

ZIONS BANCORPORATION /UT/  
Form 424B2  
June 25, 2008  
Table of Contents

Filed Pursuant to Rule 424(b)(2)

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 25, 2008

**PROSPECTUS SUPPLEMENT**

(To prospectus dated March 31, 2006)

# **ZIONS BANCORPORATION**

## **Depository Shares Each Representing a 1/40<sup>th</sup> Interest**

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

Zions Bancorporation is offering \_\_\_\_\_ depository shares each representing a 1/40<sup>th</sup> 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 15<sup>th</sup> 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.

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The price to the public and the allocation of the depositary shares will be determined by an auction process through the [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) electronic bid submission system ( [www.auctions.zionsdirect.com](http://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 depositary shares.

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 , 2008.

The date of this prospectus supplement is June , 2008

**ZIONS DIRECT, INC.**

**Table of Contents****TABLE OF CONTENTS****Prospectus Supplement**

<u>About This Prospectus Supplement</u>	ii
<u>Incorporation By Reference</u>	iii
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-10
<u>Use Of Proceeds</u>	S-15
<u>Ratio Of Earnings To Fixed Charges And Combined Fixed Charges And Preferred Stock Dividends</u>	S-15
<u>Description Of Series C Preferred Stock</u>	S-16
<u>Description Of Depositary Shares</u>	S-22
<u>Book-Entry Issuance</u>	S-24
<u>Certain U.S. Federal Income Tax Considerations</u>	S-26
<u>Plan of Distribution</u>	S-30
<u>Validity Of Securities</u>	S-38
<u>Experts</u>	S-38

**Prospectus**

<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	2
<u>Disclosure Regarding Forward-Looking Statements</u>	3
<u>Use of Proceeds</u>	5
<u>Description of Debt Securities We May Offer</u>	6
<u>Description of Warrants or Other Rights We May Offer</u>	26
<u>Description of Stock Purchase Contracts We May Offer</u>	31
<u>Description of Units We May Offer</u>	32
<u>Description of Common Stock We May Offer</u>	36
<u>Description of Preferred Stock We May Offer</u>	39
<u>Description of Depositary Shares We May Offer</u>	42
<u>The Issuer Trusts</u>	45
<u>Description of Capital Securities and Related Instruments</u>	47
<u>Description of Junior Subordinated Debentures</u>	59
<u>Description of Guarantees</u>	72
<u>Relationship Among the Capital Securities and the Related Instruments</u>	76
<u>Legal Ownership and Book-Entry Issuance</u>	78
<u>Securities Issued in Bearer Form</u>	83
<u>Considerations Relating to Indexed Securities</u>	87
<u>United States Taxation</u>	90
<u>Plan of Distribution</u>	113
<u>Employee Retirement Income Security Act</u>	116
<u>Validity of the Securities</u>	117
<u>Experts</u>	118

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.

**Table of Contents**

**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.

**Table of Contents**

**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](http://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](mailto:auctions@zionsdirect.com).

Please note that these web sites do not form a part of this prospectus supplement or the accompanying prospectus.

**Table of Contents**

**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.

**Table of Contents**

**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.

**Table of Contents**

**The Offering**

**Issuer** Zions Bancorporation

**Securities Offered**   depository shares each representing a 1/40<sup>th</sup> 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 depository share) of Zions (the Series C Preferred Stock ). Each holder of a depository share will be entitled, through the depository, in proportion to the applicable fraction of a share of Series C Preferred Stock represented by such depository 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 depository 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 depository shares) (which does not include any additional amount of depository 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 depository 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](http://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](mailto: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.

S-3

**Table of Contents**

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.

**Table of Contents**

<b>Auction Agent</b>	Zions Direct, Inc.
<b>Auction Agent Fee</b>	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.)
<b>Distribution Pursuant to the Distribution Agreement</b>	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.
<b>Distribution Agent</b>	Zions Direct, Inc.
<b>Distribution Agent Fee</b>	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.)
	<b><i>Dealers Concession: 2.00% Reallowance: 1.50%</i></b>
<b>Dividends</b>	<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>
<b>Dividend Payment Dates</b>	The 15 <sup>th</sup> 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.
<b>Redemption</b>	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).



**Table of Contents**

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.

**Table of Contents**

<b>Preemptive and Conversion Rights</b>	Holders of Series C Preferred Stock will have no preemptive or conversion rights.
<b>Listing</b>	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.
<b>Tax Consequences</b>	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.
<b>Use of Proceeds</b>	We will use the net proceeds from the sale of the depositary shares for general corporate purposes. See Use of Proceeds below.
<b>Expected Ratings</b>	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.
<b>Settlement</b>	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.
<b>Registrar</b>	Zions First National Bank
<b>Depositary</b>	Zions First National Bank
<b>Transfer Agent</b>	Zions First National Bank
<b>CUSIP</b>	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,				
	March 31, 2008	2007	2007	2006	2005 (1)	2004	2003
<b>(Dollars in millions, except per share data)</b>							
<b>Consolidated Statement of Income Data:</b>							
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
<b>Consolidated Balance Sheet Data (at period end):</b>							
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
<b>Other Data:</b>							
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





**Table of Contents**

- (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.

S-9

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**Table of Contents**

**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

## **Table of Contents**

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."

## **Table of Contents**

### **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.

## **Table of Contents**

### **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.

**Table of Contents**

**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.

S-14

**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	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.

**Table of Contents**

**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.

S-16

## **Table of Contents**

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



## **Table of Contents**

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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## **Table of Contents**

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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## **Table of Contents**

### **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 the Nasdaq Stock Market (or any other exchange on which our securities may be listed) or the rules and regulations of any other regulatory or self-regulatory body. In addition, our board of directors will at no time include more than two Preferred Directors. As used herein, voting parity stock means the Series C Preferred Stock, the Series A Preferred Stock and each class or series of preferred stock that ranks on parity with the Series C Preferred Stock as to payment of dividends and has voting rights similar to those described in this paragraph.

In the event of a Nonpayment, at the written request of any holder of record of at least 20% of the outstanding shares of any voting parity stock with respect to which a Nonpayment exists (including, if applicable, the Series C Preferred Stock and the Series A Preferred Stock) addressed to our Secretary at our principal office, our Secretary will call a special meeting of the holders of all voting parity stock with respect to which a Nonpayment exists for the election of the two directors (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election will be held at such next annual or special meeting of shareholders). So long as these voting rights have not ceased, holders of any and all voting parity stock with respect to which a Nonpayment exists (including, if applicable, the Series C Preferred Stock and the Series A Preferred Stock) voting as a single class will continue to elect such directors at each subsequent annual meeting.

