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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Period Ended June 30, 2001 Commission File No. 0-6032

Compass Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**63-0593897**
(State of Incorporation)	(I.R.S. Employer Identification No.)

15 South 20th Street
Birmingham, Alabama 35233
(Address of principal executive offices)

(205) 297-3000

(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	**Name of each exchange on which registered**
None	None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

Common Stock, $2 par value
(Title of Class)

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

Yes __X__ No ____

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2001
Common Stock, $2 Par Value	128,172,044

The number of pages of this report is 26.

COMPASS BANCSHARES, INC. AND SUBSIDIARIES

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COMPASS BANCSHARES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
(In Thousands)
(Unaudited)

	June 30, 2001	December 31, 2000
Assets		
Cash and due from banks	$ 658,440	$ 750,815
Federal funds sold and securities purchased under agreements to resell	14,606	163,896
Trading account securities	22,907	17,211
Investment securities available for sale	6,049,807	5,074,819
Investment securities (fair value of $883,037 and $1,431,195 for 2001 and 2000, respectively)	875,846	1,434,689
Loans	12,838,776	12,258,754
Allowance for loan losses	(172,986)	(167,288)
Net loans	12,665,790	12,091,466
Premises and equipment, net	470,363	468,468
Other assets	953,185	875,796
Total assets	$21,710,944	$20,877,160
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest bearing	$ 3,206,912	$ 3,188,969
Interest bearing	10,493,882	11,636,408
Total deposits	13,700,794	14,825,377
Federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	2,894,629	1,775,176
FHLB and other borrowings	3,108,109	2,432,363
Guaranteed preferred beneficial interests in Company's junior subordinated deferrable interest debentures	122,028	152,822
Accrued expenses and other liabilities	244,454	181,418
Total liabilities	20,070,014	19,367,156
Shareholders' equity:		
Common stock of $2 par value: Authorized—200,000,000 shares; Issued—128,142,618 shares in 2001 and 127,779,021 shares in 2000	256,285	255,558
Surplus	151,120	145,801
Loans to finance stock purchases	(2,124)	(1,777)
Unearned restricted stock	(2,980)	(1,923)
Accumulated other comprehensive income (loss)	37,154	(16,796)
Retained earnings	1,201,475	1,129,141
Total shareholders' equity	1,640,930	1,510,004
Total liabilities and shareholders' equity	$21,710,944	$20,877,160

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(In Thousands Except Per Share Data)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2001	**2000**	**2001**	**2000**
Interest income:				
Interest and fees on loans	$271,429	$270,434	$547,520	$523,124
Interest on investment securities available for sale	97,816	75,467	198,009	147,317
Interest on investment securities	15,561	25,912	31,349	52,098
Interest on federal funds sold, securities purchased under agreements to resell and other earning assets	838	2,073	1,688	3,922
Total interest income	385,644	373,886	778,566	726,461
Interest expense:				
Interest on deposits	111,294	134,746	243,983	255,369
Interest on federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings	31,990	19,643	61,726	40,458
Interest on FHLB borrowings and other long-term debt	41,226	37,900	83,828	76,444
Total interest expense	184,510	192,289	389,537	372,271
Net interest income	201,134	181,597	389,029	354,190
Provision for loan losses	21,951	19,362	34,832	29,750
Net interest income after provision for loan losses	179,183	162,235	354,197	324,440
Noninterest income:				
Service charges on deposit accounts	38,708	31,573	73,235	60,735
Credit card service charges and fees	8,276	6,884	14,882	12,855
Asset management fees	5,165	4,755	10,258	9,488
Retail investment sales	4,792	4,452	9,737	9,739
Trading account profits and commissions	5,587	1,269	10,903	3,609
Investment securities gains, net	2,605	1	7,591	4
Other	25,999	33,492	53,245	53,015
Total noninterest income	91,132	82,426	179,851	149,445
Noninterest expense:				
Salaries, benefits and commissions	84,430	75,201	168,243	148,718
Equipment expense	14,786	12,307	29,526	24,186
Net occupancy expense	13,360	11,404	26,139	22,319
Professional services	11,721	8,828	22,182	17,066
Merger and integration	604	2,287	5,348	4,990
Other	42,942	38,505	84,326	71,436
Total noninterest expense	167,843	148,532	335,764	288,715
Net income before income tax expense	102,472	96,129	198,284	185,170
Income tax expense	35,500	33,168	68,749	63,870
Net income	**$ 66,972**	**$ 62,961**	**$129,535**	**$121,300**
Basic earnings per share	**$ 0.53**	**$ 0.50**	**$ 1.03**	**$ 0.97**
Basic weighted average shares outstanding	127,768	127,410	127,717	125,559
Diluted earnings per share	**$ 0.52**	**$ 0.49**	**$ 1.02**	**$ 0.96**
Diluted weighted average shares outstanding	129,323	128,238	129,101	126,326
Dividends per share	$ 0.23	$ 0.22	$ 0.46	$ 0.44

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)

	Six Months Ended June 30	
	2001	**2000**
Operating Activities:		
Net income	$ 129,535	$ 121,300
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and amortization	44,580	34,408
Accretion of discount and loan fees	(7,850)	(6,828)
Provision for loan losses	34,832	29,750
Net change in trading account securities	(5,696)	36,249
Gain on sale of investment securities available for sale	(7,591)	(3)
(Gain) loss on sale of premises and equipment	197	(939)
Gain on sale of other real estate owned	(230)	(1,145)
Gain on sale of branches	—	(11,800)
Increase in other assets	(33,883)	(4,680)
Increase in other liabilities	32,992	4,744
Net cash provided by operating activities	186,886	201,056
Investing Activities:		
Proceeds from maturities of investment securities	115,526	72,917
Purchases of investment securities	(31,318)	(22,294)
Proceeds from sales of investment securities available for sale	638,501	61,319
Proceeds from maturities of investment securities available for sale	777,349	374,844
Purchases of investment securities available for sale	(1,851,355)	(37,023)
Net decrease in federal funds sold and securities purchased under agreements to resell	149,290	8,005
Net increase in loan portfolio	(1,112,699)	(766,936)
Proceeds from sale of loans to third party conduit	500,000	—
Acquisitions/dispositions, net of cash acquired (sold)	—	(43,025)
Purchases of premises and equipment	(26,134)	(36,222)
Proceeds from sales of other real estate owned	3,345	5,898
Net cash used by investing activities	(837,495)	(382,517)

Consolidated Statements of Cash Flows— Continued

(In Thousands)

(Unaudited)

