

ZIONS BANCORPORATION /UT/

Form 424B5

May 04, 2007

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The information in this prospectus supplement and the accompanying base prospectus is not complete and may be changed without notice. This prospectus supplement and the accompanying base prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

**This filing is made pursuant to Rule 424(b)(5)
Under the Securities Act of 1933
In connection with Registration No. 333-132868**

SUBJECT TO COMPLETION, DATED MAY 4, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated March 31, 2006)

99,418 Units

ZIONS BANCORPORATION

Zions Bancorporation Employee Stock Option Appreciation Rights Securities,
Series 2007

We are offering 99,418 units of our Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2007 (the "ESOARS", and each unit thereof, an "ESOARS Unit"). ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options.

We are offering the ESOARS in part to provide a market basis that may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of our reference options.

We will make periodic payments upon the exercise, if any, of reference options to the extent payments are then payable thereunder (as described in this prospectus supplement) on or before the 15th day of the month (or, if any such day is not a business day, then on the next business day) following the end of each calendar quarter. We expect that such periodic payments, if any, will commence on or about July 15, 2008. Each ESOARS Unit will entitle the holder thereof to receive, over the term of the reference options, the net realized value (as more particularly described herein) realized by employee optionees upon the exercise, if any, of reference options divided by the number of shares of our common stock underlying reference options that vest. Payments to holders may be made, in our sole discretion, in cash, shares of our common stock or some combination of cash and shares of our common stock.

The price to the public and the allocation of our ESOARS will be determined by an auction process through the www.auctions.zionsdirect.com electronic bid submission system (www.auctions.zionsdirect.com). The auction will open at 5:00 p.m., E.D.T., on May 4, 2007 and will close at 3:30 p.m., E.D.T., on May 7, 2007, unless extended as described in the section entitled "The Auction Process" beginning on page S-13 of this prospectus supplement. The minimum number of ESOARS Units for a bid in the auction will be one. We will not issue fractional ESOARS Units.

The timing and method for submitting bids and a description of this auction process are described in the section entitled "The Auction Process" beginning on page S-13 of this prospectus supplement. In general, once a bidder has submitted and confirmed a bid, the bid will be binding and may not thereafter be rescinded or revoked. As part of this auction process, we are attempting to assess the market demand for our ESOARS and to set the price to the public of this offering to meet that demand. Investors should not expect to be able to sell their ESOARS for a profit after the conclusion of this offering and the allocation of our ESOARS.

We will offer the ESOARS directly to investors. Zions Direct, Inc., the auction agent for this offering, is a wholly-owned subsidiary of Zions First National Bank, which is the issuing and paying agent with respect to the ESOARS. Zions First National Bank, in turn, is a wholly-owned subsidiary of Zions Bancorporation.

We expect to deliver the ESOARS through the facilities of The Depository Trust Company in book-entry form on or about May 10, 2007.

We will not list the ESOARS on any securities exchange. Currently there is no public market for the ESOARS. We cannot assure you that an active market for the ESOARS will develop.

Investing in our ESOARS involves risk. See Risk Factors beginning on page S-7 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is _____, 2007.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information about us and our securities that we may offer, some of which information does not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

You should carefully read this entire prospectus supplement, the accompanying base prospectus and the other information we have incorporated by reference, as described under the section entitled **Where You Can Find More Information** on page 1 of the accompanying base prospectus, to understand fully the terms of the ESOARS being offered hereby, as well as the tax and other considerations that you should consider before making your investment decision. You should pay special attention to the section entitled **Risk Factors** beginning on page S-7 of this prospectus supplement and on page 9 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2006, to determine whether an investment in our ESOARS is appropriate for you. See **Where You Can Find More Information** on page 1 of the accompanying base prospectus.

The information in this prospectus supplement is accurate as of May 4, 2007. You should rely only on the information contained in this prospectus supplement, the accompanying base prospectus and the information we have incorporated by reference. We have not authorized anyone to provide you with different information. You should not assume that the information provided by this prospectus supplement, the accompanying base prospectus or the information we have incorporated by reference is accurate as of any date other than the date of the respective document or information, as applicable. If information in any of the documents we have incorporated by reference or in the accompanying base prospectus conflicts with information in this prospectus supplement, you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the information in the most recent incorporated document. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

For purposes of this prospectus supplement, unless the context otherwise indicates:

references to **Zions Bancorporation**, **we**, **our** and **us** are only to Zions Bancorporation, excluding its consolidated subsidiaries;

references to **you** are to any investor who invests in our ESOARS being offered hereby, whether they are the holders or only indirect owners of those ESOARS ;

references to **ESOARS** are to the Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2007;

references to **this offering** or **the offering** are to the initial offering of our ESOARS made in connection with their original issuance, and not to any subsequent resales of our ESOARS in market-making transactions; and

references to **holders** are to those persons or entities that own any of our ESOARS , registered in their own names, on the books that we or our agent maintain for this purpose, and not those who own beneficial interests in our ESOARS registered in street name or in ESOARS Units issued in book-entry form through one or more depositaries.

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WHERE YOU CAN FIND MORE INFORMATION

You may request a copy of any of the documents or information we have incorporated by reference in this prospectus supplement, as described in the section entitled **Where You Can Find More Information** on page 1 of the accompanying base prospectus, at no cost to you by writing or telephoning us at:

Investor Relations
Zions Bancorporation
One South Main Street, Suite 1500
Salt Lake City, Utah 84111
(801) 524-4787

In addition, you may also access further information about us by visiting our website at www.zionsbancorporation.com. Please note that the information and materials found on our website, except for our SEC filings incorporated by reference in this prospectus supplement, are not part of this prospectus supplement and are not incorporated by reference into this prospectus supplement.

For additional information concerning this offering, the ESOARS being offered hereby, the website www.auctions.zionsdirect.com or the registration and auction process, you may contact Zions Direct:

by telephone at (800) 524-8875 or (800) 554-1688 (ask for ESOARS support); or

by e-mail at auctions@zionsdirect.com.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, including information incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934.

Forward-looking statements provide current expectations or forecasts of future events and include, among others: statements with respect to our beliefs, plans, objectives, goals, guidelines, expectations, anticipations and future financial condition, results of operations and performance of Zions Bancorporation and its consolidated subsidiaries; and

statements preceded by, followed by or that include the words **may, could, should, would, believe, anticipate, estimate, expect, intend, plan, project** or similar expressions.

These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing our 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 prospectus supplement, including the information incorporated by reference. You should carefully consider those risks and uncertainties in reading this prospectus supplement. Factors that might cause such differences include, but are not limited to:

our ability to successfully execute our business plans, manage our risks and achieve our objectives;

changes in political and economic conditions, including the economic effects of terrorist attacks against the United States and related events;

changes in financial market conditions, either nationally or locally in areas in which we conduct our operations, including without limitation, reduced rates of business formation and growth, commercial real estate development and real estate prices;

fluctuations in the equity and fixed-income markets;

changes in interest rates, the quality and composition of the loan and securities portfolios, demand for loan products, deposit flows and competition;

acquisitions and integrations of acquired businesses;

increases in the levels of losses, customer bankruptcies, claims and assessments;

changes in fiscal, monetary, regulatory, trade and tax policies and laws, including policies of the U.S. Treasury and the Federal Reserve Board;

continuing consolidation in the financial services industry;

new litigation or changes in existing litigation;

success in gaining regulatory approvals, when required;

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changes in consumer spending and saving habits;

increased competitive challenges and expanding product and pricing pressures among financial institutions;

demand for financial services in our market areas;

inflation and deflation;

technological changes and our implementation of new technologies;

our ability to develop and maintain secure and reliable information technology systems;

legislation or regulatory changes which adversely affect our operations or business;

our ability to comply with applicable laws and regulations; and

changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or regulatory agencies.

You should not put undue reliance on any forward-looking statements. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2006, which is incorporated by reference in this prospectus supplement, for a more detailed description of these and other factors that may affect any forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors described under the section entitled "Risk Factors" beginning on page S-7 of this prospectus supplement and on page 9 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2006. We will not update any forward-looking statements unless the securities laws require us to do so.

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SUMMARY

Zions Bancorporation

Zions Bancorporation is a financial holding company organized under the laws of the State of Utah in 1955, and registered under the Bank Holding Company Act of 1956, as amended. Zions Bancorporation, together with its consolidated subsidiaries, owns and operates eight commercial banks with a total of 470 offices at year-end 2006. We provide a full range of banking and related services through our banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, Idaho, Washington and Oregon.

We focus on maintaining community-minded banking services by continuously strengthening our core business lines of: (1) small, medium-sized business and corporate banking; (2) commercial and residential development, construction and term lending; (3) retail banking; (4) treasury cash management and related products and services; (5) residential mortgage; and (6) investment activities. We operate eight different banks in ten Western and Southwestern states with each bank operating under a different name and each having its own board of directors, chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services. They also provide a wide range of personal banking services to individuals, including home mortgages, bankcard, student and other installment loans, home equity lines of credit, checking accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit and 24-hour ATM access. In addition, certain banking subsidiaries provide services to key market segments through their Women's Financial, Private Client Services and Executive Banking Groups. We also offer wealth management services through a subsidiary, Contango Capital Advisors, Inc., that was launched in 2004.

In addition to these core businesses, we have built specialized lines of business in capital markets, public finance and certain financial technologies, and are also a leader in U.S. Small Business Administration (SBA) lending. Through our eight banking subsidiaries, we provide SBA 7(a) loans to small businesses throughout the United States and are also one of the largest providers of SBA 504 financing in the nation. We own an equity interest in the Federal Agricultural Mortgage Corporation (Farmer Mac) and are the nation's top originator of secondary market agricultural real estate mortgage loans through Farmer Mac. We are a leader in municipal finance advisory and underwriting services. We also control four venture capital funds that provide early-stage capital primarily for start-up companies located in the Western United States. Finally, our NetDeposit, Inc. and P5, Inc. subsidiaries are national leaders in the provision of check imaging and clearing software and of web-based medical claims tracking and cash management services, respectively.

Our executive offices are located at One South Main, Suite 1500, Salt Lake City, Utah 84111, and our telephone number is (801) 524-4787.

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The Offering

Issuer	Zions Bancorporation.
Securities Offered	<p>Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2007 (the ESOARS , and each unit thereof, an ESOARS Unit). ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. See Description of Our ESOARS .</p> <p>The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options. See Risk Factors Risks Related to an Investment in Our ESOARS You will have no stockholder rights.</p>
CUSIP Number	989701 305.
Number of ESOARS Units We Are Offering	99,418.
Offering Price	To be determined through an auction process conducted by our auction agent. See The Auction Process.
Reference Options	There are 994,180 reference options, which vest ratably over three years, have an exercise price of \$83.25 per share and expire on May 3, 2014. See Description of Reference Options.
Vesting Period	The three-year period ending on May 4, 2010.
Bid Limit	<p>In order to ensure a broad participation in this offering, we or our auction agent will assign each bidder a bid limit. The auction website allows a bidder to place up to five separate, active bids. A bidder will not be able to place aggregate in-the-money bids that exceed that bidder s bid limit (as described below). See Description of Our ESOARS Bidding Auction Process; Irrevocability of Bids.</p> <p>Prospective bidders registering to bid on ESOARS for the first time on the website www.auctions.zionsdirect.com will automatically qualify to bid for up to a bid limit of \$20,000. Prospective bidders who want to bid for more than that amount may contact us by telephone at (800) 524-8875 or by e-mail at auctions@zionsdirect.com to request a greater bid limit. Any decision to increase a bidder s bid limit, upon such request, will be in our sole and absolute discretion. A bidder s bid limit will in no event exceed \$500,000. A bidder will not be able to place a bid that exceeds that bidder s bid limit. See The Auction Process Qualification of Bidders; Suitability.</p>
Allocation of ESOARS	To be determined through our auction process based on the number of ESOARS Units designated as in-the-money by the auction website. See The Auction Process Allocation.

Purpose

We are offering the ESOARS in part to provide a market basis that may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of our reference options, as required under Statement of Financial Accounting Standards No. 123R, Share Based Payment, issued by the Financial Accounting Standards Board, or FASB. See Description of Our ESOARS Purpose of the Offering.

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Auction Agent; Issuing and Paying Agent	Our auction agent is Zions Direct, Inc., a wholly-owned subsidiary of Zions First National Bank, which is our issuing and paying agent. Zions First National Bank, in turn, is a wholly-owned subsidiary of us.
Use of Proceeds	We intend to use the net cash proceeds from this offering for general corporate purposes. See Use of Proceeds.
Listing	The ESOARS will not be listed on any securities exchange.
Periodic Payments	<p>We will, from time to time, deposit with Zions First National Bank, as our paying agent, the applicable amounts per ESOARS Unit determined as described under the caption Calculation of Payments below. We will make each deposit on or before the fifth business day of the month following the end of each calendar quarter, commencing on or about July 8, 2008. Zions First National Bank will then make the applicable payments to each holder of our ESOARS on or before the 15th day of that month (or, if any such day is not a business day, then on the next business day). We expect that such periodic payments will commence on or about July 15, 2008.</p> <p>Each date that the paying agent makes a payment with respect to the ESOARS is referred to in this prospectus supplement as a payment date.</p> <p>See Description of Our ESOARS Payments.</p>
Calculation of Payments	The calculations of payments, if any, made to holders of ESOARS described below include adjustments intended to eliminate the effect of any forfeiture of reference options prior to vesting. The aggregate of payments, if any, made to holders of ESOARS will be equal to the aggregate amount they would have received if all of the reference options had vested, assuming that the reference options forfeited prior to vesting would have been exercised at the same times and market prices as those options that vest. See Description of our ESOARS Calculation of Payments.
<i>Net Realized Value</i>	<p>For purposes of the calculation of payments in respect of ESOARS Units, the net realized value for a particular payment period means the amount, if any, by which:</p> <p style="padding-left: 40px;">the trading price per share of our common stock on The Nasdaq Stock Market (or other national stock exchange on which our common stock is then traded) at the applicable time of exercise of a reference option, exceeds</p> <p style="padding-left: 40px;">the exercise price of that reference option,</p> <p style="padding-left: 40px;">multiplied by:</p> <p style="padding-left: 40px;">the number of shares of our common stock as to which the applicable reference option was exercised.</p>

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<i>Payments During Vesting Period</i>	<p>During the vesting period, payments from time to time in respect of each ESOARS Unit will be equal to:</p> <p style="padding-left: 40px;">the net realized value realized upon the exercise of any reference options during the period (any such period, a payment period) beginning on the first day of each calendar quarter (or in the case of the first payment period, beginning on May 4, 2008) and ending on and including the last day of such calendar quarter,</p> <p style="padding-left: 80px;">multiplied by</p> <p style="padding-left: 40px;">the percentage of the annual vesting periods that have been completed as of the last day of such calendar quarter, divided by</p> <p style="padding-left: 40px;">the number of shares of our common stock underlying reference options that have vested as of the last day of such calendar quarter.</p>
<i>Additional Payment to Adjust for Pre-Vesting Forfeitures</i>	<p>Holders of ESOARS Units may be entitled to an additional payment, which will be made on July 15, 2010 (the first payment date following the completion of the vesting period or, if such day is not a business day, then on the next business day), to adjust for any reference options forfeited by our employee optionees prior to the vesting of such options. The amount of such payment, if any, in respect of each ESOARS Unit will be equal to:</p> <p style="padding-left: 40px;">the aggregate net realized value realized upon the exercise of any reference options during the vesting period divided by the number of shares of our common stock underlying reference options that have vested as of the completion of the vesting period,</p> <p style="padding-left: 40px;">minus</p> <p style="padding-left: 40px;">the sum of the amounts previously paid in respect of each ESOARS Unit during the vesting period.</p>
<i>Payment if None of the Reference Options Vest</i>	<p>If, upon the completion of the first annual vesting period, all of the reference options have been forfeited prior to vesting, an amount equal to the initial public offering price per ESOARS Unit sold in this offering, together with interest in respect of such amount at a rate of 5.0% per annum for the period from the settlement date for the ESOARS to (but not including) the date of such payment, will be paid in respect of each ESOARS Unit on July 15, 2008 (or, if such day is not a business day, then the next business day) and the ESOARS will thereafter be canceled.</p>
<i>Payments During Post-Vesting Period</i>	<p>Following the completion of the vesting period, payments from time to time in respect of each ESOARS Unit will be equal to:</p> <p style="padding-left: 40px;">the net realized value realized upon the exercise of any reference options during the relevant payment period,</p>

divided by

the number of shares of our common stock underlying reference options that have vested.

Form of Payment

Payments to holders of ESOARS Units on each payment date may be in the form of cash, shares of our common stock or some combination of cash and shares of our common stock, in our sole discretion. If payment is made in shares of our common stock, the number of shares delivered will be determined by dividing the cash value of the payment due (or portion thereof) by the closing price of

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our shares of common stock on The Nasdaq Stock Market (or, if our common stock is not listed on The Nasdaq Stock Market, on the principal exchange or over-the-counter market on which our common stock is then listed) on the last trading day prior to the applicable payment date. We may deliver cash in lieu of any fractional shares of common stock based on the closing price of our shares of common stock determined in accordance with the immediately preceding sentence.

