ZIONS BANCORPORATION /UT/
Form 424B2
July 03, 2006

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PROSPECTUS SUPPLEMENT
(To Prospectus Dated March 31, 2006)

Filed pursuant to Rule 424(b)(2).
A filing fee of $75.12, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from the registration statement (File No. 333-132868) by means of this prospectus supplement.

93,610 Units

ZIONS BANCORPORATION

Zions Bancorporation Employee Stock Option Appreciation Rights Securities,
Series 2006

We offered 93,610 units of our Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2006 (the ESOARS, and each unit thereof, an ESOARS Unit). ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options.

We offered the ESOARS in part to provide a market basis which may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of our reference options.

We will make periodic payments upon the exercise, if any, of reference options to the extent payments are then payable thereunder (as described in this prospectus supplement) on or before the 15th day of each month (or, if any such day is not a business day, then on the next business day) following the end of each calendar quarter. We expect that such periodic payments, if any, will commence on or about July 16, 2007. Each holder of ESOARS will be entitled to receive its *pro rata* share of 10% of the net realized value, as more particularly described herein, realized by employee optionees upon the exercise, if any, of reference options.

The public offering price of our ESOARS, as determined by an auction process, is $7.50 per ESOARS Unit, resulting in proceeds, before expenses, to us of $7.50 per ESOARS Unit, and total proceeds, before expenses, to us of $702,075. The minimum number of ESOARS Units for a bid in the auction was one. We will issue no fractional ESOARS Units. The price to the public and the allocation of our ESOARS was determined by the auction process through the www.esoars.com electronic bid submission system (www.esoars.com). The auction opened at 9:30 a.m., E.D.T., on June 28, 2006 and closed at 4:15 p.m., E.D.T., on June 29, 2006.

The timing and method for submitting bids and a description of this auction process are described in the section entitled The Auction Process beginning on page S-13 of this prospectus supplement. In general, once a bidder submitted and confirmed its bid, the bid was binding and could not thereafter be rescinded or revoked. As part of this auction process, we attempted to assess the market demand for our ESOARS 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 ESOARS for a profit after the conclusion of this offering and the allocation of our ESOARS.

We offered the ESOARS 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 ESOARS. Zions First National Bank, in turn, is a wholly-owned subsidiary of Zions Bancorporation.

We expect to deliver the ESOARS through the facilities of The Depository Trust Company in book-entry form on or about July 5, 2006.

We will not list the ESOARS on any securities exchange. Currently there is no public market for the ESOARS. We cannot assure you that an active market for the ESOARS will develop.

Investing in our ESOARS involves risk. See Risk Factors beginning on page S-6 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is June 29, 2006.

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Base Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information about us and our securities that we may offer, some of which information does not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

You should carefully read this entire prospectus supplement, the accompanying base prospectus and the other information we have incorporated by reference, as described under the section entitled Where You Can Find More Information on page 1 of the accompanying base prospectus, to understand fully the terms of the ESOARS being offered hereby, as well as the tax and other considerations that you should consider before making your investment decision. You should pay special attention to the section entitled Risk Factors beginning on page S-6 of this prospectus supplement, on page 5 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, and on page 39 of our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006, to determine whether an investment in our ESOARS is appropriate for you. See Where You Can Find More Information on page 1 of the accompanying base prospectus.

The information in this prospectus supplement is accurate as of June 29, 2006. You should rely only on the information contained in this prospectus supplement, the accompanying base prospectus and the information we have incorporated by reference. We have not authorized anyone to provide you with different information. You should not assume that the information provided by this prospectus supplement, the accompanying base prospectus or the information we have incorporated by reference is accurate as of any date other than the date of the respective document or information, as applicable. If information in any of the documents we have incorporated by reference or in the accompanying base prospectus conflicts with information in this prospectus supplement, you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the information in the most recent incorporated document. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

For purposes of this prospectus supplement, unless the context otherwise indicates:

- references to Zions Bancorporation, we, our and us are only to Zions Bancorporation, excluding its consolida subsidiaries;
- references to you are to any investor who invests in our ESOARS being offered hereby, whether they are the holders or only indirect owners of those ESOARS;
- references to ESOARS are to the Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2006;
- references to this offering or the offering are to the initial offering of our ESOARS made in connection with their original issuance, and not to any subsequent resales of our ESOARS in market-making transactions; and
- references to holders are to those persons or entities that own any of our ESOARS, registered in their own names, on the books that we or our agent maintain for this purpose, and not those who own beneficial interests in our ESOARS registered in street name or in ESOARS Units issued in book-entry form through one or more depositaries.

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WHERE YOU CAN FIND MORE INFORMATION

You may request a copy of any of the documents or information we have incorporated by reference in this prospectus supplement, as described in the section entitled Where You Can Find More Information on page 1 of the accompanying base prospectus, at no cost to you by writing or telephoning us at:

Investor Relations
Zions Bancorporation
One South Main Street, Suite 1134
Salt Lake City, Utah 84111
(801) 524-4787

In addition, you may also access further information about us by visiting our website at www.zionsbancorporation.com. Please note that the information and materials found on our website, except for our SEC filings incorporated by reference in this prospectus supplement, are not part of this prospectus supplement and are not incorporated by reference into this prospectus supplement.

For additional information concerning this offering; the ESOARS being offered hereby; the website www.esoars.com; or the registration and auction process, you may contact Zions Direct:

by telephone at (800) 554-1688 (ask for ESOARS support);

by facsimile at (801) 524-0824; or

by e-mail at info@esoars.com.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, including information incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements provide current expectations or forecasts of future events and include, among others:

statements with respect to our beliefs, plans, objectives, goals, guidelines, expectations, anticipations, and future financial condition, results of operations and performance, and

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

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

our ability to successfully execute our business plans, manage our risks and achieve our objectives;

changes in political and economic conditions, including the economic effects of terrorist attacks against the United States and related events;

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

fluctuations in the equity and fixed-income markets;

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

acquisitions and integrations of acquired businesses, including Amegy Corporation;

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

changes in fiscal, monetary, regulatory, trade and tax policies and laws, including policies of the U.S. Treasury and the Federal Reserve Board;

continuing consolidation in the financial services industry;

new litigation or changes in existing litigation;

success in gaining regulatory approvals, when required;

changes in consumer spending and saving habits;

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

demand for financial services in our market areas;

inflation and deflation;

technological changes and our implementation of new technologies;

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

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

our ability to comply with applicable laws and regulations; and

changes in accounting policies or procedures as may be required by the FASB or regulatory agencies.

You should not put undue reliance on any forward-looking statements. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

See the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 and in Item 2 of our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006, which are incorporated by reference in this prospectus supplement, for a more detailed description of these and other factors that may affect any forward-looking statements. When considering forward-looking statements, you should keep in mind the risk factors described under the section entitled Risk Factors beginning on page S-6 of this prospectus supplement, on page 5 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 and on page 39 of our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006. We will not update any forward-looking statements unless the securities laws require us to do so.

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SUMMARY

Zions Bancorporation

Zions Bancorporation is a financial holding company organized under the laws of the State of Utah in 1955, and is registered under the Bank Holding Company Act of 1956, as amended. Zions Bancorporation, together with its consolidated subsidiaries, owns and operates eight commercial banks, with a total of 475 offices at year-end 2005. 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.

We focus on maintaining community-minded banking services by continuously strengthening our core business lines of retail banking, small and medium-sized business lending, residential mortgage and investment activities. We operate eight different banks in ten Western states, with each bank operating under a different name and each having its own chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services.

We provide commercial loans, lease financing, cash management, electronic check clearing, lockbox, customized draft processing and other special financial services for business and other commercial banking customers. We also provide a wide range of personal banking services to individuals, including home mortgages, bankcard, student and 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, some of our 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 registered investment adviser subsidiary, Contango Capital Advisors, Inc.

In addition to these core businesses, we have built specialized lines of business in capital markets and public finance. We are also a leader in U.S. Small Business Administration lending. Through our eight banking subsidiaries, we provide Small Business Administration (SBA) 7(a) loans to small businesses throughout the United States and are also one of the largest providers of SBA 504 financing in the nation. We own an equity interest in the Federal Agricultural Mortgage Corporation (Farmer Mac) and are 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 companies that provide early-stage capital, primarily for start-up companies located in the Western United States.

Our executive offices are located at One South Main, Suite 1134, Salt Lake City, Utah 84111 and our telephone number is (801) 524-4787.

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Issuer	Zions Bancorporation.
Securities Offered	Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2006 (the ESOARS, and each unit thereof, an ESOARS Unit). ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. See Description of Our ESOARS.
CUSIP Number	989701 20 6.
Number of ESOARS Units We Are Offering	93,610.
Offering Price	$7.50 per ESOARS Unit, as determined through the auction process conducted by our auction agent. See The Auction Process.
Maximum Bid Amount	In order to ensure a broad participation in this offering, we or our auction agent assigned each bidder a maximum bid amount. A bidder s maximum bid amount in no event exceeded $350,000. We reserved the right in our sole discretion to set a lower maximum bid amount for any bidder. A bidder was not able to place a bid that exceeded that bidder s maximum bid amount.
Allocation of ESOARS Units	Determined through our auction process. We or our auction agent made suitability determinations with respect to all prospective investors. In no event was a bidder allowed to purchase more than that bidder s maximum bid amount. See The Auction Process.
Deposit	We and our auction agent waived all deposit requirements.
Purpose	We offered our ESOARS in part to provide a market basis which may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of our reference options, as required under Statement of Financial Accounting Standards No. 123R, Share Based Payment, issued by the Financial Accounting Standards Board, or FASB. See Description of Our ESOARS Purpose of the Offering.
Auction Agent; Issuing and Paying Agent	Our auction agent was Zions Direct, Inc., a wholly-owned subsidiary of Zions First National Bank, which is our issuing and paying agent. Zions First National Bank, in turn, is a wholly-owned subsidiary of us.
Reference Options	Upon the exercise, if any, by our employees of our reference options from time to time, holders will be entitled to the payments described in Description of Our ESOARS Payments; Reports and Notices. Some characteristics of our reference options are described in Description of Reference Options.

Use of Proceeds	We estimate that we will receive approximately $340,075 from the sale of the ESOARS Units offered hereby, after deducting offering expenses. We intend to use the net cash proceeds from this offering for general corporate purposes. See Use of Proceeds.

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Listing	The ESOARS will not be listed on any national securities exchange.
Periodic Payments	We will from time to time deposit with Zions First National Bank, as our paying agent, an aggregate amount equal to 10% of the net realized value upon the exercise of any reference options. We will make each deposit on or before the fifth business day of the month following the end of each calendar quarter, commencing on or about July 6, 2007. Zions First National Bank will then make *pro rata* payments to each holder of our ESOARS on or before the 15th day of that month (or, if any such day is not a business day, then on the next business day). We expect that such periodic payments will commence on or about July 16, 2007. Each date that the paying agent makes a payment with respect to the ESOARS is referred to in this prospectus supplement as a payment date. See Description of Our ESOARS Payments; Reports and Notices.
Calculation of Payments	Payments from time to time will be equal to an aggregate of 10% of the net realized value upon the exercise of any reference options from the period (any such period, a payment period): beginning on the first day of each calendar quarter (or in the case of the first payment period, beginning on April 1, 2007), and ending on and including the last day of such calendar quarter. The net realized value for a particular payment period means the amount, if any, by which: the trading price per share of our common stock on The Nasdaq National Market (or other national stock exchange on which our common stock is then traded) at the applicable time of exercise of a reference option, exceeds the exercise price of that reference option, multiplied by: the number of shares of our common stock as to which the applicable reference option was exercised. Each holder will be entitled to receive its *pro rata* share of 10% of the net realized value, based upon such holder s ownership share of all ESOARS sold hereunder. See Description of Our ESOARS Payments; Reports and Notices. The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options.

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Record Date	The record date to determine holders eligible to receive payments on a given payment date will be the last business day of the calendar quarter preceding that payment date.
Modification of Reference Options	If one or more reference options is modified in a manner that would be treated as an exchange pursuant to paragraph 51 of FASB Statement No. 123R, Share-Based Payment, or in other specified circumstances, we will pay to holders an aggregate amount equal to 10% of the cancellation value of the modified reference option(s). This cancellation value will be determined by an independent valuation of agent appointed by us. See Description of Our ESOARS Modification of Reference Options.
Book-Entry Form	We will issue the ESOARS pursuant to, and the ESOARS will be evidenced by, a fully-registered global certificate, a form of which is attached hereto as Annex A. The global certificate will be deposited with, or on behalf of, The Depository Trust Company (DTC), and will be registered in the name of Cede & Co., a nominee of DTC. Cede & Co. will be the only registered holder of the ESOARS. Your beneficial interest in the ESOARS will be evidenced solely by entries on the books of the securities intermediary acting on your behalf as a direct or indirect participant in DTC. In this prospectus supplement, all references to payments or notices to you or to a holder or holders mean payments or notices to DTC or its nominee, in either case as the registered holder of our ESOARS, and not those persons or entities that hold beneficial interests in our ESOARS. For more information regarding DTC and book-entry securities, see Legal Ownership and Book-Entry Issuance.
Federal Income Tax Considerations	The proper U.S. federal income tax characterization of our ESOARS is unclear. In the absence of clear authority, we intend to file information returns with the Internal Revenue Service reporting income with respect to our ESOARS under a method analogous to the method applicable to income with respect to cash-settled call options. However, it is unclear whether this method of reporting income on our ESOARS is proper. Prospective investors should carefully consider the discussion in the section below entitled Material United States Federal Income Tax Consequences with their own tax advisors.

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Certain ERISA Matters	No ESOARS may be purchased by or transferred to: any employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) (whether or not subject to ERISA, and including, without limitation, foreign or government plans); any plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended; or any entity whose underlying assets include plan assets of any of the foregoing by reason of an employee benefit plan s or plan s investment in such entity. Any purported purchase or transfer of the ESOARS in violation of the foregoing restrictions will be null and void *ab initio.* Each bidder who purchases the ESOARS will be deemed to have represented, warranted and acknowledged to us that its purchase or transfer is not in violation of the restrictions set forth above.
Governing Law	State of New York.

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RISK FACTORS

You should consider carefully the risk factors discussed below and the risk factors discussed within the section entitled Risk Factors beginning on page 5 of our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 and on page 39 of our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006, which are incorporated by reference in this prospectus supplement, for a discussion of particular factors you should consider before determining whether an investment in our ESOARS is appropriate for you. Investing in our ESOARS is speculative and involves risk.

Any of the risks described in this prospectus supplement, in our Annual Report on Form 10-K for our fiscal year ended December 31, 2005 or in our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006 could materially and adversely impair our business, financial condition and operating results. In such case, the trading price, if any, of our ESOARS could decline or you could lose all or part of your investment. Because the investment return, if any, realized by a holder of ESOARS will depend on the behavior of our employee optionees and other factors beyond our control, you may lose some or all of your investment even if our business, financial condition and operating results were not materially and adversely impaired.

Risks Related To an Investment in Our ESOARS

You May Lose Some or All of Your Investment

Any investment return realized by a holder of ESOARS will be affected by many factors that are out of our and your control. Some of these factors include:

- the amounts and timing of exercises, if any, of the reference options by our employee optionees;
- the vesting schedule of the reference options;
- the exercise price(s) of the reference options and other terms of the reference options;
- the modification of the exercise price(s) or other terms of the reference options;
- the trading price per share of our common stock in the public markets at the time of exercise, if any, of the reference options;
- the termination of an employee optionee s employment with us, whether that termination is at our election for cause or at the election of the employee, since the reference options are generally cancelled when an employee s employment with us ceases; and
- the death or disability of an employee optionee.

For example, if our common stock price in the public markets were below the exercise price(s) of the reference options in any period in which an employee optionee is eligible to and willing to exercise a reference option, the optionee would be unlikely to exercise the reference option because that would result in a purchase of our common stock at a price per share that is higher than the price that is available in the open market. In addition, if the option exercise period were to expire or the optionee were no longer eligible to exercise the reference option due to termination of employment, death, disability or other factors, the reference option would expire unexercised. In each

such case, the reference option would not yield any net realized value and no payments would be made to any ESOARS holder with respect to that reference option.

Summary information regarding the reference options are set forth in the section entitled Description of Reference Options on page S-25 of this prospectus supplement. Information regarding our business and financial results may be found in our Annual Report on Form 10-K for our fiscal year ended December 31, 2005, our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2006 and our other filings that we have made with the SEC. As a result of the interaction between the above-described and other factors, the actual return, if any, on our ESOARS may vary substantially over the life of the reference options. As a consequence, you may lose some or all of your investment.

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You Will Not Receive Any Payments With Respect To the ESOARS Until July 2007, If At All

The reference options are subject to a three-year vesting schedule, which will prevent any employee from exercising any reference options until May 1, 2007. Absent special circumstances such as an unforeseen modification of reference options, holders of ESOARS will not receive any payments with respect to their ESOARS until the payment date in July 2007 at the earliest. The reference options will not fully vest until May 1, 2009, so the number of reference options that may be exercised prior to that date is restricted by the vesting schedule. We cannot assure you that you will ever receive payments as an ESOARS holder even with respect to vested reference options, since payments on the ESOARS will ordinarily be generated only as a result of actual exercises of the reference options by our employees.

The ESOARS Will Not Be Listed; There is No Secondary Market for Our ESOARS

Our ESOARS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the ESOARS. If a secondary market does develop, there is no assurance that it will be sustained. Even if there is a secondary market, it may not provide enough liquidity to allow you to easily trade or sell the ESOARS. We do not expect that market makers will participate significantly in a secondary market, if any, for the ESOARS.

Nature of the Reference Options

Some articles and research reports have been written on rates of return for employee stock options similar to the reference options, and we have provided specified historical information regarding exercises of our stock options in the section entitled Historical Stock Option Exercise Data beginning on page S-26 of this prospectus supplement. Nonetheless, the ESOARS are a novel financial instrument for which, to our knowledge, there is no source for relevant data or standardized method of measuring the anticipated return with regard to the ESOARS or the reference options. Furthermore, the past performance of our stock options is not necessarily indicative of their future performance. Because the characteristics and behaviors of the employees comprising each pool of employees varies, you should not rely on the historical information thereof in this prospectus supplement as an indicator of the behavior of the employees who have been granted the reference options. You should be aware that our ESOARS are a new and novel type of financial product with no performance history. You should therefore consider and determine for yourself the likely amount and timing of returns on our ESOARS during the life of the reference options.

You Will Have No Stockholder Rights

Investing in our ESOARS is not equivalent to investing in us. The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options. As an investor in our ESOARS, you will not have voting rights, rights to receive dividends or other distributions, or any other rights generally understood to be incidental to ownership of our equity securities, except as expressly set forth in this prospectus supplement with respect to our ESOARS.

The U.S. Federal Tax Characterization of Our ESOARS is Uncertain

There are no cases, Treasury regulations, revenue rulings or other binding authorities that directly address the U.S. federal income tax characterization of our ESOARS or of securities with terms substantially the same as those of our ESOARS. Therefore, the proper U.S. federal tax characterization of, and method of reporting income and loss with respect to, our ESOARS is uncertain. In the absence of guidance, we intend to file information returns with the Internal Revenue Service reporting income with respect to our ESOARS under a method analogous to the method applicable to income with respect to cash-settled call options. However, other U.S. federal income tax characterizations of, and methods of reporting payments on, our ESOARS are possible. If these other characterizations

or methods applied, they could materially adversely affect the amount, timing and character of income or loss that is properly reportable with respect to our ESOARS, as compared to the method reported by us. In addition, we intend to take the position that payments on our ESOARS that are made to non-U.S. investors are subject to a 30 percent U.S. withholding tax, unless the non-U.S. investor establishes an exemption. Therefore, our ESOARS may not be an appropriate investment for non-U.S. investors. Because of the uncertainty of treatment of income and loss with respect to our ESOARS, we urge prospective

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investors to consult their own tax advisers as to the proper classification and reporting of income and loss with respect to our ESOARS for U.S. federal income tax purposes. See Material United States Federal Income Tax Consequences beginning on page S-45 of this prospectus supplement.

Conflicts of Interest

We or one or more of our affiliates may engage in trading activities, including securities offerings of shares of our common stock, or other activities, including business restructurings, that involve termination of service of one or more of our employees who are holders of reference options, or involve repricings or modifications of the reference options. These activities may not necessarily be in your best interests. Any of these activities may negatively affect the value of, and returns on, our ESOARS. We do not have, and we specifically disclaim, any duty or obligation to act in the best interests of holders.

Risks Related to the Auction Process

Once You Submit a Bid, You May Generally Not Revoke It

Once you have submitted and confirmed a bid, you may not subsequently lower your bid price or lower the number of ESOARS Units 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 the number of ESOARS originally bid for, you will nonetheless be bound by that bid.

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 our ESOARS 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 The Auction Process Allocation beginning on page S-19 of this prospectus supplement.

You Will Not Be Able to Withdraw Your Deposit in Specified Circumstances

Some prospective investors may be required to post a deposit. The deposit is meant to protect the integrity of the valuation of our ESOARS obtained through the auction. It helps to ensure that bids will not be counted towards valuation of our ESOARS without payment. Once you have placed a bid and, in any event, once the auction has begun, your deposit will be irrevocable, pending the closing of the auction and the allocation of our ESOARS.

You May Receive a Full Allocation of Our ESOARS Units That You Bid For if Your Bid Is Successful; Therefore, You Should Not Bid For More ESOARS Than You Are Prepared To Purchase

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

Even If You Submit a Bid That Equals or Exceeds the Market-Clearing Price, You May Not Be Allocated the Full Number of ESOARS Units That You Bid For

We will determine the initial public offering price for our ESOARS sold in this offering through an auction conducted by Zions Direct, our auction agent. The auction process will reveal a market-clearing, or stop, price for our ESOARS offered in this offering. The market-clearing, or stop, price is the highest price at which all of the ESOARS Units offered hereby will be sold to bidders. For an explanation of the meaning of the market-clearing, or stop, price, see The Auction Process Market-Clearing Price beginning on page S-18 of this prospectus supplement. If your bid price equals the market-clearing, or stop, price, you will be allocated ESOARS Units only to the extent that ESOARS have not been allocated to bidders with higher bid prices. If there are two or more bids with bid prices that equal the market-clearing, or stop, price,

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then the ESOARS Units that have not been allocated to bidders with higher bid prices will be allocated on a *pro rata* basis to those bidders.

You Should Not Expect To Sell Your ESOARS Units After the Conclusion of This Offering And the Allocation of Our ESOARS

As we mentioned above, the auction process will reveal a market-clearing, or stop, price for our ESOARS offered in this offering. However, this clearing price may bear little or no relationship to market demand for our ESOARS following this offering, or the price at which the ESOARS may be sold. If there is little or no market demand for our ESOARS following the closing of the auction, the price of our ESOARS may decline. If your objective is to make a short-term profit by selling your ESOARS after the conclusion of the auction, you should not submit a bid in the auction. See the risk factor above entitled The ESOARS Will Not Be Listed; There is No Secondary Market for Our ESOARS.

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USE OF PROCEEDS

We estimate that we will receive approximately $340,075 from the sale of the ESOARS Units offered hereby, after deducting offering expenses. We intend to use the net cash proceeds from this offering for general corporate purposes.

DESCRIPTION OF OUR ESOARS

In this prospectus supplement, all references to payments or notices to you or to a holder or holders mean payments or notices to DTC or its nominee, in either case as the registered holder of the ESOARS, and not those persons or entities that held beneficial interests in the ESOARS. For more information regarding DTC and book-entry securities, see the section entitled Legal Ownership and Book-Entry Issuance beginning on page S-49 of this prospectus supplement. You will own a beneficial interest in our ESOARS if you hold ESOARS through direct or indirect participants in DTC. Owners of beneficial interests in our ESOARS should read the section entitled Legal Ownership and Book-Entry Issuance beginning on page S-49 of this prospectus supplement.

General

We will issue the Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2006, directly to investors. The ESOARS are securities that entitle holders to receive specified payments from us upon the exercise, if any, from time to time of stock options comprising a reference pool of stock options that we have granted to our employees. We call our stock options that comprise this reference pool our reference options. Some characteristics of the reference options are described in the section entitled Description of Reference Options.

The ESOARS will be issued only in fully-registered book-entry form.

Upon the exercise, if any, from time to time by our employees of our reference options, holders of our ESOARS will be entitled to receive payments as described below in Payments; Reports and Notices.

The ESOARS represent our payment obligation but do not represent any ownership interest in us or in any of the reference options.

Purpose of the Offering

We are offering our ESOARS in part to provide a market basis which may be used to help us estimate the fair value of our reference options and determine our compensation expense with respect to the issuance of the reference options, as required under Statement of Financial Accounting Standards No. 123R, Share Based Payment, issued by the FASB.

Determination of Offering Price; Allocation

The price and allocation of our ESOARS was determined through an auction process in which prospective investors bid for our ESOARS. The public offering price of our ESOARS, as determined by the auction, is $7.50 per ESOARS Unit. See the section entitled The Auction Process beginning on page S-13 of this prospectus supplement.

Payments; Reports and Notices

We will from time to time deposit with Zions First National Bank, as our paying agent, an aggregate amount equal to 10% of the net realized value upon the exercise, if any, of reference options. We will make each deposit on or before

the fifth business day of the month following the end of each calendar quarter, commencing on or about July 6, 2007. Zions First National Bank will then make *pro rata* payments to each holder of our ESOARS on or before the 15th day of that month (or, if any such day is not a business day, then on the next business day). We expect that such periodic payments will commence on or about July 16, 2007. However, we will also make payments as described below in Modification of Reference Options.

Each date that the paying agent makes a payment with respect to the ESOARS is referred to in this prospectus supplement as a payment date.

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Payments from time to time will be equal to an aggregate of 10% of the net realized value upon the exercise, if any, of reference options from the period (any such period, a payment period):

beginning on the first day of each calendar quarter (or in the case of the first payment period, beginning on April 1, 2007, and

ending on and including the last day of such calendar quarter.

The net realized value for a particular payment period means the amount, if any, by which:

the trading price per share of our common stock on The Nasdaq National Market (or other national stock exchange on which our common stock is then traded) at the applicable time of exercise of the reference option, exceeds

the exercise price of the applicable reference option,

multiplied by:

the number of shares of our common stock as to which such reference options were exercised.

Each holder will be entitled to receive on each payment date its *pro rata* share of 10% of the net realized value for the related payment date, based upon such holder s ownership share of all ESOARS sold hereunder.

No later than 15 days after a given payment date, we will deliver to each holder a report relating to payments made on the applicable payment date. The report will set forth, with respect to the applicable payment period, information such as:

the number of reference options exercised during the preceding quarter;

the exercise price(s) at which the reference options were exercised;

the number of reference options forfeited, if any, upon the termination of any optionee s employment with us; and

the calculation of the payment with respect to each ESOARS Unit.

Mergers and Similar Transactions Permitted; No Control Rights

We are permitted to merge or consolidate with, or sell all or substantially all of our assets to, another corporation or other entity, or engage in any other transactions. If at any time we merge or consolidate with, or sell all or substantially all of our assets to another corporation or other entity, the successor entity may assume our obligations with respect to the ESOARS. We will then be relieved of any further obligation with respect to the ESOARS. In addition, subject to applicable law and the terms of our stock option plans and any stock option agreements covering the reference options, we and an acquirer of us or all or substantially all of our assets may determine to terminate or modify the reference options. In such case, we will appoint an independent valuation agent to determine the cancellation value of the modified or terminated reference options. We will then pay or cause to be paid 10% of the cancellation value to holders of the ESOARS.

Holders will not have any control or other rights with respect to our employees who were granted reference options, including any control as to whether or not such employee optionees exercise any reference options.

Modification of Reference Options

If one or more reference options is modified in a manner that would be treated as an exchange pursuant to paragraph 51 of FASB Statement No. 123R, Share-Based Payment, then we will pay to holders an aggregate amount equal to 10% of the cancellation value of the modified reference option(s). We expect that we will make a deposit on or before the fifth business day of the month following the end of each calendar quarter in which a qualifying modification occurs, for the appropriate amount payable to holders. We further expect that payment will occur on or before the 15th day of the month (or, if any such day is not a business day, then on the next business day) following the end of the calendar quarter in which such cancellation occurred. The cancellation value will be determined by an independent valuation agent appointed by us. In general,

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paragraph 51 of FASB Statement No. 123R provides that a modification of the terms and conditions of a stock option will be treated as an exchange of the original option for a new option.

The reference options will also be considered to be modified and we will follow the procedures contained in the immediately preceding paragraph with respect to determination and payment of cancellation value, upon the occurrence of specified events, including without limitation:

the cancellation of any or all of the reference options pursuant to Section 2.5 of our 2005 Stock Option and Incentive Plan;

a liquidation, dissolution or winding up of us;

any consolidation or merger of us with or into any other corporation or other entity, or any other corporate reorganization in which our stockholders immediately prior to such consolidation, merger or reorganization own less than 50% of the surviving entity s voting power immediately after such consolidation, merger or reorganization; and

a sale or other disposition to a third party of all or substantially all of our assets.

Amendment

The ESOARS may be amended or supplemented, and any existing default or non-compliance with any provision of the ESOARS may be waived, with the consent of persons holding at least a majority of the ESOARS then outstanding. Subject to the terms and conditions contained herein, our rights and obligations under the ESOARS may be transferred or assigned by us at our option.

Governing Law

The ESOARS will be governed by the laws of the State of New York.

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THE AUCTION PROCESS

The method of distribution that we used in this offering was an auction, which was conducted by Zions Direct, Inc., our auction agent. The public offering price for our ESOARS and the allocation thereof were determined by the auction process. The auction was modeled after that used by the United States Treasury Department, with some notable differences, some of which are described below. The auction was held on the website www.esoars.com, which also contained the rules that governed the auction. The following describes how our auction agent conducted the auction.

Date, Time and Location of Auction

The auction opened at 9:30 a.m., E.D.T., on June 28, 2006 and closed at 4:15 p.m., E.D.T., on June 29, 2006. The auction was hosted on the internet website www.esoars.com.

Early qualified bidders were allowed to place bids prior to the opening of the auction as described below in Early Bids.

Qualification of Bidders; Suitability

Our objective was to conduct an auction in which bidders submitted informed bids. Before bidders could submit a bid, they had to be approved by our auction agent or us.

Institutions that wanted to bid for our ESOARS may have been required to submit certain financial statements. Our auction agent established proposed payment arrangements with each institution. Individuals who wanted to bid for our ESOARS had to:

have or open a brokerage account with Zions Direct;

make a deposit for the full amount that they intended to bid; or

receive a waiver of the brokerage account and deposit requirements.

See Deposit below.

Our auction agent or we made a suitability determination with respect to each prospective bidder. If a bidder had an account with Zions Direct, we encouraged that bidder to discuss with Zions Direct any questions that that bidder may have had regarding its eligibility criteria and requirements, because this could have affected that bidder s ability to submit a bid.

We cautioned bidders that our ESOARS may not be a suitable investment for them even if they qualified to participate in the auction. Moreover, even if bidders qualified to participate in the auction and placed a bid, bidders may not have received an allocation of ESOARS in our offering for a number of reasons described below.

No employees of Zions Direct, our auction agent, were allowed to participate in the auction. Additionally, specified employees of us and some of our other affiliates were not allowed to participate in the auction. Some of these employees included specified executive officers, our stock option plan administrators, anyone involved in the creation and structuring of our ESOARS, and employees involved in the auction process.

Registration

A prospective ESOARS bidder had to register electronically at www.esoars.com no later than 5:00 p.m., E.D.T., on June 26, 2006. A prospective bidder registered by:

providing all of the information required by the Bidder Registration Form found at www.esoars.com, and

submitting that fully-completed form to our auction agent through www.esoars.com by 5:00 p.m., E.D.T., on June 26, 2006.

During the registration process, each prospective bidder obtained a bidder ID and password. However, the prospective bidder was still required to be approved by our auction agent or us to bid for our ESOARS.

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Prospective bidders that were approved to participate in the auction used this bidder ID and password to access the bid page on www.esoars.com and to submit bids in the auction. Prospective bidders that were not approved to participate in the auction received an error message if they attempted to access the bid page on www.esoars.com.

Late Registration

Bidders were allowed to submit a Bidder Registration Form after 5:00 p.m., E.D.T., on June 26, 2006, and prior to 9:30 a.m., E.D.T., on June 28, 2006, but we could not assure bidders that we or our auction agent could or would process any of these late registrations, notify late prospective bidders of our acceptance or rejection of their registrations, or allow such late prospective bidders to bid in the auction. If bidders wanted to be sure that we considered them for bidding in this auction, they had to register before 5:00 p.m., E.D.T., on June 26, 2006.

Qualification

As stated above, registration on the www.esoars.com site did not by itself qualify a prospective bidder to bid in the auction. Individuals and institutions registered at www.esoars.com were still required to be approved by our auction agent or us as to suitability. Registered prospective bidders were notified soon after registration of their status as either approved or declined. Approved bidders were assigned a maximum bid amount, as described in Maximum Bid Amount below.

A prospective bidder was not obligated to submit a bid in the auction simply because that bidder had registered to bid in the auction. By registering to bid in the auction, a prospective bidder represented and warranted to us that such bidder s bid was to be submitted for and on behalf of such prospective bidder by himself, herself or itself, as applicable, or by an officer or agent who would be duly authorized to bind the prospective bidder to a legal, valid and enforceable contract with respect to the bid for, and purchase of, our ESOARS.

Maximum Bid Amount

Individuals and institutions registered at www.esoars.com and approved by our auction agent or us as to suitability were able to participate in the auction. As part of our suitability determinations, our auction agent or we established a maximum bid amount for each bidder.

In order to ensure a broad participation in this offering, we or our auction agent assigned to each bidder a maximum amount that bidder was able to place with respect to each individual bid placed. We call this amount the maximum bid amount. A bidder s maximum bid amount in no event exceeded $350,000. We reserved the right in our sole discretion to set a lower maximum bid amount for any bidder. A bidder was not allowed to place a bid that exceeded that bidder s maximum bid amount.

Each of our, or any of our affiliates , permitted directors, officers or employees who were eligible and who elected to participate in the auction were assigned a maximum bid amount of not more than $10,000 in this offering.

Institutional bidders may have been required to submit specified financial information in order to establish maximum bid amounts and suitability. After an institutional bidder had registered to participate in the auction, our auction agent or we contacted that institutional bidder to request any other pertinent information that our auction agent or we required to establish the maximum bid amount and suitability of such bidder.

Deposit

We and our auction agent waived all deposit requirements.

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Confirmation of Bidder Registration

We confirmed by e-mail a prospective bidder s eligibility to bid in the auction, no later than 5:00 p.m., E.D.T., on June 27, 2006, if such prospective bidder had timely registered to participate in the auction. See Registration. We did not consider a prospective bidder for approval to bid until:

- our auction agent had received that prospective bidder s fully-completed Bidder Registration Form;
- the fully-completed Bidder Registration Form was acceptable to our auction agent; and
- the prospective bidder had delivered the required credit information or deposit as described above in Deposit.

Our auction agent notified timely prospective bidders by e-mail of their eligibility to participate in the auction no later 5:00 p.m., E.D.T., on June 27, 2006. A prospective bidder that had questions about its registration status or that did not receive any notification by e-mail was able to contact our auction agent by telephone at (800) 554-1688.

