

ZIONS BANCORPORATION /UT/
Form 424B3
May 19, 2010
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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)

Registration Statement No. 333-158319

SUBJECT TO COMPLETION DATED MAY 19, 2010

Prospectus Supplement to Prospectus dated March 31, 2009.

\$150,000,000

Zions Bancorporation

Warrants to

Purchase Common Stock

Zions Bancorporation is offering to sell _____ warrants, each of which initially represents the right to purchase one share of our common stock, no par value, at an exercise price that will be equal to 150% of the closing price of our common stock on the Nasdaq Global Select Market (the "Nasdaq") on _____, 2010, rounded down to the nearest cent, which will be \$ _____. Both the exercise price and the number of shares that a warrant confers the right to purchase are subject to adjustment from time to time in the manner described in this prospectus supplement. The warrants expire on May 22, 2020.

Prior to this offering, there has been no public market for the warrants. The warrants have been approved for listing on the Nasdaq, subject to official notice of issuance, under the symbol ZIONW. Our common stock is listed on the Nasdaq under the symbol ZION. On May 18, 2010, the last reported sale price of our common stock on the Nasdaq was \$26.08 per share.

This offering is part of several capital actions that we announced on May 19, 2010. In addition to this offering, on May 19, 2010, we announced an increase of \$175 million in the size of our existing equity distribution arrangements pursuant to which we may sell through sales agents, from time to time, shares of our common stock (our equity distribution program). The common stock sold in the equity distribution program is being offered by means of a separate prospectus supplement and not by means of this prospectus supplement. The equity distribution program is not contingent upon the completion of this offering. See Summary Recent Developments Capital Actions; Concurrent Transactions in this prospectus supplement for further information regarding our capital actions.

You must meet minimum suitability standards in order to purchase the warrants. You must be able to understand and bear the risk of an investment in the warrants and should be experienced with respect to options and option transactions. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of the warrants in light of your particular financial circumstances and the information in this prospectus supplement. **The warrants involve a high degree of risk, are not appropriate for every investor and may expire worthless. See Risk Factors beginning on page S-4 of this prospectus supplement to read about certain factors you should consider before buying the warrants.**

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None of the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other regulatory body has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

These securities will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other governmental agency.

	Per Warrant	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to Zions Bancorporation	\$	\$
To the extent that the underwriters sell more than _____ warrants, the underwriters have the option to purchase up to an additional _____ warrants at the initial public offering price less the underwriting discount.		

The underwriters expect to deliver the warrants in book-entry form only, through the facilities of The Depository Trust Company (DTC), against payment on or about _____, 2010.

Joint Bookrunning Managers

Goldman, Sachs & Co.

Deutsche Bank Securities

Prospectus Supplement dated _____, 2010.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement and the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectus are an offer to sell only the warrants offered hereby, but only under circumstances and in

jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the date of this prospectus supplement.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the "SEC"), using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in "Incorporation by Reference" on page v of this prospectus supplement and "Where You Can Find More Information" on page 2 of the accompanying prospectus.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the warrants in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. References herein to "\$" and "dollars" are to the currency of the United States. In this prospectus supplement and the accompanying prospectus, except as otherwise indicated, the terms "Company," "Zions," "we," "us," and "our" refer to Zions Bancorporation and its subsidiaries, and "common stock" refers to the common stock, no par value, of Zions Bancorporation.

Zions® and Zions Bank® are registered service marks of Zions Bancorporation. All other service marks, trademarks and trade names referred to in this prospectus supplement and the accompanying prospectus are the property of their respective owners.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement that are based on other than historical data are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations or forecasts of future events and include, among others:

statements with respect to the beliefs, plans, objectives, goals, guidelines, expectations, anticipations and future financial condition, results of operations and performance of Zions Bancorporation and its subsidiaries; and

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

These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this prospectus supplement. Factors that might cause such differences include, but are not limited to:

the Company's ability to successfully execute its business plans, manage its risks and achieve its objectives;

changes in political and economic conditions, including without limitation the political and economic effects of the current economic crisis, delay of recovery from the current economic crisis and major wars, military actions and terrorist attacks;

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

fluctuations in markets for equity, fixed-income, commercial paper and other securities, including availability, market liquidity levels and pricing;

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

acquisitions and integration of acquired businesses;

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

changes in fiscal, monetary, regulatory, trade and tax policies and laws and regulatory assessments and fees, including policies of the U.S. Department of Treasury (the "U.S. Treasury"), the Board of Governors of the Federal Reserve Board System (the "Federal Reserve") and the Federal Deposit Insurance Corporation (the "FDIC");

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our participation or lack of participation in governmental programs implemented under the Emergency Economic Stabilization Act of 2008, as amended (EESA) and the American Recovery and Reinvestment Act (ARRA), including without limitation the Troubled Asset Relief Program (TARP) and the Capital Purchase Program (CPP) and the impact of such programs and related regulations on us and on international, national and local economic and financial markets and conditions;

the impact of the EESA and the ARRA and related rules and regulations and changes in those rules and regulations, on the business operations and our competitiveness and that of other participating American financial institutions, including the impact of the executive compensation limits of these acts, which may impact our ability and the ability of other participating American financial institutions to retain and recruit executives and other personnel necessary for their businesses and competitiveness;

continuing consolidation in the financial services industry;

new litigation or changes in existing litigation;

success in gaining regulatory approvals, when required;

changes in consumer spending and savings habits;

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

demand for financial services in our market areas;

inflation and deflation;

technological changes and our implementation of new technologies;

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

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

our ability to comply with applicable laws and regulations;

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

increased costs of deposit insurance and changes with respect to FDIC insurance coverage levels.

We have identified some additional important factors that could cause future events to differ from our current expectations and they are described in this prospectus supplement under the caption "Risk Factors," as well as in our most recent Annual Report on Form 10-K for the year ended December 31, 2009 and in our most recent Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, including without limitation under the captions "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" and in other documents that we may file with the SEC, all of which you should review carefully.

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

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that Zions Bancorporation has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that Zions Bancorporation files with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference into this prospectus supplement:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2009;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010; and

our Current Reports on Form 8-K filed on January 5, 2010, January 25, 2010, February 19, 2010, March 1, 2010, March 30, 2010 and April 19, 2010 (except in each case, any information that has been deemed to be furnished and not filed, and any exhibits related thereto).

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) after the date of this prospectus supplement until this offering has been completed (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K unless we specifically state in such Current Report that such information is to be considered filed under the Exchange Act or we incorporate it by reference into a filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act) will be deemed to be incorporated by reference in this prospectus supplement and to be part of this prospectus supplement from the date of the filing of such reports and documents. Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number:

Investor Relations

Zions Bancorporation

One South Main Street, 15th Floor

Salt Lake City, Utah

84133 (801) 524-4787

In addition, these filings are available on our web site at <http://www.zionsbancorporation.com>. Our web site does not form a part of this prospectus supplement or the accompanying prospectus.

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SUMMARY

The following summary should be read together with the information contained in other parts of this prospectus supplement and in the accompanying prospectus. It may not contain all the information that is important to you. You should carefully read this prospectus supplement and the accompanying prospectus in their entirety to understand fully the terms of the warrants, as well as the other considerations that are important to you in making a decision about whether to invest in the warrants.

Zions Bancorporation

Zions Bancorporation is a financial holding company organized under the laws of the State of Utah in 1955, and registered under the Bank Holding Company Act of 1956, as amended. Zions Bancorporation and its subsidiaries own and operate eight commercial banks in ten Western and Southwestern states with a total of 494 domestic branches as of March 31, 2010. We provide a full range of banking and related services through our banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, New Mexico, Idaho, Washington and Oregon. Full-time equivalent employees totaled 10,505 as of March 31, 2010.

We focus on providing community-minded banking services by continuously strengthening our core business lines of (1) small, medium-sized business and corporate banking; (2) commercial and residential development, construction and term lending; (3) retail banking; (4) treasury cash management and related products and services; (5) residential mortgage; (6) trust and wealth management; and (7) investment activities. Each of our banks operates under a different name and each has its own board of directors, chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services. They also provide a wide range of personal banking services to individuals, including home mortgages, bankcard, installment loans, home equity lines of credit, checking accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit and 24-hour ATM access. In addition, certain banking subsidiaries provide services to key market segments through their Women's Financial, Private Client Services and Executive Banking Groups. We also offer wealth management services through a subsidiary, Contango Capital Advisors, Inc., and online brokerage services through Zions Direct, Inc.