Record Date The record date to determine holders eligible to receive payments on a given payment date will be the last business day of the calendar quarter preceding that payment date.

Modification of Reference Options If one or more reference options is modified or canceled (pursuant to Section 2.5 of our 2005 Stock Option and Incentive Plan) in a manner that would be treated as a modification pursuant to paragraphs 51-57 of FASB Statement No. 123R, Share-Based Payment, or in other specified circumstances, we will pay in respect of each ESOARS Unit an amount equal to the cancellation value of the modified reference option(s) divided by the number of shares of our common stock underlying reference options that have not been forfeited prior to vesting. The cancellation value of the modified reference options will be determined by an independent valuation agent appointed by us. See Description of Our ESOARS Modification of Reference Options.

Book-Entry Form The ESOARS will be evidenced by one or more fully-registered global certificates, a form of which is attached hereto as Annex A. The global certificate(s) will be deposited with, or on behalf of, The Depository Trust Company (DTC), and will be registered in the name of Cede & Co., a nominee of DTC.

Cede & Co. will be the only registered holder of the ESOARS . Your beneficial interest in the ESOARS will be evidenced solely by entries on the books of the securities intermediary acting on your behalf as a direct or indirect participant in DTC.

In this prospectus supplement, all references to payments or notices to you or to a holder or holders mean payments or notices to DTC or its nominee, in either case as the registered holder of our ESOARS , and not those persons or entities that hold beneficial interests in our ESOARS . For more information regarding DTC and book-entry securities, see Legal Ownership and Book-Entry Issuance.

Settlement We expect that settlement will take place three business days following the conclusion of the auction and the allocation of our ESOARS . Institutional customers will settle delivery versus payment through their Zions Direct account. Winning bidders who are individuals and who do not have an account with Zions Direct will be required to open such an account, or arrange for their primary broker to enter into a selling group agreement with Zions Direct, in order to facilitate delivery and payment for their ESOARS Units. See The Auction Process Settlement.

Federal Income Tax Considerations The proper U.S. federal income tax characterization of our ESOARS is unclear. In the absence of clear authority, we intend to file information returns with the Internal Revenue Service reporting income with respect to our ESOARS under a method analogous to the method applicable to income with respect to cash-settled call options

if an ESOARS Unit is cash settled, or under a method analogous to the method applicable to income with respect to stock settled stock appreciation rights if an ESOARS Unit is settled in stock. However, it is unclear whether either method of reporting income on our ESOARS is proper. Prospective investors should carefully consider the discussion in the section below entitled Material United States Federal Income Tax Consequences with their own tax advisors.

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Certain ERISA Matters

No ESOARS may be purchased by or transferred to:

any employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) (whether or not subject to ERISA, and including, without limitation, foreign or government plans);

any plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended; or

any entity whose underlying assets include plan assets of any of the foregoing by reason of an employee benefit plan s or plan s investment in such entity.

Any purported purchase or transfer of the ESOARS in violation of the foregoing restrictions will be null and void *ab initio*. Each bidder who purchases the ESOARS will be deemed to have represented, warranted and acknowledged to us that its purchase or transfer is not in violation of the restrictions set forth above.

Governing Law

State of New York.

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RISK FACTORS

You should consider carefully the risk factors discussed below and the risk factors discussed in the section entitled Risk Factors beginning on page 9 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2006, which is incorporated by reference in this prospectus supplement, for a discussion of particular factors you should consider before determining whether an investment in our ESOARS is appropriate for you. Investing in our ESOARS is speculative and involves risk.

Any of the risks described in this prospectus supplement or in our Annual Report on Form 10-K for our fiscal year ended December 31, 2006 could materially and adversely impair our business, financial condition and operating results. In such case, the trading price, if any, of our ESOARS could decline or you could lose all or part of your investment. Because the investment return, if any, realized by a holder of ESOARS will depend on the behavior of our employee optionees and other factors beyond our control, you may lose some or all of your investment even if our business, financial condition and operating results were not materially and adversely impaired.

Risks Related to an Investment in Our ESOARS

You may lose some or all of your investment.

Any investment return realized by a holder of ESOARS will be affected by many factors that are out of our and your control. Some of these factors include:

the amounts and timing of exercises, if any, of the reference options by our employee optionees;

the vesting schedule of the reference options;

the exercise price(s) of the reference options and the other terms of the reference options;

the modification of the exercise price(s) or other terms of the reference options;

the trading price per share of our common stock in the public markets at the time of exercise, if any, of the reference options;

decreases in the trading price per share of our common stock in the public markets between the last trading day prior to the applicable payment date and the delivery to ESOARS holders of the shares by the paying agent, if we elect to make payment in the form of shares of our common stock;

the post-vesting termination of an employee optionee's employment with us (whether that termination is at our election for cause or at the election of the employee) since the reference options are generally canceled when an employee's employment with us ceases; and

the death or disability of any employee optionee.

For example, if our common stock price in the public markets were below the exercise price(s) of the reference options in any period in which an employee optionee is eligible to and willing to exercise a reference option, the optionee would be unlikely to exercise the reference option because that would result in a purchase of our common stock at a price per share that is higher than the price that is available in the open market. In addition, if the option exercise period were to expire or the optionee were no longer eligible to exercise the reference option due to termination of employment, death, disability or other factors, the reference option would expire unexercised. In each such case, the reference option would not yield any net realized value, and no payments would be made to any ESOARS holder with respect to any such reference option that had vested.

Summary information regarding the reference options are set forth in the section entitled Description of Reference Options on page

S-21 of this prospectus supplement. Information regarding our business and financial results may be found in our Annual Report on Form

10-K for our fiscal year ended December 31, 2006 and our other filings that we have made with the SEC. As a result

of the interaction between the above-described and other factors, the actual return, if any, on our ESOARS may vary substantially over the life of the reference options. As a consequence, you may lose some or all of your investment.

You will not receive any payments with respect to the ESOARS until July 15, 2008, if at all.

The reference options are subject to a three-year vesting schedule, which will prevent any employee from exercising any reference options until May 4, 2008. Absent special circumstances such as an unforeseen modification of reference options, holders of ESOARS will not receive any payments with respect to their ESOARS until the payment date in July 2008 at the earliest. The reference options will not fully vest until May 4, 2010, so the number of reference options that may be exercised prior to that date is restricted by the vesting schedule. We cannot assure you that you will ever receive payments as an ESOARS holder even with respect to vested reference options, since payments on the ESOARS will ordinarily be generated only as a result of actual exercises of the reference options by our employees.

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Table of Contents***The ESOARS will not be listed; there is no secondary market for our ESOARS .***

Our ESOARS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the ESOARS . If a secondary market does develop, there is no assurance that it will be sustained. Even if there is a secondary market, it may not provide enough liquidity to allow you to easily trade or sell the ESOARS . We do not expect that market makers will participate significantly in a secondary market, if any, for the ESOARS .

The amount, if any, and timing of returns on our ESOARS is uncertain.

Some articles and research reports have been written on rates of return for employee stock options similar to the reference options, and we have provided specified historical information regarding exercises of our stock options in the section entitled Historical Stock Option Exercise Data beginning on page S-22 of this prospectus supplement. Nonetheless, the ESOARS are a novel financial instrument for which, to our knowledge, there is no source for relevant data or standardized method of measuring the anticipated return with regard to the ESOARS or the reference options. Furthermore, the past performance of our stock options is not necessarily indicative of their future performance. Because the characteristics and behaviors of the employees comprising each pool of employees varies, you should not rely on the historical information relating thereto in this prospectus supplement as an indicator of the behavior of the employees who have been granted the reference options. You should be aware that our ESOARS are a relatively new and novel type of financial product with no meaningful performance history. You should therefore consider and determine for yourself the likely amount and timing of returns on our ESOARS during the life of the reference options.

You will have no stockholder rights.

Investing in our ESOARS is not equivalent to investing in us. The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options. As an investor in our ESOARS , you will not have voting rights, rights to receive dividends or other distributions, or any other rights generally understood to be incidental to ownership of our equity securities, except as expressly set forth in this prospectus supplement with respect to our ESOARS .

The U.S. federal tax characterization of our ESOARS is uncertain.

There are no cases, Treasury regulations, revenue rulings or other binding authorities that directly address the U.S. federal income tax characterization of our ESOARS or of securities with terms substantially the same as those of our ESOARS . Therefore, the proper U.S. federal tax characterization of, and method of reporting income and loss with respect to, our ESOARS is uncertain. In the absence of guidance, we intend to file information returns with the Internal Revenue Service reporting income with respect to our ESOARS under a method analogous to the method applicable to income with respect to cash-settled call options if an ESOARS Unit is cash settled, or under a method analogous to the method applicable to income with respect to stock settled stock appreciation rights if an ESOARS Unit is settled in stock. However, other U.S. federal income tax characterizations of, and methods of reporting payments on, our ESOARS are possible. If these other characterizations or methods applied, they could materially adversely affect the amount, timing and character of income or loss that is properly reportable with respect to our ESOARS , as compared to the method reported by us. In addition, we intend to take the position that payments on our ESOARS that are made to non-U.S. investors are subject to a 30 percent U.S. withholding tax, unless the non-U.S. investor establishes an exemption. Therefore, our ESOARS may not be an appropriate investment for non-U.S. investors. Because of the uncertainty of treatment of income and loss with respect to our ESOARS , we urge prospective investors to consult their own tax advisors as to the proper classification and reporting of income and loss with respect to our ESOARS for U.S. federal income tax purposes. See Material United States Federal Income Tax Consequences beginning on page S-41 of this prospectus supplement.

The interests of holders of ESOARS may differ from the interests of us or our affiliates.

We or one or more of our affiliates may engage in trading activities, including securities offerings of shares of our common stock, or other activities, including business restructurings, that involve termination of service of one or more of our employees who are holders of the reference options, or involve repricings or modifications of the reference options. These activities may not necessarily be in your best interests. Any of these activities may negatively affect the value of, and returns on, our ESOARS . We do not have, and we specifically disclaim, any duty or obligation to act in the best interests of holders.

Risks Related to the Auction Process

Once you submit a bid, you may generally not revoke it.

Once you have submitted and confirmed a bid, you may not subsequently lower your bid price or lower the number of ESOARS Units bid for in that bid. Therefore, even if circumstances arise after you have placed and confirmed a bid that make you want to decrease your original bid price or the number of ESOARS originally bid for, you will nonetheless be bound by that bid.

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We reserve the right to reject any bid.

We reserve the right, in our sole discretion, to reject any bid that we deem to be manipulative, mistaken or made due to a misunderstanding of our ESOARS on the part of the bidder. We reserve this right in order to preserve the integrity of the auction process. Other conditions for valid bids, including eligibility and account funding requirements of participating dealers and individuals, may vary. As a result of these varying requirements, we may reject a bidder's bid, even while we accept another bidder's identical bid. See the section entitled "The Auction Process - Allocation" on page S-16 of this prospectus supplement.

You may receive a full allocation of our ESOARS Units that you bid for if your bid is successful; therefore, you should not bid for more ESOARS than you are prepared to purchase.

Successful bidders may be allocated all or nearly all of the ESOARS Units that they bid for in the auction. See "The Auction Process - Allocation." Therefore, we caution investors against submitting a bid that does not accurately represent the number of ESOARS Units that they are willing and prepared to purchase.

Even if you submit a bid that equals or exceeds the market-clearing price, you may not be allocated the full number of ESOARS Units for which you bid.

We will determine the initial public offering price for our ESOARS sold in this offering through an auction conducted by Zions Direct, our auction agent. The auction process will reveal a market-clearing price for our ESOARS offered in this offering. The market-clearing price is the highest price at which all of the ESOARS Units offered hereby will be sold to bidders. For an explanation of the meaning of the market-clearing price, see "The Auction Process - Market-Clearing Price" beginning on page S-16 of this prospectus supplement. If your bid price equals the market-clearing price, you will be allocated ESOARS Units only to the extent that ESOARS have not been allocated to bidders with higher bid prices. If there are two or more bids with bid prices that equal the market-clearing price, then the ESOARS Units that have not been allocated to bidders with higher bid prices will be allocated on a *pro rata* basis to those bidders.

You should not expect to sell your ESOARS Units after the conclusion of this offering and the allocation of our ESOARS.

As we mentioned above, the auction process will reveal a market-clearing price for our ESOARS offered in this offering. However, this clearing price may bear little or no relationship to market demand for our ESOARS following this offering, or the price at which the ESOARS may be sold. If there is little or no market demand for our ESOARS following the closing of the auction, the price of our ESOARS may decline. If your objective is to make a short-term profit by selling your ESOARS after the conclusion of the auction, you should not submit a bid in the auction. See the risk factor above entitled "The ESOARS will not be listed; there is no secondary market for our ESOARS."

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USE OF PROCEEDS

We intend to use the net cash proceeds from this offering for general corporate purposes.

DESCRIPTION OF OUR ESOARS

In this prospectus supplement, all references to payments or notices to you or to a holder or holders mean payments or notices to DTC or its nominee, in either case as the registered holder of the ESOARS, and not those persons or entities that hold beneficial interests in the ESOARS. For more information regarding DTC and book-entry securities, see the section entitled Legal Ownership and Book-Entry Issuance beginning on page S-45 of this prospectus supplement. You will own a beneficial interest in our ESOARS if you hold ESOARS through direct or indirect participants in DTC. Owners of beneficial interests in our ESOARS should read the section entitled Legal Ownership and Book-Entry Issuance beginning on page S-45 of this prospectus supplement.

General

We will issue the Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2007 (the ESOARS, and each unit thereof, an ESOARS Unit) directly to investors. The ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. Some characteristics of the reference options are described in the section entitled Description of Reference Options.

The ESOARS will be issued only in fully-registered book-entry form.

Upon the exercise, if any, from time to time by our employees of our reference options, holders of our ESOARS will be entitled to receive payments as described below in Payments.

The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options. See Risk Factors Risks Related to an Investment in Our ESOARS. You will have no stockholder rights.

Purpose of the Offering

We are offering our ESOARS in part to provide a market basis that may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of the reference options, as required under Statement of Financial Accounting Standards No. 123R, Share Based Payment, issued by the FASB.

Determination of Offering Price; Allocation

The price to the public and the allocation of our ESOARS will be determined through an auction process in which prospective investors will bid for our ESOARS. See the section entitled The Auction Process beginning on page S-13 of this prospectus supplement.

Payments

We will, from time to time, deposit with Zions First National Bank, as our paying agent, the applicable amounts per ESOARS Unit as described under Calculation of Payments below. We will make each deposit on or before the fifth business day of the month following the end of each calendar quarter, commencing on or about July 8, 2008. Zions First National Bank will then make the applicable payments to each holder of our ESOARS on or before the 15th day of that month (or, if any such day is not a business day, then on the next business day). We expect that such periodic payments will commence on or about July 15, 2008. However, we will also make payments as described below in Calculation of Payments Additional Payment to Adjust for Pre-Vesting Forfeitures, Calculation of Payments Payment if None of the Reference Options Vest and Modification of Reference Options.

Each date that the paying agent makes a payment with respect to the ESOARS is referred to in this prospectus supplement as a payment date.

Calculation of Payments

ESOARS are intended to track the cost to us of the reference options. Because under FASB Statement No. 123R options that do not vest will not result in compensation expense to the option-granting company, ESOARS are designed to determine the fair market value of a vested option. Accordingly, in order that bidders in the auction are not required to consider the effect of pre-vesting forfeitures of reference options when determining the price they are willing to pay for our ESOARS, the calculations of payments, if any, made to holders of ESOARS described below

include adjustments intended to eliminate the effect of any forfeiture of reference options prior to vesting.

Because the number of reference options that will vest cannot be known until the end of the vesting period, a different calculation will apply for payments during the vesting period and payments during the post-vesting period, as described below. In addition, an additional payment may be required following the completion of the vesting period to effectively adjust the payments, if any, made during the vesting period so that cumulative payments, if any, made up to that payment date reflect the actual number of reference options that have vested. As a result of the calculations of payments described below, the aggregate of payments, if any, made to holders of ESOARS will be equal to the aggregate amount they would have received if all of the reference options had vested, assuming that the reference options forfeited prior to vesting would have been exercised at the same times and market prices as those options that vest. However, if upon completion of the first annual vesting period, all of the reference options have been forfeited prior to vesting, an amount equal to the initial public offering price per ESOARS Unit sold in this offering, together with interest specified below, will be paid to the holders of ESOARS .

For purposes of the calculation of payments in respect of ESOARS Units, the net realized value for a particular payment period means the amount, if any, by which:

the trading price per share of our common stock on The Nasdaq Stock Market (or other national stock exchange on which our common stock is then traded) at the applicable time of exercise of a reference option, exceeds

the exercise price of that reference option,

multiplied by:

the number of shares of our common stock as to which the applicable reference option was exercised.

