

# Barclays

2009 Financial Services Conference



ZIONS BANCORPORATION

6 May 2009 ■ London

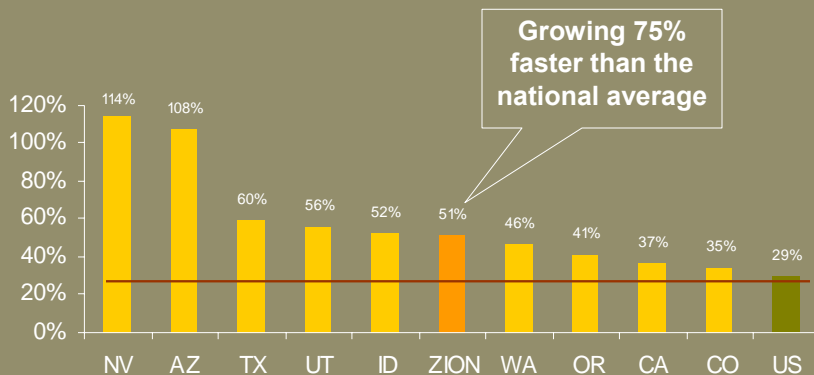
## Forward-Looking Statements

This presentation contains statements that relate to the projected performance of Zions Bancorporation and elements of or affecting such performance, including statements with respect to the beliefs, plans, objectives, goals, guidelines, expectations, anticipations and estimates of management. These statements constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act. Actual facts, determinations, results or achievements may differ materially from the statements provided in this presentation since such statements involve significant known and unknown risks and uncertainties. Factors that might cause such differences include, but are not limited to: competitive pressures among financial institutions; economic, market and business conditions, either nationally or locally in areas in which Zions Bancorporation conducts its operations, being less favorable than expected; changes in the interest rate environment reducing expected interest margins; changes in debt, equity and securities markets; adverse legislation or regulatory changes and other factors described in Zions Bancorporation's Annual Report on Form 10-K for the year ended December 31, 2007. In addition, the statements contained in this presentation are based on facts and circumstances as understood by management of the company on the date of this presentation, which may change in the future. Zions Bancorporation disclaims any obligation to update any statements or to publicly announce the result of any revisions to any of the forward-looking statements included herein to reflect future events, developments, determinations or understandings.

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# Our Growth Engine

Population Growth Estimates from US Census (2000-2030)

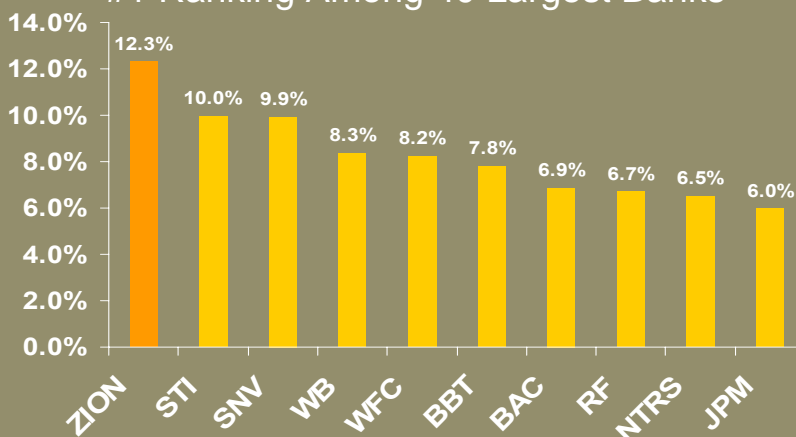


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# Our Growth Engine

Footprint Population Growth Estimates from SNL Financial (2008-2013)

#1 Ranking Among 40 Largest Banks



Source: SNL Financial

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# A Collection of Great Banks



Bank	Headquarters	Offices	Assets	Deposits
Zions Bank	Salt Lake City	128	\$21.0B	\$16.4B
CB&T	San Diego	95	\$10.6B	\$8.4B
Amegy	Houston	83	\$12.3B	\$8.8B
NBA	Phoenix	76	\$4.8B	\$3.9B
NSB	Las Vegas	54	\$4.1B	\$3.5B
Vectra	Denver	41	\$2.6B	\$2.1B
Commerce-WA	Seattle	1	\$0.8B	\$0.6B
Commerce-OR	Portland	1	\$0.06B	\$0.04B

1Q 2009 Average Balances

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## Agenda

### Summary of Q1 2009

#### Key Drivers Going Forward

- Securities Portfolio
- Credit Quality
- Net Interest Margin
- Capital

#### Outlook Summary

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## Q1 2009 Earnings Highlights