If and when full dividends have been paid for at least four dividend periods following a Nonpayment on any class or series of voting parity stock as to which a Nonpayment exists or existed, the foregoing voting rights will cease with respect to that class or series (subject to revesting in the event of each subsequent Nonpayment). If and when full dividends have been paid for at least four dividend periods on all classes and series of voting parity stock as to which a Nonpayment exists or existed, the term of office of each Preferred Director so elected will immediately terminate and the number of directors on the board of directors will automatically decrease by two.

Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of all classes and series of voting parity stock with respect to which a Nonpayment then exists, voting as a single class. So long as the voting rights described above remain in effect, any vacancy in the office of a Preferred Director (other than prior to the initial election of the Preferred Directors) may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of voting parity stock with respect to which a Nonpayment then exists voting as a single class, with the successor to serve until the next annual meeting of shareholders. The Preferred Directors will each be entitled to one vote per director on any matter.

#### ***Other Voting Rights***

So long as any shares of Series C Preferred Stock remain outstanding:

the affirmative vote or consent of the holders of at least two-thirds of all outstanding shares of Series C Preferred Stock and any class or series of preferred stock that ranks on a parity with the Series C Preferred Stock as to payment of dividends and the distribution of assets upon liquidation, dissolution

## **Table of Contents**

or winding-up of Zions, voting together as a class, will be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Series C Preferred Stock with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up of Zions; and

the affirmative vote or consent of the holders of at least two-thirds of all shares of the Series C Preferred Stock at the time outstanding, voting separately as a class, will be required to amend any provisions of Zions articles of incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect the powers, preferences, privileges or rights of the Series C Preferred Stock, taken as a whole.

With respect to the second bullet above, the following will be deemed not to materially and adversely affect any power, preference or right of the Series C Preferred Stock:

any increase in the amount of the authorized or issued Series C Preferred Stock, Series A Preferred Stock or the amount of our authorized common stock or preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of any other class or series of common stock or other equity securities ranking equally with and/or junior to the Series C Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of Zions;

any change to the number of directors or classification of or number of classes of directors; and

the occurrence of any such amendment, whether by merger, consolidation or otherwise, so long as any of the shares of Series C Preferred Stock remains outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Series C Preferred Stock, in each case taking into account that upon the occurrence of this event Zions may not be the surviving entity.

Each holder of shares of Series C Preferred Stock will have one vote per share on any matter on which holders of such shares are entitled to vote, including when acting by written consent.

The foregoing voting provisions described under **Right to Elect Two Directors Upon Non-Payment of Dividends** and **Other Voting Rights** will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series C Preferred Stock have been redeemed or called for redemption upon proper notice and sufficient funds have been set aside by us for the benefit of the holders of the Series C Preferred Stock to effect such redemption.

### **Registrar**

Zions First National Bank will be the registrar, dividend disbursing agent and redemption agent for the Series C Preferred Stock.

### **Transfer Agent**

Zions First National Bank will be the transfer agent for the Series C Preferred Stock.



## **Table of Contents**

### **DESCRIPTION OF DEPOSITARY SHARES**

In this prospectus supplement, references to holders of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC. Please review the special considerations that apply to indirect holders described in the Book Entry Issuance section of this prospectus supplement and Legal Ownership and Book-Entry Issuance in the accompanying prospectus.

This prospectus supplement summarizes specific terms and provisions of the depositary shares relating to our Series C Preferred Stock. Terms that apply generally to all our preferred stock issued in the form of depositary shares (including the depositary shares offered in this prospectus supplement) are described in the Description of Depositary Shares We May Offer section of the accompanying prospectus.

#### **General**

As described in the accompanying prospectus in the Description of Preferred Stock We May Offer section, we are issuing fractional interests in shares of preferred stock in the form of depositary shares. Each depositary share will represent a 1/40<sup>th</sup> ownership interest in a share of Series C Preferred Stock, and will be evidenced by a depositary receipt. The shares of Series C Preferred Stock represented by depositary shares will be deposited under a deposit agreement among Zions, Zions First National Bank as depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, 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).

Immediately following the issuance of the Series C Preferred Stock, we will deposit the Series C Preferred Stock with the depositary, which will then issue the depositary shares to or on the instructions of the distribution agent. Copies of the forms of deposit agreement and the depositary receipt may be obtained from us upon request and in the manner described in the Where You Can Find More Information section of the accompanying prospectus.

#### **Dividends and Other Distributions**

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series C Preferred Stock to the record holders of depositary shares relating to the underlying Series C Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series C Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by us on account of taxes or other governmental charges.

## **Table of Contents**

### **Redemption of Depositary Shares**

If we redeem the Series C Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series C Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/40<sup>th</sup> of the redemption price per share payable with respect to the Series C Preferred Stock (or \$25 per depositary share), plus any declared and unpaid dividends 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. Whenever we redeem shares of Series C Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series C Preferred Stock so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata*, by lot, or in such other manner determined by us to be equitable. In any such case, we will redeem depositary shares only in increments of 40 shares and any multiple thereof.

### **Voting the Series C Preferred Stock**

When the depositary receives notice of any meeting at which the holders of the Series C Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series C Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series C Preferred Stock, may instruct the depositary to vote the number of the Series C Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the number of the Series C Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series C Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received to the extent permitted by the New York Stock Exchange or other applicable regulatory body.

### **Listing**

We intend to apply to list the depositary shares on the New York Stock Exchange. If the application is approved, we expect trading to begin within 30 days of the initial delivery of the depositary shares. 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.

### **Form of Preferred Stock and Depositary Shares**

The depositary shares will be issued in book-entry form through DTC, as described in "Book-Entry Issuance" in this prospectus supplement and in "Legal Ownership and Book-Entry Issuance" in the accompanying prospectus. The Series C Preferred Stock will be issued in registered form to the depositary. See "Description of Preferred Stock We May Offer" and "Description of Depositary Shares We May Offer" in the accompanying prospectus.

