million decrease in foreign time deposits (Eurodollar deposits), domestic deposits declined by $388 million. Decreases in domestic deposits occurred primarily in higher-cost time deposits while noninterest-bearing demand deposits also declined from year-end balances. These decreases were partially offset by increases in interest checking and money market accounts. Federal funds purchased and securities sold under agreements to repurchase and other borrowed funds decreased by $189 million and $389 million, respectively, compared to December 31, 2000. The decrease in short-term borrowings including foreign time deposits reflected the use of proceeds from the third quarter balance sheet restructuring transactions.

Net Interest Income

Net interest income (NII) on a fully taxable equivalent basis for the three and six months ended June 30, 2001 was $359.0 and $699.3 million, respectively, down $16.1 million, or 4.3 percent compared to the same quarter last year and 6.8 percent on a year-to-date basis. The decrease in net interest income was primarily due to a decrease in average interest-earning assets, resulting from the third quarter 2000 balance sheet restructuring. This restructuring also contributed to a 33 basis point increase in the net interest margin for the second quarter of 2001 versus the same quarter in 2000 and a 24 basis point increase in the net interest margin for the first half of 2001 compared to the same period in 2000 as the balance sheet restructuring removed lower yielding assets from the balance sheet and freed up funds to pay down higher cost borrowings. Compared with the immediately preceding quarter, second quarter 2001 NII increased $18.8 million or 22 percent annualized primarily as a result of a 19 basis point increase in the margin. The increase in the margin reflected the on-going shift of assets from Federal funds sold to consumer loans and higher yielding investments, growth in low-cost deposits, and favorable repricing of both deposits and purchased funds. AmSouth expects its margin to

remain fairly stable through the third quarter of 2001 with one of the key drivers being the redeployment of Federal funds sold into higher yielding assets. AmSouth expects improvement in the margin during the fourth quarter due to the fact that approximately $2.2 billion of higher cost time deposits will mature at that time.

Asset/Liability Management

AmSouth maintains a formal asset and liability management process to quantify, monitor and control interest rate risk and to assist management in maintaining stability in the net interest margin under varying interest rate environments. AmSouth accomplishes this process through the development and implementation of lending, funding, pricing and hedging strategies designed to maximize NII performance under varying interest rate environments subject to specific liquidity and interest rate risk guidelines.

An earnings simulation model is the primary tool used to assess the direction and magnitude of changes in NII resulting from changes in interest rates. Key assumptions in the model include prepayment speeds on mortgage-related assets; cash flows and maturities of derivatives and other financial instruments held for purposes other than trading; changes in market conditions, loan volumes and pricing; deposit volume, mix and rate sensitivity; customer preferences; and management's financial and capital plans. These assumptions are inherently uncertain, and, as a result, the model cannot precisely estimate NII or precisely predict the impact of higher or lower interest rates on NII. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes and changes in market conditions and management's strategies, among other factors.

Based on the results of the simulation model as of June 30, 2001, AmSouth would expect NII to increase $3 million or approximately 0.2 percent and decrease $5 million or approximately 0.3 percent if interest rates gradually increase or decrease, respectively, from current rates by 100 basis points over a 12-month period. This level of interest rate risk is within AmSouth's policy guidelines. As of June 30, 2000, the simulation model indicated that NII would decrease $35 million or approximately 2.5 percent and increase $21 million or approximately 1.4 percent if interest rates gradually increased or decreased, respectively, from their then-current rates by 100 basis points over a 12-month period.

The reduction in AmSouth's interest sensitivity compared to the second quarter of 2000 was primarily the result of the financial restructuring initiated in the third quarter of 2000. As part of the financial restructuring, AmSouth sold $4.0 billion of low-yielding fixed-rate investment securities and securitized and sold approximately $1.0 billion of low-yielding fixed-rate automobile loans. These fixed-rate assets were primarily funded by floating-rate overnight and other short-term borrowings. This action reduced the impact of interest rate fluctuations on NII. In comparison to December 31, 2000 results, the simulation model at June 30, 2001 showed a slight increase in AmSouth's interest rate sensitivity. The change in the results of the simulation model reflected an extension of the maturities of commercial paper used by off-balance sheet conduits to fund loans previously purchased from AmSouth. The extension of the commercial paper maturities, which occurred during the first half of 2001, reduced the impact of interest rate changes, over a 12-month period, on the interest spread received by AmSouth on these loans. In addition, changes in the market dynamics as a result of Federal Reserve rate cuts during the first half of the year, changes in the forecasted mix of earning assets and changes in AmSouth's deposit pricing strategy also impacted the change in the interest sensitivity results from year-end results.

As part of its activities to manage interest rate risk, AmSouth, from time to time, utilizes various derivative instruments such as interest rate swaps, caps and floors. There were maturities, calls and closeouts of interest rate swaps totaling $446 million during the first six months of 2001. At June 30, 2001, AmSouth had interest rate swaps, all of which receive fixed rates, totaling a notional amount of $2.2 billion. At June 30, 2001, AmSouth also held other derivative instruments to provide customers and AmSouth a means of managing the risks of changing interest and foreign exchange rates. The amounts of these other derivative instruments were immaterial.

