

ZIONS BANCORPORATION /UT/  
Form 8-K  
February 19, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 19, 2010**

**ZIONS BANCORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Utah**  
(State or Other Jurisdiction  
of Incorporation)

**001-12307**  
(Commission  
File Number)

**87-0227400**  
(IRS Employer  
Identification No.)

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**One South Main, Suite 1500,**

**Salt Lake City, Utah**  
(Address of Principal Executive Office)

**84133**  
(Zip Code)

**(801) 524-4787**

(Registrant's telephone number, including area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 8.01. OTHER EVENTS.**

The following information derived from Zions Bancorporation's (the Company) press release announcing the financial results for the year and quarter ended December 31, 2009 is being included herein for the purpose of incorporating such information into the Company's Registration Statement on Form S-3 (No. 333-158319) (the Registration Statement) previously filed by the Registrant with the Securities and Exchange Commission (the SEC).

**Fourth Quarter 2009 Highlights**

**Positives:**

Tangible common equity ratio of 6.12% compared to 5.76% (revised from 5.43%) in third quarter.

Net loan charge-offs of \$292.1 million, which included a \$39 million recovery, compared to \$381.3 million in third quarter.

Loan loss provision of \$390.7 million compared to \$565.9 million in third quarter.

Ratio of allowance for loan losses to net loans and leases of 3.95% compared to 3.61% in third quarter; ratio of total allowance and reserve for credit losses to net loans and leases of 4.25% compared to 3.86% in third quarter.

Average noninterest-bearing demand deposits of \$12.1 billion compared to \$11.4 billion in third quarter, an increase of \$0.7 billion or 25.3% annualized.

**Challenges:**

Nonperforming lending related assets of \$2.3 billion compared to \$2.2 billion in third quarter (excluding FDIC-supported assets); ratio to net loans and other real estate owned of 5.93% compared to 5.40% in third quarter.

Credit-related impairment losses on CDO securities of \$99.3 million compared to \$56.5 million in third quarter; approximately 95% of the fourth quarter losses had been previously recognized in OCI.

In spite of originating and renewing approximately \$1.7 billion of new credit during the fourth quarter, loan balances declined 2.6% from the third quarter due to continued weakness in loan demand.

**Amended Financial Statements**

As described in a Form 8-K filed on January 25, 2010, the Company has reevaluated its accounting for the June 2009 subordinated debt modification in connection with responding to regular inquiries received from the Securities and Exchange Commission in January 2010. As a result, the Company has incorporated into these results revisions to its financial statements for the second and third quarters of 2009. The primary expected change is an increase to tangible common equity resulting from the Company's recalculation of the amount of gain recognized in earnings and the value of the conversion feature granted to noteholders. Amounts for the second and third quarters of 2009 in this Form 8-K reflect these expected changes. The Company has filed amended Forms 10-Q for the periods ending June 30, 2009 and September 30, 2009.

**Asset Quality**

Net loan and lease charge-offs for the fourth quarter of 2009 were \$292.1 million or 2.98% annualized of average loans excluding FDIC-supported assets. This compares with \$381.3 million or 3.79% annualized of average loans excluding FDIC-supported assets for the third quarter of 2009 and \$179.7 million or 1.72% annualized of average

loans for the fourth quarter of 2008. The 2009 fourth quarter net charge-offs included a \$39.3 million recovery on a commercial credit charged-off during the second quarter of 2009. Net charge-offs on construction development loans subsided during the quarter.

The provision for loan losses was \$390.7 million for the fourth quarter of 2009 compared to \$565.9 million for the third quarter of 2009 and \$285.2 million for the fourth quarter of 2008. When combined with the provision for unfunded lending commitments, the total provision for credit losses was \$117.8 million in excess of net loan and lease charge-offs.

The allowance for loan losses as a percentage of net loans and leases excluding FDIC-supported assets was 3.95% at December 31, 2009 compared to 3.61% at September 30, 2009 and 1.65% at December 31, 2008. The combined allowance for loan losses and reserve for unfunded lending commitments was \$1,647.8 million, or 4.25% of net loans and leases excluding FDIC-supported assets at December 31, 2009, compared to 3.86% at September 30, 2009 and 1.77% at December 31, 2008.

Nonperforming lending related assets were \$2,330.0 million at December 31, 2009 (\$2,740.1 million including FDIC-supported assets) compared to \$2,171.0 million at September 30, 2009 and \$1,138.4 million at December 31, 2008. The ratio of nonperforming lending related assets excluding FDIC-supported assets to net loans, leases and other real estate owned was 5.93% at December 31, 2009 compared to 5.40% at September 30, 2009 and 2.71% at December 31, 2008.

#### Capital and Financing Actions

During the fourth quarter of 2009, the Company sold 11,237,500 shares of common stock for \$155.5 million (average price of \$13.84) under a common equity distribution program. These shares were sold in connection with the announced sale of \$250 million of common stock that commenced on September 17, 2009. Net of commissions and fees, this sale added \$152.9 million to tangible common equity during the quarter, or 0.31% to the tangible common equity ratio. The amount of common stock at December 31, 2009 that remained available for issuance under the program was approximately \$27.3 million.

During the fourth quarter of 2009, \$35.7 million of subordinated debt was converted into shares of the Company's Series C preferred stock under the previously announced debt modification program. The tangible common equity ratio decreased by 0.04% primarily from the acceleration of discount amortization on the converted debt, which increased interest expense by approximately \$20.0 million during the fourth quarter of 2009.

On December 22, 2009, the Company completed the exchange of approximately \$71.5 million liquidation amount of its Series A preferred stock into 2,816,834 shares of common stock. Tangible common equity was increased by the same amount. The exchange represented 51% of the liquidation amount of the Series A preferred stock outstanding at the time of the exchange.

On December 30, 2009, the Company executed an agreement to modify \$40 million of certain subordinated debt held by one institutional investor in a manner similar to the previous subordinated debt modification, resulting in a \$15.2 million pretax gain.

For the year 2009, the Company raised Tier 1 capital of approximately \$997 million from the net issuance of \$464 million of common stock and from the net effects of the debt modification and the preferred stock redemptions, which totaled \$533 million.

The tangible common equity ratio was 6.12% at December 31, 2009 compared to 5.76% (revised from 5.43%) at September 30, 2009 and 5.89% at December 31, 2008. The change from the third quarter was primarily due to the impact of the equity transactions and secondarily to reductions in the balance sheet. The estimated Tier 1 common to risk-weighted assets ratio was 6.50% at December 31, 2009 compared to 6.59% at September 30, 2009.

Loans

Net loans and leases of \$40.2 billion at December 31, 2009 decreased approximately \$1.1 billion or 10.3% annualized from \$41.3 billion at September 30, 2009, and decreased \$1.5 billion or 3.5% from \$41.7 billion at December 31, 2008. Excluding FDIC-supported assets, net loans and leases decreased approximately \$0.9 billion or 9.1% annualized to \$38.7 billion from \$39.6 billion at September 30, 2009 and decreased \$2.9 billion, or 7.0% from the balance one year ago. The net decrease from September 30, 2009 was primarily in the construction and land development portfolio.

Deposits

Average noninterest-bearing demand deposits for the fourth quarter of 2009 increased \$0.7 billion or 25.3% annualized to \$12.1 billion compared to \$11.4 billion for the third quarter of 2009. Average total deposits for the fourth quarter of 2009 decreased \$0.4 billion or 3.8% annualized to \$42.9 billion compared to \$43.3 billion for the third quarter of 2009, and increased \$3.4 billion or 8.5% compared to \$39.6 billion for the fourth quarter of 2008.

Net Interest Income

The net interest margin was 3.81% for the fourth quarter of 2009 compared to 3.91% for the third quarter of 2009 and 4.20% for the fourth quarter of 2008. The net interest margin for the fourth quarter of 2009 was unfavorably impacted primarily by 0.11% for the discount amortization on the modified subordinated debt, and an additional 0.17% for the accelerated discount amortization due to the previously discussed conversion of \$35.7 million of modified subordinated debt. The net interest margin was favorably impacted during the fourth quarter by the previously mentioned growth of noninterest-bearing demand deposits, reduced rates on interest-bearing deposits, and strong pricing on new loans.

Investment Securities

During the fourth quarter of 2009, the Company recognized credit-related net impairment losses on CDOs of \$99.3 million, or \$0.44 per diluted share, compared to \$56.5 million during the third quarter of 2009. Approximately \$94.7 million of the impairment losses during the fourth quarter had been previously recognized in OCI.

CDOs for which the underlying collateral is predominantly bank trust preferred securities comprise \$2.2 billion of the \$2.7 billion par amount of the bank and insurance CDO portfolio. Below is a table showing the Company's current predominantly bank CDO distribution by original rating (e.g. 52% of the current \$2.2 billion was originally rated AAA). Most (86%) of the \$99.3 million of securities impairment charges taken during the fourth quarter came from the original single A and BBB rated, predominantly bank CDOs.

(In millions)

| Original ratings | December 31, 2009 |      |                |      |                |      |                            |         |                            |     |
|------------------|-------------------|------|----------------|------|----------------|------|----------------------------|---------|----------------------------|-----|
|                  | Par               |      | Amortized cost |      | Carrying value |      | % of carrying value to par |         | Change 12/31/09 vs 9/30/09 |     |
|                  | Amount            | %    | Amount         | %    | Amount         | %    | 12/31/09                   | 9/30/09 |                            |     |
| AAA              | \$ 1,138          | 52%  | \$ 944         | 53%  | \$ 832         | 71%  | 73%                        | 69%     |                            | 4%  |
| A                | 949               | 44%  | 807            | 45%  | 324            | 28%  | 34%                        | 37%     |                            | -3% |
| BBB              | 91                | 4%   | 40             | 2%   | 15             | 1%   | 16%                        | 25%     |                            | -9% |
|                  | \$ 2,178          | 100% | \$ 1,791       | 100% | \$ 1,171       | 100% | 54%                        | 53%     |                            | 1%  |

Noninterest Income

Noninterest income for the fourth quarter of 2009 was \$65.9 million compared to \$270.7 million for the third quarter of 2009 and a loss of \$82.3 million for the fourth quarter of 2008. The decline for the fourth quarter of 2009 compared to the third quarter was primarily due to higher security impairment losses and lower fair value and nonhedge derivative income in the fourth quarter, and to acquisition related gains of \$146.2 million in the third quarter. These declines were offset in part by the \$15.2 million gain from the \$40 million debt modification previously discussed.

The sequential quarter decline in fair value and nonhedge derivative income during the fourth quarter was mainly due to a lower amount of hedge ineffectiveness recognized primarily on cash flow hedges of floating rate loans.

Noninterest Expense

Noninterest expense for the fourth quarter of 2009 was \$441.1 million compared to \$434.7 million for the third quarter of 2009 and \$398.2 million for the fourth quarter of 2008. Primary changes in the fourth quarter of 2009 compared to the third quarter included a decrease in the provision for unfunded lending commitments to \$19.2 million from \$36.5 million, offset primarily by increases in other real estate expense, FDIC premiums, and other noninterest expense.