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

Recent Developments

Capital Actions; Concurrent Transactions

During 2009, we took a variety of actions that had the effect of augmenting our capital in the face of continuing operating losses and stress in our loan and securities portfolios. Our tangible common equity ratio was 6.30% at March 31, 2010 compared to 6.12% at December 31, 2009 and 5.26% at March 31, 2009, and our Tier 1 common to risk-weighted assets ratio was 7.14% at March 31, 2010 compared to 6.73% at December 31, 2009 and 5.73% at March 31, 2009. In the second quarter, based in part on a continuing review of our capital position, regulatory expectations and longer-term preparation for the eventual repayment of the \$1.4 billion in par amount of Series D Fixed-Rate Cumulative Perpetual Preferred Stock (the Series D Preferred Stock) issued in November 2008 to the U.S. Treasury, we anticipate undertaking several additional capital actions. Those capital actions include (1) the offering of warrants as described in this prospectus supplement and (2) the increase in the aggregate offering amount under our equity distribution agreements with Deutsche Bank Securities Inc. and Goldman, Sachs & Co., described in a separate filing with the SEC today (these two offerings, the offerings). We also anticipate that those capital actions will include one or more additional transactions this quarter that, together with the offerings, are intended to result in a total increase of approximately \$600 million in our Tier 1 capital. The nature of any such additional capital actions will depend in large part on factors beyond our control, which may include, among others things, market conditions, and there can be no assurances as to the final type or amount of additional Tier 1 capital.

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THE OFFERING

Issuer	Zions Bancorporation.
Warrants Offered	warrants, each of which initially represents the right to purchase one share of our common stock, at an initial exercise price that will be equal to 150% of the closing price of our common stock on the Nasdaq on _____, 2010, rounded down to the nearest cent, which will be \$ _____, subject to adjustment.

The warrants can be exercised at any time prior to 5:00 p.m., New York City time, on May 22, 2020 (the expiration date). Any warrants not exercised prior to the expiration date will be automatically exercised on the expiration date under certain circumstances as described under Description of Warrants Exercise and Settlement of the Warrants.

As used in this prospectus supplement, the number of underlying shares means the number of shares of our common stock that a warrant confers the right to purchase, which is initially one share, subject to adjustment. The number of shares to which a warrant holder is entitled upon exercise of a warrant differs from the number of underlying shares by virtue of the net share settlement calculation. Upon exercise, a warrant holder will receive, on the settlement date for the warrants being exercised, a number of shares of our common stock equal to the sum of the daily settlement amounts (as defined herein) for each of the 10 consecutive trading days during the related calculation period (as defined herein), together with cash in lieu of any fractional shares. See Description of Warrants Exercise and Settlement of the Warrants. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrant holder is entitled with respect to such exercised warrants as described in this prospectus supplement. See Description of the Warrants Exercise of Warrants upon a Designated Event and Description of the Warrants Exercise of Warrants upon a Accounting Event. Notwithstanding the foregoing, in no event will the number of shares of common stock deliverable to the warrant holder as a result of the net share settlement calculation or as a result of a designated event or accounting event, individually or in aggregate, exceed the number of underlying shares.

We have the right to issue additional warrants of this series in the future. Any such additional warrants will have the same terms as the warrants being offered by this prospectus supplement but may be offered at a different public offering price than the warrants being offered hereby. If issued, any such additional warrants will become part of the same series as the warrants being offered hereby.

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Common Stock Outstanding After this Offering 160,261,186 shares of common stock.

The number of shares of common stock outstanding immediately after the closing of this offering is based on the number of shares of common stock outstanding as of April 30, 2010. Unless otherwise indicated, the number of shares of common stock outstanding after this offering excludes (1) up to shares initially issuable upon exercise of the warrants offered by this prospectus supplement, (2) an aggregate of up to \$300,000,039.24 in common stock that may be sold from time to time at market prices under our equity distribution program, (3) 5,789,909 shares of our common stock issuable upon exercise of outstanding warrants issued to the U.S. Treasury under TARP and (4) 7,189,854 shares of our common stock issuable upon the exercise of stock options outstanding as of April 30, 2010.

Use of Proceeds We will use the proceeds of the offering for general corporate purposes. Pending the use of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing, investment grade securities.

Risk Factors See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the attached prospectus for a discussion of factors you should consider carefully before deciding to invest in the warrants.

Nasdaq Symbol ZIONW

Warrant Agent Zions First National Bank

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RISK FACTORS

An investment in the warrants involves certain risks. You should carefully consider the risks described below and in the accompanying prospectus, as well as the risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. The warrants are not an appropriate investment for you if you are not knowledgeable about significant features of the warrants, our common stock or financial matters in general. You should not purchase the warrants unless you understand and know that you can bear all of the risks associated with the warrants and with owning our common stock. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of the warrants and/or our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein.

Risks Relating to the Warrants

The warrants are a risky investment. You may not be able to recover the value of your investment in the warrants- the warrants may expire worthless.

The exercise price of the warrants will be 150% of the closing price of our common stock on the Nasdaq on _____, 2010, rounded down to the nearest cent, which will be higher than our stock price on such day. In order for you to recover the value of your investment in the warrants, either a trading market must develop for the warrants and the market price of the warrants must exceed the public offering price, or our common stock price must increase to more than the sum of the exercise price of the warrants and the public offering price of the warrants.

The warrants are exercisable until May 22, 2020. Generally, a component of the value of option securities such as the warrants is time until expiration and, as the period of time until expiration of the warrants decreases, the market price of the warrants will, holding other variables constant, likely decline. In the event our common stock price does not increase to the level discussed above during the period when the warrants are exercisable, you will likely not be able to recover the value of your investment in the warrants. In addition, if our common stock price falls and remains below the exercise price of the warrants, the warrants may not have any value and may expire without being exercised, in which case you will lose your entire investment. There can be no assurance that the market price of our common stock will exceed the exercise price or the price required for you to achieve a positive return on your investment at any point during the warrant exercise period. The number of shares and the value of the common stock you receive upon exercise of the warrants will depend on the daily settlement amounts for each of the 10 consecutive trading days during the related calculation period, which is based on the day on which you choose to exercise those warrants. **You should be prepared to sustain a total loss of the purchase price of your warrants.**

There is no existing market for the warrants, and you cannot be certain that an active market will be established.

Prior to this offering, there has been no existing trading market for the warrants. The market price for the warrants may decline below the public offering price and may be volatile. The liquidity of any market for the warrants will depend on a number of factors, including but not limited to:

the number of warrants we sell in this offering;

the number of holders of the warrants;

our performance;

the market for similar securities;

the interest of securities dealers in making a market in the warrants; and

the market price of our common stock.

In addition, many of the risks that are described elsewhere in this section and under the heading **Risk Factors** in our most recently filed Annual Report on Form 10-K could materially and adversely affect the price of the warrants.

The warrants are not suitable for all investors.

The warrants are complex financial instruments for which there is no established trading market. Accordingly, the underwriters will be required to establish and enforce client suitability standards, including eligibility, account status and size, to evaluate whether an investment in the warrants is appropriate for any particular investor. Each underwriter will individually apply its own standards in making that determination, but in each case those standards will be implemented in accordance with the applicable requirements and guidelines of the Financial Industry Regulatory Authority, Inc. (**FINRA**). If you do not meet the relevant suitability requirements of an underwriter, you will not be able to participate in this offering.

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Recent governmental actions regarding short sales may adversely affect the market value of the warrants.

Governmental actions that interfere with the ability of warrant investors to effect short sales of the underlying common stock could significantly affect the market value of the warrants. Such government actions could make the arbitrage strategy that certain warrant investors employ more difficult to execute for the warrants offered hereby. At an open meeting on February 24, 2010, the SEC adopted a new short sale price test, which will take effect through amendment to Rule 201 of Regulation SHO. New Rule 201 will restrict short selling only when a stock price has triggered a circuit breaker by falling at least 10% in one day, at which point short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited exceptions. If such new price test precludes warrant investors from executing the arbitrage strategy that they employ or other limitations are instituted by the SEC or any other regulatory agencies, the market value of the warrants could be adversely affected. The warrant agreement does not contain any provisions to afford holders protection in the event of a decline in the market value of the warrants due to such new price test or other limitations, and holders will not be entitled to any exercise price reduction or increase to the number of underlying shares except under the limited circumstances described in Description of Warrants.

Purchasers of warrants who exercise their warrants for shares of our common stock could incur immediate and future dilution.