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Credit Quality

AmSouth maintains an allowance for loan losses which management believes is adequate to absorb losses inherent in the loan portfolio. A formal review is prepared quarterly to assess the risk in the portfolio and to determine the adequacy of the allowance for loan losses. The review includes analyses of historical performance, the level of nonperforming and adversely rated loans, specific analyses of certain problem loans, loan activity since the previous quarter, reports prepared by the Credit Review Department, consideration of current economic conditions, and other pertinent information. The level of allowance to net loans outstanding will vary depending on the overall results of this quarterly review. The review is presented to and subsequently approved by senior management and reviewed by the Audit and Community Responsibility Committee of the Board of Directors.

Table 6 presents a five-quarter analysis of the allowance for loan losses. At June 30, 2001, the allowance for loan losses was $380.7 million, or 1.54 percent of loans net of unearned income, compared to $346.0 million, or 1.35 percent, at June 30, 2000. This increase primarily reflected a deterioration of credit quality in AmSouth's syndicated commercial loan portfolio primarily due to a weakening economy. The coverage ratio of the allowance for loan losses to nonperforming loans was 193.11 percent at June 30, 2001, a decrease from the June 30, 2000 ratio of 290.58 percent.

Net charge-offs for the quarter ended June 30, 2001, were $46.1 million, an increase of $23.4 million from the $22.7 million reported a year earlier. For the six months ended June 30, 2001, net charge-offs were $84.1 million compared to $48.1 million for the same period of 2000. Annualized net charge-offs to average loans net of unearned income were .75 percent and .69 percent, respectively, for the three and six months ended June 30, 2001, compared to .34

percent and .36 percent for the same periods of the prior year. The increase in net charge-offs occurred primarily in the commercial loan, consumer revolving credit and equity lending portfolio and reflected the impact of a slowing economy. Commercial loan net charge-offs increased $26.0 million for the six months versus the same period of 2000. Net charge-offs in the consumer portfolio increased $9.5 million, reflecting higher charge-offs across all consumer loan categories led by the revolving credit and equity lending portfolios. Net charge-offs for the revolving credit portfolio and equity lending portfolio increased $3.5 million and $2.7 million, respectively, for the six months ended June 30, 2001 versus the same period of the prior year. Annualized net charge-offs for the commercial, commercial real estate and consumer loan portfolios were .92, .03 and .79 percent, respectively, for the six months ended June 30, 2001, compared to .29, .01 and .56 percent, respectively, for the same period of 2000. Consistent with the increased charge-offs, the provision for loan losses for the second quarter and the first half of 2001 was $46.1 million and $84.3 million, respectively, compared to $22.8 million and $48.2 million for the corresponding year-earlier periods. AmSouth currently anticipates an increase in net charge-offs during the second half of 2001.

Table 7 presents a five-quarter comparison of the components of nonperforming assets. At June 30, 2001, nonperforming assets as a percentage of loans net of unearned income, foreclosed properties and repossessions increased 37 basis points to 0.90 percent compared to 0.53 percent at June 30, 2000 reflecting an $89 million increase in nonperforming assets. This increase was primarily associated with an increase in the level of nonperforming syndicated commercial loans at June 30, 2001 compared to June 30, 2000.

Included in nonperforming assets at June 30, 2001 and 2000, was $138.0 million and $61.0 million, respectively, in loans that were considered to be impaired, substantially all of which were on a nonaccrual basis. At June 30, 2001 and 2000, there was $43.7 million and $20.6 million, respectively, in the allowance for loan losses specifically allocated to these impaired loans. The average balance of impaired loans for the three months ended June 30, 2001 and 2000, was $136.9 million and $56.3 million, respectively, and $132.7 million and $60.0 million, respectively, for the six months ended June 30, 2001 and 2000. AmSouth recorded no material interest income on its impaired loans during the three and six months ended June 30, 2001.

Noninterest Revenues and Noninterest Expenses

Noninterest revenue (NIR) was $187.6 million during the second quarter of 2001 and $369.9 million for the first six months of 2001. The quarterly and the six month totals represent a 14.5 percent and 15.8 percent