Forward-Looking Information

Statements in this Form 8-K relating to the Company's expectations regarding future events or determinations are forward-looking, within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements, which are indicated by the words, "expects," "believes," "giving effect to," "will" and similar expressions, provide current expectations or forecasts of future events or determinations. These forward-looking statements are not guarantees of future performance or determinations, nor should they be relied upon as representing management's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this Form 8-K. Factors that might cause such differences include, but are not limited to: the Company's ability to successfully execute its business plans and achieve its objectives; changes in general economic and financial market conditions, either internationally, nationally or locally in areas in which the Company conducts its operations, including changes in securities markets and valuations in structured securities and other assets; changes in governmental policies and programs resulting from general economic and financial market conditions; changes in interest and funding rates; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; increased competitive challenges and expanding product and pricing pressures among financial institutions; legislation or regulatory changes which adversely affect the Company's operations or business, including regulatory requirements or pressure to raise capital or repay capital held by the government in amount or at times that may be disadvantageous to the Company; and changes in accounting policies, procedures or determinations as may be required by the Financial Accounting Standards Board or other regulatory agencies, including determinations relating to the Company's accounting treatment of its subordinated debt modification.

Except as required by law, the Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS

(Unaudited)

| (In thousands, except per share and ratio data)          | Three Months Ended December 31, |            |             | Year Ended December 31, |              |             |
|--|---------------------------------|------------|-------------|-------------------------|--------------|-------------|
|  | 2009                            | 2008       | %<br>Change | 2009                    | 2008         | %<br>Change |
| <b>EARNINGS</b>  |                                 |            |             |                         |              |             |
| Taxable-equivalent net interest income                   | \$ 462,608                      | \$ 514,422 | (10.07)%    | \$ 1,920,845            | \$ 1,995,368 | (3.73)%     |
| Taxable-equivalent revenue                               | 528,495                         | 432,132    | 22.30%      | 2,724,946               | 2,186,060    | 24.65%      |
| Net interest income                                      | 456,889                         | 508,442    | (10.14)%    | 1,897,532               | 1,971,646    | (3.76)%     |
| Noninterest income                                       | 65,887                          | (82,290)   | 180.07%     | 804,101                 | 190,692      | 321.68%     |
| Provision for loan losses                                | 390,719                         | 285,189    | 37.00%      | 2,016,927               | 648,269      | 211.13%     |
| Noninterest expense                                      | 441,129                         | 398,167    | 10.79%      | 1,671,510               | 1,474,963    | 13.33%      |
| Impairment loss on goodwill                              | 2,224                           | 353,804    | (99.37)%    | 636,216                 | 353,804      | 79.82%      |
| Income (loss) before income taxes                        | (311,296)                       | (611,008)  | 49.05%      | (1,623,020)             | (314,698)    | (415.74)%   |
| Income taxes (benefit)                                   | (125,809)                       | (126,512)  | 0.56%       | (401,343)               | (43,365)     | (825.50)%   |
| Net income (loss)  | (185,487)                       | (484,496)  | 61.72%      | (1,221,677)             | (271,333)    | (350.25)%   |
| Net income (loss) applicable to noncontrolling interests | (1,423)                         | (1,520)    | 6.38%       | (5,566)                 | (5,064)      | (9.91)%     |
| Net income (loss) applicable to controlling interest     | (184,064)                       | (482,976)  | 61.89%      | (1,216,111)             | (266,269)    | (356.72)%   |
| Net earnings (loss) applicable to common shareholders    | (176,482)                       | (498,084)  | 64.57%      | (1,234,447)             | (290,693)    | (324.66)%   |
| <b>PER COMMON SHARE</b>                                  |                                 |            |             |                         |              |             |
| Net earnings (loss) (diluted)                            | (1.26)                          | (4.37)     | 71.17%      | (9.92)                  | (2.68)       | (270.15)%   |
| Dividends  | 0.01                            | 0.32       | (96.88)%    | 0.10                    | 1.61         | (93.79)%    |
| Book value per common share                              |                                 |            |             | 27.85                   | 42.65        | (34.70)%    |
| Tangible common equity per common share                  |                                 |            |             | 20.35                   | 27.24        | (25.29)%    |
| <b>SELECTED RATIOS</b>                                   |                                 |            |             |                         |              |             |
| Return on average assets                                 | (1.37)%                         | (3.52)%    |             | (2.25)%                 | (0.50)%      |             |
| Return on average common equity                          | (16.80)%                        | (38.77)%   |             | (28.35)%                | (5.69)%      |             |
| Efficiency ratio   | 83.47%                          | 92.14%     |             | 61.34%                  | 67.47%       |             |
| Net interest margin                                      | 3.81%                           | 4.20%      |             | 3.94%                   | 4.18%        |             |

| (In thousands, except share and ratio data) | Three Months Ended December 31, |               |             | Year Ended December 31, |               |             |
|---|---------------------------------|---------------|-------------|-------------------------|---------------|-------------|
|   | 2009                            | 2008          | %<br>Change | 2009                    | 2008          | %<br>Change |
| <b>AVERAGE BALANCES</b>                     |                                 |               |             |                         |               |             |
| Total assets                                | \$ 53,259,715                   | \$ 54,546,364 | (2.36)%     | \$ 54,048,324           | \$ 53,761,908 | 0.53%       |
| Total interest-earning assets               | 48,161,377                      | 48,708,673    | (1.12)%     | 48,770,074              | 47,690,955    | 2.26%       |
| Securities                                  | 4,451,396                       | 4,516,559     | (1.44)%     | 4,651,059               | 4,825,234     | (3.61)%     |
| Net loans and leases                        | 40,740,630                      | 41,769,536    | (2.46)%     | 41,513,066              | 40,794,781    | 1.76%       |
| Goodwill                                    | 1,017,361                       | 1,720,536     | (40.87)%    | 1,174,407               | 1,936,865     | (39.37)%    |
| Core deposit and other intangibles          | 120,512                         | 130,703       | (7.80)%     | 124,901                 | 136,698       | (8.63)%     |

**ZIONS BANCORPORATION AND SUBSIDIARIES****FINANCIAL HIGHLIGHTS (Continued)****(Unaudited)**

| (In thousands, except share and ratio data)   | Three Months Ended December 31, |             |             | Year Ended December 31, |               |             |
|---|---------------------------------|-------------|-------------|-------------------------|---------------|-------------|
|   | 2009                            | 2008        | %<br>Change | 2009                    | 2008          | %<br>Change |
| Total deposits  | 42,936,759                      | 39,580,867  | 8.48%       | 42,847,011              | 37,572,680    | 14.04%      |
| Shareholders' equity:   |                                 |             |             |                         |               |             |
| Preferred equity  | 1,543,363                       | 961,072     | 60.59%      | 1,558,046               | 431,936       | 260.71%     |
| Common equity   | 4,166,944                       | 5,110,430   | (18.46)%    | 4,354,634               | 5,107,675     | (14.74)%    |
| Noncontrolling interests  | 19,178                          | 28,751      | (33.30)%    | 23,718                  | 29,156        | (18.65)%    |
| Weighted average common and common-equivalent shares outstanding  | 139,858,788                     | 114,065,100 | 22.61%      | 124,442,992             | 108,908,028   | 14.26%      |
| <b>AT PERIOD END</b>  |                                 |             |             |                         |               |             |
| Total assets  |                                 |             |             | \$ 51,123,007           | \$ 55,092,791 | (7.21)%     |
| Total interest-earning assets   |                                 |             |             | 45,677,809              | 49,071,281    | (6.92)%     |
| Securities  |                                 |             |             | 4,548,757               | 4,509,308     | 0.87%       |
| Net loans and leases  |                                 |             |             | 40,188,980              | 41,658,738    | (3.53)%     |
| Allowance for loan losses   |                                 |             |             | 1,531,332               | 686,999       | 122.90%     |
| Reserve for unfunded lending commitments  |                                 |             |             | 116,445                 | 50,934        | 128.62%     |
| Goodwill  |                                 |             |             | 1,015,161               | 1,651,377     | (38.53)%    |
| Core deposit and other intangibles  |                                 |             |             | 113,416                 | 125,935       | (9.94)%     |
| Total deposits  |                                 |             |             | 41,840,589              | 41,316,496    | 1.27%       |
| Shareholders' equity:   |                                 |             |             |                         |               |             |
| Preferred equity  |                                 |             |             | 1,502,784               | 1,581,834     | (5.00)%     |
| Common equity   |                                 |             |             | 4,189,874               | 4,919,862     | (14.84)%    |
| Noncontrolling interests  |                                 |             |             | 17,599                  | 27,320        | (35.58)%    |
| Common shares outstanding   |                                 |             |             | 150,425,070             | 115,344,813   | 30.41%      |
| Average equity to average assets  | 10.76%                          | 11.18%      |             | 10.98%                  | 10.36%        |             |
| Tangible common equity ratio  |                                 |             |             | 6.12%                   | 5.89%         |             |
| Tangible equity ratio   |                                 |             |             | 9.16%                   | 8.91%         |             |
| Nonperforming assets, excluding FDIC-supported assets   |                                 |             |             |                         |               |             |
| Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases and other real estate owned |                                 |             |             | 5.93%                   | 2.71%         |             |
| Accruing loans past due 90 days or more, excluding FDIC-supported assets  |                                 |             |             | \$ 107,040              | \$ 129,567    | (17.39)%    |



## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

| (In thousands, except per share and ratio data)          | Three Months Ended   |                         |                    |                   |                      |
|--|----------------------|-------------------------|--------------------|-------------------|----------------------|
|  | December 31,<br>2009 | September 30,<br>2009 1 | June 30,<br>2009 1 | March 31,<br>2009 | December 31,<br>2008 |
| <b>EARNINGS</b>  |                      |                         |                    |                   |                      |
| Taxable-equivalent net interest income                   | \$ 462,608           | \$ 478,135              | \$ 499,432         | \$ 480,670        | \$ 514,422           |
| Taxable-equivalent revenue                               | 528,495              | 748,875                 | 1,112,168          | 335,408           | 432,132              |
| Net interest income                                      | 456,889              | 472,180                 | 493,688            | 474,775           | 508,442              |
| Noninterest income                                       | 65,887               | 270,740                 | 612,736            | (145,262)         | (82,290)             |
| Provision for loan losses                                | 390,719              | 565,930                 | 762,654            | 297,624           | 285,189              |
| Noninterest expense                                      | 441,129              | 434,707                 | 419,469            | 376,205           | 398,167              |
| Impairment loss on goodwill                              | 2,224                |                         |                    | 633,992           | 353,804              |
| Income (loss) before income taxes                        | (311,296)            | (257,717)               | (75,699)           | (978,308)         | (611,008)            |
| Income taxes (benefit)                                   | (125,809)            | (100,046)               | (23,761)           | (151,727)         | (126,512)            |
| Net income (loss)  | (185,487)            | (157,671)               | (51,938)           | (826,581)         | (484,496)            |
| Net income (loss) applicable to noncontrolling interests | (1,423)              | (2,394)                 | (1,209)            | (540)             | (1,520)              |
| Net income (loss) applicable to controlling interest     | (184,064)            | (155,277)               | (50,729)           | (826,041)         | (482,976)            |
| Net earnings (loss) applicable to common shareholders    | (176,482)            | (181,880)               | (23,758)           | (852,327)         | (498,084)            |
| <b>PER COMMON SHARE</b>                                  |                      |                         |                    |                   |                      |
| Net earnings (loss) (diluted)                            | (1.26)               | (1.43)                  | (0.21)             | (7.47)            | (4.37)               |
| Dividends  | 0.01                 | 0.01                    | 0.04               | 0.04              | 0.32                 |
| Book value per common share                              | 27.85                | 30.38                   | 33.89              | 34.39             | 42.65                |
| Tangible common equity per common share                  | 20.35                | 22.01                   | 24.78              | 24.34             | 27.24                |
| <b>SELECTED RATIOS</b>                                   |                      |                         |                    |                   |                      |
| Return on average assets                                 | (1.37)%              | (1.15)%                 | (0.38)%            | (6.05)%           | (3.52)%              |
| Return on average common equity                          | (16.80)%             | (16.74)%                | (2.37)%            | (70.07)%          | (38.77)%             |
| Efficiency ratio   | 83.47%               | 58.05%                  | 37.72%             | 112.16%           | 92.14%               |
| Net interest margin                                      | 3.81%                | 3.91%                   | 4.10%              | 3.94%             | 4.20%                |