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**Table of Contents**

**BOOK-ENTRY ISSUANCE**

DTC will act as securities depository for all of the depository shares. We will issue the depository shares only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). We will issue and deposit with DTC one or more fully-registered global certificates for the depository shares representing, in the aggregate, the total number of the depository shares to be sold in this offering.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization under the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation under the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for equity, corporate and municipal debt securities and other securities that DTC's direct participants deposit with DTC. DTC also facilitates the post-trade settlement among participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, which, in turn, is owned by a number of direct participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to indirect participants such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of depository shares within the DTC system must be made by or through direct participants, who will receive a credit for the depository shares on DTC's records. The ownership interest of each actual purchaser of each depository share is in turn to be recorded on the direct and indirect participants' records. DTC will not send written confirmation to beneficial owners of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owners purchased depository shares. Transfers of ownership interests in the depository shares are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in depository shares, unless the book-entry system for the depository shares is discontinued.

To facilitate subsequent transfers, all depository shares deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of depository shares with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the depository shares; DTC's records reflect only the identity of the direct participants to whose accounts such depository shares are credited, which may or may not be beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners and the voting rights of direct participants, indirect participants and beneficial owners, subject to any statutory or regulatory requirements as is in effect from time to time, will be governed by arrangements among them.

We will send redemption notices to Cede & Co. as the registered holder of the depository shares. If less than all of these depository shares are redeemed, DTC's current practice is to determine by lot the amount of the interest of each direct participant to be redeemed.

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**Table of Contents**

Although voting on the depositary shares is limited to the holders of record of the depositary shares, in those instances in which a vote is required, neither DTC nor Cede & Co. will itself consent or vote on depositary shares. Under its usual procedures, DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to direct participants for whose accounts the depositary shares are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions, and dividend payments on the depositary shares will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detail information from us or our agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, Zions or its agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemptions proceeds, distributions, and dividend payments by Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Zions or its agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

DTC may discontinue providing its services as securities depositary on any of the depositary shares at any time by giving reasonable notice to us. If a successor securities depositary is not obtained, final depositary shares certificates must be printed and delivered. We may at our option decide to discontinue the use of the system of book-entry transfers through DTC (or a successor depositary). In this case, final certificates for the depositary shares will be printed and delivered.

As long as DTC or its nominee is the registered owner of the global security certificates, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all depositary shares represented by these certificates for all purposes under the instruments governing the rights and obligations of holders of depositary shares. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

will not be entitled to have such global security certificates or the depositary shares represented by these certificates registered in their names,

will not receive or be entitled to receive physical delivery of securities certificates in exchange for beneficial interests in global security certificates, and

will not be considered to be owners or holders of the global security certificates or the depositary shares represented by these certificates for any purpose under the instruments governing the rights and obligations of holders of depositary shares.

We have obtained the information in this section about DTC and DTC's book-entry system from sources that we believe to be accurate, but we assume no responsibility for the accuracy of the information. We have no responsibility for the performance by DTC or its participants of their respective obligations as described in this prospectus or under the rules and procedures governing their respective operations.

**Table of Contents**

**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the principal U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the depositary shares. The summary is limited to taxpayers who will hold the depositary shares as capital assets and who purchase the depositary shares in the initial offering at the initial offering price. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

a dealer in securities or currencies;

a financial institution;

a regulated investment company;

a real estate investment trust;

an insurance company;

a tax-exempt organization;

a person holding our depositary shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;

a trader in securities that has elected the mark-to-market method of accounting for your securities;

a person liable for alternative minimum tax;

a person who owns 10% or more of our voting stock;

a partnership or other pass-through entity for United States federal income tax purposes; or

a U.S. holder (as defined below) whose functional currency is not the United States dollar.

The following summary is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations and judicial or administrative authority, all of which are subject to change, possibly with retroactive effect. State, local and foreign tax consequences are not summarized. In addition, this section is based in part upon the representations of the depositary and the assumptions that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. You are a U.S. holder if you are a beneficial owner of depositary shares for U.S. federal income tax purposes and you are:

a citizen or resident of the United States,

a domestic corporation,

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

You are a non-U.S. holder if you are a beneficial owner of depositary shares for U.S. federal income tax purposes and you are:

a nonresident alien individual,

a foreign corporation, or

an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from common stock.

If a partnership (or an entity treated as a partnership for tax purposes) holds depositary shares, the tax treatment of a partner will generally depend on the state of the partner and the activities of the partnership. If you are a partner in a partnership holding depositary shares, you should consult your tax advisors.

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**Table of Contents**

*You should consult your own tax advisor regarding the United States federal, state and local and other tax consequences of owning and disposing of depositary shares in your particular circumstances.*

In general, and taking into account earlier assumptions, beneficial owners of depositary shares will be treated as owners of the underlying Series C Preferred Stock for U.S. federal income tax purposes.

**U.S. Holders**

*Dividends.* Dividends on the Series C Preferred Stock will be dividends for United States federal income tax purposes to the extent paid out of our current or accumulated earnings and profits, as determined for United States federal income tax purposes, and will be taxable as ordinary income. Although we expect that our current and accumulated earnings and profits will be such that all dividends paid with respect to the Series C Preferred Stock will qualify as dividends for United States federal income tax purposes, we cannot guarantee that result. Our accumulated earnings and profits and our current earnings and profits in future years will depend in significant part on our future profits or losses, which we cannot accurately predict. To the extent that the amount of any dividend paid on Series C Preferred Stock exceeds our current and accumulated earnings and profits attributable to that share, the dividend will be treated first as a return of capital and will be applied against and reduce your adjusted tax basis (but not below zero) in that share of Series C Preferred Stock. This reduction in basis would increase any gain or reduce any loss realized by you on the subsequent sale, redemption or other disposition of your Series C Preferred Stock. The amount of any such dividend in excess of your adjusted tax basis will then be taxed as capital gain. For purposes of the remainder of this discussion, it is assumed that dividends paid on the Series C Preferred Stock will constitute dividends for United States federal income tax purposes.

If you are a corporation, dividends that are received by you will generally be eligible for a 70% dividends-received deduction under the Code. However, the Code disallows this dividends-received deduction in its entirety if the Series C Preferred Stock with respect to which the dividend is paid is held by you for less than 46 days during the 91-day period beginning on the date which is 45 days before the date on which the Series C Preferred Stock became ex-dividend with respect to such dividend.

Under current law, if you are an individual, dividends generally will be subject to a reduced maximum tax rate of 15% if you receive them in a taxable year beginning before January 1, 2011, after which the rate applicable to dividends is scheduled to return to the tax rate generally applicable to ordinary income. The rate reduction will not apply to dividends received to the extent that you elect to treat the dividends as investment income, which may be offset by investment expense. Furthermore, the rate reduction will also not apply to dividends that are paid to you with respect to Series C Preferred Stock that is held by you for less than 61 days during the 121-day period beginning on the date which is 60 days before the date on which the Series C Preferred Stock became ex-dividend with respect to such dividend.