	Six Months Ended June 30	
	2001	**2000**
Financing Activities:		
Net increase in demand deposits, NOW accounts and savings accounts	7,376	240,251
Net increase (decrease) in time deposits	(1,131,959)	425,791
Net increase in federal funds purchased and securities sold under agreements to repurchase	1,077,360	28,617
Net increase (decrease) in short-term borrowings	42,093	(3,727)
Proceeds from FHLB advances and other borrowings	672,500	711,940
Repayment of FHLB advances and other borrowings	(24,699)	(1,100,988)
Repurchase of guaranteed preferred beneficial interests in Company's junior subordinated deferrable interest debentures	(29,044)	—
Common and preferred dividends paid	(58,983)	(52,867)
Repayment of loans to finance stock purchases	611	418
Proceeds from exercise of stock options	2,979	2,120
Net cash provided by financing activities	558,234	251,555
Net increase (decrease) in cash and due from banks	(92,375)	70,094
Cash and due from banks at beginning of period	750,815	729,124
Cash and due from banks at end of period	$ 658,440	$ 799,218
Schedule of noncash investing and financing activities:		
Transfers of loans to other real estate owned	$ 6,675	$ 10,438
Transfers of investment securities to available for sale securities	474,647	—
Loans to facilitate the sale of other real estate owned	290	2,575
Assets retained in loan securitization	—	469,463
Loans to finance stock purchases	958	596
Change in unrealized gain (loss) on available for sale securities	60,309	(10,378)
Issuance of restricted stock, net of cancellations	1,943	1,610
Common stock issued	—	35,924
Assets acquired	—	334,578
Assets sold	—	43,070
Liabilities assumed	—	315,836
Liabilities sold	—	115,077

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In Thousands)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2001	**2000**	**2001**	**2000**
Net income	$66,972	$62,961	$129,535	$121,300
Other comprehensive income (loss), before tax and cumulative effect adjustment:				
Unrealized holding gains (losses) on securities available for sale	(7,381)	5,015	68,205	(10,374)
Less reclassification adjustment for realized gains (losses) on investment securities available for sale	2,605	1	7,591	4
Unrealized holding losses on investment securities transferred to investments available for sale	—	—	(305)	—
Net change in accumulated gains on cash-flow hedging instruments	2,061	—	29,890	—
Total other comprehensive income (loss), before tax and cumulative effect adjustment	(7,925)	5,014	90,199	(10,378)
Income tax expense (benefit) related to other comprehensive income before cumulative effect adjustment:				
Unrealized holding gains (losses) on securities available for sale	(2,686)	2,092	25,734	(3,716)
Less reclassification adjustment for realized gains (losses) on investment securities available for sale	979	—	2,853	2
Unrealized holding losses on investment securities transferred to investments available for sale	—	—	(115)	—
Net change in accumulated gains on cash-flow hedging instruments	775	—	11,236	—
Total income tax expense (benefit) related to other comprehensive income before cumulative effect adjustment	(2,890)	2,092	34,002	(3,718)
Total other comprehensive income (loss) before cumulative effect adjustment, net of tax	(5,035)	2,922	56,197	(6,660)
Total comprehensive income before cumulative effect adjustment	**61,937**	**65,883**	**185,732**	**114,640**
Cumulative effect adjustment for accumulated net losses on hedging instruments, net of tax	—	—	(2,247)	—
Total comprehensive income	**$61,937**	**$65,883**	**$183,485**	**$114,640**

NOTE 1 — General

The consolidated financial statements of Compass Bancshares, Inc. (the “Company”) in this report have not been audited. In the opinion of management, all adjustments necessary to present fairly the financial position and the results of operations for the interim periods have been made. All such adjustments are of a normal recurring nature. The results of operations are not necessarily indicative of the results of operations for the full year or any other interim periods. For further information, refer to the consolidated financial statements and notes included in the Company’s annual report on Form 10-K for the year ended December 31, 2000.

Certain reclassifications of prior years’ amounts have been made to conform to the current year presentation. Such reclassifications had no effect on net income, total assets, total liabilities, or shareholders’ equity.

NOTE 2 — Business Combinations

On January 4, 2001, the Company completed the merger with FirsTier Corporation (“FirsTier”). FirsTier is the parent company of FirsTier Bank, an approximately $815 million asset bank located in the greater Denver area, and Firstate Bank, an $85 million bank in Nebraska. Under the terms of the agreement, FirsTier shareholders received 6,800,000 shares of Compass common stock in exchange for all of the outstanding shares of FirsTier. The transaction was accounted for under the pooling-of-interests method of accounting and, accordingly, all prior information has been restated.

NOTE 3 — Capital and Preferred Securities

Three subsidiary business trusts of the Company (Compass Trust I, MB Capital I, and FW Capital I) have issued mandatorily redeemable preferred capital securities (“Capital Securities”). As guarantor, the Company unconditionally guarantees payment of accrued and unpaid distributions required to be paid on the capital securities; the redemption price when a capital security is called for redemption; and amounts due if a trust is liquidated or terminated.

The Company owns all of the outstanding common stock of each of the three trusts. The trusts used the proceeds from the issuance of their Capital Securities and common stock to purchase debentures issued by the Company. These debentures are the trusts’ only assets and the interest payments from the debentures finance the distributions paid on the Capital Securities. The Company’s financial statements do not reflect the debentures or the related income statement effects because they are eliminated in consolidation.

The Capital Securities are summarized for the following periods as follows:

	June 30, 2001	December 31, 2000
	(in Millions)	
Compass Trust I (a)	$ 73	$100
MB Capital I	12	12
FW Capital I	19	23
Total	**$104**	**$135**

	Interest Rate of Securities and Debentures	Maturity of Securities and Debentures
Compass Trust I	8.230%	2027
MB Capital I	8.750%	2028
FW Capital I	9.375%	2029

(a) In addition to the Capital Securities, common securities of $3 million were issued and the proceeds used by Compass Trust I to purchase junior subordinated deferrable interest debentures of the Company.

The Capital Securities must be redeemed when the related debentures mature, or earlier if provided in the governing indenture. Each issue of capital securities carries an interest rate identical to that of the related debenture. The Capital Securities qualify as Tier 1 capital under Federal Reserve Board guidelines.

The Company has the right to redeem its debentures: (i) in whole or in part, on or after January 15, 2007 (for debentures owned by Compass Trust I), February 9, 2003 (for debentures owned by MB Capital I), and February 16, 2004 (for debentures owned by FW Capital I); and (ii) in whole at any time within 90 days following the occurrence and during the continuation of a tax event or a capital treatment event (as defined in the offering circulars). If the debentures purchased by Compass Trust I are redeemed before they mature, the redemption price will be the principal amount, plus a premium, plus any accrued but unpaid interest. If the debentures purchased by MB Capital I or FW Capital I are redeemed before they mature, the redemption price will be the principal amount plus any accrued but unpaid interest. When debentures are redeemed in response to tax or capital treatment events, the redemption price is generally slightly more favorable to the Company. During 2001, the Company repurchased approximately $27 million of the Capital Securities of Compass Trust I and $4 million of the Capital Securities of FW Capital I.