1 Certain amounts were revised as previously discussed.

| (In thousands, except share and ratio data) | Three Months Ended   |                         |                    |                   |                      |
|---|----------------------|-------------------------|--------------------|-------------------|----------------------|
|   | December 31,<br>2009 | September 30,<br>2009 1 | June 30,<br>2009 1 | March 31,<br>2009 | December 31,<br>2008 |
| <b>AVERAGE BALANCES</b>                     |                      |                         |                    |                   |                      |
| Total assets                                | \$ 53,259,715        | \$ 53,494,525           | \$ 54,068,979      | \$ 55,399,675     | \$ 54,546,364        |
| Total interest-earning assets               | 48,161,377           | 48,556,637              | 48,905,370         | 49,473,679        | 48,708,673           |
| Securities                                  | 4,451,396            | 4,758,872               | 4,907,115          | 4,486,050         | 4,516,559            |
| Net loans and leases                        | 40,740,630           | 41,741,646              | 41,797,670         | 41,781,241        | 41,769,536           |
| Goodwill                                    | 1,017,361            | 1,017,387               | 1,017,382          | 1,654,222         | 1,720,536            |
| Core deposit and other intangibles          | 120,512              | 126,614                 | 125,768            | 126,759           | 130,703              |
| Total deposits                              | 42,936,759           | 43,349,431              | 42,958,798         | 42,128,652        | 39,580,867           |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

| (In thousands, except share and ratio data)   | Three Months Ended   |                         |                    |                   |                      |
|---|----------------------|-------------------------|--------------------|-------------------|----------------------|
|   | December 31,<br>2009 | September 30,<br>2009 1 | June 30,<br>2009 1 | March 31,<br>2009 | December 31,<br>2008 |
| <b>Shareholders' equity:</b>  |                      |                         |                    |                   |                      |
| Preferred equity  | 1,543,363            | 1,518,289               | 1,587,752          | 1,583,659         | 961,072              |
| Common equity   | 4,166,944            | 4,309,497               | 4,018,032          | 4,932,977         | 5,110,430            |
| Noncontrolling interests  | 19,178               | 22,810                  | 25,268             | 27,720            | 28,751               |
| Weighted average common and<br>common- equivalent shares outstanding  | 139,858,788          | 127,581,404             | 115,908,127        | 114,106,164       | 114,065,100          |
| <b>AT PERIOD END</b>  |                      |                         |                    |                   |                      |
| Total assets  | \$ 51,123,007        | \$ 53,298,150           | \$ 52,767,954      | \$ 54,545,012     | \$ 55,092,791        |
| Total interest-earning assets   | 45,677,809           | 48,293,329              | 47,933,124         | 49,091,438        | 49,071,281           |
| Securities  | 4,548,757            | 4,500,906               | 4,920,445          | 4,800,957         | 4,509,308            |
| Net loans and leases  | 40,188,980           | 41,255,104              | 41,307,998         | 41,756,753        | 41,658,738           |
| Allowance for loan losses   | 1,531,332            | 1,432,715               | 1,248,055          | 832,878           | 686,999              |
| Reserve for unfunded lending<br>commitments   | 116,445              | 97,225                  | 60,688             | 52,761            | 50,934               |
| Goodwill  | 1,015,161            | 1,017,385               | 1,017,385          | 1,034,465         | 1,651,377            |
| Core deposit and other intangibles  | 113,416              | 123,551                 | 121,675            | 124,585           | 125,935              |
| Total deposits  | 41,840,589           | 43,007,981              | 42,644,172         | 43,307,233        | 41,316,496           |
| <b>Shareholders' equity:</b>  |                      |                         |                    |                   |                      |
| Preferred equity  | 1,502,784            | 1,529,462               | 1,491,730          | 1,587,027         | 1,581,834            |
| Common equity   | 4,189,874            | 4,143,246               | 4,238,944          | 3,965,979         | 4,919,862            |
| Noncontrolling interests  | 17,599               | 21,533                  | 24,021             | 26,828            | 27,320               |
| Common shares outstanding   | 150,425,070          | 136,398,089             | 125,095,328        | 115,335,668       | 115,344,813          |
| Average equity to average assets  | 10.76%               | 10.94%                  | 10.41%             | 11.81%            | 11.18%               |
| Tangible common equity ratio  | 6.12%                | 5.76%                   | 6.00%              | 5.26%             | 5.89%                |
| Tangible equity ratio   | 9.16%                | 8.73%                   | 8.94%              | 8.28%             | 8.91%                |
| Nonperforming assets, excluding<br>FDIC-supported assets  | \$ 2,330,045         | \$ 2,171,014            | \$ 1,922,557       | \$ 1,647,913      | \$ 1,138,375         |
| Ratio of nonperforming assets, excluding<br>FDIC-supported assets, to net loans and<br>leases and other real estate owned | 5.93%                | 5.40%                   | 4.68%              | 3.96%             | 2.71%                |
| Accruing loans past due 90 days or more,<br>excluding FDIC-supported assets   | \$ 107,040           | \$ 186,519              | \$ 178,300         | \$ 88,035         | \$ 129,567           |

1 Certain amounts were revised as previously discussed.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

| (In thousands, except share amounts)   | December 31,<br>2009<br>(Unaudited) | September 30,<br>2009 1<br>(Unaudited) | June 30,<br>2009 1<br>(Unaudited) | March 31,<br>2009<br>(Unaudited) | December 31,<br>2008 |
|--|-------------------------------------|--|-----------------------------------|----------------------------------|----------------------|
| <b>ASSETS</b>  |                                     |  |                                   |                                  |                      |
| Cash and due from banks  | \$ 1,370,189                        | \$ 992,940                             | \$ 1,229,205                      | \$ 1,321,972                     | \$ 1,475,976         |
| Money market investments:  |                                     |  |                                   |                                  |                      |
| Interest-bearing deposits and commercial paper   | 652,964                             | 2,234,337                              | 1,005,060                         | 1,952,555                        | 2,332,759            |
| Federal funds sold   | 20,985                              | 44,056                                 | 390,619                           | 13,277                           | 83,451               |
| Security resell agreements   | 57,556                              | 52,539                                 | 57,476                            | 305,111                          | 286,707              |
| Investment securities:   |                                     |  |                                   |                                  |                      |
| Held-to-maturity, at adjusted cost (approximate fair value<br>\$833,455, \$835,814, \$891,186, \$1,361,460, and \$1,443,555)     | 869,595                             | 877,105                                | 937,942                           | 1,648,971                        | 1,790,989            |
| Available-for-sale, at fair value  | 3,655,619                           | 3,547,092                              | 3,903,895                         | 3,086,788                        | 2,676,255            |
| Trading account, at fair value (includes \$0, \$0, \$0, \$0, and \$538<br>transferred as collateral under repurchase agreements) | 23,543                              | 76,709                                 | 78,608                            | 65,198                           | 42,064               |
|  | 4,548,757                           | 4,500,906                              | 4,920,445                         | 4,800,957                        | 4,509,308            |
| Loans held for sale  | 208,567                             | 206,387                                | 251,526                           | 262,785                          | 200,318              |
| Loans:   |                                     |  |                                   |                                  |                      |
| Loans and leases excluding FDIC-supported assets   | 38,882,083                          | 39,782,240                             | 40,654,802                        | 41,220,610                       | 41,791,237           |
| FDIC-supported assets  | 1,444,594                           | 1,607,493                              | 783,238                           | 660,892                          |                      |
|  | 40,326,677                          | 41,389,733                             | 41,438,040                        | 41,881,502                       | 41,791,237           |
| Less:  |                                     |  |                                   |                                  |                      |
| Unearned income and fees, net of related costs   | 137,697                             | 134,629                                | 130,042                           | 124,749                          | 132,499              |
| Allowance for loan losses  | 1,531,332                           | 1,432,715                              | 1,248,055                         | 832,878                          | 686,999              |
| Loans and leases, net of allowance   | 38,657,648                          | 39,822,389                             | 40,059,943                        | 40,923,875                       | 40,971,739           |
| Other noninterest-bearing investments  | 1,099,961                           | 1,061,464                              | 1,046,131                         | 1,051,956                        | 1,044,092            |
| Premises and equipment, net  | 710,534                             | 698,225                                | 703,613                           | 701,742                          | 687,096              |
| Goodwill   | 1,015,161                           | 1,017,385                              | 1,017,385                         | 1,034,465                        | 1,651,377            |
| Core deposit and other intangibles   | 113,416                             | 123,551                                | 121,675                           | 124,585                          | 125,935              |
| Other real estate owned  | 389,782                             | 413,901                                | 304,778                           | 243,609                          | 191,792              |
| Other assets   | 2,277,487                           | 2,130,070                              | 1,660,098                         | 1,808,123                        | 1,532,241            |
|  | \$ 51,123,007                       | \$ 53,298,150                          | \$ 52,767,954                     | \$ 54,545,012                    | \$ 55,092,791        |