decline from the corresponding periods in 2000. This decrease was primarily due to the loss of revenues from the sale of IFC Holdings Inc. (IFC) in the third quarter of 2000. Excluding the revenues from IFC in 2000, NIR increased by 2.9 percent in the second quarter of 2001 and 3.8 percent on a year-to-date basis from adjusted NIR of $182.8 million and $356.7 million for the quarter and six months ended June 30, 2000, respectively. The increase in NIR versus the IFC adjusted prior year numbers was primarily due to higher revenues generated from service charges on deposits, consumer investment services income, interchange income, and bank owned life insurance income (BOLI). These increases were offset by decreases in mortgage and portfolio income and, on a quarterly comparison, trust income. The increase in service charge income was primarily the result of higher treasury management fees as a result of higher sales to corporate customers. The increase in service charge income also reflected higher revenue from overdraft and NSF fees. Excluding IFC generated revenue, consumer investment services income increased $840 thousand or approximately 3.9 percent versus the second quarter of 2000 and $4.3 million or 10.3 percent versus the first six months of 2000. The increase in consumer investment services income reflected higher annuity income from AmSouth's platform annuity sales program. Interchange income for the three months and six months ended June 30, 2001 was $1.1 million and $2.1 million higher, respectively, than the corresponding periods last year due to higher levels of checkcard usage. BOLI grew due to increases in cash surrender values and, on a year-to-date basis, the receipt of a benefit payment in the first quarter of 2001. Partially offsetting these increases was a decrease in mortgage income, which declined by approximately $5.0 million and $10.2 million for the quarter and six months ended June 30, 2001 compared to the same prior year periods. This decline reflected an $8.0 million quarterly and $15.3 million year-to-date decrease in gains from the sale of mortgage loans to third-party conduits, partially offset by higher secondary marketing gains on the bulk sale of mortgage loans and servicing. Portfolio income, adjusted for the impact of the IFC sale, decreased by $600 thousand and $1.2 million for the quarter and six months ended June 30, 2001 compared to the same periods of 2000. This decrease was the result of fewer sales of AFS securities in 2001. While higher on a year-to-date basis, trust income was lower in the second quarter of 2001 compared to the prior year period, reflecting a drop in net assets under management, primarily as a result of declining market values. Management anticipates that sustainable NIR growth in a range of five to eight percent may be achievable over the next twelve months.

Noninterest expenses (NIE) decreased from the prior year by 28.8 percent and 24.2 percent for the three months and six months ended June 30, 2001. Excluding the impact of merger-related charges and expenses related to IFC, NIE increased 2.0 percent or $5.7 million for the quarter compared to $286.3 million in NIE for the same period of 2000. The increase primarily reflected higher salaries and employee benefits and communication expenses partially offset by decreases in equipment expense, postage and supplies costs and marketing expenses. On a year-to-date basis, NIE remained flat compared to the adjusted NIE amount of $579.9 million for the first six months of 2000 with increases in salaries and employee benefits and communication expense partially offset by decreases in marketing, net occupancy and equipment expense. Salaries and employee benefits increased $7.7 million and $3.5 million for the quarter and year-to-date periods, respectively, compared to the same periods a year ago, adjusted for the IFC sale. This increase reflected higher incentive accruals related to improved performance. Communications expense, primarily driven by computer line and wide-area network expense, increased $671 thousand on a quarterly basis and $1.6 million year-to-date compared to corresponding periods in 2000, excluding IFC. Partially offsetting these increases, marketing expense, excluding the impact of IFC, decreased $462 thousand or 5.1 percent and $3.9 million or 18.6 percent for the second quarter and first six months of 2001. The decrease was primarily due to cost control initiatives implemented in 2000. Equipment expense, excluding IFC, decreased for the quarter by 2.7 percent to $30.2 million and 4.2 percent on a year-to-date basis, primarily due to synergies achieved as a result of the merger with First American. Postage and supplies, excluding IFC, decreased $1.6 million for the three month period ended June 30, 2001, primarily due to charges taken in the second quarter of 2000 related to the stocking of forms at former First American branches. Net occupancy expense, while increasing slightly in the second quarter, was lower by $1.1 million year-to-date, adjusting for 2000 expenses related to IFC. As a result of the sale of IFC, no expenses for subscriber commissions were incurred in 2001, compared to $27.3 million and $57.9 million in the second quarter and first six months of last year. NIE growth is estimated to be in the range of three to five percent over the next twelve months excluding the impact of the amortization of goodwill.

Capital Adequacy

At June 30, 2001, shareholders' equity totaled $2.9 billion or 7.6 percent of total assets. Since December 31, 2000, shareholders' equity increased $94.0 million primarily as a result of net income for the six months of $259.7 million. In addition, shareholders' equity increased $86.8 million as a result of higher valuation of the AFS portfolio, of which $26.6 million was a result of transferring approximately $2.1 billion of securities from held-to-maturity to available-for-sale in conjunction with AmSouth's adoption of Statement 133. The increase in shareholders' equity also reflected $12.8 million of other comprehensive income associated with cash flow hedges, of which $5.7 million was related to the initial adoption of Statement 133. These increases in shareholders' equity were offset by the declaration of dividends of $159.2 million and the purchase of 7.5 million shares of AmSouth common stock for $129.4 million during the first six months of 2001.

