

ZIONS BANCORPORATION /UT/
Form 424B3
June 30, 2008
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-132868

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated June 27, 2008

PROSPECTUS SUPPLEMENT

(To prospectus dated March 31, 2006)

ZIONS BANCORPORATION

Depository Shares Each Representing a 1/40th Interest

in a Share of 9.50% Series C Non-Cumulative Perpetual Preferred Stock

This supplement supplements the preliminary prospectus supplement dated June 25, 2008. Zions Bancorporation announced today that it will extend the duration of its ongoing auction for depository shares each representing a 1/40th ownership interest in a share of Series C Non-Cumulative Perpetual Preferred Stock, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depository share) (the Series C Preferred Stock), until 4:00 pm ET, Wednesday, July 2, 2008, subject to the 2-Minute Rule described in the preliminary prospectus supplement. In addition, bidders may now purchase depository shares using the Buy Today feature until 2:00 pm ET on Wednesday, July 2, 2008, the day the auction ends.

Zions Bancorporation also increased the Auction Amount, the number of depository shares being sold pursuant to the auction, from \$625,000 in liquidation preference of Series C Preferred Stock (or 25,000 depository shares) to \$1,000,000 in liquidation preference of Series C Preferred Stock (or 40,000 depository shares). This does not include any additional amount of depository shares issuable under the Buy Today feature, Institutional Up-Sizing Option or pursuant to the distribution agreement each as described in the preliminary prospectus supplement.

It is expected that the delivery of the depository shares will be made against payment for the depository shares on July 8, 2008, which is the third business day after the allocation of the depository shares by our auction agent (this settlement cycle being referred to as T+3). You should note that if you purchase the depository shares using the Buy Today feature, or if you purchase the depository shares through the distribution agent, your settlement cycle may be longer than T+3. Trading in the depository shares from the date of a Buy Today purchase or a purchase through the distribution agent or until settlement may be affected by this longer settlement cycle.

Investing in the depository shares involves risks that are described in the Risk Factors section beginning on page S-10 of the preliminary prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Our depositary shares are equity securities and are not savings accounts, deposits or other obligations of any of our banks or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other government agency.

We expect to deliver the depositary shares in book-entry form through the facilities of The Depository Trust Company against payment in New York, New York on July 8, 2008.

The date of this prospectus supplement is July , 2008

ZIONS DIRECT, INC.

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The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated June 25, 2008

PROSPECTUS SUPPLEMENT

(To prospectus dated March 31, 2006)

ZIONS BANCORPORATION

Depository Shares Each Representing a 1/40th Interest

in a Share of 9.50% Series C Non-Cumulative Perpetual Preferred Stock

Zions Bancorporation is offering _____ depository shares each representing a 1/40th ownership interest in a share of Series C Non-Cumulative Perpetual Preferred Stock, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depository share) (the "Series C Preferred Stock"). The depository shares are represented by depository receipts. As a holder of depository shares, you will be entitled to all proportional rights and preferences of the Series C Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depository. The maximum number of depository shares we expect to sell in this offering through the auction or otherwise is 6,000,000.

Dividends on the Series C Preferred Stock will be payable quarterly in arrears when, as, and if declared by our board of directors or a duly authorized committee of the board, out of funds legally available for the payment of dividends, at a fixed rate per annum equal to 9.50%. The dividend payment dates will be the 15th day of March, June, September and December, commencing on September 15, 2008, or the next succeeding business day if any such date is not a business day.

Dividends on the Series C Preferred Stock will be non-cumulative. If our board of directors or a duly authorized committee of the board does not declare a dividend on the Series C Preferred Stock for any dividend period, such dividend will not accrue or be payable, and we will have no obligation to pay dividends for such dividend period, whether or not dividends on the Series C Preferred Stock are declared for any future dividend period.

The Series C Preferred Stock is not redeemable prior to September 15, 2013. The Series C Preferred Stock will not have any voting rights, except as set forth under "Description of Series C Preferred Stock - Voting Rights" on page S-20.

Application will be made to list the depository shares on the New York Stock Exchange under the symbol "ZB PrC". Trading of the depository shares on the New York Stock Exchange is expected to commence within 30 days after the initial delivery of the depository shares.

The price to the public and the allocation of the depository shares will be determined by an auction process through the www.auctions.zionsdirect.com electronic bid submission system (www.auctions.zionsdirect.com). The auction will open at 1:00 pm E.T., on June 25, 2008 and will close at 4:00 pm E.T., on June 30, 2008, unless extended as described in the section entitled "The Auction Process" beginning on page S-30 of this prospectus supplement. We will not issue fractional depository shares.

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The timing and method for submitting bids and a description of the auction process are described in the section entitled "The Auction Process" beginning on page S-30 of this prospectus supplement. In general, once a bidder has submitted and confirmed a bid, the bid will be binding and may not thereafter be rescinded or revoked.

As part of the auction process, we are attempting to assess the market demand for our depositary shares and to set the price to the public of this offering to meet that demand. Investors should not expect to be able to sell their depositary shares for a profit after the conclusion of this offering and the allocation of our depositary shares.

We will offer the depositary shares directly to investors. Zions Direct, Inc., the auction agent for this offering, is a wholly-owned subsidiary of Zions First National Bank, which is the issuing and paying agent with respect to the depositary shares. Zions First National Bank, in turn, is a wholly-owned subsidiary of Zions Bancorporation.

Investing in the depositary shares involves risks that are described in the Risk Factors section beginning on page S-10 of this prospectus supplement.

	Per Depositary Share	Total
Public offering price	\$	\$
Agents' Fees	\$	\$
Proceeds, before expenses, to Zions Bancorporation	\$	\$

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Our depositary shares are equity securities and are not savings accounts, deposits or other obligations of any of our banks or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other government agency.

We expect to deliver the depositary shares in book-entry form through the facilities of The Depository Trust Company against payment in New York, New York on July 1, 2008.

The date of this prospectus supplement is June 10, 2008

ZIONS DIRECT, INC.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell depositary shares, and seeking offers to buy depositary shares, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date on their respective cover pages, regardless of the time of delivery of this prospectus supplement or any sale of the depositary shares.

