ZIONS BANCORPORATION /UT/
Form DEF 14A
April 22, 2009
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

Filed by the registrant x

Filed by a party other than the registrant ¨

Check the appropriate box:

¨ Preliminary proxy statement
x Definitive proxy statement
¨ Definitive additional materials
¨ Soliciting material under Rule 14a-12

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Zions Bancorporation

(Name of Registrant as Specified In Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date filed:

Table of Contents

ZIONS BANCORPORATION

One South Main Street, 15th Floor, Salt Lake City, Utah 84133-1109

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held On

June 2, 2009

To the Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Zions Bancorporation. The meeting will be held in the Zions Bank Building s Founders Room, One South Main Street, 18th Floor, on the corner of South Temple and Main Street in Salt Lake City, Utah, on Tuesday, June 2, 2009, at 11:15 a.m. The purpose of the meeting is:

1. To elect four directors for the terms specified in the attached Proxy Statement (Proposal 1).

2. To vote on amendments to the Company s 2005 Stock Option and Incentive Plan, including an increase in the number of shares authorized for issuance under the plan (Proposal 2).

3. To vote on amendments to the Company s Articles of Incorporation eliminating the classified structure of the Board and removing the two-thirds voting requirement for changes in board classification (Proposal 3).

4. To ratify the appointment of the Company s independent registered public accounting firm for our fiscal year ending December 31, 2009 (Proposal 4).

5. To approve, on a nonbinding advisory basis, the compensation paid to the Company s executive officers named in the accompanying proxy statement with respect to the fiscal year ended December 31, 2008 (Proposal 5).

6. To vote on a shareholder proposal requesting that the compensation of the Company s senior executives be submitted to nonbinding votes of shareholders (Proposal 6).

The meeting will also be used to transact other business as may properly come before the shareholders. Your proxy is being solicited by the Board of Directors. For the reasons stated in the Proxy Statement, the Board of Directors unanimously recommends that you vote for Proposals 1, 2, 3, 4 and 5 and against Proposal 6.

We are furnishing our proxy materials to you under the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their shareholders over the Internet. Accordingly, on or about April 23, 2009, you were sent a Notice of Internet Availability of Proxy Materials and provided access to our proxy materials over the Internet. This is designed to reduce our printing and mailing costs and the environmental impact of the proxy materials. Our proxy materials are also available on our investor relations Web site www.zionsbancorporation.com/2008annualreport. A paper copy of our proxy materials may be requested through one of the methods described in the Notice of Internet Availability of Proxy Materials.

It is important that all shareholders attend or be represented at the meeting. **Whether or not you plan to attend the meeting, please promptly submit your proxy by telephone or Internet by following the instructions found on your Notice of Internet Availability of Proxy Materials.** As an alternative, you may follow the procedures outlined in your Notice of Internet Availability of Proxy Materials to request a paper proxy card to submit your vote by mail. Your proxy can be withdrawn by you at any time before it is voted.

The prompt submission of proxies will save the Company the expense of further requests for proxies, which might otherwise be necessary in order to ensure a quorum.

If you plan to attend, please note that admission to the meeting will be on a first-come, first-served basis. You may be asked to present valid picture identification, such as a driver s license or passport. If you hold your stock in the name of a brokerage, bank, trust or other nominee as a custodian (street name holders), you will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

Table of Contents

Shareholders, media representatives, analysts and the public are invited to listen to the meeting via a live webcast accessible at www.zionsbancorporation.com.

By order of the Board of Directors

Thomas E. Laursen

Corporate Secretary

Salt Lake City, Utah

April 20, 2009

Table of Contents

PROXY STATEMENT

ZIONS BANCORPORATION

One South Main Street, 15th Floor, Salt Lake City, Utah 84133-1109

ANNUAL MEETING OF SHAREHOLDERS

June 2, 2009

SOLICITATION AND VOTING INFORMATION

Your proxy is solicited by your Board of Directors of Zions Bancorporation (Zions, we, our, us, or the Company) for use at the annual meeti of our shareholders to be held in the Zions Bank Building s Founders Room, One South Main Street, 18th Floor, on the corner of South Temple and Main Street in Salt Lake City, Utah, on Tuesday, June 2, 2009, at 11:15 a.m. local time.

Pursuant to the rules and regulations adopted by the Securities and Exchange Commission, we have elected to provide our shareholders with access to our proxy materials over the Internet rather than in paper form. Accordingly, on or about April 23, 2009, we sent a Notice of Internet Availability of Proxy Materials, rather than a printed copy of the proxy materials, to our shareholders of record as of March 31, 2009, the record date for the meeting (the Record Date).

Your proxy will be voted as you direct. If no contrary direction is given, your proxy will be voted:

- Ø **FOR** the election of the four directors listed below to three-year terms of office (Proposal 1);
- Ø **FOR** approval of amendments to the Company s 2005 Stock Option and Incentive Plan, including an increase in the number of shares authorized for issuance under the plan (Proposal 2);
- Ø **FOR** approval of amendments to the Company s Restated Articles of Incorporation eliminating the classified structure of the Board and removing the two-thirds voting requirement for changes in Board classification (Proposal 3);
- Ø **FOR** ratification of the Company s independent registered public accounting firm for fiscal 2009 (Proposal 4);
- Ø **FOR** approval, on a nonbinding advisory basis, of the compensation paid to the Company s executive officers named in this proxy statement with respect to the fiscal year ended December 31, 2008 (Proposal 5); and
- Ø **AGAINST** a shareholder proposal requesting that the compensation of the Company s senior executives be submitted to nonbinding votes of shareholders (Proposal 6).

You may revoke your proxy at any time before it is voted by giving written notice to the Zions Bancorporation Corporate Secretary, or by submitting a later dated proxy through the mail, Internet or telephone (in which case the later submitted proxy will be recorded and the earlier proxy revoked), or by voting in person at the meeting.

The only shares that may be voted at the annual meeting are the 115,335,668 shares of common stock outstanding at the close of business on the Record Date. Each share is entitled to one vote.

On all matters other than the election of directors and the amendments to the Company s Restated Articles of Incorporation, the action will be approved if the number of shares validly voted in favor of the action exceeds the number of shares validly voted against the action. Each nominee for director will be elected if he or she receives a plurality of the votes cast; however, if any nominee does not receive the affirmative vote of a majority

Table of Contents

of the votes validly cast, he or she will be elected to a 90-day term of office. The proposal to amend the Company s Restated Articles of Incorporation will be approved if at least two-thirds of the Company s issued and outstanding shares entitled to vote are validly cast in favor of the proposal. In order for any of these matters to be acted on at the meeting, a quorum of our shares must be present or represented by proxy at the meeting. A quorum of our shares is a majority of the shares entitled to vote on the Record Date, or 57,667,835 shares.

If you validly submit a proxy solicited by the Board, the shares represented by the proxy will be voted on the proposals in the manner you specify. If you do not specify the manner in which the shares are to be voted on a proposal, the shares will be counted for the proposal in the case of Proposals 1 through 5, and against in the case of Proposal 6.

If you submit your proxy but indicate Abstain with respect to any proposal, your shares will be counted for purposes of whether a quorum exists. An abstention will have no effect on the outcome of any Proposal other than Proposal 3 and will have the effect of an against vote with respect to Proposal 3.

Under the rules of the National Association of Securities Dealers, Inc., member brokers generally may not vote shares held by them in street name for customers, a so-called broker non-vote, unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, Inc. (NYSE), a member broker that holds shares in street name for customers has authority to vote on routine items if it has transmitted proxy-soliciting materials to the beneficial owner but has not received instructions from that owner.

The cost of soliciting proxies will be borne by the Company. The Company will reimburse brokers and others who incur costs to send proxy materials to beneficial owners of stock held in a broker or nominee name. Directors, officers and employees of the Company may solicit proxies in person or by mail or telephone, but will receive no extra compensation for doing so.

Table of Contents

CONTENTS

Table of Contents

NOMINATION AND ELECTION OF DIRECTORS

(Proposal 1)

It is intended that the proxies received will be voted FOR the election of nominees for director named herein unless otherwise indicated. In case any of the nominees named herein is unable or declines to serve, an event which management does not anticipate, proxies will then be voted for a nominee who shall be designated by the present Board of Directors to fill such vacancy. Each nominee for a directorship will be elected to a full three-year term if he of she receives more for votes than against votes. If a nominee fails to receive such a majority of votes, except when there are more candidates for election than the number of directors to be elected, he or she will be elected to a term of office ending on the earlier of 90 days after the day on which we certify election results and the day on which a person is selected by the Board to the office held by such director.

The following persons are nominated for election as directors for the specified term. Until their successors are elected and qualified, they will, together with other directors presently in office, constitute the entire elected Board of Directors:

Three-year Term

R. D. Cash

Patricia Frobes

J. David Heaney

Harris H. Simmons

The Board of Directors recommends that the shareholders vote FOR the election of the nominees for director listed above.