Upon exercise of your warrants for shares of our common stock, you could experience immediate and substantial dilution if the exercise price of your warrants at the time is higher than the net tangible book value per share of the outstanding common stock. In addition, you will experience dilution, except in limited circumstances pursuant to the anti-dilution protections contained in the warrant agreement and described in this prospectus supplement, when we issue additional shares of our common stock that we are permitted or required to issue in any future offerings, or under our outstanding convertible securities or warrants, or under our stock option plans or other employee or director compensation plans.

The market price of the warrants will be directly affected by the market price of our common stock, which may be volatile.

To the extent a secondary market develops for the warrants, the market price of our common stock will significantly affect the market price of the warrants. This may result in greater volatility in the market price of the warrants than would be expected for warrants to purchase securities other than our common stock. The market price of our common stock could be subject to significant fluctuations due to factors described below under Risks Related to Our Common Stock Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the warrants and Future sales of shares of our common stock may depress its market price, and we cannot predict how shares of our common stock will trade in the future. Increased volatility could result in a decline in the market price of our common stock, and, in turn, in the market price of the warrants. The price of our common stock also could be affected by possible sales of common stock by investors who view the warrants as a more attractive means of equity participation in us and by hedging or arbitrage activity involving our common stock. The hedging or arbitrage of our common stock could, in turn, affect the market price of the warrants.

Holders of the warrants will have no rights as common stockholders until and unless they acquire our common stock.

Until you become a holder of record of the shares of our common stock issued upon settlement of your warrants, you will have no rights with respect to our common stock, including rights to dividend payments, if any, rights to vote or rights to respond to tender offers. Upon exercise of your warrants, you will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the date on which you become holder of record of such shares as described under Description of Warrants No Rights as Stockholders.

The exercise price and the number of underlying shares may not be adjusted for all dilutive events.

The exercise price and the number of underlying shares are subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, certain cash dividends and certain issuer tender or exchange offers as described below under Description of Warrants Adjustments to the Warrants. The exercise price and the number of underlying shares will not be adjusted, however, for other events, such as a third-party tender or exchange offer, a merger or reorganization in which our common stock is acquired for cash or an issuance of common stock for cash, that may adversely affect the

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market price of the warrants or our common stock except under limited circumstances as described under **Description of Warrants Exercise of Warrants upon a Designated Event**. Other events that adversely affect the value of the warrants may occur that do not result in an adjustment to the exercise price or the number of underlying shares.

Additionally, the exercise price of, and the number of shares underlying, the warrants will not be adjusted for any regular quarterly cash dividends that are in the aggregate less than or equal to \$0.01 per share of common stock. The current quarterly cash dividend paid on our common stock is \$0.01 per share. Holders of our common stock are only entitled to receive such dividends as our board of directors may declare, and our board of directors, in its sole discretion, may decide to increase the quarterly cash dividend on our common stock at any time.

The warrant agreement is not an indenture qualified under the Trust Indenture Act, and the obligations of the warrant agent are limited.

The warrant agreement is not an indenture qualified under the Trust Indenture Act of 1939, as amended (the TIA), and the warrant agent is not a trustee qualified under the TIA. Accordingly, warrant holders will not have the benefits of the protections of the TIA. Under the terms of the warrant agreement, the warrant agent will have only limited obligations to the warrant holders. Accordingly, it may in some circumstances be difficult for warrant holders, acting individually or collectively, to take actions to enforce their rights under the warrants or the warrant agreement.

Hedging arrangements relating to the warrants may affect the value of our common stock.

In order to hedge their positions, holders of our warrants may enter into derivative transactions with respect to our common stock, may unwind or adjust derivative transactions and may purchase or sell our common stock in secondary market transactions. The effect, if any, of any of these activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained in advance, but any of these activities could adversely affect the value of our common stock.

The adjustment to the number of shares received for warrants exercised in connection with a designated event or accounting event (each as defined below under **Description of Warrants**) occurring prior to the expiration date may not adequately compensate you for the lost option time value as a result of such designated event or accounting event.

If you elect to exercise your warrant in connection with a designated event, or we cause all your warrants to be exercised in connection with an accounting event, in each case occurring prior to the expiration date, we may be required to increase the number of shares to which you are entitled with respect to such exercised warrants as described under **Description of Warrants Exercise of Warrants upon a Designated Event** and **Description of Warrants Exercise of Warrants upon an Accounting Event**. While the increase to the number of shares to which you are entitled with respect to such exercised warrants is designed to compensate you for the lost option time value of your warrants as a result of a designated event or accounting event, it is only an approximation of such lost value and may not adequately compensate you for such loss. In addition, if the applicable price (as such term is defined under **Description of Warrants Exercise of Warrants upon a Designated Event**) of our common stock with respect to a designated event is greater than \$200.00 per share or less than \$5.00 per share (in each case, subject to anti-dilution adjustments), there will be no additional shares delivered upon exercise of any warrant in connection with such designated event or accounting event. Notwithstanding the foregoing, in no event will the number of shares of common stock deliverable to the warrant holder as a result of the net share settlement calculation or as a result of a designated event, individually or in aggregate, exceed the number of underlying shares.

The significant number of shares of our common stock issuable upon exercise of the warrants and our existing convertible securities could adversely affect the trading prices of our common stock and, as a result, the value of the warrants.

As of March 31, 2010, we had outstanding \$1.4 billion in par amount of Series D Preferred Stock, which was issued in November 2008 to the U.S. Treasury. In connection with the Series D Preferred Stock, we issued to the U.S. Treasury a warrant to purchase up to 5,789,909 shares of our common stock. The warrants being offered hereby could be exercised and result in the issuance of a significant number of shares. In addition, in certain circumstances upon a designated event or accounting event we may be required to deliver significantly more shares of our common stock upon exercise of the warrants. Conversion of our outstanding convertible securities, exercise of the warrants, and the sale in

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the market of our common stock issued upon such conversion or exercise or the perception that our outstanding convertible securities and the warrants will be converted or exercised could depress the market price of our common stock and, as a result, the value of the warrants. In addition, the price of our common stock could be adversely affected by possible sales, including short sales, of our common stock by investors in our warrants and other securities who engage in hedging and arbitrage activities.

You may be subject to tax upon an adjustment to the exercise price or the number of underlying shares even though you do not receive a corresponding cash distribution.

The exercise price and the number of underlying shares are subject to adjustment in certain circumstances. To the extent any such adjustment or failure to adjust results in an increase in your proportionate interest in our assets or our earnings and profits, you may be deemed to have received for U.S. federal income tax purposes a taxable dividend to the extent deemed paid out of our earnings and profits without the receipt of any cash. If you are a non-U.S. holder, such deemed dividend generally will be subject to U.S. federal withholding tax (currently at a 30% rate, or such lower rate as may be specified by an applicable treaty), which may be set off against shares of our common stock to be delivered upon exercise of warrants. See Certain United States Federal Income Tax Considerations in this prospectus supplement.

Risks Related to Our Common Stock

The price of our common stock is volatile and may decline.

The trading price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected and may continue to adversely affect the market price of our common stock. Among the factors that could affect our stock price are:

actual or anticipated quarterly fluctuations in our operating results and financial condition;

changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other financial institutions;

failure to meet analysts' revenue or earnings estimates;

speculation in the press or investment community;

turnover among senior staff;

strategic actions by us or our competitors, such as acquisitions or restructurings;

actions by institutional shareholders;

fluctuations in the stock price and operating results of our competitors;

general market conditions and, in particular, developments related to market conditions for the financial services industry, including the likelihood of a prolonged recession;

future sales of our equity or equity-related securities;

changes in the frequency or amount of dividends or share repurchases;

proposed or adopted regulatory changes or developments;

anticipated or pending investigations, audits and similar inquiries, proceedings or litigation that involve or affect us; or

domestic and international economic factors unrelated to our performance.

A significant decline in our stock price could result in substantial losses for individual shareholders and could lead to costly and disruptive securities litigation.

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Resales of our common stock in the public market following the offering may cause its market price to fall.

In the future, we may sell additional shares of our common stock to raise capital, including pursuant to our existing equity distribution program or future such programs or for other purposes, and we may issue substantial amounts of additional shares of our common stock, including shares issuable upon exercise of outstanding options and warrants. Such sales, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the warrants.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section, elsewhere in this prospectus supplement, the accompanying prospectus or the documents we have incorporated by reference in this prospectus supplement or the accompanying prospectus or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors, trading counterparties or suppliers regarding their own performance, as well as regulatory changes or developments, government actions or announcements, industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely impact the trading price of the warrants. The price of our common stock could also be affected by possible sales of our common stock by investors who view the warrants as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading prices of the warrants.

Our common stock is equity and therefore is subordinate to our indebtedness and preferred stock, and our ability to declare dividends on our common stock may be limited.