In general, for purposes of meeting the holding period requirements for both the dividends-received deduction and the reduced maximum tax rate on dividends described above, you may not count towards your holding period any period in which you (a) have the option to sell, are under a contractual obligation to sell, or have made (and not closed) a short sale of Series C Preferred Stock or substantially identical stock or securities, (b) are the grantor of an option to buy Series C Preferred Stock or substantially identical stock or securities or (c) otherwise have diminished your risk of loss by holding one or more other positions with respect to substantially similar or related property. In general, a taxpayer has diminished its risk of loss on stock by holding a position in substantially similar or related property if the taxpayer is the beneficiary of a guarantee, surety agreement, or similar arrangement that provides for payments that will substantially offset decreases in the fair market value of the stock. In addition, the dividends-received deduction as well as the reduced maximum tax rate on dividends are disallowed if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. You are advised to consult your own tax advisor regarding the implications of these rules in light of your particular circumstances.

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## **Table of Contents**

You should consider the effect of section 246A of the Code, which reduces the dividends-received deduction allowed with respect to debt-financed portfolio stock. The Code also imposes a 20% alternative minimum tax on corporations. In some circumstances, the portion of dividends subject to the dividends-received deduction will serve to increase a corporation's minimum tax base for purposes of the determination of the alternative minimum tax. In addition, a corporate shareholder may be required to reduce its basis in stock with respect to certain extraordinary dividends, as provided under section 1059 of the Code. You should consult your own tax adviser in determining the application of these rules in light of your particular circumstances.

*Dispositions, Including Redemptions.* A sale, exchange or other disposition of Series C Preferred Stock will generally result in gain or loss equal to the difference between the amount realized upon the disposition and your adjusted tax basis in the Series C Preferred Stock. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if your holding period for the Series C Preferred Stock exceeds one year. Under current law, if you are an individual, net long-term capital gain realized by you in a taxable year beginning before January 1, 2011 is subject to a reduced maximum tax rate of 15%. The deductibility of capital losses is subject to limitations.

A redemption of Series C Preferred Stock for cash will be treated as a distribution taxable as a dividend unless an applicable exception applies, in which case it will be treated as a sale or exchange of the redeemed shares taxable as described under the preceding paragraph.

The redemption will be treated as a sale or exchange if it (1) results in a complete termination of a U.S. holder's interest in our stock or (2) is not essentially equivalent to a dividend with respect to a U.S. holder, both within the meaning of Section 302(b) of the Code. In determining whether any of these tests have been met, stock considered to be owned by a U.S. holder by reason of certain constructive ownership rules, as well as shares actually owned by such holder, must generally be taken into account. If a particular U.S. holder of depositary shares does not own (actually or constructively) any additional stock, or owns only an insubstantial percentage of our outstanding stock, and does not participate in our control or management, a redemption of the Series C Preferred Stock of such holder will generally qualify for sale or exchange treatment. However, because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to any particular U.S. holder of the depositary shares depends upon the facts and circumstances at the time that the determination must be made, prospective U.S. holders of the depositary shares are advised to consult their own tax advisors regarding the tax treatment of a redemption. If a redemption of Series C Preferred Stock is treated as a distribution, the entire amount received will be treated as a distribution and will be taxable as described under the caption *Dividends* above.

*Information Reporting and Backup Withholding.* In general, information reporting will apply to dividends in respect of our Series C Preferred Stock and the proceeds from the sale, exchange or redemption of our Series C Preferred Stock that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient such as a corporation. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the Internal Revenue Service.

### **Non-U.S. Holders**

The discussion in this section is addressed to non-U.S. holders of the depositary shares. For this purpose, a non-U.S. holder is a beneficial owner of depositary shares that is not a United States Holder for U.S. federal income tax purposes.



**Table of Contents**

*Dividends.* Generally, dividends paid to a non-U.S. holder with respect to the depositary shares will be subject to U.S. federal income and withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty (provided the non-U.S. holder furnishes the payor with a properly completed IRS Form W-8BEN certifying that such holder is eligible for treaty benefits), unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and the non-U.S. holder provides the payor with a properly completed Form W-8ECI). Dividends that are effectively connected with such trade or business (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment maintained by the non-U.S. holder) will generally be subject to U.S. federal income tax on a net basis at applicable individual or corporate rates and, in the case of a non-U.S. holder which is a corporation, may be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder eligible for a reduced rate of U.S. withholding tax pursuant to an applicable income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

*Dispositions.* A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale, exchange or redemption of the depositary shares so long as:

the gain is not effectively connected with a U.S. trade or business of the holder (or if a tax treaty applies, the gain is not attributable to a U.S. permanent establishment maintained by such non-U.S. holder); and

in the case of a nonresident alien individual, such holder is not present in the United States for 183 or more days in the taxable year of the sale or disposition (in which case the gain may be subject to tax if certain other conditions are met).

*Information reporting and backup withholding on non-U.S. holders.* Payment of dividends and the tax withheld with respect thereto are subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty, or withholding was not required because the dividends were effectively connected with a trade or business in the United States conducted by the non-U.S. holder. Copies of the information returns reporting such dividends and withholding may also be made available by the IRS under the provisions of an applicable income tax treaty or agreement to the tax authorities in the country in which the non-U.S. holder resides. U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor a Form W-8BEN (or other applicable form) certifying as to their non-U.S. status, or such non-U.S. holders otherwise establish an exemption.

Payment by a U.S. office of a broker of the proceeds of a sale of the depositary shares is subject to both backup withholding and information reporting unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on Form W-8BEN (or other applicable form), or otherwise establishes an exemption. Subject to certain limited exceptions, backup withholding and information reporting generally will not apply to a payment of proceeds from the sale of the depositary shares if such sale is effected through a foreign office of a broker.

## **Table of Contents**

### **PLAN OF DISTRIBUTION**

Under the terms and subject to the conditions of an auction agent agreement between Zions and Zions Direct, Inc. (or Zions Direct) dated as of the date of this prospectus supplement, we will distribute 20,000 depository shares (which does not include any additional amount of depository shares issuable under the Buy Today feature or Institutional Up-Sizing Option or pursuant to the distribution agreement described below) through an auction, which will be conducted by Zions Direct, as our auction agent. The public offering price and allocation for our depository shares will be determined by the auction process. The auction will be modeled after that used by the United States Treasury Department, with some notable differences, some of which are described below. The auction will be held on the website [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), which also contains the rules that govern the auction.

