

ZIONS BANCORPORATION /UT/
Form PRE 14A
April 10, 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

Filed by a party other than the registrant

Check the appropriate box:

- Preliminary proxy statement
- Definitive proxy statement
- Definitive additional materials
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Zions Bancorporation

(Name of Registrant as Specified In Charter)

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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, 15th 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 non-binding 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.

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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 meeting of our shareholders to be held in the Zions Bank Building's Founders Room, One South Main Street, 15th 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 non-binding 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.

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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

<u>About the Annual Meeting</u>	1
<u>Proposal 1: Election of Directors</u>	4
<u>The Nominees</u>	4
<u>Corporate Governance</u>	
<u>Meetings of the Board of Directors and Committees</u>	
<u>Director Independence</u>	
<u>Corporate Governance Guidelines</u>	
<u>Code of Business Conduct and Ethics</u>	
<u>Committees of the Board of Directors</u>	
<u>Nominating and Corporate Governance Committee</u>	8
<u>Compensation Committee Interlocks and Insider Participation</u>	9
<u>Audit Committee Report</u>	10
<u>Executive Officers of the Company</u>	12
<u>Compensation</u>	
<u>Compensation Discussion and Analysis</u>	14
<u>Compensation Committee Report</u>	31
<u>Compensation Tables</u>	31
<u>Compensation of Directors</u>	43
<u>Principal Holders of Voting Securities</u>	45
<u>Proposal 2: Amendments to 2005 Stock Option and Incentive Plan</u>	46
<u>Proposal 3: Amendments to Articles of Incorporation</u>	53
<u>Proposal 4: Ratification of Appointment of Independent Registered Public Accounting Firm</u>	54
<u>Proposal 5: Advisory (Non-Binding) Vote Regarding 2008 Executive Compensation</u>	55
<u>Shareholder Proposal</u>	55
<u>Fees of Independent Registered Public Accounting Firm</u>	59
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	60
<u>Submission of Shareholder Proposals for 2010 Annual Meeting</u>	60
<u>Communications with the Board of Directors</u>	61
<u>Householding</u>	62
<u>Annual Report</u>	
<u>Appendix I: Zions Bancorporation Amended and Restated 2005 Stock Option and Incentive Plan</u>	63
<u>Appendix II: Zions Bancorporation Restated Articles of Incorporation Articles IX and XVI</u>	82

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 or 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 Frobos

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	Present	Age
		Since	Term Expires	
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 Frobos ^(1, 3, 4)	Former Group Senior Vice President for Legal Affairs and Risk Management and General Counsel, The Irvine Company, Newport Beach, California; Vice Chair and General Partner, O Melveny & Myers, 2001-2003.	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	Director Since	Present Term	
			Expires	Age
Roger B. Porter ^(1, 3, 5)	During Past Five Years 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; leave of absence, ecclesiastical mission for The Church of Jesus Christ of Latter-day Saints, 2000-2003.	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. and American Express Bank Ltd.	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

Table of Contents

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

Table of Contents

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

Table of Contents

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 non-binding 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 Proposal to Eliminate Classification of Terms of Board of Directors on page 51. For further information on the proposal requesting that the compensation of the Company's senior executives be submitted to a non-binding shareholder vote, see Proposal that the Board Adopt a Say on Pay Policy on page 53.

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

Table of Contents**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; prior to August 2003, Senior Adviser to The Monitor Group.	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 &