

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

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT**

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

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

**ZIONS BANCORPORATION**

(Exact Name of Registrant as Specified in its Charter)

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

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

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

Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

**One South Main, Suite 1500,**

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

**84133**  
(Zip Code)

**(801) 524-4787**

(Registrant's telephone number, including area code)

N/A

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

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

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

**ITEM 8.01. OTHER EVENTS.**

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

**Fourth Quarter 2009 Highlights**

**Positives:**

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

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

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

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

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

**Challenges:**

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

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

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

**Amended Financial Statements**

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

**Asset Quality**

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

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

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

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

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

#### Capital and Financing Actions

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

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

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

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

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

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

Loans

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

Deposits

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

Net Interest Income

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

Investment Securities

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

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

(In millions)

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

Noninterest Income

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

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

Noninterest Expense

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

Forward-Looking Information

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

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS

(Unaudited)

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

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

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

(In thousands, except share and ratio data)	Three Months Ended December 31,			Year Ended December 31,		
	2009	2008	% Change	2009	2008	% Change
Total deposits	42,936,759	39,580,867	8.48%	42,847,011	37,572,680	14.04%
Shareholders' equity:						
Preferred equity	1,543,363	961,072	60.59%	1,558,046	431,936	260.71%
Common equity	4,166,944	5,110,430	(18.46)%	4,354,634	5,107,675	(14.74)%
Noncontrolling interests	19,178	28,751	(33.30)%	23,718	29,156	(18.65)%
Weighted average common and common-equivalent shares outstanding	139,858,788	114,065,100	22.61%	124,442,992	108,908,028	14.26%
<b>AT PERIOD END</b>						
Total assets				\$ 51,123,007	\$ 55,092,791	(7.21)%
Total interest-earning assets				45,677,809	49,071,281	(6.92)%
Securities				4,548,757	4,509,308	0.87%
Net loans and leases				40,188,980	41,658,738	(3.53)%
Allowance for loan losses				1,531,332	686,999	122.90%
Reserve for unfunded lending commitments				116,445	50,934	128.62%
Goodwill				1,015,161	1,651,377	(38.53)%
Core deposit and other intangibles				113,416	125,935	(9.94)%
Total deposits				41,840,589	41,316,496	1.27%
Shareholders' equity:						
Preferred equity				1,502,784	1,581,834	(5.00)%
Common equity				4,189,874	4,919,862	(14.84)%
Noncontrolling interests				17,599	27,320	(35.58)%
Common shares outstanding				150,425,070	115,344,813	30.41%
Average equity to average assets	10.76%	11.18%		10.98%	10.36%	
Tangible common equity ratio				6.12%	5.89%	
Tangible equity ratio				9.16%	8.91%	
Nonperforming assets, excluding FDIC-supported assets				\$ 2,330,045	1,138,375	104.68%
Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases and other real estate owned				5.93%	2.71%	
Accruing loans past due 90 days or more, excluding FDIC-supported assets				\$ 107,040	\$ 129,567	(17.39)%



## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

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

1 Certain amounts were revised as previously discussed.

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

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

1 Certain amounts were revised as previously discussed.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

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

## LIABILITIES AND SHAREHOLDERS EQUITY

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

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

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

1 Certain amounts were revised as previously discussed.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME (Continued)

(Unaudited)

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

1 Certain amounts were revised as previously discussed.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME (Continued)

(Unaudited)

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



Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

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

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

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

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

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

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

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

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## AND COMPREHENSIVE INCOME (Continued)

(Unaudited)

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

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

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

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

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

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



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

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

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

**ZIONS BANCORPORATION AND SUBSIDIARIES****NONPERFORMING LENDING RELATED ASSETS****(Unaudited)**

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

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

2 Includes loans held for sale.

## ZIONS BANCORPORATION AND SUBSIDIARIES

## ALLOWANCE AND RESERVE FOR CREDIT LOSSES

(Unaudited)

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

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

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

**Net Charge-Offs By Portfolio Type**

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

Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

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

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

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

Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

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

## ZIONS BANCORPORATION AND SUBSIDIARIES

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

(Unaudited)

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

1 Taxable-equivalent rates used where applicable.

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

3 Certain amounts were revised as previously discussed.

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



Edgar Filing: ZIONS BANCORPORATION /UT/ - Form 8-K

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

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

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

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

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

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

1 Ratios for December 31, 2009 are estimates.

**SIGNATURES**

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

**Zions Bancorporation**

Date: February 19, 2010

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

**Executive Vice President and**

**General Counsel**