AMSOUTH BANCORPORATION
Form DEF 14A
March 15, 2004

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

AmSouth Bancorporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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March 10, 2004

To our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of AmSouth Bancorporation scheduled for 10:00 A.M. Eastern Daylight Saving Time on Thursday, April 15, 2004 at the Wyndham Harbour Island Hotel, 725 S. Harbour Island Boulevard, Tampa, Florida 33602. The matters scheduled for consideration at the meeting are described in the attached Notice of Meeting of Shareholders and Proxy Statement.

Your vote is important to us, no matter how many shares you own. Shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Check your proxy card forwarded by AmSouth or your broker or other holder of record to see the voting options available to you. If you do attend the Annual Meeting and desire to vote in person, you may do so even though you have previously voted your proxy.

Also enclosed is AmSouth s 2003 Annual Report to Shareholders which contains additional information about AmSouth, including our letter to shareholders and a detailed discussion of our financial performance during the past year. We believe that this information will be useful and informative regarding the current status of your company.

Sincerely,

C. Dowd Ritter

Chairman, President and Chief

Executive Officer

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Post Office Box 11007

Birmingham, Alabama 35288

NOTICE OF MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 15, 2004

TO THE HOLDERS OF SHARES OF COMMON STOCK:

NOTICE IS HEREBY GIVEN that, pursuant to call of its Directors, the regular Annual Meeting of Shareholders of AMSOUTH BANCORPORATION will be held at the Wyndham Harbour Island Hotel, 725 S. Harbour Island Boulevard, Tampa, Florida 33602 on Thursday, April 15, 2004 at 10:00 A.M. Eastern Daylight Saving Time, for the purpose of considering and voting upon the following matters:

1. An AmSouth proposal to elect two directors of Class I to serve for a term of three years until the Annual Meeting of Shareholders in 2007 or until their successors are elected and qualify.

2. An AmSouth proposal to ratify the appointment of Ernst & Young, LLP as independent auditors of the Company to serve for the 2004 fiscal year.

3. An AmSouth proposal to approve the Employee Stock Purchase Plan.

4. An AmSouth proposal to amend the 1996 Long Term Incentive Compensation Plan.

5. An AmSouth proposal to approve the Stock Option Plan for Outside Directors.

6. Consideration of a shareholder proposal as set forth in the Proxy Statement, if presented to the meeting; and

7. The transaction of such other business as may properly come before the meeting or any adjournment thereof.

Your attention is directed to the accompanying Proxy Statement for further information with respect to the matters to be acted upon at the meeting.

All holders of record of shares of AmSouth common stock (NYSE: ASO) at the close of business on February 17, 2004 are entitled to receive notice of the meeting and to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

March 10, 2004

Stephen A. Yoder
Secretary

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YOUR VOTE IS IMPORTANT

You can vote one of three ways:

(a) Via the Internet: Visit the web site listed on your proxy card to vote via the Internet.
(b) By Telephone: Call the toll-free number listed on your proxy card to vote by phone.
(c) By Mail: Mark, sign, date and mail your proxy card in the enclosed postage-paid envelope.

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PROXY STATEMENT

DATED MARCH 10, 2004

AmSouth Bancorporation

P.O. Box 11007, Birmingham, Alabama 35288

For Annual Meeting of Shareholders

To be Held on April 15, 2004

GENERAL

We are delivering these proxy materials to solicit proxies on behalf of the Board of Directors of AmSouth Bancorporation (AmSouth or the Corporation or the Company) for the 2004 Annual Meeting of Shareholders to be held on April 15, 2004 and any adjournment or adjournments thereof.

We are mailing this Proxy Statement, together with a form of proxy and voting instruction card (proxy card) and the Company s annual report for the year ended December 31, 2003, or otherwise making them available through electronic delivery, starting on or about March 15, 2004, to shareholders entitled to vote at the meeting.

Shareholders Entitled to Vote at the Meeting

If you are a registered shareholder at the close of business on the record date, February 17, 2004, you are entitled to receive this notice and to vote at the meeting. There were 352,913,863 shares of common stock outstanding on the record date. You will have one vote on each matter properly brought before the meeting for each share of AmSouth common stock you own.

Electronic Access to Proxy Materials and Annual Report

Shareholders can elect to view future AmSouth Bancorporation proxy statements and annual reports over the Internet instead of receiving paper copies in the mail and thus can save AmSouth the cost of producing and mailing these documents. If you already have internet access, there will be no additional charge for you to have electronic access via the internet to our proxy materials and annual report.

If you are a registered shareholder, you can choose to receive future annual reports and proxy statements electronically by following the prompt if you choose to vote over the Internet. Registered shareholders, as well as most beneficial shareholders, can enroll to receive electronic delivery of materials by following the instructions on the Investor Relations Resource Center at our web site, www.amsouth.com, or by accessing www.icsdelivery.com/aso.

Shareholders who choose to view future proxy statements and annual reports over the Internet will receive an e-mail with instructions containing the Internet address of those materials, as well as voting instructions, approximately four weeks before future meetings.

If you enroll to view AmSouth s future annual reports and proxy statements electronically and vote your proxy over the Internet, your enrollment will remain in effect for all future shareholders meetings unless you cancel it. To cancel, registered shareholders should access www.icsdelivery.com/aso and follow the instructions to cancel your enrollment. If you hold your AmSouth stock in nominee name, check the information provided by your nominee for instructions on how to cancel your enrollment.

If at any time you would like to receive a paper copy of the annual report or proxy statement, please write to Investor Relations, AmSouth Bancorporation, P.O. Box 11007, Birmingham, Alabama 35288 or call us at 205-581-7890.

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IMPORTANT NOTICE REGARDING DELIVERY OF SECURITY HOLDER DOCUMENTS

The Securities and Exchange Commission (SEC) has issued rules regarding the delivery of proxy statements and information statements to households. These rules spell out the conditions under which annual reports, information statements, proxy statements, prospectuses and other disclosure documents of a particular company that would otherwise be mailed in separate envelopes to more than one person at a shared address may be mailed as one copy in one envelope addressed to all holders at that address. In accordance with that rule, AmSouth began householding all annual reports and proxy and information statements effective June 1, 2001.

If you are a new registered shareholder since the record date for our 2003 Annual Meeting and you choose not to have your annual reports and proxy and information statements sent to a single household address as described above, you must opt out by marking the designated box on the enclosed proxy card. If you are a registered shareholder and if you choose to opt out of the householding program at a future date, please write to Investor Relations, AmSouth Bancorporation, P.O. Box 11007, Birmingham, Alabama 35288 or call us at 205-581-7890 or 1-800-542-1061, and we will cease householding your annual reports and proxy and information statements within 30 days. If we do not receive instructions to remove your account(s) from this service, your account(s) will continue to be householded until we notify you otherwise. However, if at any time you would like a separate copy of the annual report or proxy statement, please write or call us at the address or phone number shown above, and we will deliver it promptly.

If you own your AmSouth stock in nominee name (such as through a broker), information regarding householding of disclosure documents should be forwarded to you by your broker.

How to Vote Your Shares

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to vote in advance. If you own your shares in record name, you may cast your vote one of three ways:

Vote by Internet: You can choose to vote your shares over the Internet site listed on the proxy card. This site will give you the opportunity to make your selections and confirm that your instructions have been followed. To take advantage of the convenience of voting on the Internet, you must subscribe to one of the various commercial services that offers access to the World Wide Web. *If you vote via the Internet, you do not need to return the proxy card.*

Vote By Telephone: You can also vote by phone at any time by calling the toll-free number (for residents of the U.S.) listed on the proxy card. To vote by phone follow the simple recorded instructions. *If you vote by phone, you do not need to return the proxy card.*

Vote by Mail: If you choose to vote by mail, simply mark the proxy card, and then date, sign and return it in the postage-paid envelope provided.

Shareholders who hold their shares beneficially in street name through a nominee (such as a broker) may be able to vote by telephone or the Internet as well as by mail. You should follow the instructions you receive from your nominee to vote these shares.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted at the meeting by:

Properly executing and delivering a later-dated proxy (including a telephone or Internet vote);

Voting by ballot at the meeting; or

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Sending a written notice of revocation to the inspectors of election in care of the Corporate Secretary of AmSouth at the address shown on the cover of this proxy statement.

Cost of Proxy Solicitation

We will pay the expenses of soliciting proxies in connection with the Annual Meeting. Proxies may be solicited on our behalf through the mail, in person, by telephone, electronic transmission, or facsimile transmission. We have hired Morrow & Co., Inc. to assist with the solicitation of proxies for a fee of $11,000 plus the reimbursement of any out-of-pocket expenses incurred. It is possible that Morrow & Co. may be paid additional fees depending upon the services rendered.

In accordance with the SEC and the New York Stock Exchange (NYSE) rules, AmSouth will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses of sending proxies and proxy materials to the beneficial owners of AmSouth common stock.

Other Matters

The Board of Directors does not know of any matters that may be brought before the Annual Meeting other than as listed in the Notice of Meeting. If any other matters are properly introduced at the Annual Meeting for consideration, including consideration of a motion to adjourn the meeting to another time or place, the individuals named on the enclosed Proxy will vote on such matters in accordance with their discretion.

The Board s Recommendations

If you send a properly executed proxy without specific voting instructions, your shares represented by that proxy will be voted as recommended by the Board of Directors:

FOR the election of the two nominees as directors (see Item 1),

FOR the ratification of Ernst & Young as independent auditors (see Item 2),

FOR the approval of the Employee Stock Purchase Plan (see Item 3),

FOR the amendment of the 1996 Long Term Incentive Compensation Plan (see Item 4),

FOR the approval of the Stock Option Plan for Outside Directors (see Item 5), and

AGAINST the shareholder proposal, if presented (see Item 6).

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Shares of common stock, $1.00 par value per share, are the only authorized securities of AmSouth entitled to vote, and each outstanding share is entitled to one vote. Only holders of record of common stock at the close of business on February 17, 2004 will be entitled to vote at the Annual Meeting. AmSouth is currently authorized to issue up to seven hundred and fifty million (750,000,000) shares of such common stock. As of February 17, 2004, there were 352,913,863 shares of common stock of AmSouth issued, outstanding and entitled to vote.

Shareholders who are participants in AmSouth s Direct Stock Purchase and Dividend Reinvestment Plan (the DRP) and/or are AmSouth employees who participate in the AmSouth Stock Fund of the AmSouth Thrift Plan will find that the enclosed Proxy Card shows the total of the number of any shares held by them in their own names (but not in street name through a broker) as well as those shares, including fractions of shares, held on their behalf by the agent for the DRP and/or the trustee for the Thrift Plan.

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Voting in one of the ways previously described will allow voting of all shares, including those held by the DRP agent and the trustee for the Thrift Plan. Except with respect to the election of directors, the trustee for the Thrift Plan may, in its discretion, under the terms of the Thrift Plan, vote shares for which no directions have been received.

STOCK OWNERSHIP

At December 31, 2003 no person was known to the management of AmSouth to be the beneficial owner of more than five percent of AmSouth s outstanding common stock. The following table reflects the number of shares of AmSouth common stock (rounded to the nearest whole number) beneficially owned by (i) each director and nominee for director of AmSouth, (ii) the five most highly compensated executive officers who are not also directors (listed in the table under the heading Certain Executive Officers) and (iii) the directors, nominees and executive officers of AmSouth as a group.

All of the directors of AmSouth have elected to defer receipt of some or all of the retainer and meeting fees they are paid for service on the Board of Directors and to receive shares of AmSouth stock instead of cash when the deferred amounts are paid. Therefore, the ultimate value of the amounts deferred will be tied to the performance of AmSouth stock. As of February 17, 2004, the directors as a group held 84,019 shares of such deferred stock. Executive officers of AmSouth may make a similar election to defer receipt of bonuses and to receive shares of AmSouth stock when the deferred amounts are paid. Such stock, whether attributable to deferrals by directors or by executive officers, is hereinafter referred to as Deferred Stock.

