

ZIONS BANCORPORATION /UT/

Form FWP

April 16, 2008

Zions Bancorporation has filed a registration statement (Registration Statement No. 333-132868, including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus dated March 31, 2006 contained in that registration statement, the preliminary prospectus supplement dated April 10, 2008 and other documents Zions Bancorporation has filed with the SEC for more complete information about Zions Bancorporation and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, Zions Bancorporation or a representative will arrange to send you the prospectus and other documents Zions Bancorporation has filed with the SEC if you request it by calling toll free 1-800-524-8875. You may also get these documents at www.esoars.com.

Zions Bancorporation has caused the following to be posted on the website www.auctions.zionsdirect.com, on which website will be conducted a public auction for the registered offering of the Issuers' Employee Stock Option Appreciation Rights Securities, Series 2008.

ESOARS™ Overview

ESOARS™ (Employee Stock Option Appreciation Rights Securities) provide a market-based alternative to employee stock option valuation for FAS 123R. ESOARS are tracking instruments that measure the cost of the underlying option grant by making payments to holders when employees exercise their options. A fair market value of ESOARS, and consequently the option grant, is determined in a competitive online auction.

The Securities and Exchange Commission staff has reviewed our ESOARS instrument and concurs that it can be used for employee stock option grant valuation. See Complete SEC Notification.

ESOARS SECURITIES

ESOARS are tracking securities. They track the value of an employee stock option grant by making payments to holders when employees exercise options in the reference pool of granted options. It is important to note that ESOARS are not stock options. ESOARS holders do not have a right to exercise any options but rather receive payment when employees exercise.

ESOARS are fully registered and are most easily issued from a universal shelf registration. The shelf must contain language allowing the issuance of ESOARS. Shelf registrations that are already effective can be amended. There are no restrictions on after-market trading or hedging of ESOARS. The securities are deposited with Depository Trust Corporation (DTC) and all clearing takes place using well-established mechanisms. The Zions Bank Corporate Trust Department can serve as issuing and paying agent.

ONLINE AUCTION

A fair-market value of ESOARS is determined in an online auction. The auction is open to all suitable investors. Institutions and sophisticated individual investors are the

primary bidders. The auction is held on or near the option grant date. The auction platform was developed by Grant Street Group, a well-established provider of online securities auctions. The auction is a modified Dutch auction similar to that used by the U.S. Treasury. All winning bidders pay the market-clearing price. Unlike Treasury auctions, which use sealed bids, bidders in ESOARS see the market-clearing price and know whether they are currently in a winning position.

ESOARS auctions have a two-minute rule that extends the auction period by two minutes from the time a bid is submitted that changes the market-clearing price, beginning during the final two minutes of the auction and extending until two minutes have elapsed with no change in price.

FAS 123R

FAS 123R governs the accounting for employee stock options. The pronouncement favors the use of a market price for valuation of employee stock options. Paragraph 23 reads, in part, "The fair value of an equity share option or similar instrument shall be measured based on the observable market price of an option with the same or similar terms and conditions, if one is available."

PRE-VESTING FORFEITURES

FAS 123R requires that reported compensation expense not exclude employee stock options that do not vest. In order for the valuation of ESOARS to reflect only options that vest, payments to holders of ESOARS are adjusted so that payments reflect the value that would have been paid had all of the options vested (assuming the same exercise pattern as vested options). If all options are forfeited prior to vesting, the proceeds of the ESOARS issuance are refunded, with interest.

ROLE OF ZIONS

Zions will assist in all aspects of the issuance of ESOARS. We have prepared a turnkey solution including language for a shelf registration, a prospectus supplement template and other necessary legal documents and agreements. We will assist with SEC filings. With the help of Grant Street Group, we have customized and designed an auction platform. We have identified a set of interested bidders. Zions Direct (FINRA/SIPC), a non-bank broker-dealer subsidiary of Zions First National Bank, will act as auction agent.

ESOARS EXAMPLE

In May 2007, Zions Bancorporation held an ESOARS auction. The auction was held to derive a value for the Company's employee stock option grant. The Company intends to use the valuation for FAS 123R purposes. Zions Bancorporation's Employee Stock Option Grant On May 4, 2007, Zions' board of directors approved an employee stock option grant of 994,180 options. The strike price of \$83.25 was set at the market closing price on that

day. The options have a seven-year life and vest one-third each year over three years.

Auction Timing

The Zions ESOARS auction opened on May 4, the option grant date, and closed on May 7, 2007.

Size of ESOARS Issuance

Zions' ESOARS issuance was sized to represent 10% of the value of its employee stock option grant. 99,418 ESOARS units were sold in the auction and holders are entitled to 10% of the net intrinsic value realized by employees as they exercise their options ($[\text{price at exercise} - \text{strike price of options}] \times \text{number of options exercised}$), adjusted for pre-vesting forfeitures.