## LIABILITIES AND SHAREHOLDERS EQUITY

|                            |               |               |               |               |              |
|----------------------------|---------------|---------------|---------------|---------------|--------------|
| Deposits:                  |               |               |               |               |              |
| Noninterest-bearing demand | \$ 12,324,247 | \$ 11,453,247 | \$ 11,142,017 | \$ 10,517,910 | \$ 9,683,385 |
| Interest-bearing:          |               |               |               |               |              |
| Savings and NOW            | 5,843,573     | 5,392,096     | 4,949,711     | 4,710,899     | 4,452,919    |
| Money market               | 16,378,874    | 17,413,735    | 17,276,743    | 18,103,564    | 16,826,846   |
| Time under \$100,000       | 2,497,395     | 2,784,593     | 2,845,893     | 3,112,864     | 2,974,566    |
| Time \$100,000 and over    | 3,117,472     | 3,949,684     | 4,455,225     | 4,647,015     | 4,756,218    |
| Foreign                    | 1,679,028     | 2,014,626     | 1,974,583     | 2,214,981     | 2,622,562    |
|                            | 41,840,589    | 43,007,981    | 42,644,172    | 43,307,233    | 41,316,496   |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS (Continued)**

| (In thousands, except share amounts)  | December 31,<br>2009<br>(Unaudited) | September 30,<br>2009 1<br>(Unaudited) | June 30,<br>2009 1<br>(Unaudited) | March 31,<br>2009<br>(Unaudited) | December 31,<br>2008 |
|---|-------------------------------------|--|-----------------------------------|----------------------------------|----------------------|
| Securities sold, not yet purchased  | 43,404                              | 39,360                                 | 51,109                            | 39,892                           | 35,657               |
| Federal funds purchased   | 208,669                             | 1,008,181                              | 1,169,809                         | 1,213,970                        | 965,835              |
| Security repurchase agreements  | 577,346                             | 509,014                                | 565,975                           | 551,686                          | 899,751              |
| Other liabilities   | 588,527                             | 651,139                                | 597,543                           | 578,768                          | 669,111              |
| Commercial paper  | 1,084                               | 2,449                                  | 1,019                             | 984                              | 15,451               |
| Federal Home Loan Bank advances and other borrowings:   |                                     |  |                                   |                                  |                      |
| One year or less  | 120,189                             | 42,962                                 | 47,152                            | 429,655                          | 2,039,853            |
| Over one year   | 15,722                              | 18,803                                 | 18,882                            | 127,680                          | 128,253              |
| Long-term debt  | 2,017,220                           | 2,324,020                              | 1,917,598                         | 2,715,310                        | 2,493,368            |
| <b>Total liabilities</b>  | <b>45,412,750</b>                   | <b>47,603,909</b>                      | <b>47,013,259</b>                 | <b>48,965,178</b>                | <b>48,563,775</b>    |
| <b>Shareholders' equity:</b>  |                                     |  |                                   |                                  |                      |
| Preferred stock, without par value, authorized 3,000,000 shares   | 1,502,784                           | 1,529,462                              | 1,491,730                         | 1,587,027                        | 1,581,834            |
| Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 150,425,070, 136,398,089, 125,095,328, 115,335,668, and 115,344,813 shares | 3,318,417                           | 3,125,344                              | 2,935,724                         | 2,607,541                        | 2,599,916            |
| Retained earnings   | 1,324,516                           | 1,502,232                              | 1,685,522                         | 1,713,897                        | 2,433,363            |
| Accumulated other comprehensive income (loss)   | (436,899)                           | (469,112)                              | (368,164)                         | (340,727)                        | (98,958)             |
| Deferred compensation   | (16,160)                            | (15,218)                               | (14,138)                          | (14,732)                         | (14,459)             |
| <b>Controlling interest shareholders' equity</b>  | <b>5,692,658</b>                    | <b>5,672,708</b>                       | <b>5,730,674</b>                  | <b>5,553,006</b>                 | <b>6,501,696</b>     |
| Noncontrolling interests  | 17,599                              | 21,533                                 | 24,021                            | 26,828                           | 27,320               |
| <b>Total shareholders' equity</b>   | <b>5,710,257</b>                    | <b>5,694,241</b>                       | <b>5,754,695</b>                  | <b>5,579,834</b>                 | <b>6,529,016</b>     |
|   | <b>\$ 51,123,007</b>                | <b>\$ 53,298,150</b>                   | <b>\$ 52,767,954</b>              | <b>\$ 54,545,012</b>             | <b>\$ 55,092,791</b> |

1 Certain amounts were revised as previously discussed.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

| (In thousands, except per share amounts)  | Three Months Ended   |                         |                    |                   |                      |
|---|----------------------|-------------------------|--------------------|-------------------|----------------------|
|   | December 31,<br>2009 | September 30,<br>2009 1 | June 30,<br>2009 1 | March 31,<br>2009 | December 31,<br>2008 |
| <b>Interest income:</b>   |                      |                         |                    |                   |                      |
| Interest and fees on loans  | \$ 569,613           | \$ 586,246              | \$ 583,590         | \$ 579,852        | \$ 650,885           |
| Interest on loans held for sale   | 2,735                | 2,434                   | 3,082              | 2,756             | 2,442                |
| Lease financing   | 5,289                | 5,125                   | 4,735              | 4,593             | 4,999                |
| Interest on money market investments  | 1,800                | 1,195                   | 1,543              | 3,376             | 7,172                |
| <b>Interest on securities:</b>  |                      |                         |                    |                   |                      |
| Held-to-maturity taxable  | (2,075)              | 4,864                   | 9,367              | 18,908            | 22,317               |
| Held-to-maturity nontaxable   | 5,396                | 5,806                   | 5,796              | 6,265             | 6,396                |
| Available-for-sale taxable  | 21,063               | 23,460                  | 26,982             | 21,703            | 28,680               |
| Available-for-sale nontaxable   | 1,813                | 1,830                   | 1,778              | 1,678             | 1,711                |
| Trading account   | 492                  | 842                     | 823                | 571               | 598                  |
| <b>Total interest income</b>  | <b>606,126</b>       | <b>631,802</b>          | <b>637,696</b>     | <b>639,702</b>    | <b>725,200</b>       |
| <b>Interest expense:</b>  |                      |                         |                    |                   |                      |
| Interest on savings and money market deposits   | 43,921               | 54,554                  | 64,949             | 74,553            | 95,717               |
| Interest on time and foreign deposits   | 28,671               | 42,780                  | 52,577             | 62,679            | 77,806               |
| Interest on short-term borrowings   | 2,714                | 2,325                   | 3,661              | 6,020             | 20,368               |
| Interest on long-term borrowings  | 73,931               | 59,963                  | 22,821             | 21,675            | 22,867               |
| <b>Total interest expense</b>   | <b>149,237</b>       | <b>159,622</b>          | <b>144,008</b>     | <b>164,927</b>    | <b>216,758</b>       |
| <b>Net interest income</b>  | <b>456,889</b>       | <b>472,180</b>          | <b>493,688</b>     | <b>474,775</b>    | <b>508,442</b>       |
| Provision for loan losses   | 390,719              | 565,930                 | 762,654            | 297,624           | 285,189              |
| <b>Net interest income after provision for loan losses</b>  | <b>66,170</b>        | <b>(93,750)</b>         | <b>(268,966)</b>   | <b>177,151</b>    | <b>223,253</b>       |
| <b>Noninterest income:</b>  |                      |                         |                    |                   |                      |
| Service charges and fees on deposit accounts  | 53,475               | 54,466                  | 51,833             | 52,788            | 52,641               |
| Other service charges, commissions and fees   | 38,794               | 39,227                  | 40,291             | 38,227            | 40,532               |
| Trust and wealth management income  | 5,825                | 8,209                   | 8,750              | 7,165             | 8,910                |
| Capital markets and foreign exchange  | 8,692                | 12,106                  | 16,311             | 13,204            | 15,048               |
| Dividends and other investment income   | 12,942               | 2,597                   | 2,684              | 8,408             | 16,001               |
| Loan sales and servicing income   | 7,011                | 2,359                   | 7,040              | 5,851             | 4,420                |
| Income (loss) from securities conduit   | 32                   |                         | (149)              | 1,235             | 1,542                |
| Fair value and non hedge derivative income (loss)   | 31,367               | 58,092                  | 20,316             | 4,004             | (5,819)              |
| Equity securities gains (losses), net   | (2,164)              | (1,805)                 | (619)              | 2,763             | (14,125)             |
| Fixed income securities gains (losses), net   | (7,385)              | 1,900                   | 1,444              | 195               | (1,139)              |
| <b>Impairment losses on investment securities:</b>  |                      |                         |                    |                   |                      |
| Impairment losses on investment securities  | (134,357)            | (198,378)               | (71,515)           | (165,616)         | (196,472)            |
| Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income) | 35,051               | 141,863                 | 29,546             | 82,943            |                      |
| <b>Net impairment losses on investment securities</b>   | <b>(99,306)</b>      | <b>(56,515)</b>         | <b>(41,969)</b>    | <b>(82,673)</b>   | <b>(196,472)</b>     |
| Valuation losses on securities purchased  |                      |                         | (11,701)           | (200,391)         | (7,868)              |

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|   |        |         |         |           |          |
|---|--------|---------|---------|-----------|----------|
| Gains on swap termination and debt modification | 15,220 |         | 493,725 |           |          |
| Acquisition related gains                       | 56     | 146,153 | 22,977  |           |          |
| Other   | 1,328  | 3,951   | 1,803   | 3,962     | 4,039    |
| Total noninterest income                        | 65,887 | 270,740 | 612,736 | (145,262) | (82,290) |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME (Continued)

(Unaudited)

| (In thousands, except per share amounts)                      | Three Months Ended   |                         |                    |                   |                      |
|---|----------------------|-------------------------|--------------------|-------------------|----------------------|
|   | December 31,<br>2009 | September 30,<br>2009 1 | June 30,<br>2009 1 | March 31,<br>2009 | December 31,<br>2008 |
| Noninterest expense:  |                      |                         |                    |                   |                      |
| Salaries and employee benefits                                | 206,823              | 205,433                 | 202,420            | 204,161           | 190,861              |
| Occupancy, net  | 28,667               | 28,556                  | 26,651             | 28,327            | 29,460               |
| Furniture and equipment                                       | 24,689               | 25,320                  | 24,870             | 24,999            | 26,507               |
| Other real estate expense                                     | 38,290               | 30,419                  | 23,748             | 18,343            | 40,124               |
| Legal and professional services                               | 10,081               | 9,076                   | 9,497              | 8,543             | 14,774               |
| Postage and supplies  | 7,879                | 7,680                   | 8,036              | 8,410             | 9,873                |
| Advertising   | 5,738                | 4,418                   | 5,678              | 7,148             | 10,078               |
| FDIC premiums   | 24,197               | 19,820                  | 42,329             | 14,171            | 5,745                |
| Amortization of core deposit and other intangibles            | 10,135               | 7,575                   | 7,078              | 6,886             | 8,055                |
| Provision for unfunded lending commitments                    | 19,220               | 36,537                  | 7,927              | 1,827             | (577)                |
| Other   | 65,410               | 59,873                  | 61,235             | 53,390            | 63,267               |
| <b>Total noninterest expense</b>                              | <b>441,129</b>       | <b>434,707</b>          | <b>419,469</b>     | <b>376,205</b>    | <b>398,167</b>       |
| Impairment loss on goodwill                                   | 2,224                |                         |                    | 633,992           | 353,804              |
| Income (loss) before income taxes                             | (311,296)            | (257,717)               | (75,699)           | (978,308)         | (611,008)            |
| Income taxes (benefit)  | (125,809)            | (100,046)               | (23,761)           | (151,727)         | (126,512)            |
| Net income (loss)   | (185,487)            | (157,671)               | (51,938)           | (826,581)         | (484,496)            |
| Net income (loss) applicable to noncontrolling interests      | (1,423)              | (2,394)                 | (1,209)            | (540)             | (1,520)              |
| Net income (loss) applicable to controlling interest          | (184,064)            | (155,277)               | (50,729)           | (826,041)         | (482,976)            |
| Preferred stock dividends                                     | (24,633)             | (26,603)                | (25,447)           | (26,286)          | (15,108)             |
| Preferred stock redemption                                    | 32,215               |                         | 52,418             |                   |                      |
| Net earnings (loss) applicable to common shareholders         | \$ (176,482)         | \$ (181,880)            | \$ (23,758)        | \$ (852,327)      | \$ (498,084)         |
| Weighted average common shares outstanding during the period: |                      |                         |                    |                   |                      |
| Basic shares  | 139,859              | 127,581                 | 115,908            | 114,106           | 114,065              |
| Diluted shares  | 139,859              | 127,581                 | 115,908            | 114,106           | 114,065              |
| Net earnings (loss) per common share:                         |                      |                         |                    |                   |                      |
| Basic   | \$ (1.26)            | \$ (1.43)               | \$ (0.21)          | \$ (7.47)         | \$ (4.37)            |
| Diluted   | (1.26)               | (1.43)                  | (0.21)             | (7.47)            | (4.37)               |