Class B Preferred Stock

In December 2000, a subsidiary of the Company issued $21 million of Class B Preferred Stock (the “Preferred Stock”). The Preferred Stock, net of discount, was approximately $18 million at both June 30, 2001 and December 31, 2000. The Preferred Stock qualifies as Tier I capital under Federal Reserve Board guidelines. The Preferred Stock dividends are preferential, non-cumulative and payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2001, at a rate per annum equal to 9.875 percent of the liquidation preference of $1,000 per share when, and if declared by the Board of Directors of the Subsidiary, in its sole discretion, out of funds legally available for such payment.

The Preferred Stock is redeemable for cash, at the option of the Subsidiary, in whole or in part, at any time on or after June 15, 2021. Prior to June 15, 2021, the Preferred Stock is not redeemable, except that prior to such date, the Preferred Stock may be redeemed for cash, at the option of the Subsidiary, in whole or in part, only upon the occurrence of any tax or regulatory events. Any such redemption is subject to the prior approval of the Board of Governors of the Federal Reserve System. The Preferred Stock is not redeemable at the option of the holders thereof at any time.

NOTE 4 — Earnings Per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2001	2000	2001	2000
	(In Thousands Except Per Share Data) (Unaudited)			
BASIC EARNINGS PER SHARE:				
Net income	$ 66,972	$ 62,961	$129,535	$121,300
Plus: Gain on redemption of guaranteed preferred beneficial interests in the Company's junior subordinated deferrable interest debentures	—	—	1,766	—
Net income available to common shareholders	$ 66,972	$ 62,961	$131,301	$121,300
Weighted average shares outstanding	127,768	127,410	127,717	125,559
Basic earnings per share	$ 0.53	$ 0.50	$ 1.03	$ 0.97
DILUTED EARNINGS PER SHARE:				
Net income	$ 66,972	$ 62,961	$129,535	$121,300
Plus: Gain on redemption of Trust Preferred Securities	—	—	1,766	—
Net income available to common shareholders and assumed conversions	$ 66,972	$ 62,961	$131,301	$121,300
Weighted average shares outstanding	127,768	127,410	127,717	125,559
Net effect of the assumed exercise of nonvested restricted stock and stock options – based on the treasury stock method using average market price for the period	1,555	828	1,384	767
Total weighted average shares and common stock equivalents outstanding	129,323	128,238	129,101	126,326
Diluted earnings per share	$ 0.52	$ 0.49	$ 1.02	$ 0.96

NOTE 5 – Segment Information

The Company’s segment information is presented by line of business. Each line of business is a strategic unit that serves a particular group of customers that have certain common characteristics, through various products and services. The segment results include certain overhead allocations and intercompany transactions. All intercompany transactions have been eliminated to determine the consolidated balances. The Company’s reportable operating segments are Corporate Banking, Retail Banking, Asset Management, and Treasury.

The Corporate Banking segment is responsible for providing a full array of banking and investment services to business banking, commercial banking, and other institutional clients in each of the Company’s major metropolitan markets. The Corporate Banking segment also includes a National Industries unit that is responsible for serving larger national accounts, principally in targeted industries. In addition to traditional credit and deposit products, the Corporate Banking segment also supports its customers with capabilities in treasury management, leasing, accounts receivable purchasing, asset-based lending, international services, and matched interest rate protection and investment products.

The Retail Banking segment serves the Company’s consumer customers through an extensive banking office network and through the use of alternative delivery channels such as personal computer banking, the internet and telephone banking. The Retail Banking segment provides individuals with comprehensive products and services, including home mortgages, credit cards, deposit accounts, mutual funds, and brokerage and insurance. In addition, Retail Banking also serves the Company’s small business customers, and is responsible for the indirect automobile portfolio.

The Asset Management segment provides specialized investment portfolio management, traditional credit products, financial counseling, and customized services to the Company’s private clients and foundations as well as investment management and retirement services to companies and their employees. The Asset Management segment is also the discretionary investment manager of Expedition Funds®, the Company’s family of proprietary mutual funds.

The Treasury segment’s primary function is to manage the investment securities portfolio, certain residential real estate loans, public entity deposits, and the liquidity and funding positions of the Company.

Corporate Support and Other includes activities that are not directly attributable to the reportable segments. Included in this category are the activities of the parent company and support functions, i.e., accounting, operations, loan review, etc. and the elimination of intercompany transactions.

The financial information presented was derived from the internal profitability reporting system used by management to monitor and manage the financial performance of the Company. This information is based on internal management accounting policies, which have been developed to reflect the underlying economics of the businesses. The policies address the methodologies applied in connection with funds transfer pricing. Funds transfer pricing was used in the determination of net interest income by assigning a standard cost (credit) for funds used (provided) to assets and liabilities based on their maturity, prepayment, and/or repricing characteristics.

The development and application of these methodologies is a dynamic process. Accordingly, financial results have been revised to reflect management accounting enhancements and changes in the Company’s organizational structure. The 2000 segment information has been revised to conform to the 2001 presentation. In addition, unlike financial accounting, there is no authoritative literature for management accounting similar to generally accepted accounting principles. Consequently, reported results are not necessarily comparable with those presented by other financial institutions.

The following tables present the segment information for the Company's segments as of and for the three and six month periods ended June 30, 2001 and 2000.

For the Three Months ended June 30, 2001
(in Thousands)

	Corporate Banking	Retail Banking	Asset Management	Treasury	Corporate Support and Other	Consolidated
Income Statement						
Net interest income	$ 85,323	$ 84,460	$ 12,811	$ 27,979	$ (9,439)	$ 201,134
Noninterest income	15,202	60,074	6,932	6,997	1,927	91,132
Noninterest expense	30,268	80,591	7,374	4,420	45,190	167,843
Segment net income	$ 70,257	$ 63,943	$ 12,369	$ 30,556	$ (52,702)	124,423
Provision for loan losses						21,951
Net income before income tax expense						102,472
Income tax expense						35,500
Net income						$ 66,972
Balance Sheet						
Average assets	$8,369,520	$3,719,773	$ 740,127	$8,253,537	$892,496	$21,975,453
Average loans	8,265,600	3,323,421	728,005	697,914	8,104	13,023,044
Average deposits	3,311,649	9,247,707	1,106,859	234,108	(56,417)	13,843,906
Period-end assets	$7,978,466	$3,840,241	$ 745,303	$8,334,224	$812,710	$21,710,944
Period-end loans	7,874,782	3,466,804	733,479	772,027	(8,316)	12,838,776
Period-end deposits	3,319,049	9,154,295	1,096,923	182,856	(52,329)	13,700,794