	Million	\$ Per Share
Net Income To Common	(\$832)	(\$7.29)
Goodwill Impairment	(\$634)	(\$5.55)
Valuation Loss from Lockhart	(\$200)	(\$1.35)
OTTI Impairment on Securities	(\$49)	
Provisions For Credit Losses	\$298	
Net Charge-offs	\$152	
OREO Expense	\$18	
Pretax income <small>(ex provision, impairment and OREO exp)</small>	\$255	

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## Goodwill Impairments

- Impairment losses of \$354 million in 4Q08
- Impairment losses of \$634 million in 1Q09
- Future impairments unlikely

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# Lockhart Funding

- 1Q09 valuation losses of \$181.7 million
- Expect 2Q09 valuation losses of about \$6 million
- All remaining Lockhart assets will be consolidated to Zions' balance sheet 2Q09

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# Agenda

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Summary of Q1 2009

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## **Key Drivers Going Forward**

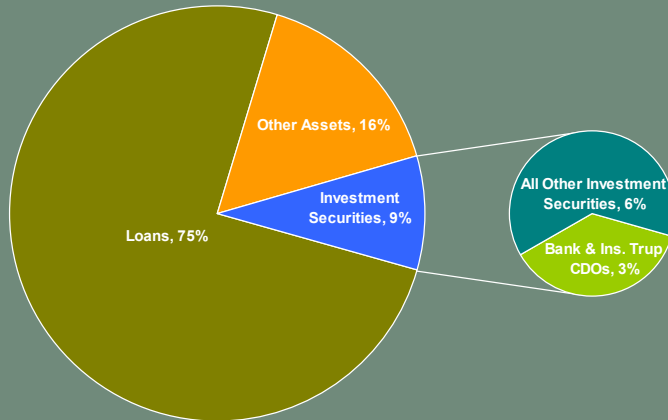
- Securities Portfolio
  - Credit Quality
  - Net Interest Margin
  - Capital
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Outlook Summary

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## Bank & Ins. Trup CDOs 3% of Assets



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## Investment Securities Performance Q109

- Credit-related OTTI losses \$49.0 million in Q109
- Noncredit-related OTTI on securities of \$82.9 million in Q109 recognized in OCI
- Future OTTI losses likely stable to declining

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## Valuation Drivers for Bank Trup CDOs

- 3<sup>rd</sup>-party probabilities of default (PDs); cumulative bank failures assumed:

<u>Time Frame</u>	<u>Failures</u>	<u>Percentage</u>
Actual to date	23	(Actual)
Within 1 yr	115	11.5% of our universe
Within 5 yrs	181	18.1% of our universe
Within 30 yrs	270	26.9% of our universe

- The discount rates applied to the credit-adjusted CDO cash flows range from:

Low	LIBOR + 5%
High	LIBOR + 15.5%

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## Agenda

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Summary of Q1 2009

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### Key Drivers Going Forward

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- Net Interest Margin
- Capital

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Outlook Summary

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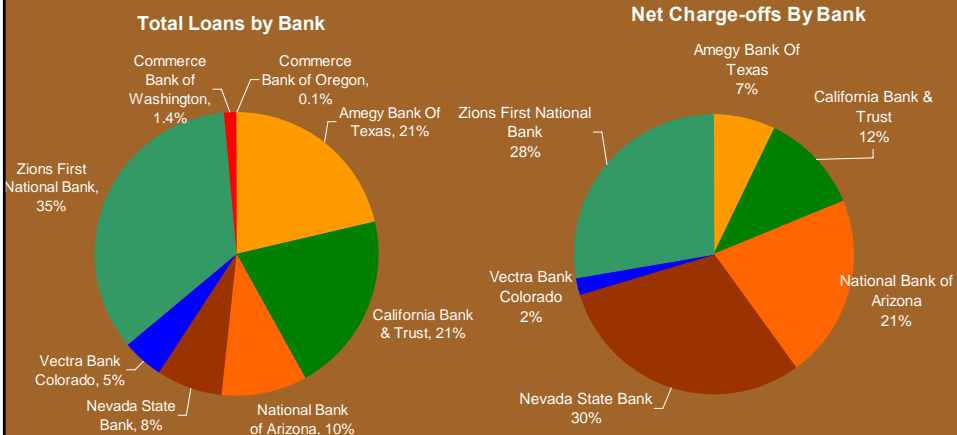
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# Performance in this Cycle

- **Avoided Major Industry Issues**
  - No subprime mortgage loans
  - Almost no MBS exposure
  - No high-LTV HELOCS
  - No FNMA/FHLMC Preferred Shares
- **But...**
  - Residential RE and consumer lot loans in the Southwest
  - Missed correlation between CDO risk and community bank real estate exposure
  - Not immune to broader impact of softening economy