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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 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 iii 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 Series C Preferred Stock 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. See the [Plan of Distribution](#) section of this prospectus supplement beginning on page S-30. References herein to \$ and dollars are to the currency of the United States. In this prospectus supplement and the accompanying prospectus, the terms company, Zions, we, us, and our refer to Zions Bancorporation.

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

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INCORPORATION BY REFERENCE

The Securities and Exchange Commission, or 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 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 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:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as amended;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008;

Current Reports on Form 8-K filed on March 12, 2008, April 14, 2008, April 28, 2008 and May 14, 2008; and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, until we sell all of the securities offered by 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, Suite 1500

Salt Lake City, Utah 84111

(801) 524-4787

In addition, these filings are available on our web site at <http://www.zionsbancorporation.com>. For additional information concerning this offering, the depositary shares being offered hereby, the web site www.auctions.zionsdirect.com or the registration and auction process, you may contact Zions Direct:

by telephone at (800) 524-8875 or (800) 554-1688 (ask for preferred stock support); or

by e-mail at auctions@zionsdirect.com.

Please note that these web sites do 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 entire prospectus supplement and the accompanying prospectus to understand fully the terms of the depositary shares, as well as the tax and other considerations that are important to you in making a decision about whether to invest in the depositary shares. You should pay special attention to the Risk Factors section of this prospectus supplement to determine whether an investment in the depositary shares is appropriate for you.

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 and its subsidiaries own and operate eight commercial banks with a total of 506 domestic branches at March 31, 2008. We provide a full range of banking and related services through our banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, Idaho, Washington and Oregon. Full-time equivalent employees totaled 10,946 at March 31, 2008.

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. We operate eight different banks in ten Western and Southwestern states with each bank operating under a different name and each having 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, other 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., that was launched in 2004 and online brokerage services through Zions Direct.

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 U.S. Small Business Administration lending. Through our eight banking subsidiaries, we provide Small Business Administration 7(a) loans to small businesses throughout the United States and are also one of the largest providers of Small Business Administration 504 financing in the nation. We own an equity interest in the Federal Agricultural Mortgage Corporation and are the nation's top originator 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. Finally, our NetDeposit, Inc. and P5, Inc. subsidiaries are leaders in the provision of check imaging and clearing software and of web-based medical claims tracking and cash management services, respectively.

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Recent Developments

On June 19, 2008, Moody's Investors Service lowered its credit rating on MBIA Inc. to A2. As previously disclosed, a downgrade of MBIA to below AA- triggers a provision of the Liquidity Agreement provided by Zions First National Bank (ZFNB) to Lockhart Funding (Lockhart). Pursuant to that Agreement, on June 23 ZFNB purchased \$787 million of securitized small business loans from Lockhart. These securities were originally created by ZFNB from SBA 504 and similar small business loans either originated by ZFNB or purchased from correspondent banks and underwritten by ZFNB to its standards. These assets have been rebooked as loans on the Company's balance sheet. The amount of commercial paper (CP) issued by Lockhart has been reduced by \$787 million, and the amount of that CP held on Zions' balance sheet has been reduced by a like amount. Thus, there is no change in the size of Zions' consolidated balance sheet or any negative income statement impact as a result of this event. As discussed in earlier disclosures, Zions' GAAP capital ratios are not impacted by this event.

Zions has completed a preliminary review of its Available for Sale (AFS) and Held to Maturity investment portfolios for Other Than Temporary Impairment (OTTI). Zions expects to deem an additional four or five securities to be OTTI. Zions expects to recognize in the second quarter total pretax charges to income on these securities and on other securities previously deemed to be OTTI of approximately \$40-50 million, or \$25 to \$31 million after tax. Approximately 60% of this impairment had already been recognized in capital through Other Comprehensive Income (OCI) as of March 31, 2008.

As previously disclosed, Zions expects credit costs to increase somewhat compared to the first quarter of 2008. We currently expect the loan loss provision for the second quarter to be approximately 110-115 basis points, annualized, of average loans, and for net loan losses to be approximately 70-75 basis points, annualized. As previously disclosed, these increases are being driven primarily by increased credit costs related to residential real estate acquisition, development and construction exposures in Southwestern states, and by some weakening in Utah residential construction and commercial and industrial portfolios. Non-performing assets, including Other Real Estate Owned, are expected to be approximately 165 basis points of total loans at quarter end. The Company has not seen meaningful deterioration in credit quality in other major loan types or geographies. The Company believes that credit quality for its portfolio in California has begun to stabilize.

Including the securitized loans purchased from Lockhart, as discussed above, loan growth for the quarter is expected to be approximately \$1.8 billion, while deposit growth remains challenging. Loan pricing continues to improve, and the Company expects that its net interest margin for the quarter will be relatively stable.

Zions expects that the cumulative impact of the above on regulatory capital ratios will be a decline of three to six basis points at June 30 compared to March 31, depending on the regulatory capital measure. GAAP tangible equity ratios are expected to decline approximately 25 basis points. The difference between GAAP and regulatory capital ratio impacts is due to changes to GAAP capital that go through OCI - primarily changes in the fair value of the interest rate swaps and AFS securities; these changes to OCI are excluded from regulatory capital measures. These changes in capital ratios are before the impact of the offering contemplated hereby. Zions does not anticipate raising dilutive capital or changing its common stock dividend.

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The Offering

Issuer Zions Bancorporation

Securities Offered depositary shares each representing a 1/40th ownership interest in a share of 9.50% Series C Non-Cumulative Perpetual Preferred Stock, with a liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share) of Zions (the Series C Preferred Stock). Each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Series C Preferred Stock represented by such depositary share, to all the rights and preferences of the Series C Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

We may from time to time elect to issue additional depositary shares representing shares of the Series C Preferred Stock, and all the additional shares would be deemed to form a single series with the Series C Preferred Stock offered hereby.

Auction Amount \$600,000 in liquidation preference of Series C Preferred Stock (or 25,000 depositary shares) (which does not include any additional amount of depositary shares issuable under the Buy Today feature or Institutional Up-Sizing Option or pursuant to the distribution agreement described below)

Auction Window *Auction Starts:* 1:00 pm ET, Wednesday, June 25, 2008
Auction Ends: 4:00 pm ET, Monday, June 30, 2008, subject to the 2-Minute Rule described below.