Results of Auction

43 bidders submitted a total of 874 bids. 235 of the bids were submitted during the two-minute rule extension. There were 21 winning bidders with a market-clearing price of \$12.06 per ESOARS unit. Institutional investors purchased 97% of the units.

In future auctions we may reduce the time the auction is open and limit two-minute rule extensions.

ESOARS Structural Overview

Auction Calendar

Current Auctions of ESOARS™

Auction Close Date	Issuer	Security Type	Term	Market-Clearing Price/Yield	
4/25 12:00 PM ET	Zions Bancorporation	ESOARS™		\$ 0.01	Auction Upcoming

· ESOARS™

· 180,000 units to be issued

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Auction Rules

General Auction Rules:

1. For all products not purchased using the "Buy Today!" feature, a bidder that submits a Winning Bid(s) is irrevocably obligated to purchase up to the number of units for which that Bidder has bid at the Market-Clearing Price. A Bid is not a Winning Bid until formally accepted by the Auction Agent.
2. For products purchased using the "Buy Today!" feature, the registered user is obligated to purchase up to the number of units for which that registered user has submitted and confirmed at the pre-set price and yield.

3. The Auction Agent is not responsible for technical difficulties that result in loss of a Bidder's internet connection to the bidding site, slowness in transmission of Bids through the internet or facsimile or other technical problems.
4. If for any reason a Bidder is disconnected from the Auction bid submittal page during an Auction after having submitted a Winning Bid, such Winning Bid shall be valid and binding upon that Bidder, unless the Issuer or the Auction Agent exercises its right in its sole and absolute discretion to reject the Bid, as described in the Offering Material.
5. The Auction Agent will not accept a Bid that generates an error message until the error is corrected and that Bid is resubmitted.
6. By participating in the Auction, each Bidder accepts, and agrees to abide by, all terms and conditions specified in the Offering Material related to the Auction in which the Bidder participates.
7. The Auction Agent shall not be responsible for any defect or inaccuracy in the Offering Material related to each Auction, as it appears on the Auction web site.
8. Only a Bidder who is registered and qualified by the Auction Agent may submit Bids. The Auction Agent reserves right to deny access to the Auction web site to any Bidder, whether or not registered.
9. The Bidder has the responsibility of protecting the Bidder's password. Neither the Auction Agent nor the Auction Administrator shall be responsible for protecting the confidentiality of a Bidder's password.
10. A Bidder who submits a Bid by clicking the "Submit" button must confirm that Bid by reviewing the confirmation page and then clicking the "Submit" button to confirm. In general, once a Bidder has submitted and confirmed a Bid, the Bid will be binding and may not be rescinded or revoked.

Product-Specific Auction Rules:

ESOARS™

11. The purpose of ESOARS™ Auctions administered by Zions Direct is to establish a market value for employee stock options. Each bidder certifies, upon entering each ESOAR™ auction, that they are not bidding in conjunction with any other registered bidder or bidders with the intent to manipulate the final ESOARS™ market clearing price.

Frequently Asked Questions

Auction Basics

1. Who can participate in the auctions?
2. How do I register to bid on the auctions?
3. What information do I need to provide in order to register?
4. How and when do I pay for Financial Instruments/Securities won in the auction?
5. Will the identity of winning bidders be made public?
6. How do I find out about future auctions?

7. How does the auction work?
8. What is a unit?
9. Are there minimum or maximum bid quantities?
10. Are there minimum or maximum bid prices/yields?
11. How do I place a bid?
12. Can I submit more than one bid?
13. Can I lower or retract my "In the Money" bid?
14. How are the Financial Instruments/Securities priced?
15. How are Units allocated?
16. Is my bid binding?
17. Why do I have to confirm my bid?
18. How will I know if I have won?
19. What is the two-minute rule?
20. What type of auction will be used?
21. When will the auctions be held?
22. How do you handle tie bids?
23. Why do you reserve the right to reject bids?

Product-Specific FAQs

CDs

1. How do I bid for CDs?
2. Are auctioned CDs insured?
3. What is bidding on Yield?
4. How frequently will payments be made?
5. What is "Buy Today!" ?
6. Why would I use "Buy Today!" instead of bidding in the auction?

7. Does my "Buy Today!" purchase affect my bid limit for the auction?
8. When do I get my "Buy Today!" CDs?

ESOARS™: Basics

1. What are ESOARS™?
2. Where can I find more information about ESOARS™?

ESOARS™: Option-Granting Companies

3. Why issue ESOARS™?
4. Which companies might benefit from issuing ESOARS™?
5. What does a company need to do to issue ESOARS™?
6. What are the relevant accounting pronouncements?
7. What has the Securities and Exchange Commission (SEC) said about using a market price to value employee stock options?