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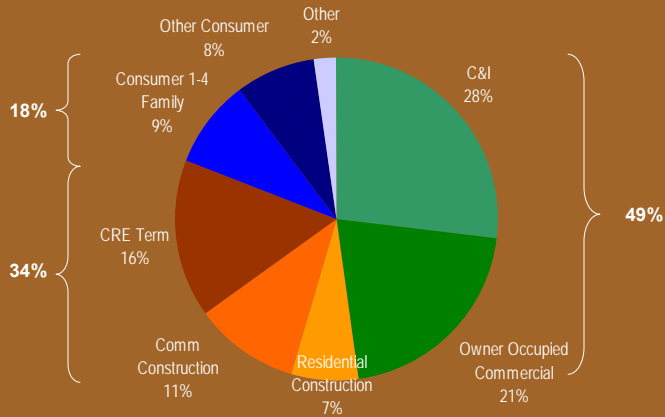
# Loan Portfolio Performance (3/31/2009)



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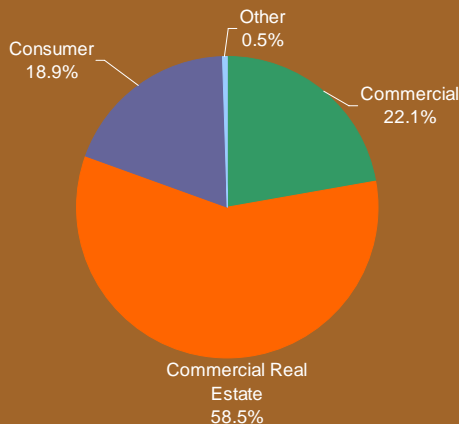
# Loan Portfolio Diversification (3/31/2009)



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# Loan Portfolio Performance (Q1 2009)

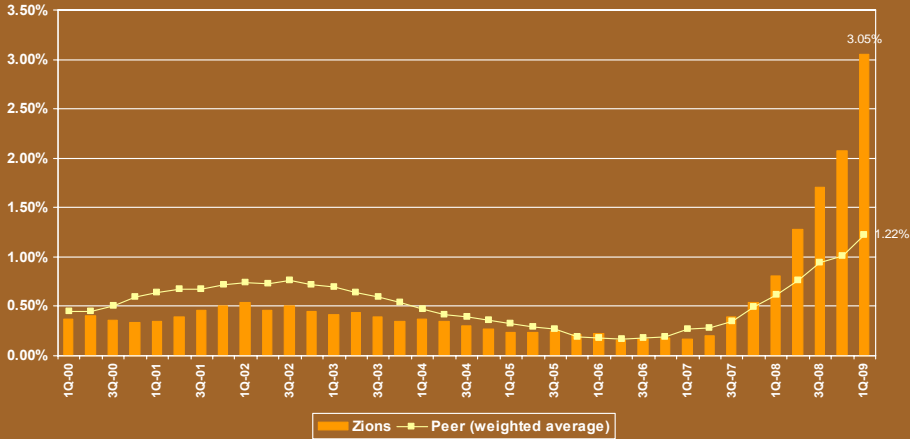
Net Charge-offs By Loan Category



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# Non Performing Assets as a % of Total Assets

Zions NPA/Asset ratio excludes FDIC-supported assets



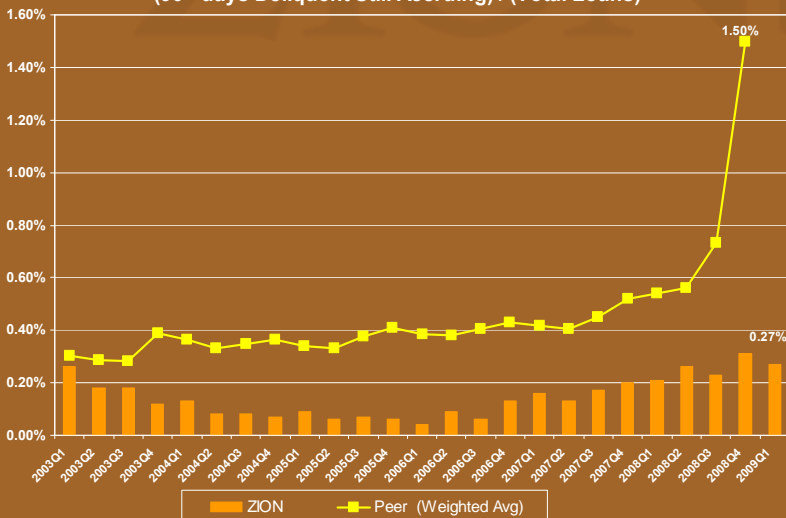
Note: Peer group defined as bank holding companies with assets >= \$10 billion.