Minimum Bid Price \$22.50

Maximum Bid Price \$25.00

Maximum Number of Securities Offered \$150,000,000 in liquidation preference of Series C Preferred Stock (or 6,000,000 depositary shares)

Public Offering Price To be determined by auction.

Bid Limit In order to ensure a broad participation in this offering, we or our auction agent will assign each bidder a bid limit. The auction website allows a bidder to place up to five separate, active bids. A bidder will not be able to place aggregate in-the-money bids that exceed that bidder's bid limit (as described below).

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Prospective bidders registering to bid on the depositary shares for the first time on the website www.auctions.zionsdirect.com will automatically qualify to bid for up to a bid limit of \$100,000. Prospective bidders who want to bid for more than that amount may contact us by telephone at (800) 524-8875 or by e-mail at auctions@zionsdirect.com to request a greater bid limit. Any decision to increase a bidder's bid limit, upon such request, will be in our sole

and absolute discretion.

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A bidder will not be able to place a bid that exceeds that bidder's bid limit

Buy Today Feature

From the start of the auction until 2:00 pm ET on Monday, June 30, 2008, the day the auction ends, bidders may purchase depositary shares at a set price by using the Buy Today feature. On the bid page, a bidder may indicate a quantity of depositary shares in the Buy Today row that the bidder is willing to purchase at the set price. The bidder may not exceed their individual bid limit using the Buy Today feature. Although clicking Buy Today is binding on the bidder and may not be rescinded, the trade will become final at the close of the auction. Once a bidder clicks Buy Today, the bidder's individual bid limit will be adjusted to reflect a portion of the individual bid limit being allotted to the Buy Today purchase. The bidder may then continue bidding in the auction. Any additional bids will not affect any purchase made through the Buy Today feature. The depositary shares offered pursuant to the Buy Today feature will be in addition to the aggregate number of depositary shares offered pursuant to the auction. There can be no assurances as to how many additional depositary shares, if any, will be sold pursuant to the Buy Today feature. We expressly reserve the right to cancel all purchases made under the Buy Today feature, if we cancel the auction. We reserve the right, in our sole discretion, to extend the Buy Today feature until the end of the Auction Window. In addition, we reserve the right to discontinue the Buy Today feature, in our sole discretion, at any time during the auction. Our discontinuance of the Buy Today feature will be evidenced by the absence of the Buy Today feature and accompanying Buy Today offering price on the auction site.

Buy Today Offering Price

\$25.00 per depositary share

Institutional Up-Sizing Option

We reserve the right to sell, outside of the auction, additional depositary shares with terms identical to the depositary shares being auctioned, to any institutional or individual bidder who: (i) contacts a representative at our auction agent's trading desk before the end of the auction and indicates the desire to make such an additional purchase and the additional amount it would like to purchase; (ii) satisfies the credit requirements for such additional purchase; (iii) wins at least 20% of the Auction Amount of the depositary shares; and (iv) bids for the lesser of its individual bid limit or the entire Auction Amount of the depositary shares being offered. Any additional depositary shares so purchased will be purchased outside the auction and will not affect the auction or the final market-clearing price set by the auction, but will be sold at the market-clearing price set by the auction. There can be no assurances as to how many additional depositary shares, if any, will be sold pursuant to the Institutional Up-Sizing Option. We will pay the auction agent the auction agent fee in connection with any depositary shares sold pursuant to this option. If you are interested in qualifying for such an additional purchase, please call your sales representative at 888-357-3375 for dealers, 800-524-4819 for institutions, or 800-524-8875 for individuals.

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Auction Agent	Zions Direct, Inc.
Auction Agent Fee	2.25% (the Auction Agent Fee will be paid only on the gross proceeds received by us from the depositary shares that are sold through the Zions Direct auction platform.)
Distribution Pursuant to the Distribution Agreement	We reserve the right to sell, outside of the auction, additional depositary shares with terms identical to the depositary shares being auctioned, through Zions Direct, as distribution agent or principal. There can be no assurances as to how many additional depositary shares, if any, will be sold pursuant to the distribution agreement. We will pay the distribution agent the distribution agent fee in connection with any depositary shares sold pursuant to this agreement.
Distribution Agent	Zions Direct, Inc.
Distribution Agent Fee	2.25% (The Distribution Agent Fee will be paid only on the gross proceeds received by us from the depositary shares that are sold through Zions Direct under the distribution agreement and not on Zions Direct's auction platform.)
<i>Dealers Concession: 2.00% Reallowance: 1.50%</i>	
Dividends	<p>Dividends on the Series C Preferred Stock will be payable quarterly in arrears when, as and if declared by our board of directors or a duly authorized committee of the board, at a rate per annum equal to 9.50%. Any such dividends will be distributed to holders of depositary shares in the manner described under Description of Depositary Shares Dividends and Other Distributions below.</p> <p>Dividends on the Series C Preferred Stock are non-cumulative. Accordingly, if our board of directors or a duly authorized committee of the board does not declare a dividend on the Series C Preferred Stock for any dividend period, such dividend will not accrue or be payable, and we will have no obligation to pay dividends for such dividend period, whether or not dividends on the Series C Preferred Stock are declared for any future dividend period.</p>
Dividend Payment Dates	The 15 th day of March, June, September and December of each year, commencing on September 15, 2008. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day.
Redemption	The Series C Preferred Stock is not redeemable prior to September 15, 2013. On and after that date, the Series C Preferred Stock will be redeemable at our option, in whole at any time or in part from time to time, at a redemption price equal to \$1,000 per share (equivalent to \$25 per depositary share), plus accrued dividends from the most recent dividend payment date (whether or not declared but without accumulation of any undeclared dividends for prior periods).