Each approved prospective bidder was able to access the auction beginning at 9:30 a.m., E.D.T., on June 28, 2006, using the bidder ID and password obtained at registration. Prospective bidders that did not qualify to participate in the auction received an error message if they attempted to access the auction through www.esoars.com.

Each qualified prospective bidder was solely responsible for making necessary arrangements to access www.esoars.com for purposes of submitting its bid in a timely manner and in compliance with the requirements described in this prospectus supplement.

Bidding Auction Process; Irrevocability of Bids

The auction opened at 9:30 a.m., E.D.T., on June 28, 2006 and closed at 4:15 p.m., E.D.T. on June 29, 2006. Bids had to be submitted electronically at www.esoars.com, except as described below in Early Bids. Each prospective bidder was solely responsible for registering to bid at www.esoars.com as described above.

Bidders were not able to bid in the auction unless they had:

- registered on www.esoars.com, and
- received approval from our auction agent or us.

The minimum size of a bid was one whole ESOARS Unit. Bidders were not allowed to bid for fractional units. We reserved the right in our sole discretion to reject any bid that we deemed to be manipulative, mistaken or made due to a misunderstanding of our ESOARS on the part of the bidder. We reserved this right in order to preserve the integrity of the auction process.

A bidder s bid was generally binding on that bidder once that bidder submitted and confirmed that bid. Unless a bidder changed a bid to increase the resulting net value of that bidder s bid as described below, that bidder was not thereafter able to retract or cancel that bid. Once a bidder had posted and confirmed a bid, that bidder could not then lower the bid price or lower the number of ESOARS Units bid for. A bidder was able to only:

- increase the number of ESOARS Units that bidder was interested in purchasing;

increase the bid price per ESOARS Unit that that bidder was willing to pay; or

both.

Each bidder could have placed up to five separate, concurrent bids, each independent of the other. Each bid could have been made for different numbers of ESOARS Units and for different bid prices. A bidder was not able to place an individual bid that exceeded that bidder s maximum bid amount. That means that a bidder who had one active bid was able to bid up to his maximum bid amount in that one bid. However, a bidder who had, for example, three active bids was able to bid up to his maximum bid amount for each individual

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bid. However, the bid of a bidder who had placed multiple bids was deemed to be in the money only to the extent that the aggregate value of the multiple bids was less than or equal to that bidder s maximum bid amount. In short, while a bidder could have placed multiple bids, each up to that bidder s maximum bid amount, the most ESOARS Units that an in the money bidder could have been allocated was that number of ESOARS Units that that bidder s maximum bid amount would purchase.

The highest maximum bid amount that we allowed any bidder to bid in a single bid was $350,000, although we reserved the right in our sole discretion to set a maximum bid amount for any bidder at any lesser amount.

Each separate bid could have been modified as described above in order to increase the number of ESOARS Units bid for or to increase the bid price, or both. There was no limit to the number of times that a bidder could have improved an individual bid. A modification of one bid did not modify any other bid. Because each bid was independent of any other bid, each bid may have resulted in an allocation of ESOARS Units; consequently, the sum of a bidder s bid sizes were no more than the total number of ESOARS Units the bidder was willing to purchase.

Once the auction began, all prospective investors that had qualified to bid could submit bids only through www.esoars.com.

In connection with submitting a bid, each bidder was required to log on to www.esoars.com and submit the following information:

- state the number of ESOARS Units that bidder was interested in purchasing;
- state the purchase price per ESOARS Unit that bidder was willing to pay;
- review the bid to ensure accuracy, then confirm that bid; and
- provide any additional information to enable our auction agent and us to identify that bidder, confirm eligibility and suitability for participating in our offering and, if that bidder submitted a successful bid, consummate the sale of our ESOARS Units allocated to that bidder.

We urged prospective investors to consider all the information in this prospectus supplement and the accompanying base prospectus in determining whether to submit a bid; the number of ESOARS Units they were interested in purchasing; and the price per ESOARS Unit that they were willing to pay.

Once a bidder:

- placed a bid on www.esoars.com, and
- confirmed that bid on www.esoars.com,

that bid constituted an irrevocable offer to purchase our ESOARS Units (except as set forth immediately above in this subsection), on the terms provided for in the bid.

For purposes of the electronic bidding process at www.esoars.com, the time as maintained on www.esoars.com constituted the official time of a bid. Bidders were able to monitor the status of their bid as described more fully below. Bids submitted on www.esoars.com had to be received by us before 4:15 p.m., E.D.T., on June 29, 2006, which was when the auction ended.

While the auction platform had been subjected to stress testing to confirm its functionality and ability to handle numerous bidders, it was impossible for us to predict the response of the investing public to this offering. Bidders were made aware that if enough bidders tried to access the platform and submit bids simultaneously, there might be a delay in receiving and/or processing their bids. Bidders were made aware that auction website capacity limits might prevent last-minute bids from being received by the auction website and should plan their bidding strategy accordingly. We made no guarantee that any submitted bid would be received, processed and accepted during the auction process.

The auction was modeled after that used by the United States Treasury, with some notable differences. The auction was an open auction, with bidders being updated on the status of their bids relative to other

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bidders, as described in this paragraph. At no point, however, did bidders have access to other bidders actual bids or other bidders identities. After submission and confirmation of bid quantity and price, the www.esoars.com web page indicated whether that bid was at that time in a winning position, or in the money. If a bid was in the money at a particular time during the auction, that meant that, if the auction ended at that particular time, the in the money portion of that bidder s bid would have been accepted. In order for a bid to be accepted, a bid must have been in the money at the close of the auction. In order to monitor the progress of the auction, bidders may have needed to manually refresh the bid page to see whether their status had changed. This process continued until the end of the auction, at which point our auction agent and we reviewed the submitted bids and determined the auction winners and allocations. See Risk Factors Risks Related to the Auction Process beginning on page S-8 of this prospectus supplement.

Neither we nor our auction agent had any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither we nor our auction agent were responsible for a bidder s failure to register to bid or for proper operation of www.esoars.com, or had any liability for any delays or interruptions of, or any damages caused by, www.esoars.com.

Early Bids

As a convenience to bidders, we accepted early bids from qualified bidders, within the registration and bidding parameters described herein. We accepted early bids that we received prior to 8:00 a.m., E.D.T., on June 28, 2006. Bidders could have submitted an early bid by facsimile, e-mail or mail as follows:

facsimile at (801) 524-0824;

e-mail sent to info@esoars.com; or

mail sent to Zions Direct, Attention: ESOARS, One South Main, 17th Floor, Salt Lake City, Utah 84111.

Each bid submitted as provided in the preceding sentence must have either been written on an Early Bid Submission Form, which bidders could have either downloaded from www.esoars.com or which bidders could have requested that we send by facsimile or e-mail, and must have included:

the bidder s bidder ID and password;

the number of ESOARS Units bid for;

the proposed purchase price of each ESOARS Unit bid for; and

the bid total purchase price of the ESOARS Units bid for.

All of the terms and conditions of the auction described in this prospectus supplement applied to eligible bidders who submitted early bids. In particular, if a bidder submitted an early bid, it was deemed submitted and confirmed at the time that a bidder actually submitted the early bid, notwithstanding that a bidder may have, for example, wanted to revoke its early bid before the opening of the auction. Bidders were able to amend their early bid only as permitted above in Bidding Auction Process; Irrevocability of Bids.

If a bidder submitted an early bid before that bidder was qualified to participate in the auction, that bidder s bid may not have been processed. We entered early bids on behalf of early bidders as soon as practicable after the opening of the auction. We did not assume any responsibility or liability from the failure of any facsimile, e-mail or mail

transmission (whether such failure arose from equipment failure, communications failure or otherwise). We did not assume any responsibility for or liability from our or our auction agent s failure to accurately submit an early bid in the auction on behalf of early bidders. To ensure that an early bidder s bid was accurately placed, that early bidder was urged to submit its bid on www.esoars.com during the auction.

Market-Clearing Price

The market-clearing, or stop, price for our ESOARS was the highest price at which all of the ESOARS Units offered hereunder were sold. We determined this price by moving down the list of accepted bids in

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descending order of bid price until the total quantity of ESOARS Units bid for was greater than or equal to the 93,610 ESOARS Units being offered hereunder.

For example, assume that 100,000 ESOARS Units were being offered and that the following bidders bid as follows:

Bidder	ESOARS Units Represented by Bid	Bid Price
A	50,000	$100.00
B	50,000	$75.00
C	50,000	$50.00

In this example, $100.00 is not the market-clearing, or stop, price because only 50,000 of the ESOARS Units offered could be sold at that price. Furthermore, $50.00 is not the market-clearing, or stop, price because, although all of the ESOARS Units being offered are sold for prices over $50.00, this is not the highest price at which all of the ESOARS Units offered could be sold. Instead, all of the ESOARS Units being offered in this example will be sold at the higher price of $75.00. Therefore, $75.00 is the market-clearing, or stop, price in this example.

All of ESOARS Units were sold at the market-clearing, or stop, price (similar to the United States Treasury auction). Therefore, in the example above, all of the ESOARS Units sold, even those that were bid for at $100.00, would have been sold for $75.00. We cautioned investors that the market-clearing, or stop, 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, or stop, price of our ESOARS.

Allocation

Once the market-clearing, or stop, price of our ESOARS was determined, our auction agent began the allocation process. Bidders bidding above the market-clearing price were allocated the entire quantity of in-the-money ESOARS Units for which they bid; however, in no event was a bidder allowed to purchase more than that bidder s maximum bid amount. In the event that multiple bidders bid at the market-clearing, or stop, price and the total quantity of ESOARS for which they bid exceeded the number of available ESOARS Units not allocated to higher bidders, the auction agent would have determined the *pro rata* percentage of the remaining ESOARS Units to be allocated to such bidders by dividing:

the number of ESOARS Units not previously allocated to higher bidders, by

the total number of ESOARS Units bid for at the market-clearing, or stop, price.

The auction agent would have then allocated to each such bidder a number of the remaining ESOARS Units equal to:

the *pro rata* percentage, multiplied by

the number of ESOARS Units bid for by each such bidder at the market-clearing, or stop, price,

rounded up to the nearest whole number of ESOARS Units.

For example, assume again that 100,000 ESOARS Units were being offered, and that the following bidders again bid as follows:

Bidder	ESOARS Units Represented by Bid	Bid Price
A	50,000	$100.00
B	50,000	$75.00
C	50,000	$75.00

In this example, $75.00 is the market-clearing, or stop, price because it is the highest price at which all of the ESOARS Units offered could be sold. Therefore, Bidder A is allocated all 50,000 ESOARS Units bid

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for. This leaves 50,000 ESOARS Units to be allocated to the bidders that bid at the market-clearing, or stop, price. However, Bidder B and Bidder C bid for an aggregate of 100,000 ESOARS Units. Therefore, the remaining 50,000 ESOARS Units are allocated on a *pro rata* basis to Bidder B and Bidder C. In this example, because Bidder B and Bidder C bid identically, each is allocated 25,000 ESOARS Units. This scenario is an example only and should not be considered indicative of an appropriate or likely market-clearing, or stop, price of our ESOARS.

In the event that a single bidder bid at the market-clearing price but the available quantity was less than that for which the bidder bid, the bidder received the available quantity. If an allocation of our ESOARS Units to a bidder would have resulted in the issuance of a fractional ESOARS Unit to that bidder, then we rounded up to a whole ESOARS Unit.

We reserved the right to alter the method of allocation of the ESOARS Units in exceptional circumstances as we deemed necessary to ensure a fair and orderly distribution.

Results of Auction and Bid Acceptance

Bidders were allowed to view the results of the auction on www.esoars.com. The auction agent has accepted successful bids by sending an electronic notice of acceptance to successful bidders. Bidders were previously informed that bidders who submit successful bids are obligated to purchase the ESOARS Units allocated to them, regardless of whether they are aware that the electronic notice of acceptance has been sent.

Settlement

We expect that settlement will take place three business days following the conclusion of the auction and the allocation of our ESOARS. Institutional investors will submit payments to our auction agent by wire transfer. Zions Direct account holders may pay through their Zions Direct account at Pershing LLC. Individual investors who were not Zions Direct account holders will submit payments to our auction agent via a payment method previously agreed to by each investor and our auction agent prior to the auction.

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ZIONS BANCORPORATION 2005 STOCK OPTION AND INCENTIVE PLAN

We issued each of the reference options pursuant to our 2005 Stock Option and Incentive Plan dated effective as of May 6, 2005 (the Incentive Plan). We filed a copy of our Incentive Plan as Exhibit 4.7 to our Registration Statement on Form S-8, which we filed with the SEC on May 6, 2005. We have attached a copy of our Incentive Plan as Annex B of this prospectus supplement. We also filed a copy of our Standard Stock Option Award Agreement (the Standard Option Agreement) as Exhibit 10.5 to our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2005, which we filed with the SEC on May 6, 2005. We have attached a copy of our Standard Option Agreement as Annex C of this prospectus supplement. We issued substantially all of our reference options pursuant to the terms and conditions contained in the Standard Option Agreement.

The following description is only a summary of the material relevant provisions of our 2005 Stock Option and Incentive Plan. It does not restate the Incentive Plan in its entirety. This summary, as well as any other discussion of our Incentive Plan and our reference options grants in this prospectus supplement, is qualified by reference to the text of the Incentive Plan and the Standard Option Agreement. We urge you to read the Incentive Plan and the Standard Option Agreement, because they, and not this description or any other discussion in this prospectus supplement, define the terms under which an employee optionee may exercise a reference option.

Summary of Our 2005 Stock Option And Incentive Plan

Purpose. The purpose of the Incentive Plan is to promote our long-term success by providing an incentive for the officers, employees and directors of, and consultants and advisors to, us and our affiliates to acquire a proprietary interest in our success; to remain in our service or the service of our affiliates; and to render superior performance during such service.

Administration. The Incentive Plan is administered by the executive compensation committee of our board of directors or a subcommittee thereof (the Committee). The Committee has the authority to:

construe, interpret and implement the Incentive Plan;

prescribe, amend and rescind rules and regulations relating to the Incentive Plan;

make all determinations necessary or advisable in administering the Incentive Plan;

correct any defect, supply any omission and reconcile any inconsistency in the Incentive Plan;

amend the Incentive Plan to reflect changes in applicable law;

determine whether awards may be settled in shares of our common stock, cash or other property;

determine whether amounts payable under an award should be deferred; and

make other determinations and take other actions relative to the Incentive Plan.

The determination of the Committee on all matters relating to the Incentive Plan or any award agreement is final and binding.

Eligibility. Acting and prospective directors, officers and employees of, and consultants and advisors to, us and our affiliates, as selected by the Committee in its discretion, are eligible to participate in the Incentive Plan.

Approximately 8,000 of our directors, officers, and employees are eligible to participate; however, because the Incentive Plan provides for broad discretion in selecting grantees and in making awards, we cannot determine the total number of persons who may participate and the respective benefits to be accorded to them.

Shares of Common Stock Available for Issuance Through the Incentive Plan. Up to 8,900,000 shares of our common stock are authorized for issuance through the Incentive Plan, all of which are available for issuance pursuant to incentive stock options. Only 936,024 shares of our common stock are subject to

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reference options. Shares of our common stock may be issued under the Incentive Plan from authorized but unissued shares of our common stock or authorized and issued shares of our common stock held in our treasury or otherwise acquired for the purposes of the Incentive Plan.

Provisions in our Incentive Plan permit the reuse or reissuance of shares of our common stock underlying forfeited, terminated or canceled awards of stock-based compensation. If awards or underlying shares of our common stock are tendered or withheld as payment for the exercise price of an award, then we may not reuse or issue, or otherwise treat as available under our Incentive Plan, the shares of our common stock. Any shares of our common stock delivered by us, any shares of common stock with respect to which awards under the Incentive Plan are made by us and any shares of common stock with respect to which we become obligated to make awards, through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, are not counted against the shares available for awards under the Incentive Plan.

The Committee has the authority to adjust the terms of any outstanding awards and the number of shares of our common stock issuable under our Incentive Plan for any increase or decrease in the number of issued shares of common stock resulting from a stock split, reverse stock split, stock dividend, recapitalization, rights offering, combination or reclassification of the common shares, or other events affecting our capitalization.

Stock Options. The Committee has discretion to award to eligible employees:

incentive stock options (ISOs), which are intended to comply with Section 422 of the Code, or

nonqualified stock options, which are not intended to comply with Section 422 of the Code.

The Committee determines the number of shares of our common stock covered by the applicable option and the exercise period and exercise price of such option. However, the exercise period may not exceed 10 years and the exercise price may not be less than the fair market value of a share of our common stock on the date the option is granted. The Committee has discretion to set such additional limitations, conditions and provisions on or relating to option grants as it deems appropriate.

Upon the exercise of an option granted under our Incentive Plan, the exercise price is payable in full to us either:

in cash or its equivalent;

by delivery of shares of our common stock having a fair market value at the time of exercise equal to all or a part of exercise price (provided such shares have been held for at least six months prior to their tender); or

any other method approved by the Committee in its discretion.

Grantees of an option award generally will not have any of the rights of our shareholders with respect to shares subject to their award until the issuance of the shares.

Performance Goals. The Committee may grant awards under the Incentive Plan subject to the attainment of specified performance goals. The performance goals applicable to an award may provide for a targeted or measured level or levels of achievement or change using one or more of the following measures:

revenue;

earnings per share;

net income;

return on assets;

return on equity;

stock price;

economic profit or shareholder value added; and

total shareholder return.

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Termination of Employment and Change in Control. The Incentive Plan determines the extent to which a grantee will have the right to exercise or obtain the benefits of an award or underlying shares following termination of the grantee s employment or service by or for us or the service or our affiliates or upon a change in control of us, unless modified by the Committee with respect to an award.

The Incentive Plan provides that, unless the Committee determines otherwise at the time of an award, upon a change in control of us, the exercisability of, and the lapse of restrictions with respect to, the award will be accelerated, the exercise period, if any, of the award will be extended and, if so determined by the Committee, the award may be cashed out. The termination and change in control provisions need not be uniform among all grantees and may reflect distinctions based on the reasons for termination of employment or service by or for us or the service or our affiliates.

Adjustments and Amendments. The Incentive Plan provides for appropriate adjustments in the number and nature of shares of our common stock subject to awards and available for future awards and in the exercise price of options in the event of changes in our issued and outstanding common stock by reason of a merger, stock split or other specified events.

The Committee may amend the Incentive Plan at any time and for any purpose that the Committee deems appropriate. However, no amendment may adversely affect any outstanding awards in a material way without the affected holder s consent, except in specified circumstances.

No Repricing or Reloads. Options issued under our Incentive Plan may not be repriced without the approval of our shareholders. The plan does not allow reload options to be issued upon exercise of outstanding options.

Nontransferability. Unless the Committee determines otherwise in specified circumstances, no award (including options) granted pursuant to, and no right to payment under, our Incentive Plan will be assignable or transferable by a grantee except by will or by the laws of descent and distribution, and any option or similar right will be exercisable during a grantee s lifetime only by the grantee or by the grantee s legal representative.

Duration of the Incentive Plan. Unless earlier terminated by our board of directors, our Incentive Plan will terminate on the tenth anniversary of adoption of the plan by our board of directors; provided, however, that the terms of our Incentive Plan will continue to govern until all then-outstanding options granted thereunder have been satisfied or terminated pursuant to the terms of the Incentive Plan, and all restricted periods and performance periods have lapsed.

Federal Income Tax Consequences to Employees With Respect to Stock Options

Incentive Stock Options. A grantee will not be subject to tax upon the grant of an ISO, or upon the exercise of an ISO. However, the excess of the fair market value of the shares of our common stock on the date of exercise over the exercise price paid will be included in the grantee s alternative minimum taxable income. Whether a grantee is subject to the alternative minimum tax will depend on his or her particular circumstances. Following exercise of an ISO, if a grantee disposes of the shares of our common stock acquired upon exercise of an option on or after the later of:

the second anniversary of the date of grant of the ISO, and

the first anniversary of the date of exercise of the ISO (the statutory holding period),

then the grantee will recognize a capital gain or loss in an amount equal to the difference between the amount realized on such disposition and the grantee s basis in the shares. If the grantee disposes of those shares before the end of the statutory holding period, he or she will have engaged in a disqualifying disposition. As a result, the disposition will be

subject to tax:

- on the excess of the fair market value of the shares on the date of exercise (or the amount realized on the disqualifying disposition, if less) over the exercise price paid, as ordinary income, and

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on the excess, if any, of the amount realized on such disqualifying disposition over the fair market value of the shares on the date of exercise, as capital gain.

If the amount a grantee realizes from a disqualifying disposition is less than the exercise price paid and the loss sustained upon such disposition would otherwise be recognized, the grantee will not recognize any ordinary income from such disqualifying disposition and instead will recognize a capital loss. In the event of a disqualifying disposition, the amount recognized by the grantee as ordinary income is generally deductible by us. We are currently not obligated to withhold income or other employment taxes upon a disqualifying disposition of an ISO.

Nonstatutory Stock Options. A grantee will not be subject to tax upon the grant of an option which is not intended to be (or does not qualify as) an ISO (a nonstatutory stock option). Upon exercise of a nonstatutory stock option, an amount equal to the excess of the fair market value of the shares acquired on the date of exercise over the exercise price paid is taxable to the grantee as ordinary income, and such amount is generally deductible by us. This amount of income will be subject to income tax and employment tax withholding.

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DESCRIPTION OF REFERENCE OPTIONS

Our board of directors approved the reference options on May 1, 2006. The board approved the granting of 960,000 options, of which 936,024 were granted. The exercise price of $81.15 per share was set at the market closing price on May 1, 2006. One-third of the reference options vest on the grant date anniversary in each of the first three years. There are no other vesting conditions. The vesting conditions are identical for all reference options. The reference options expire seven years after the grant date, on April 30, 2013.

Some of the granted options will be classified as incentive stock options, with the remainder classified as non-qualified options. In general, incentive and non-qualified differ as to their tax consequences for the option grantee. Other than the classification of our reference options as incentive or non-qualified options, the reference options are identical. There are no differences in terms, including vesting, termination or cancellation.

The Standard Option Agreement, under which we issued substantially all of the reference options, generally provides that the reference options will terminate immediately upon:

the employee s termination of his or her employment with us for any reason, or

our termination of that employee s employment for cause.

The following table shows the allocation of the reference options among employee groups. Executives refers primarily to our Chief Executive Officer, Chief Financial Officer, Chief Executive Officers of our affiliate banks and Executive Vice Presidents. Upper-level Managers primarily refers to non-executive managers having a change in control provision in their employment contract. Mid-level Managers & Other Top Performers includes all other employees receiving options.

	Number of Employees	**Number of Reference Options Granted**
Executives	43	648,191
Upper-level Managers	48	199,495
Mid-level Managers & Other Top Performers	30	88,338
Total	**121**	**936,024**

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HISTORICAL STOCK OPTION EXERCISE DATA

The tables, charts and graphs shown on the following pages are select summaries of our past large option grants and the exercise behavior of our employee recipients of those options. The data from which these select summaries are derived is available at www.esoars.com. The information and materials found on that website are not part of this prospectus supplement and are not incorporated by reference into this prospectus supplement. While we have attempted to summarize this data in a useful way, you should determine its usefulness for yourself. Also, you may determine that alternative analyses of the data are more useful.

Our option grants and incentive option plans have varied in material ways over time. The composition of the group of employees in terms of specific individuals and rank and/or title of individuals has also varied over time. For example, prior to 2005, we granted a larger number of stock options, to more varied groups of employees. To illustrate, we have granted:

1,473,270 stock options in 2001;

1,577,550 stock options in 2002;

1,463,450 stock options in 2003; and

1,699,750 stock options in 2004.

However, we granted only:

741,941 stock options in 2005, and

936,024 stock options in 2006.

The number of individuals to whom we have issued stock options has also recently declined. The following shows the number of persons to whom we have granted stock options grants for the past three years:

for 2004, 879 individuals;

for 2005, 102 individuals, all members of senior management; and

for 2006, 121 individuals, all members of senior management.

Also in 2005, we granted shares of restricted stock to 615 employees, mostly in middle management. In 2006, we granted shares of restricted stock to 888 employees, mostly in middle management.

The pattern of exercise of the reference options may differ significantly from that of options granted in years 2004 and earlier, as the composition of the employee group receiving options changed significantly.

The ratio of incentive stock options and non-qualified stock options has also varied over time. Additionally, the terms of our option plans have varied over time with respect to, among other things, vesting, expiration date and employment termination conditions. Because of these and other differences between our previous options grants and the May 1, 2006 grant of the reference options, you should consider this past exercise behavior as general background

information only. You should not consider that it is necessarily indicative of future exercise behavior, nor should you necessarily rely on it for precise analysis.

The option grants summarized below represent summaries of the large options grants that we have made annually to select employees. From time to time throughout each year, we have also made additional, smaller options grants largely to newly-hired employees. We do not reflect these additional, smaller options grants in the tables, charts and graphs below. In 2000, we made two sizeable options grants, summaries for each of which we have provided below.

The summary for each grant contains brief information about the key vesting conditions and the length of time until expiration. You can find additional details regarding the option terms by reading our previous form option award agreements and stock option plans under which we have granted the options described in this section, which we have filed with the SEC. See Where You Can Find More Information on page iv of this prospectus supplement.

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Grant Summary Table. The Grant Summary table for each year (or, in the case of 2004, for the applicable grant date) contains summary information regarding the grant date, grant type, number of options granted, grant price, the number of options exercised and the number of options canceled. The Grant Date is the date on which our board of directors approved the granting of the options. The table shows that there are typically two grant types, namely incentive and non-qualified. (In general, the types of options differ in their tax consequences to the option grantee.)

The Grant Price is the exercise, or strike, price of the options granted and is equal to the closing market price of our common stock on the date of the option grant. The number of options exercised is equal to the number of the granted options exercised, and in the case of option grants that have not expired, it is the number exercised through April 20, 2006. Canceled options represent options that were not exercised (in the case of grants that have expired) or options that will not be exercised (in the case of options that have not expired). Typically, canceled options result upon termination of employment. Holders of ESOARS will not receive any payments with respect to any reference options that are cancelled as a result of the termination of an employee s employment with us.

Exercise by Year Table. The Exercise by Year table for each year (or, in the case of 2004, for the applicable grant date) contains year-by-year summary information regarding the number of options exercised, the weighted average price at which they were exercised, the dollar value realized from the exercises and the cumulative percentage of options exercised. The number of options exercised represents the options exercised during the calendar year. Note that due to vesting provisions and the expiration of the options on the option grant date anniversary, exercises will not occur throughout the entirety of the calendar year in the initial and final calendar year of the period during which the reference options may be exercised. We computed the figures in the Weighted Average Market Value at Exercise column by:

multiplying each option exercised in a given year by the price at which it was exercised;

summing all such products for all of the exercises in the calendar year; and

dividing that sum by:

the number of options exercised during said calendar year.

We obtained the figures in the Dollar Value Realized column by multiplying, for each option exercise:

the number of options exercised

by the difference between:

the price at which they were exercised, and

the grant price (also known as the exercise or strike price).

We arrived at the figures in the Cumulative % Exercised column for a given year by taking:

the sum of all options exercised in that year and prior years,

divided by:

the total number of options that we granted.

Cumulative Exercise Graph. The Cumulative Exercise graph for each year (or, in the case of 2004, for the applicable grant date) contains the cumulative options exercised over time, as well as the cumulative dollar value realized over time. The graphs start with the first anniversary of the grant date, which is the first date at which options may be exercised, and end with the expiration of the option period. We created the graph for the cumulative percentage of stock options exercised by plotting the numbers derived by dividing:

the cumulative options exercised for each day covered by the graph, and

dividing by:

the total number of options granted.

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We created the graph for cumulative dollar value realized by plotting the cumulative dollar value realized for each day covered by the graph. We obtained the amount of dollar value realized by multiplying for each option exercise:

the number of options exercised,

by the difference between:

the price at which those options were exercised, and

the grant price (also known as the exercise, or strike, price).

The cumulative dollar value realized is the sum of the dollar value realized starting with the first anniversary of the option grant up to the day represented by each point in the graph. For grants that have not yet expired, the scale for cumulative dollar value realized is chosen to scale the graph approximately in line with the cumulative percent exercised and should not be interpreted as indicative of the final cumulative value that will be realized. The final cumulative value that will be realized with respect to unexpired grants is unknowable and uncertain.

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Zions Bancorporation March 18, 1994 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
3/18/1994	Incentive	397,000	$9.94	364,996	32,004
Plan Totals		**397,000**		**364,996**	**32,004**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
1995	17,988	$14.36	$79,523	4.5%
1996	43,696	$20.30	$452,702	15.5%
1997	85,430	$32.78	$1,950,829	37.1%
1998	101,213	$50.32	$4,086,678	62.6%
1999	79,273	$63.46	$4,242,491	82.5%
2000	37,396	$48.03	$1,424,380	91.9%
Total	**364,996**		**$12,236,602**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation April 28, 1995 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/28/1995	Incentive	276,863	$10.66	260,083	16,780
4/28/1995	Non-Qualified	837	$10.66	837	0
Plan Totals		**277,700**		**260,920**	**16,780**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
1996	14,792	$19.96	$137,621	5.3%
1997	33,128	$33.57	$758,957	17.3%
1998	55,300	$50.58	$2,207,844	37.2%
1999	76,464	$63.04	$4,005,034	64.7%
2000	38,932	$44.73	$1,326,378	78.7%
2001	42,304	$53.20	$1,799,401	94.0%
Total	**260,920**		**$10,235,235**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation March 8, 1996 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
3/8/1996	Incentive	330,286	$18.13	297,522	32,764
3/8/1996	Non-Qualified	18,414	$18.13	18,414	0
Plan Totals		**348,700**		**315,936**	**32,764**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
1997	20,732	$35.05	$350,763	5.9%
1998	52,405	$50.78	$1,710,853	21.0%
1999	60,741	$63.08	$2,730,358	38.4%
2000	45,367	$47.67	$1,340,075	51.4%
2001	54,893	$53.23	$1,926,983	67.1%
2002	81,798	$51.69	$2,744,823	90.6%
Total	**315,936**		**$10,803,854**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation March 21, 1997 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
3/21/1997	Incentive	359,451	$31.00	308,435	51,016
3/21/1997	Non-Qualified	96,649	$31.00	96,649	0
Plan Totals		**456,100**		**405,084**	**51,016**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
1998	29,811	$51.81	$620,475	6.5%
1999	50,801	$63.63	$1,657,426	17.7%
2000	26,501	$49.76	$497,257	23.5%
2001	76,100	$55.11	$1,834,524	40.2%
2002	73,722	$50.92	$1,468,443	56.3%
2003	148,149	$41.72	$1,588,215	88.8%
Total	**405,084**		**$7,666,340**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation March 24, 1998 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/24/1998	Incentive	440,369	$48.50	299,373	140,996
4/24/1998	Non-Qualified	184,356	$48.50	162,009	22,347
Plan Totals		**624,725**		**461,382**	**163,343**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
1999	19,148	$63.14	$280,383	3.1%
2000	5,311	$55.64	$37,907	3.9%
2001	57,644	$56.77	$476,595	13.1%
2002	35,598	$55.07	$234,027	18.8%
2003	127,250	$58.18	$1,231,706	39.2%
2004	216,431	$57.73	$1,998,545	73.9%
Total	**461,382**		**$4,259,163**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation April 23, 1999 Option Grant

Grant Terms

Vesting	Vest 25% after each of first four years
Term	Expire after 6 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/23/1999	Incentive	489,508	$69.13	25,362	464,146
4/23/1999	Non-Qualified	257,242	$69.13	3,388	253,854
Plan Totals		**746,750**		**28,750**	**718,000**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2000	0	n/a	$0	0.0%
2001	0	n/a	$0	0.0%
2002	0	n/a	$0	0.0%
2003	0	n/a	$0	0.0%
2004	0	n/a	$0	0.0%
2005	28,750	$69.99	$24,817	3.9%
Total	**28,750**		**$24,817**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation March 31, 2000 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
3/31/2000	Incentive	541,902	$41.63	388,379	98,951
3/31/2000	Non-Qualified	405,598	$41.63	283,759	55,525
Plan Totals		**947,500**		**672,138**	**154,476**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2001	49,144	$55.72	$692,907	5.2%
2002	81,606	$55.74	$1,151,915	13.8%
2003	219,646	$56.57	$3,281,856	37.0%
2004	161,142	$61.62	$3,222,213	54.0%
2005	138,234	$71.65	$4,149,930	68.6%
2006	22,366	$79.28	$842,233	70.9%
2007				
Total	**672,138**		**$13,341,053**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation May 26, 2000 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
5/26/2000	Incentive	235,800	$44.94	153,760	48,666
5/26/2000	Non-Qualified	116,450	$44.94	72,579	13,456
Plan Totals		**352,250**		**226,339**	**62,122**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2001	13,339	$56.72	$157,129	3.8%
2002	28,386	$54.89	$282,633	11.8%
2003	83,642	$56.81	$993,150	35.6%
2004	63,565	$61.41	$1,047,166	53.6%
2005	31,682	$70.19	$800,086	62.6%
2006	5,725	$80.01	$200,765	64.3%
2007				
Total	**226,339**		**$3,480,929**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation April 20, 2001 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/20/2001	Incentive	867,180	$54.35	490,872	201,953
4/20/2001	Non-Qualified	606,090	$54.35	284,043	111,383
Plan Totals		**1,473,270**		**774,915**	**313,336**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2002	2,648	$55.88	$4,039	0.2%
2003	90,827	$59.72	$487,349	6.3%
2004	348,693	$62.91	$2,986,146	30.0%
2005	245,027	$70.57	$3,973,886	46.6%
2006	87,720	$79.96	$2,246,742	52.6%
2007				
2008				
Total	**774,915**		**$9,698,162**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation April 26, 2002 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/26/2002	Incentive	909,896	$53.72	479,598	171,756
4/26/2002	Non-Qualified	667,654	$53.72	297,368	47,105
Plan Totals		**1,577,550**		**776,966**	**218,861**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2003	64,510	$60.43	$432,709	4.1%
2004	258,272	$62.71	$2,322,646	20.5%
2005	370,094	$70.90	$6,356,924	43.9%
2006	84,090	$80.24	$2,230,252	49.3%
2007				
2008				
2009				
Total	**776,966**		**$11,342,531**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation January 22, 2003 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
1/22/2003	Incentive	919,416	$42.00	454,751	145,411
1/22/2003	Non-Qualified	544,034	$42.00	234,409	27,496
Plan Totals		**1,463,450**		**689,160**	**172,907**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2004	220,278	$61.11	$4,209,737	15.1%
2005	294,362	$69.59	$8,121,154	35.2%
2006	174,520	$79.94	$6,622,028	47.1%
2007				
2008				
2009				
2010				
Total	**689,160**		**$18,952,918**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation April 30, 2004 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
4/30/2004	Incentive	949,029	$56.59	121,160	89,857
4/30/2004	Non-Qualified	750,721	$56.59	118,591	24,189
Plan Totals		**1,699,750**		**239,751**	**114,046**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2005	192,083	$71.57	$2,878,023	11.3%
2006	47,668	$80.22	$1,126,604	14.1%
2007				
2008				
2009				
2010				
2011				
Total	**239,751**		**$4,004,627**	

Cumulative % Exercised and $ Value Realized

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Zions Bancorporation May 6, 2005 Option Grant

Grant Terms

Vesting	Vest one-third after each of first three years
Term	Expire after 7 years

Grant Summary

Grant Date	Grant Type	Granted	Grant Price	Exercised	Canceled
5/6/2005	Incentive	153,712	$70.79	0	5,806
5/6/2005	Non-Qualified	588,229	$70.79	0	542
Plan Totals		**741,941**		**0**	**6,348**

Exercise by Year

Year	Number Exercised	Weighted Average Market Value at Exercise	$ Value Realized	Cumulative % Exercised
2006				
2007				
2008				
2009				
2010				
2011				
2012				
Total	**0**		**$0**	

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VALUATION OF RECENT STOCK OPTION GRANTS

Historically, we have accounted for our share-based compensation, including our stock options, under Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees.* Under APB 25, we have not recorded any compensation expense with respect to stock options granted prior to 2006, as the exercise price of the options was equal to the quoted market price of our common stock on the date of grant.