Table 10 presents the capital amounts and risk-adjusted capital ratios for AmSouth and AmSouth Bank at June 30, 2001 and 2000. At June 30, 2001, AmSouth exceeded the regulatory minimum required risk-adjusted Tier 1 Capital Ratio of 4.00% and risk-adjusted Total Capital Ratio of 8.00%. In addition, the risk-adjusted capital ratios for AmSouth Bank were above the regulatory minimums, and the Bank was well capitalized at June 30, 2001.

Table 1--Financial Summary

	June 30		%
	2001	2000	Change
	(In thousands)		
Balance sheet summary			
End-of-period balances:			
Loans net of unearned income................	$24,740,424	$25,589,410	(3.3)%
Total assets...............................	38,447,223	42,596,066	(9.7)
Total deposits.............................	25,984,901	27,898,918	(6.9)
Shareholders' equity.......................	2,907,451	2,820,951	3.1
Year-to-date average balances:			
Loans net of unearned income................	$24,671,034	$26,661,764	(7.5)%
Total assets...............................	38,438,335	43,492,251	(11.6)
Total deposits.............................	26,042,410	27,835,856	(6.4)
Shareholders' equity.......................	2,845,837	2,925,475	(2.7)

	Six Months Ended June 30		%	Three Months Ended June 30		%
	2001	2000	Change	2001	2000	Change
	(In thousands except per share data)					
Earnings summary						

Net income	$259,732	$238,834	8.8%	$ 133,521	$ 99,897	33.7%
Earnings per common share	0.70	0.61	14.8	0.36	0.26	38.5
Diluted earnings per common share	0.70	0.61	14.8	0.36	0.26	38.5
Return on average assets (annualized)	1.36%	1.10%		1.40%	0.93%	
Return on average equity (annualized)	18.40	16.42		18.72	13.84	
Operating efficiency	54.25	64.35		53.42	68.99	
Selected ratios						
Average equity to assets	7.40%	6.73%		7.45%	6.69%	
End-of-period equity to assets	7.56	6.62		7.56	6.62	
End-of-period tangible equity to assets	6.78	5.77		6.78	5.77	
Allowance for loan losses to loans net of unearned income	1.54	1.35		1.54	1.35	
Common stock data						
Cash dividends declared	$ 0.42	$ 0.40		$ 0.21	$ 0.20	
Book value at end of period	7.88	7.45		7.88	7.45	
Market value at end of period	18.49	15.75		18.49	15.75	
Average common shares outstanding	370,457	389,138		368,688	386,682	
Average common shares outstanding-diluted	373,695	392,035		372,464	389,571	

Table 2--Year-to-Date Yields Earned on Average Interest-Earning Assets and Rates Paid on Average Interest-Bearing Liabilities

	2001			2000		
	Six Months Ended June 30			Six Months Ended June 30		
	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate
	(Taxable equivalent basis-dollars in thousands)					
Assets						
Interest-earning assets:						
Loans net of unearned income	$ 24,671,034	$1,043,467	8.53%	$26,661,764	$1,147,316	8.65%
Available-for-sale securities:						
Taxable	4,033,123	154,831	7.74	6,001,819	199,476	6.68
Tax-free	92,369	3,555	7.76	66,194	2,283	6.94
Total available-for-						

sale securities......	4,125,492	158,386	7.74	6,068,013	201,759	6.69
Held-to-maturity securities:						
Taxable...............	4,220,706	143,165	6.84	6,567,783	224,955	6.89
Tax-free..............	344,767	12,656	7.40	389,352	14,109	7.29
Total held-to-maturity securities...........	4,565,473	155,821	6.88	6,957,135	239,064	6.91
Total investment securities.........	8,690,965	314,207	7.29	13,025,148	440,823	6.81
Other interest-earning assets.................	1,678,056	46,826	5.63	254,437	8,461	6.69
Total interest-earning assets...............	35,040,055	1,404,500	8.08	39,941,349	1,596,600	8.04
Cash and other assets....	3,716,218			4,141,671		
Allowance for loan losses......................	(381,103)			(353,910)		
Market valuation on available-for-sale securities..............	63,165			(236,859)		
	$ 38,438,335			$43,492,251		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand deposits...............	$ 9,805,681	155,668	3.20	$ 9,300,418	151,603	3.28
Savings deposits........	1,215,385	9,550	1.58	2,037,632	26,155	2.58
Time deposits...........	7,770,415	227,124	5.89	7,606,411	206,928	5.47
Foreign time deposits...	305,794	6,231	4.11	1,361,780	39,098	5.77
Certificates of deposit of $100,000 or more....	2,420,238	72,549	6.04	2,795,775	79,004	5.68
Federal funds purchased and securities sold under agreements to repurchase.............	2,291,976	48,985	4.31	3,882,036	102,486	5.31
Other interest-bearing liabilities............	6,360,111	185,074	5.87	8,216,681	241,176	5.90
Total interest-bearing liabilities..........	30,169,600	705,181	4.71	35,200,733	846,450	4.84
Net interest spread......			3.37%			3.20%
Noninterest-bearing demand deposits...........	4,524,897			4,733,840		
Other liabilities........	898,001			632,203		
Shareholders' equity.....	2,845,837			2,925,475		
	$ 38,438,335			$43,492,251		
Net interest income/margin on a taxable equivalent basis..................		699,319	4.02%		750,150	3.78%
Taxable equivalent adjustment:						