For the Three Months ended June 30, 2000
(in Thousands)

	Corporate Banking	Retail Banking	Asset Management	Treasury	Corporate Support and Other	Consolidated
Income Statement						
Net interest income	$ 70,237	$ 77,725	$ 10,004	$ 20,386	$ 3,245	$ 181,597
Noninterest income	9,415	48,552	6,203	1,658	16,598	82,426
Noninterest expense	24,571	67,719	6,368	4,456	45,418	148,532
Segment net income	$ 55,081	$ 58,558	$ 9,839	$ 17,588	$ (25,575)	115,491
Provision for loan losses						19,362
Net income before income tax expense						96,129
Income tax expense						33,168
Net income						$ 62,961
Balance Sheet						
Average assets	$6,951,899	$3,298,419	$608,601	$7,009,376	$1,700,901	$19,569,196
Average loans	6,852,282	2,718,164	599,175	819,027	928,841	11,917,489
Average deposits	3,144,730	9,111,141	900,608	395,333	877,250	14,429,062
Period-end assets	$7,225,746	$3,457,063	$628,586	$7,008,265	$1,498,240	$19,817,900
Period-end loans	7,136,269	2,729,542	618,933	852,374	728,281	12,065,399
Period-end deposits	3,228,041	9,220,125	908,979	394,911	739,758	14,491,814

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements — Continued

For the Six Months ended June 30, 2001
(in Thousands)

	Corporate Banking	Retail Banking	Asset Management	Treasury	Corporate Support and Other	Consolidated
Income Statement						
Net interest income	$ 161,271	$ 165,773	$ 25,652	$ 52,249	$ (15,916)	$ 389,029
Noninterest income	28,895	115,196	13,604	17,893	4,263	179,851
Noninterest expense	60,787	156,865	14,633	6,916	96,563	335,764
Segment net income	$ 129,379	$ 124,104	$ 24,623	$ 63,226	$ (108,216)	233,116
Provision for loan losses						34,832
Net income before income tax expense						198,284
Income tax expense						68,749
Net income						$ 129,535
Balance Sheet						
Average assets	$8,102,929	$3,604,720	$ 734,924	$8,035,293	$1,123,266	$21,601,132
Average loans	8,001,275	3,185,448	722,234	617,068	203,652	12,729,677
Average deposits	3,257,971	9,202,790	1,118,046	340,096	159,396	14,078,299
Period-end assets	$7,978,466	$3,840,241	$ 745,303	$8,334,224	$ 812,710	$21,710,944
Period-end loans	7,874,782	3,466,804	733,479	772,027	(8,316)	12,838,776
Period-end deposits	3,319,049	9,154,295	1,096,923	182,856	(52,329)	13,700,794

For the Six Months ended June 30, 2000
(in Thousands)

	Corporate Banking	Retail Banking	Asset Management	Treasury	Corporate Support and Other	Consolidated
Income Statement						
Net interest income	$ 132,511	$ 153,830	$ 19,731	$ 39,345	$ 8,773	$ 354,190
Noninterest income	18,965	95,730	12,195	3,475	19,080	149,445
Noninterest expense	49,389	132,023	12,947	6,967	87,389	288,715
Segment net income	$ 102,087	$ 117,537	$ 18,979	$ 35,853	$ (59,536)	214,920
Provision for loan losses						29,750
Net income before income tax expense						185,170
Income tax expense						63,870
Net income						$ 121,300
Balance Sheet						
Average assets	$6,708,894	$3,363,734	$605,205	$7,016,554	$1,665,960	$19,360,347
Average loans	6,600,052	2,744,872	595,860	964,535	855,437	11,760,756
Average deposits	2,892,661	8,995,379	896,407	425,705	826,188	14,036,340
Period-end assets	$7,225,746	$3,457,063	$628,586	$7,008,265	$1,498,240	$19,817,900
Period-end loans	7,136,269	2,729,542	618,933	852,374	728,281	12,065,399
Period-end deposits	3,228,041	9,220,125	908,979	394,911	739,758	14,491,814

NOTE 6 – Loans and Allowance for Loan Losses

The following presents the composition of the loan portfolio at June 30, 2001 and December 31, 2000.

	June 30, 2001	December 31, 2000
	(in Thousands)	
Commercial, financial and agricultural	$ 4,137,197	$ 4,056,090
Real estate construction – commercial	1,348,273	1,519,759
Real estate – commercial	2,151,370	2,140,270
Total commercial	7,636,840	7,716,119
Real estate construction – residential	879,034	771,821
Real estate – residential	2,468,610	2,132,053
Consumer – credit cards	390,465	417,002
Consumer – installment	1,463,827	1,221,759
Total consumer	5,201,936	4,542,635
Total loans	$12,838,776	$12,258,754

A summary of the activity in the allowance for loan losses for the three and six months ended June 30, 2001 and 2000 follows:

	Three Months Ended		Six Months Ended	
	2001	2000	2001	2000
	(in Thousands)			
Balance at beginning of period	$167,501	$152,114	$167,288	$151,211
Add: Provision charged to income	21,951	19,362	34,832	29,750
Allowance for loans acquired (sold)	(1,050)	3,994	(1,050)	3,994
Net charge-offs:				
Commercial, financial and agricultural	6,114	9,922	10,081	11,895
Real estate construction	31	(5)	155	55
Real estate – commercial	118	51	354	51
Real estate – residential	759	375	1,085	485
Consumer – credit cards	6,603	4,000	11,199	7,627
Consumer – installment	1,791	3,219	5,210	6,934
Net charge-offs	15,416	17,562	28,084	27,047
Balance at end of period	$172,986	$157,908	$172,986	$157,908

Nonperforming assets at June 30, 2001 and December 31, 2000 are detailed in the following table.

	June 30, 2001	December 31, 2000
	(in Thousands)	
Nonaccrual loans:		
Commercial, financial and agricultural	$ 53,315	$ 59,842
Real estate construction	12,419	9,198
Real estate – commercial	13,680	4,336
Real estate – residential	12,024	10,543
Consumer	3,845	2,249
Total nonaccrual loans	95,283	86,168
Renegotiated loans	2,036	84
Other real estate	18,746	15,476
Total nonperforming assets	$116,065	$101,728

NOTE 7 – Loan Participation Sales

In June, the Company sold $500 million of commercial real estate loan participations to a third party asset-backed commercial paper conduit. Under the terms of the transaction, the Company retains servicing of the loans and remains obligated for any credit related charge-offs. No gain or loss was recognized on the sale; a $1 million liability for estimated future losses was established.