	AmSouth Shares Beneficially Owned(1) As of February 17, 2004			
Person, Group or Entity	**Sole Power(2)**	**Shared Power(3)**	**Aggregate**	**Percent of Total Outstanding**
DIRECTORS AND NOMINEES				
Earnest W. Deavenport, Jr.	60,367		60,367	*
Rodney C. Gilbert	46,323		46,323	*
Martha R. Ingram	88,730		88,730	*
Victoria B. Jackson	30,086	830	30,916	*
Ronald L. Kuehn, Jr.	54,580	240	54,820	*
James R. Malone	33,506	6,750	40,256	*
Charles D. McCrary	12,672		12,672	*
Claude B. Nielsen	45,215	3,491	48,706	*
C. Dowd Ritter	2,723,485(4)	19,333	2,742,818	*
Cleophus Thomas, Jr.	10,083	1,422	11,505	*
CERTAIN EXECUTIVE OFFICERS				
Candice W. Bagby	475,498(5)	3,300	478,798	*
Sloan D. Gibson	816,531(6)	72,325	888,856	*
W. Charles Mayer, III	618,553(7)	14,130	632,683	*
Beth E. Mooney	384,539(8)		384,539	*
E. W. Stephenson, Jr.	563,114(9)	64,000	627,114	*
Directors, Nominees and Executive Officers as a group (consisting of 21 persons)	7,577,037(10)	157,610	7,734,647	2.2%

* Less than one percent

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Notes

(1) The number of shares reflected are shares which under applicable regulations of the SEC are deemed to be beneficially owned. Shares deemed to be beneficially owned under such regulations include shares as to which, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, either voting power or investment power is held or shared. The total number of shares beneficially owned is divided, where applicable, into two categories: shares as to which voting/investment power is held solely, and shares as to which voting/investment power is shared.

(2) Unless otherwise indicated in the following notes, if a beneficial owner is shown as having sole power, the owner has sole voting and sole investment power, and if a beneficial owner is shown as having shared power, the owner has shared voting power and shared investment power. If ownership of restricted stock is shown, the individual has sole voting power, but no power of disposition. The amounts in this column include (a) shares of Deferred Stock held by the following directors in the amounts (rounded) shown: Deavenport 10,722; Gilbert 25,275; Ingram 4,695; Jackson 1,636; Kuehn 16,886; Malone 7,956; McCrary 5,272; Nielsen 9,648; and Thomas 1,929; and (b) stock options for 20,173 shares for each of directors Jackson, Kuehn, Malone, and Nielsen, stock options for 18,486 shares for directors Deavenport and Ingram; stock options for 10,950 shares for director Gilbert and stock options for 7,200 shares for director McCrary. These are options that can be exercised within 60 days. Option information for director Ritter is in footnote (4). For directors and executive officers, shares of Deferred Stock are held under deferred compensation plans and have no voting rights. Some individuals are beneficial owners of shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan. The individual has sole voting power, but no direct power of disposition over the shares held in the Stock Fund, but can elect to move monies in and out of the Fund and/or change the amount of contributions, thereby affecting the individual s balance in the Fund.

(3) This column may include shares held in the name of, among others, a spouse, minor children or certain other relatives sharing the same home as the director, nominee or executive officer, as to all of which beneficial ownership is disclaimed by the respective director, nominee and executive officer.

(4) Includes 1,891,287 shares which could be acquired within 60 days pursuant to stock options, 353,334 shares of restricted stock and 93,988 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.

(5) Includes 322,916 shares which could be acquired within 60 days pursuant to stock options, 50,000 shares of restricted stock and 2,287 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.

(6) Includes 598,033 shares which could be acquired within 60 days pursuant to stock options, 110,000 shares of restricted stock, 11,592 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 96,906 shares of Deferred Stock.

(7) Includes 412,860 shares which could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock and 11,223 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan.

(8) Includes 284,050 shares which could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock, 857 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 11,675 shares of Deferred Stock.

(9) Includes 392,784 shares that could be acquired within 60 days pursuant to stock options, 75,000 shares of restricted stock, 4,995 shares held by the AmSouth Stock Fund of the AmSouth Thrift Plan and 7,036 shares of Deferred Stock.

(10) 160,200 of these shares are held by the AmSouth Stock Fund of the AmSouth Thrift Plan, 977,150 of these shares are restricted stock, 5,264,969 of these shares could be acquired within 60 days pursuant to stock options and 209,064 are shares of Deferred Stock.

As of February 17, 2004, AmSouth held 64,935,842 shares of its common stock as Treasury shares.

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ITEM 1 ELECTION OF DIRECTORS

General

Under AmSouth s Restated Certificate of Incorporation, the Board of Directors is divided into three classes, with the term of office of each class expiring in successive years. AmSouth s Bylaws provide that the number of directors will be fixed from time to time by the vote of two-thirds of the directors then in office who have been elected by the shareholders. The current number of directors is 10. The terms of Class I Directors expire at this Annual Meeting. The terms of Class II and Class III Directors will expire in 2005 and 2006, respectively. Effective at the Annual Meeting on April 15, 2004, Directors Gilbert and Jackson will retire in accordance with the retirement policies of the Board of Directors.

The Board of Directors is recommending the election to Class I of directors Claude B. Nielsen and Cleophus Thomas, Jr. Each of the Class I Directors elected at this Annual Meeting will serve three-year terms expiring at the 2007 Annual Meeting of Shareholders or until his respective successor is elected and qualified, except as provided in the Bylaws.

Proxies solicited by the Board of Directors will be voted for the election of the nominees named above, unless you withhold your vote. Management has no reason to believe that any nominee will be unable or unwilling to serve as a director if elected. However, if any one of them should become unavailable, the Board of Directors may reduce the size of the board or designate a substitute. If the board designates a substitute nominee, shares represented by proxies will be voted for the substitute nominee.

The names of the nominees, the retiring directors and the directors who will continue to serve unexpired terms and certain information relating to them, including the business experience of each during the past five years, follow. The directorships shown are with corporations subject to the registration or reporting requirements of the Securities Exchange Act of 1934 or registered under the Investment Company Act of 1940. Each of the directors of AmSouth is also a director of AmSouth Bank, a wholly-owned subsidiary of AmSouth.

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THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE FOLLOWING TWO NOMINEES FOR ELECTION AS A DIRECTOR:

NOMINEES FOR TERMS EXPIRING IN 2007 (CLASS I)

Claude B. Nielsen Director since 1993

Mr. Nielsen, 53, has been the President and Chief Executive Officer of Coca-Cola Bottling Company United, Inc., a soft drink bottler, since 1991, and its Chairman since May 2003. Mr. Nielsen also serves on the board of Colonial Properties Trust.

Cleophus Thomas, Jr. Director since 2002

Since January 2002, Mr. Thomas, 47, has been the Chairman and Chief Executive Officer of A.G. Gaston Company, the holding company of Booker T. Washington Insurance Company and subsidiaries. Between 1992 and 2002, he held various positions, including Vice President, Senior Vice President and Senior Executive Vice President, of Booker T. Washington Insurance Company. He was Of Counsel at the law firm Adams and Reese LLP from January 1998 until November 2003. Mr. Thomas serves on the board of Protective Investment Company.

DIRECTORS WHOSE TERMS EXPIRE IN 2005 (CLASS II)

Earnest W. Deavenport, Jr. Director since 1999

Mr. Deavenport, 65, was Chairman of the Board and Chief Executive Officer from 1994 through 2001 of Eastman Chemical Company, a manufacturer of plastic, chemical and fiber products. He also serves on the boards of Theragenics Corporation, King Pharmaceuticals, Inc. and Acuity Brands, Inc.

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James R. Malone Director since 1994

During 2003, Mr. Malone, 61, founded and became a Managing Partner of Qorval LLC, a financial and business restructuring and consulting firm. He was Chairman of the Board 1996 2004 and Chief Executive Officer 1997 2004 of HMI Industries, Inc., a producer of cleaners for residential and commercial use and other industrial manufactured products. From 2000 to 2003 Mr. Malone was a Managing Director of Bridge Associates LLC, which engaged in activities similar to those of Qorval. Mr. Malone serves on the board of Ametek, Inc.

DIRECTORS WHOSE TERMS EXPIRE IN 2006 (CLASS III)

Martha R. Ingram Director since 1999

Ms. Ingram, 68, is the Chairman of the Board of Ingram Industries Inc., a privately held company with diversified businesses in marine transportation, book distributing and insurance, a position she has held since 1995. She also serves on the board of directors of Ingram Micro, Inc.

Ronald L. Kuehn, Jr. Director since 1986

Mr. Kuehn, 68, has been Chairman of the Board of El Paso Corporation, a diversified energy company, since March 2003. From March 2003 to September 2003, Mr. Kuehn served as El Paso s Chief Executive Officer, and from September 2002 to March 2003, Mr. Kuehn was the Lead Director of El Paso. From January 2001 to March 2003, he was a business consultant. Mr. Kuehn served as President and Chief Executive Officer of Sonat Inc., a diversified energy company, from 1984 until his retirement in October 1999. He was Chairman of the board of directors of Sonat from 1986 until his retirement. He is a member of the board of directors of The Dun & Bradstreet Corporation, El Paso Corporation and Praxair, Inc.

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Charles D. McCrary Director since 2001

Mr. McCrary, 52, has been President and Chief Executive Officer of Alabama Power Company, a public utility, since October 2001. From April 2001 to October 2001, he served as President and Chief Operating Officer of Alabama Power. Mr. McCrary served as President of Southern Company Generation and Energy Marketing (and certain predecessor companies) (affiliate of public utility) from June 1998 to April 2001. He is a member of the board of directors of Alabama Power Company.

C. Dowd Ritter Director since 1993

Mr. Ritter, 56, has served as President and Chief Executive Officer of AmSouth and AmSouth Bank and Chairman of the Board of AmSouth Bank since 1996. He is also the Chairman of the Board of AmSouth, a position he held September 1996 to October 1999 and January 2001 to date. Mr. Ritter serves on the board of directors of Alabama Power Company.

DIRECTORS RETIRING AT THE 2004 ANNUAL MEETING

Rodney C. Gilbert Director since 1994

Mr. Gilbert, 64, has been President and Chief Executive Officer of RCG Consulting, LLC (general business consultant) since January 1999.

Victoria B. Jackson Director since 1997

Since June 2000, Ms. Jackson, 49, has been President and Chief Executive Officer of Victoria Bellé, Inc., a company engaged in the design, manufacturing and marketing of specialty retail products. She served as President and Chief Executive Officer of DSS/ProDiesel, Inc. (a provider of diesel engine components) from 1977 to January 1999 and then as consultant from February 1999 to February 2000 to DSS/ProDiesel, Inc. Ms. Jackson serves on the board of directors of ArvinMeritor, Inc.

The Board of Directors

The full Board of Directors met six times during 2003. To assist it in carrying out its work, the Board of Directors has the following standing committees: Audit; Corporate Governance; Human Resources; and an Executive Committee.

Audit Committee

The Audit Committee currently consists of Directors Charles B. McCrary (Chairman), Earnest W. Deavenport, Jr., Rodney C. Gilbert, Ronald L. Kuehn, Jr., Claude B. Nielsen and Cleophus Thomas, Jr. This committee is charged by the Board of Directors with several major functions, including to oversee the audit and examination of the financial condition of AmSouth and to consider and review AmSouth s policies addressing various internal control matters. In performing these functions, the committee met six times during 2003.

Human Resources Committee

This committee is composed of Directors Claude B. Nielsen (Chairman), Martha R. Ingram, Victoria B. Jackson and James R. Malone and met four times during 2003. The committee is charged with the oversight of AmSouth s compensation plans and determining the compensation of senior management.

Corporate Governance Committee

The Corporate Governance Committee is charged with setting the corporate governance policies of AmSouth. The members of this committee are Directors Earnest W. Deavenport, Jr. (Chairman), Victoria B. Jackson, Ronald L. Kuehn, Jr., Charles D. McCrary and Cleophus Thomas, Jr. The committee is also charged with reviewing potential nominees and recommending new directors, and reviewing the structure of the Board and its operation and recommending changes where appropriate. Procedures whereby individual shareholders can submit recommendations of persons to be considered for nomination as a director of AmSouth and AmSouth s process for nominating directors are described below in the Miscellaneous Information Director Nomination Process section of this Proxy Statement. The committee met three times during 2003.