Peer data source: SNL. COF, PNC, MTB, CNB, IBOC, DRL, and STT were excluded due to lack of NPA data in SNL Financial.

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# Zions Problem Loan Trends

(90+ days Delinquent Still Accruing) / (Total Loans)



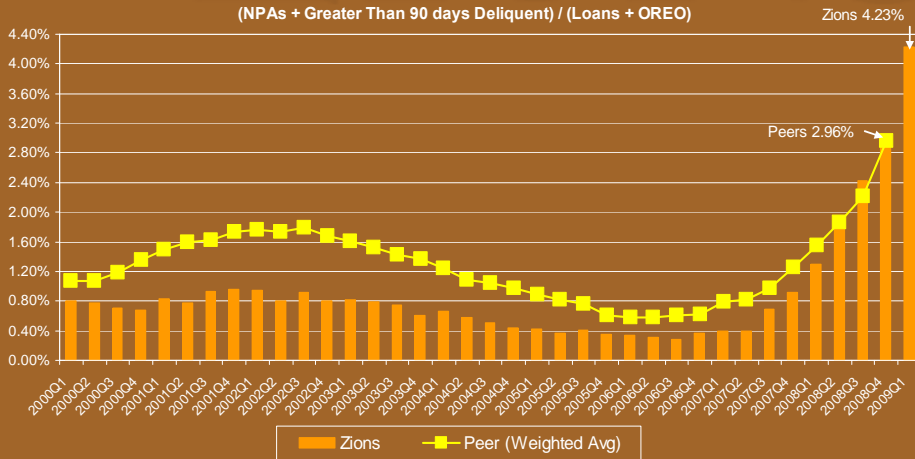
Selected Peer Group 2008 Q4 ratios: Citi 0.8%, US Bancorp 1.43%, PNC 1.83%, JPM 1.84%, BoFA 1.85%, Wells 2.61%

Note: Peer group defined as U.S. bank holding companies with assets > \$10 billion.

Peer data source: SNL, data not available for Q1 2009

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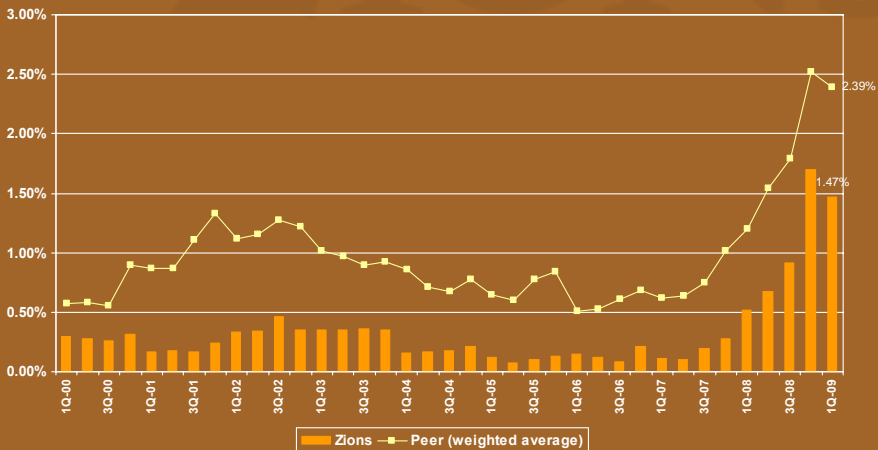
# Zions Problem Loan Trends



Source: SNL (Peer data is top 50 publicly traded bank holding companies)  
Peer data not available for Q1 2009

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# Net Charge-offs as % of Average Total Loans (Annualized)



Note: Peer group defined as bank holding companies with assets >= \$10 billion. Peer Data: SNL.

Peer data source: SNL... CNB, IBOC, and DRL excluded due to lack of NCO and average loan data in SNL.