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Neither the holders of Series C Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series C Preferred Stock. The Series C Preferred Stock will not be subject to any sinking fund.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series C Preferred Stock is subject to prior approval of the Board of Governors of the Federal Reserve System.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of Zions, holders of shares of Series C Preferred Stock are entitled to receive out of assets of Zions available for distribution to shareholders, before any distribution of assets is made to holders of our common stock or of any other shares of our stock ranking junior as to such a distribution to the Series C Preferred Stock, a liquidating distribution in the amount of the liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Distributions will be made only to the extent of Zions' assets that are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series C Preferred Stock (pro rata as to the Series C Preferred Stock and any other shares of our stock ranking equally as to such distribution).

Voting Rights

Holders of Series C Preferred Stock will have no voting rights, except with respect to authorizing or increasing senior stock, certain changes in the terms of the Series C Preferred Stock and in the case of certain dividend non-payments. See "Description of Series C Preferred Stock - Voting Rights" below. Holders of depositary shares must act through the depositary to exercise any voting rights, as described under "Description of Depositary Shares - Voting the Series C Preferred Stock" below.

Ranking

Shares of the Series C Preferred Stock will rank senior to our common stock, equally with our Series A Floating-Rate Non-Cumulative Perpetual Preferred Stock (the "Series A Preferred Stock") and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series C Preferred Stock and any other class or series whose vote is required) with respect to the payment of dividends and distributions upon liquidation, dissolution or winding up. We will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims).

Maturity

The Series C Preferred Stock does not have any maturity date, and we are not required to redeem the Series C Preferred Stock. Accordingly, the Series C Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it.

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Preemptive and Conversion Rights	Holder of Series C Preferred Stock will have no preemptive or conversion rights.
Listing	We intend to apply for listing of the depositary shares on the New York Stock Exchange under the symbol ZB PrC. If approved for listing, we expect trading of the depositary shares on the New York Stock Exchange, or the NYSE, to commence within 30 days after the initial delivery of the depositary shares. We may not successfully list the Series C Preferred Stock on the NYSE.
Tax Consequences	Dividends paid to non-corporate U.S. holders in taxable years beginning before January 1, 2011 generally will be taxable at a maximum rate of 15%, subject to certain conditions and limitations. Dividends paid to corporate U.S. holders generally will be eligible for the dividends received deduction, subject to certain conditions and limitations.
Use of Proceeds	We will use the net proceeds from the sale of the depositary shares for general corporate purposes. See Use of Proceeds below.
Expected Ratings	We expect that the depositary shares will be rated Baa2, BBB-, BBB and BBB+ by Moody's Investor Services, Standard & Poor's, DBRS and Fitch Ratings, respectively. None of these securities ratings is a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time, and should be evaluated independently of any other rating.
Settlement	It is expected that the delivery of the depositary shares will be made against payment for the depositary shares on July 3, 2008, which is the third business day after the allocation of the depositary shares by our auction agent (this settlement cycle being referred to as T+3). You should note that if you purchase the depositary shares using the Buy Today feature, or if you purchase the depositary shares through the distribution agent, your settlement cycle may be longer than T+3. Trading in the depositary shares from the date of a Buy Today purchase or a purchase through the distribution agent or until settlement may be affected by this longer settlement cycle.
Registrar	Zions First National Bank
Depositary	Zions First National Bank
Transfer Agent	Zions First National Bank
CUSIP	989701 50 3

Table of Contents**Selected Consolidated Financial Data**

The following selected consolidated financial data for the five-year period ended December 31, 2007 and the three-month periods ended March 31, 2007 and March 31, 2008 are derived from and qualified by reference to our consolidated financial statements. You should read this data in conjunction with the financial statements, related notes and other financial information incorporated by reference in the accompanying prospectus. See [Where You Can Find More Information](#) in the accompanying prospectus.

	Three Months Ended		Year Ended December 31,				
	2008	March 31, 2007	2007	2006	2005 (1)	2004	2003
(Dollars in millions, except per share data)							
Consolidated Statement of Income Data:							
Interest income	\$ 790.1	\$ 770.5	\$ 3,205.3	\$ 2,818.1	\$ 1,910.3	\$ 1,491.4	\$ 1,388.8
Interest expense	303.6	313.4	1,323.3	1,053.4	548.9	330.6	303.9
Net interest income	486.5	457.1	1,882.0	1,764.7	1,361.4	1,160.8	1,084.9
Provision for loan losses	92.3	9.1	152.2	72.6	43.0	44.1	69.9
Net interest income after provision for loan losses	394.2	448.0	1,729.8	1,692.1	1,318.4	1,116.7	1,015.0
Noninterest income	111.0	145.4	412.3	551.2	436.9	431.5	500.7
Noninterest expense	350.1	352.0	1,404.6	1,330.4	1,012.8	923.2	893.9
Impairment loss on goodwill					0.6	0.6	75.6
Income from continuing operations before income taxes and minority interest	155.1	241.4	737.5	912.9	741.9	624.4	546.2
Income taxes	49.9	88.8	235.8	318.0	263.4	220.1	213.8
Minority interest	(1.6)	(0.7)	8.0	11.8	(1.6)	(1.7)	(7.2)
Income from continuing operations	106.8	153.3	493.7	583.1	480.1	406.0	339.6
Loss on discontinued operations (2)							(1.8)
Net income	106.8	153.3	493.7	583.1	480.1	406.0	337.8
Preferred stock dividend	2.5	3.6	14.3	3.8			
Net earnings applicable to common shareholders	\$ 104.3	\$ 149.7	\$ 479.4	\$ 579.3	\$ 480.1	\$ 406.0	\$ 337.8
Net earnings per common share (diluted):							
Earnings from continuing operations	\$ 0.98	\$ 1.36	\$ 4.42	\$ 5.36	\$ 5.16	\$ 4.47	\$ 3.74
Loss on discontinued operations (2)							(0.02)
Net earnings	\$ 0.98	\$ 1.36	\$ 4.42	\$ 5.36	\$ 5.16	\$ 4.47	\$ 3.72
Weighted-average common and common-equivalent shares outstanding during the period (in thousands)	106,722	110,107	108,523	108,028	92,994	90,882	90,734
Consolidated Balance Sheet Data (at period end):							
Total assets	\$ 53,408	\$ 48,559	\$ 52,947	\$ 46,970	\$ 42,780	\$ 31,470	\$ 28,558
Net loans and leases (3)	39,906	35,945	39,088	34,668	30,127	22,627	19,920
Deposits	37,516	36,326	36,923	34,982	32,642	23,292	20,897
Long-term borrowings	2,712	2,512	2,591	2,495	2,746	1,919	1,843
Shareholders' equity	5,328	5,261	5,293	4,987	4,237	2,790	2,540
Other Data:							
Return on average assets	0.81%	1.31%	1.01%	1.32%	1.43%	1.31%	1.20%
Return on average common equity	8.18%	12.25%	9.57%	12.89%	15.86%	15.27%	13.69%
Efficiency ratio	58.01%	57.78%	60.53%	56.85%	55.67%	57.22%	55.65%
Net interest margin	4.23%	4.51%	4.43%	4.63%	4.58%	4.27%	4.41%
Nonperforming assets to net loans and leases and other real estate owned	1.09%	0.23%	0.73%	0.24%	0.30%	0.37%	0.49%
Ratio of allowance for loan losses to nonperforming loans	126.01%	532.50%	170.99%	548.53%	489.74%	374.42%	338.31%
Ratio of allowance for loan losses to net loans and leases	1.26%	1.03%	1.18%	1.05%	1.12%	1.20%	1.35%
Tier 1 leverage ratio	7.18%	7.92%	7.37%	7.86%	8.16%	8.31%	8.06%
Tier 1 risk-based capital ratio	7.64%	8.00%	7.57%	7.98%	7.52%	9.35%	9.42%
Total risk-based capital ratio	11.83%	12.15%	11.68%	12.29%	12.23%	14.05%	13.52%
Tangible equity ratio	6.20%	6.59%	6.17%	6.51%	5.28%	6.80%	6.53%
Commercial banking offices	506	509	508	470	473	386	412
Consolidated Ratio of Earnings to Fixed Charges (4)							
Excluding interest on deposits	2.61	3.85	2.99	3.83	4.51	4.93	5.15
Including interest on deposits	1.49	1.75	1.54	1.85	2.31	2.79	2.70