Under the terms and subject to the conditions of a distribution agreement, between Zions and Zions Direct, as distribution agent or principal, dated as of the date of this prospectus supplement, we may also distribute depository shares concurrently with the auction conducted by Zions Direct, as auction agent.

The maximum number of depository shares we expect to sell in this offering through the auction or otherwise is 6,000,000.

The following describes how our auction agent will conduct the auction and how we will distribute depository shares through the distribution agent .

#### **The Auction Process**

We are electing to distribute depository shares through an auction, which will be conducted by Zions Direct, Inc., our auction agent. We are electing to use the auction to determine the allocation and public offering price for our depository shares. The auction will be modeled after that used by the United States Treasury Department, with some notable differences, some of which are described below. The auction will be held on the website [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), which also contains the rules that govern the auction. The following describes how our auction agent will conduct the auction.

#### **Date, Time and Location of the Auction**

The auction will begin at 1:00 pm ET on Wednesday, June 25, 2008 and end at 4:00 pm ET on Monday, June 30, 2008. Such period of time may be extended as described under Auction Bidding Process; Irrevocability of Bids. The auction will be hosted on the internet website [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com).

#### **Qualification of Bidders; Suitability**

Our objective is to conduct an auction in which you submit informed bids.

Prospective bidders that want to bid for depository shares will, by registering with the website [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), automatically qualify to bid for up to an individual 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](mailto:auctions@zionsdirect.com) to request a greater individual bid limit. Any decision to increase a bidder's individual bid limit, upon such request, will be in our sole and absolute discretion. To ensure that we will have sufficient time to process requests for an increase in a bidder's automatically assigned individual bid limit prior to the end of the auction, we recommend that requests be made as early as possible. When you request an increase in your individual bid limit, we will attempt to process your request. However, we cannot assure you that we will be able to process the request prior to the end of the auction. A bidder may be required to submit specified financial information in order to establish an individual bid limit of more than \$100,000 and to establish the bidder's suitability for a larger investment in our depository shares. We or our auction agent may contact a bidder to request any other pertinent information that we or our auction agent require to establish the individual bid limit and the suitability of such bidder.

## Table of Contents

As described below under Auction Bidding Process; Irrevocability of Bids, each bidder is allowed to place up to five separate, concurrent bids. However, a bidder will not be able to place aggregate in-the-money bids (as described under Auction Bidding Process; Irrevocability of Bids ) that exceed the bidder's individual bid limit.

We caution you that the depositary shares may not be a suitable investment for you even if you qualify to participate in the auction. Moreover, even if you qualify to participate in the auction and place a bid, you may not receive an allocation of depositary shares in our offering for a number of reasons described below.

### **Registration and Qualification**

In order to participate in the auction, a prospective bidder must (1) register to have a Bidding Account and (2) satisfy and agree to the terms and conditions of the auction in order to become a qualified bidder. In connection with the registration process, prospective bidders will be required to answer certain questions that indicate that such bidder has accessed or received the offering materials and understands the risk of investing in the depositary shares and that the depositary shares are suitable for such bidder. In addition, by registering to bid in the auction, a prospective bidder represents and warrants to us that such bidder's bid is submitted for and on behalf of such prospective bidder by himself, herself or itself, as applicable, or by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract with respect to the bid for, and purchase of, the depositary shares.

#### STEP 1: Become a registered bidder

(a) **Register to have a Bidding Account.** Individuals and institutions who wish to participate in the auction must have a Bidding Account. A Bidding Account gives access to Zions Direct auctions. Individuals and institutions can open a Bidding Account and obtain a Bidder ID and password by going to the website (<https://auctions.zionsdirect.com/user/register>), filling in minimal contact information and submitting the Bidder Registration Form electronically. During the registration process, each prospective bidder will select a user identification, or user ID, and password to access the bid page on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) and to submit bids in the auction. Institutions can also apply to open a Bidding Account by calling (888) 357-3375.

(b) **Registration is only required once.** After successfully submitting a bidder registration form, a prospective bidder becomes a registered bidder. Once registered, bidders can use the same Bidding Account to participate in the auction. Our auction agent will confirm by e-mail a prospective bidder's successful registration. A prospective bidder is not obligated to submit a bid in the auction simply because that bidder has registered to bid in the auction.

#### STEP 2: Become a qualified bidder

(a) **Qualifying for the auction.** After logging into the bidder's Bidding Account and selecting the auction from the Calendar Page, the bidder must qualify to participate in the auction. To qualify to bid in the auction, a bidder must (1) review and acknowledge all documents pertinent to the auction, (2) verify that their suitability profile includes objectives and an investment time horizon that are consistent with an investment in the securities being auctioned and (3) authorize and direct the broker/dealer through which they will hold the securities won in the auction, which broker/dealer may or may not be our auction agent, to update their suitability profile, if necessary, to include the appropriate objectives and investment time horizon. Such review, verification, certification and authorization are acknowledged by clicking on the corresponding checkboxes and by clicking on "I Agree" on the webpage that appears when accessing the auction. Such certification and authorization is a requirement for bidders to qualify to participate in the auction. Once updated, a bidder's suitability profile will remain so updated after the auction in the bidder's broker/dealer account through which the bidder will hold any securities won in the auction, and will not be further updated unless such bidder contacts the broker/dealer through which it will hold any securities won in the auction to further update their suitability profile. By

## **Table of Contents**

satisfying and accepting the terms and conditions of the auction and authorizing updates in the suitability profile if necessary, a bidder becomes qualified to participate in the auction.

Qualification to participate in a prior auction does not transfer over to this auction. Therefore, bidders are required to review and acknowledge the terms of this auction even if they have participated previously in another auction.

(b) **Winning Bidders.** If a bidder is awarded depository shares in the auction, the bidder must then provide additional information, and must either provide a brokerage account that can receive delivery of the depository shares, or have or open a brokerage account with our auction agent.

Each prospective bidder will be solely responsible for making necessary arrangements to access [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) for purposes of submitting its bid in a timely manner and in compliance with the requirements described in this prospectus supplement.

Neither we nor our auction agent have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither we nor our auction agent will be responsible for a bidder's failure to register to bid or for proper operation of [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), or have any liability for any delays or interruptions of, or any damages caused by, [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com).