Executive Committee

This committee has the power to exercise all of the authority of the Board of Directors, to the extent allowed by law, and is specifically given the authority, among other things, to declare dividends. The current members of the committee are Directors C. Dowd Ritter (Chairman), Earnest W. Deavenport, Jr., Charles D. McCrary, James R. Malone and Claude B. Nielsen. The committee did not meet during 2003.

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Audit Committee Report

The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are independent, as required by applicable SEC rules and the listing standards of the NYSE. The Audit Committee operates pursuant to a charter that was last amended and restated by the Board on January 15, 2004, a copy of which is attached as Appendix A. The Audit Committee has also adopted procedures for handling complaints regarding accounting or auditing matters, including procedures for the confidential, anonymous submission by employees of related concerns.

In the performance of its oversight function, the Audit Committee has reviewed and discussed the audited financial statements, including a discussion of the quality, not just the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements, with management and Ernst & Young LLP, AmSouth s independent auditors. The Audit Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees,* as amended by Statement on Auditing Standards No. 90, *Audit Committee Communications,* as currently in effect. Finally, the Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, has considered whether the provision of non-audit services by the independent auditors to the Company is compatible with maintaining the auditors independence and has discussed with the auditors the auditors independence. See the discussion under Independent Public Accountants on page 41.

Based upon the review, discussions and reports described in this report, the Audit Committee recommended to the Board that the audited financial statements be included in AmSouth s Annual Report on Form 10-K for the year ended December 31, 2003 to be filed with the SEC.

Submitted by the Audit Committee:

Charles B. McCrary, Chairman

Earnest W. Deavenport, Jr.

Rodney C. Gilbert

Ronald L. Kuehn, Jr.

Claude B. Nielsen

Cleophus Thomas, Jr.

Audit Committee Financial Experts

The Board of Directors believes that the following members of the Audit Committee qualify as Audit Committee Financial Experts under applicable SEC regulations: Messrs. Deavenport, Kuehn, McCrary and Nielsen. As noted above, the Board of Directors has determined that all of these individuals are independent under applicable SEC and NYSE rules.

Code of Ethics for Senior Financial Officers

AmSouth has adopted a Code of Ethics for Senior Financial Officers. It may be found on AmSouth s website (www.amsouth.com) in the Corporate Governance section of the Investor Relations Resource Center.

Director Attendance

During 2003, all incumbent directors of AmSouth attended at least 75 percent of the total number of meetings of the Board of Directors and meetings of the committees of which they were members.

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Section 16(a) Beneficial Ownership Reporting Compliance

AmSouth is not aware of any instance during 2003 in which directors or executive officers of AmSouth failed to make timely filings required by Section 16(a) of the Securities Exchange Act of 1934. AmSouth has relied on written representations of its directors and executive officers and copies of the reports that have been filed in making required disclosures concerning beneficial ownership reporting.

Director Independence

It is the judgment of the Board of Directors that all members of the Board of Directors (other than the CEO, Mr. Ritter) are independent under the rules of the NYSE and the categorical standards adopted by the Board. These standards are Appendix B to this Proxy Statement.

Certain Relationships, Related Transactions and Legal Proceedings

Certain directors and executive officers of AmSouth and AmSouth Bank, and certain associates and members of the immediate families of these individuals, were customers of, and had loan transactions with, AmSouth Bank in the ordinary course of business during 2003. In addition, certain of the foregoing are or have been executive officers or 10 percent or more shareholders in corporations, or members of partnerships, which are customers of AmSouth Bank and which have had loan transactions with AmSouth Bank in the ordinary course of business. In the opinion of the management of AmSouth, all such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and corporations and did not involve more than the normal risk of collectibility or present other unfavorable features. Transactions of a similar nature will, in all probability, occur in the future in the ordinary course of business.

During part of 2003, director Cleophus Thomas, Jr. was of counsel to the law firm of Adams and Reese LLP, which performed services for AmSouth. The amount paid to that firm for services to AmSouth in 2003 was less than $20,000. Mr. Thomas resigned from the firm effective November 2003.

Director James R. Malone is and has been a principal of financial and business restructuring and consulting firms. Through his association with these firms, Mr. Malone has occasionally served as an executive officer of companies that retain the firm to assist in their financial restructuring, and as part of the restructuring strategy some of these companies file for bankruptcy. AmSouth does not believe that Mr. Malone s service as an executive officer with such companies, which arises solely because of his affiliation with the consulting firms, is material to an evaluation of the ability or integrity of Mr. Malone to serve as a Director of AmSouth. Mr. Malone also served as Chairman of the Board and Chief Executive Officer of Bliss Manufacturing Company (renamed Bliss Technologies Inc. after its sale in 1998), a former subsidiary of HMI Industries, Inc., from 1997 until March 1998. He served as Chairman of the Board of Bliss Technologies Inc. from March 1998 until February 1999. In January 2000, Bliss Technologies, Inc. filed a petition in the United States Bankruptcy Court in Detroit, Michigan under Chapter 11 of the Bankruptcy Act.

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EXECUTIVE COMPENSATION

Summary of Cash and Certain Other Compensation

The following table provides summary information concerning compensation paid by AmSouth and its subsidiaries to its Chief Executive Officer and each of the five other most highly compensated executive officers of AmSouth at December 31, 2003 (hereinafter referred to as the named executive officers), for the fiscal years ended December 31, 2003, 2002 and 2001. Information is being presented on a total of six officers because two officers had the same total salary and bonus for 2003.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation — Awards		Long Term Compensation — Payouts	
Name and Principal Position	Year	Salary($)	Bonus($)	Other Annual Compensation ($)(2)	Restricted Stock Award(s) ($)(3)	Securities underlying Options (#)	LTIP Payouts($)	All Other Compensation($)
C. Dowd Ritter	2003	$ 995,000	$ 1,865,000	$ 210,713	$ 0	602,000	$ 0	$ 209,851(4)
Chairman, President &	2002	$ 983,000	$ 2,713,100	$ 221,469	$ 0	645,000	$ 0	$ 216,295
Chief Executive Officer,	2001	$ 945,000	$ 1,814,400	$ 163,191	$ 5,446,400	625,000	$ 0	$ 210,169
AmSouth & AmSouth Bank								
Sloan D. Gibson (1)	2003	$ 470,000	$ 432,400	$ 47,223	$ 0	175,000	$ 0	$ 28,200(4)
Vice Chairman, Chief Financial	2002	$ 455,000	$ 632,450	$ 51,705	$ 0	187,500	$ 0	$ 27,300
Officer & Finance and Credit	2001	$ 440,000	$ 497,200	$ 178,154	$ 1,872,200	190,000	$ 0	$ 174,050
Group Head								
E. W. Stephenson, Jr. (1)	2003	$ 425,000	$ 463,250	$ 55,168	$ 0	121,800	$ 0	$ 30,310(4)
Senior Executive Vice	2002	$ 412,000	$ 564,400	$ 68,580	$ 0	130,500	$ 0	$ 29,530
President & Florida and	2001	$ 400,000	$ 376,000	$ 63,485	$ 1,276,500	135,000	$ 0	$ 28,810
Mississippi Banking Group Head								
Candice W. Bagby	2003	$ 375,000	$ 435,000	$ 41,396	$ 0	121,800	$ 0	$ 22,500(4)
Senior Executive Vice	2002	$ 340,000	$ 274,050	$ 43,203	$ 0	108,000	$ 0	$ 20,400
President and Consumer Banking	2001	$ 315,000	$ 165,300	$ 37,496	$ 851,000	85,000	$ 0	$ 18,900
Group Head								
W. Charles Mayer, III	2003	$ 385,000	$ 404,250	$ 53,211	$ 0	121,800	$ 0	$ 28,300(4)
Senior Executive Vice	2002	$ 370,000	$ 481,000	$ 52,967	$ 0	130,500	$ 0	$ 27,400
President & Alabama and	2001	$ 355,000	$ 323,050	$ 47,849	$ 1,276,500	135,000	$ 0	$ 26,500
South Louisiana Banking Group Head								
Beth E. Mooney(1)	2003	$ 385,000	$ 404,250	$ 34,372	$ 0	121,800	$ 0	$ 23,100(4)
Senior Executive Vice	2002	$ 365,000	$ 459,900	$ 35,196	$ 0	130,500	$ 0	$ 21,901
President & Tennessee and	2001	$ 345,000	$ 369,150	$ 31,604	$ 1,276,500	135,000	$ 0	$ 20,700

North Louisiana Banking
Group Head

(1) Titles shown are as of December 31, 2003. On February 4, 2004, Mr. Gibson announced that he intended to resign his position, after a transition period, in order to pursue his interest in volunteer service. Ms. Mooney is now Chief Financial Officer and Finance and Credit Group Head and Mr. Stephenson has become the Tennessee and North Louisiana Banking Group Head as well as retaining responsibility for AmSouth s Mississippi operations.

(2) These amounts include various perquisites. Those perquisites that for any individual exceed 25% of that individual s total perquisites are: In the case of Mr. Ritter, a supplemental disability insurance premium payment of $52,704. In the case of Mr. Gibson, Ms. Bagby, Mr. Mayer and Ms. Mooney, auto allowances of $12,000 each. In the case of Mr. Gibson, Mr. Stephenson and Mr. Mayer, club dues payments of $10,680, $24,004 and $17,004 respectively.

(3) The named executive officers were granted shares of restricted stock in 2001 that do not vest until retirement. Full legal ownership of these shares does not vest until retirement, and they will be forfeited if an executive s employment is terminated prior to retirement by him or her voluntarily or involuntarily by AmSouth, except in the case of a change in control, death or disability. The amounts shown in the table above reflect the market value at date of grant, as required by SEC rules. Dividends are paid on all restricted shares.

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The following table provides information about restricted shares unreleased as of December 31, 2003.

Name	Aggregate # of Restricted Shares Held	Value Based on Year End Stock Price of $24.50
Ritter	353,334	$ 8,656,683
Gibson	110,000	$ 2,695,000
Stephenson	75,000	$ 1,837,500
Bagby	50,000	$ 1,225,000
Mayer	75,000	$ 1,837,500
Mooney	75,000	$ 1,837,500

None of the restricted stock awards listed in the Summary Compensation Table or in the Footnote Table above had an original vesting schedule of less than three years, although vesting is accelerated upon the conditions previously noted.

(4) These amounts reflect Company Matching contributions to the AmSouth Thrift Plan and Supplemental Thrift Plan and payouts related to the former Profit Sharing Plan as shown below.

Name	Company Match Thrift	Prior Profit Sharing Plan
Ritter	$ 59,700	$ 7,670
Gibson	$ 28,200	$ 0
Stephenson	$ 25,500	$ 4,810
Bagby	$ 22,500	$ 0
Mayer	$ 23,100	$ 5,200
Mooney	$ 23,100	$ 0

In the case of Mr. Ritter, the amount shown in the Summary Compensation Table also includes the Company s share of the annual premium paid in the amount of $142,481 for the split dollar life insurance under which he is covered.

Stock Options

The following table contains information regarding the grant of stock options to the named executive officers during 2003. The table sets forth the number of stock options granted at fair market value during 2003. As required by applicable SEC regulations, the table further sets forth the potential realizable value of such stock options in the year 2013 (the expiration date of the stock options) at arbitrarily assumed annualized rates of stock price appreciation of 5% and 10% over the full ten-year term of the stock options. As the table indicates, the annualized stock price appreciation of 5% and 10% would result in stock prices in the year 2013 of approximately $33.38 and $53.15, respectively. The amounts shown in the table as potential realizable values for all shareholders stock (approximately $3.1 billion and $10.1 billion), represent the corresponding increases in the market value of shares of the common stock outstanding as of December 31, 2003. No gain to the named executives is possible without an increase in stock price, which would benefit all shareholders proportionately. Actual gains, if any, on stock option exercises and common stock holdings are dependent on the future performance of the common stock and overall stock market conditions. There can be no assurances that the potential realizable values shown in this table will be achieved.

The amount of value delivered to Plan participants in the form of stock options has been decreased beginning with the 2002 grants, and new Performance Units have been granted. These Units are performance-based and carry greater risk than stock options. Therefore, a significant portion of the long-term compensation of senior management is now in the form of performance-related grants that have greater risk for executives than traditional grants because they depend on meeting specific performance goals and not just on a general improvement in the stock market. Dilution is managed by AmSouth s practice of issuing repurchased shares to meet its stock-based benefit plan requirements, rather than using newly issued shares.