1 Certain amounts were revised as previously discussed.

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME (Continued)****(Unaudited)**

| (In thousands, except per share amounts)  | Year Ended December 31, |                  |
|---|-------------------------|------------------|
|   | 2009                    | 2008             |
| <b>Interest income:</b>   |                         |                  |
| Interest and fees on loans  | \$ 2,319,301            | \$ 2,646,112     |
| Interest on loans held for sale   | 11,007                  | 10,074           |
| Lease financing   | 19,742                  | 22,099           |
| Interest on money market investments  | 7,914                   | 47,780           |
| <b>Interest on securities:</b>  |                         |                  |
| Held-to-maturity taxable  | 31,064                  | 62,282           |
| Held-to-maturity nontaxable   | 23,263                  | 25,368           |
| Available-for-sale taxable  | 93,208                  | 151,139          |
| Available-for-sale nontaxable   | 7,099                   | 7,170            |
| Trading account   | 2,728                   | 1,875            |
| <b>Total interest income</b>  | <b>2,515,326</b>        | <b>2,973,899</b> |
| <b>Interest expense:</b>  |                         |                  |
| Interest on savings and money market deposits   | 237,977                 | 370,568          |
| Interest on time and foreign deposits   | 186,707                 | 342,325          |
| Interest on short-term borrowings   | 14,720                  | 178,875          |
| Interest on long-term borrowings  | 178,390                 | 110,485          |
| <b>Total interest expense</b>   | <b>617,794</b>          | <b>1,002,253</b> |
| <b>Net interest income</b>  | <b>1,897,532</b>        | <b>1,971,646</b> |
| Provision for loan losses   | 2,016,927               | 648,269          |
| <b>Net interest income after provision for loan losses</b>  | <b>(119,395)</b>        | <b>1,323,377</b> |
| <b>Noninterest income:</b>  |                         |                  |
| Service charges and fees on deposit accounts  | 212,562                 | 206,988          |
| Other service charges, commissions and fees   | 156,539                 | 167,669          |
| Trust and wealth management income  | 29,949                  | 37,752           |
| Capital markets and foreign exchange  | 50,313                  | 49,898           |
| Dividends and other investment income   | 26,631                  | 46,362           |
| Loan sales and servicing income   | 22,261                  | 24,379           |
| Income from securities conduit  | 1,118                   | 5,502            |
| Fair value and non hedge derivative income (loss)   | 113,779                 | (47,976)         |
| Equity securities gains (losses), net   | (1,825)                 | 793              |
| Fixed income securities gains (losses), net   | (3,846)                 | 849              |
| <b>Impairment losses on investment securities:</b>  |                         |                  |
| Impairment losses on investment securities  | (569,866)               | (304,040)        |
| Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income) | 289,403                 |                  |
| <b>Net impairment losses on investment securities</b>   | <b>(280,463)</b>        | <b>(304,040)</b> |
| Valuation losses on securities purchased  | (212,092)               | (13,072)         |
| Gains on swap termination and debt modification   | 508,945                 |                  |
| Acquisition related gains   | 169,186                 |                  |



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|                          |         |         |
|--------------------------|---------|---------|
| Other                    | 11,044  | 15,588  |
| Total noninterest income | 804,101 | 190,692 |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME (Continued)****(Unaudited)**

| (In thousands, except per share amounts)                      | Year Ended December 31, |                  |
|---|-------------------------|------------------|
|   | 2009                    | 2008             |
| Noninterest expense:  |                         |                  |
| Salaries and employee benefits                                | 818,837                 | 810,501          |
| Occupancy, net  | 112,201                 | 114,175          |
| Furniture and equipment                                       | 99,878                  | 100,136          |
| Other real estate expense                                     | 110,800                 | 50,378           |
| Legal and professional services                               | 37,197                  | 45,517           |
| Postage and supplies  | 32,005                  | 37,455           |
| Advertising   | 22,982                  | 30,731           |
| FDIC premiums   | 100,517                 | 19,858           |
| Amortization of core deposit and other intangibles            | 31,674                  | 33,162           |
| Provision for unfunded lending commitments                    | 65,511                  | 1,467            |
| Other   | 239,908                 | 231,583          |
| <b>Total noninterest expense</b>                              | <b>1,671,510</b>        | <b>1,474,963</b> |
| Impairment loss on goodwill                                   | 636,216                 | 353,804          |
| Income (loss) before income taxes                             | (1,623,020)             | (314,698)        |
| Income taxes (benefit)  | (401,343)               | (43,365)         |
| Net income (loss)   | (1,221,677)             | (271,333)        |
| Net income (loss) applicable to noncontrolling interests      | (5,566)                 | (5,064)          |
| Net income (loss) applicable to controlling interest          | (1,216,111)             | (266,269)        |
| Preferred stock dividends                                     | (102,969)               | (24,424)         |
| Preferred stock redemption                                    | 84,633                  |                  |
| Net earnings (loss) applicable to common shareholders         | \$ (1,234,447)          | \$ (290,693)     |
| Weighted average common shares outstanding during the period: |                         |                  |
| Basic shares  | 124,443                 | 108,908          |
| Diluted shares  | 124,443                 | 108,908          |
| Net earnings (loss) per common share:                         |                         |                  |
| Basic   | \$ (9.92)               | \$ (2.68)        |
| Diluted   | (9.92)                  | (2.68)           |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****AND COMPREHENSIVE INCOME****(Unaudited)**

| (In thousands, except per share amounts)   | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Balance, December 31, 2008   | \$ 1,581,834      | \$ 2,599,916   | \$ 2,433,363        | \$ (98,958)                                   | \$ (14,459)           | \$ 27,320                | \$ 6,529,016                |
| Cumulative effect of change in accounting principle, adoption of new OTTI guidance in FASB ASC 320 |                   |                | 137,462             | (137,462)                                     |                       |                          |                             |
| Comprehensive loss:  |                   |                |                     |   |                       |                          |                             |
| Net loss for the period  |                   |                | (826,041)           |   |                       | (540)                    | (826,581)                   |
| Other comprehensive income (loss), net of tax:   |                   |                |                     |   |                       |                          |                             |
| Net realized and unrealized holding losses on investments and retained interests                   |                   |                |                     | (83,553)                                      |                       |                          |                             |
| Reclassification for net realized losses on investments recorded in operations                     |                   |                |                     | 38,862  |                       |                          |                             |
| Noncredit-related impairment losses on securities not expected to be sold                          |                   |                |                     | (49,928)                                      |                       |                          |                             |
| Accretion of securities with noncredit-related impairment losses not expected to be sold           |                   |                |                     | 896   |                       |                          |                             |
| Net unrealized losses on derivative instruments  |                   |                |                     | (10,584)                                      |                       |                          |                             |
| Other comprehensive loss   |                   |                |                     | (104,307)                                     |                       |                          | (104,307)                   |
| Total comprehensive loss   |                   |                |                     |   |                       |                          | (930,888)                   |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

| (In thousands, except per share amounts)   | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Dividends on preferred stock   | 5,193             |                | (26,286)            |   |                       |                          | (21,093)                    |
| Net stock issued under employee plans and related tax benefits                           |                   | 7,625          |                     |   |                       |                          | 7,625                       |
| Dividends on common stock, \$.04 per share   |                   |                | (4,601)             |   |                       |                          | (4,601)                     |
| Change in deferred compensation  |                   |                |                     |   | (273)                 |                          | (273)                       |
| Other changes in noncontrolling interests  |                   |                |                     |   |                       | 48                       | 48                          |
| Balance, March 31, 2009  | 1,587,027         | 2,607,541      | 1,713,897           | (340,727)                                     | (14,732)              | 26,828                   | 5,579,834                   |
| Comprehensive loss:  |                   |                |                     |   |                       |                          |                             |
| Net loss for the period  |                   |                | (50,729)            |   |                       | (1,209)                  | (51,938)                    |
| Other comprehensive income (loss), net of tax:   |                   |                |                     |   |                       |                          |                             |
| Net realized and unrealized holding gains on investments and retained interests          |                   |                |                     | 5,041   |                       |                          |                             |
| Reclassification for net realized losses on investments recorded in operations           |                   |                |                     | 24,434  |                       |                          |                             |
| Noncredit-related impairment losses on securities not expected to be sold                |                   |                |                     | (17,855)                                      |                       |                          |                             |
| Accretion of securities with noncredit-related impairment losses not expected to be sold |                   |                |                     | 35  |                       |                          |                             |
| Net unrealized losses on derivative instruments  |                   |                |                     | (39,092)                                      |                       |                          |                             |
| Other comprehensive loss   |                   |                |                     | (27,437)                                      |                       |                          | (27,437)                    |
| Total comprehensive loss   |                   |                |                     |   |                       |                          | (79,375)                    |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

| (In thousands, except per share amounts)                       | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Preferred stock redemption                                     | (100,511)         | 1,763          | 52,418              |   |                       |                          | (46,330)                    |
| Dividends on preferred stock                                   | 5,214             |                | (25,447)            |   |                       |                          | (20,233)                    |
| Issuance of common stock                                       |                   | 123,741        |                     |   |                       |                          | 123,741                     |
| Subordinated debt modification                                 |                   | 201,154        |                     |   |                       |                          | 201,154                     |
| Net stock issued under employee plans and related tax benefits |                   | 1,525          |                     |   |                       |                          | 1,525                       |
| Dividends on common stock, \$.04 per share                     |                   |                | (4,617)             |   |                       |                          | (4,617)                     |
| Change in deferred compensation                                |                   |                |                     |   | 594                   |                          | 594                         |
| Other changes in noncontrolling interests                      |                   |                |                     |   |                       | (1,598)                  | (1,598)                     |
| Balance, June 30, 2009   | 1,491,730         | 2,935,724      | 1,685,522           | (368,164)                                     | (14,138)              | 24,021                   | 5,754,695                   |

