

ZIONS BANCORPORATION /UT/  
Form 10-Q  
November 09, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 001-12307

**ZIONS BANCORPORATION**

(Exact name of registrant as specified in its charter)

**UTAH**  
(State or other jurisdiction  
of incorporation or organization)

**87-0227400**  
(I.R.S. Employer  
Identification No.)

**ONE SOUTH MAIN, 15<sup>TH</sup> FLOOR**

**SALT LAKE CITY, UTAH**  
(Address of principal executive offices)

**84133**  
(Zip Code)

Registrant's telephone number, including area code: (801) 524-4787

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, without par value, outstanding at October 31, 2009

138,209,896 shares

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**ZIONS BANCORPORATION AND SUBSIDIARIES**

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**Table of Contents**PART I. FINANCIAL INFORMATIONITEM 1. FINANCIAL STATEMENTS (Unaudited)

## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)	September 30, 2009 (Unaudited)	December 31, 2008	September 30, 2008 (Unaudited)
<b>ASSETS</b>			
Cash and due from banks	\$ 992,940	\$ 1,475,976	\$ 1,441,957
Money market investments:			
Interest-bearing deposits and commercial paper	2,234,337	2,332,759	568,875
Federal funds sold	44,056	83,451	274,129
Security resell agreements	52,539	286,707	170,009
Investment securities:			
Held-to-maturity, at adjusted cost (approximate fair value \$835,814, \$1,443,555 and \$1,587,006)	877,105	1,790,989	1,917,354
Available-for-sale, at fair value	3,547,092	2,676,255	2,792,236
Trading account, at fair value (includes \$0, \$538 and \$531 transferred as collateral under repurchase agreements)	76,709	42,064	45,769
	4,500,906	4,509,308	4,755,359
Loans held for sale	206,387	200,318	152,095
Loans:			
Loans and leases excluding FDIC-supported assets	39,782,240	41,791,237	41,876,371
FDIC-supported assets	2,025,425		
	41,807,665	41,791,237	41,876,371
Less:			
Unearned income and fees, net of related costs	134,629	132,499	140,773
Allowance for loan losses	1,432,715	686,999	609,433
Loans and leases, net of allowance	40,240,321	40,971,739	41,126,165
Other noninterest-bearing investments	1,061,464	1,044,092	1,170,367
Premises and equipment, net	698,225	687,096	675,480
Goodwill	1,017,385	1,651,377	2,009,504
Core deposit and other intangibles	123,551	125,935	133,989
Other real estate owned	359,187	191,792	156,817
Other assets	1,872,374	1,532,241	1,339,422
	\$ 53,403,672	\$ 55,092,791	\$ 53,974,168
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
Deposits:			
Noninterest-bearing demand	\$ 11,453,247	\$ 9,683,385	\$ 9,413,484
Interest-bearing:			
Savings and NOW	5,392,096	4,452,919	4,341,873
Money market	17,413,735	16,826,846	14,087,288
Time under \$100,000	2,784,593	2,974,566	2,954,116
Time \$100,000 and over	3,949,684	4,756,218	4,468,225

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Foreign	2,014,626	2,622,562	3,325,915
	43,007,981	41,316,496	38,590,901
Securities sold, not yet purchased	39,360	35,657	29,528
Federal funds purchased	1,008,181	965,835	1,179,197
Security repurchase agreements	509,014	899,751	734,379
Other liabilities	651,139	669,111	649,672
Commercial paper	2,449	15,451	40,493
Federal Home Loan Bank advances and other borrowings:			
One year or less	42,962	2,039,853	4,690,784
Over one year	18,803	128,253	128,855
Long-term debt	2,599,895	2,493,368	2,334,044
<b>Total liabilities</b>	<b>47,879,784</b>	<b>48,563,775</b>	<b>48,377,853</b>
Shareholders' equity:			
Preferred stock, without par value, authorized 3,000,000 shares	1,524,722	1,581,834	286,949
Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 136,398,089, 115,344,813, and 115,302,598 shares	2,974,256	2,599,916	2,482,517
Retained earnings	1,487,707	2,433,363	2,968,242
Accumulated other comprehensive income (loss)	(469,112)	(98,958)	(157,305)
Deferred compensation	(15,218)	(14,459)	(14,376)
Controlling interest shareholders' equity	5,502,355	6,501,696	5,566,027
Noncontrolling interests	21,533	27,320	30,288
<b>Total shareholders' equity</b>	<b>5,523,888</b>	<b>6,529,016</b>	<b>5,596,315</b>
	<b>\$ 53,403,672</b>	<b>\$ 55,092,791</b>	<b>\$ 53,974,168</b>

See accompanying notes to consolidated financial statements.

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## ZIONS BANCORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Interest income:</b>				
Interest and fees on loans	\$ 586,246	\$ 663,677	\$ 1,749,688	\$ 1,995,227
Interest on loans held for sale	2,434	1,916	8,272	7,632
Lease financing	5,125	5,515	14,453	17,100
Interest on money market investments	1,195	9,267	6,114	40,608
<b>Interest on securities:</b>				
Held-to-maturity taxable	4,864	21,780	33,139	39,965
Held-to-maturity nontaxable	5,806	6,319	17,867	18,972
Available-for-sale taxable	23,460	25,044	72,145	122,459
Available-for-sale nontaxable	1,830	1,697	5,286	5,459
Trading account	842	437	2,236	1,277
<b>Total interest income</b>	<b>631,802</b>	<b>735,652</b>	<b>1,909,200</b>	<b>2,248,699</b>
<b>Interest expense:</b>				
Interest on savings and money market deposits	54,554	90,720	194,056	274,851
Interest on time and foreign deposits	42,780	74,837	158,036	264,519
Interest on short-term borrowings	2,325	50,164	12,006	158,507
Interest on long-term borrowings	56,093	27,928	100,589	87,618
<b>Total interest expense</b>	<b>155,752</b>	<b>243,649</b>	<b>464,687</b>	<b>785,495</b>
<b>Net interest income</b>	<b>476,050</b>	<b>492,003</b>	<b>1,444,513</b>	<b>1,463,204</b>
Provision for loan losses	565,930	156,606	1,626,208	363,080
<b>Net interest income after provision for loan losses</b>	<b>(89,880)</b>	<b>335,397</b>	<b>(181,695)</b>	<b>1,100,124</b>
<b>Noninterest income:</b>				
Service charges and fees on deposit accounts	54,466	53,695	159,087	154,347
Other service charges, commissions and fees	39,227	42,794	117,745	127,137
Trust and wealth management income	8,209	8,865	24,124	28,842
Capital markets and foreign exchange	12,106	12,257	41,621	34,850
Dividends and other investment income	2,597	7,042	13,689	30,361
Loan sales and servicing income	2,359	3,633	15,250	19,959
Income from securities conduit		336	1,086	3,960
Fair value and nonhedge derivative income (loss)	58,092	(26,155)	82,412	(42,157)
Equity securities gains (losses), net	(1,805)	12,971	339	14,918
Fixed income securities gains, net	1,900	135	3,539	1,988
<b>Impairment losses on investment securities:</b>				
Impairment losses on investment securities	(198,378)	(28,022)	(435,509)	(107,568)
Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income)	141,863		254,352	