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OPTION GRANTS IN LAST FISCAL YEAR*

	Individual Grants				Potential Realizable Value At Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	Number of Securities Underlying Options Granted(#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/sh)	Expiration Date	If stock price at $33.38 in 2013 5% ($)	If stock price at $53.15 in 2013 10% ($)
All Shareholders Stock Appreciation	NA	NA	NA	NA	$ 3,124,793,883	$ 10,081,682,966
C. Dowd Ritter	602,000	6.5%	$ 20.49	February 10, 2013	$ 7,759,780	$ 19,661,320
Sloan D. Gibson	175,000	1.9%	$ 20.49	February 10, 2013	$ 2,255,750	$ 5,715,500
E. W. Stephenson, Jr.	121,800	1.3%	$ 20.49	February 10, 2013	$ 1,570,002	$ 3,977,988
Candice W. Bagby	121,800	1.3%	$ 20.49	February 10, 2013	$ 1,570,002	$ 3,977,988
W. Charles Mayer, III	121,800	1.3%	$ 20.49	February 10, 2013	$ 1,570,002	$ 3,977,988
Beth E. Mooney	121,800	1.3%	$ 20.49	February 10, 2013	$ 1,570,002	$ 3,977,988

* These stock options were granted in February 2003, vest in equal installments over a three year period and remain exercisable until the tenth anniversary of the grant date. However, vesting accelerates upon death, disability, retirement or a change in control of AmSouth. The exercise price is equal to the closing price of AmSouth common stock on the NYSE on the date of grant.

Option Exercises and Holdings

The following table provides information concerning the exercise of stock options during 2003 by the named executive officers and the unexercised stock options held by them at December 31, 2003.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION VALUES

			Number of Securities Underlying Unexercised Options at FY-End(#)	Value of Unexercised In-the-Money Options at FY-End($)
Name	Shares Acquired on	Value Realized*	Exercisable/	Exercisable/ Unexercisable*

	Exercise (#)	($)	Unexercisable	
C. Dowd Ritter	698,433	$ 2,863,998	1,516,788/1,165,335	$ 10,344,593/$4,237,224
Sloan D. Gibson	239,927	$ 1,380,026	477,199/ 300,001	$ 2,398,638/$1,231,754
E. W. Stephenson, Jr.	130,610	$ 681,928	308,683/ 208,801	$ 1,448,913/$ 857,302
Candice W. Bagby	78,338	$ 323,557	246,315/ 193,801	$ 1,361,874/$ 793,702
W. Charles Mayer, III	138,659	$ 781,155	328,759/ 208,801	$ 1,700,466/$ 857,302
Beth E. Mooney	78,550	$ 191,851	199,949/ 208,801	$ 1,332,320/$ 857,302

* Market value of underlying securities at exercise or year-end, as applicable, minus the exercise price.

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LONG TERM INCENTIVE PLANS NON-STOCK AWARDS IN LAST FISCAL YEAR

Name	Number of Shares, Units, or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts under Non-Stock Price-Based Plans Threshold ($)	Target ($)	Maximum ($)
C. Dowd Ritter		2003 2005	$ 576,000	$ 1,152,000	$ 2,880,000
Sloan D. Gibson		2003 2005	$ 161,500	$ 323,000	$ 807,500
E. W. Stephenson, Jr.		2003 2005	$ 112,500	$ 225,000	$ 562,500
Candice W. Bagby		2003 2005	$ 112,500	$ 225,000	$ 562,500
W. Charles Mayer, III		2003 2005	$ 112,500	$ 225,000	$ 562,500
Beth E. Mooney		2003 2005	$ 112,500	$ 225,000	$ 562,500

These grants of performance units were made pursuant to amendments to the 1996 Long Term Incentive Compensation Plan approved by the shareholders in 2002. The amount of the eventual payments will depend on the achievement of earnings per share and return on equity goals over a three year period including fiscal years 2003, 2004 and 2005. The amount of options granted to senior executive officers in 2003 was reduced to reflect the grant of these performance units.

EQUITY COMPENSATION PLAN INFORMATION

AS OF DECEMBER 31, 2003

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	20,577,952	$ 20.58	16,628,760
Equity compensation plans not approved by security holders (1)(2)	9,136,189	$ 17.16	1,132,491(3)
Total	29,714,141	$ 19.65	17,761,251

(1) This includes 8,195,065 options to purchase shares of AmSouth common stock granted under an incentive compensation plan assumed from First American Corporation in a merger with AmSouth. Shareholders of First American Corporation approved such plan, but

pre-merger AmSouth shareholders did not approve this plan.

(2) This does not include outstanding options to purchase 625,150 shares of AmSouth common stock granted to employees of predecessor organizations and assumed through various mergers and acquisitions. At December 31, 2003, these assumed options had a weighted average exercise price of $15.14 per share. The plans under which these options were granted are not available for future issuances of options to purchase shares of AmSouth common stock, and in the event that any such assumed option is not exercised, no further option to purchase shares of AmSouth common stock will be issued in place of such unexercised option.

(3) This number of shares includes 470,118 shares reserved under the AmSouth Stock Option Plan for Outside Directors, 208,256 shares of common stock reserved under the AmSouth Employee Stock Purchase Plan and 454,087 shares reserved under the AmSouth Deferred Compensation Plans for future issuance.

Material features of equity compensation plans adopted or assumed without the approval of AmSouth shareholders are described below:

First American Corporation 1993 Non-Employee Director Stock Option Plan; Heritage Federal Bancshares 1994 Stock Option Plan for Non-Employee Directors

AmSouth assumed the First American Corporation 1993 Non-Employee Director Stock Option Plan, and the Heritage Federal Bancshares 1994 Stock Option Plan for Non-Employee Directors (the FAC Director Plans), in connection with AmSouth s merger with First American Corporation in October 1999. Only directors of First American or Heritage Federal (a First American predecessor) who were not employees were eligible to receive awards under the FAC Director Plans. At the time the outstanding options under the FAC Director Plans were granted, the options were exercisable for common shares of First American Corporation or Heritage Federal Bancshares, as the case may be. All outstanding options were granted prior to AmSouth s merger with First American, and awards are no longer granted under the FAC Director Plans. Under the FAC Director Plans, the exercise price of options may not be less than the fair market value of the stock into which the option is exercisable at the time of grant. Previously granted but unexercised options are subject to adjustment for any future stock dividends, splits, business combinations, or other changes in capitalization as described in the FAC Director Plans.

First American Corporation Broad-Based Employee Stock Option Plan; Pioneer Bancshares, Inc. 1994 Long-Term Incentive Plan; Heritage Federal Bancshares, Inc. 1992 Stock Option Plan; Deposit Guaranty Corporation Long Term Incentive Plans

AmSouth assumed the plans described in the caption above (the Predecessor Employee Plans) in connection with AmSouth s merger with First American Corporation in October 1999. Generally, only employees of the pertinent predecessor corporations were eligible to receive awards under the Predecessor Employee Plans, although under some plans non-employee directors could be granted non-qualified stock options. At the time the outstanding options under the Predecessor Employee Plans were granted, the options were exercisable for common shares of the pertinent predecessor corporation. Following AmSouth s merger with First American, these options became exercisable for shares of AmSouth s common stock. The number of shares these options are exercisable for and the exercise prices were adjusted in accordance with the terms of the merger between AmSouth and First American. All of these outstanding options were granted prior to AmSouth s merger with First American, and awards are no longer granted under the Predecessor Employee Plans. Under the Predecessor Employee Plans, the exercise price of options generally may not be less than the fair market value of the underlying stock at the time of grant, although some plans permitted non-qualified options to be granted at exercise prices below market value. Options granted under the Predecessor Employee Plans were in some instances made subject to vesting over time. Previously granted but unexercised options are subject to adjustment for any future stock dividends, splits, combinations, or other changes in capitalization as described in the Predecessor Employee Plans. The Predecessor Employee Plans require that, in the event of a merger or other corporate reorganization affecting AmSouth, the holder of an option will be entitled to exercise such option, or, in some instances, to receive cash in the amount of the spread between the exercise price and fair market value.

AmSouth Bancorporation Amended and Restated Stock Option Plan for Outside Directors

AmSouth has adopted the Amended and Restated Stock Option Plan for Outside Directors, which provides for grants of non-qualified stock options. The number of shares to be issued upon exercise of outstanding options and remaining available for future issuance under the plan is subject to adjustment for stock dividends, splits, mergers, liquidations or recapitalizations, as described in the plan. All directors who are not employees of AmSouth are eligible to participate. The exercise price of stock options granted under the plan must equal the fair market value of AmSouth common stock on the date of grant, and shares issued upon exercise may only be issued for treasury shares. The expiration date of stock options under the plan may not be more than ten years after the date of grant. Grants of options are made in the discretion and on such terms as are determined by the Corporate Governance Committee. Forfeiture provisions and vesting schedules, as well as other terms of such

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options, are as may be set forth in the grant agreements respecting such options. Shareholders are being asked to approve this plan at the 2004 Annual Meeting.

AmSouth Bancorporation Employee Stock Purchase Plan

AmSouth has adopted the AmSouth Bancorporation Employee Stock Purchase Plan, which allows all employees who work more than 20 hours per week to purchase shares of common stock. AmSouth makes matching contributions of $.25 on the dollar up to the first $2,000, so that if an employee spends $2,000 to purchase AmSouth common stock under the plan he or she will actually have $2,500 available to purchase the stock. There are no other discounts on shares purchased through the plan. The maximum amount any employee may invest each calendar year is $10,000, and a minimum of 10 shares may be purchased at a time. The purchase price is the closing price of AmSouth common stock on the NYSE on the date of purchase. Shareholders are being asked to approve this plan at the 2004 Annual Meeting.

AmSouth Bancorporation Deferred Compensation Plan

AmSouth has adopted the AmSouth Bancorporation Deferred Compensation Plan, which was amended and restated as of January 1, 2000. Members of management and highly compensated employees are eligible to participate. Under the Deferred Compensation Plan, a participant may elect to defer a portion (from 25% to 100%) of his or her annual bonus into Deferred Stock. The deferral election must specify a payment date, which may not be sooner than the third anniversary of the first day of the plan year to which the deferral relates. The cash amount of the bonus being deferred is exchanged for an equivalent number of deemed shares of AmSouth common stock based on the fair market value of such stock. That number of shares of AmSouth common stock will be distributed to the participant on the selected payment date. The participant may elect to have such shares distributed in a lump sum or in installments, but must make such election in advance of the deferral. All amounts so deferred are fully vested and are not subject to forfeiture. In the event of stock splits, recapitalizations, reorganizations, or other similar transactions affecting AmSouth s common stock, the Human Resources Committee can make such adjustments as it determines to be equitable.

Amended and Restated Deferred Compensation Plan for Directors of AmSouth Bancorporation

AmSouth has adopted the Amended and Restated Deferred Compensation Plan for Directors of AmSouth Bancorporation. Directors of AmSouth are eligible to participate. Under this plan, a participant may elect to defer a portion of his or her retainer and meeting fees into Deferred Stock. Upon each such deferral, the cash amount of the payment being deferred is converted into an equivalent number of deemed shares of AmSouth common stock based on the fair market value of such stock. The director must elect whether to receive payment upon retirement or upon reaching a certain age, and whether to be paid in a lump sum or in specified annual installments. All amounts so deferred are fully vested and are not subject to forfeiture. In the event of stock splits, recapitalizations, reorganizations, or other similar transactions affecting AmSouth s common stock, the Human Resources Committee can make such adjustments as it determines to be equitable.

AmSouth Bancorporation Amended and Restated 1991 Employee Stock Incentive Plan (formerly First American Corporation Amended and Restated 1991 Employee Stock Incentive Plan)

AmSouth assumed the plan described in the caption above (the 1991 Plan) in connection with AmSouth s merger with First American Corporation in October 1999. The 1991 Plan permitted grants to officers and other key employees. Any outstanding options that were granted under the 1991 Plan before the merger of AmSouth and First American became exercisable into shares of AmSouth s common stock under the terms of that merger. AmSouth made a grant of stock options under the 1991 Plan in 2000 and 2001, which are reflected in the table above in column (a). No additional grants may be made under the 1991 Plan, which terminated in 2001. Shareholders of First American approved the 1991 Plan, but pre-merger AmSouth shareholders did not approve this plan.