1 Certain amounts for the second and third quarters were revised as previously discussed.

| (In thousands, except per share amounts)   | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Comprehensive loss:  |                   |                |                     |   |                       |                          |                             |
| Net loss for the period  |                   |                | \$ (155,277)        |   |                       | \$ (2,394)               | \$ (157,671)                |
| Other comprehensive income (loss), net of tax:                                   |                   |                |                     |   |                       |                          |                             |
| Net realized and unrealized holding losses on investments and retained interests |                   |                |                     | \$ (3,491)                                    |                       |                          |                             |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

| (In thousands, except per share amounts)   | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Reclassification for net realized losses on investments recorded in operations           |                   |                |                     | 33,249  |                       |                          |                             |
| Noncredit-related impairment losses on securities not expected to be sold                |                   |                |                     | (84,748)                                      |                       |                          |                             |
| Accretion of securities with noncredit-related impairment losses not expected to be sold |                   |                |                     | 32  |                       |                          |                             |
| Net unrealized losses on derivative instruments  |                   |                |                     | (45,990)                                      |                       |                          |                             |
| Other comprehensive loss   |                   |                |                     | (100,948)                                     |                       |                          | (100,948)                   |
| Total comprehensive loss   |                   |                |                     |   |                       |                          | (258,619)                   |
| Subordinated debt converted to preferred stock   | \$ 32,497         | \$ (4,740)     |                     |   |                       |                          | 27,757                      |
| Preferred stock redemption   |                   |                | (152)               |   |                       |                          | (152)                       |
| Dividends on preferred stock   | 5,235             |                | (26,603)            |   |                       |                          | (21,368)                    |
| Issuance of common stock   |                   | 187,518        |                     |   |                       |                          | 187,518                     |
| Net stock issued under employee plans and related tax benefits                           |                   | 6,842          |                     |   |                       |                          | 6,842                       |
| Dividends on common stock, \$.01 per share   |                   |                | (1,258)             |   |                       |                          | (1,258)                     |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****AND COMPREHENSIVE INCOME (Continued)****(Unaudited)**

| (In thousands, except per share amounts)   | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Change in deferred compensation  |                   |                |                     |   | \$ (1,080)            |                          | (1,080)                     |
| Other changes in noncontrolling interests  |                   |                |                     |   |                       | (94)                     | (94)                        |
| Balance, September 30, 2009  | 1,529,462         | 3,125,344      | 1,502,232           | (469,112)                                     | (15,218)              | 21,533                   | 5,694,241                   |
| Comprehensive loss:  |                   |                |                     |   |                       |                          |                             |
| Net loss for the period  |                   |                | (184,064)           |   |                       | (1,423)                  | (185,487)                   |
| Other comprehensive income (loss), net of tax:   |                   |                |                     |   |                       |                          |                             |
| Net realized and unrealized holding gains on investments and retained interests          |                   |                |                     | 16,966  |                       |                          |                             |
| Reclassification for net realized losses on investments recorded in operations           |                   |                |                     | 65,661  |                       |                          |                             |
| Noncredit-related impairment losses on securities not expected to be sold                |                   |                |                     | (21,713)                                      |                       |                          |                             |
| Accretion of securities with noncredit-related impairment losses not expected to be sold |                   |                |                     | 33  |                       |                          |                             |
| Net unrealized losses on derivative instruments  |                   |                |                     | (32,931)                                      |                       |                          |                             |
| Pension and postretirement   |                   |                |                     | 4,197   |                       |                          |                             |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****AND COMPREHENSIVE INCOME (Continued)****(Unaudited)**

| (In thousands, except per share amounts)                       | Preferred stock 1 | Common stock 1 | Retained earnings 1 | Accumulated other comprehensive income (loss) | Deferred compensation | Noncontrolling interests | Total shareholders equity 1 |
|--|-------------------|----------------|---------------------|---|-----------------------|--------------------------|-----------------------------|
| Other comprehensive income                                     |                   |                |                     | 32,213  |                       |                          | 32,213                      |
| Total comprehensive loss                                       |                   |                |                     |   |                       |                          | (153,274)                   |
| Subordinated debt converted to preferred stock                 | 41,941            | (6,259)        |                     |   |                       |                          | 35,682                      |
| Preferred stock converted to common stock                      | (71,537)          | 38,486         | 32,367              |   |                       |                          | (684)                       |
| Dividends on preferred stock                                   | 2,918             |                | (24,632)            |   |                       |                          | (21,714)                    |
| Issuance of common stock                                       |                   | 152,851        |                     |   |                       |                          | 152,851                     |
| Subordinated debt modification                                 |                   | 1,660          |                     |   |                       |                          | 1,660                       |
| Net stock issued under employee plans and related tax benefits |                   | 6,335          |                     |   |                       |                          | 6,335                       |
| Dividends on common stock, \$.01 per share                     |                   |                | (1,387)             |   |                       |                          | (1,387)                     |
| Change in deferred compensation                                |                   |                |                     |   | (942)                 |                          | (942)                       |
| Other changes in noncontrolling interests                      |                   |                |                     |   |                       | (2,511)                  | (2,511)                     |
| Balance, December 31, 2009                                     | \$ 1,502,784      | \$ 3,318,417   | \$ 1,324,516        | \$ (436,899)                                  | \$ (16,160)           | \$ 17,599                | \$ 5,710,257                |

1 Certain amounts for the second and third quarters were revised as previously discussed.



**ZIONS BANCORPORATION AND SUBSIDIARIES****LOAN BALANCES BY PORTFOLIO TYPE****(Unaudited)**

| (In millions)                               | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 | March 31,<br>2009 | December 31,<br>2008 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| Commercial lending:                         |                      |                       |                  |                   |                      |
| Commercial and industrial                   | \$ 9,922             | \$ 10,124             | \$ 10,588        | \$ 10,958         | \$ 11,447            |
| Leasing                                     | 466                  | 449                   | 423              | 401               | 431                  |
| Owner occupied                              | 8,751                | 8,745                 | 8,782            | 8,769             | 8,743                |
| <b>Total commercial lending</b>             | <b>19,139</b>        | <b>19,318</b>         | <b>19,793</b>    | <b>20,128</b>     | <b>20,621</b>        |
| Commercial real estate:                     |                      |                       |                  |                   |                      |
| Construction and land development           | 5,603                | 6,087                 | 6,848            | 7,265             | 7,516                |
| Term  | 7,206                | 7,279                 | 6,795            | 6,559             | 6,196                |
| <b>Total commercial real estate</b>         | <b>12,809</b>        | <b>13,366</b>         | <b>13,643</b>    | <b>13,824</b>     | <b>13,712</b>        |
| Consumer:                                   |                      |                       |                  |                   |                      |
| Home equity credit line                     | 2,135                | 2,114                 | 2,086            | 2,058             | 2,005                |
| 1-4 family residential                      | 3,642                | 3,698                 | 3,781            | 3,817             | 3,877                |
| Construction and other consumer real estate | 459                  | 537                   | 599              | 666               | 774                  |
| Bankcard and other revolving plans          | 340                  | 333                   | 344              | 327               | 374                  |
| Other                                       | 293                  | 343                   | 342              | 358               | 385                  |
| <b>Total consumer</b>                       | <b>6,869</b>         | <b>7,025</b>          | <b>7,152</b>     | <b>7,226</b>      | <b>7,415</b>         |
| Foreign loans                               | 65                   | 74                    | 67               | 43                | 43                   |
| FDIC-supported assets 1                     | 1,445                | 1,607                 | 783              | 661               |                      |
| <b>Total loans</b>                          | <b>\$ 40,327</b>     | <b>\$ 41,390</b>      | <b>\$ 41,438</b> | <b>\$ 41,882</b>  | <b>\$ 41,791</b>     |

1 FDIC-supported assets represent assets acquired from the FDIC subject to loss sharing agreements.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## NONPERFORMING LENDING RELATED ASSETS

(Unaudited)

| (In thousands)  | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 | March 31,<br>2009 | December 31,<br>2008 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| Nonaccrual loans  | \$ 1,994,393         | \$ 1,811,827          | \$ 1,628,700     | \$ 1,421,279      | \$ 946,583           |
| Other real estate owned   | 335,652              | 359,187               | 293,857          | 226,634           | 191,792              |
| Nonperforming assets, excluding FDIC-supported assets   | 2,330,045            | 2,171,014             | 1,922,557        | 1,647,913         | 1,138,375            |
| FDIC-supported nonaccrual loans   | 355,911              | 544,558               | 125,854          | 89,935            |                      |
| FDIC-supported other real estate owned  | 54,130               | 54,714                | 10,921           | 16,975            |                      |
| FDIC-supported nonperforming assets 1   | 410,041              | 599,272               | 136,775          | 106,910           |                      |
| Total nonperforming assets  | \$ 2,740,086         | \$ 2,770,286          | \$ 2,059,332     | \$ 1,754,823      | \$ 1,138,375         |
| Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases 2 and other real estate owned | 5.93%                | 5.40%                 | 4.68%            | 3.96%             | 2.71%                |
| Ratio of nonperforming assets to net loans and leases and other real estate owned                                     | 6.73%                | 6.62%                 | 4.92%            | 4.15%             | 2.71%                |
| Accruing loans past due 90 days or more, excluding FDIC-supported assets  | \$ 107,040           | \$ 186,519            | \$ 178,300       | \$ 88,035         | \$ 129,567           |
| FDIC-supported assets past due 90 days or more  | 56,260               | 35,553                | 18,231           | 24,365            |                      |
| Ratio of accruing loans past due 90 days or more, excluding FDIC-supported assets, to net loans and leases            | 0.27%                | 0.47%                 | 0.44%            | 0.21%             | 0.31%                |
| Ratio of accruing loans past due 90 days or more to net loans and leases  | 0.40%                | 0.54%                 | 0.47%            | 0.27%             | 0.31%                |
| Nonaccrual loans and accruing loans past due 90 days or more, excluding FDIC-supported assets                         | \$ 2,101,433         | \$ 1,998,346          | \$ 1,807,000     | \$ 1,509,314      | \$ 1,076,150         |
| Ratio of nonaccrual loans and accruing loans past due 90 days or more to net loans and leases 2                       | 5.39%                | 5.01%                 | 4.43%            | 3.65%             | 2.57%                |
| Accruing loans past due 30 - 89 days, excluding FDIC-supported assets   | \$ 428,290           | \$ 571,399            | \$ 495,527       | \$ 740,754        | \$ 528,964           |
| FDIC-supported assets past due 30 - 89 days   | 27,485               | 74,142                | 26,144           | 40,066            |                      |
| Restructured loans included in nonaccrual loans   | 298,820              | 106,922               | 100,590          | 5,363             | 16,279               |
| Restructured loans on accrual   | 206,730              | 115,635               | 39,280           | 17,362            | 2,086                |

1 FDIC-supported assets represent assets acquired from the FDIC subject to loss sharing agreements.

2 Includes loans held for sale.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## ALLOWANCE AND RESERVE FOR CREDIT LOSSES