In December 2004, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation.* Under SFAS No. 123R, we are required to recognize compensation expense associated with our employee stock option grants for all employee stock options granted on or after January 1, 2006.

SFAS No. 123R generally recognizes three approaches to stock option valuation:

a closed-form model such as the Black-Scholes option-pricing formula;

the binomial (lattice) method; and

market-based valuation.

We expect to value our reference options principally on the basis of the Black-Scholes method. We believe that the Black-Scholes method is currently the most widely-used method of stock option valuation, and we have determined that it is the most appropriate method for our financial reporting purposes, pending the development of an acceptable market-based approach. Our ESOARS are designed to provide a basis for market-based valuation of stock options. We believe a market-based approach, such as that intended to be demonstrated by this offering of ESOARS, may ultimately provide a viable, if not superior, alternative to the Black-Scholes and binomial methods for valuing stock options.

Under SFAS No. 148, *Accounting for Stock-Based Compensation Transition and Disclosure*, we are required to calculate and report in the footnotes to our financial statements the impact on our net income that would have occurred if we had applied the provisions of SFAS No. 123 to share-based payments in the past three years. In making these determinations, we have estimated the fair value of our option grants using the Black-Scholes option-pricing model.

The Black-Scholes model estimates the value of a stock option using various assumptions. The more significant assumptions used to apply this model include:

a weighted average risk-free interest rate;

a weighted average expected life;

an expected dividend yield; and

an expected volatility.

Use of these assumptions is subjective and requires judgment. Using the Black-Scholes model, we have reported in the footnotes to our financial statements that the *pro forma* share-based compensation expense of our stock options granted in the years listed below, for all stock options awarded during those years, net of related tax effects, is as

follows:

Year of Stock Options Grant	Pro Forma Share-Based Compensation Expense
2003	$15,395,000
2004	$12,503,000
2005	$9,793,000

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The following table summarizes the weighted average of fair value and the assumptions used in applying the Black-Scholes option-pricing model to compute the fair value of share-based compensation expense for our stock options granted in the years indicated:

	2005	2004	2003
Weighted average of fair value for options granted	$15.33	$11.85	$$9.05
Weighted average assumption used:			
Expected dividend yield	2.0%	2.0%	1.9%
Expected volatility	25.0%	26.8%	28.0%
Risk-free interest rate	3.95%	3.11%	2.38%
Expected life (in years)	4.1	3.8	3.8

Presented under the section Historical Stock Option Exercise Data in this prospectus supplement is information regarding specified historical option grants. In particular, grant and exercise information regarding only some of our large annual grants is presented in that section. In contrast, the information presented above in this section and reported in our financial statements pertains to all stock options granted during each year represented.

The following table is included for reference only and contains the weighted average grant price (or strike or exercise price) for all stock options granted in the respective years:

Year	Total Options Granted	Weighted Average Grant Price
2003	1,640,550	$42.76
2004	1,766,250	$56.92
2005	863,041	$71.45

It is important to note that under SFAS No. 123R, option-based compensation expense is computed by adjusting the option valuation for the expected number of options that will be forfeited prior to vesting. Investors in ESOARS should consider both the valuation of the reference options granted as well as the number of options that will be exercised by our employees, because payments, if any, to holders of ESOARS are determined not only by our stock price movements, which the option valuation attempts to capture, but also by the actual exercise of the reference options by employees. The Black-Scholes fair values shown above do not factor in the possibility that not all granted options will be exercised due to forfeiture, cancellation, termination, failure to exercise, etc.

Under SFAS No. 123R, we are also required to estimate the pre-vesting forfeiture rate of our granted options in order to estimate our share-based compensation expense. The pre-vesting forfeiture rate is used to adjust the option value for the fact that some options will not be exercised when an employee s employment is terminated and the options are cancelled as a result. We then adjust this estimate over the vesting period to reconcile the original estimate to our actual experience. While this adjustment will be reflected in the amount of compensation expense we record, it will not affect ESOARS payments directly. ESOARS payments, if any, will be affected directly, however, by employee terminations and resulting option forfeitures. Our estimated pre-vesting forfeiture rates for the reference options are presented in the following table.

Grant Type	Estimated Pre-vesting Forfeiture rate
Incentive	18.5%

Non-qualified	11.0%

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For additional information regarding the calculation of our share-based compensation expense using the Black-Scholes method, see the section entitled Share-Based Compensation on pages 36 and 37 of the Annual Report on Form 10-K for our fiscal year ended December 31, 2005, and Note 1 of the Notes to Consolidated Financial Statements also included in that Annual Report on Form 10-K.

There are many approaches to valuing stock options recognized by financial analysts in addition to those described above. Each method has its perceived strengths and weaknesses, and most rely on subjective judgments and the application of various assumptions that may or may not reflect the actual performance of stock options and relevant markets. Prospective investors are urged to make their own judgments and determinations as to the future performance of the reference options and the ESOARS in deciding whether to bid for the ESOARS and, if so, at what price.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material United States federal income tax consequences as of the date hereof expected to be applicable to the purchase, ownership and disposition of our ESOARS by U.S. Holders (as defined below), other than those in special situations or subject to special U.S. federal income tax rules. Except to the extent specified herein, any discussion herein of matters of U.S. federal income tax law or legal conclusions under U.S. federal income tax law constitutes the opinion of our counsel, Mayer, Brown, Rowe & Maw LLP.

Except where noted herein, this discussion addresses only ESOARS held as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the Code). Under section 1221 of the Code, a capital asset is, generally speaking, property that you hold for investment purposes. In addition, as noted above, this discussion does not address consequences that may apply to an investment in our ESOARS by investors in special situations or that are subject to special U.S. federal income tax rules. In particular, special U.S. federal income tax considerations may apply to an investment in our ESOARS by investors that are dealers or traders in securities, banks, tax-exempt investors, insurance companies, partnerships and other pass-through entities, non-resident alien individuals, non-U.S. corporations, other non-U.S. investors, and investors that have a functional currency other than the U.S. dollar. In addition, this summary does not describe any U.S. tax consequences of the purchase, ownership or disposition of our ESOARS arising under the laws of any state, locality or taxing jurisdiction other than the United States federal government. In general, this summary assumes that a holder acquires our ESOARS at original issuance and does not hold our ESOARS as part of a hedge, straddle or conversion transaction within the meaning of section 1258 of the Code, or other integrated investment constituting of one or more ESOARS Units and one or more other positions.

This summary is based on the United States tax laws, regulations, rulings, judicial and administrative decisions, and other authorities in effect or available on the date of this Prospectus Supplement. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of our ESOARS are urged to consult their own tax advisors as to U.S. federal income tax consequences in light of their particular situations of the purchase, ownership and disposition of our ESOARS, including the possible application of state, local, non-U.S. or other tax laws.

As used herein, the term U.S. Holder means a beneficial owner of our ESOARS who is, or is treated for U.S. federal income tax purposes as, a citizen or resident of the United States, a corporation or other entity created in or organized under the laws of the United States, or an estate or trust (other than a foreign estate or a foreign trust, each as defined in the Code). If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ESOARS, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships considering the purchase of our ESOARS are urged to consult their own tax advisors regarding the potential consequences to their partners of an investment in our ESOARS.

U.S. Federal Income Tax Characterization of Our ESOARS

There are no cases, Treasury regulations, revenue rulings or other binding authorities that directly address the U.S. federal income tax characterization of our ESOARS or of securities with terms substantially the same as those of our ESOARS. Accordingly, our counsel, Mayer, Brown, Rowe & Maw LLP, is unable to render an opinion as to that characterization or as to the proper method of reporting income and loss with respect to our ESOARS. In the absence of guidance, we intend to file information returns with the Internal Revenue Service reporting income with respect to

our ESOARS under a method analogous to the method applicable to income with respect to cash-settled call options. However, the proper U.S. tax characterization of our ESOARS is uncertain, and therefore it is uncertain whether such method of reporting payments on our ESOARS would be proper. Other federal income tax characterizations of and methods of reporting payments on our ESOARS are possible, which if they applied could materially adversely affect the amount, timing and character of income or loss that is properly reportable with respect to our ESOARS as compared to the method reported by us. In

general, a U.S. taxpayer may rely only on formal written opinions meeting specific regulatory requirements in order to avoid imposition of U.S. federal tax penalties. This summary does not meet those requirements. Therefore, if an alternative treatment of our ESOARS applied, a U.S. Holder could be subject to U.S. federal tax penalties unless the holder obtained appropriate opinions from its own tax advisor and/or met certain other requirements.

Because of the uncertainty of treatment of income and loss in respect our ESOARS, prospective investors in our ESOARS are urged to consult their own tax advisers as to the proper classification and reporting of income and loss with respect to our ESOARS for U.S. federal income tax purposes.

Tax Treatment of U.S. Holders Under Cash-Settled Option Method

Payments

Under the method of reporting income that we will adopt for our ESOARS that is analogous to the method applicable to payments with respect to cash-settled call options, a U.S. Holder of our ESOARS would treat our ESOARS as a series of cash-settled call options exercisable by the holder for a portion of the number of shares of our common stock as relate to the reference options, but which call options are each exercisable for a particular share only upon the exercise by the relevant employee of the related stock option. Thus, each cash-settled call option embedded in an ESOARS Unit would be treated in a manner similar to a European style option that is exercisable only at a specific time.

Under this method, a U.S. Holder should be required to allocate the amount paid for our ESOARS as option premium paid with respect to each stock option represented by our ESOARS. Because all of the reference options have the same exercise price and term, if we are required to take a position as to the appropriate allocation of a U.S. Holder s purchase price, we intend to take the position that the holder s purchase price should be allocated ratably to each reference option represented by the holder s ESOARS on the basis of the number of shares of our common stock represented by such reference option. Under this method, on receipt of a payment of cash with respect to our ESOARS, a U.S. Holder should recognize gain equal to the amount of the payment less the portion of the purchase price paid for our ESOARS that was allocated to the related stock option that was deemed to have been exercised. In addition, the U.S. Holder generally should recognize a loss at the termination of the U.S. Holder s ESOARS in the amount of any remaining purchase price attributable to stock options represented by our ESOARS that were not deemed exercised during the term of the ESOARS.

Although the character of gain recognized with respect to a cash-settled call option on stock would normally be treated as capital gain, we expect it is more appropriate and intend to file information returns with the Internal Revenue Service reporting income and loss realized by a U.S. Holder with respect to our ESOARS as ordinary income and loss.

Sale, Exchange or Other Disposition of Our ESOARS

Under the method of reporting payments on our ESOARS analogous to the method applicable to payments with respect to cash-settled call options, a U.S. Holder would recognize gain or loss on the sale, exchange or other taxable disposition of our ESOARS in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder s remaining tax basis in the ESOARS at the time of disposition (i.e., the portion of the U.S. Holder s initial tax basis that was allocable to the stock options that remain unexercised at the time of the disposition). Such gain or loss should be capital gain or capital loss (and should be long-term capital gain or capital loss if the ESOARS were held for more than one year at the time of the disposition).

Alternative U.S. Federal Tax Characterizations of ESOARS

As stated above, our ESOARS may be properly characterized, and income and loss with respect to ESOARS may be properly reported, for U.S. federal income tax purposes under a different method. For example, income and loss with respect to our ESOARS may be properly reported under a method analogous to the method applicable to income and loss with respect to cash-settled forward contracts. Under such a method, the tax consequences for a U.S. Holder should generally be similar to the treatment of our ESOARS under the

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cash-settled call option method described above, although neither the proper recovery of the amount paid for our ESOARS nor the character of income or loss under this characterization is clear.

Although an argument could be made that our ESOARS should be treated as debt for U.S. federal tax purposes, we do not believe that ESOARS should be so treated because amounts to be paid with respect to our ESOARS are entirely contingent.

Similarly, we do not believe that our ESOARS should be treated as notional principal contracts (i.e., swaps) because they do not provide for periodic payments based on an index and a single notional amount. However, the Internal Revenue Service could assert that position.

Finally, in light of the absence of relevant authorities, it may be appropriate to report income and deductions with respect to our ESOARS under general rules for financial instruments for which applicable Treasury regulations do not prescribe specific rules. If so treated, a U.S. Holder may be entitled to use a wait-and-see approach to recognition of income. That is, the U.S. Holder should report income when payments are made on our ESOARS, and probably only after the payments exceed the amount paid for our ESOARS.

Other potential characterizations of our ESOARS and methods of reporting income and loss with respect to our ESOARS are possible. U.S. Holders are urged to consult their tax advisors regarding the potential application of these and other alternative methods of reporting income and loss with respect to our ESOARS.

United States Taxation of Non-U.S. Holders

As used herein, a Non-U.S. Holder is a beneficial owner of ESOARS that is neither a U.S. Holder nor a partnership, an entity treated for U.S. federal tax purposes as a partnership, or an entity organized in or under the laws of the United States, any State thereof or the District of Columbia.

It is not clear whether income or any payments with respect to ESOARS would be treated as fixed or determinable, annual or periodical gains, profits or income of the kind that is subject to U.S. withholding tax. In the absence of clear authority, we intend to withhold U.S. tax at a 30 percent rate from payments made on our ESOARS to a Non-U.S. Holder, unless

- the Non-U.S. Holder is eligible for benefits of an income tax treaty providing for an exemption from U.S. tax on such income and delivers to us or our paying agent a properly completed Internal Revenue Service Form W-8BEN establishing such exemption, or

- the income with respect to ESOARS is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder and the Non-U.S. Holder delivers to us or our paying agent a properly completed Internal Revenue Service Form W-8ECI certifying to such treatment.

Information Reporting and Backup Withholding

Generally, payments made on our ESOARS to a U.S. Holder, and the proceeds of a sale or other disposition of our ESOARS by a U.S. Holder, will be subject to information reporting requirements unless the U.S. Holder is a corporation or other exempt recipient. In addition, payments to U.S. Holders may be subject to backup withholding (currently at a rate of 28%) unless the U.S. Holder provides to us or our paying agent an Internal Revenue Service Form W-9 or otherwise establishes an exemption.

Information reporting requirements and backup withholding generally will not apply to payments made to a Non-U.S. Holder, provided that the Non-U.S. Holder certifies to its non-U.S. status (generally by providing to us or our paying agent a properly completed Internal Revenue Service Form W-8BEN) or otherwise establishes an exemption.

We strongly urge you to consult your own tax advisor with respect to all aspects of the United States federal, state, local and foreign tax treatment of the purchase, ownership and disposition of our ESOARS.

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CERTAIN ERISA CONSIDERATIONS

No ESOARS Unit may be purchased by or transferred to any employee benefit plan within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA, and including, without limitation, foreign or government plans) or by any plan described in Section 4975(e)(1) of the Code, or any entity whose underlying assets include plan assets of any of the foregoing (each, a Benefit Plan Investor). Any purported purchase or transfer of our ESOARS in violation of the foregoing restrictions shall be null and void *ab initio.* Each bidder who purchases the ESOARS will be deemed to have represented, warranted and acknowledged to us to such effect. No ESOARS Units may be transferred to a Benefit Plan Investor or an entity using Benefit Plan Investor assets. Each investor in an ESOARS Unit will be deemed to represent, warrant and covenant that it will not sell, pledge or otherwise transfer such security in violation of the foregoing.

LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in our ESOARS. Any such institution should consult its legal advisors in determining whether and to what extent there may be restrictions on its ability to invest in our ESOARS. Without limiting the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or any other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing our ESOARS.

We do not make any representation as to the proper characterization of the ESOARS for legal investment or other purposes, or as to the ability of particular investors to purchase our ESOARS for legal investment or other purposes, or as to the ability of particular investors to purchase our ESOARS under applicable investment restrictions. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of our ESOARS) may affect the liquidity of our ESOARS. Accordingly, all institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent our ESOARS are subject to investment, capital or other restrictions.

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LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE

We will issue the ESOARS in book-entry form only. This means that ESOARS will be represented by one or more fully-registered global certificates representing the entire issuance of ESOARS. The ESOARS will be deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC or the depositary, and will be registered in the name of Cede & Co., a nominee of DTC. Cede & Co. will be the only registered holder of the ESOARS.

Cede & Co. will be the only registered holder of the ESOARS. Consequently, because the ESOARS will be issued only in global form, we will recognize only DTC as the holder of the ESOARS and we will make all payments on the ESOARS to DTC. DTC will pass along the payments it receives to its participants, which in turn will pass the payments along to their customers who are the beneficial owners. DTC and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the ESOARS. You will not own ESOARS directly. Instead, you will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in DTC s book-entry system or holds an interest through a participant.

A global security will not be transferred to or registered in the name of anyone other than DTC or its nominee, unless special termination situations arise. We describe those situations below under Special Situations When a Global Security Will Be Terminated. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all ESOARS, and holders will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that does. Thus, you will not be a holder of the security, but only an indirect owner of a beneficial interest in the global security. In the event that termination of the global security occurs, we may issue the ESOARS through another book-entry clearing system or decide that the ESOARS may no longer be held through any book-entry clearing system.

Special Considerations for Global Securities

As an indirect owner, a holder s rights relating to a global security will be governed by the account rules of the depositary, those of the investor s financial institution (*e.g.*, Euroclear and Clearstream), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of securities and instead deal only with the depositary that holds the global security.

You should be aware of the following:

- you cannot cause the ESOARS to be registered in your own name, and cannot obtain non-global certificates for your interest in the ESOARS, except in the special situations we describe below;
- you will be an indirect holder and must look to your own bank or broker for payments on the ESOARS and protection of your legal rights relating to the ESOARS, as we describe above in this section;
- you may not be able to sell interests in the ESOARS to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;
- you may not be able to pledge your interest in a global security in circumstances where certificates representing the securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

the depositary s policies and those of any participant in the depositary s system or other intermediary (*e.g.,* Euroclear or Clearstream) through which that institution holds security interests, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to your interest in a global security. We will have no responsibility for any aspect of the depositary s policies or actions or records of ownership interests in a global security. We also do not supervise the depositary in any way;

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the depositary will require that those who purchase and sell interests in a global security within its book-entry system use immediately-available funds, and your broker or bank may require you to do so as well; and

financial institutions that participate in DTC s book-entry system and through which you hold your interest in a global security (including Euroclear and Clearstream) may also have their own policies affecting payments, notices and other matters relating to securities. For example, if you hold an interest in a global security through Euroclear or Clearstream, Euroclear or Clearstream, as applicable, will require those who purchase and sell interests in that security through them to use immediately-available funds and comply with other policies and procedures, including deadlines for giving instructions as to transactions that are to be effected on a particular day. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor, and are not responsible for, the policies or actions of any of those intermediaries.

Special Situations When a Global Security Will Be Terminated

In a few special situations described below, a global security will be terminated and interests in it will be exchanged for certificates in non-global form representing ESOARS Units. After that exchange, the choice of whether to hold your ESOARS directly or in street name will be up to you. You must consult your own bank or broker to find out how to have your interests in a global security transferred on termination to your own name, so that you will be a holder.

The special situations for termination of a global security are as follows:

DTC notifies us in writing that it is unwilling or unable to continue acting as the depositary, or DTC has ceased to be a clearing agency registered under the Exchange Act, and in either case we fail to appoint a successor depositary within 60 days after the date of such notice from DTC;

we determine that such global security should be exchanged for securities in definitive registered form representing ESOARS Units, and we deliver written notice to that effect to DTC; or

there has occurred and is continuing an event of default and our paying agent has received a written request from DTC to issue securities in definitive registered form representing ESOARS Units.

If a global security is terminated, only DTC, and not we, will be responsible for deciding the names of the institutions in whose names the securities represented by the global security will be registered and, therefore, who will be the holders of those securities.

LEGAL MATTERS

The validity of the ESOARS offered by this prospectus supplement and certain other matters will be passed upon for us by Mayer, Brown, Rowe & Maw LLP, Los Angeles, California. Mayer, Brown, Rowe & Maw LLP will rely upon the opinion of Callister Nebeker & McCullough, a Professional Corporation, Salt Lake City, Utah, as to matters of Utah law and Callister Nebeker & McCullough will rely upon the opinion of Mayer, Brown, Rowe & Maw LLP as to matters of New York law.

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, 2005 and management s assessment of the effectiveness of our internal control over financial reporting as of December 31, 2005, as set forth in their reports,

which are incorporated in this prospectus supplement by reference. Our consolidated financial statements and management s assessment are incorporated by reference in reliance on Ernst & Young LLP s reports given on their authority as experts in accounting and auditing.

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ANNEX A

FORM OF GLOBAL CERTIFICATE

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CUSIP 989701 20 6

93,610 UNITS

GLOBAL CERTIFICATE

ZIONS BANCORPORATION
EMPLOYEE STOCK OPTION APPRECIATION RIGHTS SECURITIES, SERIES 2006

evidencing the right to receive certain payments from Zions Bancorporation, a Utah corporation, upon the exercise from time to time of stock options comprising a reference pool of stock options to purchase common stock of the Company issued by the Company to certain of its employees (the options comprising this reference pool, the Reference Options). The Reference Options are listed and described in Exhibit A hereto.

Issue Date: July 5, 2006

First Payment Date:
July 15, 2007

Final Payment Date:
July 15, 2013

Issuing Agent, Paying Agent and Registrar:
Zions First National Bank

Certificate No. 1

[SEAL]

ZIONS BANCORPORATION

Name:
Title:

ZIONS FIRST NATIONAL BANK

Name:
Title:

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ZIONS BANCORPORATION
EMPLOYEE STOCK OPTION APPRECIATION RIGHTS SECURITIES, SERIES 2006

THIS GLOBAL CERTIFICATE DOES NOT REPRESENT AN INTEREST IN ZIONS BANCORPORATION, ANY OF ITS AFFILIATES OR ANY OF THE REFERENCE OPTIONS. NEITHER THIS CERTIFICATE NOR ANY PAYMENTS HEREUNDER ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR GUARANTEED BY ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR ANY OTHER PERSON.

THIS GLOBAL CERTIFICATE IS HELD BY THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (DTC), OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT: (I) AS A WHOLE BY DTC TO A NOMINEE OF DTC; (II) BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC; OR (III) BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY, ALL WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS THIS GLOBAL CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

This certifies that Cede & Co. is the registered owner of 93,610 units of Zions Bancorporation Employee Stock Option Appreciation Rights Securities, Series 2006 (the ESOARS, and each unit thereof, an ESOARS Unit), evidenced by this Global Certificate (this Certificate).

Section 1. Definitions. Unless otherwise defined herein, capitalized terms shall have the respective meanings set forth in this Section 1.

(a) Business Day means any day other than (i) a Saturday or Sunday, or (ii) a day on which commercial banks in each of New York, New York and, if applicable, the city in which the principal office of the Paying Agent is located are authorized or obligated by law or executive order to be closed.

(b) Certificate is defined in the introductory paragraph immediately above this Section 1.

(c) Company means Zions Bancorporation, a Utah corporation.

(d) Company Common Stock means the common stock of the Company, no par value per share.

(e) DTC means The Depository Trust Company.

(f) Event of Default means either of the following events:

(i) the failure to make any payment as set forth in Section 3 or Section 4 below when the same becomes due and payable, and such failure continues for a period of 30 days; or

(ii) the failure to comply with any other covenant contained herein, which failure continues for a period of 30 days after the Company receives written notice specifying the default (and demanding that such default be remedied) from the Holders of at least a majority of the ESOARS Units then outstanding.

(g) ESOARS and ESOARS Units are defined in the introductory paragraph immediately above this Section 1.

(h) Holder means any person or entity in whose name any ESOARS are registered, as determined as of the close of business on the applicable Record Date.

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(i) Independent Valuation Agent means any independent valuation agent designated by the Company.

(j) Liquidation Event is defined in Section 5.

(k) Net Realized Value means, for a particular Payment Period, (i) the amount, if any, by which (x) the trading price per share of Company Common Stock on The Nasdaq National Market (or other national stock exchange on which the Company Common Stock is then traded) at the time of exercise of a Reference Option, exceeds (y) the exercise price of such Reference Option, multiplied by (ii) the number of shares of Company Common Stock as to which such Reference Option was exercised on that date. If at the time of exercise, the Company Common Stock is not listed on The Nasdaq National Market or any other national stock exchange, the over-the-counter market or any other national securities exchange, the trading price per share of Company Common Stock referred to in the immediately preceding sentence shall be replaced with a fair market value per share of Company Common Stock as determined in good faith by the Company s board of directors or an Independent Valuation Agent.

(l) Paying Agent means Zions First National Bank, as Issuing Agent, Paying Agent and Registrar for the ESOARS.

(m) Payment Amount means, with respect a particular Payment Period, an amount equal to 10% of the applicable Net Realized Value for such Payment Period.

(n) Payment Date means the 15th day of the month (or, if such 15th day is not a business day, the business day immediately following) following the end of a calendar quarter, beginning on or about July 15, 2007 and terminating on or about July 15, 2013; provided, however, that in the event of any payment due to be made pursuant to Section 4 below, the term Payment Date means the 15th day of the month (or, if such 15th day is not a business day, the business day immediately following) following the end of the applicable calendar quarter in which a qualifying modification of Reference Options occurs.

(o) Payment Period means the period (i) beginning on the first day of each calendar quarter (or in the case of the initial Payment Date, beginning on April 1, 2007), and (ii) ending on and including the last day of such calendar quarter.

(p) Percentage Interest means, as to a particular Holder at any time, the percentage obtained by dividing (i) the number of ESOARS Units owned of record by such Holder, by (ii) the total number of ESOARS Units then outstanding.

(q) Physical Securities is defined in Section 8(a).

(r) Record Date means the last calendar day of the calendar quarter preceding the applicable Payment Date (or, if such day is not a Business Day, then on the next Business Day).

(s) Reference Options means the stock options of the Company comprising the reference pool of stock options to purchase Company Common Stock, which stock options have been issued by the Company to certain of its employees, as set forth on Exhibit A attached hereto.

(t) SFAS No. 123R is defined in Section 4.

Section 2. Issuing Agent, Paying Agent and Registrar. Initially, Zions First National Bank shall act as Issuing Agent, Paying Agent and Registrar. The Paying Agent shall keep a register of this Certificate and of its transfer and exchange. The Paying Agent shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and address of all Holders. The Company may change the Paying Agent without notice to any Holder. Any subsidiaries of the Company may act as Paying Agent or Registrar.

Section 3. Payments.

(a) The Company shall deposit with the Paying Agent the applicable Payment Amount, if any, on or before the fifth Business Day of each month following the end of each calendar quarter, commencing July 6, 2007, for payment to Holders pursuant to Section 3(b) below.

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(b) Commencing on the First Payment Date specified above, and provided that (i) distributions are then payable and (ii) the Company has funded or caused to be funded adequate funds for and with respect to a particular Payment Date for payment to the Holders pursuant to Section 3(a) above, the Paying Agent shall, on or before the Payment Date, pay to each Holder, from funds deposited with the Paying Agent by the Company pursuant to Section 3(a) above, such Holder s Percentage Interest of 10% of the Net Realized Value upon the exercise, if any, of Reference Options within the preceding Payment Period.

(c) All payments by the Paying Agent hereunder shall be by wire transfer in immediately-available funds to the account of the Holder entitled thereto at a bank or other entity having appropriate facilities therefor, if such Holder shall have provided the Paying Agent with wiring instructions no fewer than five Business Days prior to the Record Date for such payment (or, in the case of the payment on the First Payment Date, no later than July 1, 2007), or otherwise by check mailed to the address of such Holder appearing in the certificate register maintained by the Paying Agent.

(d) Except as set forth in Section 4 below, the ESOARS are limited in right of payment to the extent of exercises, if any, of Reference Options that create Net Realized Value. Any payment to a Holder hereunder is binding on such Holder and all future Holders and holders of any certificate issued upon the transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such payment is made upon this Certificate.

Section 4. Modification of Reference Options.

(a) If one or more Reference Options is canceled or is modified in a manner that would be treated as an exchange pursuant to paragraph 51 of FASB Statement No. 123R, Share-Based Payment (SFAS No. 123R), the Company shall notify the Independent Valuation Agent within five (5) Business Days of such modification. Within 10 Business Days following receipt of such written notification, the Independent Valuation Agent shall determine the cancellation value of the modified Reference Option(s) in accordance with SFAS No. 123R, and shall notify the Company and the Paying Agent in writing of the cancellation value thereof. The Independent Valuation Agent s determination of the cancellation value of the such Reference Option(s) shall be final and binding on all parties, absent manifest error. In the event that the Company determines that the Independent Valuation Agent s determination of the cancellation value is due to manifest error, then the Company and the Independent Valuation Agent shall attempt to resolve the issue as soon as commercially practicable, and shall promptly communicate to the Paying Agent any such resolution.

(b) Subsequent to determination (or final determination, as applicable) of the cancellation value of the applicable Reference Options(s) and written notice thereof pursuant to Section 4(a) above, the Company shall deposit with the Paying Agent an amount equal to 10% of the cancellation value of such modified Reference Option(s) as determined (or as finally determined, as applicable) in accordance with Section 4(a) above, on or before the fifth Business Day of the month following the end of the calendar quarter in which a qualifying modification of Reference Option(s) occurs, for payment to the Holders. The Paying Agent shall thereafter, on or before the 15th day of such month, pay to each Holder its Percentage Interest of 10% of the cancellation value of the modified Reference Option(s).

Section 5. Liquidation Events. Upon the occurrence of any of the following events (each such event, a Liquidation Event), the Reference Options shall be considered to be modified as described in Section 4(a) above, and the procedures contained in such Section 4(a) with respect to determination and payment of the applicable cancellation value shall be followed:

(a) a liquidation, dissolution or winding up of the Company;

(b) any consolidation or merger of the Company with or into any other corporation or other entity, or any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger

or reorganization, own less than 50% of the surviving entity s voting power immediately after such consolidation, merger or reorganization; or

(c) a sale or other disposition of all or substantially all of the assets of the Company to a third party.

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Section 6. Reports to Holders. No later than 15 days after each Payment Date, the Company shall deliver or cause to be delivered to each Holder a written report, as set forth in clauses (a) and (b) of this Section 6, relating to payments made on the applicable Payment Date.

(a) With respect to payments made pursuant to Section 3 above, the report shall set forth, with respect to the applicable Payment Period, information such as (i) the number of Reference Options exercised during the preceding quarter; (ii) the stock price at which the Reference Options were exercised; (iii) the number of Reference Options forfeited, if any, upon the termination of any optionee employee s employment with the Company; and (iv) the calculation of the distribution with respect to each ESOARS Unit.

(b) With respect to payments made pursuant to Section 4 above, the report shall set forth, with respect to the applicable Payment Period, information such as (i) the number of Reference Options deemed canceled or modified and qualifying as exchanged pursuant to paragraph 51 of SFAS No. 123R during the preceding quarter; (ii) the cancellation value thereof, as determined pursuant to Section 4(a); and (iii) the calculation of the distribution with respect to each ESOARS Unit.

Section 7. Transfer and Exchange of Beneficial Interests in the Certificate; Transfer Taxes. The transfer and exchange of beneficial interests in this Certificate shall be effected through DTC in accordance with its rules and procedures that apply to such transfer or exchange. No service charge will be imposed to a holder of any beneficial interest in this Certificate or to a Holder of this Certificate for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge that may be imposed in connection therewith.

Section 8. Issuance of Physical Securities; Transfer and Exchange of Certificate.

(a) Securities in definitive registered form representing ESOARS Units (Physical Securities) shall be transferred to all beneficial owners in exchange for their beneficial interests in this Certificate upon the occurrence of the following events:

(i) DTC delivers written notice to the Company that it is unwilling or unable to continue acting as the depositary, or DTC has ceased to be a clearing agency registered under the Securities Exchange Act of 1934, and in either case the Company fails to appoint a successor depositary within 60 days after the date of such notice from DTC; or

(ii) the Company in its sole discretion determines that that Certificate (in whole but not in part) should be exchanged for Physical Securities, and delivers written notice to that effect to DTC; or

(iii) there has occurred and is continuing an Event of Default and the Paying Agent has received a written request from DTC to issue Physical Securities.

(b) In connection with any transfer or exchange of a portion of the beneficial interest in the Certificate to beneficial owners pursuant to Section 8(a) above, such Certificate shall be deemed to be surrendered to the Paying Agent for cancellation and Physical Securities shall be issued to and in the names of such beneficial owners identified by DTC in writing to the Paying Agent and the Company, in exchange for its beneficial interest in the Certificate.

Section 9. Persons Deemed Owners. The registered Holder of this Certificate may be treated as its owner for all purposes.

Section 10. CUSIP Number. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused a CUSIP number to be printed on this Certificate. No

representation is made as to the accuracy of such number either as printed on this Certificate or as contained in any notice.

Section 11. Amendment, Supplement and Waiver. This Certificate may be amended or supplemented with the written consent of Holders of at least a majority of the ESOARS Units then outstanding, and any existing default or compliance with any provision hereof may be waived with the written consent of Holders of at least a majority of the ESOARS Units then outstanding.

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Section 12. Assignment by Company. The rights and obligations of the Company under this Certificate may be transferred or assigned by the Company in its sole discretion without the consent of any Holder.

Section 13. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given upon delivery if delivered by hand (against receipt), or as of the date of delivery as shown on the receipt if mailed at a post office in the United States by registered or certified mail, postage prepaid, return receipt requested, or as of the date of acknowledgment if transmitted by facsimile transmission or other telecommunication equipment, in any case addressed (A) if to the Company, to Zions Bancorporation, One South Main Street, Salt Lake City, UT 84111, attention Corporate Secretary, (B) if to the Holder, to the address of the Holder shown on the Certificate Register, (C) if to the Paying Agent, to such address as provided by the Paying Agent to the Company and the Holders in writing, or to such other address(es) as the Company, the Holders and the Paying Agent shall have designated each other in writing.

Section 14. Governing Law. **This Certificate shall be construed in accordance with the internal laws of the State of New York (including Section 5-1401 of the General Obligations Laws of New York, but otherwise without regard to conflicts of law principles), and the obligations, rights and remedies of the Holder hereof shall be determined in accordance with such laws.**

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EXHIBIT A

DESCRIPTION OF REFERENCE OPTIONS

[on file with Zions Bancorporation]

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SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL CERTIFICATE

The following exchanges of a part of this Global Certificate for an interest in another Global Certificate or for a Definitive Security, or exchanges of a part of another Global Certificate or Definitive Security for an interest in this Global Certificate, have been made:

Date of Exchange	Amount of Decrease in Number of ESOARS under this Global Certificate	Amount of Increase in Number of ESOARS under this Global Certificate	Number of ESOARS under this Global Certificate following such decrease (or increase)	Signature of authorized officer of Paying Agent
.				