### **Auction Bidding Process; Irrevocability of Bids**

The auction will be open from 1:00 pm ET on Wednesday, June 25, 2008 until 4:00 pm ET on Monday, June 30, 2008. Such period of time may be extended as described below. Bids must be submitted electronically at [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com). Each prospective bidder will be solely responsible for registering to bid at [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) as described above.

You will not be able to bid in the auction unless you have registered on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com). Each bidder will be able to access the auction from 1:00 pm ET on Wednesday, June 25, 2008 until 4:00 pm ET on Monday, June 30, 2008 using the user ID and password obtained at the time of registration.

You will only be allowed to bid for a whole number of depository shares. 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 depository shares or the Series C Preferred Stock on the part of the bidder. We reserve this right in order to preserve the integrity of the auction process.

Bidding for depository shares will be on the basis of the price that you are willing to pay. The auction site will permit you to bid on the price you are willing to pay per depository share.

You should be aware that your bid will be binding on you once you submit and confirm it. Unless you change a bid to increase the resulting net value of your bid as described below, you will not thereafter be able to retract or cancel that bid. Once you have posted and confirmed a bid, you may not then lower the bid price or lower the number of depository shares bid for while that bid is in-the-money. You also may not increase the number of depository shares bid for on a bid row that is in-the-money; this is to protect the time stamp of your in-the-money bid. If your bid is or becomes out-of-the-money, you will be able to:

increase the number of depository shares you are bidding for (subject to your individual bid limit); and/or

increase the bid price per depository share that you are willing to pay.

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**Table of Contents**

Each bidder may place up to five separate, concurrent bids. Each bid may be made for different numbers of depositary shares and for different bid prices. A bidder who has one active bid will be able to bid up to his individual bid limit in that one bid. However, if a bidder has more than one active bid, the aggregate amount of in-the-money bids (as described below) cannot exceed that bidder's individual bid limit.

The individual bid limit for any given bidder is allocated first to the highest price per unit bid by such bidder multiplied by the number of depositary shares bid at that price. Any remaining individual bid limit for that bidder is then allocated to the next highest price per unit bid by such bidder multiplied by the number of depositary shares bid at that price, and so on until the individual bid limit assigned to that bidder has been reached. The bids of a bidder who has placed multiple bids may be deemed to be in-the-money only to the extent that (1) the bid price is at or above the market-clearing price and (2) the aggregate dollar amount of the multiple bids that are in-the-money is less than or equal to that bidder's individual bid limit. In short, the maximum number of depositary shares that a bidder may be allocated will be those depositary shares designated as in-the-money by the auction website.

Each separate bid may be modified as described above in order to increase the number of depositary shares bid for or to increase the bid price. There is no limit to the number of times that a bidder may improve an individual bid. In no event will a bidder be allowed to submit or modify a bid in a manner that would result in a reduction in that bidder's aggregate number of depositary shares that are currently designated as in-the-money. A modification of one bid does not modify any other bid. Because each bid is independent of any other bid, each bid may result in an allocation of depositary shares; consequently, the sum of a bidder's bid sizes should be no more than the total number of depositary shares the bidder is willing to purchase.

Once the auction begins, all bidders that have registered may submit bids only through [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com).

You should consider all the information in this prospectus supplement and the accompanying base prospectus in determining whether to submit a bid, the number of depositary shares you are interested in purchasing and your bid price.

In connection with submitting a bid, you must log on to [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) and do the following:

state the number of depositary shares that you are interested in purchasing;

state the purchase price at which you are willing to purchase the depositary shares; and

review your bid to ensure accuracy and then confirm that bid.

Once an investor places a bid on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), and confirms that bid on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), that bid will constitute an irrevocable offer to purchase the depositary shares (except as set forth above) on the terms provided for in the bid.

For purposes of the electronic bidding process at [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com), the time as maintained on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) will constitute the official time of a bid. Bidders will be able to monitor the status of their bids as described more fully below. Bids submitted on [www.auctions.zionsdirect.com](http://www.auctions.zionsdirect.com) must be received before 4:00 pm ET on Monday, June 30, 2008, unless the auction is extended as described in the next paragraph.

During the final two (2) minutes of the auction, if there is a change in the market-clearing price or a change in the allocation of the depositary shares, the auction will automatically be extended two (2) minutes from the time of such change. In no event will such two-minute extensions extend the auction more than fifteen (15) minutes beyond 4:00 pm ET on Monday, June 30, 2008.

## **Table of Contents**

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 such bidders' individual bid limit using the Buy Today feature. Although clicking Buy Today is binding 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. We cannot assure you that we will issue any depositary shares through the Buy Today feature. We reserve the right, in our sole discretion, to extend the Buy Today feature until the end of the Auction Window. We also 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. Furthermore, if we reject all bids made in the auction, we reserve the right to cancel all purchases made under the Buy Today feature.

While the auction platform has been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, it is impossible for us to predict the response of the investing public to any issuance of depositary shares pursuant to this prospectus supplement. Bidders should be aware that if enough bidders try to access the platform and submit bids simultaneously, there may be a delay in receiving and/or processing their bids. Bidders should be aware that auction website capacity limits may prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly. We make no guarantee that any submitted bid will be received, processed and accepted during the auction process.

The auction process is modeled after that used by the United States Treasury, with some notable differences. The auction will be an open auction, with bidders being updated on the status of their bids relative to other bidders, as described in this paragraph. At no point during the auction, however, will bidders have access to other bidders' actual bids, and at no point will bidders have access to other bidders' identities. After submission and confirmation of bid quantity and price, the www.auctions.zionsdirect.com web page will indicate whether that bid is at that time in a winning position, or in-the-money. If a bid is in-the-money at a particular point in time during the auction, that means that, if the auction ended at that particular time, the in-the-money number of depositary shares of that bidder's bid would be accepted. In order for a bid to be accepted, a bid must be in-the-money at the close of the auction. In order to monitor the progress of the auction, bidders may need to manually refresh the bid page to see whether their status has changed. This process will continue until the end of the auction, at which point our auction agent will review the submitted bids and determine the auction winners and allocations. See Risk Factors Risks Related to the Auction Process beginning on page S-13 of this prospectus supplement.

### **Market-Clearing Price**

Because the auction involves price-based bidding, the market-clearing price for the depositary shares will be the highest price at which all of the depositary shares offered in the auction, or the Auction Amount, are sold. The auction agent will determine this price by moving down the list of accepted bids in descending order of bid price until the total quantity of depositary shares bid for is greater than or equal to the Auction Amount.