(Unaudited)

| (In thousands)   | December 31,<br>2009 | September 30,<br>2009 | Three Months Ended<br>June 30,<br>2009 | March 31,<br>2009 | December 31,<br>2008 |
|--|----------------------|-----------------------|--|-------------------|----------------------|
| <b>Allowance for Loan Losses</b>   |                      |                       |  |                   |                      |
| Balance at beginning of period   | \$ 1,432,715         | \$ 1,248,055          | \$ 832,878                             | \$ 686,999        | \$ 609,433           |
| Allowance associated with purchased securitized loans and loans sold   |                      |                       |  |                   | 30                   |
| Add:   |                      |                       |  |                   |                      |
| Provision for losses   | 390,719              | 565,930               | 762,654                                | 297,624           | 285,189              |
| Deduct:  |                      |                       |  |                   |                      |
| Gross loan and lease charge-offs   | (355,601)            | (389,134)             | (353,226)                              | (157,691)         | (185,317)            |
| Charge-offs recoverable from FDIC  | 2,303                |                       |  |                   |                      |
| Recoveries   | 61,196               | 7,864                 | 5,749                                  | 5,946             | 5,601                |
| Net loan and lease charge-offs   | (292,102)            | (381,270)             | (347,477)                              | (151,745)         | (179,716)            |
| Reclassification to reserve for unfunded lending commitments   |                      |                       |  |                   | (27,937)             |
| Balance at end of period   | \$ 1,531,332         | \$ 1,432,715          | \$ 1,248,055                           | \$ 832,878        | \$ 686,999           |
| Ratio of allowance for loan losses to net loans and leases, excluding FDIC-supported assets, outstanding at period end                     |                      |                       |  |                   |                      |
|  | 3.95%                | 3.61%                 | 3.08%                                  | 2.03%             | 1.65%                |
| Ratio of allowance for loan losses to nonperforming loans, excluding FDIC-supported assets, at period end                                  |                      |                       |  |                   |                      |
|  | 76.78%               | 79.08%                | 76.63%                                 | 58.60%            | 72.58%               |
| Annualized ratio net loan and lease charge-offs to average loans, excluding FDIC-supported assets  |                      |                       |  |                   |                      |
|  | 2.98%                | 3.79%                 | 3.39%                                  | 1.47%             | 1.72%                |
| <b>Reserve for Unfunded Lending Commitments</b>  |                      |                       |  |                   |                      |
| Balance at beginning of period   | \$ 97,225            | \$ 60,688             | \$ 52,761                              | \$ 50,934         | \$ 23,574            |
| Reclassification from allowance for loan losses  |                      |                       |  |                   | 27,937               |
| Provision charged (credited) against earnings  | 19,220               | 36,537                | 7,927                                  | 1,827             | (577)                |
| Balance at end of period   | \$ 116,445           | \$ 97,225             | \$ 60,688                              | \$ 52,761         | \$ 50,934            |
| <b>Total Allowance and Reserve for Credit Losses</b>   |                      |                       |  |                   |                      |
| Allowance for loan losses  | \$ 1,531,332         | \$ 1,432,715          | \$ 1,248,055                           | \$ 832,878        | \$ 686,999           |
| Reserve for unfunded lending commitments   | 116,445              | 97,225                | 60,688                                 | 52,761            | 50,934               |
| Total allowance and reserve for credit losses  | \$ 1,647,777         | \$ 1,529,940          | \$ 1,308,743                           | \$ 885,639        | \$ 737,933           |
| Ratio of total allowance and reserve for credit losses to net loans and leases outstanding, excluding FDIC-supported assets, at period end |                      |                       |  |                   |                      |
|  | 4.25%                | 3.86%                 | 3.23%                                  | 2.16%             | 1.77%                |

**ZIONS BANCORPORATION AND SUBSIDIARIES****NONACCRUAL LOANS BY PORTFOLIO TYPE****(EXCLUDING FDIC-SUPPORTED ASSETS)****(Unaudited)**

| (In millions)                               | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 | March 31,<br>2009 | December 31,<br>2008 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| Loans held for sale                         | \$                   | \$                    | \$ 18            | \$ 18             | \$ 30                |
| Commercial lending:                         |                      |                       |                  |                   |                      |
| Commercial and industrial                   | 331                  | 231                   | 200              | 204               | 148                  |
| Leasing                                     | 11                   | 10                    | 10               | 9                 | 8                    |
| Owner occupied                              | 474                  | 357                   | 282              | 247               | 158                  |
| Total commercial lending                    | 816                  | 598                   | 492              | 460               | 314                  |
| Commercial real estate:                     |                      |                       |                  |                   |                      |
| Construction and land development           | 784                  | 839                   | 826              | 716               | 458                  |
| Term  | 229                  | 221                   | 126              | 76                | 44                   |
| Total commercial real estate                | 1,013                | 1,060                 | 952              | 792               | 502                  |
| Consumer:                                   |                      |                       |                  |                   |                      |
| Home equity credit line                     | 11                   | 8                     | 6                | 4                 | 4                    |
| 1-4 family residential                      | 113                  | 101                   | 113              | 91                | 49                   |
| Construction and other consumer real estate | 37                   | 42                    | 45               | 52                | 44                   |
| Bankcard and other revolving plans          | 1                    | 1                     | 1                | 1                 | 1                    |
| Other                                       | 3                    | 2                     | 2                | 3                 | 3                    |
| Total consumer                              | 165                  | 154                   | 167              | 151               | 101                  |
| Total nonaccrual loans                      | \$ 1,994             | \$ 1,812              | \$ 1,629         | \$ 1,421          | \$ 947               |

**Net Charge-Offs By Portfolio Type**

| (in thousands)                              | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 | March 31,<br>2009 | December 31,<br>2008 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| Commercial lending:                         |                      |                       |                  |                   |                      |
| Commercial and industrial                   | \$ 35,431            | \$ 70,672             | \$ 116,777       | \$ 30,318         | \$ 30,792            |
| Leasing                                     | 2,310                | 2,679                 | 1,087            | 213               | 487                  |
| Owner occupied                              | 27,044               | 19,082                | 9,218            | 6,950             | 4,867                |
| Total commercial lending                    | 64,785               | 92,433                | 127,082          | 37,481            | 36,146               |
| Commercial real estate:                     |                      |                       |                  |                   |                      |
| Construction and land development           | 139,108              | 218,527               | 155,738          | 79,864            | 122,284              |
| Term  | 56,173               | 29,059                | 11,134           | 2,286             | 1,083                |
| Total commercial real estate                | 195,281              | 247,586               | 166,872          | 82,150            | 123,367              |
| Consumer:                                   |                      |                       |                  |                   |                      |
| Home equity credit line                     | 3,783                | 5,742                 | 3,285            | 2,687             | 950                  |
| 1-4 family residential                      | 13,717               | 17,671                | 23,693           | 9,248             | 4,833                |
| Construction and other consumer real estate | 10,000               | 9,831                 | 17,321           | 13,395            | 8,968                |

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|                                    |            |            |            |            |            |
|------------------------------------|------------|------------|------------|------------|------------|
| Bankcard and other revolving plans | 2,587      | 1,873      | 5,438      | 1,968      | 1,229      |
| Other                              | 4,252      | 6,134      | 3,786      | 4,816      | 4,223      |
| Total consumer loans               | 34,339     | 41,251     | 53,523     | 32,114     | 20,203     |
| Subtotal                           | 294,405    | 381,270    | 347,477    | 151,745    | 179,716    |
| Charge-offs recoverable from FDIC  | (2,303)    |            |            |            |            |
| Total net charge-offs              | \$ 292,102 | \$ 381,270 | \$ 347,477 | \$ 151,745 | \$ 179,716 |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES

(Unaudited)

| (In thousands)   | Three Months Ended<br>December 31, 2009 |                          |                 | Three Months Ended<br>September 30, 2009 |                          |                 |
|--|---|--------------------------|-----------------|--|--------------------------|-----------------|
|  | Average<br>balance                      | Amount<br>of<br>interest | Average<br>rate | Average<br>balance                       | Amount<br>of<br>interest | Average<br>rate |
| <b>ASSETS</b>  |   |                          |                 |  |                          |                 |
| Money market investments                                   | \$ 2,761,132                            | \$ 1,800                 | 0.26%           | \$ 1,861,523                             | \$ 1,195                 | 0.25%           |
| Securities:  |   |                          |                 |  |                          |                 |
| Held-to-maturity   | 875,730                                 | 6,226                    | 2.82%           | 914,648                                  | 13,797                   | 5.98%           |
| Available-for-sale   | 3,507,766                               | 23,853                   | 2.70%           | 3,749,566                                | 26,275                   | 2.78%           |
| Trading account  | 67,900                                  | 492                      | 2.87%           | 94,658                                   | 842                      | 3.53%           |
| Total securities   | 4,451,396                               | 30,571                   | 2.72%           | 4,758,872                                | 40,914                   | 3.41%           |
| Loans held for sale  | 208,219                                 | 2,735                    | 5.21%           | 194,596                                  | 2,434                    | 4.96%           |
| Loans:   |   |                          |                 |  |                          |                 |
| Net loans and leases excluding FDIC-supported assets 2     | 39,222,262                              | 552,847                  | 5.59%           | 40,246,789                               | 570,652                  | 5.63%           |
| FDIC-supported assets                                      | 1,518,368                               | 23,892                   | 6.24%           | 1,494,857                                | 22,562                   | 5.99%           |
| Total loans and leases                                     | 40,740,630                              | 576,739                  | 5.62%           | 41,741,646                               | 593,214                  | 5.64%           |
| Total interest-earning assets                              | 48,161,377                              | 611,845                  | 5.04%           | 48,556,637                               | 637,757                  | 5.21%           |
| Cash and due from banks                                    | 1,191,881                               |                          |                 | 1,187,594                                |                          |                 |
| Allowance for loan losses                                  | (1,497,873)                             |                          |                 | (1,317,078)                              |                          |                 |
| Goodwill   | 1,017,361                               |                          |                 | 1,017,387                                |                          |                 |
| Core deposit and other intangibles                         | 120,512                                 |                          |                 | 126,614                                  |                          |                 |
| Other assets   | 4,266,457                               |                          |                 | 3,923,371                                |                          |                 |
| Total assets   | \$ 53,259,715                           |                          |                 | \$ 53,494,525                            |                          |                 |
| <b>LIABILITIES</b>   |   |                          |                 |  |                          |                 |
| Interest-bearing deposits:                                 |   |                          |                 |  |                          |                 |
| Savings and NOW  | \$ 5,505,938                            | 5,265                    | 0.38%           | \$ 5,162,852                             | 5,262                    | 0.40%           |
| Money market   | 17,247,187                              | 38,656                   | 0.89%           | 17,538,319                               | 49,292                   | 1.12%           |
| Time under \$100,000                                       | 2,637,651                               | 11,857                   | 1.78%           | 2,954,680                                | 16,612                   | 2.23%           |
| Time \$100,000 and over                                    | 3,575,690                               | 13,821                   | 1.53%           | 4,363,017                                | 22,690                   | 2.06%           |
| Foreign  | 1,818,423                               | 2,993                    | 0.65%           | 1,901,789                                | 3,478                    | 0.73%           |
| Total interest-bearing deposits                            | 30,784,889                              | 72,592                   | 0.94%           | 31,920,657                               | 97,334                   | 1.21%           |
| Borrowed funds:  |   |                          |                 |  |                          |                 |
| Securities sold, not yet purchased                         | 39,045                                  | 503                      | 5.11%           | 45,866                                   | 590                      | 5.10%           |
| Federal funds purchased and security repurchase agreements | 1,611,774                               | 1,071                    | 0.26%           | 1,708,888                                | 1,207                    | 0.28%           |
| Commercial paper   | 2,125                                   | 5                        | 0.93%           | 1,224                                    | 3                        | 0.97%           |
| FHLB advances and other borrowings:                        |   |                          |                 |  |                          |                 |
| One year or less   | 89,891                                  | 1,135                    | 5.01%           | 46,741                                   | 525                      | 4.46%           |