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ASSIGNMENT FORM

For value received ___
does hereby sell, assign and transfer unto

Please insert Social Security Number or
other identifying number of assignee

Please print or type name and address,
including zip code, of assignee:

the within Global Certificate and does hereby irrevocably constitute and appoint ___Attorney to transfer the Global Certificate on the books of the Company with full power of substitution in the premises.

Date: ___

Your Signature: ___
(The signature to this assignment must correspond with the name as written upon the face of the within Global Certificate in every particular, without alteration or enlargement or any change whatsoever)

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ANNEX B

ZIONS BANCORPORATION 2005 STOCK PLAN OPTION AND INCENTIVE PLAN

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ZIONS BANCORPORATION

2005 STOCK OPTION AND INCENTIVE PLAN

ARTICLE I

GENERAL

1.1 *Purpose*

The purpose of the Zions Bancorporation 2005 Stock Option and Incentive Plan (the *Plan*) is to promote the long-term success of Zions Bancorporation (the *Company*) by providing an incentive for officers, employees and directors of, and consultants and advisors to, the Company and its Related Entities to acquire a proprietary interest in the success of the Company, to remain in the service of the Company and/or Related Entities, and to render superior performance during such service.

1.2 *Definitions of Certain Terms*

(a) *Award* means an award under the Plan as described in Section 1.5 and Article II.

(b) *Award Agreement* means a written agreement entered into between the Company and a Grantee in connection with an Award.

(c) *Board* means the Board of Directors of the Company.

(d) *Cause* Termination of Employment by the Company for Cause means, with respect to a Grantee and an Award, (i) except as provided otherwise in the applicable Award Agreement or as provided in clause (ii) below, Termination of Employment of the Grantee by the Company (A) upon Grantee s failure to substantially perform Grantee s duties with the Company or a Related Entity (other than any such failure resulting from death or Disability), (B) upon Grantee s failure to substantially follow and comply with the specific and lawful directives of the Board or any officer of the Company or a Related Entity to whom Grantee directly or indirectly reports, (C) upon Grantee s commission of an act of fraud or dishonesty resulting in actual or potential economic, financial or reputational injury to the Company or a Related Entity, (D) upon Grantee s engagement in illegal conduct, gross misconduct or an act of moral turpitude, (E) upon Grantee s violation of any written policy, guideline, code, handbook or similar document governing the conduct of directors, officers or employees of the Company or its Related Entities, or (F) upon Grantee s engagement in any other similar conduct or act determined by the Committee in its discretion to constitute cause ; or (ii) in the case of directors, officers or employees who at the time of the Termination of Employment are entitled to the benefits of a change in control, employment or similar agreement entered into by the Company or a Related Entity that defines or addresses termination for cause, termination for cause as defined and/or determined pursuant to such agreement. In the event that there is more than one such agreement, the Executive Compensation Committee shall determine which agreement shall govern.

(e) *Code* means the Internal Revenue Code of 1986, as amended.

(f) *Committee* means the Executive Compensation Committee (including any successor thereto) of the Board and shall consist of not less than two directors. However, if (i) a member of the Executive Compensation Committee is not an outside director within the meaning of Section 162(m) of the Code, is not a non-employee director within the meaning of Rule 16b-3 under the Exchange Act, or is not an independent director within the meaning of Nasdaq Market Rule 4350 (c), or (ii) the Executive Compensation Committee otherwise in its discretion determines, then the

Executive Compensation Committee may from time to time delegate some or all of its functions under the Plan to a subcommittee composed of members of the Executive Compensation Committee that, if relevant, meet the necessary requirements. The term Committee includes the Executive Compensation Committee or any such subcommittee, to the extent of the Executive Compensation Committee s delegation.

(g) *Common Stock* means the common stock of the Company.

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(h) *Disability* means, with respect to a Grantee and an Award, (i) except as provided in the applicable Award Agreement or as provided in clause (ii) below, disability as defined in the Company s long-term disability plan in which Grantee is participating; or (ii) in the case of directors, officers or employees who at the time of the Termination of Employment are entitled to the benefits of a change in control, employment or similar agreement entered into by the Company or a Related Entity that defines or addresses termination because of disability, disability as defined in such agreement. In the event that there is more than one such agreement, the Committee shall determine which agreement shall govern. Notwithstanding the foregoing, (A) in the case of an Incentive Stock Option, the term Disability for purposes of the preceding sentence shall have the meaning given to it by Section 422 (c)(6) of the Code and (B) to the extent an Award is subject to the provisions of Section 409A of the Code and in order for compensation provided under any Award to avoid the imposition of taxes under Section 409A of the Code, then a Grantee shall be determined to have suffered a Disability only if such Grantee is disabled within the meaning of Section 409A of the Code.

(i) *Exchange Act* means the Securities Exchange Act of 1934, as amended.

(j) The *Fair Market Value* of a share of Common Stock on any date shall be (i) the closing sale price per share of Common Stock during normal trading hours on the national securities exchange, association or other market on which the Common Stock is principally traded for such date or the last preceding date on which there was a sale of such Common Stock on such exchange, association or market, or (ii) if the shares of Common Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Common Stock during normal trading hours in such over-the-counter market for such date or the last preceding date on which there was a sale of such Common Stock in such market, or (iii) if the shares of Common Stock are not then listed on a national securities exchange, association or other market or traded in an over-the-counter market, such value as the Committee, in its discretion shall determine.

(k) *Grantee* means a person who receives an Award.

(l) *Incentive Stock Option* means, subject to Section 2.3 (f), a stock option that is intended to qualify for special federal income tax treatment pursuant to Sections 421 and 422 of the Code (or a successor provision thereof) and which is so designated in the applicable Award Agreement. Under no circumstances shall any stock option that is not specifically designated as an Incentive Stock Option be considered an Incentive Stock Option.

(m) *Key Persons* means then acting or prospective directors, officers and employees of the Company or of a Related Entity, and then acting or prospective consultants and advisors to the Company or a Related Entity.

(n) *Non-Employee Director* has the meaning given to it in Section 2.13(a).

(o) *Performance Goals* means the goal(s) (or combined goal(s)) determined by the Committee in its discretion to be applicable to a Grantee with respect to an Award. As determined by the Committee, the Performance Goals applicable to an Award may provide for a targeted or measured level or levels of achievement or change using one or more of the following measures: (i) revenue, (ii) earnings per share, (iii) net income, (iv) return on assets, (v) return on equity, (vi) stock price, (vii) economic profit or shareholder value added, and (viii) total shareholder return. Such measures may be defined and calculated in such manner and detail as the Committee in its discretion may determine, including whether such measures shall be calculated before or after income taxes or other items, the degree or manner in which various items shall be included or excluded from such measures, whether total assets or certain categories of assets shall be used, whether such measures shall be applied to the Company on a consolidated basis or to certain Related Parties of the Company or to certain divisions, operating units or business lines of the Company or a Related Entity, the weighting that shall be given to various measures if combined goals are used, and the periods and dates during or on which such measures shall be calculated. The Performance Goals may differ from Grantee to Grantee and from

Award to Award.

(p) *Person* , whether or not capitalized, means any natural person, any corporation, partnership, limited liability company, trust or legal or contractual entity or joint undertaking and any governmental authority.

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(q) *Related Entity* means any corporation, partnership, limited liability company or other entity that is an affiliate of the Company within the meaning of Rule 12b-2 under the Exchange Act.

(r) *Retirement* means, with respect to a Grantee and an Award, (i) except as otherwise provided in the applicable Award Agreement or as provided in clause (ii) below, the Grantee s Termination of Employment with the Company or a Related Entity for a reason other than for Cause and that at the time of the Termination of Employment the Grantee has reached the following age with the corresponding number of years of service with the Company and/or Related Entities:

Age	Years of Service
55	10
56	9
57	8
58	7
59	6
60 and older	5

or (ii) with respect to a Non-Employee Director, the Grantee s Termination of Employment with the Company at the end of his or her term of office for any reason other than Cause.

(s) *Rule 16b-3* means Rule 16b-3 under the Exchange Act.

(t) Unless otherwise determined by the Committee and subject to the following sentence, a Grantee shall be deemed to have a *Termination of Employment* upon ceasing employment with the Company or any Related Entity (or, in the case of a Grantee who is not an employee, upon ceasing association with the Company or any Related Entity as a director, consultant, advisor or otherwise). Unless the Committee in its discretion determines otherwise, it shall not be considered a Termination of Employment of a Grantee if the Grantee ceases employment or association with the Company or a Related Entity but continues or immediately commences employment or association with a majority-owned Related Entity or the Company. The Committee in its discretion may determine (i) that a given termination of employment with the Company or any particular Related Entity does not constitute a Termination of Employment (including circumstances in which employment continues with another Related Entity or the Company), (ii) whether any leave of absence constitutes a Termination of Employment for purposes of the Plan, (iii) the impact, if any, of any such leave of absence on Awards theretofore made under the Plan, and (iv) when a change in a Grantee s association with the Company or any Related Entity constitutes a Termination of Employment for purposes of the Plan. The Committee may also determine in its discretion whether a Grantee s Termination of Employment is for Cause and the date of termination in such case. The Committee may make any such determination at anytime, whether before or after the Grantee s Termination of Employment.

1.3 *Administration*

(a) *The Committee.* The Plan shall be administered by the Committee, which shall consist of not less than two directors.

(b) *Authority.* The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any Award Agreements, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing its own operations, (iv) to make all determinations necessary or advisable in administering the Plan (including defining and calculating Performance Goals and certifying

that such Performance Goals have been met), (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan, (vi) to amend the Plan to reflect changes in applicable law or regulations, (vii) to determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, canceled, forfeited or suspended (including, but not limited to, canceling an Award in exchange for a cash payment (or securities with an equivalent value) equal to the difference between the Fair Market Value of a share of Common Stock on the date of grant and the Fair Market Value of a share of Common

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Stock on the date of cancellation, and, if no such difference exists, canceling an Award without a payment in cash or securities), and (viii) to determine whether, to what extent and under what circumstances cash, shares of Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee.

(c) *Voting.* Actions of the Committee shall be taken by the vote of a majority of its members. Any action may be taken by a written instrument signed by a majority of the Committee members, and action so taken shall be fully as effective as if it had been taken by a vote at a meeting.

(d) *Binding determinations.* The determination of the Committee on all matters relating to the Plan or any Award Agreement shall be final, binding and conclusive.

(e) *Exculpation.* No member of the Board or the Committee or any officer, employee or agent of the Company or any of its Related Entities (each such person a Covered Person) shall have any liability to any person (including, without limitation, any Grantee) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award. Each Covered Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Covered Person, with the Company s approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; *provided* that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company s choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person s bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company s Articles of Incorporation or Bylaws, in each case as amended from time to time, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

(f) *Experts.* In making any determination or in taking or not taking any action under this Plan, the Committee or the Board may obtain and may rely upon the advice of experts, including professional and financial advisors and consultants to the Committee or the Company. No director, officer, employee or agent of the Company shall be liable for any such action or determination taken or made or omitted in good faith reliance on such advice.

(g) *Board.* Notwithstanding anything to the contrary contained herein (i) until the Board shall appoint the members of the Committee, the Plan shall be administered by the Board, and (ii) the Board may, in its sole discretion, at any time and from time to time, grant Awards or resolve to administer the Plan. In either of the foregoing events, the Board shall have all of the authority and responsibility granted to the Committee herein.

1.4 *Persons Eligible for Awards*

Awards under the Plan may be made to such Key Persons as the Committee shall select in its discretion.

1.5 *Types of Awards under the Plan*

Awards may be made under the Plan in the form of stock options, including Incentive Stock Options and non-qualified stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, performance shares, performance units, dividend equivalent units, deferred stock units and other stock-based Awards, as set forth in Article II.

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1.6 *Shares Available for or Subject to Awards*

(a) *Total shares available.* The total number of shares of Common Stock that may be transferred pursuant to Awards granted under the Plan shall not exceed 8,900,000 shares. All of such shares shall be authorized for issuance pursuant to incentive stock options under Section 2.3 or for other Awards under Article II. Such shares may be authorized but unissued Common Stock or authorized and issued Common Stock held in the Company s treasury or acquired by the Company for the purposes of the Plan. The Committee may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares pursuant to the Plan. If any Award is forfeited or otherwise terminates or is canceled without the delivery of shares of Common Stock, then the shares covered by such forfeited, terminated or canceled Award shall again become available for transfer pursuant to Awards granted or to be granted under this Plan. However, if any Award or shares of Common Stock issued or issuable under Awards are tendered or withheld as payment for the exercise price of an Award, the shares of Common Stock may not be reused or reissued or otherwise be treated as being available for Awards or issuance pursuant to the Plan. With respect to a stock appreciation right, both shares of Common Stock issued pursuant to the Award and shares of Common Stock representing the exercise price of the Award shall be treated as being unavailable for other Awards or other issuances pursuant to the Plan unless the stock appreciation right is forfeited, terminated or cancelled without the delivery of shares of Common Stock. Any shares of Common Stock delivered by the Company, any shares of Common Stock with respect to which Awards are made by the Company and any shares of Common Stock with respect to which the Company becomes obligated to make Awards, through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, shall not be counted against the shares available for Awards under this Plan.

(b) *Treatment of Certain Awards.* Any shares of Common Stock subject to Awards shall be counted against the numerical limits of this Section 1.6 as one share for every share subject thereto, except that any shares of Common Stock subject to Awards with a per share or unit purchase price lower than 100% of Fair Market Value of a share of Common Stock on the date of grant shall be counted against the numerical limits of this Section 1.6 as 3 shares for every one share subject thereto.

(c) *Adjustments.* The number of shares of Common Stock covered by each outstanding Award, the number or amount of shares or units available for Awards under Section 1.6 (a) or otherwise, the number or amount of shares or units that may be subject to Awards to any one Grantee under Section 1.7 (b) or otherwise, the price per share of Common Stock or units covered by each such outstanding Award and any other calculation relating to shares of Common Stock available for Awards or under outstanding Awards (including Awards under Section 2.13) may be proportionately adjusted, as the Committee may determine in its discretion to be appropriate, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, for (i) any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Common Stock or similar transaction, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company or to reflect any distributions to holders of Common Stock (including rights offerings) other than regular cash dividends or (ii) any other unusual or nonrecurring event affecting the Company or its financial statements or any change in applicable law, regulation or accounting principles; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of consideration. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award. After any adjustment made pursuant to this paragraph, the number of shares subject to each outstanding Award shall be rounded to the nearest whole number.

(d) *Grants exceeding allotted shares.* If the shares of Common Stock covered by an Award exceeds, as of the date of grant, the number of shares of Common Stock which may be issued under the Plan without additional shareholder

approval, such Award shall be void with respect to such excess shares of Common

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Stock unless shareholder approval of an amendment sufficiently increasing the number of shares of Common Stock subject to the Plan is timely obtained in accordance with the Plan.

1.7 *Regulatory Considerations*

(a) *General.* To the extent that the Committee determines it desirable for any Award to be given any particular tax, accounting, legal or regulatory treatment, the Award may be made by a Committee consisting of qualifying directors, subject to any necessary restrictions, conditions or other terms or otherwise in such manner as is necessary to obtain the desired treatment.

(b) *Code Section 162(m) provisions.* Unless and until the Committee determines that an Award to a Grantee shall not be designed to qualify as performance-based compensation under Section 162(m) of the Code, the following rules shall apply to Awards granted to Grantees:

(i) No Grantee shall be granted, in any fiscal year, stock options or stock appreciation rights to purchase (or obtain the benefits of the equivalent of) more than 500,000 shares of Common Stock;

(ii) No Grantee shall be granted, in any fiscal year, more than 166,666 shares of restricted stock, unrestricted stock, restricted stock units or performance shares;

(iii) No Grantee shall receive performance units, in any fiscal year, having a value greater than $5 million, *provided that if any units are awarded with respect to multiple years of service, such limit shall be multiplied by such number of years (not to exceed five years).*

(iv) No Grantee shall be granted, in any fiscal year, dividend equivalent rights with respect to more shares than the aggregate number of shares and units granted to such Grantee in such year; and

(v) For purposes of qualifying grants of Awards as performance-based compensation under Section 162(m) of the Code, the Committee in its discretion may set restrictions based upon the achievement of Performance Goals. The Performance Goals shall be set by the Committee on or before the latest date permissible to enable the Awards to qualify as performance-based compensation under Section 162(m) of the Code. In granting share Awards which are intended to qualify under Section 162(m) of the Code, the Committee shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

1.8 *No Repricing*

Without consent of the Company s shareholders, the exercise price (or equivalent) for an Award may not be reduced. This shall include, without limitation, a repricing of the Award as well as an Award exchange program whereby the Grantee agrees to cancel an existing Award in exchange for a new Award.

ARTICLE II

AWARDS UNDER THE PLAN

2.1 *Awards and Award Agreements*

Each Award granted under the Plan shall be evidenced by an Award Agreement which shall contain such provisions as the Committee in its discretion deems necessary or desirable. Such provisions may include restrictions on the

Grantee s right to transfer the shares of Common Stock issuable pursuant to the Award, a requirement that the Grantee become a party to an agreement restricting transfer or allowing repurchase of any shares of Common Stock acquired pursuant to the Award, a requirement that the Grantee acknowledge that such shares are acquired for investment purposes only, and a right of first refusal exercisable by the Company in the event that the Grantee wishes to transfer any such shares. The Committee may grant Awards in tandem or in connection with or independently of or in substitution for any other Award or Awards granted under this Plan or any award granted under any other plan of the Company. Payments or transfers to be made by the Company upon the grant, exercise or payment of an Award may be made in such form as the Committee shall determine, including cash, shares of Common Stock or other securities (or proceeds from the sale thereof),

other Awards (by surrender or cancellation thereof or otherwise) or other property and may be made in a single payment or transfer, in installments or on a deferred basis. The Committee may determine that a Grantee shall have no rights with respect to an Award unless such Grantee accepts the Award within such period as the Committee shall specify by executing an Award Agreement in such form as the Committee shall determine and, if the Committee shall so require, makes payment to the Company in such amount as the Committee may determine. The Committee shall determine if loans (whether or not secured by shares of Common Stock) may be extended, guaranteed or arranged by the Company with respect to any Awards; *provided, however,* that loans to executive officers of the Company may not be extended, guaranteed or arranged by the Company in violation of Section 402 of the Sarbanes-Oxley Act of 2002, Regulation O of the Board of Governors of the Federal Reserve System or any other applicable law or regulation. Subject to the terms of the Plan, the Committee at any time, whether before or after the grant, expiration, exercise, vesting or maturity of an Award or the Termination of Employment of a Grantee, may determine in its discretion to waive or amend any term or condition of an Award, including transfer restrictions, vesting, maturity and expiration dates, and conditions for vesting, maturity or exercise.

2.2 *No Rights as a Shareholder*

No Grantee of an Award (or other person having rights pursuant to such Award) shall have any of the rights of a shareholder of the Company with respect to shares subject to such Award until the transfer of such shares to such person. Except as otherwise provided in Section 1.6(c), no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such shares are issued.

2.3 *Grant of Stock Options, Stock Appreciation Rights and Additional Options*

(a) *Grant of stock options.* The Committee may grant stock options, including Incentive Stock Options and nonqualified stock options, to purchase shares of Common Stock from the Company, to such Key Persons, in such amounts and subject to such terms and conditions (including the attainment of Performance Goals), as the Committee shall determine in its discretion, subject to the provisions of the Plan.

(b) *Grant of stock appreciation rights.* The Committee may grant stock appreciation rights to such Key Persons, in such amounts and subject to such terms and conditions (including the attainment of Performance Goals), as the Committee shall determine in its discretion, subject to the provisions of the Plan. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any stock option granted under the Plan. A stock appreciation right may be granted at or after the time of grant of such option.

(c) *Stock appreciation rights.* The Grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over (ii) the exercise price of such right as set forth in the Award Agreement (if the stock appreciation right is granted in connection with a stock option, then the exercise price of the option), multiplied by (iii) the number of shares with respect to which the stock appreciation right is exercised. Payment to the Grantee upon exercise of a stock appreciation right shall be made in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise of the stock appreciation right) or both, as the Committee shall determine in its discretion. Upon the exercise of a stock appreciation right granted in connection with a stock option, the number of shares subject to the option shall be correspondingly reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of a stock option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced correspondingly by the number of shares with respect to which the option is exercised.

(d) *Exercise price.* Each Award Agreement with respect to a stock option or stock appreciation right shall set forth the exercise price, which shall be determined by the Committee in its discretion; *provided*, *however*, that the exercise price shall be at least 100% of the Fair Market Value of a share of Common Stock on the date the Award is granted (except as permitted in connection with the assumption or issuance of options or stock appreciation rights in a transaction to which Section 424 (a) of the Code applies).

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(e) *Exercise periods.* Each Award Agreement with respect to a stock option or stock appreciation right shall set forth the periods during which the Award evidenced thereby shall be exercisable, and, if applicable, the conditions which must be satisfied (including the attainment of Performance Goals) in order for the Award evidenced thereby to be exercisable, whether in whole or in part. Such periods and conditions shall be determined by the Committee in its discretion; *provided*, *however*, that no stock option or stock appreciation right shall be exercisable more than ten (10) years after the date the Award is issued.

(f) *Incentive stock options.* Notwithstanding Section 2.3(d) and (e), with respect to any Incentive Stock Option or stock appreciation right granted in connection with an Incentive Stock Option (i) the exercise price shall be at least 100% of the Fair Market Value of a share of Common Stock on the date the option is granted (except as permitted in connection with the assumption or issuance of options in a transaction to which Section 424(a) of the Code applies) and (ii) the exercise period shall not be for longer than ten (10) years after the date of the grant. To the extent that the aggregate Fair Market Value (determined as of the time the option is granted) of the shares of Common Stock with respect to which Incentive Stock Options and stock appreciation rights granted in connection with Incentive Stock Options granted under this Plan and all other plans of the Company are first exercisable by any Grantee during any calendar year shall exceed the maximum limit (currently, $100,000), if any, imposed from time to time under Section 422 of the Code, such options and rights shall be treated as nonqualified stock options. For purposes of this Section 2.3(f), Incentive Stock Options shall be taken into account in the order in which they were granted.

(g) *Ten percent owners.* Notwithstanding the provisions of Sections 2.3(d), (e) and (f), to the extent required under Section 422 of the Code, an Incentive Stock Option may not be granted under the Plan to an individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code) unless (i) at the time such Incentive Stock Option is granted the exercise price is at least 110% of the Fair Market Value of the shares subject thereto, and (ii) the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date granted.

2.4 *Exercise of Stock Options and Stock Appreciation Rights*

Each stock option or stock appreciation right granted under the Plan shall be exercisable as follows:

(a) *Exercise period.* A stock option or stock appreciation right shall become and cease to be exercisable at such time or times as determined by the Committee.

(b) *Manner of exercise.* Unless the applicable Award Agreement otherwise provides, a stock option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such Award is then exercisable (but, in any event, only for whole shares). A stock appreciation right granted in connection with an option may be exercised at any time when, and to the same extent that, the related option may be exercised. A stock option or stock appreciation right shall be exercised by written notice to the Company, on such form and in such manner as the Committee shall prescribe.

(c) *Payment of exercise price.* Any written notice of exercise of a stock option shall be accompanied by payment of the exercise price for the shares being purchased. Such payment shall be made (i) in cash (by certified check or as otherwise permitted by the Committee), or (ii) to the extent specified in the Award Agreement or otherwise permitted by the Committee in its discretion (A) by delivery of shares of Common Stock (which, if acquired pursuant to the exercise of a stock option or under an Award made under this Plan or any other compensatory plan of the Company, were acquired at least six (6) months prior to the option exercise date) having a Fair Market Value (determined as of the exercise date) equal to all or part of the exercise price and cash for any remaining portion of the exercise price, (B) to the extent permitted by law, by such other method as the Committee may from time to time prescribe, including

a cashless exercise procedure through a broker-dealer.

(d) *Delivery of shares.* Promptly after receiving payment of the full exercise price, or after receiving notice of the exercise of a stock appreciation right for which payment by the Company will be made partly or entirely in shares of Common Stock, the Company shall, subject to the provisions of Section 3.3 (relating to

certain restrictions), transfer to the Grantee or to such other person as may then have the right to exercise the Award, the shares of Common Stock for which the Award has been exercised and to which the Grantee is entitled. If the method of payment employed upon option exercise so requires, and if applicable law permits, a Grantee may direct the Company to deliver the shares to the Grantee s broker-dealer.

2.5 *Cancellation and Termination of Stock Options and Stock Appreciation Rights*

The Committee may, at any time prior to the occurrence of a change of control and in its discretion, determine that any outstanding stock options and stock appreciation rights granted under the Plan, whether or not exercisable, will be canceled and terminated and that in connection with such cancellation and termination the holder of such options (and stock appreciation rights not granted in connection with an option) may receive for each share of Common Stock subject to such Award a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities equivalent to such cash payment) equal to the difference, if any, between the amount determined by the Committee to be the Fair Market Value of the shares of Common Stock and the applicable exercise price per share multiplied by the number of shares of Common Stock subject to such Award; *provided* that, if such product is zero or less or to the extent that the Award is not then exercisable, the stock options and stock appreciation rights will be canceled and terminated without payment therefore.

2.6 *Termination of Employment*

(a) *Termination of Employment by Grantee for any Reason or By the Company for Cause.* Except to the extent otherwise provided in paragraphs (b), (c), (d) and (e) below or in the applicable Award Agreement, all stock options and stock appreciation rights whether or not vested and to the extent not theretofore exercised shall terminate immediately upon (i) the Grantee s Termination of Employment at Grantee s election for any reason or (ii) Grantee s Termination of Employment by the Company for Cause.

(b) *At election of Company or a Related Entity.* Except to the extent otherwise provided in the applicable Award Agreement, upon the Termination of Employment of a Grantee at the election of the Company or a Related Entity (other than in circumstances governed by paragraph (a) above or paragraphs (c), (d) or (e) below) the Grantee may exercise any outstanding stock option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the Grantee was entitled to exercise the Award on the date of the Termination of Employment; and (ii) exercise must occur within three (3) months after the Termination of Employment but in no event after the expiration date of the Award as set forth in the Award Agreement.

(c) *Retirement.* Except to the extent otherwise provided in the applicable Award Agreement, upon the Termination of Employment of a Grantee by reason of the Grantee s Retirement, the Grantee may exercise any outstanding stock option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the Grantee was entitled to exercise the Award on the date of Retirement; (ii) exercise must occur within three (3) years after Retirement but in no event after the expiration date of the Award as set forth in the Award Agreement; and (iii) notwithstanding clause (ii) above, the option or right shall terminate on the date Grantee begins or agrees to begin employment with another company that is in the financial services industry unless such employment is specifically approved by the Committee.

(d) *Disability.* Except to the extent otherwise provided in the applicable Award Agreement, upon the termination of Employment of a Grantee by reason of Disability the Grantee may exercise any outstanding stock option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the Grantee was entitled to exercise the Award on the date of Termination of Employment; and (ii) exercise must occur six (6) months after the Termination of Employment but in no event after the expiration date of the Award as set forth in the Award Agreement.

(e) *Death.* Except to the extent otherwise provided in the applicable Award Agreement, if a Grantee dies during the period in which the Grantee s stock options or stock appreciation rights are exercisable, whether pursuant to their terms or pursuant to paragraph (b), (c) or (d) above, any outstanding stock option or stock appreciation right shall be exercisable on the following terms and conditions: (i) exercise may be made only to the extent that the Grantee was entitled to exercise the Award on the date of death; and (ii) exercise must

occur six (6) months after the date of the Grantee s death. Any such exercise of an Award following a Grantee s death shall be made only by the Grantee s executor or administrator, unless the Grantee s will specifically disposes of such Award, in which case such exercise shall be made only by the recipient of such specific disposition. If a Grantee s executor (or administrator) or the recipient of a specific disposition under the Grantee s will shall be entitled to exercise any Award pursuant to the preceding sentence, such executor (or administrator) or recipient shall be bound by all the terms and conditions of the Plan and the applicable Award Agreement which would have applied to the Grantee.

2.7 *Grant of Restricted Stock and Unrestricted Stock*

(a) *Grant of restricted stock.* The Committee may grant restricted shares of Common Stock to such Key Persons, in such amounts and subject to such terms and conditions (including the attainment of Performance Goals), as the Committee shall determine in its discretion, subject to the provisions of the Plan.

(b) *Grant of unrestricted stock.* The Committee may grant unrestricted shares of Common Stock to such Key Persons, in such amounts and subject to such terms and conditions as the Committee shall determine in its discretion, subject to the provisions of the Plan.

(c) *Rights as shareholder.* The Company may issue in the Grantee s name shares of Common Stock covered by an Award of restricted stock or unrestricted stock. Upon the issuance of such shares, the Grantee shall have the rights of a shareholder with respect to the restricted stock or unrestricted stock, subject to the transfer restrictions and the Company s repurchase rights described in paragraphs (d) and (e) below and to such other restrictions and conditions as the Committee in its discretion may include in the applicable Award Agreement.

(d) *Company to hold certificates.* Unless the Committee shall otherwise determine, any certificate issued evidencing shares of restricted stock shall remain in the possession of the Company until such shares are free of any restrictions specified in the Plan or the applicable Award Agreement.

(e) *Nontransferable.* Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in this Plan or the applicable Award Agreement. The Committee at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of Performance Goals) and other conditions on which the non-transferability of the restricted stock shall lapse. Unless the applicable Award Agreement provides otherwise, additional shares of Common Stock or other property distributed to the Grantee in respect of shares of restricted stock, as dividends or otherwise, shall be subject to the same restrictions applicable to such restricted stock. The Committee at any time may waive or amend the transfer restrictions or other condition of an Award of restricted stock.

(f) *Termination of employment.* Except to the extent otherwise provided in the applicable Award Agreement or unless otherwise determined by the Committee, in the event of the Grantee s Termination of Employment for any reason, shares of restricted stock that remain subject to transfer restrictions as of the date of such termination shall be forfeited and canceled.

2.8 *Grant of Restricted Stock Units*

(a) *Grant of restricted stock units.* The Committee may grant Awards of restricted stock units to such Key Persons, in such amounts and subject to such terms and conditions (including the attainment of Performance Goals), as the Committee shall determine in its discretion, subject to the provisions of the Plan.

(b) *Vesting.* The Committee, at the time of grant, shall specify the date or dates on which the restricted stock units shall become vested and other conditions to vesting (including the attainment of Performance Goals).

(c) *Maturity dates.* At the time of grant, the Committee shall specify the maturity date or dates applicable to each grant of restricted stock units, which may be determined at the election of the Grantee if the Committee so determines. Such date may be on or later than, but may not be earlier than, the vesting date or dates of the Award. On the relevant maturity date(s), the Company shall transfer to the Grantee one

unrestricted, fully transferable share of Common Stock for each vested restricted stock unit scheduled to be paid out on such date and as to which all other conditions to the transfer have been fully satisfied. The Committee shall specify the purchase price, if any, to be paid by the Grantee to the Company for such shares of Common Stock.

(d) *Termination of Employment.* Except to the extent otherwise provided in the applicable Award Agreement or unless otherwise determined by the Committee, in the event of the Grantee s Termination of Employment for any reason, restricted stock units that have not vested or matured shall be forfeited and canceled.

2.9 *Grant of Performance Shares and Performance Units*

(a) *Grant of performance shares and units.* The Committee may grant performance shares in the form of actual shares of Common Stock or share units over an identical number of shares of Common Stock, to such Key Persons, in such amounts (which may depend on the extent to which Performance Goals are attained), subject to the attainment of such Performance Goals and satisfaction of such other terms and conditions (which may include the occurrence of specified dates), as the Committee shall determine in its discretion, subject to the provisions of the Plan. The Performance Goals and the length of the performance period applicable to any Award of performance shares or performance units shall be determined by the Committee. The Committee shall determine in its discretion whether performance shares granted in the form of share units shall be paid in cash, Common Stock, or a combination of cash and Common Stock.

(b) *Company to hold certificates.* Unless the Committee shall otherwise determine, any certificate issued evidencing performance shares shall remain in the possession of the Company until such performance shares are earned and are free of any restrictions specified in the Plan or the applicable Award Agreement.

(c) *Nontransferable.* Performance shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in this Plan or the applicable Award Agreement. The Committee at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of Performance Goals) and other conditions on which the non-transferability of the performance shares shall lapse. Unless the applicable Award Agreement provides otherwise, additional shares of Common Stock or other property distributed to the Grantee in respect of performance shares, as dividends or otherwise, shall be subject to the same restrictions applicable to such performance shares. The Committee at any time may waive or amend the transfer restrictions or other condition of an Award of performance shares.

(d) *Termination of Employment.* Except to the extent otherwise provided in the applicable Award Agreement or unless otherwise determined by the Committee, in the event of the Grantee s Termination of Employment for any reason, performance shares and performance share units that remain subject to transfer restrictions as of the date of such termination shall be forfeited and canceled.

2.10 *Grant of Dividend Equivalent Rights*

The Committee may in its discretion include in the Award Agreement with respect to any Award a dividend equivalent right entitling the Grantee to receive amounts equal to the ordinary dividends that would be paid, during the time such Award is outstanding and unexercised, on the shares of Common Stock covered by such Award if such shares were then outstanding. In the event such a provision is included in an Award Agreement, the Committee shall determine whether such payments shall be made in cash, in shares of Common Stock or in another form, whether they shall be conditioned upon the exercise or vesting of, or the attainment or satisfaction of terms and conditions applicable to, the Award to which they relate, the time or times at which they shall be made, and such other terms and conditions as the Committee shall deem appropriate.

2.11 *Deferred Stock Units*

(a) *Description.* Deferred stock units shall consist of a restricted stock, restricted stock unit, performance share or performance unit Award that the Committee in its discretion permits to be paid out in installments or on a deferred basis, in accordance with rules and procedures established by the Committee. Deferred stock units shall remain subject to the claims of the Company s general creditors until distributed to the Grantee.

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(b) *162(m) limits.* Deferred stock units shall be subject to the annual Section 162(m) limits applicable to the underlying restricted stock, restricted stock unit, performance share or performance unit Award as forth in Section 1.7(b).

2.12 *Other Stock-Based Awards*

The Committee may grant other types of stock-based Awards to such Key Persons, in such amounts and subject to such terms and conditions, as the Committee shall in its discretion determine, subject to the provisions of the Plan. Such Awards may entail the transfer of actual shares of Common Stock, or payment in cash or otherwise of amounts based on the value of shares of Common Stock.

2.13 *Director Stock Options*

(a) *Eligibility.* Until and unless the Committee in its discretion determines otherwise (i) all voting directors of the Company who are not employees of the Company (*Non-Employee Directors*) shall automatically receive stock options pursuant to this Section 2.13.