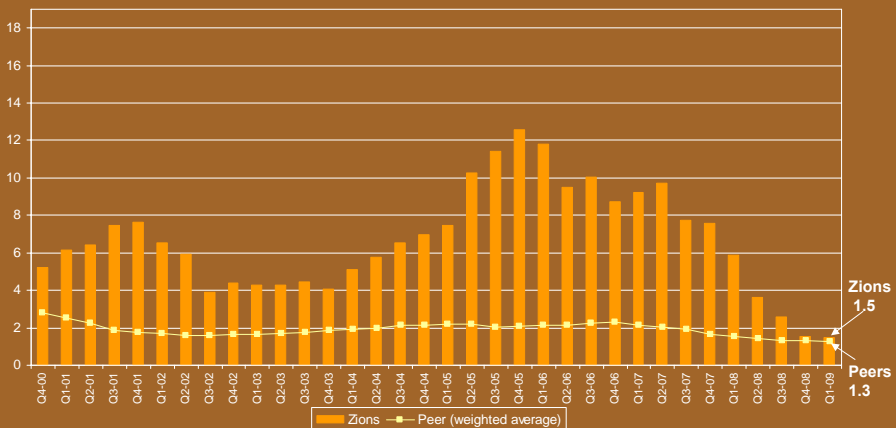
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# Credit Performance Summary

- Relatively
  - Larger, secured commercial portfolio
  - Smaller, high performing consumer portfolio
- Results in
  - Higher Non Performing Assets, but
  - Lower net charge-offs

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## Reserves / Annualized Net Charge-offs (4 Quarter Moving Average)



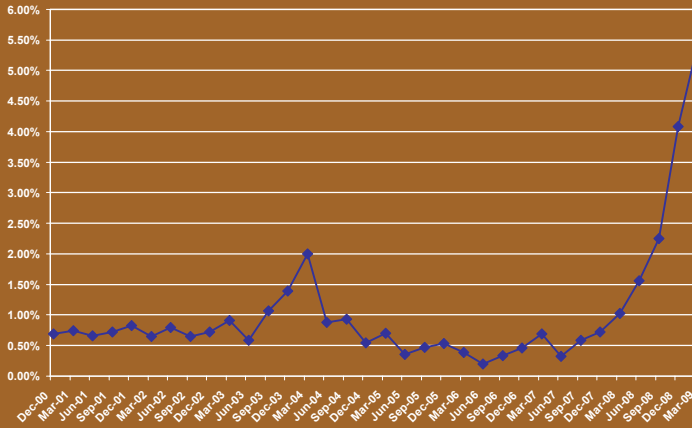
Note: Peer group defined as bank holding companies with assets >= \$10 billion. Peer Data: SNL.

Peer data source: SNL, CNB, IBOC, and DRL excluded due to lack of NCO and average loan data in SNL.

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# 15-30 Year Residential First Mortgage Loans

Total 30-Day+ Delinquency %

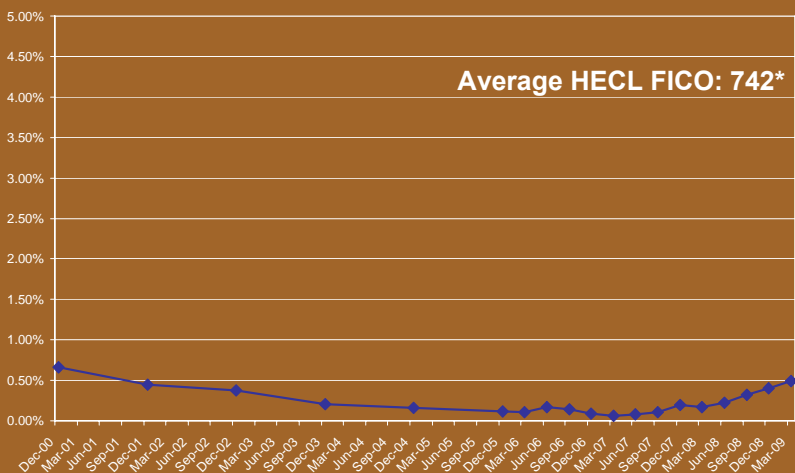


Total Outstanding: \$2.5 billion (3/31/09)

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# Home Equity Credit Lines (HECL) Only

Total 30-Day+ Delinquency %



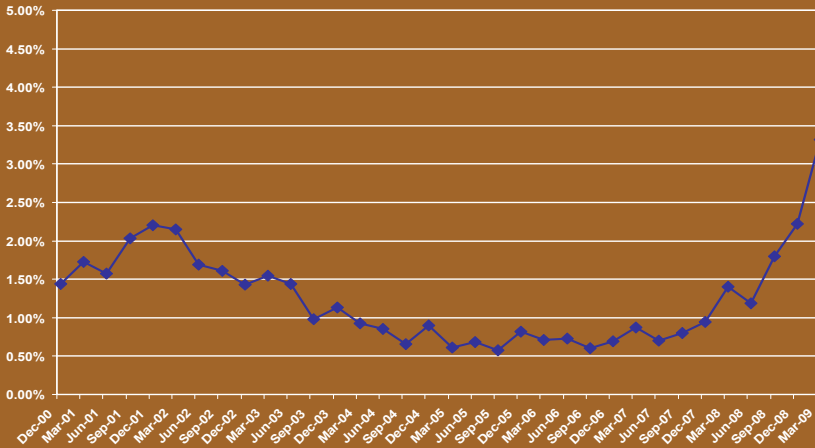
Total Outstanding: \$2.0 billion (3/31/09)