NOTE 8 – Recently Adopted and Issued Accounting Standards

The Company adopted Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards (“SFAS”) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, on January 1, 2001. For information regarding the adoption of this standard, or the Company’s accounting for derivatives and hedging activities, refer to the notes to consolidated financial statements included in the Company’s report on Form 10-Q for the quarter ended March 31, 2001.

In July 2001, the FASB issued Statement No. 141, *Business Combinations*, and Statement No. 142, *Goodwill and Other Intangible Assets*. Statement No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Pooling-of-interests business combinations initiated prior to June 30, 2001 are grandfathered. Statement No. 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead an entity must perform an assessment of whether goodwill is impaired as of the date of adoption and test for impairment at least annually in accordance with the provisions of Statement No. 142. The new standard will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment. The Company is required to adopt the provisions of Statement No. 141 immediately and Statement No. 142 effective January 1, 2002.

As of the date of adoption, the Company expects to have unamortized goodwill in the amount of $236 million and unamortized identifiable intangible assets in the amount of $38 million, both of which will be subject to the transition provisions of Statements No. 141 and No. 142. Amortization expense related to goodwill was $11 million and $7 million for the year ended December 31, 2000 and the six months ended June 30, 2001, respectively. Because of the extensive effort needed to comply with adopting Statements No. 141 and No. 142, it is not practicable to reasonably estimate the impact of adopting these Statements on the Company’s financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

Forward-Looking Information

This report may contain forward-looking statements which are subject to numerous assumptions, risks and uncertainties. Statements pertaining to future periods are subject to uncertainty because of the possibility of changes in underlying factors and assumptions. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of reasons including: sharp and/or rapid changes in interest rates; significant changes in the economic scenario from the current anticipated scenario which could materially change anticipated credit quality trends and the ability to generate loans and gather deposits; significant delay in or inability to execute strategic initiatives designed to grow revenues and/or control expenses; unanticipated issues during the integration of acquisitions; and significant changes in accounting, tax, or regulatory practices or requirements. The Company disclaims any obligations to update any such forward-looking statements.

Overview

Net income for the quarter ended June 30, 2001, increased six percent to $67 million while diluted earnings per share increased six percent to $0.52 per share. Net interest income increased 11 percent to $201.1 million from the second quarter of 2000. Noninterest income increased 11 percent to $91.1 million while noninterest expense increased 13 percent to $167.8 million.

For the first six months of 2001, net income increased seven percent to $129.5 million and diluted earnings per share increased six percent to $1.02 per share. Net interest income for the six months grew to $389.0 million, an increase of 10 percent, while noninterest income and noninterest expense increased 20 percent and 16 percent, respectively.

Cash Basis Results

Cash basis results exclude the amortization of goodwill and other intangibles considered nonqualifying in regulatory capital calculations resulting from business combinations recorded by the Company under the purchase method of accounting. Had these business combinations qualified for accounting under the pooling-of-interests method, no intangible asset would have been recorded. Since the amortization of goodwill and other intangibles does not result in a cash expense, the economic value to shareholders under either accounting method is essentially the same. Additionally, such amortization does not impact the Company's liquidity and funds management activities.

On a cash basis, net income for the quarter ended June 30, 2001, was $72.1 million, a seven percent increase over the $67.4 million for the same quarter last year. Similarly, diluted earnings per share were $0.56 in the second quarter of 2001, a six percent increase compared to $0.53 in the prior year quarter.

On a cash basis, net income for the six months ended June 30, 2001, was $139.8 million, a seven percent increase over the $130.1 million for the same period last year. Similarly, diluted earnings per share were $1.10 for the six months ended June 30, 2001, a seven percent increase compared to $1.03 in the prior year period.

Net Interest Income

Net interest income is the principal component of a financial institution's income stream and represents the difference or spread between interest and fee income generated from earning assets and the interest expense paid on deposits and borrowed funds. Fluctuations in interest rates as well as changes in the volume and mix of earning assets and interest bearing liabilities can materially impact net interest income. The following discussion of net interest income is presented on a taxable equivalent basis, unless otherwise noted, to facilitate performance comparisons among various taxable and tax-exempt assets.

Net interest income for the quarter ended June 30, 2001, increased $19.5 million over the second quarter of 2000 to $202.4 million with interest income increasing $11.7 million and interest expense decreasing $7.8 million. The increase in interest income was due to an increase in average earning assets of $1.9 billion, or 10 percent, offset partially by a 57 basis point decrease in the average yield on earning assets from 8.30 percent to 7.73 percent. The increase in average earning assets from the second quarter of 2000 was the result of a $1.5 billion increase in investment securities available for sale and a $1.1 billion increase in loans, partially offset by a $622 million decrease in investment securities. Investment securities available for sale increased due to purchases of $1.9 billion of securities during the first six months of 2001, the securitization and transfer of real estate mortgage loans of $725 million in December 2000, and the transfer of $475 million of investment securities as part of the implementation of a new accounting standard. The increase in loans was due primarily to continued loan demand in the Company's markets. The four percent decrease in interest expense over the prior year quarter was the result of a 72 basis point decrease in the rate paid on interest bearing liabilities offset partially by a $1.8 billion increase in average interest bearing liabilities. The increase in interest bearing liabilities was primarily due to increases in both federal funds purchased and securities sold under agreements to repurchase and FHLB and other borrowings offset partially by a decrease in certificates of deposit. The decrease in certificates of deposits was the result of an effort to re-channel higher rate liabilities to lower cost funding sources.

For the first six months of 2001, net interest income increased 10 percent, or $35.0 million, to $391.6 million consisting of a $52.2 million increase in interest income and a $17.3 million increase in interest expense. The increase in interest income was due to a 10 percent increase in average earning assets which was partially offset by a two percent decrease in the yield on earning assets, or 17 basis points, to 7.99 percent from 8.16 percent. The average balance of loans for the first six months of 2001 over the comparable 2000 period increased $969 million, investments securities available for sale increased $1.5 billion, and investment securities decreased $611 million, due to the factors discussed previously. A $1.6 billion increase in average interest bearing liabilities partially offset by a 24 basis point decrease in the rate paid on interest bearing liabilities resulted in a five percent increase in interest expense.

Net interest margin, stated as a percentage, is the yield obtained by dividing the difference between the overall interest income on earning assets and the interest expense paid on all funding sources by average earning assets. The following discussion of net interest margin is presented on a taxable equivalent basis.