Loans..................	15,523	17,669
Available-for-sale securities............	2,481	1,706
Held-to-maturity securities............	8,098	9,566
Total taxable equivalent adjustment..........	26,102	28,941
Net interest income............	$ 673,217	$ 721,209

NOTE: The taxable equivalent adjustment has been computed based on the statutory federal income tax rate, adjusted for applicable state income taxes net of the related federal tax benefit. Loans net of unearned income includes nonaccrual loans for all periods presented. Available-for-sale securities excludes certain noninterest-earning, marketable equity securities. Statement 133 valuation adjustments related to time deposits, certificates of deposit of $100,000 or more and other interest-bearing liabilities are included in other liabilities.

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Table 3--Quarterly Yields Earned on Average Interest-Earning Assets and Rates Paid on Average Interest-Bearing Liabilities

	2001							
	Second Quarter			First Quarter			Fourth Quart	
	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate	Average Balance	Reven Expen
					(Taxable equivalent basis-doll			
Assets								
Interest-earning assets:								
Loans net of unearned income...	$24,695,993	$512,895	8.33%	$24,645,798	$530,572	8.73%	$24,599,887	$556,
Available-for-sale securities:.......								
Taxable..........	4,163,800	82,981	7.99	3,900,993	71,850	7.47	1,869,932	34,
Tax-free.........	89,578	1,725	7.72	95,192	1,830	7.80	62,293	1,
Total available-for-sale securities.......	4,253,378	84,706	7.99	3,996,185	73,680	7.48	1,932,225	35,
Held-to-maturity securities:								
Taxable..........	4,185,593	70,594	6.76	4,256,209	72,571	6.91	6,298,607	108,
Tax-free.........	341,906	6,340	7.44	347,660	6,316	7.37	395,589	7,
Total held-to-maturity								

securities.......	4,527,499	76,934	6.82	4,603,869	78,887	6.95	6,694,196	115,
Total investment securities......	8,780,877	161,640	7.38	8,600,054	152,567	7.19	8,626,421	151,
Other interest-earning assets....	1,470,097	19,711	5.38	1,888,326	27,115	5.82	2,123,852	36,
Total interest-earning assets...	34,946,967	694,246	7.97	35,134,178	710,254	8.20	35,350,160	744,
Cash and other assets.............	3,726,748			3,705,571			3,657,475	
Allowance for loan losses............	(380,983)			(381,223)			(367,361)	
Market valuation on available-for-sale securities.........	86,153			39,921			(8,998)	
	$38,378,885			$38,498,447			$38,631,276	
Liabilities and Shareholders' Equity								
Interest-bearing liabilities:								
Interest-bearing demand deposits...	$ 9,902,714	72,061	2.92	$ 9,707,570	83,607	3.49	$ 9,401,061	88,
Savings deposits..	1,219,045	4,641	1.53	1,211,685	4,909	1.64	1,244,649	5,
Time deposits.....	7,716,673	110,539	5.75	7,824,754	116,585	6.04	8,010,342	122,
Foreign time deposits..........	279,454	2,434	3.49	332,426	3,797	4.63	397,954	5,
Certificates of deposit of $100,000 or more..	2,323,449	34,082	5.88	2,518,103	38,467	6.20	2,659,888	42,
Federal funds purchased and securities sold under agreements to repurchase.....	2,243,192	21,368	3.82	2,341,302	27,617	4.78	2,388,137	32,
Other interest-bearing liabilities.......	6,336,607	90,082	5.70	6,383,876	94,992	6.03	6,485,954	102,
Total interest-bearing liabilities......	30,021,134	335,207	4.48	30,319,716	369,974	4.95	30,587,985	399,
Net interest spread...........			3.49%			3.25%		
Noninterest-bearing demand deposits..........	4,566,584			4,482,747			4,527,554	
Other liabilities.......	930,883			864,755			758,421	
Shareholders' equity...........	2,860,284			2,831,229			2,757,316	
	$38,378,885			$38,498,447			$38,631,276	
Net interest income/margin on a taxable equivalent basis..............		359,039	4.12%		340,280	3.93%		344,

	====	====	
Taxable equivalent adjustment:			
Loans.............	10,405	5,118	18,
Available-for-sale securities........	1,224	1,257	
Held-to-maturity securities........	4,036	4,062	4,
Total taxable equivalent adjustment.......	15,665	10,437	24,
Net interest income..........	$343,374	$329,843	$320,

