



# 140

YEARS OF  
CREATING  
VALUE

ZIONS BANCORPORATION  
2013 YEAR IN REVIEW

1873

2013

# FINANCIAL HIGHLIGHTS

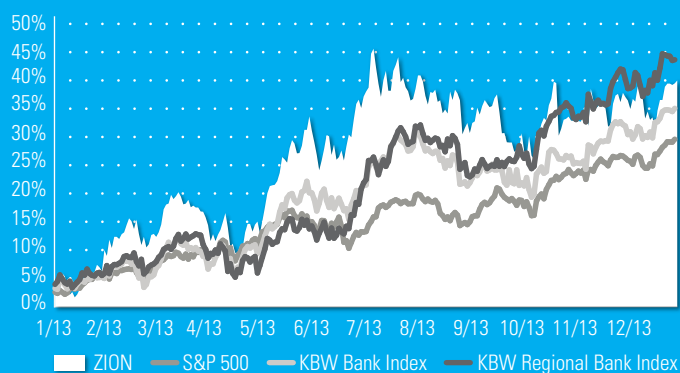
<i>(Dollar amounts in millions, except per share amounts)</i>	<b>2013/2012 change</b>	2013	2012	2011	2010
<b>FOR THE YEAR</b>					
Net interest income	-2%	\$1,696.3	\$ 1,731.9	\$ 1,756.2	\$ 1,714.3
Noninterest income <sup>1</sup>	-20%	337.4	419.9	498.2	453.6
Total revenue	-5%	2,033.7	2,151.8	2,254.4	2,167.9
Provision for loan losses	NM	(87.1)	14.2	74.5	852.7
Noninterest expense	+7%	1,714.0	1,596.0	1,658.6	1,718.3
Income (loss) before income taxes	-25%	406.4	541.6	521.3	(403.1)
Income taxes (benefit)	-26%	142.9	193.4	198.6	(106.8)
Net income (loss)	-24%	263.5	348.2	322.7	(296.3)
Net income (loss) applicable to noncontrolling interests	-77%	(0.3)	(1.3)	(1.1)	(3.6)
Net income (loss) applicable to controlling interest	-25%	263.8	349.5	323.8	(292.7)
Preferred stock dividends	-56%	(95.5)	(170.9)	(170.4)	(122.9)
Preferred stock redemption	NM	125.7	—	—	3.1
Net earnings (loss) applicable to common shareholders	+65%	294.0	178.6	153.4	(412.5)
<b>PER COMMON SHARE</b>					
Net earnings (loss) – diluted	+63%	1.58	0.97	0.83	(2.48)
Net earnings (loss) – basic	+63%	1.58	0.97	0.83	(2.48)
Dividends declared	NM	0.13	0.04	0.04	0.04
Book value <sup>2</sup>	+11%	29.57	26.73	25.02	25.12
Market price – end		29.96	21.40	16.28	24.23
Market price – high		31.40	22.81	25.60	30.29
Market price – low		21.56	16.40	13.18	12.88
<b>AT YEAR-END</b>					
Assets	+1%	56,031	55,512	53,149	51,035
Net loans and leases	+4%	39,043	37,665	37,258	36,830
Deposits	—	46,362	46,133	42,876	40,935
Long-term debt	-3%	2,274	2,337	1,954	1,943
Shareholders' equity:					
Preferred equity	-11%	1,004	1,128	2,377	2,057
Common equity	+11%	5,461	4,924	4,608	4,591
<b>PERFORMANCE RATIOS</b>					
Return on average assets		0.48%	0.66%	0.63%	(0.57)%
Return on average common equity		5.73	3.76	3.32	(9.26)
Tangible return on average tangible common equity		7.44	5.18	4.72	(11.88)
Net interest margin		3.36	3.57	3.77	3.70
<b>CAPITAL RATIOS<sup>2</sup></b>					
Equity to assets		11.54	10.90	13.14	13.02
Tier 1 common		10.18	9.80	9.57	8.95
Tier 1 leverage		10.48	10.96	13.40	12.56
Tier 1 risk-based capital		12.77	13.38	16.13	14.78
Total risk-based capital		14.67	15.05	18.06	17.15
Tangible common equity		8.02	7.09	6.77	6.99
Tangible equity		9.85	9.15	11.33	11.10
<b>SELECTED INFORMATION</b>					
Average common and common-equivalent shares (millions)		184.3	183.2	182.6	166.1
Common dividend payout ratio		8.20%	4.14%	4.80%	NA
Full-time equivalent employees (actual)		10,452	10,368	10,606	10,524
Commercial banking offices (actual)		469	480	486	495

1 Includes the effect of net impairment losses on investment securities; such losses in 2013 were \$61 million more than in 2012, explaining 74% of the year-over-year decline in noninterest income.