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|                                    |            |         |        |            |         |        |
|------------------------------------|------------|---------|--------|------------|---------|--------|
| Over one year                      | 17,963     | 219     | 4.84%  | 18,854     | 228     | 4.80%  |
| Long-term debt                     | 2,230,949  | 73,712  | 13.11% | 1,955,725  | 59,735  | 12.12% |
| Total borrowed funds               | 3,991,747  | 76,645  | 7.62%  | 3,777,298  | 62,288  | 6.54%  |
| Total interest-bearing liabilities | 34,776,636 | 149,237 | 1.70%  | 35,697,955 | 159,622 | 1.77%  |
| Noninterest-bearing deposits       | 12,151,870 |         |        | 11,428,774 |         |        |

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES (Continued)

(Unaudited)

| (In thousands)  | Three Months Ended<br>December 31, 2009 |                                       |                 | Three Months Ended<br>September 30, 2009 <sup>3</sup> |                                       |                 |
|---|---|---------------------------------------|-----------------|---|---------------------------------------|-----------------|
|   | Average<br>balance                      | Amount<br>of<br>interest <sup>1</sup> | Average<br>rate | Average<br>balance                                    | Amount<br>of<br>interest <sup>1</sup> | Average<br>rate |
| Other liabilities   | 601,724                                 |                                       |                 | 517,200   |                                       |                 |
| Total liabilities   | 47,530,230                              |                                       |                 | 47,643,929  |                                       |                 |
| Shareholders' equity:   |   |                                       |                 |   |                                       |                 |
| Preferred equity  | 1,543,363                               |                                       |                 | 1,518,289   |                                       |                 |
| Common equity   | 4,166,944                               |                                       |                 | 4,309,497   |                                       |                 |
| Controlling interest shareholders' equity                                       | 5,710,307                               |                                       |                 | 5,827,786   |                                       |                 |
| Noncontrolling interests  | 19,178                                  |                                       |                 | 22,810  |                                       |                 |
| Total shareholders' equity  | 5,729,485                               |                                       |                 | 5,850,596   |                                       |                 |
| Total liabilities and shareholders' equity                                      | \$ 53,259,715                           |                                       |                 | \$ 53,494,525   |                                       |                 |
| Spread on average interest-bearing funds  |   |                                       | 3.34%           |   |                                       | 3.44%           |
| Taxable-equivalent net interest income and net yield on interest-earning assets |   | \$ 462,608                            | 3.81%           | \$ 478,135  |                                       | 3.91%           |

1 Taxable-equivalent rates used where applicable.

2 Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

3 Certain amounts were revised as previously discussed.

| (In thousands)  | Year Ended December 31, 2009 |                                    |                 | Year Ended December 31, 2008 |                                    |                 |
|---|------------------------------|------------------------------------|-----------------|------------------------------|------------------------------------|-----------------|
|   | Average<br>balance           | Amount of<br>interest <sup>1</sup> | Average<br>rate | Average<br>balance           | Amount of<br>interest <sup>1</sup> | Average<br>rate |
| <b>ASSETS</b>   |                              |                                    |                 |                              |                                    |                 |
| Money market investments  | \$ 2,380,196                 | \$ 7,914                           | 0.33%           | \$ 1,888,497                 | \$ 47,780                          | 2.53%           |
| Securities:   |                              |                                    |                 |                              |                                    |                 |
| Held-to-maturity  | 1,263,618                    | 66,853                             | 5.29%           | 1,516,504                    | 101,310                            | 6.68%           |
| Available-for-sale  | 3,312,799                    | 104,130                            | 3.14%           | 3,266,209                    | 162,170                            | 4.97%           |
| Trading account   | 74,642                       | 2,728                              | 3.65%           | 42,521                       | 1,875                              | 4.41%           |
| Total securities  | 4,651,059                    | 173,711                            | 3.73%           | 4,825,234                    | 265,355                            | 5.50%           |
| Loans held for sale   | 225,753                      | 11,007                             | 4.88%           | 182,443                      | 10,074                             | 5.52%           |
| Loans:  |                              |                                    |                 |                              |                                    |                 |
| Net loans and leases excluding FDIC-supported assets <sup>2</sup> | 40,454,590                   | 2,281,589                          | 5.64%           | 40,794,781                   | 2,674,412                          | 6.56%           |
| FDIC-supported assets   | 1,058,476                    | 64,418                             | 6.09%           |                              |                                    |                 |
| Total loans and leases  | 41,513,066                   | 2,346,007                          | 5.65%           | 40,794,781                   | 2,674,412                          | 6.56%           |



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|                                    |             |           |       |            |           |       |
|------------------------------------|-------------|-----------|-------|------------|-----------|-------|
| Total interest-earning assets      | 48,770,074  | 2,538,639 | 5.21% | 47,690,955 | 2,997,621 | 6.29% |
| Cash and due from banks            | 1,244,517   |           |       | 1,380,571  |           |       |
| Allowance for loan losses          | (1,104,151) |           |       | (546,095)  |           |       |
| Goodwill                           | 1,174,407   |           |       | 1,936,865  |           |       |
| Core deposit and other intangibles | 124,901     |           |       | 136,698    |           |       |

**ZIONS BANCORPORATION AND SUBSIDIARIES****CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES (Continued)****(Unaudited)**

| (In thousands)  | Year Ended December 31, 2009 |                    |              | Year Ended December 31, 2008 |                    |              |
|---|------------------------------|--------------------|--------------|------------------------------|--------------------|--------------|
|   | Average balance              | Amount of interest | Average rate | Average balance              | Amount of interest | Average rate |
| Other assets  | 3,838,576                    |                    |              | 3,162,914                    |                    |              |
| Total assets  | \$ 54,048,324                |                    |              | \$ 53,761,908                |                    |              |
| <b>LIABILITIES</b>  |                              |                    |              |                              |                    |              |
| Interest-bearing deposits:  |                              |                    |              |                              |                    |              |
| Savings and NOW   | \$ 5,035,262                 | 21,618             | 0.43%        | \$ 4,446,182                 | 35,538             | 0.80%        |
| Money market  | 17,512,935                   | 216,359            | 1.24%        | 13,738,814                   | 335,030            | 2.44%        |
| Time under \$100,000  | 2,908,473                    | 69,516             | 2.39%        | 2,694,891                    | 96,194             | 3.57%        |
| Time \$100,000 and over   | 4,327,120                    | 98,472             | 2.28%        | 4,382,386                    | 161,918            | 3.69%        |
| Foreign   | 2,010,476                    | 18,719             | 0.93%        | 3,165,887                    | 84,213             | 2.66%        |
| Total interest-bearing deposits   | 31,794,266                   | 424,684            | 1.34%        | 28,428,160                   | 712,893            | 2.51%        |
| Borrowed funds:   |                              |                    |              |                              |                    |              |
| Securities sold, not yet purchased  | 41,573                       | 2,169              | 5.22%        | 32,689                       | 1,574              | 4.82%        |
| Federal funds purchased and security repurchase agreements                      | 1,922,896                    | 5,719              | 0.30%        | 2,733,583                    | 53,310             | 1.95%        |
| Commercial paper  | 2,324                        | 32                 | 1.38%        | 109,609                      | 4,212              | 3.84%        |
| FHLB advances and other borrowings:   |                              |                    |              |                              |                    |              |
| One year or less  | 302,650                      | 6,800              | 2.25%        | 4,588,834                    | 119,779            | 2.61%        |
| Over one year   | 49,747                       | 2,726              | 5.48%        | 128,524                      | 7,369              | 5.73%        |
| Long-term debt  | 2,387,776                    | 175,664            | 7.36%        | 2,448,991                    | 103,116            | 4.21%        |
| Total borrowed funds  | 4,706,966                    | 193,110            | 4.10%        | 10,042,230                   | 289,360            | 2.88%        |
| Total interest-bearing liabilities  | 36,501,232                   | 617,794            | 1.69%        | 38,470,390                   | 1,002,253          | 2.61%        |
| Noninterest-bearing deposits  | 11,052,745                   |                    |              | 9,144,520                    |                    |              |
| Other liabilities   | 557,949                      |                    |              | 578,231                      |                    |              |
| Total liabilities   | 48,111,926                   |                    |              | 48,193,141                   |                    |              |
| Shareholders' equity:   |                              |                    |              |                              |                    |              |
| Preferred equity  | 1,558,046                    |                    |              | 431,936                      |                    |              |
| Common equity   | 4,354,634                    |                    |              | 5,107,675                    |                    |              |
| Controlling interest shareholders' equity                                       | 5,912,680                    |                    |              | 5,539,611                    |                    |              |
| Noncontrolling interests  | 23,718                       |                    |              | 29,156                       |                    |              |
| Total shareholders' equity  | 5,936,398                    |                    |              | 5,568,767                    |                    |              |
| Total liabilities and shareholders' equity                                      | \$ 54,048,324                |                    |              | \$ 53,761,908                |                    |              |
| Spread on average interest-bearing funds  |                              |                    |              |                              |                    |              |
| Taxable-equivalent net interest income and net yield on interest-earning assets |                              | \$ 1,920,845       | 3.94%        |                              | \$ 1,995,368       | 4.18%        |

- 1 Taxable-equivalent rates used where applicable.
- 2 Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

**ZIONS BANCORPORATION AND SUBSIDIARIES****CAPITAL RATIOS****(Unaudited)**

|                                       | <b>December 31,<br/>2009</b> | <b>September 30,<br/>2009</b> | <b>December 31,<br/>2008</b> |
|---------------------------------------|------------------------------|-------------------------------|------------------------------|
| Tangible common equity ratio          | 6.12%                        | 5.76%                         | 5.89%                        |
| Tangible equity ratio                 | 9.16%                        | 8.73%                         | 8.91%                        |
| <b>Risk-based capital ratios 1:</b>   |                              |                               |                              |
| Tier 1 common to risk-weighted assets | 6.50%                        | 6.59%                         | 6.28%                        |
| Tier 1 risk-based capital             | 10.32%                       | 10.34%                        | 10.22%                       |
| Total risk-based capital              | 13.05%                       | 13.08%                        | 14.32%                       |

1 Ratios for December 31, 2009 are estimates.

**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 hereunto duly authorized.

**Zions Bancorporation**

Date: February 19, 2010

By: /s/ THOMAS E. LAURSEN  
**Thomas E. Laursen**

**Executive Vice President and**

**General Counsel**