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Payments During Vesting Period. During the vesting period, payments from time to time in respect of each ESOARS Unit will be equal to:

the net realized value realized upon the exercise of any reference options during the period (any such period, a payment period) beginning on the first day of each calendar quarter (or in the case of the first payment period, beginning on May 4, 2008) and ending on and including the last day of such calendar quarter, multiplied by the percentage of the annual vesting periods that have been completed as of the last day of such calendar quarter, divided by

the number of shares of our common stock underlying reference options that have vested as of the last day of such calendar quarter.

Additional Payment to Adjust for Pre-Vesting Forfeitures. Holders of ESOARS Units may be entitled to an additional payment, which will be made on July 15, 2010 (the first payment date following the completion of the vesting period or, if such day is not a business day, then on the next business day), to adjust for any reference options forfeited by our employee optionees prior to the vesting of such options. The amount of such payment, if any, in respect of each ESOARS Unit will be equal to:

the aggregate net realized value realized upon the exercise of any reference options during the vesting period divided by the number of shares of our common stock underlying reference options that have vested as of the completion of the vesting period,

minus

the sum of the amounts previously paid in respect of each ESOARS Unit during the vesting period.

Payment if None of the Reference Options Vest. If, upon the completion of the first annual vesting period, all of the reference options have been forfeited prior to vesting, an amount equal to the initial public offering price per ESOARS Unit sold in this offering, together with interest in respect of such amount at a rate of 5.0% per annum for the period from the settlement date for the ESOARS to (but not including) the date of such payment, will be paid in respect of each ESOARS Unit on July 15, 2008 (or, if such day is not a business day, then on the next business day) and the ESOARS will thereafter be canceled.

Payments During Post-Vesting Period. Following the completion of the vesting period, payments from time to time in respect of each ESOARS Unit will be equal to:

the net realized value realized upon the exercise of any reference options during the relevant payment period, divided by

the number of shares of our common stock underlying reference options that have vested.

Form of Payment

Payments to holders of ESOARS Units on each payment date may be in the form of cash, shares of our common stock or some combination of cash and shares of our common stock, in our sole discretion. If payment is made in shares of our common stock, the number of shares delivered will be determined by dividing the cash value of the payment due (or portion thereof) by the closing price of our shares of common stock on The Nasdaq Stock Market (or, if our common stock is not listed on The Nasdaq Stock Market, on the principal exchange or over-the-counter market on which our common stock is then listed) on the last trading day prior to the applicable payment date. We may deliver cash in lieu of any fractional shares of common stock based on the closing price of our shares of common stock determined in accordance with the immediately preceding sentence.

The maximum aggregate number of shares of our common stock that we will issue in connection with payments, if any, in respect of our ESOARS is 300,000.

Reports and Notices

No later than 15 days after a given payment date, we will deliver to each holder a report relating to payments made on the applicable payment date. The report will set forth, with respect to the applicable payment period, information

such as:

the number of reference options exercised during the preceding calendar quarter;

the exercise price(s) at which the reference options were exercised;

the number of reference options forfeited, if any, upon the termination of any optionee's employment with us;

the number of reference options, if any, deemed modified pursuant to paragraphs 51-57 of FASB Statement No. 123R during the preceding calendar quarter and their cancellation value; and

the calculation of the payment with respect to each ESOARS Unit.

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Mergers and Similar Transactions Permitted; No Control Rights

The ESOARS do not restrict our ability to merge or consolidate with, or sell all or substantially all of our assets to, another corporation or other entity, or engage in any other transactions. If at any time we merge or consolidate with, or sell all or substantially all of our assets to another corporation or other entity, the successor entity may assume our obligations with respect to the ESOARS. We will then be relieved of any further obligation with respect to the ESOARS. In addition, subject to applicable law and the terms of our stock option plans and any stock option agreements covering the reference options, we and an acquirer of us or all or substantially all of our assets may determine to terminate or modify the reference options. In such case, we will appoint an independent valuation agent to determine the cancellation value of the modified or terminated reference options, as described under Modification of Reference Options below.

Holders will not have any control or other rights with respect to our employees who were granted reference options, including any control as to whether or not such employee optionees exercise any reference options.

Modification of Reference Options

If one or more reference options is modified or canceled (pursuant to Section 2.5 of our 2005 Stock Option and Incentive Plan) in a manner that would be treated as a modification pursuant to paragraphs 51-57 of FASB Statement No. 123R, Share-Based Payment, then we will pay in respect of each ESOARS Unit an amount equal to the cancellation value of the modified reference option(s) divided by the number of shares of our common stock underlying reference options that have not been forfeited prior to vesting.

We will deposit the applicable amount payable to holders of ESOARS on or before the fifth business day of the month following the end of each calendar quarter in which a qualifying modification occurs. Payment to holders of ESOARS will occur on or before the 15th day of the month (or, if any such day is not a business day, then on the next business day) following the end of the calendar quarter in which such modification occurred. The cancellation value of the modified reference options will be determined by an independent valuation agent appointed by us.

The reference options will also be considered to be modified and we will follow the procedures contained in the immediately preceding paragraph with respect to determination and payment of cancellation value, upon the occurrence of specified events, including without limitation:

a liquidation, dissolution or winding up of us;

any consolidation or merger of us with or into any other corporation or other entity, or any other corporate reorganization in which our stockholders immediately prior to such consolidation, merger or reorganization own less than 50% of the surviving entity's voting power immediately after such consolidation, merger or reorganization; and

a sale or other disposition to a third party of all or substantially all of our assets.

Amendment

The ESOARS may be amended or supplemented, and any existing default or non-compliance with any provision of the ESOARS may be waived, with the consent of persons holding at least a majority of the ESOARS then outstanding. Notwithstanding the foregoing, the ESOARS may be amended or supplemented, without the consent of any holder of ESOARS, in order to cure any ambiguity, defect, omission or inconsistency in the certificate evidencing the ESOARS.

Governing Law

The ESOARS will be governed by the laws of the State of New York.

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THE AUCTION PROCESS

The method of distribution that we will use in this offering is an auction, which will be conducted by Zions Direct, Inc., our auction agent. The public offering price for our ESOARS and the allocation thereof will be determined by the auction process. The auction will be modeled after that used by the United States Treasury Department, with some notable differences, some of which are described below. The auction will be held on the website www.auctions.zionsdirect.com, which also contains the rules that govern the auction. The following describes how our auction agent will conduct the auction.

Date, Time and Location of Auction

The auction will open at 5:00 p.m., E.D.T., on May 4, 2007 and will close at 3:30 p.m., E.D.T., on May 7, 2007, unless extended as described under Bidding Auction Process; Irrevocability of Bids. The auction will be hosted on the internet website www.auctions.zionsdirect.com.

Bidders that have registered prior to the opening of the auction may place bids prior to the opening of the auction as described below in Early Bids.

Qualification of Bidders; Suitability

Our objective is to conduct an auction in which you submit informed bids.

Prospective bidders that want to bid for our ESOARS will, by registering with the website www.auctions.zionsdirect.com, automatically qualify to bid for up to a bid limit of \$20,000. Prospective bidders who want to bid for more than that amount may contact us by telephone at (800) 524-8875 or by e-mail at auctions@zionsdirect.com to request a greater bid limit. Any decision to increase a bidder's bid limit, upon such request, will be in our sole and absolute discretion. To ensure that we will have sufficient time to process requests for an increase in a bidder's automatically assigned bid limit prior to the end of the auction, requests must be made prior to the start of the auction. If you request an increase in your bid limit after the start of the auction, we cannot assure you that we can or will process this request prior to the end of the auction. Bidders may be required to submit specified financial information in order to establish bid limits greater than \$20,000 and the suitability of the bidder for a larger investment in our ESOARS. We or our auction agent may contact such bidders to request any other pertinent information that we or our auction agent require to establish the bid limit and the suitability of such bidder.

Bidders that registered for the auction of our Employee Stock Option Appreciation Rights Securities, Series 2006 will be able to bid for up to their previously assigned bid limit.

We caution you that our ESOARS may not be a suitable investment for you even if you qualify to participate in the auction. Moreover, even if you qualify to participate in the auction and place a bid, you may not receive an allocation of ESOARS in our offering for a number of reasons described below.

No employees of Zions Direct, our auction agent, will be allowed to participate in the auction. Additionally, specified employees of us and some of our other affiliates will not be allowed to participate in the auction. Some of these employees include specified executive officers, our stock option plan administrators, anyone involved in the creation and structuring of our ESOARS and employees involved in the auction process.

Registration

A prospective bidder should register electronically at www.auctions.zionsdirect.com. A prospective bidder registers by:

providing all of the information required by the Bidder Registration Form found at www.auctions.zionsdirect.com, and

submitting that fully-completed form to our auction agent through www.auctions.zionsdirect.com.

During the registration process, each prospective bidder will select a user identification, or user ID, and password to access the bid page on www.auctions.zionsdirect.com and to submit bids in the auction.

In connection with the registration process, prospective bidders will be required to answer certain questions that indicate that such bidder has accessed or received the offering materials and understands the risk of investing in ESOARS and that ESOARS are suitable for such bidder. In addition, by registering to bid in the auction, a prospective bidder represents and warrants to us that such bidder's bid is submitted for and on behalf of such prospective bidder by himself, herself or itself, as applicable, or by an officer or agent who is duly authorized to bind the prospective bidder

to a legal, valid and enforceable contract with respect to the bid for, and purchase of, our ESOARS .

We will confirm by e-mail a prospective bidder s successful registration. A prospective bidder is not obligated to submit a bid in the auction simply because that bidder has registered to bid in the auction.

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Each prospective bidder will be solely responsible for making necessary arrangements to access www.auctions.zionsdirect.com for purposes of submitting its bid in a timely manner and in compliance with the requirements described in this prospectus supplement.

Bid Limit

Individuals and institutions registered at www.auctions.zionsdirect.com will be able to participate in the auction.

In order to ensure a broad participation in this offering, we or our auction agent will assign to each bidder a bid limit. The auction website allows a bidder to place up to five separate, concurrent bids. A bidder will not be able to place aggregate in-the-money bids that exceed that bidder's bid limit (as described below).

Prospective bidders registering to bid on ESOARS for the first time on the website www.auctions.zionsdirect.com will automatically qualify to bid for up to a bid limit of \$20,000. Prospective bidders who want to bid for more than that amount may contact us by telephone at (800) 524-8875 or by e-mail at auctions@zionsdirect.com to request a greater bid limit. Any decision to increase a bidder's bid limit, upon such request, will be in our sole and absolute discretion. A bidder's bid limit will in no event exceed \$500,000. A bidder will not be able to place a bid that exceeds that bidder's bid limit.

Bidding Auction Process; Irrevocability of Bids

The auction will open at 5:00 p.m., E.D.T., on May 4, 2007 and will close at 3:30 p.m., E.D.T., on May 7, 2007, unless extended as described below. Bids must be submitted electronically at www.auctions.zionsdirect.com, except as described below in Early Bids. Each prospective bidder will be solely responsible for registering to bid at www.auctions.zionsdirect.com as described above.

You will not be able to bid in the auction unless you have registered on www.auctions.zionsdirect.com. Each bidder will be able to access the auction beginning at 5:00 p.m., E.D.T., on May 4, 2007, using the user ID and password obtained at the time of registration.

The minimum size of a bid is one whole ESOARS Unit. You will not be allowed to bid for fractional ESOARS Units. We reserve the right in our sole discretion to reject any bid that we deem to be manipulative, mistaken or made due to a misunderstanding of our ESOARS on the part of the bidder. We reserve this right in order to preserve the integrity of the auction process.

You should be aware that your bid will be generally binding on you once you submit and confirm it. Unless you change a bid to increase the resulting net value of your bid as described below, you will not thereafter be able to retract or cancel that bid. Once you have posted and confirmed a bid, you may not then lower the bid price or lower the number of ESOARS Units bid for. You will be able to only:

increase the number of ESOARS Units that you are interested in purchasing; or

increase the bid price per ESOARS Unit that you are willing to pay; or

both.

Each bidder may place up to five separate, concurrent bids. Each bid may be made for different numbers of ESOARS Units and for different bid prices. A bidder who has one active bid will be able to bid up to his bid limit in that one bid. However, if a bidder has more than one active bid, the aggregate amount of in-the-money bids (as described below) cannot exceed that bidder's bid limit. The bid limit is allocated first to the highest price per unit bid multiplied by the number of ESOARS Units bid at that price. Any remaining bid limit is then allocated to the next highest price per unit bid multiplied by the number of ESOARS Units bid at that price, and so on until the bid limit assigned to that bidder has been reached. The bids of a bidder who has placed multiple bids may be deemed to be in-the-money only to the extent that (1) the bid price is at or above the market-clearing price and (2) the aggregate dollar amount of the multiple bids that are in-the-money is less than or equal to that bidder's bid limit. **In short, the maximum number of ESOARS Units that a bidder may be allocated will be those ESOARS Units designated as in-the-money by the auction website.**

Each separate bid may be modified as described above in order to increase the number of ESOARS Units bid for or to increase the bid price, or both. There is no limit to the number of times that a bidder may improve an individual bid. In no event will a bidder be allowed to submit or modify a bid in a manner that would result in a reduction in that

bidder's aggregate number of ESOARS Units that are currently designated as in-the-money. A modification of one bid does not modify any other bid. Because each bid is independent of any other bid, each bid may result in an allocation of ESOARS Units; consequently, the sum of a bidder's bid sizes should be no more than the total number of ESOARS Units the bidder is willing to purchase.

Once the auction begins, all bidders that have registered may submit bids only through www.auctions.zionsdirect.com.

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You should consider all the information in this prospectus supplement and the accompanying base prospectus in determining whether to submit a bid, the number of ESOARS Units you are interested in purchasing and the price per ESOARS Unit that you are willing to pay.

In connection with submitting a bid, you must log on to www.auctions.zionsdirect.com and do the following:
state the number of ESOARS Units that you are interested in purchasing;

state the purchase price per ESOARS Unit that you are willing to pay; and

review your bid to ensure accuracy, then confirm that bid.

Once an investor:

places a bid on www.auctions.zionsdirect.com, and

confirms that bid on www.auctions.zionsdirect.com,

that bid will constitute an irrevocable offer to purchase our ESOARS Units (except as set forth above), on the terms provided for in the bid.

For purposes of the electronic bidding process at www.auctions.zionsdirect.com, the time as maintained on www.auctions.zionsdirect.com will constitute the official time of a bid. Bidders will be able to monitor the status of their bids as described more fully below. Bids submitted on www.auctions.zionsdirect.com must be received by us before 3:30 p.m., E.D.T., on May 7, 2007, which is when the auction ends, unless the auction is extended as described in the next succeeding paragraph.

If any bid is received in the final two minutes of the auction that would change the allocation of ESOARS Units if the auction were closed at such time, the auction will automatically be extended two minutes from the receipt of such bid. There is no limit on the number of two-minute periods by which the auction may be extended.

While the auction platform has been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, it is impossible for us to predict the response of the investing public to this offering. Bidders should be aware that if enough bidders try to access the platform and submit bids simultaneously, there may be a delay in receiving and/or processing their bids. Bidders should be aware that auction website capacity limits may prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly. We make no guarantee that any submitted bid will be received, processed and accepted during the auction process.

The auction is modeled after that used by the United States Treasury, with some notable differences. The auction will be an open auction, with bidders being updated on the status of their bids relative to other bidders, as described in this paragraph. **At no point during the auction, however, will bidders have access to other bidders' actual bids, and at no point will bidders have access to other bidders' identities.** After submission and confirmation of bid quantity and price, the www.auctions.zionsdirect.com web page will indicate whether that bid is at that time in a winning position, or in-the-money. If a bid is in-the-money at a particular point in time during the auction, that means that, if the auction ended at that particular time, the number of in-the-money ESOARS Units of that bidder's bid would be accepted. In order for a bid to be accepted, a bid must be in-the-money at the close of the auction. In order to monitor the progress of the auction, bidders may need to manually refresh the bid page to see whether their status has changed. This process will continue until the end of the auction, at which point our auction agent will review the submitted bids and determine the auction winners and allocations. See Risk Factors Risks Related to the Auction Process beginning on page S-8 of this prospectus supplement.

Neither we nor our auction agent have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither we nor our auction agent will be responsible for a bidder's failure to register to bid or for proper operation of www.auctions.zionsdirect.com, or have any liability for any delays or interruptions of, or any damages caused by, www.auctions.zionsdirect.com.

Early Bids

As a convenience to bidders, we will accept early bids from bidders that have registered prior to the opening of the auction, within the registration and bidding parameters described herein. We will accept early bids that we receive prior to the opening of the auction. You may submit an early bid by facsimile, e-mail or mail as follows:

facsimile at (888) 264-6188;

e-mail sent to auctions@zionsdirect.com; or

mail sent to Zions Direct, Attention: ESOARS , One South Main, 17th Floor, Salt Lake City, Utah 84111.
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Each bid submitted as provided in the preceding sentence must be written on an Early Bid Submission Form, which you can request that we send you by facsimile or e-mail, and must include:

your user ID and password;

the number of ESOARS Units bid for;

the proposed purchase price of each ESOARS Unit bid for; and

the bid total purchase price of the ESOARS Units bid for.