The net interest margin for the second quarter of 2001 was 4.04 percent, unchanged from a year ago. For the six months ended June 30, 2001, net interest margin increased two basis points from 3.99 percent in the prior year to 4.01 percent. These changes resulted from the changes in rates and volumes of earning assets and the corresponding funding sources noted previously. During the second quarter of 2001, the Company's net interest margin was impacted by the Company's use of interest rate contracts, increasing taxable equivalent net interest margin by 11 basis points as compared to a 3 basis point negative impact for the same period in 2000. For the six months ended June 30, 2001, the Company's use of interest rate contracts increased the Company's net interest margin by 7 basis points as compared to a 1 basis point negative impact for the first six months of 2000.

The following tables detail the components of the changes in net interest income (on a tax-equivalent basis) by major category of interest earning assets and interest bearing liabilities for the six month and three month periods ended June 30, 2001, as compared to the comparable period of 2000 (in thousands):

	Six Months Ended June 30, 2001			
	Change 2000 to 2001	Attributed to		
		Volume	Rate	Mix
Interest income:				
Loans	$ 24,602	$ 43,106	$(17,095)	$(1,409)
Investment securities	(20,690)	(21,121)	714	(283)
Investment securities available for sale	50,566	48,106	1,858	602
Trading account securities	(87)	(483)	626	(230)
Fed funds and resale agreements	(2,149)	(2,098)	(250)	199
Increase in interest income	$ 52,242	$ 67,510	$(14,147)	$(1,121)
Interest expense:				
Deposits	$(11,386)	$ (5,008)	$ (5,394)	$ (984)
Fed funds purchased and repos	23,635	37,538	(6,570)	(7,333)
Other short-term borrowings	(2,367)	(2,048)	(456)	137
FHLB and other borrowings*	7,384	16,835	(7,745)	(1,706)
Increase in interest expense	$ 17,266	$ 47,317	$(20,165)	$(9,886)

	Three Months Ended June 30, 2001			
	Change 2000 To 2001	Attributed to		
		Volume	Rate	Mix
Interest income:				
Loans	$ 1,069	$ 25,091	$(21,983)	$ (2,039)
Investment securities	(10,389)	(10,785)	668	(272)
Investment securities available for sale	22,292	24,694	(1,813)	(589)
Trading account securities	247	(120)	487	(120)
Fed funds and resale agreements	(1,486)	(1,412)	(617)	543
Increase in interest income	$ 11,733	$ 37,468	$(23,258)	$ (2,477)
Interest expense:				
Deposits	$(23,452)	$(10,846)	$(12,200)	$ (406)
Fed funds purchased and repos	13,388	27,616	(5,411)	(8,817)
Other short-term borrowings	(1,041)	(269)	(857)	85
FHLB and other borrowings*	3,326	11,949	(6,556)	(2,067)
Increase in interest expense	$ (7,779)	$ 28,450	$(25,024)	$(11,205)

* Includes Capital and Preferred Securities.

Noninterest Income and Noninterest Expense

During the second quarter of 2001, noninterest income increased $8.7 million, or 11 percent, to $91.1 million. Excluding the effect of the $11.8 million gain on the sale of non-strategic branches included in other noninterest income for the second quarter of 2000 and investment securities gains in both 2001 and 2000, noninterest income increased by 25 percent. The increase in noninterest income is directly attributable to increases in all of the major fee-based businesses of the Company, including a $7.1 million increase in service charges on deposit accounts and a $4.3 million increase in trading account profits and commissions. Noninterest income for the first six months of 2001 increased $30.4 million, or 20 percent, to $179.9 million due to a $12.5 million increase in service charges on deposit accounts, a $7.6 million increase in investment securities gains, and a $7.3 million increase in trading account profits and commissions. The increase in service charges on deposit accounts was primarily due to the increase in noninterest bearing demand deposit accounts, while the increase in trading account profits and commissions was due to favorable market conditions for the sales of bonds and matched interest rate protection contracts.

Noninterest expense increased $19.3 million, or 13 percent, during the second quarter and $47.0 million, or 16 percent, during the first six months of 2001. The growth in each caption of noninterest expense, excluding the decrease in merger and integration for the second quarter, can be attributed in large part to bringing on-line 30 new banking offices through purchase acquisitions and de novo activity during the past twelve months. The decrease in merger and integration during the second quarter of 2001 is due to the Company completing its last acquisition in January of 2001.

Income Taxes

The increases in income tax expense during the three and six month periods ended June 30, 2001, over the same periods in 2000, is directly attributable to the increases in pretax income.

Provision and Allowance for Loan Losses

The provision for loan losses for the three and six months ended June 30, 2001, increased $2.6 million and $5.1 million from the same periods in 2000, respectively. The allowance for loan losses, and the resulting provision for loan losses, was based on changes in the size and character of the loan portfolio, changes in nonperforming and past due loans, historical loan loss experience, the existing risk of individual loans, concentrations of loans to specific borrowers or industries and existing and prospective economic conditions. During the quarter ended June 30, 2001 the allocation of allowance for the credit card portfolio was increased to reflect the recent increase in credit card charge-offs due to an increase in bankruptcy filings. The allowance for loan losses at June 30, 2001, was $173 million. The ratio of the allowance for loan losses to loans outstanding was 1.35 percent at June 30, 2001, relatively unchanged from the 1.36 percent at December 31, 2000. Management believes that the allowance for loan losses at June 30, 2001 is adequate.

Nonperforming Assets and Past Due Loans

Nonperforming loans, comprised of nonaccrual loans and renegotiated loans totaled $97 million at June 30, 2001, compared to $86 million at December 31, 2000. At June 30, 2001, the allowance for loan losses as a percentage of nonperforming loans was 178 percent as compared to 194 percent at December 31, 2000. The allowance for loan losses as a percentage of nonperforming assets was 149 percent at June 30, 2001 and 164 percent at December 31, 2000.

Nonperforming assets as a percentage of total loans and other real estate owned was 0.90 percent at June 30, 2001, compared to 0.83 percent at December 31, 2000. The amount recorded in other repossessed assets at June 30, 2001, was $0.6 million, down from $1.7 million at December 31, 2000. Loans past due ninety days or more but still accruing interest decreased from $19.9 million at December 31, 2000, to $17.5 million at June 30, 2001.

The Company regularly monitors selected accruing loans for which general economic conditions or changes within a particular industry could cause the borrowers financial difficulties. This continuous monitoring of the loan portfolio and the related identification of loans with a high degree of credit risk are essential parts of the Company's credit management. Management continues to emphasize maintaining a low level of nonperforming assets and returning current nonperforming assets to an earning status.

Financial Condition

Overview

Total assets at June 30, 2001, were $21.7 billion, up from $20.9 billion at December 31, 2000. The increase in assets was primarily due to internal loan growth and the increase in market value and purchases of investment securities available for sale.