Shares of our common stock are equity interests in Zions Bancorporation, and not any of our subsidiaries, and do not constitute indebtedness. As such, shares of our common stock will rank junior to all indebtedness and other non-equity claims on Zions Bancorporation with respect to assets available to satisfy claims on Zions Bancorporation, including in a liquidation of Zions Bancorporation. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of any holders of our preferred stock then outstanding. Under the terms of the Series A Floating Rate Non-Cumulative Perpetual Preferred Stock, the Series C 9.5% Non-Cumulative Perpetual Preferred Stock and the Series D Preferred Stock (collectively, our preferred stock), our ability to declare or pay dividends on or repurchase our common stock or other equity or capital securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on our preferred stock. In addition, prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock or the U.S. Treasury has transferred all of the Series D Preferred Stock to third-parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our quarterly common stock dividend above \$0.32 except in limited circumstances. Our board of directors is authorized to cause us to issue additional classes or series of preferred stock without any action on the part of the stockholders. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon liquidation, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected. We are not restricted from issuing additional indebtedness or preferred stock, subject to any required approvals from the Federal Reserve.

Holders of our common stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. In the third quarter of 2009, we reduced our quarterly dividend to \$0.01 per share and do not expect to increase our quarterly dividend above \$0.01 for the foreseeable future and could determine to reduce further or eliminate altogether our common stock dividend. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including our common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. This could adversely affect the market price of our common stock. Also, as discussed below, we are a bank holding company and our ability to declare and pay dividends is dependent on certain federal regulatory considerations, including the guidelines of the Federal Reserve regarding capital adequacy and dividends.

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If we are deferring payments on our outstanding junior subordinated debt securities or are in default under the indentures governing those securities, or if we are in arrears on the payment of dividends on our outstanding preferred stock, we will be prohibited from making distributions on our common stock.

In addition to the fact that our common stock is subordinate to our indebtedness and preferred stock, the terms of our outstanding junior subordinated debt securities contain prohibitions on our declaring or paying any dividends or distributions on our common stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to such shares, if we are aware of any event that would be an event of default under the indenture with respect to those junior subordinated debt securities or at any time when we have deferred interest thereunder.

There may be future dilution of our common stock.

Our board of directors may authorize us to issue additional shares of common or preferred stock or securities convertible or exchangeable into equity securities without shareholder approval. We may issue such additional equity or convertible or exchangeable securities to raise additional capital. The issuance of any additional shares of common or preferred stock or convertible or exchangeable securities could be substantially dilutive to shareholders of our common stock. Moreover, to the extent that we issue restricted stock units, stock appreciation rights, options or warrants or similar rights to receive or purchase shares of our common stock in the future and those stock appreciation rights, options or warrants or similar rights vest or are exercised, our shareholders may experience further dilution. Holders of our shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

In addition, we are highly regulated, and our regulators could require us to raise additional common equity in the future. Any such capital raise could include, among other things, the potential issuance of common stock.

The issuance of any additional shares of common or preferred stock or convertible or exchangeable securities or the conversion or exercise of convertible or exchangeable securities could be substantially dilutive to stockholders of our common stock. For instance, exercise of the warrant issued to the U.S. Treasury in connection with our participation in the CPP would dilute the value of our common stock. The market price of our common stock could decline as a result of sales of shares of our common stock made after this offering or the perception that such sales might occur.

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distributions and in liquidation, which could negatively affect the value of our common stock.

In the future, we may attempt to increase our capital resources by entering into debt or debt-like financing that is unsecured or secured by some or all of our assets, or by issuing additional debt or equity securities, which could include issuances of secured or unsecured commercial paper, medium-term notes, senior notes, subordinated notes, preferred stock or securities convertible into or exchangeable for equity securities. In the event of our liquidation, our lenders and holders of our debt and preferred securities would receive a distribution of our available assets before distributions to the holders of our common stock. Because our decision to incur debt and issue securities in our future offerings will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings and debt financings. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

Risks Related to the Company

Our results of operations depend upon the results of operations of our subsidiaries.

We are a holding company that conducts substantially all of our operations through our banking and other subsidiaries. As a result, our ability to make dividend payments on our common stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. The ability of our subsidiaries to pay dividends to us is impacted by their profitability and the regulatory capital ratios they are required to maintain.

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The ability of our banking subsidiaries to pay dividends or make other payments to us is also limited by their obligations to maintain sufficient capital and by other general regulatory restrictions on their dividends. If they do not satisfy these regulatory requirements, we will be unable to pay dividends on our common stock. The Federal Reserve and the Office of the Comptroller of the Currency (the OCC), the primary regulator for certain of our subsidiary banks, have issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings. In addition, if, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, which could include the payment of dividends under certain circumstances, such authority may take actions requiring that such bank refrain from the practice. Payment of dividends could also be subject to regulatory limitations if a subsidiary bank were to become under-capitalized for purposes of the applicable federal regulatory prompt corrective action regulations. Under-capitalized is currently defined as having a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 4.0%, or a core capital, or leverage, ratio of less than 4.0%.

We and/or the holders of our securities could be adversely affected by unfavorable rating actions from rating agencies.

Our ability to access the capital markets is important to our overall funding profile. This access is affected by the ratings assigned by rating agencies to us, certain of our affiliates and particular classes of securities that we and our affiliates issue. The interest rates that we pay on our securities are also influenced by, among other things, the credit ratings that we, our affiliates and/or our securities receive from recognized rating agencies. On April 20, 2009, Moody's Investor Services (Moody's) severely downgraded the senior unsecured debt rating of Zions Bancorporation to B2 and lowered its outlook to Outlook Negative. On April 30, 2010, Standard & Poor's Rating Services reaffirmed the long-term issuer rating of Zions Bancorporation to BBB- with an Outlook Negative. On June 30, 2009, Fitch Ratings (Fitch) downgraded the long-term issuer rating of Zions Bancorporation to BBB. Fitch maintains a negative outlook on Zions Bancorporation. On July 22, 2009, Dominion Bond Rating Service downgraded the Company's senior debt rating to BBB (low) with an Outlook Negative. In addition, Moody's recently announced that the debt and deposit ratings of seventeen U.S. banking institutions, including Zions, could be negatively affected by the loss of implicit government support contained in the current financial regulatory reform legislation pending in Congress. Moody's has indicated that its current ratings of Zions' subsidiary banks benefit by one notch from Moody's assumptions regarding government support, although Zions Bancorporation's current rating is not affected by the assumptions. Moody's also stated that a number of factors will affect whether, when and to what extent any adverse rating actions might actually occur. Further downgrades to us, our affiliates or our securities could increase our costs or otherwise have a negative effect on our results of operations or financial condition or the market price of our securities.

In general, rating agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix and level and quality of earnings, and there can be no assurance that we will maintain the aforementioned credit ratings. In addition, ratings agencies have themselves been subject to scrutiny arising from the financial crisis and there is no assurance that rating agencies will not make or be required to make substantial changes to their ratings policies and practices or that such changes would not affect ratings of our securities or of securities in which we have an economic interest. Any decrease, or potential decrease, in credit ratings could impact our ability to access the capital markets and/or increase the cost of our debt, and thereby adversely affect our liquidity and financial condition.

Our ability to maintain required capital levels and adequate sources of funding and liquidity has been and may continue to be adversely affected by market conditions.

We are required to maintain certain capital levels in accordance with banking regulations. We must also maintain adequate funding sources in the normal course of business to support our operations and fund outstanding liabilities. Our ability to maintain capital levels, sources of funding and liquidity has been and could continue to be impacted by changes in the capital markets in which we operate and deteriorating economic and market conditions.

Each of our subsidiary banks must remain well-capitalized and meet certain other requirements for us to retain our status as a financial holding company. Failure to comply with those requirements could result in a loss of our financial holding company status if such conditions were not corrected within 180 days or such longer period as may be permitted by the Federal Reserve, although we do not believe that the loss of such status would have an appreciable effect on our operations or financial results. In addition, failure by our bank subsidiaries to meet applicable capital guidelines or to satisfy certain other regulatory requirements could subject us to certain activity restrictions or to a variety of enforcement remedies available to the federal regulatory authorities that include limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital and the termination of deposit insurance by the FDIC.

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Failure to effectively manage our interest rate risk could adversely affect us.