ESOARS™: Investors / Bidders

8. Who can invest in ESOARS™?
9. What are some of the risks of investing in ESOARS™?
10. What is the purpose of the ESOARS™ auction market?
11. Under what conditions will I receive payments from ESOARS™?
12. What happens when employee stock options are forfeited?
13. How frequently will payments be made?
14. Will my ESOARS™ payments be in cash or shares of stock?
15. Will my ESOARS™ appear on my brokerage account statement?
16. Can I sell or transfer my ESOARS™ to another investor?
17. How much should I bid for ESOARS™?
18. What information will be provided about previous option grants?
19. What are the tax implications of investing in ESOARS™?

20. Will purchasers receive physical ESOARS™ certificates?

21. What happens to ESOARS™ if the employee stock option grant is modified?

Auction Basics

1. Who can participate in the auctions?

Individuals and institutions that register with the site and are approved by Zions Direct will be able to participate in the specific Auction for which they have completed the qualification requirements. Zions Direct may assign a maximum bid amount to each bidder in order to ensure a broad participation in the offering. If you do not currently have a Zions Direct account you may need to provide additional information regarding your tax bracket, annual income, net worth, liquid net worth/investable assets, and any other pertinent information that Zions Direct may require. Institutional bidders may be required to submit certain financial statements in order to establish bid limits.

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2. How do I register to bid on the auctions?

Registration is accomplished by completing the online form found on the Registration page. After completing the registration, Zions Direct will notify you regarding your eligibility to bid and your maximum bid amount.

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3. What information do I need to provide in order to register?

All bidders must provide their name and contact information. Zions Direct account holders must provide their Zions Direct account number. Winning bidders who do not have a Zions Direct account must open a Zions Direct bidding account.

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4. How and when do I pay for Financial Instruments/Securities won in the auction?

Settlement dates will be listed in the Offering Material. Institutions will pay Zions Direct by delivery versus payment, as per the purchaser's delivery instructions. Zions Direct account holders may pay through their Zions Direct account.

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5. Will the identity of winning bidders be made public?

No. Bidders will be issued a bidder identification number at registration that is not based on their name or user ID. User names will not be made public information, but after the close of the auction individuals will be able to see their user ID upon logging in to view the results.

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6. How do I find out about future auctions?

Future auctions are posted on the Calendar.

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7. How does the auction work?

- o After registration and approval by Zions Direct, bidders will log in to the listed auction on the Calendar page during the scheduled auction period.
- o Bidders submit bids for a quantity of units at a specified price or yield, depending on the auction. Refer to the Offering Materials for Auction bidding details.
- o Submitting a bid is a two step process. Bidders first click “Submit” on the bid page. A confirmation page then appears. Bidders must hit "Submit" again to confirm their bid before the system accepts the bid.
- o The auction web page will indicate whether a bid is “in the money.” “In the money” means that if the auction ended with no additional bidding activity by other bidders, the “in the money” units would be awarded to the bidder at the market-clearing price.
- o Bidders may need to manually refresh the auction page to see whether the status of their bid(s) has changed. This process continues until the end of the auction period, at which point Zions Direct will review the submitted bids and announce the auction winners.
- o Winners will be contacted by Zions Direct in a reasonable amount of time following regarding payment and settlement of auction winnings.

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8. What is a unit?

A unit is the term of measurement for each Financial Instrument/Security. When referencing CDs, one unit is equal to one CD. Units may refer to CDs, bonds, shares or ESOARS™.

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9. Are there minimum or maximum bid quantities?

Refer to the Offering Material on the specific auction for details. Minimum or maximum bid quantities may be established for each auction. However, typically the minimum bid quantity will be one unit. The maximum bid quantity may be limited by the auction size of maximum bid amount approved for the bidder.

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10. Are there minimum or maximum bid prices/yields?

See the Offering Materials specific to the Financial Instruments/Securities you are bidding on. There may be minimum or maximum bid prices or yields.

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11. How do I place a bid?

Bids are submitted through the bid page after logging into the scheduled auction from the Calendar page. Bidders enter the quantity of units and the price or yield for each bid they wish to submit. After submitting the bid, bidders will be required to review their bid to ensure that it is correct. Only after confirming the bid will it become official and binding. In any bid row, once you have submitted and confirmed a bid, you may not decrease the number of units, decrease the price, or increase the yield unless that bid row is “outbid” and the market clearing price climbs above your bid price (or market clearing yield drops below your bid yield) so that your bid is no longer “in the money.”

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12. Can I submit more than one bid?