*Example 1.* For example, assume that 1,000 depositary shares are being offered and that the following bidders have bid as follows:

<b>Bidder</b>	<b>Number of Depositary Shares Represented by Bid</b>	<b>Bid Price</b>
A	500	\$25.00
B	500	\$24.90
C	500	\$24.80

**Table of Contents**

In this example, \$25.00 is not the market-clearing price because only 500 of the depositary shares offered could be sold at that price. Furthermore, \$24.80 is not the market-clearing price because, although all of the depositary shares being offered are sold for prices over \$24.80, this is not the highest price at which all of the depositary shares offered could be sold. Instead, all of the depositary shares offered in this example will be sold at the higher price of \$24.90. Therefore, \$24.90 is the market-clearing price in this example. The entire Auction Amount (other than any depositary shares purchased under the Buy Today feature) will be sold at the market-clearing price (similar to the United States Treasury auction). Even the depositary shares that were bid for at \$25.00 will be sold for \$24.90. In this auction, the winning bidders will pay \$24.90 for each depositary share, which has a liquidation preference of \$25.

We caution you that the market-clearing price may have little or no relationship to the price that would be established using other indicators of value. The scenario above is an example only and should not be considered indicative of an appropriate or likely market-clearing price of the depositary shares.

**Minimum/Maximum Bid Price**

We have established a minimum bid price for the auction of \$22.50 per depositary share and the maximum bid price \$25.00. We reserve the right, whether or not all of the depositary shares offered in the auction have been sold, to reject any bid price below the minimum bid price.

**Allocation**

During the auction, depositary shares are allocated to bids with the highest price. Bids with the same price are allocated by time stamp to the earliest bid. Once the auction is fully subscribed, allocation of depositary shares being auctioned is determined first by price and second by time stamp. Bidders bidding above the market-clearing price will be allocated the entire quantity of depositary shares for which they bid; however, in no event will a bidder be allowed to purchase a greater number of depositary shares than the lesser of (1) the number of depositary shares that that bidder's individual bid limit would purchase and (2) the total number of that bidder's bid designated as in-the-money by the auction website. In the event that multiple bidders bid at the market-clearing price and the total quantity of depositary shares for which they have bid exceeds the aggregate amount of depositary shares not allocated to higher bidders, the auction agent will allocate the remaining depositary shares to the bids with the earliest time stamp. The depositary shares will first 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. To preserve the bidder's earliest time stamp, a bidder will be required to use an additional bid row to increase the number of depositary shares bid for without improving the price.

For example, assume again that 1,000 depositary shares are being offered and that the following bidders have again bid as follows:

Bidder	Depositary Shares Represented by Bid	Depositary Shares Allocated	Bid Price	Time Stamp
A	400	400	\$25.00	11:00 AM
B	400	400	\$24.90	10:00 AM
C	400	200	\$24.90	10:30 AM
D	400	0	\$24.90	10:31 AM

In this example, \$24.90 is the market-clearing price because it is the highest price at which all of the depositary shares offered could be sold. Therefore, Bidder A is allocated all 400 depositary shares bid for. This leaves 600 depositary shares to be allocated to the bidders that bid at the market-clearing price. Bidder B and Bidder C bid for an aggregate of 1,200 depositary shares at the same price. However, Bidder B has a time stamp that is earlier than Bidder C's time stamp and Bidder C's time stamp is earlier than Bidder D's time stamp. Therefore, the remaining 600 depositary shares are allocated first to Bidder B and the remaining depositary shares are allocated to Bidder C. Bidder D receives no depositary shares. This scenario is an example only and should not be considered indicative of an appropriate or likely market-clearing price for the depositary shares.

## **Table of Contents**

In the event that a single bidder bids at the market-clearing price but the available quantity is less than that for which the bidder bid, the bidder will receive the available quantity.

We reserve the right to alter the method of allocation of the depositary shares as we deem necessary to ensure a fair and orderly distribution. We also 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 on the part of the bidder. We reserve this right in order to preserve the integrity of the auction process. We further reserve the right to reject all bids, if we are unable to sell all of the depositary shares offered in this 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.

### **Institutional Up-Sizing Option**

The auction is subject to institutional up-sizing. This means that we have reserved the right to sell, outside of the auction, additional depositary shares to any institutional or individual bidder who satisfies all of the following requirements. The bidder must: (i) contact a representative at our auction agent's trading desk before the end of the auction and must indicate the desire to make such an additional purchase and the additional amount it would like to purchase; (ii) satisfy the credit requirements for such additional purchase; (iii) win at least 20% of the Auction Amount of the depositary shares; and (iv) bid 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. 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.

We cannot assure you that we will issue any depositary shares through the Institutional Up-Sizing feature.

### **Results of Auction and Bid Acceptance**

As soon as practicable after the auction has ended, our auction agent shall: (a) notify via telephone or e-mail each winning bidder who was awarded depositary shares in the auction, which notice shall specify at a minimum (i) that the auction has closed; (ii) that such bidder's bid has, or bids have, been accepted; (iii) the number of the depositary shares that have been allocated to such winning bidder; and (iv) the market clearing price to be paid for such depositary shares; and (b) cause the results of the auction to be posted on the website.

### **Settlement**

We expect that settlement of all depositary shares with respect to the auction (including those purchased under the Buy Today feature) will take place three business days following the conclusion of the auction and the allocation of the depositary shares (the settlement cycle being referred to as T+3). Institutional customers will settle delivery versus payment through their Zions Direct account. Winning bidders who are individuals and who do not have an account with Zions Direct will be required to open such an account, or arrange for their primary broker to enter into a selling group agreement with Zions Direct, in order to facilitate delivery and payment for their depositary shares. Zions Direct will make a suitability determination with respect to those winning bidders seeking to open a Zions Direct accounts. You should note that if you purchase the depositary shares using the Buy Today feature, your settlement cycle may be longer than T+3. Trading in the depositary shares from the date of a Buy Today purchase until settlement may be affected by this longer settlement cycle.



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**Table of Contents**

**Distribution Agreement**

In addition to selling depositary shares pursuant to the auction procedures described above, we may distribute depositary shares under the terms and subject to the conditions of a distribution agreement with Zions Direct, as distribution agent or principal, relating to the depositary shares. This distribution would be done concurrently with the auction conducted by Zions Direct, as auction agent. See Plan of Distribution The Auction Process beginning on page S-30 of this prospectus supplement.