	Second Quarter			
	Yield/ Rate	Average Balance	Revenue/ Expense	Yield/ Rate
Assets				
Interest-earning assets:				
Loans net of unearned income...	8.91%	$26,642,183	$584,125	8.82%
Available-for-sale securities:.......				
Taxable..........	6.64	5,989,040	99,186	6.66
Tax-free.........	7.04	66,625	1,100	6.64
Total available-for-sale securities.......	6.64	6,055,665	100,286	6.66
Held-to-maturity securities:				
Taxable..........	6.85	6,522,650	112,119	6.91
Tax-free.........	7.18	391,612	7,147	7.34
Total held-to-maturity securities.......	6.87	6,914,262	119,266	6.94
Total investment securities......	6.77	12,969,927	219,552	6.81
Other interest-earning assets....	6.39	234,593	3,740	6.41
Total interest-earning assets...	8.19	39,846,703	807,417	8.15
Cash and other assets.............		4,148,144		
Allowance for loan losses............		(352,305)		
Market valuation on available-for-sale securities.........		(252,612)		
		$43,389,930		

Liabilities and Shareholders' Equity				
Interest-bearing liabilities:				
Interest-bearing demand deposits...	3.66	$ 9,514,403	79,878	3.38
Savings deposits..	1.69	1,722,267	9,566	2.23
Time deposits.....	5.90	7,593,438	105,684	5.60
Foreign time deposits..........	6.38	1,427,241	21,341	6.01
Certificates of deposit of $100,000 or more..	6.26	2,813,227	40,744	5.83
Federal funds purchased and securities sold under agreements to repurchase.....	5.96	3,720,045	51,032	5.52
Other interest-bearing liabilities.......	6.34	8,266,919	124,080	6.04
Total interest-bearing liabilities......	5.25	35,057,540	432,325	4.96
Net interest spread............	2.94%			3.19%
Noninterest-bearing demand deposits..........		4,770,285		
Other liabilities.......		658,389		
Shareholders' equity............		2,903,716		
		$43,389,930		
Net interest income/margin on a taxable equivalent basis..............	3.59%		375,092	3.79%
Taxable equivalent adjustment:				
Loans.............			16,785	
Available-for-sale securities........			848	
Held-to-maturity securities........			4,823	
Total taxable equivalent adjustment.......			22,456	
Net interest income..........			$352,636	

NOTE: The taxable equivalent adjustment has been computed based on the statutory federal income tax rate, adjusted for applicable state income taxes net of the related federal tax benefit. Loans net of unearned income includes nonaccrual loans for all periods presented. Available-for-sale securities excludes certain noninterest-earning, marketable equity securities. Statement 133 valuation adjustments related to time deposits, certificates of deposit of $100,000 or more and other interest-bearing liabilities are included in other liabilities.

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Table 4--Maturities and Interest Rates Exchanged on Swaps

	Mature During							
	2001	2002	2003	2004	2005	2008	2009	Total
	(Dollars in millions)							
Receive fixed swaps:								
Notional amount.....	$ 160	$ 971	$ 290	$ 300	$ 150	$ 175	$ 175	$2,221
Receive rate........	6.31%	6.62%	6.34%	6.23%	6.25%	6.13%	6.22%	6.42%
Pay rate............	3.97%	3.98%	3.96%	3.95%	4.06%	4.21%	4.06%	4.00%

NOTE: The interest rates exchanged are calculated assuming that interest rates remain unchanged from June 30, 2001. Call option expiration date is used as maturity date until the option expires. The information presented could change as LIBOR rates change and call options are exercised or expire.

Table 5--Loans and Credit Quality

	Loans* June 30		Nonperforming Loans** June 30		Net Charge-offs Six Months Ended June 30	
	2001	2000	2001	2000	2001	2000
	(In thousands)					
Commercial:						
Commercial and industrial...........	$ 7,075,237	$ 7,790,674	$ 124,574	$ 34,454	$ 38,517	$ 12,084
Commercial loans--secured by real estate..............	1,687,629	1,769,436	20,780	34,374	1,906	2,293
Total commercial....	8,762,866	9,560,110	145,354	68,828	40,423	14,377
Commercial real estate:						
Commercial real estate mortgages...........	2,263,335	2,377,687	20,206	23,777	402	(179)
Real estate construction.........	2,498,698	2,329,024	12,846	5,666	329	458

Total commercial real estate........	4,762,033	4,706,711	33,052	29,443	731	279
Consumer:						
Residential first mortgages............	1,528,525	1,410,327	12,514	10,960	612	497
Equity loans and lines................	4,867,885	4,511,889	5,183	7,491	6,698	3,949
Dealer indirect.......	3,169,281	3,651,564	1	314	18,647	17,452
Revolving credit......	497,933	467,648	-0-	-0-	10,429	6,916
Other consumer........	1,151,901	1,281,161	1,016	2,046	6,531	4,642
Total consumer......	11,215,525	11,322,589	18,714	20,811	42,917	33,456
	$24,740,424	$25,589,410	$ 197,120	$ 119,082	$ 84,071	$ 48,112

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* Net of unearned income.