The following information is furnished with respect to each of the nominees for election as directors, as well as for directors whose terms of office will not expire prior to the Annual Meeting of Shareholders:

Nominees	Principal Occupation During Past Five Years	Director Since	Present Term Expires	Age
R. D. Cash[3, 4, 5]	Former Chairman, President and Chief Executive Officer, Questar Corporation, Salt Lake City, Utah; Director, Questar Corporation, Questar Market Resources, Associated Electric and Gas Insurance Services Limited and National Fuel Gas; Former Director of Zions First National Bank, Federal Reserve Bank of San Francisco (Salt Lake City Branch), TODCO, and Energen Corp.	1989	2009	66
Patricia Frobes[1, 3, 4]	Former Group Senior Vice President for Legal Affairs and Risk Management and General Counsel, The Irvine Company, Newport Beach, California.	2003	2009	62
J. David Heaney[2, 4]	Chairman, Heaney Rosenthal Inc., Houston, Texas; Director, Amegy Bank N.A.	2005	2009	60
Harris H. Simmons[1, 6]	Chairman, President and Chief Executive Officer of the Company; Chairman of Zions First National Bank; Director, Questar Corporation, National Life Holding Company and O.C. Tanner Co.	1989	2009	54

Table of Contents

DIRECTORS WITH UNEXPIRED TERMS OF OFFICE

Directors	Principal Occupation During Past Five Years	Director Since	Present Term Expires	Age
Roger B. Porter[1, 3, 5]	IBM Professor of Business and Government, Harvard University, Cambridge, Massachusetts; Director, Extra Space Storage, Packaging Corporation of America, Pactiv Corporation and Tenneco Inc.; Assistant to the President for Domestic and Economic Affairs, The White House, 1989 93.	1993	2010	62
L. E. Simmons[4, 6]	President, SCF Partners (Private Equity Investment Management), Houston, Texas.	1978	2010	62
Steven C. Wheelwright[1, 3, 5]	President, Brigham Young University-Hawaii; Assistant to the President, Brigham Young University-Idaho, 2006 2007; Edsel Bryant Ford Professor of Management Emeritus, Harvard Business School; Baker Foundation Professor, Senior Associate Dean, Harvard Business School, 2003 2006.	2004	2010	65
Jerry C. Atkin[1, 2, 5]	Chairman, President and Chief Executive Officer, SkyWest, Inc., St. George, Utah.	1993	2011	60
Stephen D. Quinn[1, 2, 4]	Former Managing Director and former General Partner, Goldman, Sachs & Co., New York, New York; Director, Group 1 Automotive, Inc.	2002	2011	53
Shelley Thomas Williams[2, 3]	Communications Consultant, Sun Valley, Idaho; Director, The Regence Group; Senior Director of Communications and Public Affairs, Huntsman Cancer Institute, 2000 2004.	1998	2011	57

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Compensation Committee

(4) Member of the Credit Review Committee

(5) Member of the Nominating and Corporate Governance Committee

(6) Harris H. Simmons (Chairman, President and Chief Executive Officer of the Company) is the brother of L. E. Simmons (a member of the Board of Directors of the Company).

Table of Contents

BOARD OF DIRECTORS; COMMITTEES AND CORPORATE GOVERNANCE

The Board of Directors held ten meetings during the fiscal year ending December 31, 2008. In addition, those directors whom the Board has determined are independent as defined by the rules of the Securities and Exchange Commission (the SEC), the listing standards of The Nasdaq Stock Market (Nasdaq) and our Corporate Governance Guidelines met regularly in executive session. The chair of the Executive Committee, Roger B. Porter, who is an independent director, served as the presiding director at each such executive session. All directors attended at least 75% of the total number of all Board and applicable committee meetings. All Board members attended last year s annual shareholders meeting. The Board of Directors conducts a periodic self-assessment. Two directors attended a RiskMetrics Group accredited director education program in 2008. All directors are expected to make every effort to attend the six regularly scheduled meetings of the Board, meetings of committees of which they are members, the organizational meeting held in conjunction with the Company s annual shareholders meeting and the Company s annual shareholders meeting.

The Board has determined that a majority of the Company s directors are independent. Under the Company s Corporate Governance Guidelines, a director will be considered independent only if he or she: (1) is not, and has not been within the previous three years, an officer or employee of the Company or its subsidiaries; (2) is independent under the rules of Nasdaq; and (3) does not have any relationship which, in the opinion of the Board, would interfere with the director s exercise of independent judgment in carrying out the responsibilities of a director. Applying these guidelines, the Board has determined all of the Company s directors to be independent except for Harris H. Simmons, who is the Chief Executive Officer (CEO) of the Company, and L. E. Simmons, who is Harris Simmons brother.

The Company has adopted a code of business conduct and ethics, which applies to the Company s senior financial officers, including its principal executive officer, principal financial officer and controller, as well as to all employees. The Company has also adopted a directors code of ethics for members of the Board of Directors. These two codes and the Company s Corporate Governance Guidelines are posted on the Company s Web site at www.zionsbancorporation.com and can be accessed by clicking on Corporate Governance. In addition, information concerning purchases and sales of our equity securities by our executive officers and directors is available on our Web site.

The Board of Directors has five standing committees: (1) the Executive Committee, (2) the Audit Committee, (3) the Credit Review Committee, (4) the Compensation Committee, and (5) the Nominating and Corporate Governance Committee. Membership in the Board s five standing committees is indicated above in the listing of directors. Members of committees are appointed by the Board following recommendation by the Company s Nominating and Corporate Governance Committee and serve at the pleasure of the Board for such term as the Board determines. All committees other than the Executive Committee have written charters. The written charters are posted on the Company s Web site at www.zionsbancorporation.com and can be accessed by clicking on Corporate Governance. Periodically, the Company s General Counsel reviews all committee charters in light of any changes in exchange listing rules, SEC regulations or other evidence of best practices. The results of the review and any recommended changes are discussed with the committees. The full Board then approves the charters, with any revisions it deems appropriate in light of the committees recommendations. Minor changes to the Audit Committee Charter were proposed by the Committee in January 2009. Changes to the Compensation Committee Charter were proposed by the Committee in February 2009. These changes included adding to the responsibilities of the Committee the review, together with the Company s senior risk officers, of the Company s compensation arrangements with senior executive officers, the review of the Company s risk management policies and practices and its compensation arrangements with senior executive officers, and making reasonable efforts to ensure that the Company s compensation arrangements with senior executives do not encourage unnecessary and excessive risks that threaten the value of the Company. The changes to the Compensation Committee Charter also included specifying that the responsibilities of the Compensation Committee include evaluating concerns of shareholders regarding executive compensation and reviewing adherence by the Company s directors and executive officers with the Company s Stock Ownership and Retention Guidelines. No changes were recommended with respect to the Credit Review Committee or Nominating and Corporate Governance Committee charters. The Board approved the amended Audit Committee and Compensation Committee charters at its meetings held in January and February 2009. Each of the committees performs a periodic performance review, which compares the performance of the committee with its charter.

The Board appoints one member of each of the committees as the chairman, with the chairmanship to be rotated periodically. The committee calendars, meetings and meeting agendas are set by the chairmen of the respective committees. Frequently, a committee invites the CEO to attend its meetings. Other executives, including the Company s Vice Chairman and Chief Financial Officer (CFO), Chief Investment Officer, Chief Human Resources Officer, General Counsel and Directors of Internal Audit, Credit Administration, Risk Management, Compliance and Credit Examination, are asked to attend various committee meetings (or portions thereof) to provide information relating to their areas of responsibility. Members of management do not attend executive sessions of any of the committees.

Executive Committee

The Executive Committee reviews projects or proposals that require prompt action on the part of the Company. The Executive Committee is authorized to exercise all powers of the Board of Directors with respect to such projects or proposals when it is not practical to delay action pending approval of the entire Board. The Executive Committee does not have authority to amend the Articles of Incorporation or Bylaws of the Company, adopt a plan of merger or recommend to shareholders the sale of all or substantially all of the Company s assets. The Executive Committee did not meet in 2008. The Chairman of the Executive Committee is an independent director and serves as the Presiding Director for purposes of (1) being available to discuss with other directors any concerns they may have about the Company and its performance and relaying those concerns, where appropriate, to the full Board, (2) being available to consult with the CEO regarding the concerns of the directors, (3) being available to be consulted by any of the senior executives of the Company as to any concerns the executive might have, and (4) presiding at executive sessions of the Board.

Audit Committee

The Audit Committee is composed of four directors, and met ten times in 2008. Each of the members is independent as defined by the rules of the SEC, Nasdaq s listing standards and the Company s Corporate Governance Guidelines. Information regarding the functions performed by the Audit Committee and its membership is set forth in the Report of the Audit Committee, included in this Proxy Statement. A written charter approved by the Board of Directors governs the Audit Committee. The Board of Directors has determined that each member of the Audit Committee is able to read and understand fundamental financial statements. The Board has also determined that Mr. Stephen D. Quinn is qualified as an audit committee financial expert and that he has accounting or related financial management expertise, in each case in accordance with the rules of the SEC and Nasdaq s listing standards.

Credit Review Committee

The Credit Review Committee is composed of five directors, and met four times in 2008. The Committee monitors the results of internal credit examinations and reviews adherence to policies established by the Board and by management with respect to credit-related issues for all of the Company s subsidiary banks.

Compensation Committee

The Compensation Committee has five members, and met three times in 2008. The Committee is comprised solely of independent directors as defined by the Company s Corporate Governance Guidelines. None of the Committee s members has ever been an officer or employee of the Company nor have any of them had a relationship that would require disclosure under the Certain Relationships and Related Transactions caption of any of Zions Bancorporation s filings with the SEC during the past three fiscal years.

The purpose of the Compensation Committee is to discharge the Board s responsibilities relating to the evaluation and compensation of the Company s executives and to produce reports and filings, in accordance with the rules and regulations of the SEC, the United States Department of the Treasury (the Treasury Department) and other governmental agencies. More specifically, the duties and responsibilities of the Committee are detailed in the Compensation Committee Charter.

According to its charter, the Committee has the authority to select, retain, terminate, and approve the fees of experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to compensation consultants retained to assist in the evaluation of director, CEO or executive officer compensation, this authority is vested solely in the Committee. The charter also specifies that the Committee may, in its discretion, delegate portions of its duties and responsibilities to a subcommittee of the Committee. Currently, there are no subcommittees in place nor did any subcommittee activity occur during 2008.

Historically, the Committee has retained an independent consulting firm every two to three years to conduct a competitive assessment of the Company s executive pay levels. Most recently (for 2003, 2005, 2007 and 2009), this analysis has been prepared by Semler Brossy, LLC. The consultant compares the Company s compensation levels with a peer group of financial institutions with similar lines of business and comparable size and performance as the Company. This consultant has also been asked, periodically, to provide commentary on the design of the Company s other executive compensation arrangements including the Value Sharing Plans, change in control agreements and employment contracts.