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- (1) Amounts for 2005 include Amegy Corporation at December 31, 2005 and for the month of December 2005. Amegy was acquired on December 3, 2005.
- (2) Discontinued operations represent the losses from operations, impairment losses and loss on sale for certain e-commerce subsidiaries that met the held-for-sale and discontinued operations criteria of Statement of Financial Account Standards, or SFAS, No. 144.
- (3) Net of unearned income and fees, net of related costs.
- (4) For information on how these ratios are calculated, see Ratio of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends on page S-15.

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RISK FACTORS

An investment in our depositary shares involves certain risks. You should carefully consider the risks described below and the risk factors incorporated by reference, as well as the other information included or incorporated by reference, in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our depositary shares 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 and the accompanying prospectus.

Risks Related to an Investment in Our Preferred Stock

You are making an investment decision with regard to the depositary shares as well as the Series C Preferred Stock.

As described in this prospectus supplement, we are issuing fractional interests in shares of Series C Preferred Stock in the form of depositary shares. Accordingly, the depositary will rely on the payments it receives on the Series C Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement and in the accompanying prospectus regarding both of these securities.

The Series C Preferred Stock is equity and is subordinate to our existing and future indebtedness.

The shares of Series C Preferred Stock are equity interests in Zions and do not constitute indebtedness. As such, the shares of Series C Preferred Stock will rank junior to all indebtedness and other non-equity claims on Zions with respect to assets available to satisfy claims on Zions, including in a liquidation of Zions. Our existing and future indebtedness may restrict payment of dividends on the Series C Preferred Stock. As of March 31, 2008, our indebtedness and other liabilities, on an unconsolidated basis, totaled approximately \$2.7 billion. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the Series C Preferred Stock (1) dividends are payable only if declared by our board of directors or a duly authorized committee of the board and (2) as a corporation, we are subject to restrictions on payments of dividends and any redemption price out of lawfully available assets. Further, the Series C Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under **Risk Factors Holders of Series C Preferred Stock Will Have Limited Voting Rights**. Also, as a bank holding company, our ability to declare and pay dividends is dependent on certain federal regulatory considerations.

Dividends on the Series C Preferred Stock are non-cumulative.

Dividends on the Series C Preferred Stock are non-cumulative. Consequently, if our board of directors or a duly authorized committee of the board does not authorize and declare a dividend for any dividend period, holders of the Series C Preferred Stock would not be entitled to receive any such dividend, and such unpaid dividend will not become payable, and we will have no obligation to pay dividends for such dividend period, whether or not dividends are declared for any subsequent dividend period with respect to the Series C Preferred Stock or any other series of our preferred stock.

Rating agencies may change rating methodologies, including their views on notching practices.

The rating methodologies for securities with features similar to the Series C Preferred Stock are still developing and the rating agencies may change their methodologies in the future. This may include, for example, the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Series C Preferred Stock, sometimes called **notching**. If the rating agencies were to

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change their practices for rating such securities in the future and the ratings of the Series C Preferred Stock were to be subsequently lowered, this may have a negative impact on the trading price of the depositary shares.

Investors should not expect us to redeem the Series C Preferred Stock on the date it becomes redeemable or on any particular date afterwards.

The Series C Preferred Stock is a perpetual equity security. The Series C Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors. By its terms, the Series C Preferred Stock may be redeemed by us at our option either in whole or in part at any time on or after September 15, 2013. Any decision we may make at any time to propose a redemption of the Series C Preferred Stock will depend upon, among other things, our evaluation of our capital position, including for bank capital ratio purposes, the composition of our shareholders' equity and general market conditions at that time. In addition, our right to redeem the Series C Preferred Stock is subject to the following important limitation.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series C Preferred Stock is subject to prior approval of the Federal Reserve. There can be no assurance that the Federal Reserve will approve any redemption of the Series C Preferred Stock that we may propose. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations.

If we are deferring payments on our outstanding junior subordinated debt securities or are in default under the indentures governing those securities, we will be prohibited from making distributions on or redeeming the Series C Preferred Stock.

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Series C Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to our Series C Preferred Stock, if we are aware of any event that would be an event of default under the indenture governing those junior subordinated debt securities or at any time when we have deferred interest thereunder.