Net interest income is the largest component of our revenue. The management of our interest rate risk is centralized and overseen by an Asset Liability Management Committee appointed by our board of directors. We have been successful in our interest rate risk management as evidenced by achieving a relatively stable net interest margin over the last several years when interest rates have been volatile and the rate environment challenging, however, a failure to effectively manage our interest rate risk could adversely affect us. Factors beyond our control can significantly influence the interest rate environment and increase our risk. These factors include competitive pricing pressures for our loans and deposits, adverse shifts in the mix of deposits and other funding sources, and volatile market interest rates subject to general economic conditions and the policies of governmental and regulatory agencies, in particular the Federal Reserve.

As a regulated entity, we are subject to capital requirements that may limit our operations and potential growth.

We are a bank holding company and a financial holding company. As such, we and our subsidiary banks are subject to the comprehensive, consolidated supervision and regulation of the Federal Reserve, the OCC and the FDIC, including risk-based and leverage capital ratio requirements. Capital needs may rise above normal levels when we experience deteriorating earnings and credit quality, and our banking regulators may increase our capital requirements based on general economic conditions and our particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit operations that require the intensive use of capital and could adversely affect our ability to expand or maintain present business levels.

Weakness in the economy and in the real estate market, including specific weakness within the markets where our subsidiary banks do business and within certain of our loan products, has adversely affected us and may continue to adversely affect us.

Our credit exposure is one of our most significant risks. The Company's level of credit quality continued to weaken throughout 2008 and 2009. The deterioration in credit quality that started in the latter half of 2007 is mainly related to the weakness in residential and commercial construction and land development activity in the Southwest states (generally, Arizona, California, Nevada, Texas and Utah), which markets have been particularly adversely affected by job losses, declines in real estate value, declines in home sale volumes and declines in new home building. Other geographic markets served by us have also experienced adverse housing and economic conditions. Residential and commercial construction and land development loans in Nevada State Bank continue to experience the highest amounts of charge-offs and accounted for the most meaningful declines in commercial real estate credit quality in 2009. As of December 31, 2009, residential and commercial construction and land development represented 15% of the Company's total loan portfolio, with Amegy Corporation (Amegy), Zions First National Bank (Zions Bank) and California Bank & Trust representing 38%, 18% and 17% of the residential and commercial construction and land development portfolio, respectively.

The Company experienced increased criticized and classified loans in its commercial and industrial loan portfolio during 2009 primarily in Amegy and Zions Bank and loan delinquencies increased in this loan portfolio. During 2009, credit quality deterioration occurred in most loan types and geographies in which the Company operated as general economic conditions weakened throughout the country.

If the strength of the U.S. economy in general and the strength of the local economies in which we and our subsidiary banks conduct operations continues to decline, this could result in, among other things, a continued deterioration in credit quality or a reduced demand for credit, including a resultant effect on our loan portfolio and allowance for loan and lease losses. A deeper or prolonged downturn in the economy could result in higher delinquencies and greater charge-offs in future periods, and may lead to material future credit losses, which would materially adversely affect our financial condition and results of operations and may require us to raise additional capital.

Negative perceptions associated with our continued participation in the U.S. Treasury's CPP may adversely affect our ability to retain customers, attract investors and compete for new business opportunities.

On October 3, 2008, President Bush signed into law the EESA. The legislation was the result of a proposal by Treasury Secretary Henry Paulson to the U.S. Congress on September 20, 2008 in response to the financial crises affecting the banking system and financial markets and going concern threats to investment banks and other financial institutions. The U.S. Treasury and federal banking regulators have implemented a number of programs under this legislation and otherwise to address capital and liquidity issues in the banking system, including the CPP.

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On November 14, 2008, we issued and sold 1.4 million shares of our Series D Preferred Stock for \$1.4 billion and a warrant to purchase up to 5,789,909 shares of our common stock exercisable over a 10-year period at a price per share of \$36.27 to the U.S. Treasury as part of the CPP. Several financial institutions which also participated in the CPP repurchased their CPP preferred stock. There can be no assurance as to the timing or manner in which the Company may repurchase its Series D Preferred Stock from the U.S. Treasury. Our customers, employees and counterparties in our current and future business relationships could draw negative implications regarding the strength of the Company as a financial institution based on our continued participation in the CPP following the exit of one or more of our competitors or other financial institutions. Any such negative perceptions could impair our ability to effectively compete with other financial institutions for business or to retain high performing employees. If this were to occur, our business, financial condition and results of operations may be adversely affected, perhaps materially.

The limitations on incentive compensation contained in the ARRA and its implementing regulations may adversely affect our ability to retain our highest performing employees.

Because we have not yet repurchased the U.S. Treasury's CPP investment, we remain subject to the restrictions on incentive compensation contained in the ARRA. On June 10, 2009, the U.S. Treasury released its interim final rules implementing the provisions of the ARRA and limiting the compensation practices at institutions in which the U.S. Treasury is invested. The U.S. Treasury has since revised such rules and released written guidance interpreting and expanding on ARRA and the interim final rules. Financial institutions which have repurchased the U.S. Treasury's CPP investment are relieved of the restrictions imposed by the ARRA and its implementing regulations and related guidance. Due to these restrictions, we may not be able to successfully compete with financial institutions that have repurchased the U.S. Treasury's investment to attract, retain and appropriately incentivize high performing employees. If this were to occur, our business, financial condition and results of operations could be adversely affected, perhaps materially.

Our participation in the U.S. Treasury's CPP imposes restrictions and obligations on us that limit our ability to increase dividends, repurchase shares of our common stock and access the equity capital markets.

Prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock purchased by the U.S. Treasury as part of the CPP or the U.S. Treasury has transferred all of the Series D Preferred Stock to a third party, the agreement pursuant to which such securities were sold, among other things, limits the payment of quarterly dividends on our common stock to \$0.32 per share without prior regulatory approval, limits our ability to repurchase shares of our common stock (with certain exceptions, including the repurchase of our common stock to offset share dilution from equity-based compensation awards), and grants the holders of such securities certain registration rights which, in certain circumstances, impose lock-up periods during which we would be unable to issue equity securities. In addition, unless we are able to redeem the preferred stock prior to November 15, 2013, the dividends on the preferred stock will increase substantially, from 5% to 9%. Depending on market conditions at the time, this increase in dividends could significantly impact our liquidity.

Economic and other circumstances, including pressure to repay CPP preferred stock, may require us to raise capital at times or in amounts that are unfavorable to the Company.

The Company's subsidiary banks must maintain certain risk-based and leverage capital ratios as required by their banking regulators which can change depending upon general economic conditions and their particular condition, risk profile and growth plans. Compliance with capital requirements may limit the Company's ability to expand and have required, and may require, capital investment from Zions Bancorporation. As discussed above, in 2008, we issued shares of preferred stock for \$1.4 billion and a warrant to purchase shares of the Company's common stock to the U.S. Treasury under the CPP. There may be increasing market, regulatory or political pressure on the Company to raise capital to enable it to repay the Series D Preferred Stock issued to the U.S. Treasury under the CPP at a time or in amounts that may be unfavorable to the Company's shareholders. These uncertainties and risks created by the legislative and regulatory uncertainties discussed above may themselves increase the Company's cost of capital and other financing costs.

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Increases in FDIC insurance premiums may adversely affect our earnings.

During 2008 and 2009, higher levels of bank failures dramatically increased resolution costs of the FDIC and depleted the deposit insurance fund. In addition, the FDIC instituted two temporary programs to further insure customer deposits at FDIC insured banks. These programs have placed additional stress on the deposit insurance fund. In order to maintain a strong funding position and restore reserve ratios of the deposit insurance fund, the FDIC has increased assessment rates of insured institutions. In addition, on November 12, 2009, the FDIC adopted a rule requiring banks to prepay three years' worth of premiums to replenish the depleted insurance fund. Further, on January 12, 2010, the FDIC requested comments on a proposed rule tying assessment rates of FDIC-insured institutions to the institution's employee compensation programs. The exact requirements of such a rule are not yet known, but such a rule could increase the amount of premiums we must pay for FDIC insurance. Further, on May 3, 2010, the FDIC requested comments on a proposed rule changing the deposit insurance assessment system for large institutions. The exact requirements of such a rule are not yet known, but such a rule could increase the amount of premiums we must pay for FDIC insurance. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. These announced increases and any future increases or required prepayments of FDIC insurance premiums may adversely impact our earnings.

Legislative and regulatory actions taken now or in the future may have a significant adverse effect on our operations.