All of the terms and conditions of the auction described in this prospectus supplement will apply to eligible bidders who submit early bids. In particular, you should know that if you submit an early bid, it will be deemed submitted and confirmed at the time that you actually submit your early bid, notwithstanding that you may, for example, want to revoke your early bid before the opening of the auction. You will be able to amend your early bid only as permitted above in Bidding Auction Process; Irrevocability of Bids.

If you submit an early bid before you have registered to participate in the auction, your bid will not be processed. We will enter early bids on behalf of early bidders as soon as practicable after the opening of the auction. We do not assume any responsibility or liability from the failure of any facsimile, e-mail or mail transmission (whether such failure arises from equipment failure, communications failure or otherwise). We do not assume any responsibility or liability from our or our auction agent's failure to accurately submit an early bid in the auction on your behalf. To ensure that your bid is accurately placed, you should submit your bid on www.auctions.zionsdirect.com during the auction.

Market-Clearing Price

The market-clearing price for our ESOARS Units will be the highest price at which all of the ESOARS Units offered hereunder are sold. We will determine this price by moving down the list of accepted bids in descending order of bid price until the total quantity of ESOARS Units bid for is greater than or equal to the 99,418 ESOARS Units being offered hereunder.

For example, assume that 100,000 ESOARS Units are being offered and that the following bidders have bid as follows:

Bidder	ESOARS Units Represented by Bid	Bid Price
A	50,000	\$100.00
B	50,000	\$ 75.00
C	50,000	\$ 50.00

In this example, \$100.00 is not the market-clearing price because only 50,000 of the ESOARS Units offered could be sold at that price. Furthermore, \$50.00 is not the market-clearing price because, although all of the ESOARS Units being offered are sold for prices over \$50.00, this is not the highest price at which all of the ESOARS Units offered could be sold. Instead, all of the ESOARS Units being offered in this example would be sold at the higher price of \$75.00. Therefore, \$75.00 is the market-clearing price in this example.

The entire issue of ESOARS Units would be sold at the market-clearing price (similar to the United States Treasury auction). Therefore, in the example above, all of the ESOARS Units sold, even those that were bid for at \$100.00, would have been sold for \$75.00. We caution you that the market-clearing price may have little or no relationship to the price that would be established using other indicators of value. The scenario above is an example only and should not be considered indicative of an appropriate or likely market-clearing price of our ESOARS Units.

Allocation

Once the market-clearing price of our ESOARS Units has been determined, our auction agent will begin the allocation process. Bidders bidding above the market-clearing price will be allocated the entire quantity of ESOARS Units for which they bid; however, in no event will a bidder be allowed to purchase more ESOARS Units than the lesser of (1) the number of ESOARS Units that that bidder's bid limit would purchase and (2) the total number of ESOARS Units of that bidder's bid designated as in-the-money by the auction website. In the event that multiple bidders bid at the market-clearing price and the total quantity of ESOARS Units for which they have bid exceeds the number of

available ESOARS Units not allocated to higher bidders, the auction agent will determine the *pro rata* percentage of the remaining ESOARS Units to be allocated to such bidders by dividing:

the number of ESOARS Units not previously allocated to higher bidders, by

the total number of ESOARS Units bid for at the market-clearing price.

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The auction agent will then allocate to each such bidder a number of the remaining ESOARS Units equal to: the *pro rata* percentage, multiplied by

the number of ESOARS Units bid for by each such bidder at the market-clearing price, rounded up to the nearest whole number of ESOARS Units.

For example, assume again that 100,000 ESOARS Units are being offered and that the following bidders have again bid as follows:

Bidder	ESOARS Units Represented by Bid	Bid Price
A	50,000	\$100.00
B	50,000	\$ 75.00
C	50,000	\$ 75.00

In this example, \$75.00 is the market-clearing price because it is the highest price at which all of the ESOARS Units offered could be sold. Therefore, Bidder A is allocated all 50,000 ESOARS Units bid for. This leaves 50,000 ESOARS Units to be allocated to the bidders that bid at the market-clearing price. However, Bidder B and Bidder C bid for an aggregate of 100,000 ESOARS Units. Therefore, the remaining 50,000 ESOARS Units are allocated on a *pro rata* basis to Bidder B and Bidder C. In this example, because Bidder B and Bidder C bid identically, each is allocated 25,000 ESOARS Units. This scenario is an example only and should not be considered indicative of an appropriate or likely market-clearing price for our ESOARS .

In the event that a single bidder bids at the market-clearing price but the available quantity is less than that for which the bidder bid, the bidder will receive the available quantity. If an allocation of our ESOARS Units to a bidder would result in the issuance of a fractional ESOARS Unit to that bidder, then we will round up to a whole ESOARS Unit.

We reserve the right to alter the method of allocation of the ESOARS Units as we deem necessary to ensure a fair and orderly distribution.

Results of Auction and Bid Acceptance

Bidders may view the results of the auction on www.auctions.zionsdirect.com. You should be aware that the auction agent will accept successful bids by sending an electronic notice of acceptance and that bidders who submitted successful bids will be obligated to purchase the ESOARS Units allocated to them, regardless of whether they are aware that the electronic notice of acceptance has been sent.

Settlement

We expect that settlement will take place three business days following the conclusion of the auction and the allocation of our ESOARS . Institutional customers will settle delivery versus payment through their Zions Direct account. Winning bidders who are individuals and who do not have an account with Zions Direct will be required to open such an account, or arrange for their primary broker to enter into a selling group agreement with Zions Direct, in order to facilitate delivery and payment for their ESOARS Units. Zions Direct will make a suitability determination with respect to those winning bidders seeking to open a Zions Direct account.

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ZIONS BANCORPORATION 2005 STOCK OPTION AND INCENTIVE PLAN

We issued each of the reference options pursuant to our 2005 Stock Option and Incentive Plan dated effective as of May 6, 2005 (the Incentive Plan). We filed a copy of our Incentive Plan as Exhibit 4.7 to our Registration Statement on Form S-8, which we filed with the SEC on May 6, 2005. We have attached a copy of our Incentive Plan as Annex B of this prospectus supplement. We also filed a copy of our Standard Stock Option Award Agreement (the Standard Option Agreement) as Exhibit 10.5 to our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2005, which we filed with the SEC on May 5, 2005. We have attached a copy of our Standard Option Agreement as Annex C of this prospectus supplement. We issued substantially all of our reference options pursuant to the terms and conditions contained in the Standard Option Agreement.

The following description is only a summary of the material relevant provisions of our 2005 Stock Option and Incentive Plan. It does not restate the Incentive Plan in its entirety. This summary, as well as any other discussion of our Incentive Plan and our reference option grants in this prospectus supplement, is qualified by reference to the text of the Incentive Plan and the Standard Option Agreement. We urge you to read the Incentive Plan and the Standard Option Agreement, because they, and not this description or any other discussion in this prospectus supplement, define the terms under which an employee optionee may exercise a reference option.

Summary of Our 2005 Stock Option and Incentive Plan

Purpose. The purpose of the Incentive Plan is to promote our long-term success by providing an incentive for the officers, employees and directors of, and consultants and advisors to, us and our affiliates to acquire a proprietary interest in our success, to remain in our service or the service of our affiliates and to render superior performance during such service.

Administration. The Incentive Plan is administered by the executive compensation committee of our board of directors or a subcommittee thereof (the Committee). The Committee has the authority to:

- construe, interpret and implement the Incentive Plan;
- prescribe, amend and rescind rules and regulations relating to the Incentive Plan;
- make all determinations necessary or advisable in administering the Incentive Plan;
- correct any defect, supply any omission and reconcile any inconsistency in the Incentive Plan;
- amend the Incentive Plan to reflect changes in applicable law;
- determine whether awards may be settled in shares of our common stock, cash or other property;
- determine whether amounts payable under an award should be deferred; and
- make other determinations and take other actions relative to the Incentive Plan.

The determination of the Committee on all matters relating to the Incentive Plan or any award agreement is final and binding.

Eligibility. Acting and prospective directors, officers and employees of, and consultants and advisors to, us and our affiliates, as selected by the Committee in its discretion, are eligible to participate in the Incentive Plan.

Approximately 8,000 of our directors, officers and employees are eligible to participate; however, because the Incentive Plan provides for broad discretion in selecting grantees and in making awards, we cannot determine the total number of persons who may participate and the respective benefits to be accorded to them.

Shares of Common Stock Available for Issuance Through the Incentive Plan. Up to 8,900,000 shares of our common stock were initially authorized for issuance through the Incentive Plan. As of December 31, 2006, 6,630,337 of those shares remained available for issuance in connection with future stock option grants. Only 994,180 shares of our common stock are subject to reference options. See Description of Reference Options. Shares of our common stock may be issued under the Incentive Plan from authorized but unissued shares of our common stock or authorized

and issued shares of our common stock held in our treasury or otherwise acquired for the purposes of the Incentive Plan.

Provisions in our Incentive Plan permit the reuse or reissuance of shares of our common stock underlying forfeited, terminated or canceled awards of stock-based compensation. If awards or underlying shares of our common stock are tendered or withheld as payment for the exercise price of an award, then we may not reuse or issue, or otherwise treat as available under our Incentive Plan, the shares of our common stock. Any shares of our common stock delivered by us, any shares of common stock with respect to which awards under the Incentive Plan are made by us and any shares of common stock with respect to which we become obligated to make awards, through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, are not counted against the shares available for awards under the Incentive Plan.

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The Committee has the authority to adjust the terms of any outstanding awards and the number of shares of our common stock issuable under our Incentive Plan for any increase or decrease in the number of issued shares of common stock resulting from a stock split, reverse stock split, stock dividend, recapitalization, rights offering, combination or reclassification of the common shares, or other events affecting our capitalization.

Stock Options. The Committee has discretion to award to eligible employees:

incentive stock options (ISOs), which are intended to comply with Section 422 of the Internal Revenue Code of 1986, as amended, or

nonqualified stock options, which are not intended to comply with Section 422 of the Internal Revenue Code of 1986, as amended.

The Committee determines the number of shares of our common stock covered by the applicable option and the exercise period and exercise price of such option. However, the exercise period may not exceed ten years and the exercise price may not be less than the fair market value of a share of our common stock on the date the option is granted. The Committee has discretion to set such additional limitations, conditions and provisions on or relating to option grants as it deems appropriate.

Upon the exercise of an option granted under our Incentive Plan, the exercise price is payable in full to us either:
in cash or its equivalent;

by delivery of shares of our common stock having a fair market value at the time of exercise equal to all or a part of the exercise price (provided such shares have been held for at least six months prior to their tender); or

any other method approved by the Committee in its discretion.

Grantees of an option award generally will not have any of the rights of our shareholders with respect to shares subject to their award until the issuance of the shares.

Performance Goals. The Committee may grant awards under the Incentive Plan subject to the attainment of specified performance goals. The performance goals applicable to an award may provide for a targeted or measured level or levels of achievement or change using one or more of the following measures:

revenue;

earnings per share;

net income;

return on assets;

return on equity;

stock price;

economic profit or shareholder value added; and

total shareholder return.

Termination of Employment and Change in Control. The Incentive Plan determines the extent to which a grantee will have the right to exercise or obtain the benefits of an award or underlying shares following termination of the grantee's employment or service by or for us or our affiliates or upon a change in control of us, unless modified by the Committee with respect to an award.

The Incentive Plan provides that, unless the Committee determines otherwise at the time of an award, upon a change in control of us, the exercisability of, and the lapse of restrictions with respect to, the award will be accelerated, the exercise period, if any, of the award will be extended and, if so determined by the Committee, the

award may be cashed out. The termination and change in control provisions need not be uniform among all grantees and may reflect distinctions based on the reasons for termination of employment or service by or for us or our affiliates.

Adjustments and Amendments. The Incentive Plan provides for appropriate adjustments in the number and nature of shares of our common stock subject to awards and available for future awards and in the exercise price of options in the event of changes in our issued and outstanding common stock by reason of a merger, stock split or other specified events.

The Committee may amend the Incentive Plan at any time and for any purpose that the Committee deems appropriate. However, no amendment may adversely affect any outstanding awards in a material way without the affected holder's consent, except in specified circumstances.

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No Repricing or Reloads. Options issued under our Incentive Plan may not be repriced without the approval of our shareholders. The plan does not allow reload options to be issued upon exercise of outstanding options.

Nontransferability. Unless the Committee determines otherwise in specified circumstances, no award (including options) granted pursuant to, and no right to payment under, our Incentive Plan will be assignable or transferable by a grantee except by will or by the laws of descent and distribution, and any option or similar right will be exercisable during a grantee's lifetime only by the grantee or by the grantee's legal representative.

Duration of the Incentive Plan. Unless earlier terminated by our board of directors, our Incentive Plan will terminate on the tenth anniversary of adoption of the plan by our board of directors; provided, however, that the terms of our Incentive Plan will continue to govern until all then-outstanding options granted thereunder have been satisfied or terminated pursuant to the terms of the Incentive Plan, and all restricted periods and performance periods have lapsed.

Federal Income Tax Consequences to Employees With Respect to Stock Options

Incentive Stock Options. A grantee will not be subject to tax upon the grant of an ISO, or, generally, upon the exercise of an ISO. However, the excess of the fair market value of the shares of our common stock on the date of exercise over the exercise price paid will generally be included in the grantee's alternative minimum taxable income. Whether a grantee is subject to the alternative minimum tax will depend on his or her particular circumstances. Following exercise of an ISO, if a grantee disposes of the shares of our common stock acquired upon exercise of an option on or after the later of:

the second anniversary of the date of grant of the ISO, and

the first anniversary of the date of exercise of the ISO (the statutory holding period),

then the grantee will recognize a capital gain or loss in an amount equal to the difference between the amount realized on such disposition and the grantee's basis in the shares. If the grantee disposes of those shares before the end of the statutory holding period, he or she will have engaged in a disqualifying disposition. As a result, the disposition will be subject to tax:

on the excess of the fair market value of the shares on the date of exercise (or the amount realized on the disqualifying disposition, if less) over the exercise price paid, as ordinary income, and

on the excess, if any, of the amount realized on such disqualifying disposition over the fair market value of the shares on the date of exercise, as capital gain.

If the amount a grantee realizes from a disqualifying disposition is less than the exercise price paid and the loss sustained upon such disposition would otherwise be recognized, the grantee will not recognize any ordinary income from such disqualifying disposition and instead will recognize a capital loss. In the event of a disqualifying disposition, the amount recognized by the grantee as ordinary income is generally deductible by us. We are currently not obligated to withhold income or other employment taxes upon a disqualifying disposition of an ISO.

Nonstatutory Stock Options. A grantee will not be subject to tax upon the grant of an option which is not intended to be (or does not qualify as) an ISO (a nonstatutory stock option). Upon exercise of a nonstatutory stock option, an amount equal to the excess of the fair market value of the shares acquired on the date of exercise over the exercise price paid is taxable to the grantee as ordinary income, and such amount is generally deductible by us. This amount of income will be subject to income tax and employment tax withholding.

Table of Contents**DESCRIPTION OF REFERENCE OPTIONS**

Our board of directors approved the reference options on May 4, 2007. The board approved the granting of 994,180 options. The exercise price of \$83.25 per share was set at the market closing price on May 4, 2007. One-third of the reference options vest on the grant date anniversary in each of the first three years. There are no other vesting conditions. The vesting conditions are identical for all reference options. The reference options expire seven years after the grant date, on May 3, 2014.

Some of the granted options will be classified as incentive stock options, with the remainder classified as non-qualified options. In general, incentive and non-qualified differ as to their tax consequences for the option grantee. Other than the classification of our reference options as incentive or non-qualified options, the reference options are identical. There are no differences in terms, including vesting, termination or cancellation.

The Standard Option Agreement, under which we issued substantially all of the reference options, generally provides that the reference options will terminate immediately upon:

the employee's termination of his or her employment with us for any reason, or

our termination of that employee's employment for cause.

The following table shows the allocation of the reference options among employee groups.

	Number of Employees	Number of Reference Options Granted
Executives(1)	47	688,427
Upper-level Managers(2)	56	226,853
Mid-level Managers & Other Top Performers(3)	46	78,900
Total	149	994,180

(1) Refers primarily to our Chief Executive Officer, our Chief Financial Officer, Chief Executive Officers of our affiliate banks and Executive Vice Presidents of Zions Bancorporation and our affiliate banks.

(2) Refers primarily to non-executive managers having a change in control

provision in
their
employment
contract.

- (3) Includes all
other employees
receiving
options.