The Committee considers the recommendations of the Company s CEO with regard to executive officers other than himself, including base salary and bonuses, units of participation in the Company s Value Sharing Plans, stock option awards and restricted stock grants. The Committee reviews and sets all elements of the CEO s compensation based on information from its consultant and its own expertise and judgment.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is composed of four directors who met three times in 2008. Each member is independent as defined by the Company s Corporate Governance Guidelines. The Committee, among other things, develops and recommends corporate governance principles applicable to the Company, including those concerning the size and composition of the Board of Directors, reviews potential candidates for Board of Directors membership and recommends nominees to the Board of Directors.

In identifying and recommending nominees for positions on the Board of Directors, the Committee places primary emphasis on the criteria set forth under Candidates for Board Membership in our Corporate Governance Guidelines, namely: (1) personal qualities and characteristics, accomplishments and professional reputation; (2) current knowledge and contacts in the communities in which the Company does business and in the Company s industry or other industries relevant to the Company s business; (3) ability and willingness to commit adequate time to Board and committee matters; (4) the fit of the individual s skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; (5) diversity of viewpoints, backgrounds and experience; (6) the ability and skill set required to chair committees of the Board of Directors; and (7) relevant significant experience in public companies.

The Nominating and Corporate Governance Committee evaluates each nominee based on the nominee s individual merits, taking into account the needs of Zions and the composition of the Board of Directors. Members of the Committee discuss and evaluate possible candidates in detail and suggest individuals to explore in more depth. Once a candidate is identified whom the Committee wants to seriously consider and move toward nomination, the matter is discussed with the Board. Thereafter, the Chairman of the Committee enters into a discussion with that nominee. The Committee will consider nominees recommended by shareholders. The policy adopted by the Committee provides that nominees recommended by shareholders are given appropriate consideration in the same manner as other nominees. Shareholders who wish to submit nominees for director for consideration by the Committee for election at our 2010 Annual Meeting of Shareholders should follow the process set forth in the Company s Bylaws described on page 59 under Shareholder Proposals for 2010 Annual Meeting.

At its January 2008 meeting, the Committee recommended that the Board:

recommend that shareholders approve amendments to the Company s Restated Articles of Incorporation declassifying directors terms of office and removing the two-thirds voting requirement for changes in board classification;

approve Officers and Directors Stock Ownership and Retention Guidelines;

approve changes to the Company s Corporate Governance Guidelines specifying factors to be considered in CEO succession planning and encouraging shareholder communications regarding executive compensation.

At that meeting, the Committee also recommended that the Board recommend to shareholders that they vote AGAINST a shareholder proposal requesting that the compensation of the Company s senior executives be submitted to nonbinding shareholder votes.

The Board approved the Committee s recommendations at its January 2008 meeting. The Company s Officers and Directors Stock Ownership and Retention Guidelines and amended Corporate Governance Guidelines are available on the Company s Web site at www.zionsbancorporation.com and can be accessed by clicking on Corporate Governance. For further information on the proposal to declassify the Board, see Amendment to Articles of Incorporation to Eliminate Classification of Terms of Board of Directors on page 52. For further information on the proposal requesting that the compensation of the Company s senior executives be submitted to a nonbinding shareholder vote, see Shareholder Proposal that the Board Adopt a Say on Pay Policy on page 54.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during 2008 or as of the date of this proxy statement is or has been an officer or employee of the Company and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company s Compensation Committee or Board of Directors.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute soliciting material and should not and will not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of Zions Bancorporation. During 2008, the Audit Committee met ten times, and discussed with the CEO, CFO, controller, internal auditors and an independent registered public accounting firm, which we refer to as the external auditors, the interim and annual SEC filings that contained financial information, prior to their public release. In discharging its oversight responsibility, the Audit Committee obtained from the external auditors a formal written statement describing all relationships between the external auditors and the Company that might bear on the external auditors independence and discussed with the external auditors their independence and any relationships that may impact their objectivity and independence. The Audit Committee also discussed with management, the internal auditors and the external auditors the quality and adequacy of Zions Bancorporation internal controls and the internal audit function s organization, responsibilities, budget and staffing. The Audit Committee reviewed both with the external and internal auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed and reviewed with the external auditors all communications required by generally accepted auditing standards including, among others, Statement on Auditing Standards No. 61 and, with and without management present, discussed and reviewed the results of the external auditors audit of the financial statements and internal control over financial reporting. The Audit Committee followed formal policies and procedures governing the pre-approval of audit and permissible non-audit services to be performed by the Company s external auditors. The Audit Committee also discussed the results of the internal audit examinations. The Audit Committee s Charter was reviewed and deemed effective. In addition, the Audit Committee held regular executive sessions and private meetings with members of management, regulators of the Company, internal auditors and external auditors, and performed other actions deemed necessary to discharge the Audit Committee s responsibilities. The Audit Committee conducts periodic performance self-evaluations for review with the Board of Directors that includes a comparison of the performance of the Audit Committee with the requirements of its Charter.

As set forth in the Charter of the Audit Committee, management of the Company is responsible for the preparation, presentation and integrity of the Company s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The internal auditors are responsible for independently assessing such financial statements, principles and policies and internal controls and procedures as well as monitoring management s follow-up to any internal audit reports. The external auditors are responsible for planning and carrying out a proper audit of the Company s annual financial statements, reviews of the Company s quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q, annually auditing the effectiveness of internal control over financial reporting and other procedures. The members of the Audit Committee are not full-time employees of the Company and are not performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures or to set auditor independence standards.

The Audit Committee reviewed the audited financial statements and the report of management on internal control over financial reporting of Zions Bancorporation as of and for the year ended December 31, 2008, with management, internal auditors and the external auditors. Relying on the reviews and discussions described above the Audit Committee recommended to the Board of Directors that the Zions Bancorporation audited financial

Table of Contents

statements and management s assessment of internal control over financial reporting be included in the Annual Report on Form 10-K for the year ended December 31, 2008, for filing with the SEC.

Stephen D. Quinn, Chairman

Jerry C. Atkin

J. David Heaney

Shelley Thomas Williams

EXECUTIVE OFFICERS OF THE COMPANY

The following information is furnished with respect to certain of the executive officers of the Company.

Individual	Principal Occupation During Past Five Years[1]	Officer Since	Age
Harris H. Simmons	Chairman, President and Chief Executive Officer of the Company; Chairman of Zions First National Bank; Director, Questar Corporation, National Life Holding Company and O.C. Tanner Co.	1981	54
Bruce K. Alexander	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of Vectra Bank Colorado, N.A.; Director, Federal Reserve Bank of Kansas City (Denver Branch).	2000	56
A. Scott Anderson	Executive Vice President of the Company; President and Chief Executive Officer of Zions First National Bank; Director, Federal Reserve Bank of San Francisco (Salt Lake City Branch).	1997[2]	62
Doyle L. Arnold	Vice Chairman and Chief Financial Officer of the Company.	2001	60
Nolan Bellon	Senior Vice President and Controller of the Company.	1998[3]	60
David E. Blackford	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of California Bank & Trust.	2001[4]	60
Danne L. Buchanan	Executive Vice President of the Company; President and Chief Executive Officer, NetDeposit, LLC.	1995	51
Gerald J. Dent	Executive Vice President of the Company.	1987	67
George M. Feiger	Executive Vice President of the Company; President and Chief Executive Officer of Contango Capital Advisors.	2003	59
Dallas E. Haun	Executive Vice President of the Company; President and Chief Executive Officer of Nevada State Bank; prior to 2007, Executive Vice President, California Commercial and Private Banking Services of City National Bank.	2007	55
W. David Hemingway	Executive Vice President of the Company.	1997[5]	61
Clark B. Hinckley	Senior Vice President of the Company.	1994	61
John T. Itokazu	Executive Vice President of the Company; Vice Chairman of Zions Management Services Company.	2007[6]	48

Thomas E. Laursen	Executive Vice President, General Counsel and Secretary of the Company; prior to May 2004, Partner of Holme, Roberts & Owen, LLC.	2004	57
Connie Linardakis	Executive Vice President of the Company; prior to August 2005, Director, Executive Staffing and Talent Management of Raytheon Company.	2005	44

Table of Contents

Individual	Principal Occupation During Past Five Years[1]	Officer Since	Age
Keith D. Maio	Executive Vice President of the Company; President and Chief Executive Officer of National Bank of Arizona; prior to January 2005, President and Chief Operating Officer of National Bank of Arizona.	2005[7]	51
Dean L. Marotta	Executive Vice President of the Company; Senior Vice President and Director of Internal Audit, 2003 2006.	2003	56
Scott J. McLean	Executive Vice President of the Company; President, Amegy Bank N.A.	2006[8]	52
Paul B. Murphy, Jr.	Executive Vice President of the Company; Chief Executive Officer of Amegy Bank N.A.; prior to December 2005, Director and Chief Executive Officer of Amegy Bancorporation, Inc.	2005[9]	49
Stanley D. Savage	Executive Vice President of the Company; Chairman, President and Chief Executive Officer of The Commerce Bank of Washington, N.A.; Chairman of The Commerce Bank of Oregon.	2001	63

(1) Officers are appointed for indefinite terms of office and may be replaced at the discretion of the Board of Directors.

(2) Officer of Zions First National Bank since 1990.

(3) Officer of Zions First National Bank since 1987.

(4) Officer of California Bank & Trust since 1998.

(5) Officer of Zions First National Bank since 1977.

(6) Officer of Zions Management Services Company since 1983.

(7) Officer of National Bank of Arizona since 1992.

(8) Officer of Amegy Bank N.A. since 2002.

(9) Officer of Amegy Bank N.A. since 1990.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Overview of 2008 Compensation

The recent and ongoing financial downturn had a significant negative impact on the Company s 2008 financial results and on the price of the Company s Common Stock. Because the Company s executive compensation programs are designed to align the compensation of executives with the financial performance of the Company and the interests of the Company s shareholders, these negative factors also impacted the compensation of the Company s named executive officers for 2008. In particular, incentive compensation of the named executive officers was negatively impacted in the following ways:

Annual bonuses decreased substantially. Our Chief Executive Officer, Harris Simmons, received no annual bonus for 2008 or 2007 and our Chief Financial Officer, Doyle Arnold, received no bonus for 2008. The aggregate amount of annual bonuses paid to the five named executive officers decreased to $1,166,000 for 2008 compared to $1,650,000 for 2007 for the named officers of that year and $2,030,000 for 2006 for the named officers of that year.