In response to the recent economic crisis, various legislative proposals, including some that would materially restructure the regulatory framework governing the financial services industry, have been introduced or are being considered for introduction in Congress. These proposals include, but are not limited to:

the establishment of new regulatory bodies with authority over consumer protection and systemic risk;

the elimination or modification of responsibilities and independence of certain existing regulatory agencies;

the grant of authority to state agencies to enforce state and federal laws against national banks;

the imposition of substantial new fees or taxes on banking organizations or classes of banking organizations;

restrictions on, and requirements related to, compensation practices;

limitations on the size of banking organizations or the imposition of heightened costs or burdens associated with asset size; and

the introduction of new resolution authority and processes for entities in the financial services industry.

Also in response to the recent economic crisis, bank regulatory agencies and international regulatory consultative bodies have proposed or appear to be considering new regulations and requirements, some of which may be imposed without formal promulgation. These include, but are not limited to:

new capital and liquidity standards imposing higher levels and different mixes of capital and having new liquidity requirements than those contained in current regulations;

new capital planning actions, including stress testing or similar actions and timing expectations for capital-raising;

new and accelerated FDIC insurance premiums;

limitations on the amount and manner of compensation paid to executive officers and employees generally; and

restrictions on the types of products and services offered by banking organizations.

There can be no assurance that any or all of these regulatory or legislative changes will ultimately be adopted. However, if adopted, some of these proposals could adversely affect the Company by, among other things: impacting after tax returns earned by financial services firms in general; limiting the Company's ability to grow; increasing taxes or fees on some of the Company's funding or activities; limiting the range of products and services that the Company could offer; exposing the Company to costly litigation and regulatory actions and increasing the cost of regulatory compliance; requiring the Company to raise capital at inopportune times; and making it difficult for the Company to compete with other banking and nonbanking companies to recruit, retain and appropriately incentivize executives and other employees.

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Some of these proposals may actually favorably impact the Company by affecting some of its competitors more adversely than the Company. The ultimate impact of these proposals cannot be predicted, as it is unclear which, if any, may eventually be enacted into law or regulation.

Deteriorating credit quality, particularly in real estate loans, has adversely impacted us and may continue to adversely impact us.

We experienced a downturn in credit performance during 2008 and 2009, which caused us to increase our allowance for loan and lease losses during that period. Credit trends have generally stabilized in recent months and loan losses have declined significantly from peak levels. However, we view broader economic conditions as tenuous, and if broader economic conditions were to deteriorate, we would expect further deterioration in our credit trends. A decrease in the quality of our credit portfolio could have a material adverse effect on earnings and results of operations.

Problems encountered by financial institutions larger or of similar size to us could adversely affect financial markets generally and have indirect adverse effects on us.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which we interact on a daily basis, and therefore could adversely affect us.

Deterioration in credit quality and fair market values of our securities portfolio has adversely impacted us and may continue to adversely impact us.

The Company's on-balance sheet asset-backed securities investment portfolio includes collateralized debt obligations (CDOs) collateralized by trust preferred securities issued by banks, insurance companies and real estate investment trusts that have some direct and indirect exposure to distressed assets. In addition, asset-backed securities also include structured asset-backed collateralized debt obligations (also known as diversified structured finance CDOs) purchased from Lockhart Funding, LLC which have significantly stronger protection against defaults when compared to other CDOs in our portfolio. Factors beyond the Company's control can significantly influence the fair value of these securities and potential adverse changes to the fair value of these securities. These factors include but are not limited to problems encountered by financial institutions that adversely affect financial markets generally, rating agency downgrades of these securities, defaults of issuers of these securities, lack of market pricing of these securities and continued instability in the credit markets.

The Company may not be able to utilize the significant deferred tax asset recorded on our balance sheet.

The Company's balance sheet includes a significant deferred tax asset. The largest components of this asset result from additions to our allowance for loan and lease losses for purposes of generally accepted accounting principles in excess of loan losses actually taken for tax purposes and other than temporary impairment losses taken on our securities portfolio that have not yet been realized for tax purposes by selling the securities. Our ability to continue to record this deferred tax asset is dependent on the Company's ability to realize its value through net operating loss carry-backs or future projected earnings. Loss of part or all of this asset would adversely impact tangible capital. In addition, inclusion of this asset in determining regulatory capital is subject to certain limitations.

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We intend to use the net proceeds from the sale of shares in the offering for general corporate purposes. Pending use of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing, investment grade securities.

CAPITALIZATION

The following tables set forth our consolidated capitalization as of March 31, 2010:

on an actual basis; and

as adjusted to give effect to the consummation of the offer and sale of warrants discussed herein.

	As of March 31, 2010	
	Actual	As Adjusted⁽¹⁾
	(unaudited)	
	(in thousands, except share data)	
Federal Home Loan Bank advances and other borrowings over one year	\$ 15,640	\$ 15,640
Long-term debt	2,000,821	2,000,821
Shareholders' equity:		
Preferred Stock, without par value; authorized 3,000,000 shares: Series A (liquidation preference \$1,000 per share); issued and outstanding 67,952 shares, Series C (liquidation preference \$1,000 per share); issued and outstanding 131,422 shares; Series D (liquidation preference \$1,000 per share); issued and outstanding 1,400,000 shares ⁽²⁾	1,532,323	1,532,323
Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 160,300,162 shares	3,517,621	3,517,621
Warrants		150,000
Retained earnings	1,236,497	1,236,497
Accumulated other comprehensive loss	(428,177)	(428,177)
Deferred compensation	(16,058)	(16,058)
Controlling interest shareholders' equity	5,842,206	5,992,206
Noncontrolling interests	14,706	14,706
Total shareholders' equity	5,856,912	6,006,912
Total capitalization	\$ 7,873,373	\$ 8,023,373

(1) Excludes an aggregate of up to \$300,000,039.24 in common stock that may be sold from time to time at market prices under our equity distribution program.

(2) Excludes approximately 116,624 shares of our Series C 9.5% Non-Cumulative Perpetual Preferred Stock, represented by 4,664,960 depositary shares into which approximately \$116.6 million principal amount of our subordinated notes were converted on May 17, 2010.

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Our common stock is traded on the Nasdaq under the symbol ZION. The table below sets forth, for the fiscal quarters indicated, high and low reported sale prices per share of our common stock on Nasdaq and the dividends per share paid in such periods.

	Price Range of Common Stock		Dividend Paid Per Share
	Low	High	
2010			
Second Quarter (through May 18, 2010)	\$ 21.61	\$ 30.29	\$ 0.01
First Quarter	12.88	23.85	0.01
2009:			
Fourth Quarter	\$ 12.50	\$ 19.03	\$ 0.01
Third Quarter	10.25	20.36	0.01
Second Quarter	8.88	20.97	0.04
First Quarter	5.90	25.52	0.04
2008:			
Fourth Quarter	\$ 21.07	\$ 47.94	\$ 0.32
Third Quarter	17.53	107.21(1)	0.43
Second Quarter	29.46	51.15	0.43
First Quarter	39.31	57.05	0.43

(1) This trading price was an anomaly resulting from electronic orders at the opening of the market on September 19, 2008 in response to the SEC's announcement (prior to the market opening that day) of its temporary emergency action suspending short selling in financial companies. The closing price on September 19, 2008 was \$52.83.

On May 18, 2010, the last reported sale price of our common stock on the Nasdaq was \$26.08 per share.

DIVIDEND POLICY

The payment of dividends is within the discretion of our board of directors and will depend upon our future earnings, capital requirements and financial condition and any regulatory restrictions. Our ability to declare or pay dividends on or repurchase our common stock or other equity or capital securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on our preferred stock. In addition, prior to November 14, 2011, unless we have redeemed all of the Series D Preferred Stock or the U.S. Treasury has transferred all of the Series D Preferred Stock to third-parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our quarterly common stock dividend above \$0.32 except in limited circumstances.

In the third quarter of 2009, we reduced our quarterly dividend to \$0.01 per share and do not expect to increase our quarterly dividend above \$0.01 for the foreseeable future and could determine to reduce further or eliminate altogether our common stock dividend. Furthermore, as long as the preferred stock issued to the U.S. Treasury is outstanding, dividend payments and repurchases or redemptions relating to certain equity securities, including our common stock, are prohibited until all accrued and unpaid dividends are paid on such preferred stock, subject to certain limited exceptions. This could adversely affect the market price of our common stock.