** Exclusive of accruing loans 90 days past due and $35.6 million of nonperforming assets classified as held for accelerated disposition at June 30, 2000.

Table 6--Allowance for Loan Losses

	2001		2000		
	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter
	(Dollars in thousands)				
Balance at beginning of period................	$380,646	$380,434	$365,164	$346,030	$353,784
Loans charged off.......	(57,478)	(50,506)	(55,221)	(48,319)	(34,471)
Recoveries of loans previously charged off...................	11,395	12,518	14,411	12,890	11,743
Net charge-offs.........	(46,083)	(37,988)	(40,810)	(35,429)	(22,728)
Addition to allowance charged to expense	46,100	38,200	55,600	123,800	22,800
Allowance sold/transferred, net..	-0-	-0-	-0-	(69,091)	(5,500)
Allowance transferred to other liabilities......	-0-	-0-	480	(146)	(2,326)
Balance at end of period................	$380,663	$380,646	$380,434	$365,164	$346,030
Allowance for loan losses to loans net of unearned income........	1.54%	1.55%	1.55%	1.49%	1.35%
Allowance for loan losses to nonperforming loans*................	193.11%	181.84%	211.75%	249.99%	290.58%
Allowance for loan losses to nonperforming					

assets*................	170.18%	167.02%	193.82%	224.46%	256.94%
Net charge-offs to average loans net of unearned income (annualized)...........	0.75%	0.63%	0.66%	0.55%	0.34%

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* Exclusive of accruing loans 90 days past due and $35.6 million of nonperforming assets classified as held for accelerated disposition at June 30, 2000.

Table 7--Nonperforming Assets

	2001		2000		
	June 30	March 31	December 31	September 30	June 30
	(Dollars in thousands)				
Nonaccrual loans........	$197,120	$209,333	$179,659	$146,069	$119,082
Foreclosed properties...	20,380	13,688	12,360	12,714	13,780
Repossessions...........	6,177	4,888	4,259	3,906	1,810
Total nonperforming assets*..............	$223,677	$227,909	$196,278	$162,689	$134,672
Nonperforming assets* to loans net of unearned income, foreclosed properties and repossessions..........	0.90%	0.93%	0.80%	0.66%	0.53%
Accruing loans 90 days past due..............	$ 88,747	$ 89,237	$ 85,410	$ 78,314	$ 70,800

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* Exclusive of accruing loans 90 days past due and $35.6 million of nonperforming assets classified as held for accelerated disposition at June 30, 2000.

Table 8--Investment Securities

	June 30, 2001		June 30, 2000	
	Carrying Amount	Market Value	Carrying Amount	Market Value
	(In thousands)			
Held-to-maturity:				
U.S. Treasury and federal agency securities......................	$2,868,385	$2,909,346	$5,077,783	$4,941,889
Other securities.................	1,297,765	1,316,900	1,453,111	1,404,206
State, county and municipal securities..........................	342,377	355,991	401,722	380,736

	$4,508,527	$4,582,237	$6,932,616	$6,726,831
Available-for-sale:				
U.S. Treasury and federal agency securities	$3,534,854		$5,089,222	
Other securities	872,491		775,358	
State, county and municipal securities	96,549		71,400	
	$4,503,894		$5,935,980	

NOTES:

1. The weighted average remaining life, which reflects the amortization on mortgage related and other asset-backed securities, and the weighted average yield on the combined held-to-maturity and available-for-sale portfolios at June 30, 2001, were approximately 4.7 years and 6.66%, respectively. Included in the combined portfolios was $7.5 billion of mortgage-backed securities. The weighted-average remaining life and the weighted-average yield of mortgage-backed securities at June 30, 2001, were approximately 4.3 years and 6.63%, respectively. The duration of the combined portfolios, which considers the repricing frequency of variable rate securities, is approximately 3.1 years.

2. The available-for-sale portfolio included net unrealized gains of $98.1 million and unrealized losses of $206.3 million at June 30, 2001 and 2000, respectively.

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Table 9--Other Interest-Bearing Liabilities

	June 30	
	2001	2000
	(In thousands)	
Other borrowed funds:		
Short-term bank notes	$ 50,000	$ 650,000
Treasury, tax and loan notes	25,000	537,735
Commercial paper	13,210	14,826
Short-term Federal Home Loan Bank advances	-0-	350,000
Other short-term debt	59,599	52,850
Total other borrowed funds	$147,809	$1,605,411
Other long-term debt:		
6.45% Subordinated Notes Due 2018	$303,274	$ 303,771
6.125% Subordinated Notes Due 2009	174,568	174,423
6.75% Subordinated Debentures Due 2025	149,924	149,906
7.75% Subordinated Notes Due 2004	149,733	149,641
7.25% Senior Notes Due 2006	99,655	99,548
6.875% Subordinated Notes Due 2003	49,942	49,895
6.625% Subordinated Notes Due 2005	49,762	49,709
Other long-term debt	8,195	3,915
Statement 133 valuation adjustment	7,000	-0-