(b) *Grant of director stock options.* Until and unless the Committee in its discretion determines otherwise, (i) each Non-Employee Director shall automatically be granted stock options to purchase four thousand (4,000) shares of Common Stock pursuant to this Section 2.12 on the first business day after the date the Plan is approved by the Company s shareholders and (ii) thereafter, each Non-Employee Director shall automatically be granted stock options to purchase four thousand (4,000) shares of Common Stock each year on the first business day following the annual meeting of the shareholders of the Company. If the number of shares then remaining available for the grant of stock options under the Plan is not sufficient for each Non-Employee Director to be granted a stock option for four thousand (4,000) shares, then each Non-Employee Director shall be granted a stock option for a whole number of shares equal to the number of shares then remaining available divided by the number of Non-Employee Directors, disregarding any fractional shares.

(c) *Exercise Price.* Notwithstanding Section 2.3(d), until and unless the Committee in its discretion determines otherwise, the per share exercise price for each stock option granted under this Section 2.13 shall be 100% of the Fair Market Value of a share of Common Stock on the date the stock option is granted.

(d) *Exercise Period.* Notwithstanding Section 2.3(e), until and unless the Committee in its discretion determines otherwise, each stock option granted under this Section 2.13 shall vest and become exercisable in four equal installments of one thousand (1,000) shares beginning on the date six months from the date of the grant and on each anniversary of the first vesting date. Notwithstanding Section 2.3(e), and subject to Sections 2.6 and 3.7 and other applicable provisions of the Plan, until and unless the Committee in its discretion determines otherwise, each stock option granted under this Section 2.13 shall be exercisable for ten (10) years from the date of grant and shall expire thereafter.

(e) *Non-statutory options.* Stock options granted under this Section 2.13 will constitute nonqualified stock options.

(f) *Other stock option terms applicable.* Except as set forth in this Section 2.13, all stock options granted under this Section 2.13 will be subject to and benefited by the terms and conditions (including Section 3.7) of the Plan applicable to other stock options granted under the Plan.

ARTICLE III

MISCELLANEOUS

3.1 *Amendment of the Plan; Modification of Awards*

(a) *Board authority to amend Plan.* The Board in its discretion may at any time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that any such amendment (other than an amendment pursuant to paragraphs (d), (e) or (f) of this Section 3.1 or an amendment to effect an assumption or other action consistent with Section 3.7) that materially impairs the rights or materially increases the obligations of a Grantee under an outstanding Award shall be effective with respect to such Grantee and

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Award only with the consent of the Grantee (or, upon the Grantee s death, the Grantee s executor (or administrator) or the recipient of a specific disposition under the Grantee s will). For purposes of the Plan, any action of the Board that alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any Grantee.

(b) *Shareholder approval.* Shareholder approval of any amendment shall be obtained to the extent necessary to comply with Section 422 of the Code (relating to Incentive Stock Options) or any other applicable law, regulation or rule (including the rules of self-regulatory organizations).

(c) *Committee authority to amend Awards.* The Committee in its discretion may at any time, whether before or after the grant, expiration, exercise, vesting or maturity of or lapse of restriction on an Award or the Termination of Employment of a Grantee, amend any outstanding Award or Award Agreement, including an amendment which would accelerate or extend the time or times at which the Award becomes unrestricted or may be exercised, or waive or amend any goals, restrictions or conditions set forth in the Award Agreement. However, any such amendment (other than an amendment pursuant to paragraphs (d), (e) or (f) of this Section 3.1 or an amendment to effect an action consistent with Section 3.7) that materially impairs the rights or materially increases the obligations of a Grantee under an outstanding Award shall be made only with the consent of the Grantee (or, upon the Grantee s death, the Grantee s executor (or administrator) or the recipient of a specific disposition under the Grantee s will). For purposes of the Plan, any action of the Committee that alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any Grantee.

(d) *Regulatory changes generally.* Notwithstanding anything to the contrary in this Section 3 3.1 or the Plan, the Board or the Committee shall have full discretion to amend the Plan or an outstanding Award or Award Agreement to the extent necessary to preserve any tax, accounting, legal or regulatory treatment with respect to any Award and any outstanding Award Agreement shall be deemed to be so amended to the same extent, without obtaining the consent of any Grantee (or, after the Grantee s death, the Grantee s executor (or administrator) or the recipient of a specific disposition under the Grantee s will), without regard to whether such amendment adversely affects a Grantee s rights under the Plan or such Award and Award Agreement.

(e) *Section 409A changes.* Notwithstanding anything to the contrary in this Section 3.1 or the Plan, the Board or the Committee shall have full discretion to amend the Plan or any outstanding Award or Award Agreement to the extent necessary to avoid the imposition of any tax under Section 409A of the Code. Any such amendments to the Plan, an Award or an Award Agreement may be adopted without obtaining the consent of any Grantee (or, after the Grantee s death, the Grantee s executor (or administrator) or the recipient of a specific disposition under the Grantee s will), regardless of whether such amendment adversely affects a Grantee s rights under the Plan or such Award or Award Agreement.

(f) *Other tax changes.* In the event that changes are made to Section 83(b), 162(m), 422 or other applicable provision of the Code the Board or the Committee may, subject to Sections 3.1 (a), (b) and (c), make any adjustments it determines in its discretion to be appropriate with respect to the Plan or any Award or Award Agreement.

3.2 *Tax Withholding*

(a) *Tax withholdings.* As a condition to the receipt of any shares of Common Stock pursuant to any Award or the lifting of restrictions on any Award, or in connection with any other event that gives rise to a federal or other governmental tax withholding obligation on the part of the Company relating to an Award (including, without limitation, FICA tax), the Company shall be entitled to require that the Grantee remit to the Company an amount sufficient in the opinion of the Company to satisfy such withholding obligation.

(b) *Withholding shares.* If the event giving rise to the withholding obligation is a transfer of shares of Common Stock, then, unless otherwise provided in the applicable Award Agreement, the Grantee may satisfy only the minimum statutory withholding obligation imposed under paragraph (a) by electing to have the Company withhold shares of Common Stock having a Fair Market Value equal to the amount of tax to be withheld. For this purpose, Fair Market Value shall be determined as of the date on which the amount of tax to be withheld is determined (and any fractional share amount shall be settled in cash).

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3.3 *Restrictions*

(a) *Required consents.* If the Committee shall at any time determine that any consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award, the issuance or purchase of shares of Common Stock or other rights thereunder, or the taking of any other action thereunder (a *Plan Action*), then no such Plan Action shall be taken, in whole or in part, unless and until such consent shall have been effected or obtained to the full satisfaction of the Committee.

(b) *Definition.* The term *consent* as used herein with respect to any action referred to in paragraph (a) means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the Grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies, and (iv) any and all consents or authorizations required to comply with, or required to be obtained under, applicable local law or otherwise required by the Committee. Nothing herein shall require the Company to list, register or qualify the shares of Common Stock on any securities exchange.

3.4 *Nonassignability*

(a) *Nonassignability.* No Award or right granted to any person under the Plan shall be assignable or transferable other than by will or by the laws of descent and distribution, and all such Awards and rights shall be exercisable during the life of the Grantee only by the Grantee or the Grantee s legal representative and any such attempted assignment, transfer or exercise in contravention of this Section 3.4 shall be void. Notwithstanding the foregoing, the Committee may in its discretion permit the donative transfer of any Award under the Plan (other than an Incentive Stock Option) by the Grantee (including to a trust or similar instrument), subject to such terms and conditions as may be established by the Committee.

(b) *Cashless exercises permitted.* The restrictions on exercise and transfer in paragraph (a) above shall not be deemed to prohibit the authorization by the Committee of cashless exercise procedures with parties who provide financing for the purpose of (or who otherwise facilitate) the exercise of Awards consistent with applicable legal restrictions and Rule 16b-3.

3.5 *Requirement of Notification of Election Under Section 83(b) of the Code*

If a Grantee, in connection with the acquisition of shares of Common Stock under the Plan, is permitted under the terms of the Award Agreement to make the election permitted under Section 83(b) of the Code (i.e., an election to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code notwithstanding the continuing transfer restrictions) and the Grantee makes such an election, the Grantee shall notify the Company of such election within ten (10) days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

3.6 *Requirement of Notification Upon Disqualifying Disposition Under Section 421(b) of the Code*

If any Grantee shall make any disposition of shares of Common Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten (10) days thereof.

3.7 *Change in Control*

(a) *Definition.* A *Change in Control* means the occurrence of any one of the following events:

(i) any Person (as defined in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company s then

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outstanding securities (*Company Voting Securities*); *provided*, *however*, that the event described in this clause (i) shall not be deemed a Change in Control by virtue of any of the following acquisitions: (A) by the Company or any corporation controlled by the Company, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in clause (iii) below), (E) pursuant to any acquisition by Grantee or any group of persons including Grantee (or any entity controlled by Grantee or any group of persons including Grantee), (F) a transaction (other than one described in clause (iii) below) in which outstanding Company Voting Securities are acquired from the Company, if a majority of the Continuing Directors (as defined in clause (ii) below) approve a resolution providing expressly that the acquisition pursuant to this subclause (F) does not constitute a Change in Control under this clause (F), or (G) any acquisition by a person of 20% of the outstanding Company Voting Securities as a result of an acquisition of common stock of the Company by the Company which, by reducing the number of shares of common stock of the Company outstanding, increases the proportionate number of shares beneficially owned by such person to 20% or more of the outstanding Company Voting Securities, *provided*, *however*, that if a person shall become the beneficial owner of 20% or more of the outstanding Company Voting Securities by reason of a share acquisition by the Company as described above and shall, after such share acquisition by the Company, become the beneficial owner of any additional shares of common stock of the Company, then such acquisition shall constitute a Change in Control;

(ii) individuals who, on March 1, 2005, constitute the Board (*Continuing Directors*), cease for any reason to constitute at least a majority thereof, *provided* that any person becoming a director subsequent to such date whose election or nomination for election was approved by a vote of at least a majority of the Continuing Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be a Continuing Director; *provided, however,* that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be a Continuing Director;

(iii) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company s shareholders, whether for such transaction or the issuance of securities in the transaction (a *Business Combination*), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the *Surviving Corporation*), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect directors of the Surviving Corporation (the *Parent Corporation*), is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation), is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination are Continuing Directors (any Business Combination which satisfies all of the criteria specified in subclauses (A), (B) and (C) above shall be deemed to be a *Non-Qualifying Transaction*); *provided, however,* that if Continuing Directors constitute a majority of the Board immediately following the occurrence of a Business Combination, then a majority of Continuing Directors in office prior to the Consummation of the Business Combination may approve a resolution providing expressly that such

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Business Combination does not constitute a Change in Control under this clause (iii) for any and all purposes of the Plan.

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(v) the consummation of an agreement (or agreements) providing for the sale or disposition by the Company of all or substantially all of the Company s assets other than a sale or disposition which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent 50% or more of the combined voting power of the Company or such surviving entity outstanding immediately after such sale or disposition.

(b) *Effect of Change in Control.* Upon the occurrence of a Change in Control specified in paragraph (a)(i) or (a)(ii) above and immediately prior to the occurrence of a Change in Control specified in paragraph (a)(iii), (a)(iv) or (a)(v) above, Awards shall Fully Vest (as defined in paragraph (c) below). If, within two (2) years after the occurrence of a Change in Control a Termination of Employment occurs with respect to any Grantee for any reason other than Cause, Disability, death or Retirement, Grantee shall be entitled to exercise Awards at any time thereafter until the earlier of (i) the date forty-two (42) months after the date of Termination of Employment and (ii) the expiration date in the applicable Award Agreement.

(c) *Fully Vest.* The following shall occur if Awards *Fully Vest* : (i) any stock options and stock appreciation rights granted under the Plan shall become fully vested and immediately exercisable, (ii) any restricted stock, restricted stock units, performance shares, performance units and other stock-based Awards granted under the Plan will become fully vested and matured, any restrictions applicable to such Awards shall lapse and such Awards denominated in stock will be immediately paid out, and (iii) any Performance Goals applicable to Awards will be deemed to be fully satisfied; *provided* that (A) any Performance Goals whose performance period has not yet lapsed shall be calculated based on the higher of (x) the target value of the Awards as established by the Committee and (y) the value of the Awards calculated under the terms of the Awards based on the average performance through the end of the fiscal quarter immediately prior to the effective date of the Change of Control (continued pro forma through the end of the performance period if necessary for purposes of determining whether the Performance Goal would have been met), and (B) if the Award has a performance period greater than one (1) year, the amount of the Award payable to the Grantee will be pro rated, based on a fraction, the numerator of which is the number of fiscal quarters completed from the beginning of the performance period until the effective date of the Change of Control and the denominator is the total number of fiscal quarters in the performance period.

(d) *Section 409A.* To the extent it is necessary for the term change of control to be defined as provided in Section 409A of the Code in order for compensation provided under any Award to avoid the imposition of taxes under Section 409A of the Code, then the term *change in control* , only insofar as it applies to any such Award, shall be defined as provided in Section 409A of the Code, rather than as provided in Section 3.7 (a), and the terms of Sections 3.7(b) through (c) shall be applied and interpreted with respect to such Section 409A definition in such manner as the Committee in its discretion determines to be equitable and reflect the intention of Sections 3.7(a) through (c).

3.8 *No Right to Employment*

Nothing in the Plan or in any Award Agreement shall confer upon any Grantee the right to continue in the employ of or association with the Company or any Related Entity or affect any right which the Company or Related Entity may have to terminate such employment or association at any time (with or without cause).

3.9 *Nature of Payments*

Unless the Committee determines at any time in its discretion, any and all grants of Awards and issuances of shares of Common Stock under the Plan shall constitute a special incentive payment to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for the purpose of determining any benefits under any pension, retirement, profit-sharing, bonus, life insurance or

other benefit plan of the Company or under any agreement with the Grantee, unless such plan or agreement specifically provides otherwise.

3.10 *Non-Uniform Determinations*

The Committee s determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to the persons to receive Awards under the Plan, and the terms and provisions of Awards under the Plan.

3.11 *Other Payments or Awards*

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.12 *Interpretation*

The section headings contained herein are for the purpose of convenience only and are not intended to define or limit the contents of the sections. As used in the Plan, include, includes, and including are deemed to be followed by without limitation whether or not they are followed by such words or words of like import; except as the context requires, the singular includes the plural and visa versa; and references to any agreement or other document are references to such agreement or document as amended or supplemented from time to time. Any determination, interpretation or similar act to be made by the Committee shall be made in the discretion of the Committee, whether or not the applicable provisions of the Plan specifically refer to the Committee s discretion.

3.13 *Effective Date and Term of Plan*

Unless sooner terminated by the Board, the Plan, including the provisions respecting the grant of Incentive Stock Options, shall terminate on the tenth anniversary of the adoption of the Plan by the Board; provided that the Plan shall continue to govern outstanding Awards until such Awards have been satisfied or terminated. All Awards made under the Plan prior to its termination shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements.

3.14 *Governing Law*

All rights and obligations under the Plan shall be construed and interpreted in accordance with the laws of the State of Utah, without giving effect to principles of conflict of laws.

3.15 *Severability; Entire Agreement*

If any of the provisions of this Plan or any Award Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby; *provided*, *that* if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision shall be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Plan and any Award Agreements contain the entire agreement of the parties with respect to the subject matter thereof

and supersede all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral, with respect to the subject matter thereof.

3.16 *No Third Party Beneficiaries*

Except as expressly provided therein, neither the Plan nor any Award Agreement shall confer on any person other than the Company and the grantee of any Award any rights or remedies thereunder.

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3.17 *Successors and Assigns*

The terms of this Plan shall be binding upon and inure to the benefit of the Company and its successors and assigns.

3.18 *Waiver of Claims*

Each Grantee of an Award recognizes and agrees that prior to being selected by the Committee to receive an Award he or she has no right to any benefits hereunder. Accordingly, in consideration of the Grantee s receipt of any Award hereunder, he or she expressly waives any right to contest the amount of any Award, the terms of any Award Agreement, any determination, action or omission hereunder or under any Award Agreement by the Committee, the Company or the Board, or any amendment to the Plan or any Award Agreement (other than an amendment to this Plan or an Award Agreement to which his or her consent is expressly required by the express terms of the Plan or an Award Agreement).

3.19 *Relation to Key Employee Plan, You re the Owner Plan and Directors Plan*

Notwithstanding any other provisions to the contrary in the Company s Key Employee Incentive Stock Option Plan, Amended and Restated 1998 Non-Qualified Stock Option and Incentive Plan or Amended and Restated 1996 Non-Employee Directors Stock Option Plan (*Directors Plan*), upon shareholder approval of this Plan and filing and effectiveness of a Form S-8 registration statement with the Securities and Exchange Commission for this Plan, no new awards of shares of Common Stock will be granted under the Company s Key Employee Incentive Stock Option Plan, Amended and Restated 1998 Non-Qualified Stock Option and Incentive Plan or Directors Plan. Notwithstanding anything to the contrary in the Directors Plan or Section 2.13, only one grant of stock options shall be made to Non-Employee Directors in 2005 pursuant to the Directors Plan and/or Section 2.13.

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ANNEX C

ZIONS BANCORPORATION STANDARD STOCK OPTION AWARD AGREEMENT

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ZIONS BANCORPORATION

2005 STOCK OPTION AND INCENTIVE PLAN

STANDARD STOCK OPTION AWARD AGREEMENT

This Stock Option Award Agreement (this *Agreement*) is made and entered into as of the date set forth on Exhibit A (the *Grant Date*) by and between Zions Bancorporation, a Utah corporation (the *Company*), and the person named on Exhibit A (the *Grantee*) pursuant to the Company s 2005 Stock Option and Incentive Plan (the *Plan*). Capitalized terms not defined in this Agreement have the meanings ascribed to them in the Plan.

1. *Grant of Stock Option.* Pursuant and subject to the Plan and this Agreement, the Company hereby grants to the Grantee the right and option (an *Option*) to purchase all or any part of the aggregate number of shares of the Company s Common Stock (the *Common Stock*) set forth on Exhibit A at the purchase price per share set forth on Exhibit A (the *Option Exercise Price*).

2. *Term of Option.* This Option shall expire on the date set forth on Exhibit A (the *Expiration Date*) and must be exercised, if at all, on or before the earlier of the Expiration Date or the date on which this Option is earlier terminated in accordance with the provisions of the Plan or Section 4 of this Agreement.

3. *Vesting.* Except as otherwise provided herein, this Option shall vest as set forth on Exhibit A and shall be exercisable only to the extent that it has vested. This Option shall cease to vest upon Grantee s Termination of Employment and may be exercised after Grantee s date of termination only as set forth in the Plan or in Section 4 of this Agreement.

4. *Termination of Employment.*

4.1 *Termination of Employment by Grantee for any Reason or By the Company for Cause.* Except to the extent otherwise provided in Sections 4.2 through 4.5 below, this Option, whether or not vested and to the extent not therefore exercised, shall terminate immediately upon (i) the Grantee s Termination of Employment at Grantee s election for any reason or (ii) Grantee s Termination of Employment by the Company for Cause.

4.2 *At election of Company or a Related Entity.* Upon the Termination of Employment of a Grantee at the election of the Company or a Related Entity (other than in circumstances governed by Section 4.1 above or Section 4.3 through 4.5 Grantee below) the Grantee may exercise this Option on the following terms and conditions: (i) exercise may be made only to the extent that the Grantee was entitled to exercise this Option on the date of the Termination of Employment; and (ii) exercise must occur within three (3) months after the Termination of Employment but in no event after the Expiration Date.

4.3 *Retirement.* Upon the Termination of Employment of Grantee by reason of the Grantee s Retirement, Grantee may exercise this Option on the following terms and conditions: (i) exercise may be made only to the extent that Grantee was entitled to exercise this Option on the date of Retirement; (ii) exercise must occur within three (3) years after Retirement but in no event after the Expiration Date; and (iii) notwithstanding clause (ii) above, the option or right shall terminate on the date Grantee begins or agrees to begin employment with another company that is in the financial services industry unless such employment is specifically approved by the Committee.

4.4 *Disability.* Upon the Termination of Employment of Grantee by reason of Disability, Grantee may exercise this Option on the following terms and conditions: (i) exercise may be made only to the extent that Grantee was entitled to exercise this Option on the date of Termination of Employment; and (ii) exercise must occur within six (6) months

after the Termination of Employment but in no event after the Expiration Date.

4.5 *Death.* If Grantee dies during the period in which this Option is exercisable, whether pursuant to its terms or pursuant to Section 4.2 through 4.4 above, this Option shall be exercisable on the following terms and conditions: (i) exercise may be made only to the extent that Grantee was entitled to exercise this Option on the date of death; and (ii) exercise must occur within six (6) months after the date of the Grantee s death. Any such exercise of this Option following Grantee s death shall be made only by Grantee s executor (or administrator) or only by the recipient of such specific disposition. If Grantee s executor (or administrator) or

the recipient of a specific disposition under Grantee s will shall be entitled to exercise this Option pursuant to the preceding sentence, such executor (or administrator) or recipient shall be bound by all the terms and conditions of the Plan and this Agreement which would have applied to the Grantee.

5. *Manner of Exercise.*

5.1 *Stock Option Exercise Agreement.* To exercise this Option, Grantee (or in the case of exercise after Grantee s death, Grantee s executor, administrator or recipient of a specific disposition) must deliver to the Company an executed stock option exercise agreement in such form as may be required by the Company from time to time (the *Exercise Agreement*), which shall set forth, among other things, Grantee s election to exercise this Option, the number of shares being purchased, any restrictions imposed on the shares of Common Stock and any representations, warranties and agreements regarding Grantee s investment intent and access to information as may be required by the Company to comply with applicable securities laws. If someone other than Grantee exercises this Option, then such person must submit documentation reasonably acceptable to the Company that such person has the right to exercise this Option.

5.2 *Payment.* The Exercise Agreement shall be accompanied by full payment for the shares of Common Stock being purchased (the *Exercise Price*). Such payment shall be made (i) in cash (by check), (ii) by delivery of shares of Common Stock (which, if acquired pursuant to the exercise of a stock option or under an Award made under the Plan or any other compensatory plan of the Company, were acquired at least six (6) months prior to the option exercise date) having a Fair Market Value (determined as of the exercise date) equal to all or part of the exercise price and cash for any remaining portion of the exercise price or (iii) to the extent permitted by law, by such other method as the Committee may from time to time prescribe, including a cashless exercise procedure through a broker-dealer. Any shares of Common stock delivered in payment of the Exercise Price shall be fully paid and free and clear of all liens, claims, encumbrances and security interests.

5.3 *Tax Withholding.* Prior to the issuance of the shares of Common Stock upon exercise of this Option, Grantee must pay, or otherwise provide for to the satisfaction of the Company, any applicable federal or state withholding obligations of the Company.

5.4 *Limitations on Exercise.* This Option may not be exercised unless such exercise is in compliance, to the reasonable satisfaction of the Committee, with all applicable federal and state securities laws, as they are in effect on the date of exercise. This Option may not be exercised as to fewer than 100 shares of Common Stock unless it is exercised as to all shares as to which this Option is then exercisable.

5.5 *Other Conditions.* The Committee may require that Grantee comply with such other procedures relating to the exercise of this Option and delivery of shares pursuant to such exercise as the Committee may determine, including the use of specified broker-dealers and the manner in which Grantee shall satisfy tax withholding obligations with respect to such shares.

5.6 *Issuance of Shares.* As promptly as is practicable after the receipt of the Exercise Agreement, in form and substance satisfactory to the Company, payment of the Exercise Price and satisfaction of Sections 5.3 through 5.5 above, the Company shall issue the shares of Common Stock registered in the name of Grantee, Grantee s authorized assignee or Grantee s legal representative. The Company may postpone such delivery until it receives satisfactory proof that the issuance of such shares will not violate any of the provisions of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, any rules or regulations of the Securities and Exchange Commission (the *SEC*) promulgated thereunder, or the requirements of applicable state law relating to authorization, issuance or sale of securities, or until there has been compliance with the provisions of such acts or rules. Grantee understands that the Company is under no obligation to register or qualify the shares of Common Stock

with the SEC, any state securities commission or any stock exchange to effect such compliance.

6. *Right of Offset.* The Company shall have the right to offset against the obligation to deliver shares of Common Stock in respect of any exercise of this Option, any outstanding amounts then owed by Grantee to the Company.

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7. *Nontransferability of Option.* This Option shall not be assignable or transferable by Grantee other than by will or by the laws of descent and distribution, and shall be exercisable during the life of the Grantee only by the Grantee or the Grantee s legal representative and any such attempted assignment, transfer or exercise in contravention of this Section 7 shall be void.

8. *Privileges of Stock Ownership.* Grantee shall not have any of the rights of a stockholder of the Company with respect to any shares of Common Stock subject to the issuance of such shares to Grantee. Except as otherwise provided in Section 1.6(c) of the Plan, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such shares are issued.

9. *No Obligation to Employ.* Nothing in the Plan or this Agreement shall confer on Grantee any right to continue in the employ of, or other relationship with, the Company or any Related Entity, or limit in any way the right of the Company or any Related Entity to terminate Grantee s employment or other relationship at any time, with or without Cause.

10. *Non-Qualified Options; Incentive Stock Options.* It is intended that this Option shall be treated as an incentive stock option to the maximum extent permitted by the Plan (including Sections 2.3 (f) and (g) thereof) and the Code, and that the remainder of this Option, if any, shall be treated as a non-qualified option.

11. *Change in Control.* Subject to the terms of the Plan, Grantee shall be entitled to the benefits of Section 3.7 of the Plan with respect to this Option.

12. *Entire Agreement.* This Option is granted pursuant to the Plan and this Option and Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated herein by reference. This Agreement, the Plan and such other documents as may be executed in connection with the exercise of this Option constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements with respect to such subject matter. Any action taken or decision made by the Committee arising out of or in connection with the construction, administration, interpretation or effect of this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on the Grantee and all persons claiming under or through the Grantee.

13. *Notices.* Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Grantee shall be in writing and addressed to Grantee at the address indicated below or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested); one (1) business day after deposit with any return receipt express courier (prepaid); or one (1) business day after transmission by facsimile.

14. *Successors and Assigns.* The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement and the Plan shall be binding upon Grantee and Grantee s heirs, executors, administrators, legal representatives, successors and assigns.

15. *Governing Law.* This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah without regard to that body of law pertaining to choice of law or conflict of laws.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date noted above.

ZIONS BANCORPORATION

By:

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Exhibit A

Grant Date: ___

Name of Grantee: ___

Number of Option Shares: ___

Option Exercise Price: ___

Expiration Date: ___

Vesting Schedule: The right of Grantee to purchase the aggregate number of shares of Common Stock covered by the Option shall vest as follows:

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ZIONS BANCORPORATION
2005 STOCK OPTION EXERCISE AGREEMENT

If you are exercising your option through a broker-dealer you do not need to fill out this form but must complete forms provided by the broker-dealer and acceptable to the Company in its sole discretion.

I hereby elect to purchase the number of shares of Common Stock of Zions Bancorporation (the *Company*) as set forth below:

Grantee: ___

Number of Shares To Be Purchased: ___

Social Security Number: ___

Purchase Price per Share: ___

Share Delivery Instructions: ___

Aggregate Purchase Price: ___

Date of Grant: ___

Phone Number: ___

Type of Option: o Incentive Stock Option

o Nonqualified Stock Option

Please issue the new stock certificate(s) representing the option shares in my name and _____ (co-owner, if desired) as [ ] joint tenants or [ ] tenants in common (initial one).

Delivery of Purchase Price. Grantee hereby delivers to the Company the Exercise Price, to the extent permitted in the Stock Option Award Agreement between the Company and Grantee as follows (check as applicable and complete):

- o Cash Exercise: by check* in the amount of $___;
- o Stock Swap: by delivery of _____ fully-paid, nonassessable and vested shares of the Common Stock of the Company owned by Grantee for at least six (6) months prior to the date hereof and a check* in the amount of $___ to cover the fractional share amount due.

Payment of Withholding Tax (Non-Qualified options only).

- o Grantee hereby delivers to the Company a check* in the amount of $___ necessary to satisfy any withholding tax obligations of the Company.

Date: ___

Signature of Grantee: ___

* Checks should be made payable to Zions Bancorporation

[FOR COMPANY USE ONLY]

Received on . The closing Price for the stock on this day was $ per share.

Return form to Jennifer Jolley, interoffice: UT KC11-0669, mail: One South Main Street, Suite 1134, Salt Lake City, UT 84111

24579442.22 05170389

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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.

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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 buy and sell any of the securities as part of their business as a broker-dealer. Those subsidiaries may use this prospectus and the related prospectus supplement in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to Zions, we, us, our or similar references mean Zions Bancorporation and its subsidiaries.

Unless otherwise stated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC s public reference room in Washington, D.C. at 100 F Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, our SEC filings are available to the public at the SEC s web site at http://www.sec.gov. However, information on this website does not constitute a part of this prospectus. You can also inspect reports, proxy

statements and other information about us at the offices of the Nasdaq National Market, 1735 K Street, N.W., Washington, D.C. 20006-1500.

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus

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is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

We incorporate by reference the documents listed below and any documents we file with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until our offering is completed:

Annual Report on Form 10-K for the year ended December 31, 2005.

Current Reports on Form 8-K filed on January 24, 2006, February 2, 2006, February 14, 2006, February 15, 2006 and March 31, 2006 (except, in each case, information furnished on Form 8-K and any related exhibits).

The description of our common stock and rights set forth in our registration statement on Form 10 and Form 8-A filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed with the SEC for the purpose of updating such descriptions.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Investor Relations
Zions Bancorporation
One South Main Street, Suite 1134
Salt Lake City, Utah 84111
(801) 524-4787

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including information incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements provide current expectations or forecasts of future events and include, among others:

Statements with respect to our beliefs, plans, objectives, goals, guidelines, expectations, anticipations, and future financial condition, results of operations and performance; and

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

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

our ability to successfully execute our business plans and achieve our objectives;

changes in political and economic conditions, including the economic effects of terrorist attacks against the United States and elsewhere and related events;

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

fluctuations in the equity and fixed-income markets;

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

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acquisitions and integrations of acquired businesses;

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

changes in fiscal, monetary, regulatory, trade and tax policies and laws, including policies of the U.S. Treasury and the Federal Reserve Board;

continuing consolidation in the financial services industry;

new litigation or changes in existing litigation;

success in gaining regulatory approvals, when required;

changes in consumer spending and saving habits;

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

demand for financial services in Zions market areas;

inflation and deflation;

technological changes and Zions implementation of new technologies;

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

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

our ability to comply with applicable laws and regulations; and

changes in accounting policies, procedures or guidelines as may be required by the Financial Accounting Standards Board or regulatory agencies.

We specifically disclaim any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statement included in this prospectus, including the information incorporated by reference, to reflect future events or developments.

USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement for any offering of securities, the net proceeds we receive from the sale of these securities will be used for general corporate purposes, which may include:

funding investments in, or extensions of credit to, our subsidiaries;

funding investments in non-affiliates;

reducing or refinancing debt;

redeeming outstanding securities;

financing possible acquisitions; and

working capital.

Pending such use, we may temporarily invest net proceeds. We will disclose any proposal to use the net proceeds from any offering of securities in connection with an acquisition in the prospectus supplement relating to such offering.

DESCRIPTION OF DEBT SECURITIES WE MAY OFFER

Please note that in this section entitled Description of Debt Securities We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own debt securities registered in their own

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names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in debt securities registered in street name or in debt securities issued in book-entry form through one or more depositaries. Owners of beneficial interests in the debt securities should also read the section entitled Legal Ownership and Book-Entry Issuance.

The following description summarizes the material provisions of the senior indenture, the subordinated indenture and the debt securities to be issued under these indentures. This description is not complete and is subject to, and is qualified in its entirety by reference to, the indenture under which the debt securities are issued and the Trust Indenture Act. The specific terms of any series of debt securities will be described in the applicable prospectus supplement, and may differ from the general description of the terms presented below. The senior indenture and the subordinated indenture have been filed as exhibits to our SEC registration statement relating to this prospectus. Whenever particular defined terms of the senior indenture or the subordinated indenture, each as supplemented or amended from time to time, are referred to in this prospectus or a prospectus supplement, those defined terms are incorporated in this prospectus or such prospectus supplement by reference.

Debt Securities May Be Senior or Subordinated

We may issue senior or subordinated debt securities. Neither the senior debt securities nor the subordinated debt securities will be secured by any property or assets of ours or of our subsidiaries. Thus, by owning a debt security, you are one of our unsecured creditors.

The senior debt securities and, in the case of senior debt securities in bearer form, any coupons to these securities, will constitute part of our senior indebtedness, will be issued under the senior debt indenture and will rank on a parity with all of our other unsecured and unsubordinated debt.

The subordinated debt securities and, in the case of subordinated debt securities in bearer form, any coupons to these securities, will constitute part of our subordinated debt, will be issued under the subordinated debt indenture and will be contractually subordinate and junior in right of payment to all of our senior indebtedness, as defined below under Subordination Provisions. Upon the occurrence of certain events of insolvency, the subordinated debt securities will be contractually subordinated to the prior payment in full of our general obligations, as defined under Subordination Provisions. Neither indenture limits our ability to incur additional senior or subordinated indebtedness.

The senior debt securities and subordinated debt securities will be structurally subordinated to all indebtedness and other liabilities, including trade payables and lease obligations, of each of our subsidiaries, except to the extent we may be a creditor of that subsidiary with recognized senior claims. This is because we are a holding company and a legal entity separate and distinct from our subsidiaries, and our right to participate in any distribution of assets of any subsidiary upon its liquidation, reorganization or otherwise, and the ability of holders of debt securities to benefit indirectly from such distribution, is subject to superior claims. Claims on our subsidiary banks by creditors other than us include long-term debt, including subordinated and junior subordinated debt issued by our subsidiary, Amegy Corporation, 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. If we are entitled to participate in any assets of any of our subsidiaries upon the liquidation or reorganization of the subsidiary, the rights of holders of the senior debt securities and subordinated debt securities with respect to those assets will be subject to the contractual subordination of the subordinated debt securities.

When we use the terms debt security or debt securities in this description, we mean either the senior debt securities or the subordinated debt securities.

The Senior Debt Indenture and the Subordinated Debt Indenture

The senior debt securities and the subordinated debt securities are each governed by a document called an indenture the senior debt indenture, in the case of the senior debt securities, and the subordinated debt indenture, in the case of the subordinated debt securities. Each indenture is a contract between us and

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J.P. Morgan Trust Company, National Association, which will initially act as trustee. The indentures are substantially identical, except for our covenants described under Restriction on Sale or Issuance of Capital Stock of Major Constituent Banks, which are included only in the senior debt indenture, the provisions relating to subordination, which are included only in the subordinated debt indenture, and the provisions relating to defaults and events of default.

The trustee under each indenture has two main roles:

first, the trustee can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, which we describe later under Events of Default and Defaults;

second, the trustee performs administrative duties for us, such as sending you interest payments and notices.

See Our Relationship with the Trustee below for more information about the trustee.

When we refer to the indenture or the trustee with respect to any debt securities, we mean the indenture under which those debt securities are issued and the trustee under that indenture.