Table of Contents**DESCRIPTION OF WARRANTS**

*The following is a brief description of the terms of the warrants we will issue in this offering. This summary does not purport to be complete in all respects. This description is subject to, and qualified in its entirety by reference to, the warrant certificate and warrant agreement, copies of which will be filed with the SEC. You may request a copy of the warrant certificate and the warrant agreement at our address shown under **Where You Can Find More Information**. Please note that in this section captioned **Description of Warrants**, references to **Zions Bancorporation**, **Zions**, **we**, **our** and **us** refer only to **Zions Bancorporation** and not to its subsidiaries.*

General

Each warrant initially represents the right to purchase one underlying share of our common stock at an exercise price that will be equal to 150% of the closing price of our common stock on the Nasdaq on _____, 2010, rounded down to the nearest cent, which will be \$ _____. The number of shares of our common stock deliverable upon exercise of a warrant will be calculated over the relevant calculation period, as described below under the heading **Exercise and Settlement of Warrants**. The number of shares of our common stock which a warrant confers the right to purchase, which we refer to as the number of underlying shares, and the exercise price are subject to the adjustments described below under the heading **Adjustments to the Warrants**. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrant holder is entitled with respect to such exercised warrants as described under **Exercise of Warrants upon a Designated Event** and **Exercise of Warrants upon a Accounting Event**.

Form and Book-Entry Procedures

The warrants will be issued in the form of one or more global warrants as specified in the warrant agreement. Each global warrant will be registered in the name of DTC, or its nominee, and delivered by the warrant agent to DTC, or its custodian, for crediting to the accounts of its participants pursuant to DTC procedures. A global warrant registered in the name of DTC or its nominee will be exchanged for certificated warrants only if (i) DTC (A) has notified us that it is unwilling or unable to continue as or ceases to be a clearing agency registered under Section 17A of the Exchange Act and (B) a successor to DTC registered as a clearing agency under Section 17A of the Exchange Act is not able to be appointed by the Company within 90 days or (ii) DTC is at any time unwilling or unable to continue as depository and a successor to DTC is not able to be appointed by us within 90 days.

Exercise and Settlement of the Warrants

The initial exercise price applicable to each warrant will be equal to 150% of the closing price of our common stock on the Nasdaq on _____, 2010, rounded down to the nearest cent. The exercise price of the warrants and number of underlying shares are subject to adjustment as described below under the heading **Adjustments to the Warrants**. In addition, upon exercise in connection with a designated event or an accounting event, we may be required to increase the number of shares to which a warrant holder is entitled with respect to such exercised warrants as described under **Exercise of Warrants upon a Designated Event** and **Exercise of Warrants upon a Accounting Event**. The warrants may be exercised, in whole or in part, at any time prior to 5:00 p.m., New York City time on May 22, 2020 (the expiration date). Any warrants not exercised prior to the expiration date will be automatically exercised on the expiration date under certain circumstances. Any warrants that are not exercised prior to the expiration date and are not automatically exercised on the expiration date will expire unexercised and worthless.

To exercise a warrant prior to the expiration date, if the warrants are in certificated form the warrant holder must surrender the warrant certificate evidencing such warrant to the warrant agent, complete and manually sign the exercise notice on the back of the warrant, deliver this notice to the warrant agent and pay any applicable transfer taxes. If the warrants are in global form, any exercise notice must be delivered to the warrant agent through and in accordance with the procedures of DTC. The date on which a warrant holder complies with the requirements for exercise in respect of a warrant is the exercise date for such warrant, unless such day is not a trading day (as defined below) in which case it will be (i) the next trading day or (ii) if such date is the expiration date (including as a result of the automatic exercise of such warrant), the prior trading day.

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An unexercised warrant will be automatically exercised for the benefit of the warrant holder (i) on the expiration date if a warrant is not exercised by the warrant holder prior to 5:00 p.m., New York City time, on the expiration date, or (ii) on the relevant effective date (as defined below) upon an occurrence of a cash designated event (as defined below), in each case of (i) or (ii) if any shares of our common stock or cash in lieu of any fractional shares is deliverable to the warrant holder as a result of the net share settlement calculation, or in the case of (ii) if additional shares are deliverable as a result of a designated event, as of the expiration date or such effective date, as applicable, as described below. Reference to exercise of a warrant means an exercise by the warrant holder on or prior to 5:00 p.m., New York City time, on the expiration date or upon an automatic exercise as described above, as applicable.

No cash will be payable by a warrant holder in respect of the exercise price for a warrant upon exercise. Rather, as described below, the number of shares of our common stock issuable in respect of an exercise of a warrant will be determined based on a net share settlement calculation. Upon exercise of a warrant, a warrant holder will be entitled to receive (on the related settlement date) a number of shares of our common stock equal to the sum of the daily settlement amounts (as defined below) for each of the 10 consecutive trading days during the related calculation period (as defined below), together with cash in lieu of any fractional shares as described below. The settlement date for an exercised warrant will be the third trading day following the end of the applicable calculation period, except to the extent otherwise specified herein. Notwithstanding the foregoing, if any information required in order to calculate the number of shares deliverable upon exercise of a warrant will not be available as of the applicable settlement date, we will deliver the additional shares of our common stock resulting from that adjustment on the third trading day after the earliest trading day on which such calculation can be made.

Calculation period with respect to any warrant means the 10 consecutive trading day period beginning on and including the exercise date for such warrant, except that if a warrant is exercised at any time after the 10th scheduled trading day prior to the expiration date and until the close of business on the expiration date or upon a cash designated event, then (i) the warrant will be deemed to have been exercised the 10th trading day immediately preceding the expiration date or the effective date of such cash designated event, as the case may be, and (ii) the calculation period for such warrant will commence on the 10th trading day immediately preceding the expiration date or the effective date of such cash designated event, as the case may be.

The daily settlement amount for each exercised warrant, on each of the 10 consecutive trading days during the calculation period, will consist of one-tenth (1/10th) of a number of shares (the daily net share settlement value) equal to the product of (i) the number of underlying shares with respect to such warrant and (ii) (A) the daily VWAP (as defined below) of our common stock on such day, *minus* the applicable exercise price, *divided by* (B) such daily VWAP. The daily net share settlement value will be calculated to the nearest 1/10,000th of a share.

Daily VWAP of our common stock (or any security that is part of the reference property into which our common stock has been converted, if applicable), in respect of any trading day, means the per share volume-weighted average price of our common stock (or such other security) as displayed under the heading Bloomberg VWAP on Bloomberg Page ZION Equity AQR (or its equivalent successor if such page is not available, or the Bloomberg Page for any security that is part of the reference property into which our common stock has been converted, if applicable) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day, without regard to after-hours trading or any other trading outside the regular trading session, or, if such volume-weighted average price is unavailable (or the reference property is not a security), the market value of one share of our common stock (or other reference property) on such trading day as determined in good faith by our board of directors or a duly authorized committee thereof in a commercially reasonable manner, using a volume-weighted average price method (unless the reference property is not a security); *provided* that, in making a volume-weighted average price determination, our board of directors (or any such duly authorized committee) may rely conclusively on the determination of daily VWAP for such trading day made by an independent nationally recognized securities dealer selected by the board of directors.

Trading day for a listed or traded security means a day on which (i) there is no market disruption event (as defined below), (ii) trading in our common stock (or any security that is part of the reference property into which our common stock has been converted, if applicable) generally occurs on the Nasdaq or, if our common stock (or such other reference property) is not then listed on the Nasdaq, on the principal other United States national or regional securities exchange on which our common stock (or such other reference property) is then listed or, if our common stock (or such other reference property) is not then listed on a United States national or regional securities exchange, on the principal other market on which our common stock (or such other reference property) is then traded, and (iii) the scheduled closing time for regular trading on the relevant exchange or market is 4:00 p.m., New York City time, or the then-standard closing time for regular trading on such relevant exchange or market. If our common stock (or such other reference property) is not so listed or traded, trading day means a business day.

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A **business day** is any day other than (i) a Saturday or Sunday or (ii) a day on which state or federally chartered banking institutions in New York City are not required to be open.

A **scheduled trading day** is any day that is scheduled to be a trading day.

Market disruption event means (i) a failure by the primary United States national or regional securities exchange or market on which our common stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any scheduled trading day for our common stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock.

We will not issue fractional shares of our common stock upon any exercise of the warrants. If any fractional share of our common stock would be deliverable upon exercise by any warrant holder or upon automatic exercise on the expiration date, we will pay the warrant holder cash in lieu of the fractional share of our common stock deliverable based on the average of the daily VWAPs for our common stock over the relevant calculation period. We will at all times aggregate the number of shares of our common stock deliverable for the warrants exercised by the same ultimate beneficial owner of warrants on the same day.

In connection with the delivery of shares of our common stock to a warrant holder in respect of an exercised warrant, the warrant agent will, at the option of the warrant holder:

deliver common stock by electronic transfer to such warrant holder's account, or any other account as such warrant holder may designate, at DTC or the relevant DTC participant; or

requisition from the transfer agent of our common stock and deliver to or upon the order of such warrant holder certificates for the number of full shares of our common stock to which such warrant holder is entitled, registered in such name or names as may be directed by such warrant holder.