No payouts were made to the named executive officers for the 2006-2008 long-term cash performance plans, known as Value Sharing Plans. This contrasts with payouts under the next most recently completed Value Sharing Plans, whose terms ended in 2005 and paid out an aggregate of $6,500,616 to the named executive officers of 2005.

The value of unexercised stock options held by the named executive officers decreased dramatically. As of December 31, 2008, the value of outstanding vested and unvested stock options held by the named executive officers aggregated to $0, compared to aggregate values of $513,948 and $21,078,527 for the named executive officers of 2007 and 2006 as of the end of those years.

The decrease in actual and potential realizable performance-based compensation for the NEOs in 2008 as compared to 2006, as demonstrated in the following table was $28,443,043. NEO compensation for 2006 was selected as the base year of the comparison because the Company had strong financial results in fiscal 2006 and it coincided with payment of Value Sharing Plan awards for the performance periods ending in fiscal 2005.

	2006	2008	Change from 2006 to 2008
Annual Bonuses(1)	$ 2,030,000	$ 1,166,000	$ (864,000)
Value Sharing Plan Payouts	$ 6,500,616	$ 0	$ (6,500,616)
In-the-Money Value of Options at Year-End (December 31st)	$ 21,078,527	$ 0	$ (21,078,527)
Total	$ 29,609,043	$ 1,166,000	$ (28,443,043)

(1) The 2008 annual bonus payments made to Messrs. Murphy and McLean were, in part, driven by contractual obligations arising from their employment contracts.

In addition, although the aggregate salaries of the named executive officers increased modestly in 2008, as a result of compensation decisions made early in 2008, the Company took action in to freeze salaries of each of the executive officers in 2009 as a result of the Company s financial performance.

The Company and the Compensation Committee believe that the compensation paid to its named executive officers for 2008 reflects the intent of the Company s executive compensation philosophy, which is performance-based and affected by long-term Company financial and stock performance. In 2008, the Company issued preferred stock to the Treasury Department pursuant to the Treasury Department s Capital Purchase Program. As a participant in the Capital Purchase Program, the Company is subject to the recently enacted Emergency Economic Stabilization Act, or EESA, and American Recovery and Reinvestment Act of 2009, or ARRA, and regulations that have been or may in the future be promulgated under those acts. These laws and regulations contain a number of significant new limitations on executive compensation. Because the regulations under the

13

Table of Contents

ARRA have not yet been issued, the ultimate impact of these limitations on the Company s executive compensation is uncertain. The Compensation Committee intends to assess the impact these limitations may have on the Company s executive compensation programs, including the ability of the Company to maintain executive compensation programs strongly weighted with long-term, performance-based compensation elements that align the interests of our executives with those of the Company and its shareholders.

Compensation Philosophy and Objectives

The Compensation Committee, (the Committee), of the Board is responsible for establishing, implementing and monitoring adherence with the Company s compensation philosophy for executive officers. The Committee seeks to establish total compensation for members of the Executive Management Committee, or the EMC, that is fair, reasonable and competitive. The Committee believes that the most effective executive compensation program is one that aligns executives interests with those of the shareholders. Specifically, our executive compensation programs are designed to achieve the following objectives:

- attract and retain talented and experienced executives in the highly competitive financial services industry;
- motivate and reward executives whose knowledge, skills and performance are critical to our success;
- compensate our executives for managing our business to meet our long-range objectives;
- align the interests of our executive officers and shareholders by rewarding performance above established targets, particularly with regard to earnings growth and return on equity, with the ultimate objective of improving shareholder value; and
- create fairness among the executive management team by recognizing the contributions each executive makes to our success.

These objectives are furthered by two important design characteristics of our executive compensation arrangements:

- a large component of an executive s total potential compensation is performance-based; and
- a large component of an executive s realizable performance-based compensation is dependent on long-term financial performance.

We believe that these features incentivize our executives to create long-term shareholder value and discourage unnecessary and excessive risks.

Participation in Capital Purchase Program

On November 14, 2008, the Company issued preferred shares to the Treasury Department pursuant to the Treasury Department s Capital Purchase Program. In connection with its participation in the Capital Purchase Program, the Company is required under current regulations for the duration of the period that the U.S. Treasury holds any equity or debt position in the Company acquired under the Capital Purchase Program to take the following actions with respect to its executive compensation arrangements relating to its Senior Executive Officers, or SEOs:

- require that SEO bonus and incentive compensation are subject to recovery or clawback by the Company if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria;

prohibit any golden parachute payments to the SEOs generally meaning any payment in the nature of compensation to (or for the benefit of) an SEO made in connection with an applicable severance from employment to the extent the aggregate present value of such payments equals or exceeds an amount equal to three times the SEOs base amount (generally defined as the five-year average of the executive s compensation); and

14

Table of Contents

agree that it will be subject to Section 162(m)(5) of the Internal Revenue Code, or Code, which reduces the annual tax deduction limit for remuneration paid to the SEOs during any taxable year from $1,000,000 to $500,000 and eliminates the availability of the exception to the deduction limit for performance-based compensation as defined in the Code.

The Company s SEOs currently consist of the same executive officers as are designated named executive officers for purposes of the Proxy Statement.

In order to comply with these requirements, the Company entered into a written agreement with each of the named executive officers. These agreements have the effect of amending each named executive officer s compensation, bonus, incentive and other benefit plans, arrangements and agreements, as described in this section, as necessary to comply with the Capital Purchase Program requirements described above for any year in which the Treasury Department holds an equity or debt position in the Company. As a result, all named executive officer compensation arrangements are potentially subject to limitation in accordance with these requirements. These agreements also permit the Company to take any actions necessary to amend the SEOs incentive compensation arrangements in the event that the Compensation Committee determines, pursuant to the analysis described below, that any such arrangements encourage the SEOs to take unnecessary and excessive risks that threaten the value of the Company.

In addition, in connection with its participation in the Capital Purchase Program, the Compensation Committee is required to meet at least annually with the Company s Chief Risk Management Officer or other senior risk managers acting in this capacity to discuss and review the relationship between the Company s risk management policies and practices and its SEO incentive compensation arrangements, identifying and making efforts to limit any features in such compensation arrangements that might lead to the SEOs taking unnecessary or excessive risks that could threaten the value of the Company. The Compensation Committee, on behalf of the Company, must certify that it has completed the review and taken any necessary actions.

In response to this requirement, in January 2009, the Compensation Committee met with the Company s Chief Risk Management Officer and other officers. The Chief Risk Management Officer, other officers and Compensation Committee completed the required review. Based on the information provided at the meeting, the Compensation Committee determined that the Company s executive compensation programs do not encourage the SEOs to take unnecessary and excessive risks that threaten the value of the Company, and that no changes to the program were required for this purpose.

On February 17, 2009, President Barack Obama signed the ARRA into law. The ARRA includes provisions directing the Secretary of the Treasury Department and the SEC to impose additional limits on compensation of executives of companies that participate in the Capital Purchase Program as long as the Treasury Department owns preferred stock and/or stock purchase warrants of such companies under the Capital Purchase Program. These provisions include, among others:

a prohibition on golden parachute payments to any SEO or any of the next five most highly compensated employees of the participating company;

a prohibition on paying or accruing any bonus, retention award, or incentive compensation to any SEO and the twenty next most highly compensated employees that fully vests during the period in which any obligation under the Capital Purchase Program remains outstanding or that has a value greater than one-third of the total amount of the annual compensation of the employee receiving the award; and

the requirement of annual, nonbinding shareholder vote on the company s executive compensation programs.

Other provisions of the ARRA require the participating companies to establish a board compensation committee that must meet at least semi-annually to discuss and evaluate employee compensation plans in light of

15

an assessment of any risk posed to the company from the plans; to adopt a company-wide statement regarding excessive or luxury expenditures; and to annually make written certifications of the company s CEO and CFO as to the company s compliance with the requirements.

Because the regulations required under the ARRA have not yet been issued, the ultimate impact of these limitations on the Company s executive compensation programs is uncertain. The Company and Compensation Committee will take any actions necessary to comply with the regulations once they are issued. As described in more detail below, the Company s executive compensation program has historically been heavily focused on performance-based elements, including annual and long-term incentive compensation. The Compensation Committee intends to assess the impact these limitations may have on the Company s executive compensation programs, including the ability of the Company to maintain executive compensation programs strongly weighted with long-term, performance-based compensation elements that align executives interests with those of the Company and its shareholders. The Compensation Committee also intends to assess what other actions may be necessary in response to these limitations, including a potential review of 2009 base salaries.

Setting Executive Compensation

To assist management and the Committee in assessing and determining competitive compensation packages, the Committee retained compensation consultants, Semler Brossy, LLC, to analyze executive compensation levels for 2005, 2007 and 2009. Semler Brossy provided the Committee with relevant market data and alternatives to consider when making compensation decisions for the CEO, and when considering the recommendations being made by the Company s CEO for other members of the EMC. These reviews of the competitive pay market were considered in establishing the compensation levels that became effective January 1, 2005, 2007 and 2009, respectively. In establishing compensation for 2006 and 2008, the Committee relied on the 2005 and 2007 studies, respectively, taking into account modifications warranted by changes in individual executive job responsibilities and job performance, internal equity considerations, and external market conditions.

In making compensation decisions, the Committee compares each element of total compensation against a custom peer group of publicly traded commercial banking companies, which we refer to as the Custom Peer Group. The Custom Peer Group, which is reviewed periodically and updated by the Committee, consists of companies that are reasonably comparable in size and scope of business to the Company and against which the Committee believes the Company competes for talent and for shareholder investment. The companies included in the Custom Peer Group for the 2007 study (the group to which 2008 executive pay levels were compared) were:

Keycorp	Marshall & Ilsley Corporation
PNC Financial Services Group, Inc.	First Horizon National Corporation
Regions Financial Corporation	Commerce Bancorp, Inc.
North Fork Bancorporation, Inc.	Huntington Bancshares Incorporated
M&T Bank Corporation	TD Banknorth, Inc.
Comerica Incorporated	Synovus Financial Corp.
AmSouth Bancorporation	Compass Bancshares, Inc.
UnionBanCal Corporation	

This group of peer banking companies was formed by considering all banks with total assets within a proximate range, both smaller and larger than the Company s total assets, and with a commercial banking focus. Thrifts and mortgage finance companies were excluded from the group.