We May Issue Many Series of Debt Securities

We may issue as many distinct series of debt securities under either indenture as we wish. This section summarizes terms of the securities that apply generally to all series. The provisions of each indenture allow us not only to issue debt securities with terms different from those of debt securities previously issued under that indenture, but also to reopen a previous issue of a series of debt securities and issue additional debt securities of that series. Most of the financial and other specific terms of your series, whether it be a series of the senior debt securities or subordinated debt securities, are described in the applicable prospectus. Those terms may vary from the terms described here.

As you read this section, please remember that the specific terms of your debt security as described in your prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. The statements we make in this section may not apply to your debt security.

When we refer to a series of debt securities, we mean a series issued under the applicable indenture. When we refer to your prospectus supplement, we mean the prospectus supplement describing the specific terms of the debt security you purchase.

Amounts That We May Issue

Neither indenture limits the aggregate amount of debt securities that we may issue or the number of series or the aggregate amount of any particular series. We may issue debt securities, as well as increase the total authorized amount, at any time without your consent and without notifying you. Any debt securities owned by us or any of our affiliates are not deemed to be outstanding.

In addition, we have issued and have outstanding, and may in the future issue, junior subordinated debentures to certain financing trust affiliates, which will issue capital securities guaranteed by us on the same subordinated basis as the junior subordinated debentures. The junior subordinated debentures and related guarantees generally rank junior to the subordinated debt securities. The terms debt securities, senior debt securities and subordinated debt securities do not include the junior subordinated debentures or related guarantees.

We are not subject to financial or similar restrictions by the terms of the debt securities, except as described under Restriction on Sale or Issuance of Capital Stock of Major Constituent Banks below. The indentures do not contain any covenants designed to afford holders of debt securities protection in the event of a highly leveraged transaction involving us.

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Principal Amount, Stated Maturity and Maturity

The principal amount of a debt security means the principal amount payable at its stated maturity, unless that amount is not determinable, in which case the principal amount of a debt security is its face amount.

The term stated maturity with respect to any debt security means the day on which the principal amount of your debt security is scheduled to become due. The principal may become due sooner, by reason of redemption or acceleration after an event of default or otherwise in accordance with the terms of the debt security. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the maturity of the principal.

We also use the terms stated maturity and maturity to refer to the days when other payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the stated maturity of that installment. When we refer to the stated maturity or the maturity of a debt security without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

Governing Law

The indentures and the debt securities are governed by New York law.

Currency of Debt Securities

Unless otherwise specified in the applicable prospectus supplement, amounts that become due and payable on your debt security will be payable in U.S. dollars. You will have to pay for your debt securities by delivering the requisite amount for the principal to Zions Direct, Inc. or another underwriter or dealer that we name in your prospectus supplement, unless other arrangements have been made between you and us or you and that dealer.

Types of Debt Securities

We may issue any of the following three types of senior debt securities or subordinated debt securities:

Fixed Rate Debt Securities

A debt security of this type will bear interest at a fixed rate described in the applicable prospectus supplement. This type includes zero coupon debt securities, which bear no interest and are instead issued at a price lower than the principal amount.

Each fixed rate debt security, except any zero coupon debt security, will bear interest from its original issue date or from the most recent date to which interest on the debt security has been paid or made available for payment. Interest will accrue on the principal of a fixed rate debt security at the fixed yearly rate stated in the applicable prospectus supplement, until the principal is paid or made available for payment. Each payment of interest due on an interest payment date or the date of maturity will include interest accrued from and including the last date to which interest has been paid, or made available for payment, or from the issue date if none has been paid, or made available for payment, to but excluding the interest payment date or the date of maturity. We will compute interest on fixed rate debt securities on the basis of a 360-day year of twelve 30-day months. We will pay interest on each interest payment date and at maturity as described below under Payment Mechanics for Debt Securities in Registered Form.

Floating Rate Debt Securities

A debt security of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. If your debt security is a floating rate debt security, the formula and any adjustments that apply to the interest rate will be specified in your prospectus supplement.

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Each floating rate debt security will bear interest from its original issue date or from the most recent date to which interest on the debt security has been paid or made available for payment. Interest will accrue on the principal of a floating rate debt security at the yearly rate determined according to the interest rate formula stated in the applicable prospectus supplement, until the principal is paid or made available for payment. We will pay interest on each interest payment date and at maturity as described below under Payment Mechanics for Debt Securities in Registered Form.

Calculation of Interest. Calculations relating to floating rate debt securities will be made by the calculation agent, an institution that we appoint as our agent for this purpose. That institution may include any affiliate of ours, such as Zions Direct, Inc. The prospectus supplement for a particular floating rate debt security will name the institution that we have appointed to act as the calculation agent for that debt security as of its original issue date. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of the debt security without your consent and without notifying you of the change.

For each floating rate debt security, the calculation agent will determine, on the corresponding interest calculation or determination date, as described in the applicable prospectus supplement, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period i.e., the period from and including the original issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face amount of the floating rate debt security by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate, also expressed as a decimal, applicable to that day by 360 or by the actual number of days in the year, as specified in the applicable prospectus supplement.

Upon the request of the holder of any floating rate debt security, the calculation agent will provide for that debt security the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date. The calculation agent s determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error.

All percentages resulting from any calculation relating to a debt security will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a floating rate debt security will be rounded upward or downward, as appropriate, to the nearest cent, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the base rate that applies to a floating rate debt security during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as described in the applicable prospectus supplement. Those reference banks and dealers may include the calculation agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant floating rate debt securities and its affiliates, and they may include our affiliates.

Indexed Debt Securities

A debt security of this type provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to

securities of one or more issuers;

one or more currencies;

one or more commodities;

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any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and/or

one or more indices or baskets of the items described above.

If you are a holder of an indexed debt security, you may receive a principal amount at maturity that is greater than or less than the face amount of your debt security depending upon the value of the applicable index at maturity. The value of the applicable index will fluctuate over time.

An indexed debt security may provide either for cash settlement or for physical settlement by delivery of the underlying property or another property of the type listed above. An indexed debt security may also provide that the form of settlement may be determined at our option or at the holder s option. Some indexed debt securities may be exchangeable, at our option or the holder s option, for securities of an issuer other than us.

If you purchase an indexed debt security, your prospectus supplement will include information about the relevant index, about how amounts that are to become payable will be determined by reference to the price or value of that index and about the terms on which the security may be settled physically or in cash. The prospectus supplement will also identify the calculation agent that will calculate the amounts payable with respect to the indexed debt security and may exercise significant discretion in doing so. The calculation agent may be Zions Direct, Inc. or another of our affiliates. See Considerations Relating to Indexed Securities for more information about risks of investing in debt securities of this type.

Original Issue Discount Debt Securities

A fixed rate debt security, a floating rate debt security or an indexed debt security may be an original issue discount debt security. A debt security of this type is issued at a price lower than its principal amount and provides that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable. A debt security issued at a discount to its principal may, for U.S. federal income tax purposes, be considered an original issue discount debt security, regardless of the amount payable upon redemption or acceleration of maturity. See United States Taxation Taxation of Debt Securities United States Holders Original Issue Discount below for a brief description of the U.S. federal income tax consequences of owning an original issue discount debt security.

Form of Debt Securities

We will issue each debt security in global i.e., book-entry form only, unless we specify otherwise in the applicable prospectus supplement. Debt securities in book-entry form will be represented by a global security registered in the name of a depositary, which will be the holder of all the debt securities represented by the global security. Those who own beneficial interests in a global debt security will do so through participants in the depositary s system, and the rights of these indirect owners will be governed solely by the applicable procedures of the depositary and its participants. We describe book-entry securities under Legal Ownership and Book-Entry Issuance.

In addition, we will issue each debt security in registered form, without coupons, unless the conditions for issuance of bearer securities described under Securities Issued in Bearer Form are met and we choose to issue the debt security in bearer form. We describe bearer securities under Securities Issued in Bearer Form. As we note in that section, some of the features that we describe in this section entitled Description of Debt Securities We May Offer may not apply to bearer securities.

Information in the Prospectus Supplement

Your prospectus supplement will describe the specific terms of your debt security, which will include some or all of the following:

whether it is a senior debt security or a subordinated debt security;

any limit on the total principal amount of the debt securities of the same series;

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the stated maturity;

the price at which we originally issue your debt security, expressed as a percentage of the principal amount, and the original issue date;

whether your debt security is a fixed rate debt security, a floating rate debt security or an indexed debt security and also whether it is an original issue discount debt security;

if your debt security is a fixed rate debt security, the yearly rate at which your debt security will bear interest, if any, and the interest payment dates;

if your debt security is a floating rate debt security, the interest rate basis; any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; the interest reset, determination, calculation and payment dates; and the calculation agent;

if your debt security is an original issue discount debt security, the yield to maturity;

if your debt security is an indexed debt security, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and the terms on which your debt security will be exchangeable for or payable in cash, securities or other property;

whether your debt security may be redeemed at our option or repaid at the holder s option before the stated maturity and, if so, other relevant terms such as the redemption commencement date, repayment date(s), redemption price(s) and redemption period(s);

the authorized denominations, if other than $1,000 and integral multiples of $1,000;

whether we will issue or make available your debt security in non-book-entry form;

whether and under what circumstances we will pay additional amounts on any debt securities held by a person who is not a United States person for tax purposes and whether we can redeem the debt securities if we have to pay additional amounts;

whether the debt securities will be issued in fully registered form or bearer form, in definitive or global form or in any combination of these forms;

the names and duties of any co-trustees, depositories, authenticating agents, paying agents, transfer agents or registrars for the series of debt securities; and

any other terms of your debt security that are consistent with the provisions of the applicable indenture, which other terms could be different from those described in this prospectus.

Your prospectus supplement will summarize specific financial and other terms of your debt security, while this prospectus describes terms that apply generally to all the debt securities. Consequently, the terms described in your prospectus supplement will supplement those described in this prospectus and, if the terms described there are inconsistent with those described here, the terms described there will be controlling. The terms used in your

prospectus supplement have the meanings described in this prospectus, unless otherwise specified.

Redemption and Repayment

Unless otherwise indicated in your prospectus supplement, your debt security will not be entitled to the benefit of any sinking fund that is, we will not deposit money on a regular basis into any separate custodial account to repay your debt securities. In addition, we will not be entitled to redeem your debt security before its stated maturity unless your prospectus supplement specifies a redemption commencement date. You will not be entitled to require us to buy your debt security from you, before its stated maturity, unless your prospectus supplement specifies one or more repayment dates.

If your prospectus supplement specifies a redemption commencement date or a repayment date, it will also specify one or more redemption prices or repayment prices, which may be expressed as a percentage of

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the principal amount of your debt security. It may also specify one or more redemption periods during which the redemption prices relating to a redemption of debt securities during those periods will apply.

If your prospectus supplement specifies a redemption commencement date, your debt security will be redeemable at our option at any time on or after that date. If we redeem your debt security, we will do so at the specified redemption price, together with interest accrued to the redemption date. If different prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which your debt security is redeemed.

If your prospectus supplement specifies a repayment date, your debt security will be repayable at your option on the specified repayment date at the specified repayment price, together with interest accrued to the repayment date.

If we exercise an option to redeem any debt security, we will give to the trustee and the holder written notice of the principal amount of the debt security to be redeemed, not less than 30 days nor more than 60 days before the applicable redemption date. We will give the notice in the manner described below in Notices.

If a debt security represented by a global debt security is subject to repayment at the holder s option, the depositary or its nominee, as the holder, will be the only person that can exercise the right to repayment. Any indirect owners who own beneficial interests in the global debt security and wish to exercise a repayment right must give proper and timely instructions to their banks or brokers through which they hold their interests, requesting that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

Street name and other indirect owners should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.

We or our affiliates may purchase debt securities from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Debt securities that we or they purchase may, at our discretion, be held, resold or canceled.

Mergers and Similar Transactions

We are generally permitted to merge or consolidate with another corporation or other entity. We are also permitted to sell our assets substantially as an entirety to another corporation or other entity or to have another entity sell its assets substantially as an entirety to us. With regard to any series of debt securities, however, we may not take any of these actions unless all of the following conditions are met:

- if we are not the successor entity, the person formed by the consolidation or into or with which we merge or the person to which our properties and assets are conveyed, transferred or leased must be an entity organized and existing under the laws of the United States, any state or the District of Columbia and must expressly assume the due and punctual payment of the principal of, any premium, and interest on the debt securities of that series and the performance of our other covenants under the relevant indenture;

- immediately after giving effect to that transaction, no default or event of default under the debt securities of that series, and no event which, after notice or lapse of time or both, would become a default or an event of default under the debt securities of that series, has occurred and is continuing; and

- an officer s certificate and legal opinion relating to these conditions must be delivered to the trustee.

If the conditions described above are satisfied with respect to the debt securities of any series, we will not need to obtain the approval of the holders of those debt securities in order to merge or consolidate or to sell our assets. Also, these conditions will apply only if we wish to merge or consolidate with another entity or sell our assets substantially as an entirety to another entity or to acquire the assets of another entity substantially as an entirety. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another entity, any merger of another

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entity with one of our subsidiaries, any transaction that involves a change of control of us but in which we do not merge or consolidate and any transaction in which we sell less than substantially all our assets.

Also, if we merge, consolidate or sell our assets substantially as an entirety and the successor is a non-U.S. entity, neither we nor any successor would have any obligation to compensate you for any resulting adverse tax consequences relating to your debt securities.

Subordination Provisions

The subordinated debt securities are subordinated in right of payment to the prior payment in full of all of our senior indebtedness and, under specified circumstances, to our general obligations. This means that, in certain circumstances where we may not be making payments on all of our debt obligations as they become due, the holders of all of our senior indebtedness and general obligations will be entitled to receive payment in full of all amounts due or to become due to them before the holders of the subordinated debt securities will be entitled to receive any amounts under the subordinated debt securities. These circumstances include when we make a payment or distribute assets to creditors upon our liquidation, dissolution, winding up or reorganization.

These subordination provisions mean that if we are insolvent, a direct holder of our senior indebtedness may ultimately receive out of our assets more than a holder of the same amount of subordinated debt securities, and a senior creditor of ours that is owed a specific amount may ultimately receive more than a holder of the same amount of subordinated debt securities. The subordinated debt indenture does not limit our ability to incur senior or subordinated indebtedness or general obligations, including indebtedness ranking on an equal basis with the subordinated debt securities.

The subordinated debt indenture provides that, unless all principal of and any premium or interest on senior indebtedness has been paid in full, no payment or other distribution may be made in respect of any subordinated debt securities in the following circumstances:

- in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization, assignment for the benefit of creditors or other similar proceedings or events involving us or our assets;

- (a) in the event and during the continuation of any default in the payment of principal, premium or interest on any senior indebtedness beyond any applicable grace period or (b) in the event that any judicial proceeding is pending with respect to any such default; or

- in the event that any subordinated debt securities have been declared due and payable before their stated maturity.

If the trustee under the subordinated debt indenture or any holders of the subordinated debt securities receive any payment or distribution that is prohibited under the subordination provisions, and if this fact is made known to the trustee or holders at or prior to the time of such payment or distribution, then the trustee or the holders will have to repay that money to us.

Further, in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization, assignment for the benefit of creditors or other similar proceedings or events involving us or our assets, any creditors in respect of general obligations, which we define below, will be entitled to receive payment in full of all amounts due or to become due on or in respect of such general obligations after payment in full to the holders of senior indebtedness, before any amount is made available for payment or distribution to the holders of any subordinated debt security. However, upon the occurrence of a termination event, which we define below, such subordination to the

creditors in respect of general obligations will become null and void and have no further effect.

Even if the subordination provisions prevent us from making any payment when due on the subordinated debt securities of any series, we will be in default on our obligations under that series if we do not make the payment when due. This means that the trustee under the subordinated debt indenture and the holders of that

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series can take action against us, but they will not receive any money until the claims of the holders of senior indebtedness have been fully satisfied.

The subordinated debt indenture allows the holders of senior indebtedness to obtain a court order requiring us and any holder of subordinated debt securities to comply with the subordination provisions.

The subordinated debt indenture defines senior indebtedness as:

- the principal of, and premium, if any, and interest in respect of our indebtedness for purchased or borrowed money, whether or not evidenced by securities, notes, debentures, bonds or other similar instruments issued by us;
- all our capital lease obligations;
- all our obligations issued or assumed as the deferred purchase price of property, all our conditional sale obligations and all our obligations under any conditional sale or title retention agreement, but excluding trade accounts payable in the ordinary course of business;
- all our obligations in respect of any letters of credit, bankers acceptance, security purchase facilities and similar credit transactions;
- all our obligations in respect of interest rate swap, cap or other agreements, interest rate future or options contracts, currency swap agreements, currency future or option contracts and other similar agreements;
- all obligations of other persons of the type referred to in the bullets above the payment of which we are responsible or liable for as obligor, guarantor or otherwise;
- all obligations of the type referred to in the bullets above of other persons secured by any lien on any of our properties or assets whether or not we assume such obligation; and
- any deferrals, renewals or extensions of any such senior indebtedness.

However, senior indebtedness does not include:

- the subordinated debt securities;
- any indebtedness that by its terms is subordinated to, or ranks on an equal basis with, the subordinated debt securities, including our 5.50% Subordinated Notes due November 16, 2015, our 5.65% Subordinated Notes due May 15, 2014, our 6.0% Subordinated Notes due September 15, 2015, our Fixed/Floating Rate Subordinated Notes due October 15, 2011, our guarantee of Zions Financial Corp. s Fixed/Floating Rate Guaranteed Notes due May 15, 2011, and our debentures or guarantees of debentures underlying each of Zions Institutional Capital Trust A s 8.536% Capital Securities due December 15, 2026, GB Capital Trust s 10.25% Capital Securities due January 15, 2027, Zions Capital Trust B s 8% Capital Securities due September 1, 2032 and CSBI Capital Trust s 11.75% Capital Securities due June 6, 2027; and
- any indebtedness between or among us and our affiliates, including all other debt securities and guarantees in respect of debt securities issued to any trust, or a trustee of such trust, partnership or other entity affiliated with us which is a financing vehicle of ours in connection with the issuance by such financing vehicle of capital securities or other securities guaranteed by us pursuant to an instrument that ranks on an equal basis with or

junior in respect of payment to the subordinated debt securities.

The subordinated debt indenture defines general obligations as all our obligations to make payments on account of claims of general creditors, other than:

obligations on account of senior indebtedness; and

obligations on account of the subordinated debt securities and indebtedness for money borrowed ranking on an equal basis with or junior to the subordinated debt securities.

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However, if the Federal Reserve Board (or other federal banking supervisor that is at the time of determination our primary federal banking supervisor) promulgates any rule or issues any interpretation defining or describing the term general creditor or general creditors or senior indebtedness for purposes of its criteria for the inclusion of subordinated debt of a bank holding company in capital, or otherwise defining or describing the obligations to which subordinated debt of a bank holding company must be subordinated to be included in capital, to include any obligations not included in the definition of senior indebtedness as described above, then the term general obligations will mean such obligations as defined or described in the first such rule or interpretation, other than obligations as described immediately above in bullet points.

Termination event means the promulgation of any rule or regulation or the issuance of any interpretation of the Federal Reserve Board (or other federal banking supervisor that is at the time of determination our primary federal banking supervisor) that:

- defines or describes the terms general creditor or general creditors or senior indebtedness. for purposes of its criteria for the inclusion of subordinated debt of a bank holding company in capital, or otherwise defines or describes the obligations to which subordinated debt of a bank holding company must be subordinated for the debt to be included in capital, to include no obligations other than those covered by the definition of senior indebtedness without regard to any of our other obligations;

- permits us to include the subordinated debt securities in our capital if they were subordinated in right of payment to the senior indebtedness without regard to any of our other obligations;

- otherwise eliminates the requirement that subordinated debt of a bank holding company and its subsidiaries must be subordinated in right of payment to the claims of its general creditors in order to be included in capital; or

- causes the subordinated debt securities to be excluded from capital notwithstanding the provisions of the subordinated debt indenture.

Termination event also means any event that results in our not being subject to capital requirements under the rules, regulations or interpretations of the Federal Reserve Board (or other federal banking supervisor).

Restriction on Sale or Issuance of Capital Stock of Major Constituent Banks

With respect to the senior debt securities, we have agreed that we will not, and will not permit any subsidiary to, sell, assign, pledge, transfer, or otherwise dispose of, any shares of capital stock, or any securities convertible into shares of capital stock, of any major constituent bank, which we define below, or any subsidiary owning, directly or indirectly, any shares of capital stock of any major constituent bank. In addition, with respect to the senior debt securities, we have agreed that we will not permit any major constituent bank or any subsidiary owning, directly or indirectly, any shares of capital stock of a major constituent bank to issue any shares of its capital stock or any securities convertible into shares of its capital stock. Notwithstanding the foregoing, we are permitted to make sales, assignments, transfers or other dispositions which:

- are for the purpose of qualifying a person to serve as a director; or

- are for fair market value, as determined by our board, and, after giving effect to those dispositions and to any potential dilution, we will own not less than 80% of the shares of capital stock of the major constituent bank in question or any subsidiary owning any shares of capital stock of the major constituent bank in question; or

are made

in compliance with court or regulatory authority order; or

in compliance with a condition imposed by any court or regulatory authority permitting our acquisition of any other bank or entity; or

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in compliance with an undertaking made to any regulatory authority in connection with such an acquisition described in the immediately preceding bullet; or

to us or any wholly-owned subsidiary;

provided, in the case of the bullet-points relating to acquisitions, the assets of the bank or entity being acquired and its consolidated subsidiaries equal or exceed 75% of the assets of the major constituent bank in question or the subsidiary owning, directly or indirectly, any shares of capital stock of a major constituent bank and its respective consolidated subsidiaries on the date of acquisition.

Despite the above requirements, any major constituent bank may be merged into or consolidated with, or may lease, sell or transfer all or substantially all of its assets to, another entity if, after giving effect to that merger, consolidation, sale or transfer, we or any of our wholly-owned subsidiaries owns at least 80% of the capital stock of the other entity, or if such merger, consolidation, sale or transfer is made:

in compliance with court or regulatory authority order; or

in compliance with a condition imposed by any court or regulatory authority permitting our acquisition of any other bank or entity; or

in compliance with an undertaking made to any regulatory authority in connection with such an acquisition described in the immediately preceding bullet;

provided, in the case of the bullet-points relating to acquisitions, the assets of the bank or entity being acquired and its consolidated subsidiaries equal or exceed 75% of the assets of the major constituent bank in question or the subsidiary owning, directly or indirectly, any shares of capital stock of a major constituent bank and its respective consolidated subsidiaries on the date of acquisition.

A major constituent bank is defined in the senior debt indenture to mean any subsidiary which is a bank and has total assets equal to 30% or more of our consolidated assets determined on the date of our most recent audited financial statements. As of the date of this prospectus, and based on our audited financial statements for the year ended December 31, 2005, we do not have any major constituent banks.

The above covenants are not covenants for the benefit of any series of subordinated debt securities.

Defeasance and Covenant Defeasance

Unless we say otherwise in the applicable prospectus supplement, the provisions for full defeasance and covenant defeasance described below apply to each senior and subordinated debt security as indicated in the applicable prospectus supplement. In general, we expect these provisions to apply to each debt security that is not a floating rate or indexed debt security.

Full Defeasance

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on any debt securities. This is called full defeasance. For us to do so, each of the following must occur:

we must deposit in trust for the benefit of all holders of those debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the trustee, will generate enough cash to make interest, principal and any other payments on those debt securities on their various due dates;

there must be a change in current U.S. federal tax law or an Internal Revenue Service ruling that lets us make the above deposit without causing the holders to recognize gain or loss for federal income tax purposes as a result of such deposit and full defeasance to be effected with respect to such securities or be taxed on those debt securities any differently than if such deposit and full defeasance were not to occur;

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we must deliver to the trustee a legal opinion of our counsel confirming the tax law change described above;

we must confirm that neither the debt securities nor any securities of the same series, if listed on any securities exchange, will be delisted as a result of depositing such amount in trust;

no default or event of default, as defined below and as applicable under the relevant indenture for such series of securities, shall have occurred and be continuing at the time of such deposit or, with regard to an event of default relating to certain events of bankruptcy, insolvency, reorganization or the appointment of a receiver by us or any major constituent bank, on the date of the deposit referred to above or during the 90 days after that date;

such defeasance will not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act, assuming all securities are in default within the meaning of the Trust Indenture Act;

such defeasance will not result in a breach or violation of, or constitute a default under, any other agreement or instrument by which we are bound;

such defeasance will not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered or exempt from registration thereunder;

in the case of the subordinated debt securities, no event or condition may exist that, under the provisions described under Subordination Provisions above, would prevent us from making payments of interest, principal and any other payments on those subordinated debt securities on the date of the deposit referred to above or during the 90 days after that date; and

we must deliver to the trustee an officers certificate and a legal opinion of our counsel confirming that all conditions precedent with respect to such defeasance described above have been complied with.

If we ever fully defease your debt security, you will need to rely solely on the trust deposit for payments on your debt security. You could not look to us for payment in the event of any shortfall.

Covenant Defeasance

Under current U.S. federal tax law, we can make the same type of deposit described above and be released from the covenants described under Restriction on Sale or Issuance of Capital Stock of Major Constituent Banks above and certain other covenants relating to your debt security as provided for in the relevant indenture or described in your prospectus supplement. This is called covenant defeasance. In that event, you would lose the protection of those covenants. In the case of subordinated debt securities, you would be released from the subordination provisions on your subordinated debt security described under Subordination Provisions above. In order to achieve covenant defeasance for any debt securities, we must satisfy substantially the same conditions specified above for full defeasance, except with regard to the second bullet point above, which for covenant defeasance requires only a legal opinion of our counsel delivered to the trustee confirming that the holders of such securities will not recognize gain or loss for federal income tax purposes as a result of such deposit and covenant defeasance to be effected with respect to such securities or be taxed on those debt securities any differently than if such deposit and covenant defeasance were not to occur.

If we accomplish covenant defeasance with regard to your debt security, the following provisions, among others, of the applicable indenture and your debt security would no longer apply:

- if your debt security is a senior debt security, our promise not to take certain actions with respect to our major constituent banks as described above under Restriction on Sale or Issuance of Capital Stock of Major Constituent Banks;

- any covenants that your prospectus supplement may state are applicable to your debt security;

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the events of default resulting from a breach of covenants, described below under Events of Default and Defaults; and

with respect to subordinated debt securities, the subordination provisions described under Subordination Provisions above.

If we accomplish covenant defeasance on your debt security, you can still look to us for repayment of your debt security in the event of any shortfall in the trust deposit. You should note, however, that if one of the remaining events of default occurred, such as our bankruptcy, and your debt security became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Events of Default and Defaults

You will have special rights if an event of default with respect to your debt security occurs and is not cured, as described in this subsection.

Events of Default under the Senior Debt Indenture

When we refer to an event of default with respect to any series of senior debt securities, we mean any of the following:

failure to pay principal of or any premium on any senior debt security of that series when due;

failure to pay any interest on any senior debt security of that series when due and that default continues for 30 days;

failure to deposit any sinking fund payment, when and as due by the terms of any senior debt security of that series;

failure to perform any other covenant in the senior debt indenture and that failure continues for 60 days after written notice to us by the trustee or the holders of at least 25% in aggregate principal amount of the relevant outstanding senior debt securities;

our filing for bankruptcy or the occurrence of certain other events of bankruptcy, insolvency or reorganization relating to us or any major constituent bank;

failure to pay any portion of the principal when due of any indebtedness of ours or any major constituent bank in excess of $25,000,000, or acceleration of the maturity of any such indebtedness exceeding that amount if acceleration results from a default under the instrument giving rise to that indebtedness and is not annulled within 60 days after due notice (provided that any such failure or acceleration shall not be deemed to be an event of default if and for so long as we or the applicable major constituent bank contests the validity of the failure or acceleration in good faith by appropriate proceedings); and

any other event of default provided with respect to senior debt securities of that series which will be described in the applicable prospectus supplement for that series.

Events of Default and Defaults under the Subordinated Debt Indenture

When we refer to an event of default with respect to any series of subordinated debt securities, we mean:

our filing for bankruptcy or the occurrence of certain other events of bankruptcy, insolvency or reorganization relating to us or any major constituent bank.

When we refer to a default with respect to any series of subordinated debt securities, we mean:

failure to pay principal of or any premium on any subordinated debt security of that series when due;

failure to pay any interest on any subordinated debt security of that series when due and that default continues for 30 days;

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failure to deposit any sinking fund payment, when and as due by the terms of any subordinated debt security of that series;

failure to perform any other covenant in the subordinated debt indenture and that failure continues for 60 days after written notice to us by the trustee or the holders of at least 25% in aggregate principal amount of the relevant outstanding subordinated debt securities;

any event of default; and

any other default provided with respect to subordinated debt securities of that series which will be described in the applicable prospectus supplement for that series.

Remedies upon an Event of Default or Default

If an event of default occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the relevant outstanding debt securities may accelerate the maturity of such debt securities. Additionally, the senior debt indenture provides that in the event of the filing for bankruptcy by us or any major constituent bank or the occurrence of certain other events of bankruptcy, insolvency or reorganization relating to us or any major constituent bank, the maturity of the outstanding senior debt securities will accelerate automatically. After acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the relevant outstanding debt securities may, under circumstances set forth in the relevant indenture, rescind the acceleration if we have deposited monies on account of certain overdue amounts with the trustee.

With respect to subordinated debt securities, if a default occurs that is not also an event of default with respect to the subordinated debt securities, neither the trustee nor the holders of subordinated debt securities may act to accelerate the maturity of the subordinated debt securities. However, if a default occurs, the trustee may proceed to enforce any covenant and other rights of the holders of the subordinated debt securities, and if the default relates to our failure to make any payment of interest when due and payable and such default continues for a period of 30 days or such default is made in the payment of the principal or any premium at its maturity, then the trustee may demand payment of the amounts then due and payable and may proceed to prosecute any failure on our part to make such payments.

Subject to the provisions of the relevant indenture relating to the duties of the trustee in case an event of default shall occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the relevant indenture at the request or direction of any of the holders of the debt securities issued thereunder, unless the holders of such debt securities shall have offered to the trustee reasonable indemnity. Subject to such provisions for the indemnification of the trustee, the holders of a majority in aggregate principal amount of the relevant outstanding debt securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

Before you may take any action to institute any proceeding relating to the indenture, or to appoint a receiver or a trustee, or for any other remedy, each of the following must occur:

you must have given the trustee written notice of a continuing event of default or defaults;

the holders of at least 25% of the aggregate principal amount of all relevant outstanding debt securities of your series must make a written request of the trustee to take action because of the event of default or default, as the case may be, and must have offered reasonable indemnification to the trustee against the cost, liabilities and expenses of taking such action;

the trustee must not have taken action for 60 days after receipt of such notice and offer of indemnification; and

no contrary notice shall have been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount of the securities of your series.

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These limitations do not apply to a suit for the enforcement of payment of the principal of or any premium or interest on a security on or after the due dates for such payments.

We will furnish to the trustee annually a statement as to our performance of our obligations under the indentures and as to any default in performance.

Book-entry and other indirect owners should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity. Book-entry and other indirect owners are described under Legal Ownership and Book-Entry Issuance below.

Modification of the Indentures and Waiver of Covenants

Certain limited modifications of the indentures may be made without the necessity of obtaining the consent of the holders of the relevant debt securities. Other modifications and amendments of the indentures may be made with the consent of the holders of 662/3% in principal amount of the outstanding debt securities of each series affected by those modifications and amendments. However, a modification or amendment affecting securities issued under the senior debt indenture or the subordinated debt indenture requires the consent of the holder of each outstanding debt security under the relevant indenture affected if it would:

change the stated maturity of the principal or interest of any security;

reduce the principal amounts of, any premium or interest on, any security or change the currency in which any such amounts are payable;

change the place of payment on a security;

impair the right to institute suit for the enforcement of any payment on any security on or after its stated maturity or redemption date;

reduce the percentage of holders whose consent is needed to modify or amend the indenture;

reduce the percentage of holders whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults;

modify the provisions with respect to subordination of the subordinated debt securities in a manner adverse to the holders of those securities; or

modify the provisions dealing with modification and waiver of the indenture.

In addition, no modification or amendment to the subordinated debt indenture that affects the superior position of the holders of senior indebtedness shall be effective against any holder of senior indebtedness unless the holder shall have consented to the modification or amendment.

The holders of 662/3% in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all securities of that series, waive compliance by us with certain restrictive provisions of the indenture. The holders of a majority in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all securities of that series, waive any past default, except a default in the payment of principal or interest, and

defaults in respect of a covenant or provision which cannot be modified or amended without the consent of each holder of each outstanding debt security affected.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of relevant outstanding debt securities that are entitled to take any action under the relevant indenture. In limited circumstances, the trustee will be entitled to set a record date for action by holders of the relevant debt securities. If a record date is set for any action to be taken by holders of debt securities, such action may be taken only by persons who are holders of relevant outstanding debt securities on the record date and must be taken within 180 days following the record date or such other period as we may specify (or as the trustee may specify, if it set the record date). This period may be shortened or lengthened (but not beyond 180 days) from time to time.

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Book-entry and other indirect owners should consult their banks or brokers for information on how approval may be granted or denied if we seek to change an indenture or any debt securities or request a waiver.

Special Rules for Action by Holders

When holders take any action under either indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, we will apply the following rules.

Only Outstanding Debt Securities Are Eligible

Only holders of outstanding debt securities of the applicable series will be eligible to participate in any action by holders of debt securities of that series. Also, we will count only outstanding debt securities in determining whether the various percentage requirements for taking action have been met. For these purposes, a debt security will not be outstanding:

if it has been surrendered for cancellation;

if we have deposited or set aside, in trust for its holder, money for its payment or redemption;

if we have fully defeased it as described above under Defeasance and Covenant Defeasance Full Defeasance; or

if we or one of our affiliates, such as Zions Direct, Inc., is the beneficial owner.

Eligible Principal Amount of Some Debt Securities

In some situations, we may follow special rules in calculating the principal amount of a debt security that is to be treated as outstanding for the purposes described above. This may happen, for example, if the principal amount increases over time or is not to be fixed until maturity.

For any debt security of the kind described below, we will decide how much principal amount to attribute to the debt security as follows:

for an original issue discount debt security, we will use the principal amount that would be due and payable on the action date if the maturity of the debt security were accelerated to that date because of a default; or

for a debt security whose principal amount is not known, we will use any amount that we indicate in the prospectus supplement for that debt security. The principal amount of a debt security may not be known, for example, because it is based on an index that changes from time to time and the principal amount is not to be determined until a later date.

Form, Exchange and Transfer of Debt Securities in Registered Form

If any debt securities cease to be issued in registered global form, they will be issued as follows unless we indicate otherwise in your prospectus supplement:

only in fully registered form;

without interest coupons; and

in denominations of $1,000 and integral multiples of $1,000.

Holders may exchange their debt securities for debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed.

Holders may exchange or transfer their debt securities at the office of the trustee. They may also replace lost, stolen, destroyed or mutilated debt securities at that office. We have appointed the trustee to act as our

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agent for registering debt securities in the names of holders and transferring and replacing debt securities. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their debt securities, but they may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder s proof of legal ownership. The transfer agent may require an indemnity before replacing any debt securities.