A warrant holder will not be required to pay any documentary, stamp or similar issue or transfer taxes relating to the issue or delivery of our common stock upon exercise of the warrants except for any such tax relating to any transfer involved in the issue or delivery of our common stock in a name other than of such warrant holder. Certificates representing shares of our common stock will not be issued or delivered unless all taxes, if any, payable by a holder have been paid.

The warrants have been approved for listing on the Nasdaq, subject to official notice of issuance, under the symbol ZIONW.

No Rights as Stockholders

Warrant holders will not be entitled, by virtue of holding warrants, to vote, to consent, to receive dividends, if any, to receive notice as stockholders with respect to any meeting of stockholders for the election of our directors or any other matter, or to exercise any rights whatsoever as our stockholders until they become holders of record of the shares of our common stock delivered upon settlement of the warrants.

Each person in whose name any shares of common stock are delivered will be deemed to have become the holder of record of such shares as of the settlement date. However, if any such date is a date when our stock transfer books are closed, such person will be deemed to have become the record holder of such shares on the next succeeding date on which our stock transfer books are open.

Adjustments to the Warrants

The exercise price for the warrants will be subject to adjustment upon the occurrence of any of the following events. If any dividend, distribution or issuance described below is declared but not so paid or made, the exercise price shall again be adjusted to the exercise price that would have been in effect if such dividend, distribution or issuance had not been declared.

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(a) If we issue solely shares of our common stock as a dividend or distribution on all or substantially all of our shares of our common stock, or if we subdivide or combine our common stock, the exercise price will be adjusted based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0}{OS_1}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date (as defined below) for such dividend or distribution, or immediately prior to the open of business on the effective date of such subdivision or combination, as the case may be;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such dividend or distribution, or immediately after the open of business on the effective date of such subdivision or combination, as the case may be;

OS_0 = the number of shares of our common stock outstanding immediately prior to the close of business on the ex-dividend date for such dividend or distribution, or immediately prior to the open of business on the effective date of such subdivision or combination, as the case may be; and

OS_1 = the number of shares of our common stock that would be outstanding immediately after giving effect to such dividend or distribution, or immediately after the effective date of such subdivision or combination, as the case may be.

(b) If we distribute any rights, options or warrants on all or substantially all of our shares of common stock that by their terms entitle the holders of our common stock for a period of not more than 60 calendar days from the ex-dividend date for such distribution to subscribe for or purchase shares of our common stock (or securities convertible into our common stock), at a price per share (or a conversion price per share) less than the average of the closing sale prices of our common stock for the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the announcement date of such distribution, the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{OS_0 + Y}{OS_0 + X}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for such distribution;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such distribution;

OS_0 = the number of shares of our common stock outstanding immediately prior to the close of business on the ex-dividend date for such distribution;

X = the total number of shares of our common stock issuable pursuant to such rights, options or warrants; and

Y = the number of shares of our common stock equal to the quotient of (A) the aggregate price payable to exercise such rights, options or warrants *divided by* (B) the average of the closing sale prices of our common stock over the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the announcement date of such distribution.

To the extent that such rights, options or warrants are not exercised prior to their expiration or shares of our common stock are otherwise not delivered pursuant to such rights, options or warrants (except in a case where other consideration has been given in lieu of delivery of such common stock, in which case adjustment shall be as otherwise prorated elsewhere in this prospectus supplement), upon the expiration, termination or maturity of such rights, options or warrants, the exercise price will be readjusted to the exercise price that would then be in effect had the adjustments made upon the issuance of such rights, options or warrants been made on the basis of the delivery of only the number of shares of common stock actually delivered.

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For purposes of this clause (b), in determining whether any rights, options or warrants entitle the holders to subscribe for or purchase our common stock at less than the average of the closing sale prices of our common stock for each trading day in the applicable 10 consecutive trading-day period, there shall be taken into account any consideration we receive for such rights, options or warrants and any amount payable on exercise thereof, with the value of such consideration if other than cash to be determined in good faith by our board of directors or a duly authorized committee thereof.

(c) If we distribute shares of our capital stock, evidences of our indebtedness or other assets or property of ours on all or substantially all of our shares of common stock (excluding (i) dividends or distributions (including subdivisions of common stock) referred to in clause (a) above; (ii) rights, options or warrants referred to in clause (b) above; (iii) dividends or distributions paid exclusively in cash referred to in clause (d) below; (iv) spin-offs referred to further below in this clause (c); and (v) distributions of rights to all or substantially all of our shares of common stock pursuant to the adoption of a shareholder rights plan), then the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{SP_0 - FMV}{SP_0}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for such distribution;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such distribution;

SP_0 = the average of the closing sale prices of our common stock over the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value (as determined in good faith by our board of directors or a duly authorized committee thereof) of the shares of capital stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of our common stock as of the close of business on the ex-dividend date for such distribution.

If the then-fair market value of the portion of the shares of capital stock, evidences of indebtedness or other assets or property so distributed applicable to one share of common stock is equal to or greater than the average of the closing sale prices of the common stock over the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution, in lieu of the foregoing adjustment, adequate provisions shall be made so that each warrant holder shall have the right to receive on exercise in respect of each warrant held by such warrant holder, in addition to the number of shares of common stock such warrant holder is entitled to receive, the amount and kind of securities or assets such warrant holder would have received had such warrant holder already owned a number of shares of common stock deliverable upon exercise of its warrant immediately prior to the ex-dividend date for the distribution of the securities or assets.

With respect to an adjustment pursuant to this clause (c) where there has been a payment of a dividend or other distribution on our common stock of shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit, which we refer to as a spin-off, the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{MP_0}{FMV + MP_0}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for the spin-off;

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EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for the spin-off;

FMV = the average of the closing sale prices of the capital stock or similar equity interests distributed to holders of our common stock applicable to one share of our common stock over the first 10 consecutive trading-day period commencing on, and including, the ex-dividend date for the spin-off (such period, the valuation period); and

MP_0 = the average of the closing sale prices of our common stock over the valuation period.

The adjustment to the exercise price under the preceding paragraph of this clause (c) will be made immediately after the open of business on the day after the last day of the valuation period, but will be given effect as of the open of business on the ex-dividend date for the spin-off. If the ex-dividend date for the spin-off is less than 10 trading days prior to, and including, the end of the calculation period in respect of any exercise of warrants, references within this clause (c) to 10 trading days shall be deemed replaced, for purposes of calculating the average of the closing prices of our common stock in respect of that exercise, with such lesser number of trading days as have elapsed from, and including, the ex-dividend date for the spin-off to, and including, the last trading day of such calculation period. For purposes of determining the exercise price, in respect of any exercise during the 10 trading days commencing on the ex-dividend date for any spin-off, references within the portion of this clause (c) related to spin-offs to 10 trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the ex-dividend date for such spin-off to, but excluding, the relevant exercise date.

(d) If we make or pay any cash dividend or distribution to all, or substantially all, holders of our outstanding common stock (other than (i) distributions described in clause (e) below, (ii) any dividend or distribution in connection with our liquidation, dissolution or winding up and (iii) any regular quarterly cash dividend on our common stock to the extent that the aggregate amount of such cash dividend per share of our common stock does not exceed the dividend threshold amount (as defined below) (subject to adjustment, as indicated below)), the exercise price will be decreased based on the following formula:

$$EP_1 = EP_0 \times \frac{SP_0 - C}{SP_0}$$

where:

EP_0 = the exercise price in effect immediately prior to the close of business on the ex-dividend date for such dividend or distribution;

EP_1 = the exercise price in effect immediately after the close of business on the ex-dividend date for such dividend or distribution;

SP_0 = the average of the closing sale prices of our common stock over the 10 consecutive trading-day period ending on, and including, the trading day immediately preceding the ex-dividend date for such distribution; and

C = the amount in cash per share that we distribute to holders of our common stock for such dividend or distribution *minus* the dividend threshold amount.

(e) If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer (other than offers not treated as a tender offer or exchange offer subject to Rule 13e-4 under the Exchange Act) for our common stock, and if the cash and value of any other consideration included in the payment per share of common stock exceeds the average of the closing sale prices of our common stock over the 10 consecutive trading-day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (such date, the offer expiration date, and such period, the measurement period), the exercise price will be decreased based on the following formula:

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$$EP_1 = EP_0 \times \frac{OS_0 \times SP_1}{AC + (OS_1 \times SP_1)}$$

where:

EP_0