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Retirement Plan

AmSouth has both a non-contributory qualified defined benefit Retirement Plan, as well as a non-qualified Supplemental Executive Retirement Plan (SERP). All benefits earned under the qualified defined benefit plan are based on years of credited service up to 30 and the annual average of the highest five consecutive years of base salary earned out of the last ten years worked. The SERP provides benefits that would otherwise be denied participants under the qualified Retirement Plan because of Internal Revenue Code limitations on qualified plan benefits, as well as additional benefits that serve to attract and retain high quality senior executive talent for the organization.

There are two types of retirement benefits in the SERP: a regular benefit and a targeted benefit. The annual average covered compensation for both benefits is based on the highest three consecutive years of base salary plus bonus out of the last ten years worked. The amount of the regular SERP retirement benefit is determined by the length of the retiree s credited service up to 35 years and the annual average covered compensation utilizing the qualified Retirement Plan formula. Participants vest in this benefit after five years of service or attainment of age 55. The regular SERP benefit is available to all eligible SERP participants.

The targeted SERP retirement benefit is available only to a select group of senior officers, including the named executive officers. This targeted SERP benefit provides a percentage of annual average covered compensation based on years of credited service ranging from 40% at 10 years up to a maximum of 65% at 35 years. These targeted SERP benefits are offset by the qualified plan benefit, the Social Security benefit, and any retirement benefit earned from a prior employer. Participants vest in this benefit only after 10 years of service and the attainment of age 60. If a participant retires prior to meeting these vesting requirements, he or she will receive a regular SERP benefit.

The full years of credited service for the named executive officers are as follows: Ms. Bagby 10 years; Ms. Mooney 4 years; Mr. Gibson 11 years; Mr. Mayer 25 years; Mr. Stephenson 28 years and Mr. Ritter 31 years. The table below shows the estimated annual retirement benefits payable at normal retirement age (65) under the qualified plan and the SERP. These benefits are computed as straight life annuities beginning at age 65, and also include an estimated Social Security benefit at age 65. If an executive attains age 62, he or she is eligible to retire with an unreduced accrued benefit. The most senior executives, including the named executives, are eligible to retire with an unreduced accrued benefit at age 60 if the vesting conditions described above for the targeted SERP benefit are met.

Upon retirement from the company, executives who are vested in both the regular and targeted benefit will receive the higher of the two benefits**.** The higher potential benefits are shown assuming that both vesting requirements have been met. If the conditions of vesting for the targeted benefit are not met, then the benefit amounts could be less.

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PENSION PLAN TABLE

Average Annual Covered Compensation	Years of Service 10	15	20	25	30	35
$ 600,000	$ 240,000	$ 270,000	$ 300,000	$ 330,000	$ 360,000	$ 392,000
800,000	320,000	360,000	400,000	440,000	480,000	520,000
1,000,000	400,000	450,000	500,000	550,000	600,000	650,000
1,200,000	480,000	540,000	600,000	660,000	720,000	780,000
1,400,000	560,000	630,000	700,000	770,000	840,000	910,000
1,600,000	640,000	720,000	800,000	880,000	960,000	1,040,000
1,800,000	720,000	810,000	900,000	990,000	1,080,000	1,170,000
2,000,000	800,000	900,000	1,000,000	1,100,000	1,200,000	1,300,000
2,200,000	880,000	990,000	1,100,000	1,210,000	1,320,000	1,430,000
2,400,000	960,000	1,080,000	1,200,000	1,320,000	1,440,000	1,560,000
2,600,000	1,040,000	1,170,000	1,300,000	1,430,000	1,560,000	1,690,000
2,800,000	1,120,000	1,260,000	1,400,000	1,540,000	1,680,000	1,820,000
3,000,000	1,200,000	1,350,000	1,500,000	1,650,000	1,800,000	1,950,000
3,200,000	1,280,000	1,440,000	1,600,000	1,760,000	1,920,000	2,080,000
3,400,000	1,360,000	1,530,000	1,700,000	1,870,000	2,040,000	2,210,000
3,600,000	1,440,000	1,620,000	1,800,000	1,980,000	2,160,000	2,340,000
3,800,000	1,520,000	1,710,000	1,900,000	2,090,000	2,280,000	2,470,000

Stock Ownership Guidelines for Officers

Several years ago AmSouth adopted common stock ownership guidelines for the officers who are members of its corporate Management Committee. Ownership targets are expressed as a multiple of salary and are as follows: (i) senior executive vice presidents and above who are not directors: three times salary and (ii) officers who are directors: five times salary. Shares considered owned include individually owned shares, restricted shares of AmSouth stock, shares credited to deferral accounts under AmSouth s Deferred Compensation Plan and benefit plan investments in AmSouth stock. As of year-end, all of the members of the Management Committee had met their ownership targets.

Compensation of Directors

Fees

Non-employee directors of AmSouth are paid a fee of $8,000 per calendar quarter ($12,000 for the Audit Committee Chairman and $10,000 for other committee chairmen) during which the director has served. In addition, each such director is paid a fee of $1,500 for each meeting of the Board and $1,000 for each committee meeting in which the director participates. Individual directors may, at their option, elect to defer the receipt of directors fees, and the deferred amounts are deemed invested in AmSouth common stock. All of the directors of AmSouth have elected to defer receipt of some or all of the retainer and meeting fees they are paid for service on the Board of Directors and to invest these fees in Deferred Stock of AmSouth.

Director Stock Purchase Program

Under AmSouth s Director Stock Purchase Program, directors who own less than 5,000 shares of AmSouth stock and are not within three years of scheduled retirement from the Board are required to use at least one quarterly retainer each 15 months to purchase AmSouth stock. This requirement may also be fulfilled by the deferral of fees that are invested in Deferred Stock as described in Fees above.

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Stock Option Plan for Outside Directors

Each non-employee director of AmSouth is eligible to be granted stock options under the Stock Option Plan for Outside Directors. The Plan provides that options will have an exercise price equal to the fair market value of AmSouth common stock on the date the options are granted. During 2003, each non-employee director was granted options to purchase 9,400 shares of AmSouth common stock. The options vest in three equal annual installments beginning in 2004.

Employment Contract and Change-in-Control Agreements

In 1999, AmSouth entered into an employment agreement (the Agreement) with Mr. Ritter. The Agreement had an initial term of five years, but contains automatic renewal provisions such that the remaining term of the Agreement at any given time will be five years. The Agreement provides that Mr. Ritter will be paid the following compensation: an annual base salary not less than $900,000; the opportunity to earn an annual bonus under AmSouth s Executive Incentive Plan; a one-time grant of restricted stock and stock options for AmSouth common stock, both of which grants vest in three equal annual installments beginning on the third anniversary of the date of grant; a specified total retirement benefit; AmSouth s normal employee benefits commensurate with his position; reimbursement of reasonable expenses incurred in accordance with AmSouth s policies; and supplemental life insurance coverage.

If Mr. Ritter s employment is terminated by AmSouth for reasons other than for Cause or Disability, or if he terminates his employment for Good Reason (all as defined in the Agreement): (A) he is entitled to be paid a lump sum in cash equal to the sum of: (i) unpaid base salary through date of termination, a prorated annual bonus, any previously deferred compensation and accrued vacation pay (the Accrued Obligations); (ii) three times annual compensation; (iii) a total retirement benefit as calculated under the Agreement (Retirement Benefit); and (iv) accrued benefits under AmSouth s Supplemental Thrift Plan; (B) all unvested stock awards will vest; and (C) he will be paid any amounts due under other AmSouth employee benefit plans and certain other benefits. If employment is terminated due to death or Disability, (A) he or his estate will be paid the Accrued Obligations and such other benefits as would be paid to senior executives in such cases, and (B) all unvested restricted stock and stock options will vest. If Mr. Ritter s employment is terminated for Cause or if he terminates it without Good Reason, he will be paid his base salary through date of termination, the Retirement Benefit, and any amounts due under other AmSouth employee benefit plans. AmSouth will also reimburse Mr. Ritter for certain excise taxes that he may be obligated to pay as a result of receiving payments under the Agreement.

AmSouth has also entered into change-in-control agreements with each of the named executive officers other than Mr. Ritter. These agreements are structured such that they have an employment period of two years that begins on the date (the Effective Date) that a change of control (as defined in the agreement) occurs. During the employment period the executive will be paid the following compensation: an annual base salary at least equal to twelve times the highest monthly base salary payable prior to the Effective Date; an annual bonus at least equal to the highest annual bonus paid for the three years prior to the Effective Date; the ability to participate in AmSouth s normal employee benefit plans at an appropriate level; reimbursement for expenses in accordance with AmSouth policy; and fringe benefits consistent with those previously afforded the executive.

If, during the two-year period following the change in control, the Company terminates the executive s employment other than for Cause or Disability, or the executive terminates his or her employment for Good Reason (all as defined in the agreement), the executive will be paid a lump sum payment equal to the sum of the following: (A) unpaid base salary through the date of termination, a prorated annual bonus amount, any previously deferred compensation and accrued vacation pay (the Accrued Obligations); (B) three times annual compensation; (C) the actuarial present value of accrued benefits under AmSouth s Supplemental Retirement Plan; and (D) aggregate benefits accrued under AmSouth s Supplemental Thrift Plan. Based on established election procedures for payments under the Supplemental Retirement Plan and Supplemental Thrift Plan, an

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executive may receive payments over time instead of in a lump sum. The executive will also be reimbursed for certain excise taxes that may be due in connection with payments made under the agreement.

In the event of termination of employment during the employment period due to death or Disability, the executive or the executive s estate will be paid the Accrued Obligations and such other benefits as would be paid to peer executives in such cases. If the executive s employment is terminated during the employment period (i) for Cause, the executive will be paid unpaid base salary through termination, deferred compensation and certain other benefits due under company plans, or (ii) because of voluntary termination by the executive without Good Reason, the executive will be paid the Accrued Obligations and other benefits due under Company plans.

Compensation Committee Interlocks and Insider Participation

The following directors currently serve as members of the Human Resources Committee of AmSouth s Board of Directors:

Claude B. Nielsen (Chairman)

Victoria B. Jackson

Martha R. Ingram

James R. Malone

There are no relationships that would create a compensation committee interlock as defined under applicable SEC regulations.

Human Resources Committee Report on Executive Compensation

Introduction

Our report covers the following topics:

- Role of the Human Resources Committee
- Executive Compensation Guiding Principles
- Components of Our Executive Compensation Program

Chief Executive Officer Compensation

Role of the Human Resources Committee

The primary role of the Human Resources Committee is to review the compensation of members of AmSouth s Management Committee (referred to here as the Executive Officers) in such a way as to align that compensation with shareholder interests. In addition, the committee oversees the broad-based employee benefit plans of the Company. The Board of Directors requires that members of the committee be independent under all applicable rules, and all committee members are independent under those rules. Our analysis of independence is described in Appendix B to this proxy statement and includes business and family relationships between committee members and AmSouth. The committee considers the advice of independent, outside consultants in determining whether the amounts and types of compensation the Company pays are appropriate.

In April 2003, the former Executive Compensation Committee was renamed the Human Resources Committee. The Human Resources Committee assumed the duties of the former committee and also the duties of the former Finance and Employee Benefits Committee with respect to broad-based employee benefit plans. The membership of the Human Resources Committee was also reconstituted in 2003, and a new chairman, Claude B. Nielsen, was appointed.

The new Human Resources Committee immediately undertook a thorough examination of the Company s executive compensation practices. We used a variety of survey data and analyses including data and analyses

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from our independent compensation consultants, Watson Wyatt Worldwide. As described below, the committee determined that AmSouth s compensation practices have provided compensation that is commensurate with the Company s performance in recent years. We also determined that the committee s charter should more clearly reflect that the committee s purpose is to ensure that compensation is aligned with long-term shareholder interests. The committee s charter appears on the Company s website under About AmSouth Investor Relations Corporate Governance Board Committee Responsibilities .

