

AMSOUTH BANCORPORATION  
Form 10-Q  
August 11, 2003  
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## 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, 2003

Commission file number 1-7476

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## AmSouth Bancorporation

(Exact Name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of

**63-0591257**  
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

**AmSouth Center**  
**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  No

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Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2003, AmSouth Bancorporation had 350,706,000 shares of common stock outstanding.

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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. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. A number of factors-many of which are beyond AmSouth s control-could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Factors which could cause results to differ materially from current management expectations include, but are not limited to: execution of AmSouth s strategic initiatives; legislation; general economic conditions, especially in the Southeast; the performance of the stock and bond markets; changes in interest rates, yield curves and interest rate spread relationships; prepayment speeds within the loan and investment security portfolios; 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 including capital market inefficiencies that may affect the marketability and valuation of available-for-sale securities; changes in accounting and tax principles, policies or guidelines; other economic, competitive, governmental and regulatory factors affecting AmSouth s operations, products, services and prices; unexpected judicial actions and developments; and the outcome of litigation, which is inherently uncertain and depends on the findings of judges and juries. To the extent that terrorist attacks or other hostilities including geopolitical conflicts cause a prolonged negative impact on the economy, the effects may include: adverse changes in customers borrowing, investing or spending patterns; market disruptions; adverse effects on the performance of the United States and foreign equity markets; currency fluctuations; exchange controls; restriction of asset growth; negative effects on credit quality; and other effects that could adversely impact the performance, earnings, and*

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*revenue growth of the financial services industry, including AmSouth. Forward-looking statements speak only as of the date they are made. 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.*

**Table of Contents****PART I****FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****AMSOUTH BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CONDITION****(Unaudited)**

	<b>June 30</b>	<b>December 31</b>	<b>June 30</b>
	<b>2003</b>	<b>2002</b>	<b>2002</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>(Dollars in thousands)</b>			
<b>ASSETS</b>			
Cash and due from banks	\$ 1,451,537	\$ 1,221,985	\$ 1,124,366
Federal funds sold and securities purchased under agreements to resell	484,300	26,018	147,000
Trading securities	287	47,964	30,006
Available-for-sale securities	5,814,466	4,744,866	4,590,271
Held-to-maturity securities (market value of \$4,919,981, \$4,552,727 and \$4,299,533, respectively)	4,842,826	4,425,053	4,177,856
Loans held for sale	17,655	19,909	203,370
Loans	28,876,285	28,062,413	26,381,404
Less: Allowance for loan losses	384,011	381,579	371,418
Unearned income	653,743	711,495	728,496
	<u>          </u>	<u>          </u>	<u>          </u>
Net loans	27,838,531	26,969,339	25,281,490
Other interest-earning assets	48,602	63,812	53,129
Premises and equipment, net	907,680	838,906	771,702
Cash surrender value - bank owned life insurance	1,041,391	1,016,288	991,123
Accrued interest receivable and other assets	1,336,932	1,197,132	1,128,790
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ 43,784,207</u>	<u>\$ 40,571,272</u>	<u>\$ 38,499,103</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits and interest-bearing liabilities:			
Deposits:			
Noninterest-bearing demand	\$ 5,849,456	\$ 5,494,657	\$ 4,981,783
Interest-bearing checking	5,739,344	5,470,243	5,234,927
Money market and savings deposits	7,553,650	7,270,541	6,455,526
Time	6,532,948	6,384,206	6,433,294
Foreign	727,329	640,663	356,789
Certificates of deposit of \$100,000 or more	2,696,099	2,055,314	2,066,217
	<u>          </u>	<u>          </u>	<u>          </u>
Total deposits	29,098,826	27,315,624	25,528,536
Federal funds purchased and securities sold under agreements to repurchase	1,837,292	1,769,547	2,040,929
Other borrowed funds	149,333	151,018	150,408
Long-term Federal Home Loan Bank advances	5,826,839	5,838,268	5,304,831
Other long-term debt	1,517,224	1,051,015	1,023,682
	<u>          </u>	<u>          </u>	<u>          </u>
Total deposits and interest-bearing liabilities	38,429,514	36,125,472	34,048,386
Accrued expenses and other liabilities	2,209,118	1,329,803	1,376,454

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Total liabilities	40,638,632	37,455,275	35,424,840
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 416,890,000, 416,909,000 and 416,923,000 shares, respectively	416,890	416,909	416,923
Capital surplus	706,042	706,081	699,786
Retained earnings	3,083,424	2,951,430	2,806,383
Cost of common stock in treasury 66,413,000, 63,485,000 and 56,564,000 shares, respectively	(1,106,191)	(1,045,428)	(907,950)
Deferred compensation on restricted stock	(15,838)	(15,954)	(16,716)
Accumulated other comprehensive income	61,248	102,959	75,837
Total shareholders' equity	3,145,575	3,115,997	3,074,263
	\$ 43,784,207	\$ 40,571,272	\$ 38,499,103

See notes to consolidated financial statements.

**Table of Contents****AMSOUTH BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF EARNINGS****(Unaudited)**

	Six Months Ended		Three Months Ended	
	June 30		June 30	
	2003	2002	2003	2002
(In thousands except per share data)				
<b>INTEREST INCOME</b>				
Loans	\$ 788,402	\$ 838,057	\$ 389,859	\$ 419,599
Available-for-sale securities	152,747	172,008	75,065	86,700
Held-to-maturity securities	117,064	123,561	56,199	62,058
Trading securities	61	159	6	92
Loans held for sale	478	7,827	318	3,662
Federal funds sold and securities purchased under agreements to resell	1,055	1,151	889	406
Other interest-earning assets	264	778	110	468
<b>Total interest income</b>	<b>1,060,071</b>	<b>1,143,541</b>	<b>522,446</b>	<b>572,985</b>
<b>INTEREST EXPENSE</b>				
Interest-bearing checking	16,164	23,985	8,129	12,015
Money market and savings deposits	27,816	37,676	13,819	18,907
Time deposits	103,409	124,879	51,116	60,593
Foreign deposits	3,359	2,431	1,675	1,329
Certificates of deposit of \$100,000 or more	32,041	35,723	16,555	17,086
Federal funds purchased and securities sold under agreements to repurchase	10,474	13,933	4,555	7,704
Other borrowed funds	2,130	2,069	985	1,090
Long-term Federal Home Loan Bank advances	131,667	135,508	64,949	68,364
Other long-term debt	20,613	19,565	11,307	9,782
<b>Total interest expense</b>	<b>347,673</b>	<b>395,769</b>	<b>173,090</b>	<b>196,870</b>
<b>NET INTEREST INCOME</b>	<b>712,398</b>	<b>747,772</b>	<b>349,356</b>	<b>376,115</b>
Provision for loan losses	87,400	108,700	42,700	52,600
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>624,998</b>	<b>639,072</b>	<b>306,656</b>	<b>323,515</b>
<b>NONINTEREST REVENUES</b>				
Service charges on deposit accounts	157,233	132,681	81,677	67,551
Trust income	51,625	55,242	25,598	27,373
Consumer investment services income	32,359	42,552	16,049	21,641
Interchange income	35,047	30,040		