\*Weighted by balance

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# Commercial & Industrial Loans

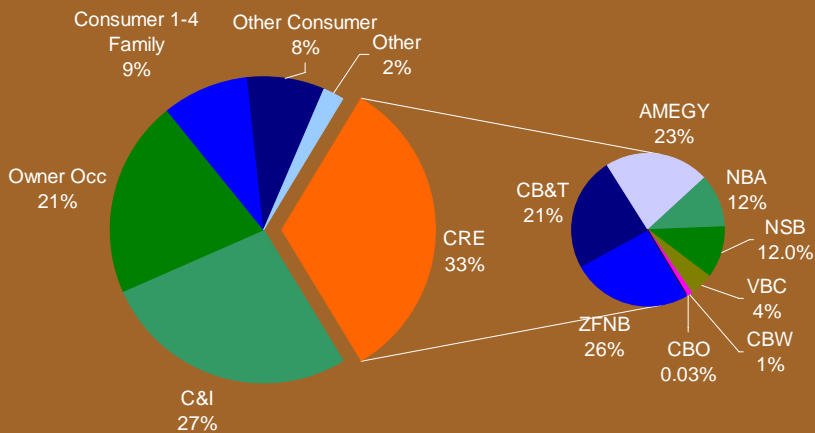
Total 30-Day+ Delinquency %



Total Outstanding: \$19.8 billion (3/31/09)

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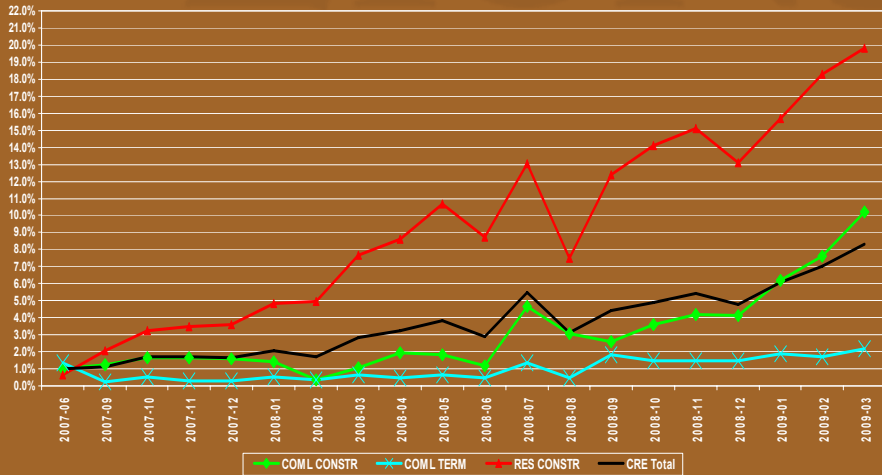
# Commercial Real Estate 3/31/2009



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# Commercial Real Estate Loans