Assets and Funding

At June 30, 2001, earning assets totaled $19.8 billion, up from $18.9 billion at December 31, 2000. The mix of earning assets remained relatively unchanged with total investment securities and loans comprising 35 percent and 65 percent, respectively, of total earning assets at June 30, 2001. The largest component of the growth in earning assets was concentrated in net loans. Net loans increased by $574 million due to continued loan demand, which was effected by the sale of $500 million of commercial real estate loans to a third party conduit. Total liabilities increased by $703 million due to the increase in federal funds purchased, securities sold under agreements to repurchase and other short-term borrowings of $1.1 billion and the increase in FHLB and other borrowings of $676 million, which was partially offset by a $1.1 billion reduction in interest bearing deposits. The increase in borrowings and decrease in deposits was due to a rechanneling of higher rate certificates of deposit to lower cost funding sources.

Liquidity and Capital Resources

The following is a discussion of cash flows; these amounts are based on cash flows that exclude changes resulting from merger activity. Net cash provided by operating activities totaled $187 million for the six months ended June 30, 2001. Net cash used by investing activities of $837 million primarily resulted from the purchase of $1.9 billion of investment securities available for sale and a $1.1 billion net increase in loans outstanding offset by the proceeds from maturities of investment securities available for sale of $777 million, proceeds from sales of investment securities available for sale of $639 million and the sale of $500 million of commercial real estate loans to a third party asset backed conduit. Net cash provided by financing activities of $558 million primarily consisted of a $1.1 billion net increase in federal funds purchased and securities sold under agreements to repurchase and $648 million net increase in FHLB advances and other borrowings reduced by a $1.1 billion net decrease in time deposits.

Total shareholders’ equity at June 30, 2001 was 7.56 percent of total assets compared to 7.23 percent at December 31, 2000 primarily due to a $72 million increase in retained earnings and a $54 million increase in accumulated other comprehensive income. The leverage ratio, defined as period-end common equity and the Capital Securities adjusted for goodwill divided by average quarterly assets adjusted for goodwill, was 6.69 percent at June 30, 2001 and 6.90 percent at December 31, 2000. Similarly, the Company’s tangible leverage ratio, defined as period-end common equity and the Capital Securities adjusted for all intangibles divided by average quarterly assets adjusted for all intangibles, was 6.63 percent at June 30, 2001 compared to 6.84 percent at December 31, 2000. The decrease in the leverage and tangible leverage ratios is due primarily to growth in assets and the repurchase of approximately $31 million of the Company’s Capital Securities during 2001.

Tier I capital and total qualifying capital (Tier I capital plus Tier II capital), as defined by regulatory agencies, as of June 30, 2001, exceeded the target ratios for well capitalized of 6.00 percent and 10.00 percent, respectively, under current regulations. The Tier I and total qualifying capital ratios at June 30, 2001 were 8.21 percent and 10.92 percent, respectively, compared to 8.33 percent and 11.24 percent at December 31, 2000. Tier II capital includes supplemental capital components such as qualifying allowances for loan losses, certain qualifying classes of preferred stock and qualifying subordinated debt. Increased regulatory activity in the financial industry as a whole will continue to impact the industry; however, management does not anticipate any negative impact on the capital resources or operations of the Company.

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Allowance for Loan Losses/Nonperforming Assets
(In Thousands)
(Unaudited)

	Six Months Ended June 30	
	2001	**2000**
Allowance for Loan Losses		
Balance at beginning of period	$167,288	$151,211
Add: Provision charged to earnings	34,832	29,750
Allowance for loans acquired (sold)	(1,050)	3,994
Deduct: Loans charged-off	35,360	32,729
Loan recoveries	(7,276)	(5,682)
Net charge-offs	28,084	27,047
Balance at end of period	$172,986	$157,908
Net charge-offs as a percentage of average loans (annualized)	0.44%	0.46%
Recoveries as a percentage of charge-offs	20.58%	17.36%

	June 30, 2001	**December 31, 2000**
Nonperforming Assets		
Nonaccrual loans	$ 95,283	$ 86,168
Renegotiated loans	2,036	84
Total nonperforming loans	97,319	86,252
Other real estate	18,746	15,476
Total nonperforming assets	$116,065	$101,728
Accruing loans ninety days or more past due	$ 17,547	$ 19,884
Other repossessed assets	641	1,706
Allowance for loan losses	172,986	167,288
Allowance as a percentage of loans	1.35%	1.36%
Total nonperforming loans as a percentage of loans	0.76%	0.70%
Total nonperforming assets as a percentage of loans and ORE	0.90%	0.83%
Accruing loans ninety days or more past due as a percentage of loans	0.14%	0.16%
Allowance for loan losses as a percentage of nonperforming loans	177.75%	193.95%
Allowance for loan losses as a percentage of nonperforming assets	149.04%	164.45%

COMPASS BANCSHARES, INC. AND SUBSIDIARIES
Quantitative and Qualitative Disclosures About Market Risk
(In thousands)
(Unaudited)

The Company's interest rate risk management policies and practices, along with the assumptions used in the net interest income sensitivity analysis, are described on pages 18 through 20 of its December 31, 2000 Form 10-K. Net interest income sensitivities over a one-year time horizon as of June 30, 2001 and December 31, 2000 are shown below.

	Principal Amount of Earning Assets, Interest Bearing Liabilities and Swaps	Percentage Increase/(Decrease) in Interest Income/ Expense Given Immediate and Sustained Parallel Interest Rates Shifts	
		Down 100 Basis Points	Up 100 Basis Points
June 30, 2001	**(in Thousands)**		
Assets which reprice in:			
One year or less	$ 7,369,415	(7.69%)	9.44%
Over one year	12,432,527	(3.72)	2.11
	$19,801,942	(5.23)	4.89
Liabilities which reprice in:			
One year or less	$11,950,568	(17.64)	17.11
Over one year	4,668,080	(3.80)	5.25
	$16,618,648	(12.07)	12.34
Total net interest income sensitivity		(0.09)	(0.89)
December 31, 2000 [a]:			
Assets which reprice in:			
One year or less	$ 6,871,176	(8.77%)	8.55%
Over one year	11,232,479	(3.45)	2.16
	$18,103,655	(5.65)	4.81
Liabilities which reprice in:			
One year or less	$11,205,416	(14.32)	13.24
Over one year	4,020,436	(2.64)	3.23
	$15,225,852	(10.49)	9.96
Total net interest income sensitivity		(0.26)	(0.94)

[a] Amounts for December 31, 2000 have not been restated for the FirsTier merger.