Total other long-term debt	$992,053	$ 980,808

Table 10--Capital Amounts and Ratios

	June 30			
	2001		2000	
	Amount	Ratio	Amount	Ratio
	(Dollars in thousands)			
Tier 1 capital:				
AmSouth	$2,590,226	7.70%	$2,668,147	7.37%
AmSouth Bank	3,278,150	9.77	3,283,431	9.03
Total capital:				
AmSouth	$3,716,964	11.04%	$3,809,992	10.53%
AmSouth Bank	3,970,705	11.83	3,941,495	10.84
Leverage:				
AmSouth	$2,590,226	6.80%	$2,668,147	6.20%
AmSouth Bank	3,278,150	8.62	3,283,431	7.65

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is included on page 15 of Part 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

Several of AmSouth's subsidiaries are defendants in legal proceedings arising in the ordinary course of business. Some of these proceedings seek relief or damages that are substantial. The actions relate to AmSouth's lending, collections, loan servicing, deposit taking, investment, trust, and other activities.

Among the actions which are pending against AmSouth subsidiaries are actions filed as class actions. The actions are similar to others that have been brought in recent years against financial institutions in that they seek punitive damage awards in transactions involving relatively small amounts of actual damages. A disproportionately higher number of the lawsuits against AmSouth have been filed in Mississippi relative to the amount of deposits held by AmSouth in Mississippi. In addition, lawsuits brought in Alabama and Mississippi against AmSouth and other corporate defendants typically demand higher damages than similar lawsuits brought elsewhere. Legislation has been enacted in Alabama that is designed to limit the potential amount of punitive damages that can be recovered in individual cases in the future. However, AmSouth cannot predict the effect of the legislation at this time.

It may take a number of years to finally resolve some of these legal proceedings pending against AmSouth subsidiaries, due to their complexity and for other reasons. It is not possible to determine with any certainty at this time the corporation's potential exposure from the proceedings. At times, class actions are settled by defendants without admission or even an actual finding of wrongdoing but with payment of some compensation to purported class members and large attorney's fees to plaintiff class counsel. Nonetheless, based upon the advice of legal counsel, AmSouth's management is of the opinion that the ultimate resolution of these legal proceedings will not have a material adverse effect on AmSouth's financial condition or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

The regular Annual Meeting of Shareholders of AmSouth was held on April 19, 2001, at which meeting the shareholders (i) elected four nominees as directors, and (ii) approved an amendment to AmSouth's 1996 Long Term Incentive Compensation Plan to increase the number of shares of common stock reserved under the plan. The following is a tabulation of the voting on these matters.

ELECTION OF DIRECTORS

Names	Votes For	Votes Withheld	Abstentions	Broker Nonvotes
Rodney C. Gilbert................	295,150,636	11,241,368	N/A	-0-
Victoria B. Jackson..............	293,101,829	13,290,175	N/A	-0-
Claude B. Nielsen................	295,195,700	11,196,304	N/A	-0-
Benjamin F. Payton...............	295,144,505	11,247,499	N/A	-0-

AMENDMENT OF 1996 LONG TERM INCENTIVE COMPENSATION PLAN

Votes For	Votes Against	Abstentions	Broker Nonvotes
194,116,047	46,353,294	6,987,670	58,934,993

Item 6. Exhibits and Reports on Form 8-K

Item 6(a) -- Exhibits

The exhibits listed in the Exhibit Index at page 29 of this Form 10-Q are filed herewith or are incorporated by reference herein.

Item 6(b) -- Reports on Form 8-K

No reports on Form 8-K were filed by AmSouth during the period April 1, 2001 to June 30, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, AmSouth has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 13, 2001

/s/ C. Dowd Ritter
By: ______________________________
C. Dowd Ritter
Chairman, President and
Chief Executive Officer

August 13, 2001

/s/ Donald R. Kimble
By: ______________________________
Donald R. Kimble
Executive Vice President,
Chief Accounting Officer
and Controller

EXHIBIT INDEX

The following is a list of exhibits including items incorporated by reference.

3-a Restated Certificate of Incorporation of AmSouth Bancorporation (1)

3-b By-Laws of AmSouth Bancorporation (2)

10-a 1996 Long Term Incentive Compensation Plan, as amended (3)

15 Letter Re: Unaudited Interim Financial Information

NOTES TO EXHIBITS

(1) Filed as Exhibit 3.1 to AmSouth's Report on Form 8-K filed October 15, 1999, incorporated herein by reference.
(2) Filed as Exhibit 3-b to AmSouth's Form 10-Q Quarterly Report for the quarter ended March 31, 2001, incorporated herein by reference.
(3) Filed as Appendix B to AmSouth's Proxy Statement, dated March 12, 2001, for the Annual Meeting of Shareholders on April 19, 2001, incorporated herein by reference.