If we have designated additional transfer agents for your debt security, they will be named in your prospectus supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If the debt securities of any series are redeemable and we redeem less than all those debt securities, we may block the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers of or exchange any debt security selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

If a debt security is issued as a registered global debt security, only the depositary, Euroclear and Clearstream, Luxembourg, as applicable, will be entitled to transfer and exchange the debt security as described in this subsection, since it or they will be the sole holder of the debt security.

The rules for exchange described above apply to exchange of debt securities for other debt securities of the same series and kind. If a debt security is convertible, exercisable or exchangeable for a different kind of security, such as one that we have not issued, or for other property, the rules governing that type of conversion, exercise or exchange will be described in the applicable prospectus supplement.

Payment Mechanics for Debt Securities in Registered Form

Who Receives Payment?

If interest is due on a debt security on an interest payment date, we will pay the interest to the person in whose name the debt security is registered at the close of business on the regular record date relating to the interest payment date as described under Payment and Record Dates for Interest below. If interest is due at maturity but on a day that is not an interest payment date, we will pay the interest to the person entitled to receive the principal of the debt security. If principal or another amount besides interest is due on a debt security at maturity, we will pay the amount to the holder of the debt security against surrender of the debt security at a proper place of payment or, in the case of a global debt security, in accordance with the applicable policies of the depositary, Euroclear and Clearstream, Luxembourg, as applicable.

Payment and Record Dates for Interest

Unless we specify otherwise in the applicable prospectus supplement, interest on any fixed rate debt security will be payable semiannually each February 15 and August 15 and at maturity, and the regular record date relating to an interest payment date for any fixed rate debt security will be the February 1 or August 1 next preceding that interest payment date. The regular record date relating to an interest payment date for any floating rate debt security will be the 15th calendar day before that interest payment date. These record dates will apply regardless of whether a particular record date is a business day, as defined below. For the purpose of determining the holder at the close of business on a regular record date when business is not being conducted, the close of business will mean 5:00 P.M.,

New York City time, on that day.

Business Day. The term business day means, for any debt security, a day that meets all the following applicable requirements:

for all debt securities, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in Salt Lake City, Utah, Houston, Texas or New York City generally are authorized or required by law or executive order to close;

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if the debt security is a floating rate debt security whose interest rate is based on the London interbank offered rate, or LIBOR, is also a day on which dealings in the relevant index currency specified in the applicable prospectus supplement are transacted in the London interbank market;

if the debt security either is a floating rate debt security whose interest rate is based on the euro interbank offered rate, or EURIBOR, or a floating rate debt security whose interest rate is based on LIBOR and for which the index currency is euros, is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business;

if the debt security is held through Euroclear, is also not a day on which banking institutions in Brussels, Belgium are generally authorized or obligated by law, regulation or executive order to close; and

if the debt security is held through Clearstream, is also not a day on which banking institutions in Luxembourg are generally authorized or obligated by law, regulation or executive order to close.

How We Will Make Payments Due

We will follow the practice described in this subsection when paying amounts due on the debt securities. All amounts due will be paid in U.S. dollars.

Payments on Global Debt Securities. We will make payments on a global debt security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will pay directly to the depositary, or its nominee, and not to any indirect owners who own beneficial interests in the global debt security. An indirect owner s right to receive those payments will be governed by the rules and practices of the depositary and its participants, as described in the section entitled Legal Ownership and Book-Entry Issuance What Is a Global Security? .

Payments on Non-Global Debt Securities. We will make payments on a debt security in non-global, registered form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee s records as of the close of business on the regular record date. We will make all other payments by check at the paying agent described below, against surrender of the debt security. All payments by check will be made in next-day funds i.e., funds that become available on the day after the check is cashed.

Alternatively, if a non-global debt security has a face amount of at least $1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the paying agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant regular record date. In the case of any other payment, payment will be made only after the debt security is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their debt securities.

Payment When Offices Are Closed

If any payment is due on a debt security on a day that is not a business day, we will make the payment on the next day that is a business day. Payments postponed to the next business day in this situation will be treated under the applicable indenture as if they were made on the original due date. Postponement of this kind will not result in a default under any debt security or the applicable indenture, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day. The term business day has a special meaning, which we describe above under Payment and Record Dates for Interest.

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Paying Agent

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices debt securities in non-global entry form may be surrendered for payment at their maturity. We call each of those offices a paying agent. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. Initially, we have appointed Zions First National Bank, at its principal office in Salt Lake City, Utah, as the paying agent for the debt securities. We must notify you of changes in the paying agents.

Unclaimed Payments

Regardless of who acts as paying agent, all money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to us. After that two-year period, the holder may look only to us for payment and not to the trustee, any other paying agent or anyone else.

Notices

Notices to be given to holders of a global debt security will be given only to the depositary, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of debt securities not in global form will be sent by mail to the respective addresses of the holders as they appear in the trustee s records, and will be deemed given when mailed. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive notices.

Our Relationship with the Trustee

J.P. Morgan Trust Company, National Association, is initially serving as the trustee for both the senior debt securities and the subordinated debt securities. Consequently, if an actual or potential event of default occurs with respect to any debt securities, the trustee may be considered to have a conflicting interest for purposes of the Trust Indenture Act of 1939. In that case, the trustee may be required to resign under one of the indentures, and we would be required to appoint a successor trustee. For this purpose, a potential event of default means an event that would be an event of default if the requirements for giving us default notice or for the default having to exist for a specific period of time were disregarded.

DESCRIPTION OF WARRANTS OR OTHER RIGHTS WE MAY OFFER

Please note that in this section entitled Description of Warrants or Other Rights We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own warrants or other rights registered in their own names, on the books that we or any applicable trustee or warrant or rights agent maintain for this purpose, and not those who own beneficial interests in warrants or rights registered in street name or in warrants or rights issued in book-entry form through one or more depositaries. Owners of beneficial interests in warrants or rights should also read the section entitled Legal Ownership and Book-Entry Issuance.

This section outlines some of the provisions of each warrant or rights agreement pursuant to which warrants or rights may be issued, the warrants or rights and any warrant or rights certificates. This information may not be complete in all respects and is qualified entirely by reference to any warrant agreement or rights agreement with respect to the warrants or rights of any particular series. The specific terms of any series of warrants or rights will be described in

the applicable prospectus supplement. If so described in the prospectus supplement, the terms of that series of warrants or rights may differ from the general description of terms presented below. Owners of warrants or rights should also read the section entitled Legal Ownership and Book-Entry Issuance.

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We may issue warrants or other rights. We may issue these securities in such amounts or in as many distinct series as we wish. This section summarizes the terms of these securities that apply generally. We describe most of the financial and other specific terms of any such series of securities in the prospectus supplement accompanying this prospectus. Those terms may vary from the terms described here.

When we refer to a series of securities in this section, we mean all securities issued as part of the same series under any applicable indenture, agreement or other instrument. When we refer to your prospectus supplement, we mean the prospectus supplement describing the specific terms of the security you purchase. The terms used in your prospectus supplement will have the meanings described in this prospectus, unless otherwise specified.

Warrants

We may issue warrants, options or similar instruments for the purchase of our debt securities, preferred stock, common stock, depositary shares or units. We refer to these collectively as warrants. Warrants may be issued independently or together with debt securities, preferred stock, common stock, depositary shares or units, and may be attached to or separate from those securities.

Rights

We may also issue rights, on terms to be determined at the time of sale, for the purchase or sale of, or whose cash value or stream of cash payments is determined by reference to, the occurrence or non-occurrence of or the performance, level or value of, one or more of the following:

- securities of one or more issuers, including our common or preferred stock or other securities described in this prospectus or debt or equity securities of third parties;
- one or more currencies;
- one or more commodities;
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and
- one or more indices or baskets of the items described above.

We refer to each property described above as a right property .

We may satisfy our obligations, if any, and the holder of a right may satisfy its obligations, if any, with respect to any rights by delivering, among other things:

- the right property;
- the cash value of the right property; or
- the cash value of the rights determined by reference to the performance, level or value of the right.

The applicable prospectus supplement will describe what we may deliver to satisfy our obligations, if any, and what the holder of a right may deliver to satisfy its obligations, if any, with respect to any rights.

Agreements

Each series of warrants or rights may be evidenced by certificates and may be issued under a separate indenture, agreement or other instrument to be entered into between us and a bank that we select as agent with respect to such series. The agent, if any, will have its principal office in the U.S. and have a combined capital and surplus of at least $50,000,000. Warrants or rights in book-entry form will be represented by a global security registered in the name of a depositary, which will be the holder of all the securities represented by the global security. Those who own beneficial interests in a global security will do so through participants in the depositary s system, and the rights of these indirect owners will be governed solely by the applicable

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procedures of the depositary and its participants. We describe book-entry securities under Legal Ownership and Book-Entry Issuance.

General Terms of Warrants or Rights

The prospectus supplement relating to a series of warrants or rights will identify the name and address of the warrant or rights agent, if any. The prospectus supplement will describe the terms of the series of warrants or rights in respect of which this prospectus is being delivered, including:

- the offering price;
- the currency for which the warrants or rights may be purchased;
- the designation and terms of any securities with which the warrants or rights are issued and in that event the number of warrants or rights issued with each security or each principal amount of security;
- the date, if any, on which the warrants or rights and any related securities will be separately transferable;
- whether the warrants or rights are to be sold separately or with other securities, as part of units or otherwise;
- any securities exchange or quotation system on which the warrants or rights or any securities deliverable upon exercise of such securities may be listed;
- whether the warrants or rights will be issued in fully registered form or bearer form, in global or non-global form or in any combination of these forms;
- the dates on which the right to exercise the warrants will commence and expire;
- material U.S. Federal income tax consequences of holding or exercising these securities; and
- any other terms of the warrants or rights.

Warrant or rights certificates may be exchanged for new certificates of different denominations and may be presented for transfer of registration and, if exercisable for other securities or other property, may be exercised at the agent s corporate trust office or any other office indicated in the prospectus supplement. If the warrants or rights are not separately transferable from any securities with which they were issued, this exchange may take place only if the certificates representing the related securities are also exchanged. Prior to exercise of any warrant or right exercisable for other securities or other property, securityholders will not have any rights as holders of the underlying securities, including the right to receive any principal, premium, interest, dividends, or payments upon our liquidation, dissolution or winding up or to exercise any voting rights.

Exercise of Warrants or Rights

If any warrant or right is exercisable for other securities or other property, the following provisions will apply. Each such warrant or right may be exercised at any time up to any expiration date and time mentioned in the prospectus supplement relating to those warrants or rights as may otherwise be stated in the prospectus supplement. After the close of business on any applicable expiration date, unexercised warrants or rights will become void.

Warrants or rights may be exercised by delivery of the certificate representing the securities to be exercised, or in the case of global securities, as described below under Legal Ownership and Book-Entry Issuance, by delivery of an exercise notice for those warrants or rights, together with certain information, and payment to any agent in immediately available funds, as provided in the prospectus supplement, of the required purchase amount, if any. Upon receipt of payment and the certificate or exercise notice properly executed at the office indicated in the prospectus supplement, we will, in the time period the relevant agreement provides, issue and deliver the securities or other property purchasable upon such exercise. If fewer

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than all of the warrants or rights represented by such certificates are exercised, a new certificate will be issued for the remaining amount of warrants or rights.

If mentioned in the prospectus supplement, securities may be surrendered as all or part of the exercise price for warrants or rights.

Antidilution Provisions

In the case of warrants or rights to purchase common stock, the exercise price payable and the number of shares of common stock purchasable upon warrant exercise may be adjusted in certain events, including:

- the issuance of a stock dividend to common stockholders or a combination, subdivision or reclassification of common stock;
- the issuance of rights, warrants or options to all common and preferred stockholders entitling them to purchase common stock for an aggregate consideration per share less than the current market price per share of common stock;
- any distribution to our common stockholders of evidences of our indebtedness of assets, excluding cash dividends or distributions referred to above; and
- any other events mentioned in the prospectus supplement.

The prospectus supplement will describe which, if any, of these provisions shall apply to a particular series of warrants or rights. Unless otherwise specified in the applicable prospectus supplement, no adjustment in the number of shares purchasable upon warrant or right exercise will be required until cumulative adjustments require an adjustment of at least 1% of such number and no fractional shares will be issued upon warrant or right exercise, but we will pay the cash value of any fractional shares otherwise issuable.

Modification

We and any agent for any series of warrants or rights may amend any warrant or rights agreement and the terms of the related warrants or rights by executing a supplemental agreement, without any such warrantholders or rightholders consent, for the purpose of:

- curing any ambiguity, any defective or inconsistent provision contained in the agreement, or making any other corrections to the agreement that are not inconsistent with the provisions of the warrant or rights certificates;
- evidencing the succession of another corporation to us and its assumption of our covenants contained in the agreement and the securities;
- appointing a successor depository, if the securities are issued in the form of global securities;
- evidencing a successor agent s acceptance of appointment with respect to any securities;
- adding to our covenants for the benefit of securityholders or surrendering any right or power we have under the agreement;

issuing warrants or rights in definitive form, if such securities are initially issued in the form of global securities; or

amending the agreement and the warrants or rights as we deem necessary or desirable and that will not adversely affect the interests of the applicable warrantholders or rightsholders in any material respect.

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We and any agent for any series of warrants or rights may also amend any agreement and the related warrants or rights by a supplemental agreement with the consent of the holders of a majority of the warrants or rights of any series affected by such amendment, for the purpose of adding, modifying or eliminating any of the agreement s provisions or of modifying the rights of the holders of warrants or rights. However, no such amendment that:

- reduces the number or amount of securities receivable upon any exercise of any such security;
- shortens the time period during which any such security may be exercised;
- otherwise adversely affects the exercise rights of warrantholders or rightholders in any material respect; or
- reduces the number of securities the consent of holders of which is required for amending the agreement or the related warrants or rights;

may be made without the consent of each holder affected by that amendment.

Consolidation, Merger and Sale of Assets

Any agreement with respect to warrants or rights will provide that we are generally permitted to merge or consolidate with another corporation or other entity. Any such agreement will also provide that we are permitted to sell our assets substantially as an entirety to another corporation or other entity or to have another entity sell its assets substantially as an entirety to us. With regard to any series of securities, however, we may not take any of these actions unless all of the following conditions are met:

- if we are not the successor entity, the person formed by the consolidation or into or with which we merge or the person to which our properties and assets are conveyed, transferred or leased must be an entity organized and existing under the laws of the United States, any state or the District of Columbia and must expressly assume the performance of our covenants under any relevant indenture, agreement or other instrument; and
- we or that successor corporation must not immediately be in default under that agreement.

Enforcement by Holders of Warrants or Rights

Any agent for any series of warrants or rights will act solely as our agent under the relevant agreement and will not assume any obligation or relationship of agency or trust for any securityholder. A single bank or trust company may act as agent for more than one issue of securities. Any such agent will have no duty or responsibility in case we default in performing our obligations under the relevant agreement or warrant or right, including any duty or responsibility to initiate any legal proceedings or to make any demand upon us. Any securityholder may, without the agent s consent or consent of any other securityholder, enforce by appropriate legal action its right to exercise any warrant or right exercisable for any property.

Replacement of Certificates

We will replace any destroyed, lost, stolen or mutilated warrant or rights certificate upon delivery to us and any applicable agent of satisfactory evidence of the ownership of that certificate and of its destruction, loss, theft or mutilation, and (in the case of mutilation) surrender of that certificate to us or any applicable agent, unless we have, or the agent has, received notice that the certificate has been acquired by a bona fide purchaser. That securityholder will also be required to provide indemnity satisfactory to us and the relevant agent before a replacement certificate will be

issued.

Title

Zions, any agents for any series of warrants or rights and any of their agents may treat the registered holder of any certificate as the absolute owner of the securities evidenced by that certificate for any purpose

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and as the person entitled to exercise the rights attaching to the warrants or rights so requested, despite any notice to the contrary. See Legal Ownership and Book-Entry Issuance.

DESCRIPTION OF STOCK PURCHASE CONTRACTS WE MAY OFFER

Please note that in this section entitled Description of Stock Purchase Contracts We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own stock purchase contracts registered in their own names, on the books that we or our agent maintain for this purpose, and not those who own beneficial interests in stock purchase contracts registered in street name or in purchase contracts issued in book-entry form through one or more depositaries. Owners of beneficial interests in the purchase contracts should read the section below entitled Legal Ownership and Book-Entry Issuance.

This section outlines some of the provisions of the stock purchase contracts, the purchase contract agreement and the pledge agreement. This information is not complete in all respects and is qualified entirely by reference to the purchase contract agreement and pledge agreement with respect to the stock purchase contracts of any particular series. The specific terms of any series of stock purchase contracts will be described in the applicable prospectus supplement. If so described in a particular supplement, the specific terms of any series of stock purchase contracts may differ from the general description of terms presented below.

Unless otherwise specified in the applicable prospectus supplement, we may issue stock purchase contracts, including contracts obligating holders to purchase from us and us to sell to the holders, a specified number of shares of common stock, preferred stock, depositary shares or other security or property at a future date or dates. Alternatively, the stock purchase contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specified or varying number of shares of common stock, preferred stock, depositary shares or other security or property. The consideration per share of common stock or preferred stock or per depositary share or other security or property may be fixed at the time the stock purchase contracts are issued or may be determined by a specific reference to a formula set forth in the stock purchase contracts. The stock purchase contracts may provide for settlement by delivery by or on behalf of Zions of shares of the underlying security or property it may provide for settlement by reference or linkage to the value, performance or trading price of the underlying security or property. The stock purchase contracts may be issued separately or as part of stock purchase units consisting of a stock purchase contract and debt securities, preferred stock or debt obligations of third parties, including U.S. treasury securities, other stock purchase contracts or common stock, or other securities or property, securing the holders obligations to purchase or sell, as the case may be, the common stock or the preferred stock under the stock purchase contracts. The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and such payments may be unsecured or prefunded on some basis and may be paid on a current or on a deferred basis. The stock purchase contracts may require holders to secure their obligations thereunder in a specified manner and may provide for the prepayment of all or part of the consideration payable by holders in connection with the purchase of the underlying security or other property pursuant to the stock purchase contracts.

The securities related to the stock purchase contracts may be pledged to a collateral agent for Zions benefit pursuant to a pledge agreement to secure the obligations of holders of stock purchase contracts to purchase the underlying security or property under the related stock purchase contracts. The rights of holders of stock purchase contracts to the related pledged securities will be subject to Zions security interest therein created by the pledge agreement. No holder of stock purchase contracts will be permitted to withdraw the pledged securities related to such stock purchase contracts from the pledge arrangement except upon the termination or early settlement of the related stock purchase contracts or in the event other securities, cash or property is made subject to the pledge agreement in lieu of the pledged securities, if permitted by the pledge agreement, or as otherwise provided in the pledge agreement. Subject to such security interest and the terms of the purchase contract agreement and the pledge agreement, each holder of a stock purchase

contract will retain full beneficial ownership of the related pledged securities.

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Except as described in the applicable prospectus supplement, the collateral agent will, upon receipt of distributions on the pledged securities, distribute such payments to Zions or the purchase contract agent, as provided in the pledge agreement. The purchase agent will in turn distribute payments it receives as provided in the purchase contract agreement.

DESCRIPTION OF UNITS WE MAY OFFER

Please note that in this section entitled Description of Units We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own units registered in their own names, on the books that we or our agent maintain for this purpose, and not those who own beneficial interests in units registered in street name or in units issued in book-entry form through one or more depositaries. Owners of beneficial interests in the units should read the section below entitled Legal Ownership and Book-Entry Issuance.

This section outlines some of the provisions of the units and the unit agreements. This information may not be complete in all respects and is qualified entirely by reference to the unit agreement with respect to the units of any particular series. The specific terms of any series of units will be described in the applicable prospectus supplement. If so described in a particular supplement, the specific terms of any series of units may differ from the general description of terms presented below.

We may issue units comprised of one or more debt securities, shares of common stock, shares of preferred stock, stock purchase contracts, warrants, rights and other securities in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

The applicable prospectus supplement may describe:

- the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any provisions of the governing unit agreement that differ from those described below; and
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units.

The provisions described in this section, as well as those described under Description of Debt Securities We May Offer, Description of Preferred Stock We May Offer, Description of Common Stock We May Offer, Description of Warrants or Other Rights We May Offer and Description of Stock Purchase Contracts We May Offer will apply to the securities included in each unit, to the extent relevant.

Issuance in Series

We may issue units in such amounts and in as many distinct series as we wish. This section summarizes terms of the units that apply generally to all series. Most of the financial and other specific terms of your series will be described in the applicable prospectus supplement.

Unit Agreements

We will issue the units under one or more unit agreements to be entered into between us and a bank or other financial institution, as unit agent. We may add, replace or terminate unit agents from time to time. We will identify the unit agreement under which each series of units will be issued and the unit agent under that agreement in the applicable prospectus supplement.

The following provisions will generally apply to all unit agreements unless otherwise stated in the applicable prospectus supplement.

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Enforcement of Rights

The unit agent under a unit agreement will act solely as our agent in connection with the units issued under that agreement. The unit agent will not assume any obligation or relationship of agency or trust for or with any holders of those units or of the securities comprising those units. The unit agent will not be obligated to take any action on behalf of those holders to enforce or protect their rights under the units or the included securities.

Except as indicated in the next paragraph, a holder of a unit may, without the consent of the unit agent or any other holder, enforce its rights as holder under any security included in the unit, in accordance with the terms of that security and the indenture, warrant agreement, rights agreement or other instrument under which that security is issued. Those terms are described elsewhere in this prospectus under the sections relating to debt securities, preferred stock, common stock, warrants and capital securities, as relevant.

Notwithstanding the foregoing, a unit agreement may limit or otherwise affect the ability of a holder of units issued under that agreement to enforce its rights, including any right to bring a legal action, with respect to those units or any securities, other than debt securities, that are included in those units. Limitations of this kind will be described in the applicable prospectus supplement.

Modification Without Consent of Holders

We and the applicable unit agent may amend any unit or unit agreement without the consent of any holder:

- to cure any ambiguity;
- to correct or supplement any defective or inconsistent provision; or
- to make any other change that we believe is necessary or desirable and will not adversely affect the interests of the affected holders in any material respect.

We do not need any approval to make changes that affect only units to be issued after the changes take effect. We may also make changes that do not adversely affect a particular unit in any material respect, even if they adversely affect other units in a material respect. In those cases, we do not need to obtain the approval of the holder of the unaffected unit; we need only obtain any required approvals from the holders of the affected units.

Modification With Consent of Holders

We may not amend any particular unit or a unit agreement with respect to any particular unit unless we obtain the consent of the holder of that unit, if the amendment would:

- impair any right of the holder to exercise or enforce any right under a security included in the unit if the terms of that security require the consent of the holder to any changes that would impair the exercise or enforcement of that right; or
- reduce the percentage of outstanding units or any series or class the consent of whose holders is required to amend that series or class, or the applicable unit agreement with respect to that series or class, as described below.

Any other change to a particular unit agreement and the units issued under that agreement would require the following approval:

If the change affects only the units of a particular series issued under that agreement, the change must be approved by the holders of a majority of the outstanding units of that series; or

If the change affects the units of more than one series issued under that agreement, it must be approved by the holders of a majority of all outstanding units of all series affected by the change, with the units of all the affected series voting together as one class for this purpose.

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These provisions regarding changes with majority approval also apply to changes affecting any securities issued under a unit agreement, as the governing document.

In each case, the required approval must be given by written consent.

Unit Agreements Will Not Be Qualified Under Trust Indenture Act

No unit agreement will be qualified as an indenture, and no unit agent will be required to qualify as a trustee, under the Trust Indenture Act. Therefore, holders of units issued under unit agreements will not have the protections of the Trust Indenture Act with respect to their units.

Mergers and Similar Transactions Permitted; No Restrictive Covenants or Events of Default

The unit agreements will not restrict our ability to merge or consolidate with, or sell our assets to, another corporation or other entity or to engage in any other transactions. If at any time we merge or consolidate with, or sell our assets substantially as an entirety to, another corporation or other entity, the successor entity will succeed to and assume our obligations under the unit agreements. We will then be relieved of any further obligation under these agreements.

The unit agreements will not include any restrictions on our ability to put liens on our assets, including our interests in our subsidiaries, nor will they restrict our ability to sell our assets. The unit agreements also will not provide for any events of default or remedies upon the occurrence of any events of default.

Governing Law

The unit agreements and the units will be governed by New York law.

Form, Exchange and Transfer

We will issue each unit in global i.e., book-entry form only. Units in book-entry form will be represented by a global security registered in the name of a depositary, which will be the holder of all the units represented by the global security. Those who own beneficial interests in a unit will do so through participants in the depositary s system, and the rights of these indirect owners will be governed solely by the applicable procedures of the depositary and its participants. We describe book-entry securities below under Legal Ownership and Book-Entry Issuance.

In addition, we will issue each unit in registered form, unless we say otherwise in the applicable prospectus supplement. Bearer securities would be subject to special provisions, as we describe below under Considerations Relating to Securities Issued in Bearer Form .

Each unit and all securities comprising the unit will be issued in the same form.

If we issue any units in registered, non-global form, the following will apply to them.

The units will be issued in the denominations stated in the applicable prospectus supplement. Holders may exchange their units for units of smaller denominations or combined into fewer units of larger denominations, as long as the total amount is not changed.

Holders may exchange or transfer their units at the office of the unit agent. Holders may also replace lost, stolen, destroyed or mutilated units at that office. We may appoint another entity to perform these functions or

perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their units, but they may be required to pay for any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder s proof of legal ownership. The transfer agent may also require an indemnity before replacing any units.

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If we have the right to redeem, accelerate or settle any units before their maturity, and we exercise our right as to less than all those units or other securities, we may block the exchange or transfer of those units during the period beginning 15 days before the day we mail the notice of exercise and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers of or exchange any unit selected for early settlement, except that we will continue to permit transfers and exchanges of the unsettled portion of any unit being partially settled. We may also block the transfer or exchange of any unit in this manner if the unit includes securities that are or may be selected for early settlement.

Only the depositary will be entitled to transfer or exchange a unit in global form, since it will be the sole holder of the unit.

Payments and Notices

In making payments and giving notices with respect to our units, we will follow the procedures we plan to use with respect to our debt securities, where applicable. We describe those procedures above under Description of Debt Securities We May Offer Payment Mechanics for Debt Securities and Description of Debt Securities We May Offer Notices.

DESCRIPTION OF COMMON STOCK WE MAY OFFER

Please note that in this section entitled Description of Common Stock We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own shares of common stock, registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in shares of common stock should also read the section entitled Legal Ownership and Book-Entry Issuance.

The following summary description of our common stock is based on the provisions of our articles of incorporation and restated bylaws, or bylaws, and the applicable provisions of the Utah Revised Business Corporation Act, or the UBCA. This description is not complete and is subject to, and is qualified in its entirety by reference to our articles of incorporation, bylaws and the applicable provisions of the UBCA. For information on how to obtain copies of our articles of incorporation and bylaws, see Where You Can Find More Information.

We may offer common stock issuable upon the conversion of debt securities or preferred stock, the exercise of warrants and pursuant to stock purchase contracts.

Authorized Capital

Zions is authorized to issue 350,000,000 shares of common stock with no par value per share. As of March 27, 2006 there are approximately 106,044,955 shares of Zions common stock outstanding.

Voting Rights

Unless otherwise provided in our articles of incorporation in the UBCA, or other applicable law, the holders of common stock of Zions are entitled to voting rights for the election of directors and for other purposes, subject to voting rights which may in the future be granted to subsequently created series of preferred stock. Shares of Zions common stock do not have cumulative voting rights.

Dividend and Liquidation Rights

The holders of outstanding shares of our common stock are entitled to receive dividends when and if declared by the Zions board out of any funds legally available therefor, and are entitled upon liquidation, after

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claims of creditors and preferences of any series of preferred stock hereafter authorized, to receive pro rata the net assets of Zions. Holders of Zions common stock have no preemptive or conversion rights.

Shareholder Rights Plan

In September 1996, the Zions Board adopted a Shareholder Protection Rights Plan, dated September 21, 1996, or Rights Plan, with Zions First National Bank, as rights agent, and declared a dividend of one right, or a Right, on each outstanding share of common stock. The Rights Plan was not adopted in response to any specific effort to acquire control of us. Rather, it was adopted to deter abusive takeover tactics that can be used to deprive shareholders of the full value of their investment.

Under the Rights Plan, until it is announced that a person or group has acquired 10% or more of the common stock, or an Acquiring Person, or commences a tender offer that will result in such person or group owning 10% or more of the common stock, the Rights will be evidenced by the common stock certificates, will automatically trade with the common stock and will not be exercisable. Thereafter, separate Rights certificates will be distributed and each Right will entitle its holder to purchase participating preferred stock having economic and voting terms similar to those of one share of common stock for an exercise price of $90.

Upon announcement that any person or group has become an Acquiring Person, then 10 days thereafter (or such earlier or later date as our board of directors may decide) each Right (other than Rights beneficially owned by any Acquiring Person or transferees thereof which Rights become void) will entitle its holder to purchase, for the exercise price, a number of shares of common stock or participating preferred stock having a market value of twice the exercise price. We refer to such 10th day (or such earlier or later date as our board of directors decides) as the Flip-in Date.

Also, if after an Acquiring Person controls our board of directors, we are involved in a merger or sell more than 50% of our assets or earning power (or have entered an agreement to do any of the foregoing) and, in the case of a merger, the Acquiring Person will receive different treatment than all other shareholders or the person with whom the merger occurs is the Acquiring Person or a person affiliated or associated with the Acquiring Person, each Right will entitle its holder to purchase, for the exercise price, a number of shares of common stock of the Acquiring Person having a market value of twice the exercise price. If any person or group acquires between 10% and 50% of our common stock, our board of directors may, at its option, exchange one share of common stock for each Right.

The Rights may be redeemed at the election of our board of directors for $0.01 per Right prior to the Flip-in Date.

Certain Provisions of Utah Law and of Our Articles and Bylaws

Zions is incorporated under the laws of the State of Utah and, accordingly, the rights of our shareholders are governed by our articles of incorporation, our bylaws and the laws of the State of Utah, including the UBCA.

Certain Anti-Takeover Matters

Our articles and bylaws include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include:

Classification of the Board of Directors. Our articles divide our board of directors into three classes as nearly equal in size as possible. Any effort to obtain control of our board by causing the election of a majority of the board may require more time than would be required without a staggered election structure.

Provisions Regarding Election/Removal of Directors. Our articles provide that, while shareholders generally may act by written consent, consents from 100% of our shareholders are required to elect directors by written consent. Our articles and bylaws do not authorize cumulative voting for directors.

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Our bylaws also provide that a vacancy on the board of directors may be filled by the shareholders or the board of directors. However, if the directors remaining in office constitute less than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all directors remaining in office. Our articles further provide that, while the shareholders may remove any director for or without cause, it may only be done with the affirmative vote of the holders of two-thirds of the outstanding shares then entitled to vote at an election of directors.

Advance Notice Requirements for Director Nominations and Presentation of Business at Meetings. Our bylaws specify a procedure for shareholders to follow in order to bring business before an annual meeting of the shareholders. Generally, notice of any proposal to be presented by any shareholder or the name of any person to be nominated by any shareholder for election as a director of Zions at any annual meeting of shareholders must be delivered to Zions at least 120 days, but not more than 150 days, prior to the date Zions proxy statement was released to shareholders in connection with the annual meeting for the preceding year. The notice must also provide certain information set forth in Zions bylaws.

Restrictions on Certain Business Transactions. Our articles provide that certain business transactions with a person who owns, directly or indirectly, over 10% of outstanding stock must be approved by a majority vote of the continuing directors or a shareholder vote of at least 80% of outstanding voting shares. Such business transactions include mergers, consolidations, sales of all or more than 20% of the corporation s assets, issuance of securities of the corporation, reclassifications that increase voting power of the interested shareholder, or liquidations, spin-offs or dissolution of the corporation. Zions is also subject to the Utah Control Shares Acquisitions Act, which limits the ability of persons acquiring more than 20% of Zions voting stock to vote those shares absent approval of voting rights by the holders of a majority of all shares entitles to be cast, excluding all interested shares.

Blank Check Preferred Stock. Our articles provides for 3,000,000 shares of preferred stock. The existence of authorized but unissued shares of preferred may enable the board to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, the board determines that a takeover proposal is not in the best interests of Zions, the board could cause shares of preferred stock to be issued without shareholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquiror or insurgent shareholder or shareholder group. In this regard, the articles grant our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deterring or preventing a change in control of Zions.

Supermajority Vote for Certain Amendments to Articles. Our articles provide that they may be amended or repealed as permitted by Utah law. The UBCA permits an amendment of the articles of incorporation by approval of a majority of the board of directors and a majority of the outstanding common stock entitled to vote. However, our articles further provide that amendment to Articles IX (regarding the classified board), X (regarding quorum requirement and management of Zions by the board) and XVI (regarding amendment of our articles) requires approval by two-thirds of the outstanding shares, and amendment of Article XVII (regarding business transactions with related persons) requires approval by 80% of the outstanding shares.

Indemnification and Liability Elimination Provisions

Under our articles, directors are not personally liable to us or our shareholders for monetary damages for breaches of fiduciary duty as a director, except (1) for breach of the director s duty of loyalty to Zions or its shareholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, or (3) any transaction from which the director derived an improper personal benefit.

The UBCA and our bylaws provide that we may indemnify a director, officer, employee or agent if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best

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interests of Zions and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Listing; Exchange, Transfer Agent and Registrar

Our common stock is listed on the Nasdaq. The transfer agent and registrar for our common stock is Zions First National Bank.

DESCRIPTION OF PREFERRED STOCK WE MAY OFFER

Please note that in this section entitled Description of Preferred Stock We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own shares of preferred stock registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in shares of preferred stock should also read the section entitled Legal Ownership and Book-Entry Issuance.

The following description summarizes the material provisions of the preferred stock we may offer. This description is not complete and is subject to, and is qualified in its entirety by reference to our restated articles of incorporation, as amended, which we will refer to as our articles of incorporation. The specific terms of any series of preferred stock will be described in the applicable prospectus supplement, and may differ from the general description of the terms presented below. Any series of preferred stock we issue will be governed by our articles of incorporation and by the articles of amendment related to that series. We will file the articles of amendment with the SEC and incorporate it by reference as an exhibit to our registration statement at or before the time we issue any preferred stock of that series of authorized preferred stock.

Authorized Preferred Stock

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 stockholder 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 redemption;
- 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 stockholder 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.

No shares of our preferred stock are currently issued and outstanding.

Specific Terms of a Series of Preferred Stock

The preferred stock we may offer will be issued in one or more series. Shares of preferred stock, when issued against full payment of its purchase price, will be fully paid and non-assessable. Their liquidation preference, however, will not be indicative of the price at which they will actually trade after their issue. If

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necessary, the prospectus supplement will provide a description of U.S. Federal income tax consequences relating to the purchase and ownership of the series of preferred stock offered by that prospectus supplement.

The preferred stock will have the dividend, liquidation, redemption and voting rights discussed below, unless otherwise described in a prospectus supplement relating to a particular series. A prospectus supplement will discuss the following features of the series of preferred stock to which it relates:

- the designations and stated value per share;
- the number of shares offered;
- the amount of liquidation preference per share;
- the initial public offering price at which the preferred stock will be issued;
- the dividend rate, the method of its calculation, the dates on which dividends would be paid and the dates, if any, from which dividends would cumulate;
- any redemption or sinking fund provisions;
- any conversion or exchange rights; and
- any additional voting, dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions.