Executive Compensation Guiding Principles

As noted above, the Human Resources Committee aligns executive compensation with long-term shareholder interests. In order to achieve that goal, it utilizes the following guiding principles:

Compensation should be related to performance

Incentive, or at risk , compensation should be a greater part of total compensation for more senior positions

Compensation should be set at competitive levels

Deductibility should be maximized if possible

Each of these principles is described below.

Compensation should be related to performance

We believe that individual compensation should be tied to individual performance and to how well AmSouth performs financially, so that when the Company s performance meets or exceeds its goals, individuals should be paid at the levels set for such goals, and when the Company s performance does not meet goals, any incentive awards should be at the committee s discretion.

As part of its review of AmSouth s executive compensation practices in 2003, the committee considered a variety of time periods over which performance could be measured. We concluded that there was always a high correlation between performance and pay during those periods.

As an example of compensation being related to performance, the committee noted that the value to be realized from a significant portion of stock options that had been granted in February 2000 was reduced by design in 2003 because performance had not met goals for a three-year period that ended December 31, 2002. AmSouth continues to use a variety of time periods for measuring performance so as to help ensure that there is an appropriate mix of both short term goals and longer-term goals. As described below under Components of Compensation Program Long Term Incentives: Stock Options and Restricted Stock , the value to be derived from the Company s Long Term Incentive Compensation Plan grants has been measured over a three-year period. The committee believes that such linkage between compensation and performance over more than one-year periods helps align AmSouth s compensation program with shareholder interests.

As part of its comprehensive review of compensation policies in 2003, the committee also reaffirmed the Company s long-standing policy of prohibiting the repricing of stock options, as described below under Components of Compensation Program Long Term Incentives: Stock Options and Restricted Stock .

Incentive, or at risk , compensation should be a greater part of total compensation for more senior positions

The portion of an individual s total compensation that varies with individual and company performance goals should increase as the individual s business responsibilities increase. For AmSouth s CEO, for example, the percentage of target compensation that is at risk has steadily risen over the past several years, with such percentage being approximately 82% for 2003. We believe that this compares very favorably with peer banks.

Compensation should be set at competitive levels

In order to attract, motivate and retain high quality individuals for senior positions at AmSouth, we strive to design our executive compensation program so that it is competitive with those at organizations that might also seek to attract those individuals. We review compensation survey data from several independent sources to ensure that our total compensation program is competitive. We compare our compensation to data from two separate groups of bank holding companies. One of these groups is a group (the Peer Group) of approximately 15 large financial institutions with total assets ranging from $20 billion to $125 billion (AmSouth currently has approximately $46 billion in assets). The other group is a group of over 75 regional bank holding companies whose compensation data is assembled by independent executive compensation firms (the Regional Bank Data). The Peer Group data is used to set the targets for our various types of compensation and the Regional Bank Data is used to verify those results.

We also periodically examine compensation data from larger groups of public companies (such as the S&P 500) which is assembled by publications such as The Wall Street Journal and The New York Times. However, less weight is given to such data because the Company recruits its executive talent mainly from larger financial institutions, such as those in the Peer Group. Thus, we consider compensation data for such institutions to be the best source of competitive compensation data. Moreover, data assembled from a larger, diverse group of companies necessarily must utilize assumptions and other methodologies in order to allow for comparisons across all industries that can make the data for a particular industry less reliable. AmSouth s competitors for executive talent are not necessarily the same companies that are included in the S&P 500 Commercial Banks Index, which is used to compare shareholder returns (see Performance Graph on page 27).

We believe that the banks included in the Peer Group are the most appropriate points of comparison for the compensation of our Executive Officers.

Deductibility should be maximized if possible

It is a goal to have most of the compensation paid to the most highly compensated Executive Officers qualify as performance-based and therefore deductible under Section 162(m) of the Internal Revenue Code. We have structured most of our compensation plans so that amounts paid under them will be fully deductible. The Executive Incentive Plan and the 1996 Long Term Incentive Compensation Plan (the Long Term Incentive Plan) have been approved by shareholders so as to continue to achieve that goal. However, the committee reserves the right to pay amounts outside of such plans which might not be fully deductible. As described below under Chief Executive Officer Compensation , the committee determined not to give the CEO an increase in base salary for 2004, so as to maintain the deductibility of such salary.

Components of Our Executive Compensation Program

The three components of our compensation program are:

- Base Salary
- Short Term Incentives

Long Term Incentives

Base Salary

We set salary range midpoints for Executive Officers at the average for those of the Peer Group. The information is further verified by examining data from the Regional Bank Data described above. We adjust base salaries when warranted by an individual s experience and individual performance and when our market surveys show that base salaries at the Peer Group are being adjusted.

Short Term Incentives

Our Executive Incentive Plan is designed to align Executive Officer pay with the annual performance of the Company and, for Executive Officers other than Mr. Ritter, the annual performance of his or her

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respective area of responsibility. For 2003, the two factors which were used to measure AmSouth s performance for purposes of the Executive Incentive Plan were growth in earnings per share and return on average equity. These factors were established prior to the start of the plan year. When the committee was reconstituted in 2003, it considered whether these were the appropriate goals to use for short term incentives, and reaffirmed that attainment of these goals on a sustained basis will lead to superior long-term shareholder returns.

In addition to the two goals described above, the committee may also evaluate performance for purposes of the Executive Incentive Plan by considering one or more of the following factors:

Return on average assets

Credit quality measures

Efficiency ratio

Loan growth

Deposit growth

Non-interest revenue growth

Calculation of a participant s bonus under the Executive Incentive Plan is done in two steps. First, each participant in the plan is assigned a Base Bonus Opportunity which is targeted at the median level of similar opportunities at the Peer Group for the prior year. For 2003, Base Bonus Opportunities ranged from 60% to 125% of base pay. Because these percentages are based on data from the Peer Group that is at least one year old, the committee believes that AmSouth lags the market somewhat in the competitiveness of the percentages. The second step in the calculation of an award under the Executive Incentive Plan is to evaluate the individual s performance against his or her own goals and apply a multiplier times the Base Bonus Opportunity ranging from zero to 2.0. The committee may use its discretion to adjust payments downward from these amounts. Participants are able to defer amounts paid under the Executive Incentive Plan. As noted above, the committee may pay short term incentive compensation outside the Executive Incentive Plan, which might not be fully deductible, where necessary in our judgment to attract, motivate or retain executives.

Long Term Incentives: Stock Options and Restricted Stock

The committee believes that stock-based awards can create a strong link to long term financial results. We base our target grants under the Long Term Incentive Plan on our performance compared to the Peer Group, setting them generally at the 50th percentile for grants made by such other institutions. However, grants to individuals can be adjusted based on individual performance, retention and other special circumstances.

We generally make grants of stock options to Executive Officers once a year. The options have an exercise price equal to the fair market value of the company s common stock on the date of grant. The Long Term Incentive Plan does not permit repricing of options issued under that plan. Options generally vest pro rata over three years after grant and generally have an exercise period that expires ten years after the date of grant. However, in 2000, the company granted options to Executive Officers the exercise period for approximately 79% of which as noted above truncated early in 2003 because certain performance criteria set at the date of grant in 2000 were not met. This result is consistent with the guiding principle noted above that compensation should be related to performance.

From time to time shares of restricted stock are granted under the Long Term Incentive Plan. Restricted stock is used primarily as a retention tool for senior executives and otherwise as necessary to maintain competitiveness of compensation compared to the Peer Group. Restricted stock grants are conditioned upon the recipient s remaining employed with the company until vesting, which in certain cases does not occur until retirement. Beginning in 1997, the Company ceased making grants to all Executive Officers annually. Some grants have been made since then under special circumstances. However, the committee believes that such grants may become more common if stock options are expensed (see discussion below).

Beginning in 2002, the amount of long term incentive compensation denominated in stock (such as stock options or restricted stock) was reduced and a cash-based portion was added. The potential cash payments are made at the end of a multi-year performance period based on AmSouth s performance against peers. The Long Term Incentive Plan award granted in 2003 was made up of two-thirds stock options and one third cash performance units.

The Company has had stock ownership guidelines for the Executive Officers for many years. Senior Executive Vice Presidents and above who are not directors must own shares with a value equal to at least three times their respective base salaries, and officers who are also directors (currently just Mr. Ritter) must own shares with a value equal to at least five times their respective base salaries. As of year end, all Executive Officers met these ownership targets.

We are prepared to expense stock options. However, we have concerns about the proper method for valuation of options, primarily dealing with the appropriate model for valuing options that are not publicly traded. Our current intent is to begin expensing stock options once there is an accepted valuation and accounting methodology for doing so. We do support providing quarterly information to shareholders regarding potential option costs and began disclosing that information in the third quarter of 2002.

Chief Executive Officer Compensation

For 2003, we paid Mr. Ritter $995,000 in base salary. In order to ensure that a greater portion of his target compensation is performance-based and so as to ensure its deductibility, Mr. Ritter s base salary for 2004 will not be increased. We also approved payment of a bonus to Mr. Ritter under the Executive Incentive Plan of $1,865,000, compared to $2,713,100 for 2002.

We considered this level of base salary and bonus appropriate for both objective and subjective reasons. Objectively, the Company achieved a return on average shareholder equity of 20.1% which is first quartile performance among the Peer Group. In addition, the Company increased its earnings per share by 5.4% over 2002, which represents third quartile performance among the Peer Group. While the committee believes that this was very good performance under difficult circumstances described below, this performance was somewhat lower than that in 2002. The over 30% reduction in Mr. Ritter s annual bonus noted above reflects the guiding principle of the committee that compensation should be related to performance.

On a more qualitative basis the committee recognized that the operating environment for banks was extremely challenging in 2003. Interest rates generally were at historic lows, but market-set rates fluctuated significantly during the year. Commercial loan demand was weak. Economic conditions varied significantly across the Company s diverse southeastern United States markets. Moreover, Mr. Ritter demonstrated his commitment to enhancing long-term investor value by increasing our use of technology for our customers, including a significant investment in a new, state-of-the art operations center to meet future customer needs. Moreover, he incurred substantial short-term costs so as to expand the Company s presence long term in high-growth Florida markets, at the very time that current market conditions were so challenging.

We also used grants under the Long Term Incentive Plan to link Mr. Ritter s pay closely to Company performance and to align his interest directly with the longer-term interests of shareholders. In 2003, we granted him options on 602,000 shares of AmSouth common stock which will vest in three equal annual installments. We believe that stock options can be an extremely effective incentive for superior performance, leading to long-term shareholder value. In addition, Mr. Ritter received a performance unit grant under the Long Term Incentive Plan that could have a value of between $0 and $2,880,000 depending on Company performance. Once again, the committee felt that such a grant was consistent with its executive compensation guiding principle that compensation be related to performance. In summary, the committee believes that Mr. Ritter s compensation is appropriately aligned with the long-term interests of shareholders. The amounts of these payments and awards to Mr. Ritter are reflected in the Summary Compensation Table and the stock option and long-term incentive grant tables.

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Conclusion

The committee believes that under the Company s executive compensation program compensation paid to its Executive Officers has been commensurate with the Company s financial performance and is appropriately aligned with shareholder interests.

Claude B. Nielsen (Chairman)

Martha R. Ingram

Victoria B. Jackson

James R. Malone

Performance Graph

Set forth below are graphs comparing the yearly change in the cumulative total return of AmSouth s common stock against the cumulative total return of the S&P 500 Index and the S&P 500 Commercial Banks Index for the last five years and the last ten years. In April 2003 the S&P changed the name of its S&P 500 Banks Index to the S&P 500 Commercial Banks Index. The graphs assume that the value of the investment in AmSouth common stock and in each index was $100.00 and that all dividends were reinvested.

AmSouth Stock Performance

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The information provided under the headings Audit Committee Report , Human Resources Committee Report on Executive Compensation and Performance Graph above shall not be deemed to be soliciting material or to be filed with the SEC, or subject to Regulation 14A or 14C, other than as provided in applicable statutes and rules, or to liabilities of Section 18 of the Securities Exchange Act of 1934 and, unless specific reference is made therein to such headings, shall not be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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ITEM 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee has appointed Ernst & Young LLP to serve as independent auditors for the fiscal year ending December 31, 2004, subject to ratification of the appointment by the shareholders. Ernst & Young LLP has served as the Company s independent auditors for many years and is considered by the Audit Committee and management to be well qualified.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR RATIFICATION OF ERNST & YOUNG LLP AS THE COMPANY S INDEPENDENT AUDITORS.