Pursuant to the distribution agreement, the distribution agent has agreed to use its reasonable best efforts to solicit and receive offers to purchase the depositary shares from us upon the terms and conditions that are identical to the terms and conditions of the depositary shares sold pursuant to the Buy Today feature. The distribution agent may also purchase the depositary shares as principal for its own account. In the event the distribution agent purchases depositary shares from us as principal, the distribution agent intends to resell the offered depositary shares at the Buy Today price (see Plan of Distribution The Auction Process beginning on page S-30 of this prospectus supplement). The distribution agent may also resell the depositary shares to securities dealers at a discount from the price at which it purchased such depositary shares less a concession not to exceed \$0.50 per depositary share. Any such securities dealers may resell any depositary shares purchased from the distribution agent to certain other brokers or dealers at a discount from the public offering price of up to \$0.3750 per depositary share from the public offering price. Securities dealers will be restricted from reselling the depositary shares while the auction is ongoing at any price other than the Buy Today price.

We have the right to accept offers to purchase depositary shares and may reject any proposed purchase of the depositary shares. The distribution agent may also reject any offer to purchase the depositary shares. We will pay the distribution agent a commission on any depositary shares distributed through the distribution agent of \$0.5625 per depositary share.

The distribution agent may enter into arrangements with other institutions with respect to the distribution of the depositary shares, and those institutions may share in the commissions, discounts or other compensation received by our distribution agent, may be compensated separately and may also receive commissions from purchasers for whom they may act as distribution agents.

The distribution agent, whether acting as agent or principal, may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, or the Securities Act. We have agreed to indemnify the agent against liabilities under the Securities Act, or contribute to payment which the agent may be required to make in that respect. We have also agreed to reimburse the distribution agent for certain expenses.

Broker-dealers and other persons are cautioned that some of their activities may result in their being deemed participants in the distribution of the depositary shares in a manner that would render them statutory underwriters and subject them to the prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, or the Exchange Act. The profits and compensation realized by any such broker-dealer upon resale of the depositary shares may be deemed to be underwriting discounts and commissions. A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the participant in the particular case.

**Table of Contents**

**VALIDITY OF SECURITIES**

The validity of the depositary shares and the Series C Preferred Stock will be passed upon for us by Callister Nebeker & McCullough, a Professional Corporation, Salt Lake City, Utah, and Sullivan & Cromwell LLP, Los Angeles, California. Sullivan & Cromwell LLP will rely upon the opinion of Callister Nebeker & McCullough as to matters of Utah law and Callister Nebeker & McCullough will rely upon the opinion of Sullivan & Cromwell LLP as to matters of New York law. Sullivan & Cromwell LLP regularly performs legal services for us.

**EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007, as amended, and the effectiveness of our internal control over financial reporting as of December 31, 2007, as set forth in their reports, which are incorporated in this prospectus supplement by reference. Our consolidated financial statements and our management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2007 are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

S-38

**Table of Contents**

**PROSPECTUS**

**Zions Bancorporation**

**Debt Securities**

**Warrants or Other Rights**

**Stock Purchase Contracts**

**Units**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

**Zions Capital Trust C**

**Zions Capital Trust D**

**Capital Securities**

**As fully and unconditionally**

**guaranteed as described herein by Zions Bancorporation**

Zions Bancorporation and the Issuer Trusts from time to time may offer to sell the securities listed above. The debt securities, warrants, rights, purchase contracts and preferred stock may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of the Company or debt or equity securities of one or more other entities. The common stock of the Company is quoted on the Nasdaq National Market under the symbol ZION.

Zions Bancorporation and the Issuer Trusts may offer and sell these securities to or through one or more underwriters, dealers and/or agents on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus.

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

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

This prospectus is dated March 31, 2006.

**Table of Contents**

**TABLE OF CONTENTS**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS</u>	3
<u>USE OF PROCEEDS</u>	5
<u>DESCRIPTION OF DEBT SECURITIES WE MAY OFFER</u>	6
<u>DESCRIPTION OF WARRANTS OR OTHER RIGHTS WE MAY OFFER</u>	26
<u>DESCRIPTION OF STOCK PURCHASE CONTRACTS WE MAY OFFER</u>	31
<u>DESCRIPTION OF UNITS WE MAY OFFER</u>	32
<u>DESCRIPTION OF COMMON STOCK WE MAY OFFER</u>	36
<u>DESCRIPTION OF PREFERRED STOCK WE MAY OFFER</u>	39
<u>DESCRIPTION OF DEPOSITARY SHARES WE MAY OFFER</u>	42
<u>THE ISSUER TRUSTS</u>	45
<u>DESCRIPTION OF CAPITAL SECURITIES AND RELATED INSTRUMENTS</u>	47
<u>DESCRIPTION OF JUNIOR SUBORDINATED DEBENTURES</u>	59
<u>DESCRIPTION OF GUARANTEES</u>	72
<u>RELATIONSHIP AMONG THE CAPITAL SECURITIES AND THE RELATED INSTRUMENTS</u>	76
<u>LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE</u>	78
<u>SECURITIES ISSUED IN BEARER FORM</u>	83
<u>CONSIDERATIONS RELATING TO INDEXED SECURITIES</u>	87
<u>UNITED STATES TAXATION</u>	90
<u>PLAN OF DISTRIBUTION</u>	113
<u>EMPLOYEE RETIREMENT INCOME SECURITY ACT</u>	116
<u>VALIDITY OF THE SECURITIES</u>	117
<u>EXPERTS</u>	118

**Table of Contents**

**ABOUT THIS PROSPECTUS**

This document is called a prospectus, and it provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplements, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

Zions Bancorporation, a Utah corporation, also referred to in this document as Zions, and Zions Capital Trust C and Zions Capital Trust D, each a statutory trust created under the laws of the State of Delaware (each trust is also referred to as an Issuer Trust and together as the Issuer Trusts) have filed a registration statement with the Securities and Exchange Commission, or the SEC, using a shelf registration or continuous offering process. Under this shelf process, Zions and the Issuer Trusts may offer and sell any combination of the securities described in this prospectus, in one or more offerings.

Our SEC registration statement containing this prospectus, including exhibits, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC's web site or at the SEC's offices. The SEC's web site and street addresses are provided under the heading **Where You Can Find More Information**.

When acquiring securities, you should rely only on the information provided in this prospectus and in the related prospectus supplement, including any information incorporated by reference. No one is authorized to provide you with different information. We are not offering the securities in any state where the offer is prohibited. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is truthful or complete for any date other than the date indicated on the cover page of these documents.

After the securities are issued, one or more of our subsidiaries, including Zions Direct, Inc., may