The Series C Preferred Stock and the related depositary shares may not have an active trading market.

The Series C Preferred Stock and the related depositary shares are new issues with no established trading market. Although we plan to apply to have the depositary shares listed on the New York Stock Exchange, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares. Even if a secondary market for the depositary shares develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices in any secondary market could be substantial. Further, because the shares of Series C Preferred Stock do not have a stated maturity date, investors seeking liquidity in the depositary shares will be limited to selling their depositary shares in the secondary market. We do not expect that there will be any separate public trading market for the shares of the Series C Preferred Stock except as represented by the depositary shares.

Holders of Series C Preferred Stock will have limited voting rights.

Holders of the Series C Preferred Stock and, accordingly, holders of depositary shares have no voting rights with respect to matters that generally require the approval of voting shareholders, and have only limited voting rights as described below under "Description of Series C Preferred Stock - Voting Rights."

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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 banks and other subsidiaries. As a result, our ability to make dividend payments on the Series C Preferred Stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries.

There are various regulatory restrictions on the ability of our banking subsidiaries to pay dividends or make other payments to us. At March 31, 2008, our banking subsidiaries could pay a total of approximately \$287 million in dividends to us without prior regulatory approval.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the depositary shares to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. Claims on our subsidiary banks by creditors other than us include long-term debt and substantial obligations with respect to deposit liabilities and federal funds purchased, securities sold under repurchase agreements, other short-term borrowings and various other financial obligations. As a result, the depositary shares will effectively be subordinated to all existing and future liabilities and obligations of our subsidiaries.

At March 31, 2008, our subsidiaries' direct borrowings, deposit liabilities and other liabilities that would effectively rank senior to the Series C Preferred Stock totaled approximately \$45.4 billion.

General market conditions and unpredictable factors could adversely affect market prices for the depositary shares.

There can be no assurance about the market prices for the depositary shares. Several factors, many of which are beyond our control, will influence the market value of the depositary shares. Factors that might influence the market value of the depositary shares include:

whether dividends have been declared and are likely to be declared on the Series C Preferred Stock from time to time;

our creditworthiness;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the depositary shares that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to the price that the investor paid for the depositary shares.

Holders of depositary shares may be unable to use the dividends received deduction.

Distributions paid to corporate U.S. holders of the depositary shares out of dividends on the Series C Preferred Stock may be eligible for the dividends received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Series C Preferred Stock to qualify as dividends for U.S. federal income tax purposes. If any distributions on the Series C Preferred Stock with respect to any fiscal year are not eligible for the dividends received deduction because of insufficient current or accumulated earnings and profits, the market value of the depositary shares may decline.

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Risks Related to the Auction Process

We are distributing the depositary shares through an auction conducted by Zions Direct, our auction agent. A participant in this auction is subject to certain risks, which include the following.

You may not be allocated any of the depositary shares for which you bid even if you submit a bid that is equal to or greater than the market-clearing price.

We will determine the offering price for the depositary shares through an auction conducted by Zions Direct, our auction agent. The auction process will reveal a market-clearing price for such depositary shares. The market-clearing price will be the highest offering price at which all of the depositary shares offered in the auction would be sold to bidders. For an explanation of the meaning of market-clearing price, see Plan of Distribution The Auction Process beginning on page S-30 of this prospectus supplement. If your bid price equals the market-clearing price, you will be allocated depositary shares only to the extent that depositary shares have not been allocated to bidders with higher bid prices. If there are two or more bids that equal the market-clearing price, then the depositary shares that have not been allocated to bidders with higher bid prices will be allocated to the bid with the earliest time stamp, then to the bid with the next earliest time stamp and so on until all of the depositary shares being offered are allocated to bidders.

You may generally not revoke a bid once you submit it.

Once you have submitted and confirmed a bid, you may not subsequently lower your bid price or lower the number of depositary shares bid for in that bid. Therefore, even if circumstances arise after you have placed and confirmed a bid that make you want to decrease your original bid price or decrease the number of depositary shares originally bid for, you will nonetheless be bound by that bid. In addition, if you submit and confirm a purchase using the Buy Today feature, if available, you will be obligated to purchase the quantity of depositary shares that you indicated at the time of submitting your order at the Buy Today price. Such orders are binding on potential investors and they may not subsequently rescind such order. See Plan of Distribution The Auction Process for a description of the Buy Today feature.

We reserve the right to reject any bid.

We reserve the right, in our sole discretion, to reject any bid that we deem to be manipulative, mistaken or made due to a misunderstanding of the depositary shares or Series C Preferred Stock on the part of the bidder. We reserve this right in order to preserve the integrity of the auction process. Other conditions for valid bids, including eligibility and account funding requirements of participating dealers and individuals, may vary. As a result of these varying requirements, we may reject a bidder's bid, even while we accept another bidder's identical bid. See the section entitled Plan of Distribution The Auction Process Allocation on page S-30 of this prospectus supplement. We further reserve the right to reject all bids if we are unable to sell all of the depositary shares offered in the auction, or for any other reason. You will not be entitled to an allocation of depositary shares, even if your bid is in-the-money at the time the auction closes, until our auction agent has reviewed the results of the auction and informed you that your bid or bids have been accepted. If we reject all bids made in the auction, we reserve the right to cancel all purchases made under the Buy Today feature.

You may receive a full allocation of the depositary shares for which you bid if your bid is successful; therefore, you should not bid for more depositary shares than you are prepared to purchase.

Successful bidders may be allocated all or nearly all of the depositary shares for which they bid in the auction. See Plan of Distribution The Auction Process Allocation. Therefore, we caution investors against submitting a bid that does not accurately represent the number of depositary shares that they are willing and prepared to purchase.

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You should not expect to sell your depositary shares after the conclusion of the offering.

As we mentioned above, we will use the auction process to reveal a market-clearing price for the depositary shares offered pursuant to this prospectus supplement. However, this market-clearing price may bear little or no relationship to market demand for our depositary shares following such an offering, or the price at which the depositary shares may be sold. If there is little or no market demand for the depositary shares following the closing of the auction, the price of the depositary shares may decline. If your objective is to make a short-term profit by selling your depositary shares after the conclusion of the auction, you should not submit a bid in the auction.