To attract and retain executives with the ability and experience necessary to lead the Company and deliver strong performance to the shareholders, the Company provides a competitive total compensation package. Since the Company competes nationally for executive talent, the Committee believes it is appropriate to generally target base salaries and annual bonuses, or annual cash compensation, to the market median (50^{th} percentile) of annual cash compensation paid to similarly situated executives of companies comprising the Custom Peer Group (or other relevant benchmarks). In accordance with the Company s pay-for-performance objectives, the Committee also believes it is appropriate to pay long-term incentive values that are above the market median for performance that exceeds the median of the Custom Peer Group.

Consistent with the pay-for-performance objectives of the Company s executive compensation philosophy, a significant percentage of each executive s total compensation is allocated to performance-based pay. Currently these performance-oriented pay programs include: annual bonuses, stock option awards, and units in the Company s long-term cash performance plans, known as Value Sharing Plans, or VSPs. The Committee has not established a policy or target for the allocation between either cash and noncash or short-term and long-term compensation. Rather, the Committee reviews and considers information provided by its independent compensation consultant to determine the appropriate level and mix of performance-based pay.

Actual total compensation may vary as dictated by Company, subsidiary, division or individual performance, the experience level of individual executives, internal equity considerations, acquisition-related commitments, external market factors, or similar considerations. These considerations can have a substantial impact on the total compensation, or elements of compensation, paid to particular executive officers or in particular years. For example, the compensation paid to two of the individuals named in the Summary Compensation Table below was largely dictated by the terms of employment contracts entered into in connection with the Company s acquisition of Amegy Bancorporation, Inc. in 2005, and bonuses paid to each of the individuals named in the Summary Compensation Table were reduced or, in two cases, eliminated because of the Company s financial performance in 2008.

Components of Executive Compensation

Compensation for each of the persons named in the Summary Compensation Table as well as other senior executives is comprised of the elements detailed below:

- Base Salary
- Annual Bonus
- Long-Term Incentive Compensation
  - Value Sharing Plans
  - Stock Options
  - Restricted Stock
- Health and Welfare Benefits
- Retirement Benefits
  - Deferred Compensation Plan

401(k) Payshelter and Employee Stock Ownership Plan

Excess Benefit Plan

Cash Balance Plan

Supplemental Executive Retirement Plan

Perquisites and Other Personal Benefits.

The Company uses all elements of the executive compensation program to attract, retain, motivate and reward executives. By tying a substantial portion of each executive s compensation to the Company s long-term financial performance and stock appreciation, the Company s long-term incentive compensation component aligns the interests of executive officers with those of shareholders, rewards performance above established targets and encourages executive officers to manage the Company s business to meet its long-range objectives.

Table of Contents

Base Salary

The Company provides its CEO, Chief Financial Officer and three other most highly compensated executive officers, referred to as the Named Executive Officers, or NEOs, as well as other employees, with a base salary to compensate them for services rendered during the fiscal year. Salary levels are typically considered annually as part of the Company s performance review process as well as upon a promotion or other change in job responsibility. In determining base salaries, the Committee considers the executive s qualifications and experience, scope of responsibilities, individual job performance, market conditions, competitive salary levels and practices at companies in the Custom Peer Group, as well as pay relative to other officers of the Company.

The 2007 executive pay study prepared by Semler Brossy concluded that the base salary for the Company s CEO was below the 25th percentile of the market base salary level of CEOs in the Custom Peer Group. Base salary for the other NEOs, as a group, was slightly below the median for similarly situated executive officers in the Custom Peer Group. As a result of this study, the Compensation Committee decided to make adjustments to executive base salaries for 2008.

2008 Salary Determination: In March 2008, the Compensation Committee increased Mr. Simmons base salary roughly 3% to $875,000. Mr. Simmons new base salary remains below the 25th percentile of the market base salary level paid to CEOs in the Custom Peer Group. The positioning of Mr. Simmons base salary reflects the Compensation Committee s view that most of the CEO s pay will be delivered to him through performance-based compensation programs.

On average, the Compensation Committee awarded a 3.7% increase in base salary to the remaining NEOs for 2008. These increases, ranging from 3.6% to 4.2%, were in line with the industry average of 4.0% and were reflective of each NEO s strong individual job performance as well as the financial results of their respective companies in 2007.

After the implementation of all base salary modifications for the NEOs in 2008, their base salaries were, in aggregate, 5% above the market median of total base salaries for similarly situated executives in the Custom Peer Group.

2009 Salary Determination: The Committee made base salary recommendations for 2009 for the NEOs in March 2009. The Committee determined that due to the weak performance of the banking industry and of the Company relative to prior years it would not increase base salaries for any of the NEOs. However, as previously discussed, since the regulations required under the ARRA have not yet been issued, the ultimate impact of the related limitations on the Company s executive compensation programs is uncertain. As a result, the Compensation Committee could review its 2009 base salary decisions in order to ensure that the executive compensation programs will continue to allow the Company to attract and retain key executives.

Annual Bonus

Consistent with the Company s emphasis on pay-for-performance, NEOs and other officers of the Company are eligible for an annual bonus. The Committee approves bonus awards for EMC members, including NEOs, based on a subjective evaluation of a variety of factors, including, but not limited to, the following:

- compensation paid to senior managers with similar qualifications, experience and responsibilities at other institutions;
- individual job performance;
- local market conditions;
- internal equity considerations;
- acquisition-related rights;

recommendations of the Company s CEO (for other NEOs); and

the Committee s perception of the overall financial performance (particularly operating results) of the Company and its operating units. The Committee also determines annual bonus awards for the remaining members of the EMC (members other than the NEOs). The Committee makes these award decisions in the same manner. Semler Brossy concluded in its 2007 review of the Company s executive pay levels that bonus targets and actual annual cash compensation (defined as base salary plus actual annual bonuses) were, on average, below the market median for similarly situated executives at the Custom Peer Group companies. The independent consultant also noted that the 60% target bonus percentage and annual total cash compensation for the Company s CEO were substantially below the market median. Based on these external market considerations, the Committee raised the annual bonus target for Mr. Simmons to 100% of his base salary in March 2007. In addition, the Committee increased the annual bonus targets for the Vice Chairman and the CEOs of Zions largest affiliate banks to either 80% or 100% of their base salaries. Generally, the target bonus percentages for the remaining members of the EMC (members other than the NEOs) are positioned at either 50% or 60% of the executive officer s base salary.

In March 2009, the Company s CEO made recommendations to the Committee with respect to annual bonuses for fiscal year 2008 for each of the NEOs, as well as for other executive officers of the Company. While these annual bonus awards are not formula-driven, primary factors taken into consideration in making these recommendations included achievement of financial goals in each of the NEOs operating units; observations with respect to each NEO s individual performance and contributions to the performance of the management team in general; internal equity considerations; and, in the cases of Messrs. Murphy and McLean, contractual obligations arising from their employment agreements.

Mr. Simmons declined to be considered for an annual bonus and did not recommend an annual bonus for Mr. Arnold for the 2008 performance year due to the Company s losses and the deterioration in the Company s share price during the latter half of 2008. Mr. Simmons recommended bonuses, albeit lower than the prior year, for Messrs. Anderson, Murphy, and McLean because of their individual performance and the financial performance of their respective business segments. Specifically, Amegy Bank generated the largest profit in its history and had strong loan and deposit growth and low net charge-off results. As a result, Messrs. Murphy and McLean were awarded annual bonuses that were 7% and 8% lower than their bonuses for the prior year. Zions First National Bank, experiencing a 12.4% decrease in net operating income, remained solidly profitable in an exceptionally challenging credit environment. Accordingly, Mr. Anderson was awarded a bonus that was approximately 27% less than the bonus he received in the prior year.

The Compensation Committee approved Mr. Simmons request not to receive a bonus and his bonus recommendations for the EMC members (including the NEOs). The Committee noted that the recommendations for the EMC (including the NEOs) were, in aggregate, 36% below the bonus payouts for the prior year.

Long-Term Incentive Compensation

The Committee approves awards of long-term incentives to executive officers, including the NEOs, as part of the Company s total compensation package. These awards are consistent with the Company s pay-for-performance principles and align the interests of the executive officers with the interests of the shareholders. Currently, the Company s long-term incentive compensation consists of grants of units in Value Sharing Plans established under the Company s Long-Term Executive Incentive Compensation Plan, which was last approved by shareholders in May 2006, as well as equity compensation. Equity compensation for executive officers of the Company is predominantly in the form of options to acquire Zions Bancorporation common stock. Although information shown in the Grant Based Awards Table of this Proxy Statement shows the value of the stock options at their grant date fair market value, as required by SEC rules, the realized value of the stock options and, accordingly, any related compensation benefit to the executive will depend upon the actual performance of the Company s common stock. The Company s equity incentive plans allow for other forms of equity compensation, including restricted stock and performance shares. Generally, management and the Compensation Committee believe that in keeping with the Company s pay-for-performance objective, stock options are the most appropriate vehicle of equity compensation for the executive officers. However, periodically or as business conditions merit, restricted stock and/or performance shares may be granted to executives in order to fulfill the Company s business and human capital objectives.

According to Semler Brossy s 2005 review of the Company s long-term incentive awards, which was reviewed by the Compensation Committee in the determination of the size of the Company s 2006 long-term cash awards, long-term incentive awards have been established that the Company expects to result in long-term incentive compensation ranging from the median to 75th percentile of the market for similarly situated executives at the Custom Peer Group companies. The most recent compensation study prepared by Semler Brossy in 2007, however, concluded that long-term incentive compensation for the Company s CEO was below the 25th percentile of the market. According to the study, long-term awards for the other EMC members, on average, were more in line with median to 75th percentile awards.