As shown in the table above, the Company's net interest income sensitivity decreased from December 31, 2000 to June 30, 2001 in the down 100 basis point rate scenario and remained relatively unchanged in the up 100 basis point rate scenario. The Company purchased interest rate floors in the second quarter, which reduced the Company's net sensitivity to falling rates. A change in the liability mix from CD's to wholesale funding also helped to reduce sensitivity to falling rates.

PART II. OTHER INFORMATION

Item 1 Legal Proceedings

During the ordinary course of business, the Company is subject to legal proceedings which involve claims for substantial monetary relief. However, based upon the advice of legal counsel, management is of the opinion that any legal proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial condition or results of operations.

Item 4 Submission of Matters to Vote of Security Holders

The election of three directors was submitted to the shareholders at the Company's Annual Meeting held April 16, 2001. Charles W. Daniel, Carl J. Gessler, Jr., M.D. and D. Paul Jones, Jr. were elected upon receipt of the following votes for/withheld, respectively, 94,996,199/458,139, 95,021,354/432,984 and 94,825,743/628,595. No other matters were submitted to a vote of security holders during the second quarter of 2001.

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

(3) Articles of Incorporation and By-Laws of Compass Bancshares, Inc.

(a) Restated Certificate of Incorporation of Compass Bancshares, Inc., dated May 17, 1982 (incorporated by reference to Exhibit 3(a) to the December 31, 1997 Form 10-K filed with the Commission)

(b) Certificate of Amendment, dated May 20, 1986, to Restated Certificate of Incorporation of Compass Bancshares, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-4, Registration No. 33-46086 filed with the Commission)

(c) Certificate of Amendment, dated May 15, 1987, to Restated Certificate of Incorporation of Compass Bancshares, Inc. (incorporated by reference to Exhibit 3.1.2 to the Company's Post-Effective Amendment No. 1 to Registration Statement on Form S-4, Registration No. 33-10797 filed with the Commission)

(d) Certificate of Amendment, dated September 19, 1994, to Restated Certificate of Incorporation of Compass Bancshares, Inc. (incorporated by reference to Exhibit 3.5(1) to the Company's Registration Statement on Form S-4, Registration No. 33-55899 filed with the Commission)

(e) Certificate of Amendment, dated November 8, 1993, to Restated Certificate of Incorporation of Compass Bancshares, Inc. (incorporated by reference to Exhibit 3(d) to the Company's Registration Statement on Form S-4, Registration No. 33-51919 filed with the Commission)

(f) Certificate of Amendment, dated June 2, 1998, to Restated Certificate of Incorporation of Compass Bancshares, Inc. (incorporated by reference to Exhibit 3(f) to the December 31, 2000 Form 10-K filed with the Commission)

(g) Bylaws of Compass Bancshares, Inc. (Amended and Restated as of March 15, 1982) (incorporated by reference to Exhibit 3(f) to the December 31, 1997 Form 10-K filed with the Commission)

(a) Exhibits (continued)

(10) Material Contracts

(a)	Compass Bancshares, Inc., 1982 Long Term Incentive Plan (incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form S-8 filed June 15, 1983, with the Commission)
(b)	Compass Bancshares, Inc., 1989 Long Term Incentive Plan (incorporated by reference to Exhibit 28 to the Company's Registration Statement on Form S-8 filed February 21, 1991, with the Commission)
(c)	Compass Bancshares, Inc., 1996 Long Term Incentive Plan (incorporated by reference to Exhibit 4(g) to the Company's Registration Statement on Form S-8, Registration No. 333-15117, filed October 30, 1996, with the Commission)
(d)	Compass Bancshares, Inc., 1999 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10(a) to the Company's Registration Statement on Form S-8, Registration No. 333-86455, filed September 2, 1999, with the Commission)
(e)	Employment Agreement, dated December 14, 1994, between Compass Bancshares, Inc. and D. Paul Jones, Jr. (incorporated by reference to Exhibit 10(e) to the March 31, 2000 Form 10-Q filed with the Commission)
(f)	Employment Agreement, dated December 14, 1994, between Compass Bancshares, Inc. and Jerry W. Powell (incorporated by reference to Exhibit 10(f) to the March 31, 2000 Form 10-Q filed with the Commission)
(g)	Employment Agreement, dated December 14, 1994, between Compass Bancshares, Inc. and Garrett R. Hegel (incorporated by reference to Exhibit 10(g) to the March 31, 2000 Form 10-Q filed with the Commission)
(h)	Employment Agreement, dated December 14, 1994, between Compass Bancshares, Inc. and Charles E. McMahen (incorporated by reference to Exhibit 10(h) to the March 31, 2000 Form 10-Q filed with the Commission)
(i)	Employment Agreement, dated December 14, 1994, between Compass Bancshares, Inc. and G. Ray Stone (incorporated by reference to Exhibit 10(i) to the Company's Registration Statement on Form S-8, Registration No. 333-15373, filed November 1, 1996, with the Commission)
(j)	Employment Agreement, dated November 24, 1997, between Compass Bancshares, Inc. and James D. Barri (incorporated by reference to Exhibit 10(j) to the March 31, 2000 Form 10-Q filed with the Commission)
(k)	Compass Bancshares, Inc., Employee Stock Ownership Benefit Restoration Plan, date as of May 1, 1997 (incorporated by reference to Exhibit 10(j) to the December 31, 1999 Form 10-K filed with the Commission)

(a) Exhibits (continued)

(l) Compass Bancshares, Inc., Supplemental Retirement Plan, dated as of May 1, 1997 (incorporated by reference to Exhibit 10(k) to the December 31, 1999 Form 10-K filed with the Commission)

(m) Deferred Compensation Plan for Compass Bancshares, Inc., dated as of February 1, 1996. (Amended and Restated as of May 1, 1998) (incorporated by reference to Exhibit 10(l) to the December 31, 1999 Form 10-K filed with the Commission)

(n) Compass Bancshares, Inc. Special Supplemental Retirement Plan, dated as of May 1, 1997. (Amended and Restated as of February 27, 2000) (incorporated by reference to Exhibit 10(n) to the March 31, 2000 Form 10-Q filed with the Commission)

(o) Director and Executive Stock Purchase Plan (formerly known as Monthly Investment Plan), Amended and Restated Effective as of September 1, 2001 (incorporated by reference to Exhibit 4.8 to the Company's Post-Effective Amendment to Registration Statement on Form S-8 POS, Registration No. 033-26884, filed with the Commission).

Certain financial statement schedules and exhibits have been omitted because they are not applicable.

(b) Reports on Form 8-K

No items were reported on Form 8-K during the period.

COMPASS BANCSHARES, INC. AND SUBSIDIARIES

SIGNATURES

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

August 14, 2001	/s/ GARRETT R. HEGEL
Date	By Garrett R. Hegel, as its Chief Financial Officer