ITEM 3 APPROVAL OF THE EMPLOYEE STOCK PURCHASE PLAN

General

AmSouth has provided its employees with the AmSouth Bancorporation Employee Stock Purchase Plan since 1986. Recently adopted NYSE listing standards now require shareholder approval of certain equity compensation plans. As a result, the Board of Directors of AmSouth now seeks shareholder approval of the AmSouth Bancorporation Employee Stock Purchase Plan (as amended and restated effective January 1, 2000, the ESPP). The Board believes that this plan has been effective in encouraging stock ownership by employees at a modest cost to the Company, as the maximum match per employee is $500 per year. Increased ownership by employees should encourage loyalty to the Company and more closely align employee s interests with those of the shareholders. Shareholders should also note that this plan is open to all employees who work a minimum number of hours on the same basis. If the shareholders do not approve this plan it will have to be discontinued and the benefits mentioned will be lost.

The following is a summary of the ESPP, a copy of which is attached as Appendix C to this Proxy Statement and incorporated herein by reference. Such summary does not purport to be a complete statement of the ESPP and is qualified in its entirety by reference to the full text of the ESPP.

Administration of the ESPP

The ESPP is administered by the AmSouth Benefits Committee, which is composed of seven senior officers of AmSouth. The Human Resources Employee Benefits Administration Department manages the day-to-day operation of the ESPP. The Benefits Committee has the authority to interpret the Plan and make any decisions necessary or advisable in administering the Plan.

Term

While at this time AmSouth intends to continue the ESPP indefinitely, AmSouth has the right to terminate the ESPP as described below under Amendment or Termination or pursuant to applicable law.

Eligibility

Employees of AmSouth or any of its subsidiaries who are hired to work a minimum of 20 hours per week are eligible to participate in the ESPP. Participation in the ESPP is voluntary. Approximately 12,000 employees are eligible to participate in the ESPP.

Purchases

Employees automatically become participants as of the first day of the month following their date of hiring into an eligible position. Participants are not obligated to make any purchases under the ESPP. There are two

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ways participants may purchase: First, by completing a payroll deduction form providing for a minimum of $25.00 and a maximum of $416.50 contributed on an after tax basis per bi-monthly pay period. Second, participants may send a personal check to the Human Resources Department with a purchase request form, subject to the $10,000 limit described below.

Shares are purchased on the last business day of each month, subject to the limitations on the maximum amount and minimum purchase described below. On each purchase date, the price of AmSouth shares purchased will be that date s closing price of AmSouth common stock on the NYSE. If on a purchase date there is no trading of AmSouth common stock or certain other market disruptions take place, AmSouth will determine the purchase price of shares purchased under the ESPP based on market quotations it deems appropriate.

Company Match

AmSouth will contribute a 25% match for up to $2,000 per calendar year in purchases of AmSouth common stock by each participant. The maximum AmSouth match is $500.

Limitations

Participants may make a maximum employee investment per calendar year of $10,000. Additionally, no fewer than 10 shares can be purchased at one time. If a participant s accumulated payroll deductions are not enough to purchase 10 shares, the funds will carry over to the next purchase date. No one may purchase stock under the ESPP if, immediately after the purchase, such person would own 5% or more of the total combined voting power or value of all classes of stock of AmSouth or any of its subsidiaries.

Stock Certificates

Certificates evidencing the shares of AmSouth stock purchased under the ESPP will be issued in the name of the participant and deposited to a brokerage account at AmSouth Investment Services, Inc., deposited to the participant s dividend reinvestment account, or mailed to the participant s home address.

Certain Shareholder Rights

Participants who purchase shares under the ESPP will receive dividends on such shares, may dispose of them freely, and have all voting rights like any other AmSouth shareholder. Certain AmSouth executives may be subject to restrictions on the sale of AmSouth common stock by virtue of securities laws and regulations, and all AmSouth employees are subject to laws regarding insider trading.

Termination as a Participant

Participants automatically terminate if their employment terminates or they move to a non-eligible position. Payroll deductions may be stopped at any time by notifying Human Resources Employee Benefits Administration. Upon termination and withdrawal, accumulated contributions and matching funds will be applied toward the purchase of AmSouth shares (subject to the 10 share minimum purchase) on the next purchase date, and any remaining funds are refunded to participants.

Tax Effect of Plan Participation

The ESPP is not qualified under the provisions of sections 401(a) and 501(a) of the Internal Revenue Code. AmSouth matching funds constitute taxable wages for Federal employment and income tax purposes. Quarterly dividends on shares purchased under the ESPP will be subject to Federal income taxation.

Charges and Deductions

Participants will incur no brokerage commissions or other service charges for purchases of AmSouth shares made under the ESPP. All costs of administration of the ESPP will be paid by AmSouth, but AmSouth will not

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cover service charges (such as commissions) associated with the sale of AmSouth shares purchased through the ESPP.

Amendment or Termination

Subject to the NYSE s shareholder approval rules, AmSouth may amend the ESPP at any time. AmSouth may terminate the ESPP at any time.

Plan Benefits

It is not presently possible to determine the number of shares to be purchased in the future by particular persons or groups pursuant to the ESPP. During the fiscal year ended December 31, 2003, none of the persons named in the table on page 13 purchased shares through the ESPP. Non-employee directors are not eligible to participate in the ESPP.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE AMSOUTH BANCORPORATION EMPLOYEE STOCK PURCHASE PLAN.

ITEM 4 APPROVAL OF AMENDMENT TO THE

1996 LONG TERM INCENTIVE COMPENSATION PLAN (LTIP)

Some of the highlights of the LTIP (which is described in more detail below and in the copy of the LTIP attached as Appendix D) include:

Limit on Grant Size: The LTIP limits the shares of stock for which options can be granted to any single employee during any fiscal year to 950,000 shares.

Shares Available for Restricted Stock Awards Limited: The LTIP limits the award of restricted stock to 30% of the total number of shares authorized under the Plan. Additionally, AmSouth has committed that of the shares remaining available for grant under the Plan (approximately 8,219,000) no more than 50% will be in the form of full value grants, such as restricted stock, and that if the shareholders approve additional shares for the LTIP, no more than 30% of those will be issued in the form of full value grants.

No Discount Stock Options: The LTIP prohibits the grant of stock options with an exercise price less than the fair market value on the date of grant.

No Repricing of Stock Options: The LTIP provides that without shareholder approval, no options issued under the LTIP will be repriced, replaced or regranted through cancellation or by lowering the option price of a previously granted option.

Company Practice Regarding Minimum Vesting Periods: AmSouth s practice for a number of years has been to make grants of options that vest in equal installments over a three-year period and to grant restricted stock that vests in three years, or in some cases at retirement.

General

In 1996 the shareholders approved the 1996 Long Term Incentive Compensation Plan (LTIP). The LTIP originally provided for the issuance of Two Million Seven Hundred Fifty Thousand (2,750,000) shares. After adjusting for various stock splits, as authorized by the LTIP, that number was increased to Nine Million, Two Hundred Eighty-One Thousand, Two Hundred Fifty (9,281,250) shares. In 2001, the shareholders approved an amendment to the LTIP to increase the authorized shares by Thirty Million (30,000,000) shares. In 2002 the shareholders approved the LTIP with a series of amendments that became effective upon shareholder approval. The Board of Directors has amended the LTIP, subject to approval by the shareholders at the 2004 Annual Meeting, to authorize an increase of Fifteen Million (15,000,000) shares of AmSouth common stock that may be issued thereunder, thereby providing for a aggregate of Fifty-Four Million, Two Hundred Eighty-One Thousand,

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Two Hundred Fifty (54,281,250) shares of AmSouth Common Stock with respect to which options, stock appreciation rights, restricted stock, performance shares and performance units may be granted. Of the additional Fifteen Million shares, no more than 30% will be in the form of full value grants (e.g. restricted stock). The description contained in this Item 4 is subject in its entirety to the text of the amended LTIP, which is attached as Appendix D.

In February of 2004, AmSouth granted options to purchase approximately 8,344,000 shares of AmSouth common stock under the LTIP. As of March 1, 2004, approximately 8,219,000 shares remain available for grant under the LTIP. Of the shares remaining for grant, AmSouth commits that no more than 50% will be in the form of full value grants (e.g. restricted stock). Management and the Board believe that it is important for key officers to have a proprietary interest in the long-term financial success of AmSouth and the growth of shareholder value as reflected in its stock price. Management and the Board further believe that the LTIP has been successful in helping to attain this goal, and it is important that it be continued in the future. It should be noted that the current executive officers of AmSouth will benefit by adoption of this amendment because it is anticipated that additional awards may be made to them in the future. However, due to the discretionary nature of the LTIP, the amount that the Human Resources Committee (Committee) may award to a particular individual or group cannot be determined at this time.

The amendment is contingent on shareholder approval. If such approval is not obtained, the amendment will be of no force or effect, and the LTIP as in effect immediately prior to its amendment will remain in effect without change.

Summary Description of the LTIP as Amended

Administration

The LTIP is administered by the Committee. The LTIP also authorizes the Chief Executive Officer to grant awards to non-officers to the extent permitted by applicable law.

Eligibility

Key employees of AmSouth and its subsidiaries are eligible to participate in the LTIP. Non-employee Directors of AmSouth are not eligible.

Stock Available for Issuance Through the LTIP

The number of shares of AmSouth s Common Stock, par value $1.00 per share, authorized for issuance through the LTIP is Fifty-Four Million, Two Hundred Eighty-One Thousand, Two Hundred Fifty (54,281,250), subject to adjustments for stock splits and other capital changes. If shareholders do not approve the amendment described in this proposal, the number of such shares authorized for issuance will be Thirty-Nine Million, Two Hundred Eighty-One Thousand, Two Hundred Fifty (39,281,250). The LTIP permits the reuse or reissuance of shares underlying canceled, expired or forfeited awards. (However, the LTIP provides that the Committee shall not have the authority to cancel outstanding awards and issue substitute awards in replacement thereof). Neither shares that are issued under assumed or substituted awards in a merger or acquisition, nor shares that are subject to awards that are settled in cash (other than tandem SARs), will be charged against the number of shares available under the LTIP or the 30% limit described in the next sentence. Not more than 30% of the shares that are available for issuance under the LTIP may be issued pursuant to awards of restricted stock, performance shares, performance units, or any combination of such awards. The maximum number of shares of common stock with respect to which stock options or Stock Appreciation Rights (SARs) may be granted under the LTIP to any employee during any one fiscal year of AmSouth is 950,000 shares, and the maximum number of shares of common stock with respect to which any and all performance-based awards other than stock options or SARs or performance units may be granted in any one fiscal year of AmSouth to any employee is 950,000 shares (or their equivalent in cash). Each of the foregoing limits is subject to adjustment for stock splits and other capital changes.

On March 1, 2004, the closing price for a share of AmSouth s common stock, as reported on the NYSE composite tape, was $25.58. Awards under the LTIP will typically be issued in consideration for the performance of services to AmSouth, and no additional payment need be made at the time of grant. At the time of exercise, the full exercise price for a stock option must be paid in cash or, if the Committee so provides, in shares of common stock. So-called cashless exercises through a stockbroker may also be allowed.

Description of Awards Under the Plan

The Committee may award to eligible employees incentive and nonqualified stock options, SARs, and restricted stock, which restricted stock may also be granted in lieu of cash awards due under certain other AmSouth plans. The Committee may also award performance shares and performance units under the LTIP.

The LTIP also provides that, subject to certain limitations, the Chief Executive Officer of AmSouth (the CEO) may also make awards to eligible employees. The CEO may only make awards to non-Insiders (employees who are neither officers (as defined under Section 16(a) of the Securities Exchange Act of 1934), directors, nor ten percent (10%) beneficial owners of any class of AmSouth s equity securities) and the total number of awards granted by the CEO each year shall be subject to approval by the Committee. Delaware law imposes additional limitations and restrictions on the CEO s authority to grant stock options.