The aggregate number of depositary shares actually sold in the auction may be substantially higher than the Auction Amount.

We have indicated the number of depositary shares we expect to offer in this auction. However, purchases made under the Buy Today feature, the Institutional Up-Sizing Option and the distribution agreement will be in addition to this Auction Amount. We cannot assure you whether we will issue any depositary shares pursuant to one of these methods. Although we have indicated the maximum number of depositary shares that may be sold in this offering, no assurances can be made that we will actually sell that amount. See Plan of Distribution The Auction Process. Your ability to trade in the depositary shares may be impacted depending on the actual number of depositary shares that we sell.

Table of Contents**USE OF PROCEEDS**

The net proceeds from this offering are expected to be approximately _____ after agents' fees and payment of expenses related to the offering, assuming only the auction amount of depositary shares are sold. These proceeds will be used for general corporate purposes.

RATIO OF EARNINGS TO FIXED CHARGES AND COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth certain information concerning our consolidated ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends.

	Three Months Ended		Year Ended December 31,				
	March 31, 2008	March 31, 2007	2007	2006	2005	2004	2003
Consolidated Ratio of Earnings to Fixed Charges							
Excluding interest on deposits	2.61	3.85	2.99	3.83	4.51	4.93	5.15
Including interest on deposits	1.49	1.75	1.54	1.85	2.31	2.79	2.70
Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends							
Excluding interest on deposits	2.51	3.60	2.83	3.76	4.51	4.93	5.15
Including interest on deposits	1.48	1.72	1.52	1.84	2.31	2.79	2.70

For the 2003, 2004, and 2005 periods presented above, there was no preferred stock outstanding, and accordingly, the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends are the same.

For the purpose of computing the consolidated ratios of earnings to fixed charges and to combined fixed charges and preferred stock dividends, earnings consist of consolidated income from continuing operations before provision for income taxes, minority interest and fixed charges, and fixed charges consist of interest expense, a portion of rent expense representative of income, trust preferred securities expense and amortization of debt issuance costs.

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DESCRIPTION OF SERIES C PREFERRED STOCK

The depositary will be the sole holder of the Series C Preferred Stock, as described under **Description of Depositary Shares** below, and all references in this prospectus supplement to the holders of the Series C Preferred Stock means the depositary. However, the holders of depositary shares will be entitled, through the depositary, to exercise the rights and preferences of the holders of the Series C Preferred Stock, as described under **Description of Depositary Shares**.

This prospectus supplement summarizes specific terms and provisions of the Series C Preferred Stock. Terms that apply generally to our preferred stock are described in the **Description of Preferred Stock We May Offer** section of the accompanying prospectus. The following summary of the terms and provisions of the Series C Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of our Restated Articles of Incorporation, as amended, which we refer to throughout this prospectus as the articles of incorporation, our Amended and Restated Bylaws, the applicable provisions of the Utah Revised Business Corporation Act, or the UBCA, and the Articles of Amendment creating the Series C Preferred Stock, which will be included as an exhibit to documents filed with the SEC.

General

Our articles of incorporation authorize us to issue 3,000,000 shares of preferred stock, without par value. We may issue preferred stock from time to time in one or more series, without shareholder approval, when authorized by our board of directors. Upon issuance of a particular series of preferred stock, our board of directors is authorized to specify:

the number of shares to be included in the series;

the annual dividend rate for the series and any restrictions or conditions on the payment of dividends;

the redemption price, if any, and the terms and conditions of redemptions;

any sinking fund provisions for the purchase or redemption of the series;

if the series is convertible, the terms and conditions of conversion;

the amounts payable to holders upon our liquidation, dissolution or winding up; and

any other rights, preferences and limitations relating to the series.

The board's ability to authorize, without shareholder approval, the issuance of preferred stock with conversion and other rights may adversely affect the rights of holders of our common stock or other series of preferred stock that may be outstanding.

As of the date of this prospectus supplement, we have authorized the issuance of 9,600,000 depositary shares representing, in the aggregate, 240,000 shares of our Series A Preferred Stock, with a liquidation preference of \$1,000 per share, all 240,000 of which are issued and outstanding.

The Series C Preferred Stock is a single series of authorized preferred stock consisting of _____ shares. As described in the accompanying prospectus, we may from time to time, without notice to or the consent of holders of the Series C Preferred Stock, issue additional shares of preferred stock, including additional shares of Series C Preferred Stock.

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In addition, we will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims). The Series C Preferred Stock will be fully paid and nonassessable when issued. Holders of Series C Preferred Stock will not have preemptive or subscription rights to acquire more capital stock of Zions.

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The Series C Preferred Stock will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of Zions. The Series C Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of Zions to redeem or repurchase the Series C Preferred Stock.

Ranking

Shares of the Series C Preferred Stock will rank senior to our common stock, equally with our Series A Preferred Stock and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series C Preferred Stock and any other class or series whose vote is required) with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up.

During any dividend period, so long as any share of Series C Preferred Stock remains outstanding, unless the full dividends for the then-current dividend period on all outstanding shares of Series C Preferred Stock have been paid, or declared and funds set aside therefor, and we are not in default on our obligations to redeem any shares of Series C Preferred Stock that have been called for redemption:

no dividend will be declared or paid or set aside for payment and no distribution will be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock);

no shares of junior stock will be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor will any monies be paid to or made available for a sinking fund for the redemption of any such shares by us; and

no shares of parity stock will be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series C Preferred Stock and such parity stock, except by conversion into or exchange for junior stock.

As used in this prospectus supplement, junior stock means our common stock and any other class or series of stock of Zions hereafter authorized and issued over which Series C Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of Zions.

On any dividend payment date for which dividends are not paid in full on the shares of Series C Preferred Stock and any parity stock, all dividends declared on shares of Series C Preferred Stock and any parity stock for payment on such dividend payment date will be declared on a proportionate basis.

As used in this prospectus supplement, parity stock means any other class or series of stock of Zions that ranks on par with the Series C Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of Zions.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by our board of directors or a duly authorized committee of the board may be declared and paid on our common stock and any other stock ranking equally with or junior to the Series C Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series C Preferred Stock will not be entitled to participate in any such dividend.