Of the 149 employees who were granted reference options, 41 employees (receiving options relating to an aggregate of 360,997 shares of our common stock) were eligible for retirement under the terms of our 2005 Stock Option and Incentive Plan at the date of grant. By contrast, of the 121 employees who were granted options in connection with our May 1, 2006 grant of options, 32 employees (receiving options relating to an aggregate of 312,060 shares of our common stock) were eligible for retirement under the terms of our 2005 Stock Option and Incentive Plan at the date of grant. Some of these option grantees may have negotiated separate employment contracts that may have retirement provisions that differ from those in our 2005 Stock Option and Incentive Plan.

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HISTORICAL STOCK OPTION EXERCISE DATA

The tables, charts and graphs shown on the following pages are select summaries of our past large option grants and the exercise behavior of our employee recipients of those options. The data from which these select summaries are derived is available at www.auctions.zionsdirect.com. The information and materials found on that website are not part of this prospectus supplement and are not incorporated by reference into this prospectus supplement. While we have attempted to summarize this data in a useful way, you should determine its usefulness for yourself. Also, you may determine that alternative analyses of the data are more useful.

Our option grants and incentive option plans have varied in material ways over time. The composition of the group of employees in terms of specific individuals and rank and/or title of individuals has also varied over time. For example, prior to 2005, we granted a larger number of stock options to more varied groups of employees. To illustrate, we have granted:

1,473,270 stock options in 2001;

1,577,550 stock options in 2002;

1,463,450 stock options in 2003; and

1,699,750 stock options in 2004.

However, we granted only:

741,941 stock options in 2005;

936,024 stock options in 2006; and

994,180 stock options in 2007.

The number of individuals to whom we have issued stock options has also recently declined. The following shows the number of persons to whom we have granted stock option grants for the past four years:

for 2004, 879 individuals;

for 2005, 102 individuals, mainly executives and upper-level managers;

for 2006, 121 individuals, mainly executives and upper-level managers; and

for 2007, 149 individuals, mainly executives and upper-level managers.

Also, we granted shares of restricted stock to 615 employees in 2005 and 888 employees in 2006, in each case mostly in middle management.

The pattern of exercise of the reference options may differ significantly from that of options granted in years 2004 and earlier, as the composition of the employee group receiving options changed significantly. Additionally, the terms of our option plans have varied over time with respect to, among other things, vesting, expiration date and employment termination conditions. Because of these and other differences between our previous option grants and the May 4, 2007 grant of the reference options, you should consider this past exercise behavior as general background information only. You should not consider that it is necessarily indicative of future exercise behavior, nor should you necessarily rely on it for precise analysis.

The option grants summarized below represent summaries of the large option grants that we have made annually to select employees. From time to time throughout each year, we have also made additional, smaller option grants largely to newly-hired employees. We do not reflect these additional, smaller option grants in the tables, charts and graphs below. We also do not reflect option grants to our directors and option grants made pursuant to our You're the Owner program, which program has been discontinued. In 2000, we made two sizeable option grants, summaries for each of which we have provided below.

The summary for each grant contains brief information about the key vesting conditions and the length of time until expiration. You can find additional details regarding the option terms by reading our previous form of option award agreements and stock option plans under which we have granted the options described in this section, which we have filed with the SEC. See *Where You Can Find More Information* on page iv of this prospectus supplement.

Grant Summary Table. The *Grant Summary* table for each year (or, in the case of 2000, for the applicable grant date) contains summary information regarding the grant date, number of options granted, grant price, the number of options exercised and the number of options canceled. The *Grant Date* is the date on which our board of directors approved the granting of the options.

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The Grant Price is the exercise, or strike, price of the options granted and is equal to the closing market price of our common stock on the date of the option grant. The number of options exercised is equal to the number of the granted options exercised, and in the case of option grants that have not expired, it is the number exercised through March 31, 2007. Canceled options represent vested options that were not exercised (in the case of grants that have expired) or options that will not be exercised (in the case of options that have not expired). Typically, canceled options result upon termination of employment. Holders of ESOARS will not receive any payments with respect to any vested reference options that are canceled as a result of the termination of an employee's employment with us.

Exercise by Year Table. The Exercise by Year table for each year (or, in the case of 2000, for the applicable grant date) contains year-by-year summary information regarding the number of options exercised, the weighted average market value at which they were exercised, the dollar value realized from the exercises and the cumulative percentage of options exercised. The number of options exercised represents the options exercised during the calendar year. Note that due to vesting provisions and the expiration of the options on the option grant date anniversary, exercises will not occur throughout the entirety of the calendar year in the initial and final calendar year of the period during which the reference options may be exercised. We computed the figures in the Weighted Average Market Value at Exercise column by:

 multiplying each option exercised in a given year by the price at which it was exercised;

 summing all such products for all of the exercises in the calendar year; and

 dividing that sum by:

 the number of options exercised during said calendar year.

We obtained the figures in the \$Value Realized column by multiplying, for each option exercise:

 the number of options exercised

by the difference between:

 the price at which they were exercised, and

 the grant price (also known as the exercise, or strike, price).

We arrived at the figures in the Cumulative % Exercised column for a given year by taking:

 the sum of all options exercised in that year and prior years,

divided by:

 the total number of options that we granted.

Cumulative Exercise Graph. The Cumulative Exercise graph for each year (or, in the case of 2000, for the applicable grant date) contains the cumulative options exercised over time, as well as the cumulative dollar value realized over time. The graphs start with the first anniversary of the grant date, which is the first date at which options may be exercised, and end with the expiration of the option period. We created the graph for the cumulative percentage of stock options exercised by plotting the numbers derived by:

 dividing the cumulative options exercised for each day covered by the graph, by

 the total number of options granted.

We created the graph for cumulative dollar value realized by plotting the cumulative dollar value realized for each day covered by the graph. We obtained the amount of dollar value realized by multiplying for each option exercise:

 the number of options exercised,

by the difference between:

 the price at which those options were exercised, and

 the grant price (also known as the exercise, or strike, price).

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The cumulative dollar value realized is the sum of the dollar value realized starting with the first anniversary of the option grant up to the day represented by each point in the graph. For grants that have not yet expired, the scale for cumulative dollar value realized is chosen to scale the graph approximately in line with the cumulative percent exercised and should not be interpreted as indicative of the final cumulative value that will be realized. The final cumulative value that will be realized with respect to unexpired grants is unknown.

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Table of Contents**Zions Bancorporation March 18, 1994 Option Grant****Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

		Grant Summary			
Grant Date	Granted	Grant Price	Exercised	Canceled	
3/18/1994	397,000	\$9.94	364,996	17,252	

		Exercise by Year			
		Weighted Average Market Value at	\$ Value Realized	Cumulative %	
Year	Number Exercised	Exercise		Exercised	
1995	17,988	\$14.36	\$ 79,523	4.5%	
1996	43,696	\$20.30	\$ 452,702	15.5%	
1997	85,430	\$32.78	\$ 1,950,829	37.1%	
1998	101,213	\$50.32	\$ 4,086,678	62.6%	
1999	79,273	\$63.46	\$ 4,242,491	82.5%	
2000	37,396	\$48.03	\$ 1,424,380	91.9%	
Total	364,996		\$12,236,602		

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Table of ContentsZions Bancorporation April 28, 1995 Option Grant**Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

Grant Summary				
Grant Date	Granted	Grant Price	Exercised	Canceled
4/28/1995	277,700	\$ 10.66	260,920	3,005

Exercise by Year				
Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
1996	14,792	\$ 19.96	\$ 137,621	5.3%
1997	33,128	\$ 33.57	\$ 758,957	17.3%
1998	55,300	\$ 50.58	\$ 2,207,844	37.2%
1999	76,464	\$ 63.04	\$ 4,005,034	64.7%
2000	38,932	\$ 44.73	\$ 1,326,378	78.7%
2001	42,304	\$ 53.20	\$ 1,799,401	94.0%
Total	260,920		\$ 10,235,235	

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Table of ContentsZions Bancorporation March 8, 1996 Option Grant**Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

Grant Date	Granted	Grant Summary Grant Price	Exercised	Canceled
3/8/1996	348,700	\$18.13	315,936	7,664

Year	Number Exercised	Exercise by Year		Cumulative % Exercised
		Weighted Average Market Value at Exercise	\$ Value Realized	
1997	20,732	\$35.05	\$ 350,763	5.9%
1998	52,405	\$50.78	\$ 1,710,853	21.0%
1999	60,741	\$63.08	\$ 2,730,358	38.4%
2000	45,367	\$47.67	\$ 1,340,075	51.4%
2001	54,893	\$53.23	\$ 1,926,983	67.1%
2002	81,798	\$51.69	\$ 2,744,823	90.6%
Total	315,936		\$10,803,854	

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Table of ContentsZions Bancorporation March 21, 1997 Option Grant**Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

		Grant Summary			
Grant Date	Granted	Grant Price	Exercised	Canceled	
3/21/1997	456,100	\$31.00	405,084	12,091	
		Exercise by Year			
		Weighted			
		Average			
		Market Value			Cumulative
		at			%
Year	Number Exercised	Exercise	\$ Value Realized		Exercised
1998	29,811	\$51.81	\$ 620,475		6.5%
1999	50,801	\$63.63	\$1,657,426		17.7%
2000	26,501	\$49.76	\$ 497,257		23.5%
2001	76,100	\$55.11	\$1,834,524		40.2%
2002	73,722	\$50.92	\$1,468,443		56.3%
2003	148,149	\$41.72	\$1,588,215		88.8%
Total	405,084		\$7,666,340		

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Table of ContentsZions Bancorporation April 24, 1998 Option Grant**Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

		Grant Summary			
Grant Date	Granted	Grant Price	Exercised	Canceled	
4/24/1998	624,725	\$48.50	461,382	63,518	
		Exercise by Year			
		Weighted			
		Average			
		Market Value			Cumulative
		at			%
Year	Number Exercised	Exercise	\$ Value Realized	Exercised	
1999	19,148	\$63.14	\$ 280,383	3.1%	
2000	5,311	\$55.64	\$ 37,907	3.9%	
2001	57,644	\$56.77	\$ 476,595	13.1%	
2002	35,598	\$55.07	\$ 234,027	18.8%	
2003	127,250	\$58.18	\$1,231,706	39.2%	
2004	216,431	\$57.73	\$1,998,545	73.9%	
Total	461,382		\$4,259,163		

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Table of ContentsZions Bancorporation April 23, 1999 Option Grant**Grant Terms**

Vesting Vest 25% after each of first four years
 Term Expire after 6 years

Grant Date	Granted	Grant Summary Grant Price	Exercised	Canceled
4/23/1999	746,750	\$69.13	28,750	589,553

**Exercise by Year
Weighted Average**

Year	Number Exercised	Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2000	0	n/a	\$ 0	0.0%
2001	0	n/a	\$ 0	0.0%
2002	0	n/a	\$ 0	0.0%
2003	0	n/a	\$ 0	0.0%
2004	0	n/a	\$ 0	0.0%
2005	28,750	\$69.99	\$24,817	3.9%
Total	28,750		\$24,817	

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Table of ContentsZions Bancorporation March 31, 2000 Option Grant**Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Date	Granted	Grant Summary Grant Price	Exercised	Canceled
3/31/2000	947,500	\$41.63	780,805	45,358

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2001	49,144	\$55.72	\$ 692,907	5.2%
2002	81,606	\$55.74	\$ 1,151,915	13.8%
2003	219,646	\$56.57	\$ 3,281,856	37.0%
2004	161,142	\$61.62	\$ 3,222,213	54.0%
2005	138,234	\$71.65	\$ 4,149,930	68.6%
2006	45,527	\$80.64	\$ 1,776,266	73.4%
2007	85,506	\$85.48	\$ 3,749,623	82.4%
Total	780,805		\$18,024,710	

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Table of ContentsZions Bancorporation May 26, 2000 Option Grant**Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Date	Granted	Grant Summary Grant Price	Exercised	Canceled
5/26/2000	352,250	\$44.94	268,360	13,144

Year	Number Exercised	Exercise Weighted Average Market Value at	\$ Value Realized	Cumulative % Exercised
2001	13,339	\$56.72	\$ 157,129	3.8%
2002	28,386	\$54.89	\$ 282,633	11.8%
2003	83,642	\$56.81	\$ 993,150	35.6%
2004	63,565	\$61.41	\$1,047,166	53.6%
2005	31,682	\$70.19	\$ 800,086	62.6%
2006	19,478	\$81.09	\$ 704,720	68.2%
2007	28,268	\$84.64	\$1,122,446	76.2%
Total	268,360		\$5,106,880	

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Table of Contents**Zions Bancorporation April 20, 2001 Option Grant****Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Summary				
Grant Date	Granted	Grant Price	Exercised	Canceled
4/20/2001	1,473,270	\$54.35	904,481	89,167

Exercise by Year				
Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2002	2,648	\$55.88	\$ 4,039	0.2%
2003	90,827	\$59.72	\$ 487,349	6.3%
2004	348,693	\$62.91	\$ 2,986,146	30.0%
2005	245,027	\$70.57	\$ 3,973,886	46.6%
2006	137,335	\$80.64	\$ 3,609,863	56.0%
2007	79,751	\$85.40	\$ 2,482,824	61.4%
2008				
Total	904,481		\$13,544,107	

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Table of Contents**Zions Bancorporation April 26, 2002 Option Grant****Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Summary				
Grant Date	Granted	Grant Price	Exercised	Canceled
4/26/2002	1,577,550	\$53.72	930,406	27,993

Exercise by Year				
Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2003	64,510	\$60.43	\$ 432,709	4.1%
2004	258,272	\$62.71	\$ 2,322,646	20.5%
2005	370,094	\$70.90	\$ 6,356,924	43.9%
2006	141,743	\$80.78	\$ 3,835,482	52.9%
2007	95,787	\$85.38	\$ 3,032,792	59.0%
2008				
2009				
Total	930,406		\$15,980,553	

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Table of Contents**Zions Bancorporation January 22, 2003 Option Grant****Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Summary				
Grant Date	Granted	Grant Price	Exercised	Canceled
1/22/2003	1,463,450	\$42.00	887,536	17,062

Exercise by Year				
Year	Number Exercised	Weighted Average Market Value at Exercise	\$ValueRealized	Cumulative % Exercised
2004	220,278	\$61.11	\$ 4,209,737	15.1%
2005	294,362	\$69.59	\$ 8,121,154	35.2%
2006	260,506	\$80.49	\$10,025,774	53.0%
2007	112,390	\$84.86	\$ 4,816,855	60.6%
2008				
2009				
2010				
Total	887,536		\$27,173,519	

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Table of Contents**Zions Bancorporation April 30, 2004 Option Grant****Grant Terms**

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

		Grant Summary			
Grant Date	Granted	Grant Price	Exercised	Canceled	
4/30/2004	1,699,750	\$56.59	506,255	10,484	

		Exercise by Year			
Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative %	Exercised
2005	192,083	\$71.57	\$ 2,878,023	11.3%	
2006	230,066	\$81.21	\$ 5,665,296	24.8%	
2007	84,106	\$84.97	\$ 2,386,763	29.8%	
2008					
2009					
2010					
2011					
Total	506,255		\$10,930,083		

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Zions Bancorporation May 6, 2005 Option Grant

Grant Terms

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Summary				
Grant Date	Granted	Grant Price	Exercised	Canceled
5/6/2005	741,941	\$70.79	44,537	2,101

**Exercise by Year
 Weighted Average**

Year	Number Exercised	Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2006	17,207	\$81.96	\$192,144	2.3%
2007	27,330	\$85.48	\$401,382	6.0%
2008				
2009				
2010				
2011				
2012				
Total	44,537		\$593,525	

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Zions Bancorporation May 1, 2006 Option Grant

Grant Terms

Vesting Vest one-third after each of first three years
 Term Expire after 7 years

Grant Summary

Grant Date	Granted	Grant Price	Exercised	Canceled
5/1/2006	936,024	\$81.15	0	0

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	\$ Value Realized	Cumulative % Exercised
2007				
2008				
2009				
2010				
2011				
2012				
2013				
Total	0		\$ 0	

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Table of Contents**VALUATION OF RECENT STOCK OPTION GRANTS**

Prior to January 1, 2006, we accounted for our share-based compensation, including our stock options, under Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*, and related Interpretations, as permitted by SFAS No. 123, *Accounting for Stock-Based Compensation*. Accordingly, we did not record any compensation expense with respect to stock options granted prior to 2006, as the exercise price of the options was equal to the quoted market price of our common stock on the date of grant.

Effective January 1, 2006, we adopted SFAS No. 123R, *Share-Based Payment*, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the statement of income based on their fair values. This accounting utilizes a modified grant-date approach in which the fair value of an equity award is estimated on the grant date without regard to service or performance vesting conditions. We adopted SFAS No. 123R using the modified prospective transition method. Under this transition method, compensation expense is recognized beginning January 1, 2006 based on the requirements of SFAS No. 123R for all share-based payments granted after December 31, 2005, and based on the requirements of SFAS No. 123 for all awards granted to employees prior to January 1, 2006 that remain unvested as of that date.