Yes, if more than one bid row is allowed per the Offering Material for that specific auction. If multiple bid rows are available, bidders may place separate, concurrent bids, each independent of the other. Each bid may be made for different numbers of units and for different bid prices or bid yields. A bidder will not be able to place an individual bid that exceeds that bidder's maximum bid amount. A bidder will also not be able to exceed his or her maximum bid amount in multiple bid rows. A bidder who has, for example, three active bids will be able to bid up to his or her maximum bid amount with the highest bid price counted against the maximum bid amount first, followed by the next highest bid, then the next highest bid. The bid of a bidder who has placed multiple bids may be deemed to be "in the money" only to the extent that the aggregate value of the multiple bids is less than or equal to that bidder's maximum bid amount, starting from the highest bid and then descending.

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13. Can I lower or retract my "In the Money" bid?

No. Bidders may only improve submitted and confirmed bids. Bidders may improve a bid by increasing the Price, decreasing the Yield (where applicable) or increasing the quantity bid. Once submitted and confirmed, bids are binding and may not be retracted. Once that bid row is "outbid" and the Market Clearing Price climbs above the bid Price (or the Market Clearing Yield drops below the bid Yield) so that a Bidder's bid is no longer "in the money", the bidder may change the Price, Yield or number of units. This process continues until the end of the Auction Window. Once the Auction Window closes, the Auction Agent will review the submitted bids and announce the Winning Bidders for the particular Auction.

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14. How are the Financial Instruments/Securities priced?

The auctioned Financial Instruments/Securities are priced through a competitive, open auction process. The price paid by all winning bidders will be the "market-clearing price." The market-clearing price, or "stop price," will be the highest price at which all of the units offered in the auction are sold. Zions Direct will move down the list of bids in descending order of price until the total quantity of units bid for equals (or exceeds) the number of units being offered.

For example, assume that 100,000 CD units are being offered and that bidders have bid as follows:

Bidder	CDs Units Represented by Bid	Bid Price
A	50,000	99
B	50,000	98
C	50,000	97

In this example, 99 is not the market-clearing price because only 50,000 of the CD units offered could be sold at that price. Furthermore, 97 is not the market-clearing price because, although all of the CDs being offered are sold for prices over 97, this is not the highest price at which all of the CD units offered could be sold. Instead, all of the CD units being offered in this example will be sold at the higher price of 98. Therefore, 98 is the market-clearing price. The entire issue of CD units will be sold at the market-clearing price. Even the CDs that were bid for at 99, would have been sold for 98. In this auction, the winning bidders would pay \$980.00 for each CD, which have \$1,000.00 par value.

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15. How are Units allocated?

Units are allocated first according to the price (yield) bid, then according to the timestamp of the bid. Bids above the market-clearing price (or below the market-clearing yield) will be allocated the entire quantity of “in the money” units (as designated by the auction site and subject to the bidder’s maximum bid amount). Bids at the market-clearing price will be allocated as follows: (1) if only one bid is at the market-clearing price, that bid will be allocated the quantity of units that clears the market; or (2) if multiple bids are at the market-clearing price, units will be allocated according to timestamp, with the earliest bids being filled first. For example, assume that 100,000 CD Units are being offered, and that the following bidders have bid as follows:

Bidder	CD Units Represented by Bid	Bid Timestamp	Bid Price
A	40,000	10:00 AM	102
B	40,000	9:00 AM	101
C	40,000	9:30 AM	101

In this example, 101 is the market-clearing price because it is the highest price at which all of the CD units offered could be sold. Bidder A is allocated all 40,000 CDs bid. This leaves 60,000 CD units to be allocated to the bidders that bid at the market-clearing price. The remaining 60,000 CD units are allocated on the basis of timestamp, first to Bidder B who had the earlier timestamp, and then to Bidder C. In this example, Bidder B would receive all of the 40,000 units bid, and Bidder C would be allocated the remaining 20,000 CD units.

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.

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16. Is my bid binding?

Yes. Bids submitted and confirmed by you are binding, unless your bid is below the market-clearing price.

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17. Why do I have to confirm my bid?

Confirmation of your bid gives you an opportunity to verify that you have entered your bid correctly. It will also compute the total dollar amount bid (price times quantity).

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18. How will I know if I have won?

Winning bidders will be identified on the auction web site by their bidder IDs shortly after the auction is finished. Winning bidders will also be notified by the Auction Agent.

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19. What is the two-minute rule?

As described in the Offering Material, if any bid received in the final two minutes of an auction changes the market-clearing price, the auction will automatically be extended for two minutes from the receipt of that bid. Please refer to the Offering Material for maximum amount of time an auction may be extended, if applicable

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20. What type of auction will be used?

The auction used is frequently referred to as a modified Dutch auction. The auction is modeled after that used by the U.S. Treasury with a few notable differences. To aid in price discovery, auctions are open, meaning that bidders can enter bids, determine if their bids are “in the money,” and make adjustments, if desired. Treasury auctions are closed, or sealed bid. Also, the Treasury auction allows noncompetitive bids (a buyer agrees to buy a quantity at whatever the market clearing price turns out to be) while our Auctions do not.

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21. When will the auctions be held?