The forms of awards are described in greater detail below.

Stock Options

The Committee has discretion to award incentive stock options (ISOs), which are intended to comply with Section 422 of the Internal Revenue Code (the Code), or nonqualified stock options (NQSOs), which are not intended to comply with Section 422 of the Code. Each option issued under the LTIP must be exercised within a period of ten years from the date of grant, and the exercise price of an option may not be less than the fair market value of the underlying shares of common stock on the date of grant. Subject to the specific terms of the plan, the Committee will have discretion to set such additional terms and conditions on option grants as it deems appropriate.

Options granted to employees under the LTIP will expire at such times as the Committee determines at the time of grant; provided, however, that no option will be exercisable later than ten years from the date of grant. Options may terminate earlier than their normal expiration date upon termination of employment for various reasons. Upon a change in control as defined in the LTIP, all options will immediately vest 100 percent and remain exercisable throughout their entire term, without regard to provisions respecting earlier termination.

Upon the exercise of an option granted under the LTIP, the option price is payable in full to AmSouth, either: (a) in cash or its equivalent, or (b) if permitted in the award agreement, by tendering AmSouth common shares having a fair market value at the time of exercise equal to the total option price, provided such shares have been held by the participant for at least six months or were purchased on the open market, or (c) if permitted in the award agreement, a combination of (a) and (b). So-called cashless exercises through a stockbroker may also be allowed.

Stock Appreciation Rights

The Committee may grant SARs either alone (a Freestanding SAR), or in connection with the issuance of stock options (a Tandem SAR). Upon the exercise of an SAR, the participant will receive payment from AmSouth in an amount equal to the difference between the fair market value of a share of AmSouth common stock on the date of exercise and the grant price of the SAR.

The grant price of a Freestanding SAR will equal the fair market value of a share of common stock on the date of grant of the SAR. The grant price of a Tandem SAR will equal the exercise price of the related option.

The Committee has the right to pay the value of an SAR in cash, shares of common stock, or partly in cash and partly in shares of common stock.

The Committee has complete discretion in determining the number of SARs granted and in determining the conditions pertaining to such SARs. The term of an SAR will be determined by the Committee, in its sole discretion; provided, however, such term shall not exceed ten (10) years.

A Freestanding SAR may be exercised upon whatever terms and conditions the Committee, in its sole discretion, specifies. A Tandem SAR may be exercised only during the period in which the related option may be exercised. The exercise of a Tandem SAR will result in cancellation of the related option. No SARs have ever been granted under the LTIP.

Restricted Stock

The Committee is authorized to award shares of restricted common stock under the LTIP upon such terms and conditions as it shall establish; provided, however, that no more than thirty percent (30%) of the total number of shares reserved for issuance under the plan may be granted as restricted stock, performance shares, performance units, or any combination of the foregoing. The award agreement will specify the period(s) of restriction, the number of shares of restricted common stock granted, the payment of a stipulated purchase price per share, if any, restrictions based upon achievement of specific performance objectives and/or restrictions under applicable federal or state securities laws. Although recipients will have the right to vote these shares from the date of grant, they will not have the right to sell or otherwise transfer the shares during the applicable period of restriction or until earlier satisfaction of other conditions imposed by the Committee in its sole discretion. The Committee, in its discretion, will determine how dividends on restricted shares are to be paid.

Each award agreement for restricted stock will set forth the extent to which the participant will have the right to retain unvested restricted stock following termination of the participant s employment with AmSouth. These provisions will be determined in the sole discretion of the Committee, need not be uniform among all shares of restricted stock issued pursuant to the LTIP and may reflect distinctions based on reasons for termination of employment; provided however, that all restricted stock will vest immediately upon death, disability or retirement, subject to any limitations under Section 162(m) of the Code. Except in the case of terminations in connection with a change in control and terminations by reason of death or disability, the vesting of restricted stock which qualifies as performance-based compensation under Section 162(m) and which is held by covered employees under Section 162(m) shall occur at the time it otherwise would have, but for the employment termination.

Performance Shares and Performance Units

Performance shares and performance units may be granted under the LTIP, in addition to the other forms of awards that may be granted under the LTIP. A performance share is a right to receive a specified number of shares of AmSouth common stock at a future date if a specified performance goal is attained. A performance unit is the right to receive a specified amount of money at a future time if a specified performance goal is attained. Partial achievement of the specified performance goal may result in part of the performance shares or performance units being earned. Performance units and performance shares that are earned may both be settled in the form of either AmSouth common stock or cash. Performance shares and performance units may but need not be designed to qualify as performance-based compensation that is not subject to the $1 million deduction limit of Section 162(m) of the Code. The Committee will determine whether and to what extent any award shall be designed to qualify as such performance-based compensation. Performance shares and performance units that are designed to qualify as performance-based compensation will be paid solely on account of the attainment of one or more pre-established objective performance goals (within the meaning of Section 162(m) of the Code) over a period of more than one year, and the performance goals will be based on one or more of the performance measures that are described below under Performance Measures . However, performance shares and

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performance units, including those that are intended to qualify as performance-based compensation, may be earned if death, disability, a change in control, or other circumstances specified by the Committee occur, whether or not the performance goals have been attained or are thereafter attained. Performance shares and performance units may (but need not) be granted each year to any key employee, and a new performance period may commence each year and overlap with one or more years included in any prior or later performance period. The aggregate number of shares which may be issued pursuant to awards of performance shares or performance units are limited by the LTIP. The LTIP also limits the number of performance shares and dollar value of performance units that any employee may be granted in any fiscal year as performance-based awards that are not subject to the deduction limit of Code section 162(m). These limits are described above under Stock Available for Issuance Through the LTIP .

Performance Measures

The LTIP authorizes the Committee to grant awards that qualify as performance-based compensation that is not subject to the $1 million tax deduction limit of Code section 162(m), as well as awards that do not qualify as performance-based . Awards that qualify as performance-based , including performance shares and performance units that qualify as such, will be paid on account of the attainment of a pre-established, objective performance goal over a period of more than one year that is based on one or more of the following financial measures: net income; return on equity; earnings per share; return on assets; total shareholder return; and return on investment. The goal which utilizes any of these performance measures may be an absolute performance goal, or a goal that is based on performance relative to the performance of a peer group, and may be based on consolidated results or the results of AmSouth, a subsidiary or a business unit. In addition, the Committee may provide for the following items to be included or excluded from the performance goal: discontinued operations, unusual items or events (including changes in capitalization), non-recurring items or events, extraordinary items, as determined by the Company s auditors, and the effects of changes in accounting standards, laws or regulations.

Following the end of a Performance Period, the Committee will determine the value of the performance-based awards granted for the period based on the attainment of the preestablished objective performance goals. The Committee may have discretion to reduce (but not to increase) the value of a performance-based award.

Adjustments and Amendments

The LTIP provides for appropriate adjustments in the number of shares of common stock subject to awards and available for future awards in the event of changes in outstanding common stock by reason of a merger, stock split or certain other events. In case of a change in control of AmSouth, outstanding options and SARs granted under the LTIP will become immediately exercisable and will remain exercisable throughout their entire term without regard to provisions respecting earlier termination, and restriction periods and restrictions imposed on shares of restricted stock shall immediately lapse. The Committee has discretion under the LTIP to determine the effect, if any, which a change in control will have on performance shares and performance units.

The LTIP may be modified or amended by the Board of Directors at any time and for any purpose which the Board of Directors deems appropriate. However, no such amendment shall adversely affect any outstanding awards without the affected holder s consent. Shareholder approval of an amendment will be sought if necessary under Internal Revenue Service or SEC regulations, the rules of the NYSE or any applicable law. The LTIP provides that the Committee shall not have the authority to cancel outstanding awards and issue substitute awards in replacement thereof.

Duration of the Plan

The LTIP will remain in effect until all options and rights granted thereunder have been satisfied or terminated pursuant to the terms of the plan, and all Performance Periods for performance-based awards granted thereunder have been completed. However, in no event will an award be granted under the LTIP on or after April 18, 2006.

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Federal Income Tax Consequences Regarding Stock Options

The following discussion is a summary of certain federal income tax issues relating to options issued under the LTIP, and does not purport to be a complete analysis of all of the potential tax aspects relating to the LTIP. With respect to options that qualify as ISOs, an LTIP participant will not recognize income for federal income tax purposes at the time options are granted or exercised. However, the excess of the fair market value of the shares purchased pursuant to the exercise of an ISO on the date of such exercise over the purchase price of the shares under the option will be includible in the optionee s alternative minimum taxable income, which may give rise to alternative minimum tax liability for the optionee in the year of exercise unless the optionee disposes of the shares in the same year. If the participant disposes of shares acquired by exercise of an ISO either before the expiration of two years from the date the options are granted or within one year after the issuance of shares upon exercise of the ISO (the holding periods), the participant will recognize in the year of disposition: (a) ordinary income, to the extent that the lesser of either (1) the fair market value of the shares on the date of option exercise or (2) the amount realized on disposition, exceeds the option price; and (b) capital gain, to the extent the amount realized on disposition exceeds the fair market value of the shares on the date of option exercise. If the shares are sold after expiration of the holding periods, the participant generally will recognize capital gain or loss equal to the difference between the amount realized on disposition and the option price.

With respect to NQSOs, the participant will recognize no income upon grant of the option, and, upon exercise, will recognize ordinary income to the extent of the excess of the fair market value of the shares on the date of option exercise over the amount paid by the participant for the shares. Upon a subsequent disposition of the shares received under the option, the participant generally will recognize capital gain or loss to the extent of the difference between the fair market value of the shares at the time of exercise and the amount realized on the disposition.

In general, AmSouth will receive an income tax deduction at the same time and in the same amount which is taxable to the employee as ordinary income, except as provided below under Section 162(m) and Section 280G. To the extent a participant realizes capital gains, as described above, AmSouth will not be entitled to any deduction for federal income tax purposes.

Section 162(m)

Under Section 162(m) of the Code, compensation paid by AmSouth in excess of $1 million for any taxable year to any covered employee generally is not deductible by AmSouth or its affiliates for federal income tax purposes unless it is based on the performance of AmSouth, is paid pursuant to a plan approved by shareholders of AmSouth and meets certain other requirements. Generally, covered employee under Section 162(m) means the chief executive officer and the four other highest paid executive officers of AmSouth as of the last day of the taxable year.

It is presently anticipated that the Committee administering awards to covered employees will at all times consist of outside directors as required for purposes of Section 162(m), and that the Committee will take the effect of Section 162(m) into consideration in structuring LTIP awards.

Section 280G

Under Section 280G of the Code, if compensatory payments made to an officer, highly compensated employee or certain other disqualified individuals , including the vesting of stock options or other awards, is contingent, or deemed to be contingent, on a change in control of a publicly-traded corporation, and if the value of such payments exceeds a certain statutory limit, the person who receives such payments may be subject to a 20% excise tax on most of such payments, payable in addition to regular income taxes, and the corporation may be denied a deduction for the portion of the payments which is subject to such excise tax. If a change in control of AmSouth occurs, awards under the LTIP may be subject to such excise tax, in whole or in part, and may be nondeductible by AmSouth. Compensation paid to a covered employee within the meaning of Code section

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162(m) that is non-deductible pursuant to Section 280G of the Code, may also reduce, dollar for dollar, the $1 million limit on such covered employee s non- performance-based compensation that AmSouth may deduct under Section 162(m) of the Code.

New Plan Benefits

The benefits that will be received under the LTIP by particular individuals or groups are not determinable at this time. The benefits that were received for the 2003 fiscal year by the named executive officers pursuant to the LTIP are summarized in tables on pages 13 through 16.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE AMENDMENT TO THE 1996 LONG TERM INCENTIVE COMPENSATION PLAN.

ITEM 5 APPROVAL OF THE AMENDED AND RESTATED STOCK OPTION PLAN FOR OUTSIDE DIRECTORS (SOPOD)

Some of the highlights of the SOPOD (which is described in more detail below and in the copy of the SOPOD attached as Appendix E) include:

No Discount Stock Options: The SOPOD prohibits the grant of stock options with an exercise price less than the fair market value on the date of grant.

No Repricing of Stock Options: Options issued under the SOPOD may not be repriced without shareholder approval.