## Total 30-Day+ Delinquency %



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# Diversified CRE Portfolio

## Loans by Product Type and Location – 3/31/09

Collateral Location	Arizona	Northern California	Southern California	Nevada	Colorado	Texas	Utah/ Idaho	Washington/ Oregon	Other	Product as % Total CRE	Product as % Loan Type
<b>Commercial Term</b>											
Industrial	0.56%	0.62%	1.35%	0.18%	0.19%	0.37%	0.24%	0.14%	0.18%	3.83%	8.95%
Office	1.27%	0.55%	1.88%	1.14%	0.67%	1.12%	1.27%	0.26%	1.30%	9.48%	22.15%
Retail	0.96%	0.82%	1.83%	1.62%	0.55%	1.86%	0.36%	0.17%	0.85%	9.03%	21.09%
Hotel/Motel	1.41%	0.80%	0.83%	0.58%	0.65%	0.95%	1.36%	0.16%	3.16%	9.90%	23.12%
A&D	0.00%	0.03%	0.07%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.15%	0.36%
Medical	0.45%	0.20%	0.31%	0.51%	0.02%	0.09%	0.08%	0.01%	0.01%	1.68%	3.92%
Recreation/Restaurant	0.40%	0.03%	0.23%	0.13%	0.08%	0.11%	0.13%	0.02%	0.21%	1.33%	3.12%
Multifamily	0.43%	0.20%	1.64%	0.29%	0.25%	0.83%	0.42%	0.10%	0.44%	4.60%	10.74%
Other	0.45%	0.16%	0.63%	0.42%	0.08%	0.09%	0.52%	0.05%	0.40%	2.81%	6.56%
<b>Total Commercial Term</b>	<b>5.92%</b>	<b>3.42%</b>	<b>8.76%</b>	<b>4.87%</b>	<b>2.50%</b>	<b>5.43%</b>	<b>4.37%</b>	<b>0.97%</b>	<b>6.56%</b>	<b>42.81%</b>	<b>100.00%</b>
<b>Residential Construction</b>											
Single Family Housing	1.21%	0.41%	1.23%	0.41%	1.08%	2.30%	1.85%	0.27%	0.54%	9.32%	44.50%
Land Acquisition & Development	2.59%	0.41%	1.20%	0.93%	0.63%	3.12%	2.21%	0.13%	0.42%	11.62%	55.50%
<b>Total Residential Construction</b>	<b>3.80%</b>	<b>0.82%</b>	<b>2.43%</b>	<b>1.34%</b>	<b>1.71%</b>	<b>5.42%</b>	<b>4.06%</b>	<b>0.40%</b>	<b>0.97%</b>	<b>20.94%</b>	<b>100.00%</b>
<b>Commercial Construction</b>											
Industrial	0.32%	0.00%	0.42%	0.04%	0.02%	0.72%	0.04%	0.01%	0.01%	1.58%	4.37%
Office	0.68%	0.02%	1.03%	1.01%	0.23%	1.09%	0.68%	0.08%	0.63%	5.44%	15.01%
Retail	1.17%	0.05%	0.33%	1.23%	0.19%	4.11%	0.69%	0.02%	1.00%	8.79%	24.25%
Hotel/Motel	0.19%	0.17%	0.23%	0.15%	0.03%	0.54%	0.04%	0.00%	0.09%	1.43%	3.94%
A&D	1.34%	0.07%	0.49%	2.35%	0.38%	3.37%	1.13%	0.07%	0.50%	9.70%	26.77%
Medical	0.18%	0.00%	0.13%	0.20%	0.07%	0.06%	0.07%	0.00%	0.29%	1.01%	2.78%
Recreation/Restaurant	0.09%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.33%
Other	0.16%	0.00%	0.29%	0.14%	0.03%	0.18%	0.10%	0.01%	0.05%	0.97%	2.67%
Apartments	0.73%	0.42%	0.72%	0.27%	0.19%	2.74%	0.21%	0.39%	1.53%	7.21%	19.88%
<b>Total Commercial Construction</b>	<b>4.87%</b>	<b>0.73%</b>	<b>3.64%</b>	<b>5.41%</b>	<b>1.14%</b>	<b>12.80%</b>	<b>2.97%</b>	<b>0.59%</b>	<b>4.11%</b>	<b>36.25%</b>	<b>100.00%</b>
<b>TOTAL CONSTRUCTION</b>	<b>8.67%</b>	<b>1.55%</b>	<b>6.07%</b>	<b>6.75%</b>	<b>2.85%</b>	<b>18.22%</b>	<b>7.03%</b>	<b>0.99%</b>	<b>5.07%</b>	<b>57.19%</b>	<b>100.00%</b>
<b>Location as % Total - Construction</b>	<b>14.59%</b>	<b>4.97%</b>	<b>14.83%</b>	<b>11.62%</b>	<b>5.35%</b>	<b>23.65%</b>	<b>11.40%</b>	<b>1.96%</b>	<b>11.63%</b>		

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# Credit Quality Outlook

- Weakness in residential construction activity and land values in the Southwest expected to persist through 2009
- Credit problems spreading to other geographies and loan categories as economy weakens
- Continued elevated levels of NPAs, provisions and net losses

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# Agenda

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Summary of Q1 2009

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## Key Drivers Going Forward