Dividends

Dividends on shares of the Series C Preferred Stock will not be mandatory. Holders of Series C Preferred Stock will be entitled to receive, when, as and if declared by our board of directors or a duly authorized committee of the board, out of assets legally available for the payment of dividends under the UBCA, non-cumulative cash dividends payable quarterly in arrears on the 15th day of March, June, September and

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December of each year (each, a dividend payment date), commencing on September 15, 2008. These dividends will accrue, with respect to each dividend period, on the liquidation preference amount of \$1,000 per share (equivalent to \$25 per depositary share) at a rate per annum equal to 9.50%.

Dividends will be payable to holders of record of Series C Preferred Stock as they appear on our books on the applicable record date, which will be the March 1, June 1, September 1 and December 1 immediately preceding the respective dividend payment date. The corresponding record dates for the depositary shares will be the same as the record dates for the Series C Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series C Preferred Stock. Dividends payable on the Series C Preferred Stock will be computed on the basis of 30-day months, a 360-day year and the actual number of days elapsed in any period of less than one month. We will calculate dividends payable for each full dividend period, when, as and if declared by our board of directors, by dividing the per annum dividend rate by four. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day and no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

As used in this prospectus supplement, **business day** means any day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in Salt Lake City, Utah or New York City generally are authorized or required by law or executive order to close.

Dividends on the shares of Series C Preferred Stock offered hereby will be calculated from the original issue date, which is expected to be July 3, 2008. If additional shares of Series C Preferred stock are issued at a future date:

if the date is a dividend payment date, the dividends on such additional shares will be calculated from such date; and

if the date is not a dividend payment date, the dividends on such additional shares will be calculated from the most recent dividend payment date preceding the date on which such additional shares of Series C Preferred Stock were issued.

Dividends on shares of Series C Preferred Stock will not be cumulative. Accordingly, if the board of directors or a duly authorized committee of the board does not declare a dividend on the Series C Preferred Stock for any dividend period, such dividend will not accrue or be payable, and we will have no obligation to pay dividends for such dividend period, whether or not dividends on the Series C Preferred Stock are declared for any future dividend period.

Liquidation Rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of Zions, holders of the Series C Preferred Stock are entitled to receive out of assets of Zions available for distribution to shareholders, after satisfaction of liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series C Preferred Stock, before any distribution of assets is made to holders of common stock or of any of our other shares of junior stock, a liquidating distribution in the amount of the liquidation preference of \$1,000 per share (equivalent to \$25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series C Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidating distribution.

In any such distribution, if the assets of Zions are not sufficient to pay the liquidation preferences plus declared and unpaid dividends in full to all holders of the Series C Preferred Stock and all holders of any other shares of parity stock, the amounts paid to the holders of Series C Preferred Stock and to the holders of all parity

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stock will be paid *pro rata* in accordance with the respective aggregate liquidating distribution owed to those holders. If the liquidation preference plus declared and unpaid dividends has been paid in full to all holders of Series C Preferred Stock and any other shares of parity stock, the holders of our junior stock will be entitled to receive all remaining assets of Zions according to their respective rights and preferences.

For purposes of this section, the merger or consolidation of Zions with any other entity, including a merger or consolidation in which the holders of Series C Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of Zions for cash, securities or other property, will not constitute a liquidation, dissolution or winding up of Zions.

Redemption

The Series C Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series C Preferred Stock is not redeemable prior to September 15, 2013. On and after that date, the Series C Preferred Stock will be redeemable at our option, in whole or in part, at a redemption price equal to \$1,000 per share (equivalent to \$25 per depositary share) and an amount equal to the dividend for the then-current quarterly dividend period (whether or not declared but without accumulation of any undeclared dividends for prior periods) accrued to but excluding the date of redemption. Holders of Series C Preferred Stock will have no right to require the redemption or repurchase of the Series C Preferred Stock.

If shares of the Series C Preferred Stock are to be redeemed, the notice of redemption will be given by first class mail to the holders of record of the Series C Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption (provided that, if the depositary shares representing the Series C Preferred Stock are held in book-entry form through The Depository Trust Company, or DTC, we may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth:

the redemption date;

the number of shares of the Series C Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder;

the redemption price;

the place or places where the certificates evidencing shares of Series C Preferred Stock are to be surrendered for payment of the redemption price; and

that dividends on the shares to be redeemed will cease to accrue on the redemption date.

If notice of redemption of any shares of Series C Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Series C Preferred Stock so called for redemption, then, on and after the redemption date, (1) declared but unpaid dividends will cease to accrue on such shares of Series C Preferred Stock, (2) such shares of Series C Preferred Stock will no longer be deemed outstanding, and (3) all rights of the holders of such shares will terminate, except the right to receive the redemption price. See [Description of Depositary Shares](#) below for information about redemption of the depositary shares relating to our Series C Preferred Stock.

In case of any redemption of only part of the shares of the Series C Preferred Stock at the time outstanding, the shares to be redeemed will be selected either *pro rata* or in such other manner as we may determine to be fair and equitable.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series C Preferred Stock is subject to prior approval of the Federal Reserve. See [Risk Factors](#) [Investors Should Not Expect Us to Redeem the Series C Preferred Stock on the Date It Becomes Redeemable or on any Particular Date Afterwards](#) in this prospectus supplement.

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Voting Rights

Except as provided below, the holders of the Series C Preferred Stock will have no voting rights.

Right to Elect Two Directors Upon Non-Payment of Dividends

If and whenever dividends on any shares of the Series C Preferred Stock or any other class or series of voting parity stock (as defined below) have not been declared and paid in an aggregate amount at least equal, as to any such class or series, to the amount of dividends payable on such class and series at its stated dividend rate for a period of six dividend periods, whether or not for consecutive dividend periods (a Nonpayment), the number of directors then constituting our board will be increased by two. Holders of all classes and series of any voting parity stock as to which a Nonpayment exists (including, if applicable, the Series C Preferred Stock) will be entitled to vote as a single class for the election of the two additional members of our board of directors (the Preferred Directors), but only if the election of any such directors would not cause us to violate the listing standards of t