Value Sharing Plans

The Company s long-term cash incentive programs, referred to as Value Sharing Plans, encourage participants to focus on long-term financial results for the entities they manage, and provide an opportunity for executive officers and certain designated key employees to share directly in improvements in shareholder value (above predetermined minimum performance thresholds) over multiyear periods. These plans are also a key retention tool because payouts in excess of an executive s base salary are deferred for one year and are dependent on continued employment.

In 2006, the Compensation Committee established Value Sharing Plans consisting of a corporate level and six subsidiary level plans, covering the years 2006 through 2008. The Compensation Committee also approved units of participation in the 2006 2008 Value Sharing Plans. On March 1, 2007 the Committee approved an additional Value Sharing Plan for officers of Amegy Bank N.A., or Amegy Bank, covering the years 2007 and 2008, as well as units of participation in this plan. Unit awards to executives and other officers in the Value Sharing Plans are granted on a discretionary basis, reflecting the position and proportionate responsibility for overall corporate results of each executive officer in the Company. The allocation of units is based on an evaluation of individual performance, the individual s contribution to Company performance, and the scope of individual responsibilities. Award sizes are also considered in view of competitive market levels of compensation for similarly situated executives in the Custom Peer Group. The value of each unit ultimately is determined by the size of the award fund (which is determined based on Company or operating unit performance as described below) divided by the total number of units in that fund.

The Committee reviewed and approved the design of the 2006 2008 Value Sharing Plans and the 2007 2008 Value Sharing Plan for Amegy Bank, the basis on which the award funds will be calculated, and the maximum amount of each award fund. Subject to achieving threshold performance levels, a base award fund is created under each of these plans, equal to a fraction of the incremental adjusted earnings during the plan period. This base award amount is adjusted by a multiplier determined by the average annual adjusted return on average incremental equity employed, or ROE, for the Company (or subsidiary bank) over the plan period.

The design of the 2006 2008 Value Sharing Plans and the 2007 2008 Value Sharing Plan for Amegy Bank is similar to the design of its predecessor plans, including the 2003 2005 Value Sharing Plans. In general, there is no payout under a Value Sharing Plan unless earnings growth is at least 5% compounded over the plan period and unless the ROE based on incremental capital employed is at least 11% over the life of the plan. To achieve target long-term compensation values, the plans generally require each entity to achieve 11% earnings growth compounded over the plan period and ROE of 14% on incremental capital employed. All of the plans are capped and have a maximum payout value of $4.25 per unit (the maximum payout is achievable through varying combinations of earnings growth and incremental ROE).

Table of Contents

The intent of these plans is to fairly reward participants for increasing shareholder value. The Committee in its sole discretion may make adjustments under the Value Sharing Plans for equitable or other reasons and has used this discretion in the past to address unplanned, unusual or nonrecurring items. For example, the Committee can and has made adjustments to previous Value Sharing Plans to reflect the impact of acquisitions that have been approved by the Board of Directors. When adjustments have been made, they have applied equally to all participants in the affected Value Sharing Plan.

Each of the Company s executive officers participated in one or more three-year Value Sharing Plans, as outlined above. In the case of executive officers employed by one of the Company s banking subsidiaries, the practice has been to award half of a participant s units in the bank-level Value Sharing Plan, and half of the participant s units in the corporate-level, or Zions Bancorporation Value Sharing Plan. The Amegy Bank merger was consummated in December 2005, and resulted in a variety of adjustments to Amegy Bank s operations and financial statements. Accordingly, we created a two-year Amegy Bank Value Sharing Plan, using 2006 as the base year against which to measure earnings growth and incremental return on equity performance over the 2007 2008 period. In March 2007, the Committee granted units in the Amegy Bank Value Sharing Plan and Zions Bancorporation Value Sharing Plan to Messrs. Murphy and McLean, which were apportioned to create target award values (based on achieving 11% earnings growth and 14% return on incremental equity employed during the two-year award period) commensurate with target awards granted to their peers participating in the Company s three-year 2006 2008 Value Sharing Plans.

All of the Company s Value Sharing Plans, including the two-year 2007 2008 Amegy Bank Value Sharing Plan, had performance periods which concluded on December 31, 2008. None of the Company s Value Sharing Plans in which the Company s NEOs held units of participation achieved threshold levels of earnings growth or incremental return on equity over their respective performance periods. As a result, none of the NEOs received payouts from the Company s Value Sharing Plans for the most recent performance period.

Under normal circumstances, the Compensation Committee would have approved the design and granted new units of participation in a new set of Value Sharing Plans covering the next two to three year period of Company performance. However, the Compensation Committee s ability to use performance-based programs, like the Company s Value Sharing Plans, may be severely limited under the ARRA regulations. Since the regulations required under the ARRA have not yet been issued, the ultimate impact of the related limitations on the Company s executive compensation programs is uncertain. As a result, the Compensation Committee has yet to approve new Value Sharing Plan designs and units of participation in such plans. After the new regulations are released, it is the Compensation Committee s intent to design executive compensation programs that comply with the new regulations and enable the Company to continue to fulfill its business and human capital objectives.

Equity-Based Awards

The Company periodically grants stock options to executives, usually on the date of its annual shareholders meeting, most recently in April 2008. Stock option grants are designed to assist the Company to:

- enhance the focus of executives on the creation of long-term shareholder value as reflected in the Company s stock price performance;
- provide an opportunity for increased ownership by executives; and
- maintain competitive levels of total compensation.

Such grants are discretionary by the Compensation Committee, reflecting the position of each executive officer in the Company and that person s proportionate responsibility for overall corporate performance. The allocation of stock options among executive officers is not based on any measure of Company performance, but is based on a subjective evaluation of individual performance and the scope of the individual s responsibilities. Information regarding the quantity and terms of stock options and other equity awards granted by other financial institutions was provided by the Compensation Committee s independent consultant with respect to the Custom Peer Group.

Table of Contents

The Company s practice has been to grant incentive stock options up to the maximum amounts available under Section 422 of the Internal Revenue Code and, if needed, additional nonqualified stock options to reach the targeted long-term incentive value for each executive.

Option exercise prices are set at the closing price of the Company s common stock on the date of grant. The Committee has never granted options with an exercise price that is less than the closing price of the Company s common stock on the grant date, nor has it granted options that are priced on a date other than the grant date.

The Compensation Committee changed its policy for granting equity awards in 2006. Prior to that year, the practice had been for every grant of stock options or restricted shares to new hires, on the occasion of promotions, or other unusual circumstances, to be brought to the Board for approval. The Committee resolved in January 2006 to grant the CEO the authority to grant options and restricted stock up to a predetermined limit with subsequent reporting to the Committee. No grants may be made to EMC members, including NEOs, without prior approval from the Committee.

The Company s NEOs received equity-based grants on April 24, 2008. The grants are one of two components of long-term incentive compensation, the other being participation in one or more of the Company s Value Sharing Plans. For purposes of benchmarking the Company s total long-term incentive compensation against peer companies, the Black-Scholes valuation model is used to determine the value of stock options, while the market price on the date of grant is used for restricted shares. Options granted are Incentive Stock Options to the extent allowed by law. In determining the number of options to be granted, the Committee generally attempts to provide total long-term incentive compensation that ranges from the median to the 75^{th} percentile of peer company long-term incentive compensation, provided that the Company s financial performance over longer periods of time, as measured by levels of return on equity and changes in net income and the value of the Company s common shares, exceeds peer company results. Stock options and restricted share grants are considered together with Value Sharing Plan unit grants in meeting this goal.

2008 Equity Retention Grants: In addition to the annual grants made in April 2008, additional stock option grants were made to selected officers, including Messrs. Arnold, Murphy, McLean and Anderson, on August 15, 2008. These option grants were made primarily for retention purposes, but also with the understanding of their large holdings of underwater stock options. Vesting, change in control, and other conditions of the grants were made in accordance with the terms of the Company s standard stock option grants. Performance Shares were also granted in August to Messrs. Murphy and McLean, in consideration of the fact that their employment agreements were due to expire in December 2008, the very strong performance of the Amegy Bank over the past two-and-a-half years and the very competitive local market for talent. The Committee deemed it desirable to make every effort to keep the management team at Amegy Bank in place. The vesting on the performance share grants is subject to the attainment of net income growth at Amegy Bank of at least 5% compounded annually for each of the years 2009 2012. The calculation is based on a 2008 net income figure, which at the date of grant was estimated at $107.9 million, and is subject to the same kinds of adjustments (e.g. for items the Committee deems to be extraordinary and pro forma adjustments to reflect a stable level of capital) as are used in the Value Sharing Plan. Should Amegy fail to increase earnings in any of the four years 2009 2012 by the amount of 5%, compounded annually, vesting will be deferred until the following year, at which time such shares can vest if the cumulative earnings test is met. These grants also include non-solicitation provisions with respect to customers and employees for a period of six months following the earlier of February 1, 2013, or the termination of employment.

Health and Welfare Benefits

Each of the NEOs may participate in the Company s health and welfare benefit programs, including medical, dental, and vision care coverage, disability insurance and life insurance, on the same terms and in the same amounts as are available to the full-time employees of the Company.

Table of Contents

Retirement Benefits

The Company believes that providing competitive retirement security programs is an important factor in attracting and retaining highly qualified employees and executives. In accordance with this objective, the Company has continually reviewed and updated the design and structure of its retirement programs to maintain market competitiveness. All employees who are at least 21 years of age are eligible to participate in the Zions Bancorporation Payshelter 401(k) and Employee Stock Ownership Plan. Eligibility and participation in the Deferred Compensation Plan, Excess Benefit Program, Cash Balance Plan and Supplemental Executive Retirement Plan, each described below, are limited to highly compensated employees or grandfathered employees.