- Securities Portfolio
- Credit Quality
- Net Interest Margin**
- Capital**

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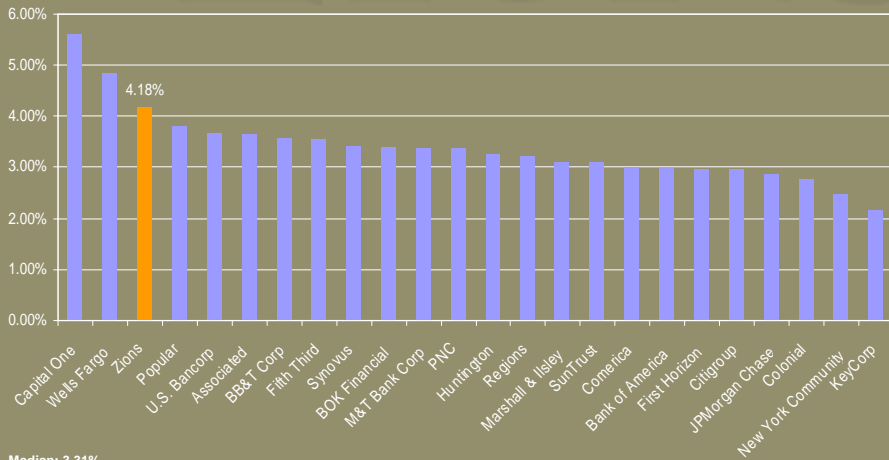
Outlook Summary

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## Net Interest Margin

2008



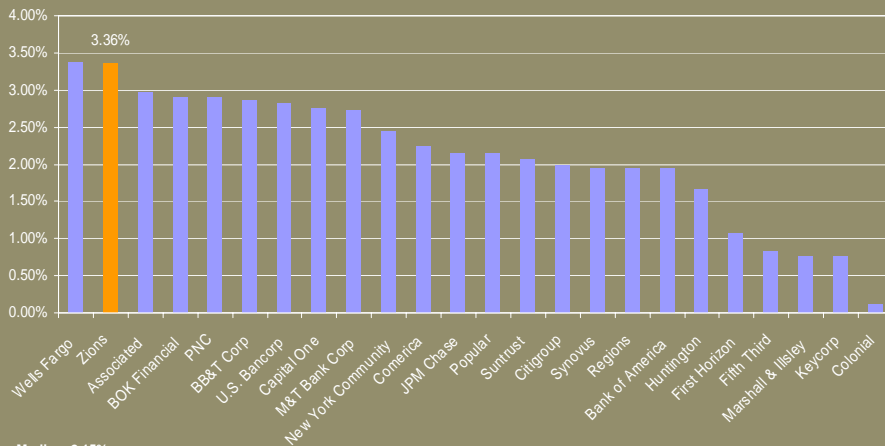
Median: 3.31%

Asset-weighted average: 3.19%

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## "Risk-adjusted" Net Interest Margin

2008



Median: 2.15%

Asset-weighted average: 2.27%

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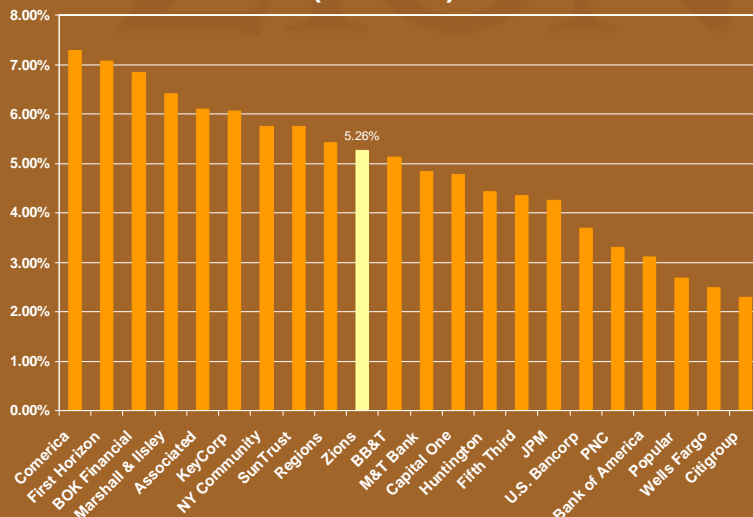
# Capital Ratios

	<u>4Q07</u>	<u>4Q08</u>	<u>1Q09</u>
Tangible Common Equity	5.70%	5.89%	5.26%
Tangible Equity	6.17%	8.86%	8.28%
Tier 1 Risk Based	7.57%	10.22%	9.43%
Total Risk Based	11.68%	14.32%	13.37%

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# Tangible Common Equity Ratio

(03/31/09)



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# Agenda

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Summary of Q1 2009

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Key Drivers Going Forward

- Securities Portfolio
  - Credit Quality
  - Net Interest Margin
  - Capital
- 

**Outlook Summary**

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## Outlook Summary

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- Continued elevated levels of credit losses and loss provisions in a weak economy
- Future OTTI losses, likely stable to declining
- Continued strong net interest margin
- Reduced dividend and asset levels will preserve strong capital positions

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# Outlook Summary

Long-term outlook remains strong when economy begins to recover

- Best long-term growth markets
- Sustainable competitive advantage in operating model
- Superior risk-adjusted NIM through the business cycle

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2009 Financial Services Conference  
6 May, 2009  
London

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