SFAS No. 123R generally recognizes three approaches to stock option valuation:

a closed-form model such as the Black-Scholes option-pricing formula;

the binomial (lattice) method; and

market-based valuation.

We have used the Black-Scholes method to estimate the value of stock options and the *pro forma* share-based compensation. We believe that the Black-Scholes method is currently the most widely-used method of stock option valuation, and we have determined that it is the most appropriate method for our financial reporting purposes, pending the development of an acceptable market-based approach. Our ESOARS are designed to provide a basis for market-based valuation of stock options. We believe a market-based approach, such as that intended to be demonstrated by this offering of ESOARS, may ultimately provide a viable, if not superior, alternative to the Black-Scholes and binomial methods for valuing stock options.

The Black-Scholes model estimates the value of a stock option using various assumptions. The more significant assumptions used to apply this model include:

a weighted average risk-free interest rate;

a weighted average expected life;

an expected dividend yield; and

an expected volatility.

Use of these assumptions is subjective and requires judgment. Using the Black-Scholes model, in 2006, we recorded compensation expense of \$17,542,000 for stock options and reported in the footnotes to our financial statements that the *pro forma* share-based compensation expense of our stock options granted in 2005 and 2004, for all stock options awarded during those years, net of related tax effects, is as follows:

Year of Stock Options Grant	Pro Forma Share-Based Compensation Expense
2005	\$ 9,793,000
2004	\$12,503,000

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The following table summarizes the weighted average of fair value and the significant assumptions used in applying the Black-Scholes option-pricing model to compute the fair value of share-based compensation expense for our stock options granted in the years indicated:

	2006	2005	2004
Weighted average of fair value for options granted	\$15.02	\$15.33	\$11.85
Weighted average assumption used:			
Expected dividend yield	2.0%	2.0%	2.0%
Expected volatility	18.0%	25.0%	26.8%
Risk-free interest rate	4.95%	3.95%	3.11%
Expected life (in years)	4.1	4.1	3.8

Presented under the section **Historical Stock Option Exercise Data** in this prospectus supplement is information regarding specified historical option grants. In particular, grant and exercise information regarding only some of our large annual grants is presented in that section. In contrast, the information presented above in this section and reported in our financial statements pertains to all stock options granted during each year represented.

The following table is included for reference only and contains the weighted average grant price (or strike or exercise price) for all stock options granted in the respective years:

Year	Total Options Granted	Weighted Average Grant Price
2006	979,274	\$81.14
2005	912,905	\$71.37
2004	2,279,621	\$57.28

The Black-Scholes fair values shown above do not factor in the possibility that not all granted options will be exercised due to forfeiture, cancellation, termination, failure to exercise or other factors. Investors in ESOARS should consider both the valuation of the reference options granted as well as the number of options that will be exercised by our employees after vesting, because payments, if any, to holders of ESOARS are determined not only by our stock price movements, which the option valuation attempts to capture, but also by the actual exercise of the reference options by employees.

Under SFAS No. 123R, we are also required to estimate the pre-vesting forfeiture rate of our granted options in order to estimate our share-based compensation expense. The pre-vesting forfeiture rate is used to adjust the option grant value for the possibility that prior to vesting some options will not be exercised when an employee's employment is terminated and the options are canceled as a result. We then adjust this estimate over the vesting period to reconcile the original estimate to our actual experience. The effect of forfeiture of reference options prior to vesting on ESOARS is intended to be eliminated by adjusting payments in the vesting period for known pre-vesting forfeitures, by making an additional payment, if necessary, for payments made relating to the vesting period and by adjusting upward the payments, if any, made during the post-vesting period. See **Description of Our ESOARS** **Calculation of Payments**.

For additional information regarding the calculation of our share-based compensation expense using the Black-Scholes method, see the section entitled **Share-Based Compensation** on pages 38 and 39 of the Annual Report on Form 10-K for our fiscal year ended December 31, 2006, and Note 17 of the Notes to Consolidated Financial Statements also included in that Annual Report on Form 10-K.

There are many approaches to valuing stock options recognized by financial analysts in addition to those described above. Each method has its perceived strengths and weaknesses, and most rely on subjective judgments and the application of various assumptions that may or may not reflect the actual performance of stock options and relevant markets. Prospective investors are urged to make their own judgments and determinations as to the future performance of the reference options and the ESOARS in deciding whether to bid for the ESOARS and, if so, at what price.

Table of Contents**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of the material United States federal income tax consequences as of the date hereof expected to be applicable to the purchase, ownership and disposition of our ESOARS by U.S. Holders (as defined below), other than those in special situations or subject to special U.S. federal income tax rules. Except to the extent specified herein, any discussion herein of matters of U.S. federal income tax law or legal conclusions under U.S. federal income tax law constitutes the opinion of our counsel, Mayer, Brown, Rowe & Maw LLP.

Except where noted herein, this discussion addresses only ESOARS held as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the Code). Under section 1221 of the Code, a capital asset is, generally speaking, property that you hold for investment purposes. In addition, as noted above, this discussion does not address consequences that may apply to an investment in our ESOARS by investors in special situations or that are subject to special U.S. federal income tax rules. In particular, special U.S. federal income tax considerations may apply to an investment in our ESOARS by investors that are dealers or traders in securities, banks, tax-exempt investors, insurance companies, partnerships and other pass-through entities, non-resident alien individuals, non-U.S. corporations, other non-U.S. investors, and investors that have a functional currency other than the U.S. dollar. In addition, this summary does not describe any U.S. tax consequences of the purchase, ownership or disposition of our ESOARS arising under the laws of any state, locality or taxing jurisdiction other than the United States federal government. In general, this summary assumes that a holder acquires our ESOARS at original issuance and does not hold our ESOARS as part of a hedge, straddle, conversion transaction within the meaning of section 1258 of the Code, or other integrated investment constituting of one or more ESOARS Units and one or more other positions.

This summary is based on the United States tax laws, regulations, rulings, judicial and administrative decisions, and other authorities in effect or available on the date of this prospectus supplement. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of our ESOARS are urged to consult their own tax advisors as to U.S. federal income tax consequences in light of their particular situations of the purchase, ownership and disposition of our ESOARS, including the possible application of state, local, non-U.S. or other tax laws.

As used herein, the term U.S. Holder means a beneficial owner of our ESOARS who is, or is treated for U.S. federal income tax purposes as, a citizen or resident of the United States, a corporation or other entity created in or organized under the laws of the United States, or an estate or trust (other than a foreign estate or a foreign trust, each as defined in the Code). If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ESOARS, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships considering the purchase of our ESOARS are urged to consult their own tax advisors regarding the potential consequences to their partners of an investment in our ESOARS.

U.S. Federal Income Tax Characterization of Our ESOARS

There are no cases, Treasury regulations, revenue rulings or other binding authorities that directly address the U.S. federal income tax characterization of our ESOARS or of securities with terms substantially the same as those of our ESOARS. Accordingly, our counsel, Mayer, Brown, Rowe & Maw LLP, is unable to render an opinion as to that characterization or as to the proper method of reporting income and loss with respect to our ESOARS. In the absence of guidance, we intend to file information returns with the Internal Revenue Service reporting income with respect to our ESOARS settled in cash under a method analogous to the method applicable to income with respect to cash-settled call options and to report any income with respect to ESOARS settled for stock under a method analogous to the method for stock settled stock appreciation rights. However, the proper U.S. tax characterization of our ESOARS is uncertain, and therefore it is uncertain whether such method of reporting payments on our ESOARS would be proper. Other federal income tax characterizations of and methods of reporting payments on our ESOARS are possible, which if they applied could materially adversely affect the amount, timing and character of income or loss that is properly reportable with respect to our ESOARS as compared to the method reported by us. In general, a U.S. taxpayer may rely only on formal written opinions meeting specific regulatory requirements in order to avoid imposition of U.S. federal tax penalties. This summary does not meet those requirements. Therefore, if an alternative

treatment of our ESOARS applied, a U.S. Holder could be subject to U.S. federal tax penalties unless the holder obtained appropriate opinions from its own tax advisor and/or met certain other requirements.

Because of the uncertainty of treatment of income and loss in respect our ESOARS, prospective investors in our ESOARS are urged to consult their own tax advisors as to the proper classification and reporting of income and loss with respect to our ESOARS for U.S. federal income tax purposes.

Tax Treatment of U.S. Holders Under Our Proposed Tax Treatment for Holders

Under the method of reporting income that we will adopt for our ESOARS that is analogous to the method applicable to payments with respect to cash-settled call options or stock settled stock appreciation rights, a U.S. Holder of our ESOARS would treat our ESOARS as a series of cash-settled call options or stock settled stock appreciation rights exercisable by the holder for a portion of the number of shares of our common stock as relate to the reference options, but which call options or stock settled stock appreciation rights are each exercisable for a particular share only upon the exercise by the relevant employee of the related stock option. Thus, each cash-settled call option or stock settled stock appreciation rights embedded in an ESOARS Unit would be treated in a manner similar to a European style option that is exercisable only at a specific time.

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Under this method, a U.S. Holder should be required to allocate the amount paid for our ESOARS as option premium paid with respect to each stock option represented by our ESOARS. Because all of the reference options have the same exercise price and term, if we are required to take a position as to the appropriate allocation of a U.S. Holder's purchase price, we intend to take the position that the holder's purchase price should be allocated ratably to each reference option represented by the holder's ESOARS on the basis of the number of shares of our common stock represented by such reference option. Under this method, on receipt of a payment of cash or shares of our common stock with respect to our ESOARS, a U.S. Holder should recognize gain equal to the amount of the payment or fair market value of shares issued in settlement of the ESOARS less the portion of the purchase price paid for our ESOARS that was allocated to the related stock option that was deemed to have been exercised. In addition, the U.S. Holder generally should recognize a loss at the termination of the U.S. Holder's ESOARS in the amount of any remaining purchase price attributable to stock options represented by our ESOARS that were not deemed exercised during the term of the ESOARS.

Although the character of gain recognized with respect to a cash-settled call option on stock would normally be treated as capital gain, we expect it is more appropriate and intend to file information returns with the Internal Revenue Service reporting income and loss realized by a U.S. Holder with respect to our ESOARS as ordinary income and loss.

Sale, Exchange or Other Disposition of Our ESOARS

Under the method of reporting payments on our ESOARS analogous to the method applicable to payments with respect to cash-settled call options, a U.S. Holder would recognize gain or loss on the sale, exchange or other taxable disposition of our ESOARS in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's remaining tax basis in the ESOARS at the time of disposition (*i.e.*, the portion of the U.S. Holder's initial tax basis that was allocable to the stock options that remain unexercised at the time of the disposition). Such gain or loss should be capital gain or capital loss (and should be long-term capital gain or capital loss if the ESOARS were held for more than one year at the time of the disposition).

Alternative U.S. Federal Tax Characterizations of ESOARS

As stated above, our ESOARS may be properly characterized, and income and loss with respect to ESOARS may be properly reported, for U.S. federal income tax purposes under a different method. For example, income and loss with respect to our ESOARS may be properly reported under a method analogous to the method applicable to income and loss with respect to cash-settled forward contracts. Under such a method, the tax consequences for a U.S. Holder should generally be similar to the treatment of our ESOARS under the cash-settled call option method described above, although neither the proper recovery of the amount paid for our ESOARS nor the character of income or loss under this characterization is clear.

Although an argument could be made that our ESOARS should be treated as debt for U.S. federal tax purposes, we do not believe that ESOARS should be so treated because amounts to be paid with respect to our ESOARS are entirely contingent.

Similarly, we do not believe that our ESOARS should be treated as notional principal contracts (*i.e.*, swaps) because they do not provide for periodic payments based on an index and a single notional amount. However, the Internal Revenue Service could assert that position.

Finally, in light of the absence of relevant authorities, it may be appropriate to report income and deductions with respect to our ESOARS under general rules for financial instruments for which applicable Treasury regulations do not prescribe specific rules. If so treated, a U.S. Holder may be entitled to use a wait-and-see approach to recognition of income. That is, the U.S. Holder should report income when payments are made on our ESOARS, and probably only after the payments exceed the amount paid for our ESOARS.

Other potential characterizations of our ESOARS and methods of reporting income and loss with respect to our ESOARS are possible. U.S. Holders are urged to consult their tax advisors regarding the potential application of these and other alternative methods of reporting income and loss with respect to our ESOARS.

United States Taxation of Non-U.S. Holders

As used herein, a Non-U.S. Holder is a beneficial owner of ESOARS that is neither a U.S. Holder nor a partnership, an entity treated for U.S. federal tax purposes as a partnership, or an entity organized in or under the laws

of the United States, any State thereof or the District of Columbia.

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It is not clear whether income or any payments with respect to ESOARS would be treated as fixed or determinable, annual or periodical gains, profits or income of the kind that is subject to U.S. withholding tax. In the absence of clear authority, we intend to withhold U.S. tax at a 30 percent rate from payments, including stock payments, made on our ESOARS to a Non-U.S. Holder, unless

the Non-U.S. Holder is eligible for benefits of an income tax treaty providing for an exemption from U.S. tax on such income and delivers to us or our paying agent a properly completed Internal Revenue Service Form W-8BEN establishing such exemption, or

the income with respect to ESOARS is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder and the Non-U.S. Holder delivers to us or our paying agent a properly completed Internal Revenue Service Form W-8ECI certifying to such treatment.

Information Reporting and Backup Withholding

Generally, payments made on our ESOARS or stock issued in settlement of our ESOARS to a U.S. Holder, and the proceeds of a sale or other disposition of our ESOARS by a U.S. Holder, will be subject to information reporting requirements unless the U.S. Holder is a corporation or other exempt recipient. In addition, payments to U.S. Holders may be subject to backup withholding (currently at a rate of 28%) unless the U.S. Holder provides to us or our paying agent an Internal Revenue Service Form W-9 or otherwise establishes an exemption.

Information reporting requirements and backup withholding generally will not apply to payments made to a Non-U.S. Holder, provided that the Non-U.S. Holder certifies to its non-U.S. status (generally by providing to us or our paying agent a properly completed Internal Revenue Service Form W-8BEN) or otherwise establishes an exemption.

We strongly urge you to consult your own tax advisor with respect to all aspects of the United States federal, state, local and foreign tax treatment of the purchase, ownership and disposition of our ESOARS .

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CERTAIN ERISA CONSIDERATIONS

No ESOARS Unit may be purchased by or transferred to any employee benefit plan within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA, and including, without limitation, foreign or government plans) or by any plan described in Section 4975(e)(1) of the Code, or any entity whose underlying assets include plan assets of any of the foregoing (each, a Benefit Plan Investor). Any purported purchase or transfer of our ESOARS in violation of the foregoing restrictions shall be null and void *ab initio*. Each bidder who purchases the ESOARS will be deemed to have represented, warranted and acknowledged to us to such effect. No ESOARS Units may be transferred to a Benefit Plan Investor or an entity using Benefit Plan Investor assets. Each investor in an ESOARS Unit will be deemed to represent, warrant and covenant that it will not sell, pledge or otherwise transfer such security in violation of the foregoing.

LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in our ESOARS. Any such institution should consult its legal advisors in determining whether and to what extent there may be restrictions on its ability to invest in our ESOARS. Without limiting the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or any other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing our ESOARS.

We do not make any representation as to the proper characterization of the ESOARS for legal investment or other purposes, or as to the ability of particular investors to purchase our ESOARS for legal investment or other purposes, or as to the ability of particular investors to purchase our ESOARS under applicable investment restrictions. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of our ESOARS) may affect the liquidity of our ESOARS. Accordingly, all institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent our ESOARS are subject to investment, capital or other restrictions.

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LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE

We will issue the ESOARS in book-entry form only. This means that ESOARS will be represented by one or more fully-registered global certificates representing the entire issuance of ESOARS. The ESOARS will be deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC or the depository, and will be registered in the name of Cede & Co., a nominee of DTC.

Cede & Co. will be the only registered holder of the ESOARS. Consequently, because the ESOARS will be issued only in global form, we will recognize only DTC as the holder of the ESOARS, and we will make all payments on the ESOARS to DTC. DTC will pass along the payments it receives to its participants, which in turn will pass the payments along to their customers who are the beneficial owners. DTC and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the ESOARS. You will not own ESOARS directly. Instead, you will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in DTC's book-entry system or holds an interest through a participant.

A global security will not be transferred to or registered in the name of anyone other than DTC or its nominee, unless special termination situations arise. We describe those situations below under Special Situations When a Global Security Will Be Terminated. As a result of these arrangements, the depository, or its nominee, will be the sole registered owner and holder of all ESOARS, and holders will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depository or with another institution that does. Thus, you will not be a holder of the security, but only an indirect owner of a beneficial interest in the global security. In the event that termination of the global security occurs, we may issue the ESOARS through another book-entry clearing system or decide that the ESOARS may no longer be held through any book-entry clearing system.

Special Considerations for Global Securities

As an indirect owner, a holder's rights relating to a global security will be governed by the account rules of the depository, those of the investor's financial institution (e.g., Euroclear and Clearstream), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of securities and instead deal only with the depository that holds the global security.