Rank

Unless otherwise stated in the applicable prospectus supplement, the preferred stock will have priority over our common stock with respect to dividends and distribution of assets, but will rank junior to all our outstanding indebtedness for borrowed money. Any series of preferred stock could rank senior, equal or junior to our other capital stock, as may be specified in the applicable prospectus supplement, as long as our articles of incorporation so permit.

Dividends

Holders of each series of preferred stock shall be entitled to receive cash dividends to the extent specified in the applicable prospectus supplement when, as and if declared by our board of directors, from funds legally available for the payment of dividends. The rates and dates of payment of dividends of each series of preferred stock will be stated in the applicable prospectus supplement. Dividends will be payable to the holders of record of preferred stock as they appear on our books on the record dates fixed by our board of directors. Dividends on any series of preferred stock may be cumulative or non-cumulative, as discussed in the applicable prospectus supplement.

Conversion or Exchange Rights

Shares of a series of preferred stock may be exchangeable or convertible into shares of our common stock, another series of preferred stock or other securities or property. The conversion or exchange may be mandatory or optional. The applicable prospectus supplement will specify whether the preferred stock being offered has any conversion or exchange features, and will describe all the related terms and conditions.

Redemption

The terms, if any, on which shares of preferred stock of a series may be redeemed will be discussed in the applicable prospectus supplement.

Liquidation

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Zions, holders of each series of preferred stock will be entitled to receive distributions upon liquidation in the amount described in the applicable prospectus supplement plus an amount equal to any accrued and unpaid dividends

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for the then-current dividend period (including any accumulation in respect of unpaid dividends for prior dividend periods, if dividends on that series of preferred stock are cumulative). These distributions will be made before any distribution is made on any securities ranking junior to the preferred stock with respect to liquidation, including our common stock. If the liquidation amounts payable relating to the preferred stock of any series and any other securities ranking on a parity regarding liquidation rights are not paid in full, the holders of the preferred stock of that series will share ratably in proportion to the full liquidation preferences of each security. Holders of our preferred stock will not be entitled to any other amounts from us after they have received their full liquidation preference.

Voting Rights

The holders of shares of preferred stock will have no voting rights, except:

as otherwise stated in the applicable prospectus supplement;

as otherwise stated in the articles of amendment establishing the series; or

as required by applicable law.

No Other Rights

The shares of a series of preferred stock will not have any preferences, voting powers or relative, participating, optional or other special rights except:

as discussed above or in the applicable prospectus supplement;

as provided in our articles of incorporation and in the articles of amendment; and

as otherwise required by law.

Transfer Agent

The transfer agent for each series of preferred stock will be named and described in the prospectus supplement for that series.

DESCRIPTION OF DEPOSITARY SHARES WE MAY OFFER

Please note that in this section entitled Description of the Depositary Shares We May Offer, references to Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section, references to holders mean those who own depositary shares registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in depositary shares should also read the section entitled Legal Ownership and Book-Entry Issuance.

This section outlines some of the provisions of the deposit agreement to govern any depositary shares, the depositary shares themselves and the depositary receipts. This information may not be complete in all respects and is qualified entirely by reference to the relevant deposit agreement and depositary receipts with respect to the depositary shares related to any particular series of preferred stock. The specific terms of any series of depositary shares will be described in the applicable prospectus supplement. If so described in the prospectus supplement, the terms of that series of depositary shares may differ from the general description of terms presented below. Owners of beneficial

interests in depositary shares should also read the section entitled Legal Ownership and Book-Entry Issuance.

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Fractional Shares of Preferred Stock

We may elect to offer fractional interests in shares of our preferred stock instead of whole shares of preferred stock. If so, we will allow a depositary to issue to the public depositary shares, each of which will represent a fractional interest of a share of preferred stock as described in the prospectus supplement.

Deposit Agreement

The shares of the preferred stock underlying any depositary shares will be deposited under a separate deposit agreement between us and a bank or trust company acting as depositary with respect to those shares of preferred stock. The depositary will have its principal office in the United States and have a combined capital and surplus of at least $50,000,000. The prospectus supplement relating to a series of depositary shares will specify the name and address of the depositary. Under the deposit agreement, each owner of a depositary share will be entitled, in proportion of its fractional interest in a share of the preferred stock underlying that depositary share, to all the rights and preferences of that preferred stock, including dividend, voting, redemption, conversion, exchange and liquidation rights.

Depositary shares will be evidenced by one or more depositary receipts issued under the deposit agreement.

Dividends and Other Distributions

The depositary will distribute all cash dividends or other cash distributions in respect of the preferred stock underlying the depository shares to each record depositary shareholder based on the number of the depositary shares owned by that holder on the relevant record date. The depositary will distribute only that amount which can be distributed without attributing to any depositary shareholders a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum received by the depositary for distribution to record depositary shareholders.

If there is a distribution other than in cash, the depositary will distribute property to the entitled record depositary shareholders, unless the depositary determines that it is not feasible to make that distribution. In that case the depositary may, with our approval, adopt the method it deems equitable and practicable for making that distribution, including any sale of property and the distribution of the net proceeds from this sale to the concerned holders.

Each deposit agreement will also contain provisions relating to the manner in which any subscription or similar rights we offer to holders of the relevant series of preferred stock will be made available to depositary shareholders.

Withdrawal of Stock

Upon surrender of depositary receipts at the depositary s office, the holder of the relevant depositary shares will be entitled to the number of whole shares of the related series of preferred stock and any money or other property those depositary shares represent. Depositary shareholders will be entitled to receive whole shares of the related series of preferred stock on the basis described in the prospectus supplement, but holders of those whole preferred stock shares will not afterwards be entitled to receive depositary shares in exchange for their shares. If the depositary receipts the holder delivers evidence a depositary share number exceeding the whole share number of the related series of preferred stock to be withdrawn, the depositary will deliver to that holder a new depositary receipt evidencing the excess number of depositary shares.

Redemption and Liquidation

The terms on which the depositary shares relating to the preferred stock of any series may be redeemed, and any amounts distributable upon our liquidation, dissolution or winding up, will be described in the applicable prospectus supplement.

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Voting

Upon receiving notice of any meeting at which preferred stockholders of any series are entitled to vote, the depositary will mail the information contained in that notice to the record depositary shareholders relating to those series of preferred stock. Each depositary shareholder on the record date will be entitled to instruct the depositary on how to vote the shares of preferred stock underlying that holder s depositary shares. The depositary will vote the shares of preferred stock underlying those depositary shares according to those instructions, and we will take reasonably necessary actions to enable the depositary to do so. If the depositary does not receive specific instructions from the depositary shareholders relating to that preferred stock, it will abstain from voting those shares of preferred stock, unless otherwise discussed in the prospectus supplement.

Amendment and Termination of Deposit Agreement

We and the depositary may amend the depositary receipt form evidencing the depositary shares and the related deposit agreement. However, any amendment that significantly affects the rights of the depositary shareholders will not be effective unless a majority of the outstanding depositary shareholders approve that amendment. We or the depositary may terminate a deposit agreement only if:

we redeemed or reacquired all outstanding depositary shares relating to the deposit agreement;

all preferred stock of the relevant series has been withdrawn; or

there has been a final distribution in respect of the preferred stock of any series in connection with our liquidation, dissolution or winding up and such distribution has been made to the related depositary shareholders.

Charges of Depositary

We will pay all charges of each depositary in connection with the initial deposit and any redemption of the preferred stock. Depositary shareholders will be required to pay any other transfer and other taxes and governmental charges and any other charges expressly provided in the deposit agreement to be for their accounts.

Miscellaneous

Each depositary will forward to the relevant depositary shareholders all our reports and communications that we are required to furnish to preferred stockholders of any series.

Neither the depositary nor Zions will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under any deposit agreement. The obligations of Zions and each depositary under any deposit agreement will be limited to performance in good faith of their duties under that agreement, and they will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless they are provided with satisfactory indemnity. They may rely upon written advice of counsel or accountants, or information provided by persons presenting preferred stock for deposit, depositary shareholders or other persons believed to be competent and on documents believed to be genuine.

Title

Zions, each depositary and any of their agents may treat the registered owner of any depositary share as the absolute owner of that share, whether or not any payment in respect of that depositary share is overdue and despite any notice

to the contrary, for any purpose. See Legal Ownership and Book-Entry Issuance.

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Resignation and Removal of Depositary

A depositary may resign at any time by issuing us a notice of resignation, and we may remove any depositary at any time by issuing it a notice of removal. Resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of appointment. That successor depositary must:

be appointed within 60 days after delivery of the notice of resignation or removal;

be a bank or trust company having its principal office in the United States; and

have a combined capital and surplus of at least $50,000,000.

THE ISSUER TRUSTS

The following description summarizes the formation, purposes and material terms of each Issuer Trust. This description is followed by descriptions of:

the capital securities to be issued by each Issuer Trust;

the junior subordinated debentures to be issued by us to each Issuer Trust, and the junior indenture under which they will be issued;

our guarantees for the benefit of the holders of the capital securities; and

the relationship among the capital securities, the corresponding junior subordinated debentures, a related expense agreement and the guarantees.

Each Issuer Trust is a statutory trust formed under Delaware law pursuant to:

a trust agreement executed by us, as depositor of the Issuer Trust, and the Delaware trustee of such Issuer Trust; and

a certificate of trust filed with the Delaware Secretary of State.

Before trust securities are issued, the trust agreement for the relevant Issuer Trust will be amended and restated in its entirety substantially in the form filed (or to be filed) with our SEC registration statement. The trust agreements will be qualified as indentures under the Trust Indenture Act of 1939.

Each Issuer Trust may offer to the public, from time to time, preferred securities representing preferred beneficial interests in the applicable Issuer Trust, which we call capital securities. In addition to capital securities offered to the public, each Issuer Trust will sell common securities representing common beneficial interests in such Issuer Trust to us, which we call trust common securities. All of the trust common securities of each Issuer Trust will be owned by us. The trust common securities and the capital securities are also referred to together as the trust securities.

Each Issuer Trust exists for the exclusive purposes of:

issuing and selling its trust securities;

using the proceeds from the sale of these trust securities to acquire corresponding junior subordinated debentures from us; and

engaging in only those other activities necessary or incidental to these purposes (for example, registering the transfer of the trust securities).

When any Issuer Trust sells trust securities, it will use the money it receives to buy a series of our junior subordinated debentures, which we call the corresponding junior subordinated debentures. The payment terms of the corresponding junior subordinated debentures will be virtually the same as the terms of that Issuer Trust s capital securities, which we call the related capital securities.

Each Issuer Trust will own only the applicable series of corresponding junior subordinated debentures. The only source of funds for each Issuer Trust will be the payments it receives from us on the corresponding

junior subordinated debentures. Each Issuer Trust will use these funds to make any cash payments due to holders of its capital securities.

Each Issuer Trust will also be a party to an expense agreement with us. Under the terms of the expense agreement, the Issuer Trust will have the right to be reimbursed by us for certain expenses.

The trust common securities of an Issuer Trust will rank equally, and payments on them will be made pro rata, with the capital securities of that Issuer Trust, except that upon the occurrence and continuance of an event of default under a trust agreement resulting from an event of default under the junior indenture, our rights, as holder of the trust common securities, to payment in respect of distributions and payments upon liquidation or redemption will be subordinated to the rights of the holders of the capital securities of that Issuer Trust. See Description of Capital Securities and Related Instruments Subordination of Trust Common Securities. We will acquire trust common securities in an aggregate liquidation amount greater than or equal to 3% of the total capital of each Issuer Trust. The prospectus supplement relating to any capital securities will contain the details of the cash distributions to be made periodically.

Under certain circumstances, we may redeem the corresponding junior subordinated debentures that we sold to an Issuer Trust. If this happens, the Issuer Trust will redeem a like amount of the capital securities which it sold to the public and the trust common securities which it sold to us.

Under certain circumstances, we may dissolve an Issuer Trust and, after satisfaction of the liabilities to creditors of the Issuer Trust as provided by applicable law, cause the corresponding junior subordinated debentures to be distributed to the holders of the related capital securities. If this happens, owners of the related capital securities will no longer have any interest in such Issuer Trust and will only own the corresponding junior subordinated debentures we issued to the Issuer Trust.

We may need the approval of the Federal Reserve Board to redeem the corresponding junior subordinated debentures or to dissolve one or more of the Issuer Trusts. A more detailed description is provided under the heading Description of Capital Securities and Related Instruments Liquidation Distribution Upon Dissolution.

Unless otherwise specified in the applicable prospectus supplement:

each Issuer Trust will have a term of approximately 55 years from the date it issues its trust securities, but may dissolve earlier as provided in the applicable trust agreement;

each Issuer Trust s business and affairs will be conducted by its trustees;

except as provided below, we, as holder of the trust common securities, will appoint the trustees;

the trustees for each Issuer Trust will be J.P. Morgan Trust Company, National Association, as property trustee and Chase Bank USA, National Association, as Delaware trustee, and two or more individual administrative trustees who are employees or officers of or affiliated with us. These trustees are also referred to as the Issuer Trust trustees. J.P. Morgan Trust Company, National Association, as property trustee, will act as sole indenture trustee under each trust agreement for purposes of compliance with the Trust Indenture Act. J.P. Morgan Trust Company, National Association will also act as trustee under the guarantees and the junior indenture. See Description of Guarantees and Description of Junior Subordinated Debentures;

if an event of default under the trust agreement for an Issuer Trust has occurred and is continuing, the holder of the trust common securities of that Issuer Trust, or the holders of a majority in liquidation amount of the related

capital securities, will be entitled to appoint, remove or replace the property trustee and/or the Delaware trustee for such Issuer Trust;

under all circumstances, only the holder of the trust common securities has the right to vote to appoint, remove or replace the administrative trustees for the applicable Issuer Trust;

the duties and obligations of each Issuer Trust trustee are governed by the applicable trust agreement; and

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we will pay all fees and expenses related to each Issuer Trust and the offering of the capital securities and will pay, directly or indirectly, all ongoing costs, expenses and liabilities of each Issuer Trust.

The principal executive office of each Issuer Trust is c/o Zions Bancorporation, One South Main Street, Suite 1134, Salt Lake City, Utah 84111 and its telephone number is (801) 524-4787.

DESCRIPTION OF CAPITAL SECURITIES AND RELATED INSTRUMENTS

Please note that in this section entitled Description of Capital Securities and Related Instruments and the following sections of this prospectus entitled Description of Junior Subordinated Debentures, Description of Guarantees and Relationship Among the Capital Securities and the Related Instruments, references to Zions Bancorporation, Zions, we, our and us refer only to Zions Bancorporation and not to its consolidated subsidiaries. Also, in this section and the following sections of this prospectus indicated above, references to holders mean those who own capital securities registered in their own names, on the books that we or the securities registrar maintain for this purpose, and not those who own beneficial interests in capital securities registered in street name or in capital securities issued in book-entry form through one or more depositaries. Owners of beneficial interests in the capital securities should also read the section entitled Legal Ownership and Book-Entry Issuance.

The following description summarizes the material provisions of the capital securities and trust agreements. This description is not complete and is subject to, and is qualified in its entirety by reference to, each trust agreement and the Trust Indenture Act. The specific terms of the capital securities will be described in the applicable prospectus supplement, and may differ from the general description of the terms presented below. The trust agreements have been (or will be) filed as exhibits to our SEC registration statement relating to this prospectus. Whenever particular defined terms of a trust agreement are referred to in this prospectus or in a prospectus supplement, those defined terms are incorporated in this prospectus or such prospectus supplement by reference.

General

Pursuant to the terms of the trust agreement for each Issuer Trust, each Issuer Trust will sell capital securities to the public and trust common securities to us. The capital securities represent preferred undivided beneficial interests in the assets of the Issuer Trust that sold them. A more complete discussion appears under the heading Subordination of Trust Common Securities. Holders of the capital securities will also be entitled to other benefits as described in the corresponding trust agreement.

Each of the Issuer Trusts is a legally separate entity and the assets of one are not available to satisfy the obligations of the other.

The capital securities of an Issuer Trust will rank on a parity, and payments on them will be made pro rata, with the trust common securities of that Issuer Trust except as described under Subordination of Trust Common Securities. Legal title to the corresponding junior subordinated debentures will be held and administered by the property trustee in trust for the benefit of the holders of the related capital securities and trust common securities.

Each guarantee agreement executed by us for the benefit of the holders of an Issuer Trust s capital securities will be a guarantee on a subordinated basis with respect to the related capital securities but will not guarantee payment of distributions or amounts payable on redemption or liquidation of such capital securities when the related Issuer Trust does not have funds on hand available to make such payments. See the section of this prospectus entitled Description of Guarantees for additional information.

Each Issuer Trust May Issue Series of Capital Securities With Different Terms

Each Issuer Trust may issue one distinct series of capital securities. This section summarizes terms of the securities that apply generally to all series of capital securities. The provisions of the trust agreements allow the Issuer Trusts to issue series of capital securities with terms different from the other Issuer Trusts. We

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describe most of the financial and other specific terms of your series in the prospectus supplement accompanying this prospectus. Those terms may vary from the terms described here.

As you read this section, please remember that the specific terms of your capital security as described in your prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are any differences between your prospectus supplement and this prospectus, your prospectus supplement will control. Thus, the statements we make in this section may not apply to your capital security.

When we refer to a series of capital securities, we mean a series issued under the applicable trust agreement. When we refer to your prospectus supplement, we mean the prospectus supplement describing the specific terms of the capital security you purchase. The terms used in your prospectus supplement will have the meanings described in this prospectus, unless otherwise specified.

Amounts That We May Issue

The trust agreements do not limit the aggregate amount of capital securities that may be issued or the aggregate amount of any particular series. We and the Issuer Trusts may issue capital securities and other securities at any time without your consent and without notifying you.

The trust agreements and the capital securities do not limit our ability to incur indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the capital securities.

In the future, we may form additional trusts or other entities similar to the Issuer Trusts, and those other entities could issue securities similar to the trust securities described in this section. In that event, we may issue subordinated debt securities under the subordinated debt indenture to those other issuer entities and guarantees under a guarantee agreement with respect to the securities they issue. We may also enter into expense agreements with those other issuers. The subordinated debt securities and guarantees we issue (and expense agreements we enter into) in those cases would be similar to those described in this prospectus, with such modifications as may be described in the applicable prospectus supplement.

Distributions

Distributions on the capital securities will be cumulative, will accumulate from the date of original issuance (unless otherwise specified in the applicable prospectus supplement), and will be payable on the dates specified in the applicable prospectus supplement. In the event that any date on which distributions are payable is not a business day, payment of that distribution will be made on the next business day and without any interest or other payment in connection with this delay except that, if the next business day falls in the next calendar year, payment of the distribution will be made on the immediately preceding business day. In either case, the payment will have the same force and effect as if made on the original distribution date. Each date on which distributions are payable in accordance with the previous sentence is referred to as a distribution date. A business day means, for any capital security, 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, Houston, Texas or New York City generally are authorized or required by law or executive order to close or a day on which the corporate trust office of the property trustee or the trustee under the junior subordinated indenture, referred to in this prospectus as the debenture trustee, is closed for business.

Each Issuer Trust s capital securities represent preferred beneficial interests in the applicable Issuer Trust, and the distributions on each capital security will be payable at a rate specified in the applicable prospectus supplement. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months unless otherwise specified in the applicable prospectus supplement. Distributions to which holders of capital

securities are entitled will accumulate additional distributions at the rate per annum if and as specified in the applicable prospectus supplement. The term distributions as used in this summary includes these additional distributions unless otherwise stated.

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If interest payments on the corresponding junior subordinated debentures are deferred by us, distributions on the related capital securities will be correspondingly deferred, but will continue to accumulate additional distributions at the rate per annum set forth in the prospectus supplement for the capital securities. See the section of this prospectus entitled Description of Junior Subordinated Debentures Option to Defer Interest Payments.

The revenue of each Issuer Trust available for distribution to holders of its capital securities will be limited to payments under the corresponding junior subordinated debentures which the Issuer Trust will acquire with the proceeds from the issuance and sale of its trust securities. See the section of this prospectus entitled Description of Junior Subordinated Debentures Corresponding Junior Subordinated Debentures for additional information. If we do not make interest payments on the corresponding junior subordinated debentures, the property trustee will not have funds available to pay distributions on the related capital securities. The payment of distributions (if and to the extent the Issuer Trust has funds legally available for the payment of distributions and cash sufficient to make payments) is guaranteed by us on a limited basis as described under the heading Description of Guarantees.

Distributions on the capital securities will be payable to the holders of capital securities as they appear on the register of the Issuer Trust at the close of business on the relevant record dates, which, as long as the capital securities remain in book-entry form, will be one business day prior to the relevant distribution date. Subject to any applicable laws and regulations and the provisions of the applicable trust agreement, each such payment will be made as described under the heading Legal Ownership and Book-Entry Issuance. In the event any capital securities are not in book-entry form, the relevant record date for such capital securities will be the date at least 15 days prior to the relevant distribution date, as specified in the applicable prospectus supplement.

Redemption or Exchange

Mandatory Redemption

Upon the repayment or redemption, in whole or in part, of any corresponding junior subordinated debentures, whether at maturity or upon earlier redemption as provided in the junior indenture, the proceeds from the repayment or redemption will be applied by the property trustee to redeem a like amount, which term we define below, of the trust securities, upon not less than 30 nor more than 60 days notice. Unless provided otherwise in the applicable prospectus supplement, the redemption will occur at a redemption price equal to the aggregate liquidation amount of such trust securities plus accumulated but unpaid distributions to the date of redemption and the related amount of the premium, if any, paid by us upon the concurrent redemption of the corresponding junior subordinated debentures. See the section of this prospectus entitled Description of Junior Subordinated Debentures Redemption for additional information. If less than all of any series of corresponding junior subordinated debentures are to be repaid or redeemed on a redemption date, then the proceeds from the repayment or redemption will be allocated to the redemption pro rata of the related capital securities and the trust common securities based upon the relative liquidation amounts of these classes. The amount of premium, if any, paid by us upon the redemption of all or any part of any series of any corresponding junior subordinated debentures to be repaid or redeemed on a redemption date will be allocated to the redemption pro rata of the related capital securities and the trust common securities. The redemption price will be payable on each redemption date only to the extent that the Issuer Trust has funds then on hand and available in the payment account for the payment of the redemption price.

We will have the right to redeem any series of corresponding junior subordinated debentures:

- on or after such date as may be specified in the applicable prospectus supplement, in whole at any time or in part from time to time;

at any time, in whole but not in part, upon the occurrence of a tax event or capital treatment event, which terms we define below or under Description of Junior Subordinated Debentures Redemption; or

as may be otherwise specified in the applicable prospectus supplement,

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in each case subject to receipt of prior approval by the Federal Reserve Board if then required under applicable Federal Reserve capital guidelines or policies.

Distribution of Corresponding Junior Subordinated Debentures

Subject to our having received prior approval of the Federal Reserve Board to do so if such approval is then required under applicable capital guidelines or policies of the Federal Reserve Board, we have the right at any time to dissolve any Issuer Trust and, after satisfaction of the liabilities of creditors of the Issuer Trust as provided by applicable law, cause the corresponding junior subordinated debentures in respect of the capital securities and trust common securities issued by the Issuer Trust to be distributed to the holders of the capital securities and trust common securities in liquidation of the Issuer Trust.

Tax Event or Capital Treatment Event Redemption

If a tax event or capital treatment event in respect of a series of capital securities and trust common securities has occurred and is continuing, we have the right to redeem the corresponding junior subordinated debentures in whole but not in part and thereby cause a mandatory redemption of the capital securities and trust common securities in whole but not in part at the redemption price within 90 days following the occurrence of the tax event or capital treatment event. If a tax event has occurred and is continuing in respect of a series of capital securities and trust common securities and we do not elect to redeem the corresponding junior subordinated debentures and thereby cause a mandatory redemption of the capital securities or to dissolve the related Issuer Trust and cause the corresponding junior subordinated debentures to be distributed to holders of the capital securities and trust common securities in liquidation of the Issuer Trust as described above, such capital securities will remain outstanding and additional sums (as defined below) may be payable on the corresponding junior subordinated debentures.

The term additional sums means the additional amounts as may be necessary in order that the amount of distributions then due and payable by an Issuer Trust on the outstanding capital securities and trust common securities of the Issuer Trust will not be reduced as a result of any additional taxes, duties and other governmental charges to which the Issuer Trust has become subject as a result of a tax event.

General

The term like amount means:

- with respect to a redemption of any series of trust securities, trust securities of that series having a liquidation amount, which term we define below, equal to the principal amount of corresponding junior subordinated debentures to be contemporaneously redeemed in accordance with the junior indenture, the proceeds of which will be used to pay the redemption price of the trust securities; and

- with respect to a distribution of corresponding junior subordinated debentures to holders of any series of trust securities in connection with a dissolution or liquidation of the related Issuer Trust, corresponding junior subordinated debentures having a principal amount equal to the liquidation amount of the trust securities in respect of which the distribution is made.

The term liquidation amount means the stated amount per trust security of $25, or another stated amount set forth in the applicable prospectus supplement.

After the liquidation date fixed for any distribution of corresponding junior subordinated debentures for any series of related capital securities:

the series of related capital securities will no longer be deemed to be outstanding;

the depositary or its nominee, as the record holder of the related capital securities, will receive a registered global certificate or certificates representing the corresponding junior subordinated debentures to be delivered upon the distribution; and

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any certificates representing the related capital securities not held by DTC or its nominee will be deemed to represent the corresponding junior subordinated debentures having a principal amount equal to the stated liquidation amount of the related capital securities, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid distributions on the related capital securities until the certificates are presented to the administrative trustees or their agent for transfer or reissuance.

Any distribution of corresponding junior subordinated debentures to holders of related capital securities will be made to the applicable record holders as they appear on the register for the related capital securities on the relevant record date, which will be one business day prior to the liquidation date. In the event that any related capital securities are not in book-entry form, the relevant record date will be a date at least 15 days prior to the liquidation date, as specified in the applicable prospectus supplement.

There can be no assurance as to the market prices for the related capital securities or the corresponding junior subordinated debentures that may be distributed in exchange for related capital securities if a dissolution and liquidation of an Issuer Trust were to occur. Accordingly, the related capital securities that an investor may purchase, or the corresponding junior subordinated debentures that the investor may receive on dissolution and liquidation of an Issuer Trust, may trade at a discount to the price that the investor paid to purchase the related capital securities being offered in connection with this prospectus.

Redemption Procedures

Capital securities redeemed on each redemption date will be redeemed at the redemption price with the applicable proceeds from the contemporaneous redemption of the corresponding junior subordinated debentures. Redemptions of the capital securities will be made and the redemption price will be payable on each redemption date only to the extent that the related Issuer Trust has funds on hand available for the payment of the redemption price. See also Subordination of Trust Common Securities.

If the property trustee gives a notice of redemption in respect of any capital securities, then, while such capital securities are in book-entry form, by 12:00 noon, New York City time, on the redemption date, to the extent funds are available, the property trustee will deposit irrevocably with DTC funds sufficient to pay the applicable redemption price and will give DTC irrevocable instructions and authority to pay the redemption price to the holders of the capital securities. If the capital securities are no longer in book-entry form, the property trustee, to the extent funds are available, will irrevocably deposit with the paying agent for the capital securities funds sufficient to pay the applicable redemption price and will give the paying agent irrevocable instructions and authority to pay the redemption price to the holders upon surrender of their certificates evidencing the capital securities. Notwithstanding the above, distributions payable on or prior to the redemption date for any capital securities called for redemption will be payable to the holders of the capital securities on the relevant record dates for the related distribution dates. If notice of redemption has been given and funds deposited as required, then upon the date of the deposit, all rights of the holders of the capital securities so called for redemption will cease, except the right of the holders of the capital securities to receive the redemption price and any distribution payable in respect of the capital securities on or prior to the redemption date, but without interest on the redemption price, and the capital securities will cease to be outstanding. In the event that any date fixed for redemption of capital securities is not a business day, then payment of the redemption price will be made on the next business day (and without any interest or other payment in connection with this delay) except that, if the next business day falls in the next calendar year, the redemption payment will be made on the immediately preceding business day, in either case with the same force and effect as if made on the original date. In the event that payment of the redemption price in respect of capital securities called for redemption is improperly withheld or refused and not paid either by an Issuer Trust or by us pursuant to the related guarantee as described under Description of Guarantees, distributions on the capital securities will continue to accrue at the then

applicable rate from the redemption date originally established by the Issuer Trust for the capital securities to the date the redemption price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the redemption price.

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Subject to applicable law, including, without limitation, U.S. federal securities law, we or our subsidiaries may at any time and from time to time purchase outstanding capital securities by tender, in the open market or by private agreement.

Payment of the redemption price on the capital securities and any distribution of corresponding junior subordinated debentures to holders of capital securities will be made to the applicable record holders as they appear on the register for the capital securities on the relevant record date, which, as long as the capital securities remain in book-entry form, will be one business day prior to the relevant redemption date or liquidation date, as applicable; provided, however, that in the event that the capital securities are not in book-entry form, the relevant record date for the capital securities will be a date at least 15 days prior to the redemption date or liquidation date, as applicable, as specified in the applicable prospectus supplement.

If less than all of the capital securities and trust common securities issued by an Issuer Trust are to be redeemed on a redemption date, then the aggregate liquidation amount of the capital securities and trust common securities to be redeemed will be allocated pro rata to the capital securities and the trust common securities based upon the relative liquidation amounts of these classes. The particular capital securities to be redeemed will be selected on a pro rata basis not more than 60 days prior to the redemption date by the property trustee from the outstanding capital securities not previously called for redemption, by a customary method that the property trustee deems fair and appropriate and which may provide for the selection for redemption of portions (equal to $25 or an integral multiple of $25, unless a different amount is specified in the applicable prospectus supplement) of the liquidation amount of capital securities of a denomination larger than $25 (or another denomination as specified in the applicable prospectus supplement). The property trustee will promptly notify the securities registrar in writing of the capital securities selected for redemption and, in the case of any capital securities selected for partial redemption, the liquidation amount to be redeemed. For all purposes of each trust agreement, unless the context otherwise requires, all provisions relating to the redemption of capital securities will relate, in the case of any capital securities redeemed or to be redeemed only in part, to the portion of the aggregate liquidation amount of capital securities which has been or is to be redeemed.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of trust securities to be redeemed at its registered address. Unless we default in payment of the redemption price on the corresponding junior subordinated debentures, on and after the redemption date interest will cease to accrue on the junior subordinated debentures or portions thereof (and distributions will cease to accrue on the related capital securities or portions thereof) called for redemption.

Subordination of Trust Common Securities

Payment of distributions on, and the redemption price of, each Issuer Trust s capital securities and trust common securities, as applicable, will be made pro rata based on the liquidation amount of the capital securities and trust common securities. However, if on any distribution date, redemption date or liquidation date a debenture event of default (as defined below under Description of Junior Subordinated Debentures Events of Default) has occurred and is continuing as a result of any failure by us to pay any amounts in respect of the junior subordinated debentures when due, no payment of any distribution on, or redemption price of, or liquidation distribution in respect of, any of the Issuer Trust s trust common securities, and no other payment on account of the redemption, liquidation or other acquisition of the trust common securities, will be made unless payment in full in cash of all accumulated and unpaid distributions on all of the Issuer Trust s outstanding capital securities for all distribution periods terminating on or prior to that date, or in the case of payment of the redemption price the full amount of the redemption price on all of the Issuer Trust s outstanding capital securities then called for redemption, or in the case of payment of the liquidation distribution the full amount of the liquidation distribution on all outstanding capital securities, has been made or provided for, and all funds available to the property trustee must first be applied to the payment in full in cash of all distributions on, or redemption price of, the Issuer Trust s capital securities then due and payable.

In the case of any event of default under the applicable trust agreement resulting from a debenture event of default, we as holder of the Issuer Trust s trust common securities will have no right to act with respect to

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the event of default until the effect of all events of default with respect to such capital securities have been cured, waived or otherwise eliminated. Until any events of default under the applicable trust agreement with respect to the capital securities have been cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the capital securities and not on behalf of us as holder of the Issuer Trust s trust common securities, and only the holders of the capital securities will have the right to direct the property trustee to act on their behalf.

Liquidation Distribution Upon Dissolution

Pursuant to each trust agreement, each Issuer Trust will dissolve on the first to occur of:

- the expiration of its term;
- certain events of bankruptcy, dissolution or liquidation of the holder of the trust common securities;
- the distribution of a like amount of the corresponding junior subordinated debentures to the holders of its trust securities, if we, as holder of the common securities, have given written direction to the property trustee to dissolve the Issuer Trust. This written direction by us is optional and solely within our discretion;
- redemption of all of such Issuer Trust s capital securities in connection with the redemption of all of the junior subordinated securities; and
- the entry of an order for the dissolution of such Issuer Trust by a court of competent jurisdiction.

If a dissolution occurs as described in the second, third or fifth bullet points above, the relevant Issuer Trust will be liquidated by the related Issuer Trust trustees as expeditiously as the Issuer Trust trustees determine to be possible by distributing, after satisfaction of liabilities to creditors of the Issuer Trust as provided by applicable law, to the holders of the trust securities a like amount of the corresponding junior subordinated debentures in exchange for their trust securities, unless the distribution is determined by the administrative trustees not to be practical, in which event the holders will be entitled to receive out of the assets of the Issuer Trust available for distribution to holders, after satisfaction of liabilities to creditors of such Issuer Trust as provided by applicable law, an amount equal to, in the case of holders of capital securities, the aggregate of the liquidation amount plus accrued and unpaid distributions to the date of payment, an amount which we refer to as the liquidation distribution. If the liquidation distribution can be paid only in part because the Issuer Trust has insufficient assets available to pay in full the aggregate liquidation distribution, then the amounts payable directly by the Issuer Trust on its capital securities will be paid on a pro rata basis. The holder of the Issuer Trust s trust common securities will be entitled to receive distributions upon any liquidation pro rata with the holders of its capital securities, except that if a debenture event of default has occurred and is continuing as a result of any failure by us to pay any amounts in respect of the junior subordinated debentures when due, the capital securities will have a priority over the trust common securities.

Events of Default; Notice

The following events will be events of default with respect to capital securities issued under each trust agreement:

- any debenture event of default;
- default for 30 days by the Issuer Trust in the payment of any distribution;
- default by the Issuer Trust in the payment of any redemption price of any trust security;

failure by the Issuer Trust trustees for 60 days in performing in any material respect any other covenant or warranty in the trust agreement after the holders of at least 25% in aggregate liquidation amount of the outstanding capital securities of the applicable Issuer Trust give written notice to us and the Issuer Trust trustees; or

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bankruptcy, insolvency or reorganization of the property trustee and the failure by us to appoint a successor property trustee within 90 days.

Within five business days after the occurrence of any event of default actually known to the property trustee, the property trustee will transmit notice of the event of default to the holders of the Issuer Trust s capital securities, the administrative trustees and us, as depositor, unless the event of default has been cured or waived.

We, as depositor, and the administrative trustees are required to file annually with the property trustee a certificate as to whether or not we are in compliance with all the conditions and covenants applicable to us under each trust agreement.