401(k) Payshelter and Employee Stock Ownership Plan

The 401(k) Payshelter and Employee Stock Ownership Plan is a defined contribution plan qualified under provisions of Section 401 of the Internal Revenue Code. The plan is a combination of a 401(k) plan and an employee stock ownership plan. The plan permits participants to contribute between 1% and 80% of their earnings on a tax-deferred basis, up to a maximum of $15,500 ($20,500 for participants age 50 and above) in 2008. Vesting of employee contributions occurs upon contribution. The Company provides a matching contribution of up to 4% of compensation in the form of Company common stock. The Company s contributions are determined by reference to the employee s contributions and are not discretionary. Participants may diversify their Company matching contribution into any of the plan s array of mutual funds at any time.

Effective January 1, 2003, the Company replaced its cash balance defined benefit retirement plan with a profit sharing plan in which contributions are based upon the Company s performance according to a discretionary formula approved annually by the Board of Directors. In recent years, the formula has been based upon the achievement of varying levels of Return on Average Shareholder s Common Equity. In view of the Company s disappointing financial results in 2008, the Company did not make a profit sharing plan contribution to employees. Company profit sharing contributions are invested in the Company s common stock. Participants may diversify the Company s profit sharing contribution into any of the plan s array of mutual funds after three years of service. Prior to January 1, 2007, vesting of the Company contributions was based on a five-year cliff vesting schedule. On January 1, 2007, vesting was changed to an incremental vesting schedule over five years. The maximum profit sharing contribution permitted under the plan is limited by Sections 415 and 401(a)(17) of the Internal Revenue Code. Under current regulations, compensation for the purpose of determining benefits in 2008 cannot exceed $230,000.

For selected executives, including Messrs. Simmons, Arnold and Anderson, profit sharing contributions that cannot be provided due to the compensation limitation are restored in the Company s excess benefit plan (the Excess Benefit Plan) described below.

Deferred Compensation Plan

The Deferred Compensation Plan was established on January 1, 2001, and was restated effective January 1, 2004, to allow highly compensated employees (currently earning over $130,000 annually) to defer up to 50% of their base salary and up to 100% of their bonus and incentive compensation.

Under this plan, the Company has established a wide array of investment options that are maintained for the purposes of determining the amount of investment earnings to be credited to participants accounts. Participants must select the investment options for their contributions at the time of enrollment but can change their investment elections at any time. Individual accounts are credited with the earnings of the reference investment options they select, net of any investment or management fees.

Generally, participants can elect the time and manner of distribution of their vested account balance. The manner may be in the form of a lump-sum cash payment, or payments in substantially equal monthly amounts

Table of Contents

over a period of five, ten, fifteen or twenty years. The time may be date-specific or upon attainment of a specified age. Participants may also elect to receive their distribution upon separation from service and attainment of a specified age.

Assets under this Plan are set aside in a rabbi trust that can only be used for the payment of benefits under the Plan. However, in the event of bankruptcy or insolvency of Zions Bancorporation, the assets would be subject to the claims of general creditors and participant claims would be considered along with the claims of other general creditors.

Excess Benefit Plan

On January 1, 2004, the Company segregated the employer-contributed executive management restoration benefit from the Deferred Compensation Plan and established the Excess Benefit Plan. Prior to this date, all restoration and excess benefit contributions were made to the Deferred Compensation Plan. The Excess Benefit Plan consists solely of employer contributions that restore benefits that are limited by tax-qualified plan limitations, and since January 1, 2004, all restoration benefits have been deposited into the Excess Benefit Plan.

Cash Balance Plan

Benefit accruals under the Company s cash balance defined benefit retirement plan were frozen as of December 31, 2002. A group of certain eligible (grandfathered) employees continue to accrue earnings and interest credits to their cash balance accounts in the plan. Those grandfathered were over age 55 at the time the plan was frozen. Scott Anderson is the only NEO that is a grandfathered employee in this Plan. All other participants accrue interest credits only.

Supplemental Executive Retirement Plan

The Supplemental Executive Retirement Plan, or SERP, is an unfunded, nonqualified plan established January 1, 1994, to restore benefits lost by certain highly compensated employees of the Company. The Board of Directors determined the participants in the SERP primarily from among those employees of the Company who were members of the Executive Management Committee. Effective December 31, 2002, benefit accrual under the SERP was frozen in conjunction with the freezing of the cash balance defined benefit retirement plan. The NEOs participating in these plans accrued only interest credits in 2003 and subsequent plan years.

Perquisites and Other Personal Benefits

The Company provides NEOs as well as other executive officers with perquisites and other personal benefits that the Company and the Committee believe are reasonable and consistent with its overall compensation objective to better enable the Company to attract and retain superior employees for key positions. The Company and the Committee believe that perquisites and other personal benefits generally should be modest and should have a demonstrative and significant benefit to the advancement of the Company s business or to the efficiency of its executives in the performance of their jobs.

Tax and Accounting Implications

Deductibility of Executive Compensation

As part of its role, the Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that the Company may not deduct compensation of more than $1,000,000 annually that is paid to certain individuals, unless that compensation is paid pursuant to a performance-based compensation plan. As described above, in connection with its participation in the Capital Purchase Program, the Company has agreed to be subject to Section 162(m)(5) of the Code. This section reduces the annual Section 162(m) tax deduction limit for remuneration paid to the SEOs during any taxable year from $1,000,000 to $500,000 and eliminates the availability of the exception to the deduction limit for performance-based compensation.

Generally, the Committee seeks to maximize executive compensation deductions for federal income tax purposes. However, the discretionary nature of the Company s cash incentive awards may result in an amount of compensation not being deductible under Section 162(m) of the Code. Management and the Committee believe that there may be circumstances in which the provision of compensation that is not fully deductible but provides a stronger alignment of awards with performance achieved through a discretionary process warrants the lost deduction. The Committee believes that the compensation awarded to the Company s named executive officers with respect to the 2008 performance year would have been deductible under Section 162(m), but notes that due to the Company s participation in the TARP Capital Purchase Program a portion of the compensation attributable to 2008 services of the executive officers who are SEOs will be nondeductible under Section 162(m) of the Code.

Nonqualified Deferred Compensation

On October 22, 2004, the American Jobs Creation Act of 2004 was signed into law, changing the tax rules applicable to nonqualified deferred compensation arrangements. Section 409A imposes substantial penalties and results in the loss of any tax deferral for nonqualified deferred compensation that does not meet its requirements. The Compensation Committee has structured the elements of the Company s compensation program to comply with the distribution, timing and other requirements of Section 409A. These actions are intended to prevent certain elements of executive compensation to result in substantial tax liability for the named executive officers pursuant to Section 409A. However, because of the uncertainties associated with the application and interpretation of Section 409A and the guidance issued thereunder, there can be no assurance that every element of the company s compensation program does, in fact, comply with such requirements. A more detailed discussion of the Company s nonqualified deferred compensation arrangements is provided under the heading Deferred Compensation Plan.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, the Company began accounting for stock-based payments in accordance with the requirements of FASB Statement 123(R). FAS 123R governs the accounting for employee stock options. The valuation practice of most companies is to use modifications of standard option pricing models. However, these models were not designed to estimate the value of employee stock options and may not accurately reflect their actual value. The pronouncement favors the use of a market price for valuation of employee stock options. Paragraph 22 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.

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 SEC staff has reviewed our ESOARS instrument and concurs that it can be used for employee stock option grant valuation.

From April 24 to 25, 2008, the Company successfully conducted an auction of its ESOARS. As allowed by FAS No. 123R, *Share-Based Payment*, the Company used the results of that auction to value its employee stock options issued on April 24. The value established was $5.73 per option, which the Company estimates is approximately 24% below its Black-Scholes model valuation on that date. The Company recorded the related estimated future settlement obligation of ESOARS as a liability in the balance sheet.

For stock option grants made at times other than the date of the annual shareholder s meeting (i.e., off-cycle grants), the Company uses the Black-Scholes option valuation method to determine the accounting expense. This methodology is also acceptable for FAS 123R reporting purposes.

Employment Contracts

Generally, the Company does not enter into employment contracts with its NEOs or with other officers of the Company. Prior to 2005, only one member of the Executive Management Committee, George Feiger, had a contractual employment relationship with the Company. This was specially negotiated with Mr. Feiger in connection with his recruitment and his responsibility for building a wealth management business (Contango Capital Advisors). Following the acquisition of Amegy Bancorporation in 2005, the Company signed Paul Murphy, Jr., Scott McLean and certain other members of Amegy Bank s senior management to employment contracts. These agreements were specially negotiated in conjunction with the acquisition of Amegy Bancorporation in order to retain the executives and enhance the value of the Company s investment in the Amegy Bank franchise. Finally, in 2007, an employment agreement was negotiated with Dallas Haun in connection with his recruitment to be the president and CEO of Nevada State Bank, a Zions Bancorporation affiliate.

Employment Agreements with Messrs. Murphy and McLean

Zions Bancorporation entered into employment agreements with Paul Murphy, Jr. and Scott McLean in December 2005. The agreements had a three-year term and provided for a minimum base salary and target annual bonus. The agreements provided that base salaries for Messrs. Murphy and McLean should not be less than $475,000 and $400,000, respectively. In addition, Mr. Murphy s future annual bonus targets for 2007 and 2008 could not be less than 100% of his base salary and the actual annual bonus amounts could not be less than 50% of the updated annual base salary. Similarly, Mr. McLean s future annual bonus targets for 2007 and 2008 could not be less than 75% of his base salary and the actual annual bonus amounts could not be less than 37.5% of his updated annual base salary. In connection with the termination of each executive s prior change in control agreements with Amegy Bancorporation, Zions agreed to pay one-half of each executive s potential Amegy change in control severance payment within ten days of the completion of the merger and, subject to continued compliance by Messrs. Murphy and McLean with certain noncompetition and nonsolicitation covenants, the remaining half of such potential change in control severance payment (plus a 25% enhancement) in three equal retention payments on the first, second and third anniversaries of the completion of the merger. Accordingly, in December 2008, on the third anniversary of the merger, Messrs. Murphy and McLean received the third of three installments of $484,375 and $406,250, respectively. The contracts also stated that each executive would receive annual Zions equity awards with a target level equal to 70% of their base salary and that the actual equity grants would not be less than 52.5% of their base salary. In accordance with the terms of these agreements, Messrs. Murphy and McLean were granted 24,000 and 20,000 Zions Bancorporation stock options, respectively, on the date the merger was completed. The agreements also provided that, upon termination of employment by Amegy Bank without cause or by the executive for good reason, as those terms are defined in the agreements, such executive would receive:

- a prorated current year annual bonus;
- severance equal to three times the sum of base salary plus highest annual bonus earned in the three prior years;
- 36 months of continued benefits; and
- immediate vesting of all equity awards.