You should be aware of the following:

you cannot cause the ESOARS to be registered in your own name and cannot obtain non-global certificates for your interest in the ESOARS, except in the special situations we describe below;

you will be an indirect holder and must look to your own bank or broker for payments on the ESOARS and protection of your legal rights relating to the ESOARS, as we describe above in this section;

you may not be able to sell interests in the ESOARS to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;

you may not be able to pledge your interest in a global security in circumstances where certificates representing the securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

the depository's policies and those of any participant in the depository's system or other intermediary (e.g., Euroclear or Clearstream) through which that institution holds security interests, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to your interest in a global security. We will have no responsibility for any aspect of the depository's policies or actions or records of ownership interests in a global security. We also do not supervise the depository in any way;

the depository will require that those who purchase and sell interests in a global security within its book-entry system use immediately-available funds, and your broker or bank may require you to do so as well; and

financial institutions that participate in DTC's book-entry system and through which you hold your interest in a global security (including Euroclear and Clearstream) may also have their own policies affecting payments, notices and other matters relating to securities. For example, if you hold an interest in a global security through Euroclear or Clearstream, Euroclear or Clearstream, as applicable, will require those who purchase and sell interests in that security through them to use immediately-available funds and comply with other policies and procedures, including deadlines for giving instructions as to transactions that are to be effected on a particular day. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor, and are not responsible for, the policies or actions of any of those intermediaries.

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Special Situations When a Global Security Will Be Terminated

In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-global form representing ESOARS Units. After that exchange, the choice of whether to hold your ESOARS directly or in street name will be up to you. You must consult your own bank or broker to find out how to have your interests in a global security transferred on termination to your own name, so that you will be a holder.

The special situations for termination of a global security are as follows:

DTC notifies us in writing that it is unwilling or unable to continue acting as the depository, or DTC has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, and in either case we fail to appoint a successor depository within 60 days after the date of such notice from DTC;

we determine that such global security should be exchanged for securities in definitive registered form representing ESOARS Units, and we deliver written notice to that effect to DTC; or

there has occurred and is continuing an event of default and our paying agent has received a written request from DTC to issue securities in definitive registered form representing ESOARS Units.

If a global security is terminated, only DTC, and not we, will be responsible for deciding the names of the institutions in whose names the securities represented by the global security will be registered and, therefore, who will be the holders of those securities.

LEGAL MATTERS

The validity of the ESOARS offered by this prospectus supplement and certain legal matters with respect to federal income tax will be passed upon for us by Mayer, Brown, Rowe & Maw LLP, Los Angeles, California. Mayer, Brown, Rowe & Maw LLP will rely upon the opinion of Callister Nebeker & McCullough, a Professional Corporation, Salt Lake City, Utah, as to matters of Utah law, and Callister Nebeker & McCullough will rely upon the opinion of Mayer, Brown, Rowe & Maw LLP as to matters of New York law.

The validity of the common stock to be issued by us in connection with payments, if any, made in respect of our ESOARS will be passed upon for us by Callister Nebeker & McCullough.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006 and management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2006, as set forth in their reports, which are incorporated in this prospectus supplement by reference. Our consolidated financial statements and management's assessment are incorporated by reference in reliance on Ernst & Young LLP's reports given on their authority as experts in accounting and auditing.

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ANNEX A
FORM OF GLOBAL CERTIFICATE

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CUSIP 989701 305
[] UNITS

GLOBAL CERTIFICATE
ZIONS BANCORPORATION

EMPLOYEE STOCK OPTION APPRECIATION RIGHTS SECURITIES, SERIES 2007

evidencing the right to receive certain payments from Zions Bancorporation, a Utah corporation, upon the exercise from time to time of stock options comprising a reference pool of stock options to purchase common stock of the Company issued by the Company to certain of its employees (the options comprising this reference pool, the Reference Options). The Reference Options are listed and described in Exhibit A hereto.

Issue Date: May 10, 2007

First Payment Date:
July 15, 2008

Final Payment Date:
July 15, 2014

Issuing Agent, Paying Agent and Registrar:
Zions First National Bank

Certificate No. 1

[SEAL]

ZIONS BANCORPORATION

Name:
Title:

ZIONS FIRST NATIONAL BANK,
as Issuing Agent, Paying Agent and
Registrar

Name:
Title:

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ZIONS BANCORPORATION

EMPLOYEE STOCK OPTION APPRECIATION RIGHTS SECURITIES, SERIES 2007

THIS GLOBAL CERTIFICATE DOES NOT REPRESENT AN INTEREST IN ZIONS BANCORPORATION, ANY OF ITS AFFILIATES OR ANY OF THE REFERENCE OPTIONS. NEITHER THIS CERTIFICATE NOR ANY PAYMENTS HEREUNDER ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER PERSON.

THIS GLOBAL CERTIFICATE IS HELD BY THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (DTC) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT: (I) AS A WHOLE BY DTC TO A NOMINEE OF DTC; (II) BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC; OR (III) BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY, ALL WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS THIS GLOBAL CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

This certifies that Cede & Co. is the registered owner of [] units of Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2007 (the ESOARS , and each unit thereof, an ESOARS Unit), evidenced by this Global Certificate (this Certificate).

Section 1. Definitions. Unless otherwise defined herein, capitalized terms shall have the respective meanings set forth in this Section 1.

(a) Additional Payment Amount means the number of ESOARS Units then outstanding multiplied by the excess, if any, of (i) the aggregate Net Realized Value realized during the Vesting Period divided by the number of shares of Company Common Stock underlying Reference Options that have vested as of the end of the Vesting Period, over (ii) the sum of the amounts previously paid in respect of each ESOARS Unit during the Vesting Period.

(b) Additional Payment Date means July 15, 2010 (or, if such day is not a Business Day, the next Business Day).

(c) Annual Vesting Periods means the three consecutive 12-month periods (each an Annual Vesting Period), commencing on May 4, 2007.

(d) Business Day means any day other than (i) a Saturday or Sunday, or (ii) a day on which commercial banks in each of New York, New York and, if applicable, the city in which the principal office of the Paying Agent is located are authorized or obligated by law or executive order to be closed.

(e) Certificate is defined in the introductory paragraph immediately above this Section 1.

(f) Company means Zions Bancorporation, a Utah corporation.

(g) Company Common Stock means the common stock of the Company, no par value per share.

(h) DTC means The Depository Trust Company.

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- (i) Event of Default means either of the following events:
- (i) the failure to make any payment as set forth in Section 3 or Section 4 below when the same becomes due and payable, and such failure continues for a period of 30 days; or
 - (ii) the failure to comply with any other covenant contained herein, which failure continues for a period of 30 days after the Company receives written notice specifying the default (and demanding that such default be remedied) from the Holders of at least a majority of the ESOARS Units then outstanding.
- (j) ESOARS and ESOARS Units are defined in the introductory paragraph immediately above this Section 1.
- (k) Holder means any person or entity in whose name any ESOARS are registered, as determined as of the close of business on the applicable Record Date.
- (l) Independent Valuation Agent means any independent valuation agent designated by the Company.
- (m) Net Realized Value means, for a particular Payment Period, (i) the amount, if any, by which (x) the trading price per share of Company Common Stock on The Nasdaq Stock Market (or other national securities exchange on which the Company Common Stock is then traded) at the time of exercise of a Reference Option, exceeds (y) the exercise price of such Reference Option, multiplied by (ii) the number of shares of Company Common Stock as to which such Reference Option was exercised on that date. If at the time of exercise, the Company Common Stock is not listed on The Nasdaq Stock Market, the over-the-counter market or any other national securities exchange, the trading price per share of Company Common Stock referred to in the immediately preceding sentence shall be replaced with a fair market value per share of Company Common Stock as determined in good faith by the Company's board of directors or an Independent Valuation Agent.
- (n) No Vesting Payment Amount means the number of ESOARS Units then outstanding multiplied by \$[], together with interest in respect of such amount at a rate of 5.0% per annum for the period from the Issue Date to (but not including) the No Vesting Payment Date.
- (o) No Vesting Payment Date means July 15, 2008 (or, if such day is not a Business Day, the next Business Day).
- (p) Paying Agent means Zions First National Bank, as Issuing Agent, Paying Agent and Registrar for the ESOARS.
- (q) Payment Amount means (i) with respect to a particular Payment Period during the Vesting Period, the Payment Amount During Vesting Period and (ii) with respect to a particular Payment Period following the completion of the Vesting Period, the Payment Amount During Post-Vesting Period.
- (r) Payment Amount During Post-Vesting Period means, with respect to each Payment Period following the completion of the Vesting Period, the number of ESOARS Units outstanding multiplied by an amount equal to the Net Realized Value divided by the number of shares of Company Common Stock underlying Reference Options that have vested.
- (s) Payment Amount During Vesting Period means, with respect to each Payment Period ending during the Vesting Period, the number of ESOARS Units outstanding multiplied by an amount equal to the Net Realized Value (i) multiplied by the percentage of the Annual Vesting Periods that have been completed as of the end of the applicable Payment Period and (ii) divided by the number of shares of Company Common Stock underlying Reference Options that have vested as of the end of the applicable Payment Period.
- (t) Payment Date means the 15th day of the month (or, if such 15th day is not a Business Day, the Business Day immediately following) following the end of a calendar quarter, beginning on or about July 15, 2008 and terminating on or about July 15, 2014; provided, however, that in the event of any payment due to be made pursuant to Section 4, the term Payment Date means the 15th day of the month (or, if such 15th day is not a Business Day, the Business Day immediately following) following the end of the applicable calendar quarter in which a qualifying modification of Reference Options occurs.

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(u) **Payment Period** means the period (i) beginning on the first day of each calendar quarter (or in the case of the initial Payment Date, beginning on May 4, 2008), and (ii) ending on and including the last day of such calendar quarter.

(v) **Percentage Interest** means, as to a particular Holder at any time, the percentage obtained by dividing (i) the number of ESOARS Units owned of record by such Holder, by (ii) the total number of ESOARS Units then outstanding.

(w) **Physical Securities** is defined in Section 8(a).

(x) **Record Date** means the last calendar day of the calendar quarter preceding the applicable Payment Date (or, if such day is not a Business Day, then on the next Business Day).

(y) **Reference Options** means the stock options of the Company comprising the reference pool of stock options to purchase Company Common Stock, which stock options have been issued by the Company to certain of its employees, as set forth on Exhibit A attached hereto.

(z) **SFAS No. 123R** is defined in Section 4.

(aa) **Vesting Period** means the three-year period ending May 4, 2010.

Section 2. Issuing Agent, Paying Agent and Registrar. Initially, Zions First National Bank shall act as Issuing Agent, Paying Agent and Registrar. The Paying Agent shall keep a register of this Certificate and of its transfer and exchange. The Paying Agent shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and address of all Holders. The Company may change the Paying Agent without notice to any Holder. Any subsidiaries of the Company may act as Paying Agent or Registrar.

Section 3. Payments.

(a) The Company shall deposit with the Paying Agent in the form of cash, shares of Company Common Stock or some combination of cash and shares of Company Common Stock, at the Company's discretion:

(i) the applicable Payment Amount, if any, on or before the fifth Business Day of the month following the end of each calendar quarter, commencing July 8, 2008, for payment to Holders pursuant to Section 3(b);

(ii) the applicable Additional Payment Amount, if any, on or before July 8, 2010 (the fifth Business Day of the first month following the end of the calendar quarter in which the Vesting Period is completed), for payment to Holders pursuant to Section 3(c) below; and

(iii) the applicable No Vesting Payment Amount, if any, on or before July 8, 2008 (the fifth Business Day of the first month following the end of the calendar quarter in which the first Annual Vesting Period expires), for payment to Holders pursuant to Section 3(d) below.

(b) Commencing on the First Payment Date specified above, and provided that (i) distributions are then payable and (ii) the Company has deposited or caused to be deposited adequate funds and/or shares of Company Common Stock for and with respect to a particular Payment Date for payment to the Holders pursuant to Section 3(a) above, the Paying Agent shall, on or before the Payment Date, pay to each Holder, from funds or shares of Company Common Stock deposited with the Paying Agent by the Company pursuant to Section 3(a) above, such Holder's Percentage Interest of the applicable Payment Amount.

(c) If any of the Reference Options shall have been forfeited prior to the completion of the Vesting Period, and provided that the Company has deposited or caused to be deposited adequate funds and/or shares of Company Common Stock for and with respect to the Additional Payment Date for payment to the Holders pursuant to Section 3(a) above, the Paying Agent shall, on or before the Additional Payment Date, in addition to any Payment Amount payable to the Holders pursuant to Section 3(b) above, pay to each Holder, from funds or shares of Company Common Stock deposited with the Paying Agent by the Company pursuant to Section 3(a) above, such Holder's Percentage Interest of the Additional Payment Amount.

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(d) If, upon the completion of the first Annual Vesting Period, all of the Reference Options have been forfeited prior to vesting, and provided that the Company has deposited or caused to be deposited adequate funds and/or shares of Company Common Stock for and with respect to the No Vesting Payment Date for payment to the Holders pursuant to Section 3(a) above, the Paying Agent shall, on or before the No Vesting Payment Date, pay to each Holder, from funds or shares of Company Common Stock deposited with the Paying Agent by the Company pursuant to Section 3(a) above, such Holder's Percentage Interest of the No Vesting Payment Amount and the ESOARS shall thereafter be canceled.

(e) If payment is made in shares of Company Common Stock, the number of shares delivered shall be determined by dividing the cash value of the payment due (or portion thereof) by the closing price of the shares of Company Common Stock on The Nasdaq Stock Market (or, if the Company Common Stock is not listed on The Nasdaq Stock Market, on the principal exchange or over-the-counter market on which the Company Common Stock is then listed) on the last trading day prior to the applicable Payment Date, Additional Payment Date or No Vesting Payment Date, as the case may be. The Company may deliver cash in lieu of any fractional shares of Company Common Stock based on the closing price of the shares of Company Common Stock determined in accordance with the immediately preceding sentence.

(f) All cash payments by the Paying Agent hereunder shall be by wire transfer in immediately-available funds to the account of the Holder entitled thereto at a bank or other entity having appropriate facilities therefor, if such Holder shall have provided the Paying Agent with wiring instructions no fewer than five Business Days prior to the Record Date for such payment (or, in the case of the payment on the First Payment Date, no later than July 1, 2008), or otherwise by check mailed to the address of such Holder appearing in the certificate register maintained by the Paying Agent.

(g) If payment is made in shares of Company Common Stock, the shares of Company Common Stock shall be delivered by the Company in accordance with DTC's rules and procedures.

(h) Except as otherwise set forth above and in Section 4 below, the ESOARS are limited in right of payment to the extent of exercises, if any, of Reference Options that create Net Realized Value. Any payment to a Holder hereunder is binding on such Holder and all future Holders and holders of any certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such payment is made upon this Certificate.

Section 4. Modification of Reference Options.

(a) If one or more Reference Options is modified or canceled (pursuant to Section 2.5 of the Company's 2005 Stock Option and Incentive Plan) in a manner that would be treated as a modification pursuant to paragraphs 51-57 of FASB Statement No. 123R, Share-Based Payment (SFAS No. 123R), the Company shall notify the Independent Valuation Agent within five (5) Business Days of such modification. Within 10 Business Days following receipt of such written notification, the Independent Valuation Agent shall determine the cancellation value of the modified Reference Option(s) in accordance with SFAS No. 123R, and shall notify the Company and the Paying Agent in writing of the cancellation value thereof. The Independent Valuation Agent's determination of the cancellation value of such Reference Option(s) shall be final and binding on all parties, absent manifest error. In the event that the Company determines that the Independent Valuation Agent's determination of the cancellation value is due to manifest error, then the Company and the Independent Valuation Agent shall attempt to resolve the issue as soon as commercially practicable, and shall promptly communicate to the Paying Agent any such resolution.

(b) Subsequent to determination (or final determination, as applicable) of the cancellation value of the applicable Reference Option(s) and written notice thereof pursuant to Section 4(a) above, the Company shall deposit with the Paying Agent an amount equal to the number of ESOARS Units then outstanding multiplied by the cancellation value of such modified Reference Option(s) as determined (or as finally determined, as applicable) in accordance with Section 4(a) above, divided by the number of shares of Company Common Stock underlying Reference Options that have not been forfeited prior to vesting, on or before the fifth Business Day of the month following the end of the calendar quarter in which a qualifying modification of Reference Option(s) occurs, for payment to the Holders. The Paying Agent shall thereafter, on or before the 15th day of such month, pay to each Holder its Percentage Interest of the amount determined in accordance with this Section 4(b).

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Section 5. Liquidation Events. Upon the occurrence of any of the following events, the Reference Options shall be considered to be modified as described in Section 4 above, and the procedures contained in such Section 4 with respect to the determination and payment of the applicable cancellation value shall be followed:

- (a) a liquidation, dissolution or winding up of the Company;
- (b) any consolidation or merger of the Company with or into any other corporation or other entity, or any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, own less than 50% of the surviving entity's voting power immediately after such consolidation, merger or reorganization; or
- (c) a sale or other disposition of all or substantially all of the assets of the Company to a third party.

Section 6. Reports to Holders. No later than 15 days after each Payment Date, the Company shall deliver or cause to be delivered to each Holder a written report, as set forth in clauses (a) and (b) of this Section 6, relating to payments made on the applicable Payment Date.

(a) With respect to payments made pursuant to Section 3 above, the report shall set forth, with respect to the applicable Payment Period, information such as (i) the number of Reference Options exercised during the preceding calendar quarter; (ii) the stock price at which the Reference Options were exercised; (iii) the number of Reference Options forfeited, if any, upon the termination of any optionee employee's employment with the Company; and (iv) the calculation of the payment with respect to each ESOARS Unit.

(b) With respect to payments made pursuant to Section 4 above, the report shall set forth information such as (i) the number of Reference Options deemed modified pursuant to paragraphs 51-57 of SFAS No. 123R during the preceding calendar quarter; (ii) the cancellation value thereof, as determined pursuant to Section 4(a); and (iii) the calculation of the distribution with respect to each ESOARS Unit.

Section 7. Transfer and Exchange of Beneficial Interests in the Certificate; Transfer Taxes. The transfer and exchange of beneficial interests in this Certificate shall be effected through DTC in accordance with its rules and procedures that apply to such transfer or exchange. No service charge will be imposed on a holder of any beneficial interest in this Certificate or on a Holder of this Certificate for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection therewith.

Section 8. Issuance of Physical Securities; Transfer and Exchange of Certificate.

(a) Securities in definitive registered form representing ESOARS Units (Physical Securities) shall be transferred to all beneficial owners in exchange for their beneficial interests in this Certificate upon the occurrence of the following events:

(i) DTC delivers written notice to the Company that it is unwilling or unable to continue acting as the depository, or DTC has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, and in either case the Company fails to appoint a successor depository within 60 days after the date of such notice from DTC; or

(ii) the Company in its sole discretion determines that this Certificate (in whole but not in part) should be exchanged for Physical Securities, and delivers written notice to that effect to DTC; or

(iii) there has occurred and is continuing an Event of Default and the Paying Agent has received a written request from DTC to issue Physical Securities.

(b) In connection with any transfer or exchange of a portion of the beneficial interest in the Certificate to beneficial owners pursuant to Section 8(a) above, such Certificate shall be deemed to be surrendered to the Paying Agent for cancellation and Physical Securities shall be issued to and in the names of such beneficial owners identified by DTC in writing to the Paying Agent and the Company, in exchange for its beneficial interest in the Certificate.

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Section 9. Persons Deemed Owners. The registered Holder of this Certificate may be treated as its owner for all purposes.

Section 10. CUSIP Number. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused a CUSIP number to be printed on this Certificate. No representation is made as to the accuracy of such number either as printed on this Certificate or as contained in any notice.

Section 11. Amendment, Supplement and Waiver. This Certificate may be amended or supplemented with the written consent of Holders of at least a majority of the ESOARS Units then outstanding, and any existing default or compliance with any provision hereof may be waived with the written consent of Holders of at least a majority of the ESOARS Units then outstanding. Notwithstanding the foregoing, this Certificate may be amended or supplemented, without the consent of any Holder, in order to cure any ambiguity, defect, omission or inconsistency in this Certificate.

Section 12. Assignment by Company. The rights and obligations of the Company under this Certificate may not be transferred or assigned by the Company without the written consent of Holders of at least a majority of the ESOARS then outstanding; provided that the Company may assign its rights and obligations under this Certificate to any successor to its business by merger, consolidation or amalgamation or to any party acquiring all or substantially all of the assets of the Company.

Section 13. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given upon delivery if delivered by hand (against receipt), or as of the date of delivery as shown on the receipt if mailed at a post office in the United States by registered or certified mail, postage prepaid, return receipt requested, or as of the date of acknowledgment if transmitted by facsimile transmission or other telecommunication equipment, in any case addressed (A) if to the Company, to Zions Bancorporation, One South Main Street, Salt Lake City, UT 84111, attention: Corporate Secretary, (B) if to the Holder, to the address of the Holder shown on the Certificate Register, (C) if to the Paying Agent, to such address as provided by the Paying Agent to the Company and the Holders in writing, or to such other address(es) as the Company, the Holders and the Paying Agent shall have designated each other in writing.

Section 14. Governing Law. **This Certificate shall be construed in accordance with the internal laws of the State of New York (including Section 5-1401 of the General Obligations Laws of New York, but otherwise without regard to conflicts of law principles), and the obligations, rights and remedies of the Holder hereof shall be determined in accordance with such laws.**

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EXHIBIT A

DESCRIPTION OF REFERENCE OPTIONS

[on file with Zions Bancorporation]

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SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL CERTIFICATE

The following exchanges of a part of this Global Certificate for an interest in another Global Certificate or for a Physical Security, or exchanges of a part of another Global Certificate or Physical Security for an interest in this Global Certificate, have been made:

Date of Exchange	Amount of Decrease in Number of ESOARS under this Global Certificate	Amount of Increase in Number of ESOARS under this Global Certificate	Number of ESOARS under this Global Certificate Following such Decrease (or Increase)	Signature of Authorized Officer of Paying Agent
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ASSIGNMENT FORM

For value
received _____
does hereby sell, assign and transfer unto

Please insert Social Security Number or
other identifying number of assignee

Please print or type name and address,
including zip code, of assignee:

the within Global Certificate and does hereby irrevocably constitute and appoint _____
Attorney to transfer the Global Certificate on the books of the Company with full power of substitution in the
premises.

Date: _____

Your Signature: _____
(The signature to this assignment must correspond with the name as
written upon the face of the within Global Certificate in every
particular, without alteration or enlargement or any change
whatsoever)

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ANNEX B

ZIONS BANCORPORATION 2005 STOCK PLAN OPTION AND INCENTIVE PLAN

Table of Contents

ZIONS BANCORPORATION

2005 STOCK OPTION AND INCENTIVE PLAN

ARTICLE I

GENERAL

1.1 *Purpose*

The purpose of the Zions Bancorporation 2005 Stock Option and Incentive Plan (the *Plan*) is to promote the long-term success of Zions Bancorporation (the *Company*) by providing an incentive for officers, employees and directors of, and consultants and advisors to, the Company and its Related Entities to acquire a proprietary interest in the success of the Company, to remain in the service of the Company and/or Related Entities, and to render superior performance during such service.

1.2 *Definitions of Certain Terms*

- (a) *Award* means an award under the Plan as described in Section 1.5 and Article II.
- (b) *Award Agreement* means a written agreement entered into between the Company and a Grantee in connection with an Award.
- (c) *Board* means the Board of Directors of the Company.
- (d) *Cause Termination of Employment by the Company for Cause* means, with respect to a Grantee and an Award, (i) except as provided otherwise in the applicable Award Agreement or as provided in clause (ii) below, Termination of Employment of the Grantee by the Company (A) upon Grantee's failure to substantially perform Grantee's duties with the Company or a Related Entity (other than any such failure resulting from death or Disability), (B) upon Grantee's failure to substantially follow and comply with the specific and lawful directives of the Board or any officer of the Company or a Related Entity to whom Grantee directly or indirectly reports, (C) upon Grantee's commission of an act of fraud or dishonesty resulting in actual or potential economic, financial or reputational injury to the Company or a Related Entity, (D) upon Grantee's engagement in illegal conduct, gross misconduct or an act of moral turpitude, (E) upon Grantee's violation of any written policy, guideline, code, handbook or similar document governing the conduct of directors, officers or employees of the Company or its Related Entities, or (F) upon Grantee's engagement in any other similar conduct or act determined by the Committee in its discretion to constitute *cause*; or (ii) in the case of directors, officers or employees who at the time of the Termination of Employment are entitled to the benefits of a change in control, employment or similar agreement entered into by the Company or a Related Entity that defines or addresses termination for cause, termination for cause as defined and/or determined pursuant to such agreement. In the event that there is more than one such agreement, the Executive Compensation Committee shall determine which agreement shall govern.
- (e) *Code* means the Internal Revenue Code of 1986, as amended.
- (f) *Committee* means the Executive Compensation Committee (including any successor thereto) of the Board and shall consist of not less than two directors. However, if (i) a member of the Executive Compensation Committee is not an *outside director* within the meaning of Section 162(m) of the Code, is not a *non-employee director* within the meaning of Rule 16b-3 under the Exchange Act, or is not an *independent director* within the meaning of Nasdaq Market Rule 4350 (c), or (ii) the Executive Compensation Committee otherwise in its discretion determines, then the

Executive Compensation Committee may from time to time delegate some or all of its functions under the Plan to a subcommittee composed of members of the Executive Compensation Committee that, if relevant, meet the necessary requirements. The term Committee includes the Executive Compensation Committee or any such subcommittee, to the extent of the Executive Compensation Committee's delegation.

(g) *Common Stock* means the common stock of the Company.

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(h) *Disability* means, with respect to a Grantee and an Award, (i) except as provided in the applicable Award Agreement or as provided in clause (ii) below, disability as defined in the Company's long-term disability plan in which Grantee is participating; or (ii) in the case of directors, officers or employees who at the time of the Termination of Employment are entitled to the benefits of a change in control, employment or similar agreement entered into by the Company or a Related Entity that defines or addresses termination because of disability, disability as defined in such agreement. In the event that there is more than one such agreement, the Committee shall determine which agreement shall govern. Notwithstanding the foregoing, (A) in the case of an Incentive Stock Option, the term Disability for purposes of the preceding sentence shall have the meaning given to it by Section 422 (c)(6) of the Code and (B) to the extent an Award is subject to the provisions of Section 409A of the Code and in order for compensation provided under any Award to avoid the imposition of taxes under Section 409A of the Code, then a Grantee shall be determined to have suffered a Disability only if such Grantee is disabled within the meaning of Section 409A of the Code.

(i) *Exchange Act* means the Securities Exchange Act of 1934, as amended.

(j) The *Fair Market Value* of a share of Common Stock on any date shall be (i) the closing sale price per share of Common Stock during normal trading hours on the national securities exchange, association or other market on which the Common Stock is principally traded for such date or the last preceding date on which there was a sale of such Common Stock on such exchange, association or market, or (ii) if the shares of Common Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Common Stock during normal trading hours in such over-the-counter market for such date or the last preceding date on which there was a sale of such Common Stock in such market, or (iii) if the shares of Common Stock are not then listed on a national securities exchange, association or other market or traded in an over-the-counter market, such value as the Committee, in its discretion shall determine.

(k) *Grantee* means a person who receives an Award.

(l) *Incentive Stock Option* means, subject to Section 2.3 (f), a stock option that is intended to qualify for special federal income tax treatment pursuant to Sections 421 and 422 of the Code (or a successor provision thereof) and which is so designated in the applicable Award Agreement. Under no circumstances shall any stock option that is not specifically designated as an Incentive Stock Option be considered an Incentive Stock Option.

(m) *Key Persons* means then acting or prospective directors, officers and employees of the Company or of a Related Entity, and then acting or prospective consultants and advisors to the Company or a Related Entity.

(n) *Non-Employee Director* has the meaning given to it in Section 2.13(a).

(o) *Performance Goals* means the goal(s) (or combined goal(s)) determined by the Committee in its discretion to be applicable to a Grantee with respect to an Award. As determined by the Committee, the Performance Goals applicable to an Award may provide for a targeted or measured level or levels of achievement or change using one or more of the following measures: (i) revenue, (ii) earnings per share, (iii) net income, (iv) return on assets, (v) return on equity, (vi) stock price, (vii) economic profit or shareholder value added, and (viii) total shareholder return. Such measures may be defined and calculated in such manner and detail as the Committee in its discretion may determine, including whether such measures shall be calculated before or after income taxes or other items, the degree or manner in which various items shall be included or excluded from such measures, whether total assets or certain categories of assets shall be used, whether such measures shall be applied to the Company on a consolidated basis or to certain Related Parties of the Company or to certain divisions, operating units or business lines of the Company or a Related Entity, the weighting that shall be given to various measures if combined goals are used, and the periods and dates during or on which such measures shall be calculated. The Performance Goals may differ from Grantee to Grantee and from

Award to Award.

(p) *Person* , whether or not capitalized, means any natural person, any corporation, partnership, limited liability company, trust or legal or contractual entity or joint undertaking and any governmental authority.

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(q) *Related Entity* means any corporation, partnership, limited liability company or other entity that is an affiliate of the Company within the meaning of Rule 12b-2 under the Exchange Act.

(r) *Retirement* means, with respect to a Grantee and an Award, (i) except as otherwise provided in the applicable Award Agreement or as provided in clause (ii) below, the Grantee's Termination of Employment with the Company or a Related Entity for a reason other than for Cause and that at the time of the Termination of Employment the Grantee has reached the following age with the corresponding number of years of service with the Company and/or Related Entities:

Age	Years of Service
55	10
56	9
57	8
58	7
59	6
60 and older	5

or (ii) with respect to a Non-Employee Director, the Grantee's Termination of Employment with the Company at the end of his or her term of office for any reason other than Cause.

(s) *Rule 16b-3* means Rule 16b-3 under the Exchange Act.

(t) Unless otherwise determined by the Committee and subject to the following sentence, a Grantee shall be deemed to have a *Termination of Employment* upon ceasing employment with the Company or any Related Entity (or, in the case of a Grantee who is not an employee, upon ceasing association with the Company or any Related Entity as a director, consultant, advisor or otherwise). Unless the Committee in its discretion determines otherwise, it shall not be considered a Termination of Employment of a Grantee if the Grantee ceases employment or association with the Company or a Related Entity but continues or immediately commences employment or association with a majority-owned Related Entity or the Company. The Committee in its discretion may determine (i) that a given termination of employment with the Company or any particular Related Entity does not constitute a Termination of Employment (including circumstances in which employment continues with another Related Entity or the Company), (ii) whether any leave of absence constitutes a Termination of Employment for purposes of the Plan, (iii) the impact, if any, of any such leave of absence on Awards theretofore made under the Plan, and (iv) when a change in a Grantee's association with the Company or any Related Entity constitutes a Termination of Employment for purposes of the Plan. The Committee may also determine in its discretion whether a Grantee's Termination of Employment is for Cause and the date of termination in such case. The Committee may make any such determination at anytime, whether before or after the Grantee's Termination of Employment.

1.3 *Administration*

(a) *The Committee.* The Plan shall be administered by the Committee, which shall consist of not less than two directors.

(b) *Authority.* The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any Award Agreements, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (iv) to make all determinations necessary or advisable in administering the Plan (including defining and calculating Performance Goals and certifying

that such Performance Goals have been met), (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan, (vi) to amend the Plan to reflect changes in applicable law or regulations, (vii) to determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, canceled, forfeited or suspended (including, but not limited to, canceling an Award in exchange for a cash payment (or securities with an equivalent value) equal to the difference between the Fair Market Value of a share of Common Stock on the date of grant and the Fair Market Value of a share of Common

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Stock on the date of cancellation, and, if no such difference exists, canceling an Award without a payment in cash or securities), and (viii) to determine whether, to what extent and under what circumstances cash, shares of Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee.

(c) *Voting.* Actions of the Committee shall be taken by the vote of a majority of its members. Any action may be taken by a written instrument signed by a majority of the Committee members, and action so taken shall be fully as effective as if it had been taken by a vote at a meeting.

(d) *Binding determinations.* The determination of the Committee on all matters relating to the Plan or any Award Agreement shall be final, binding and conclusive.

(e) *Exculpation.* No member of the Board or the Committee or any officer, employee or agent of the Company or any of its Related Entities (each such person a Covered Person) shall have any liability to any person (including, without limitation, any Grantee) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award. Each Covered Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; *provided* that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's Articles of Incorporation or Bylaws, in each case as amended from time to time, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

(f) *Experts.* In making any determination or in taking or not taking any action under this Plan, the Committee or the Board may obtain and may rely upon the advice of experts, including professional and financial advisors and consultants to the Committee or the Company. No director, officer, employee or agent of the Company shall be liable for any such action or determination taken or made or omitted in good faith reliance on such advice.

(g) *Board.* Notwithstanding anything to the contrary contained herein (i) until the Board shall appoint the members of the Committee, the Plan shall be administered by the Board, and (ii) the Board may, in its sole discretion, at any time and from time to time, grant Awards or resolve to administer the Plan. In either of the foregoing events, the Board shall have all of the authority and responsibility granted to the Committee herein.

1.4 Persons Eligible for Awards

Awards under the Plan may be made to such Key Persons as the Committee shall select in its discretion.

1.5 Types of Awards under the Plan

Awards may be made under the Plan in the form of stock options, including Incentive Stock Options and non-qualified stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, performance shares, performance units, dividend equivalent units, deferred stock units and other stock-based Awards, as set forth in Article II.