Each executive was also subject to certain noncompetition and nonsolicitation covenants while employed and for a period of 12 months following termination of employment for any reason.

Table of Contents

In the event that any payments or benefits to these executives become subject to the excess parachute payment excise taxes required under Section 280(g) of the Internal Revenue Code, and the aggregate present value of the payments or benefits is equal to or greater than 115% of the amount that would cause the executive to be subject to such excise taxes, the employment agreements provided that such executive would be entitled to receive a gross-up payment that would place him in the same financial position in which he would have been in the absence of the imposition of such excise taxes. However, if any payments or benefits to any of the executives became subject to excise taxes, and the aggregate present value of the payments or benefits was less than 115% of the amount that would cause the executive to be subject to such excise taxes, then such payments would be cut back to the extent necessary to avoid the excise tax.

Change in Control Arrangements

The Company is party to change in control agreements with certain senior executives selected by the Board of Directors and maintains a special severance plan for the benefit of certain other officers, to foster the continuous employment of senior and midlevel executives and management and to reinforce and encourage their continued attention and dedication to their duties without the distraction from the possibility of a change in control of the Company.

For purposes of the change in control agreements and the special severance plan, unless certain members of the Board of Directors determine that a change in control has not occurred, a change in control will be deemed to have occurred if

(1) any person, other than the Company or any employee benefit plan of the Company, acquires beneficial ownership of more than 20% of the combined voting power of the Company s then outstanding securities;

(2) the majority of the Board of Directors changes within any two consecutive years, unless certain conditions of Board approval are met;

(3) a merger or consolidation of the Company is consummated in which the prior owners of Zions Bancorporation common stock no longer control 50% or more of the combined voting power of the surviving entity;

(4) the shareholders of the Company approve a plan of complete liquidation of the Company; or

(5) an agreement providing for the sale or disposition by the Company of all or substantially all of the Company s assets is consummated.

Change in Control Agreements

The Company has entered into change in control agreements with certain senior executives selected by the Board of Directors designed to ensure their continued services in the event of a change in control. All of the NEOs are included in this group. The Company entered into these agreements because the financial services industry has been consolidating and the Company wants to minimize distractions to its executives caused by a rumored or actual change in control. Further, if a change in control should occur, the Company wants its executives to be focused on the business of the organization and the interests of shareholders. In addition, the Company believes it is important that its executives be able to react neutrally to a potential change in control and not be influenced by personal financial concerns. The Company believes its change in control agreements assist it in retaining executive talent and realizing the aforementioned objectives.

Table of Contents

The change in control agreements provide that if, within the two-year period immediately following a change in control, an executive s employment is terminated other than for cause or the executive terminates his or her employment for good reason (generally, an unfavorable change in employment status, compensation or benefits, or a required relocation), then the executive generally will be entitled to receive:

(1) a lump sum severance payment equal to three times the sum of annual base salary plus the greater of the targeted annual bonus then in effect or the average of the executive s annual bonuses for each of the three years immediately prior to the change in control;

(2) full base salary through the date of termination, any unpaid annual bonus and the targeted annual bonus prorated through the date of termination;

(3) continuation of medical and dental health benefits for three years;

(4) outplacement services for two years at an aggregate cost to the Company not to exceed 25% of the annual base salary; and

(5) full vesting in accrued benefits under the Company s pension, profit sharing, deferred compensation or supplemental plans.

If any payment or distribution to or for the benefit of the executive would be subject to an excise payment required by Section 280(g) of the Internal Revenue Code, the total payment or distribution will be reduced to such extent required to not trigger the excise tax. The executive will determine which payments or benefits to reduce.

Immediately prior to a change in control, all outstanding options granted to the executive under the Company s stock option plans, incentive plans or other similar plans will become fully vested and exercisable and the restricted period with respect to any restricted stock or any other equity award will lapse. Additionally, executives will be entitled to pro rata payment of benefits available under the Value Sharing Plans.

Commencing on the date of termination of his or her employment, the executive may not disclose any confidential information and, for one year following such date of termination, may not solicit or attempt to solicit away from the Company any of its officers or employees.

The Company believes that change in control agreements should compensate executives who are displaced by a change in control and not serve as an incentive to increase an executive s personal wealth. Therefore, these change in control agreements require that there be both a change in control and an involuntary termination without cause or a voluntary termination for good reason, which is often referred to as a double-trigger. The double-trigger ensures that the Company will become obligated to make payments under the change in control agreements only if the executive is actually or constructively discharged as a result of the change in control.

Special Severance Plan

A special severance plan covers certain midlevel executives and senior management selected by the Board of Directors. There are two levels of benefits available under the special severance plan. The special severance plan provides severance benefits that are generally the same as those provided under the change in control agreements, except that the salary and bonus multiplier is two for the Tier 2 plan and one for the Tier 3 plan and the period of continued medical and dental health benefits and outplacement services is two years for the Tier 2 plan and one year for the Tier 3 plan.

Table of Contents

Vesting of Stock Options and Restricted Stock

The Key Employee Incentive Stock Option Plan provides that outstanding options under such plans will vest immediately upon a change in control (as such term is defined in the change in control agreements). If any employee holding outstanding options under the plan is terminated, other than for cause, within two years following a change in control, the exercise period for such outstanding options will be extended to the full remaining term of the option.

The Zions Bancorporation 2005 Stock Option and Incentive Plan also provides that, upon a change in control, all awards shall fully vest and all restrictions on restricted stock will immediately lapse. If any employee holding outstanding options under the plan is terminated, other than for cause, disability, death or retirement, within two years following a change in control, the employee shall be entitled to exercise his or her options at any time thereafter until the earlier of the date 42 months after the date of termination of employment or the expiration date in the applicable award agreement.

Table of Contents

COMPENSATION COMMITTEE REPORT

The following Report of the Compensation Committee does not constitute soliciting material and should not and will not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

In addition, the Compensation Committee certifies that it has reviewed with senior risk officers of the Company the Company s SEO incentive compensation arrangements and has made reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the Company.

Compensation Committee

Steven C. Wheelwright, Chairman

R. D. Cash

Patricia Frobes

Roger B. Porter

Shelley Thomas Williams

COMPENSATION TABLES

2008 Summary Compensation Table

The following table provides information concerning the compensation of the NEOs for the Company s most recently completed fiscal year. Scott Anderson first qualified as an NEO in 2007. In accordance with SEC guidelines, we have not reported the details of Scott Anderson s compensation for fiscal 2006.

In the column Salary, we disclose the amount of base salary paid to the NEO during the fiscal year. In the column Bonus, we detail the amount of the annual discretionary bonus paid to the NEO for fiscal 2008. In the columns Stock Awards and Option Awards, SEC regulations require us to disclose the award of stock or options measured in dollars and calculated in accordance with FAS 123(R). For restricted stock and performance shares, the FAS 123(R) fair value per share is equal to the closing price of Zions Bancorporation common stock on the date of grant. For stock options, the FAS 123(R) fair value per share is based on certain assumptions that we explain on page 25 of the Compensation Discussion and Analysis section of this Proxy Statement under Accounting for Stock-Based Compensation as well as footnote 17 Share-Based Compensation to our financial statements, which are included in our Annual Report on Form 10-K for the year ending December 31, 2008. We disclose such expense ratably over the vesting period but without reduction for assumed forfeitures (as we do for financial reporting purposes). The amounts shown in the 2008 Summary Compensation Table also include a ratable portion of each grant we made in prior years to the extent the vesting fell in 2008 (except where GAAP required us to recognize the full amount in a prior year, as is the case when a grant is made to a retirement-eligible executive and under the terms of such award the executive is permitted to retain all or part of such award upon retirement without fulfilling the vesting period). Please also refer to the table in this Proxy Statement with the title 2008 Grants of Plan-Based Awards.

We made grants of restricted stock and performance shares to selected NEOs in 2008. For certain executives, the Stock Awards column includes a portion of the expense resulting from the vesting of restricted

Table of Contents

stock and performance share grants made in prior years. Restricted stock awards typically vest 25% per year over four years. Vesting of restricted stock awards is conditioned on the participant s continued employment with Zions Bancorporation. Vesting of the performance share awards to Messrs. Murphy and McLean are conditioned on their continued employment with Zions Bancorporation and the achievement of specific financial results by Amegy Bank.

In the column Nonequity Incentive Plan Compensation, we disclose the dollar value of all earnings for services performed during the years covering the measurement period pursuant to awards under nonequity incentive plans, (i.e. our Value Sharing Plans). Whether an award is included with respect to any particular fiscal year depends on whether the relevant performance measures were satisfied during that fiscal year. For example, payments under our Value Sharing Plans are typically based upon the achievement of financial results over a three-year period; accordingly, we incorporate payments under the Value Sharing Plans for the fiscal year that includes the last day of the three-year performance period for which the award was earned, even though such payment is made after the end of such fiscal year.

In the column Change in Pension Value and Nonqualified Deferred Compensation Earnings, we disclose the sum of the dollar value of (1) the aggregate change in the actuarial present value of the NEO s accumulated benefit under all defined benefit pension plans (including supplemental plans) in 2008; and (2) any above-market or preferential earnings on nonqualified deferred compensation, including nonqualified defined contribution plans.

In the column All Other Compensation, we disclose the sum of the dollar value of:

- perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than $10,000;
- all gross-ups or other amounts reimbursed during the fiscal year for the payment of taxes;
- amounts we paid or that become due related to termination, severance, or change in control, if any;
- our contributions to vested and unvested defined contribution plans; and
- any life insurance premiums we paid during the year for the benefit of an NEO.

SEC rules require us to report perquisites at the aggregate incremental cost to the Company.

Table of Contents

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Nonequity Incentive Plan Compensation ($)			