2 At year-end.

## 2013 Stock Performance

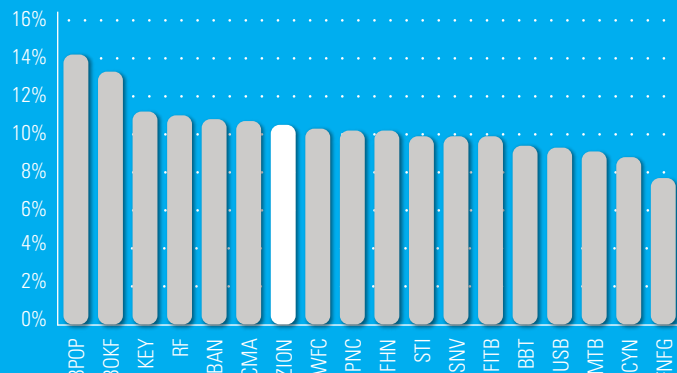
price change (percent)



Zions' stock price increased 40% in 2013, beating the S&P 500 Index by 10 percentage points, beating the broad banking index (BKX) by five percentage points, and slightly underperforming the regional bank index by four percentage points.

## Basel I Tier 1 Common Equity

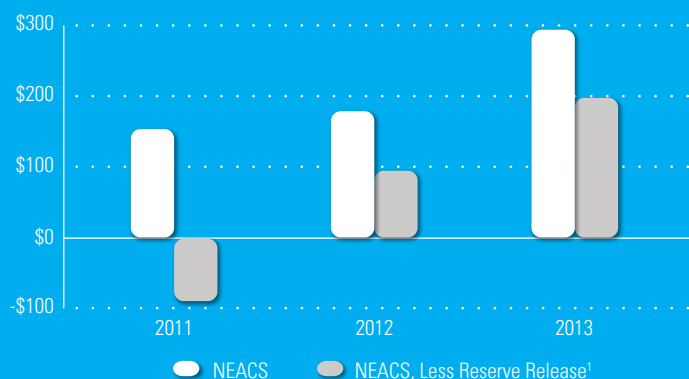
(as a percentage of risk-weighted assets)



During 2013, Zions continued to strengthen its capital, increasing its Tier One Common Ratio to 10.2% from 9.8% a year earlier.

## Net Earnings Applicable to Common Shareholders (NEACS)

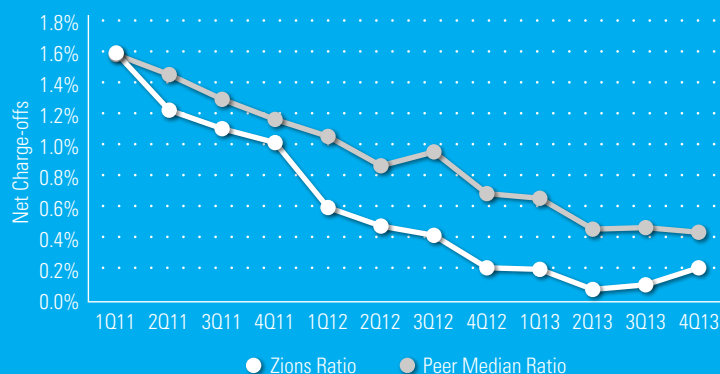
(in millions)



Net Earnings Applicable to Common Shareholders improved to \$294.0 million in 2013 from \$178.6 million in 2012. Excluding the effect of the reduction in the allowance for credit losses, Net Earnings Applicable to Common Shareholders improved to \$197.5 million from \$94.4 million.

## Net Loan Losses (Charge-offs)

(annualized, as a percentage of average loans)



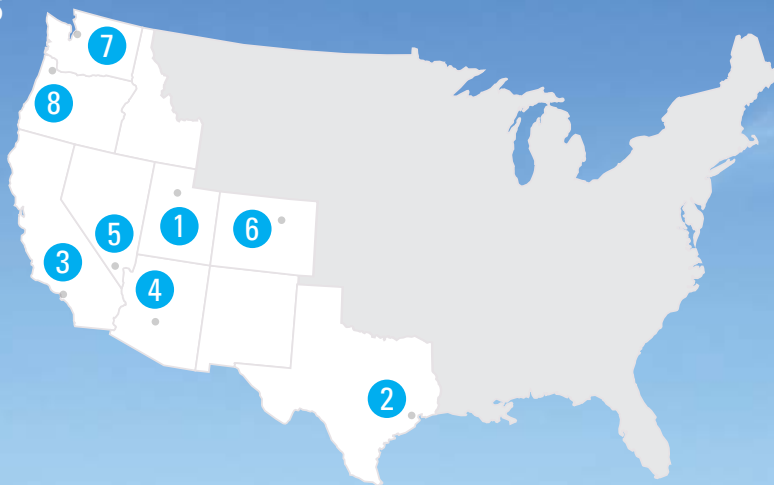
In early 2011, Zions' net charge-offs to average total loans was in line with the peer group. By year-end 2013, Zions NCO ratio has fallen to be more than 50% better than peers.

<sup>1</sup> Reconciliation: NEACS less reserve release = NEACS - (Net Loan and Lease Charge-offs - (Provision for Loan Losses + Provision for Unfunded Lending Commitments)).

For 2013: \$294.0 - (\$32.1 - (\$53.8) + \$(10.6)) = \$197.5. For 2012: \$178.6 - (\$95.7 - (\$8.8 + \$2.7)) = \$94.4. All amounts are in millions; reconciling amounts are tax effected at a blended rate of 38.25%.

## A COLLECTION OF GREAT BANKS

Zions Bancorporation is made up of a collection of successful financial institutions led by teams of talented banking professionals. Each of our affiliates offers expansive and unique services and leverages their community ties. Additionally, we are enthusiastic about the demographic trends within our footprint with superior economic growth and job creation than most of our peers. These two elements combine to create one of the most attractive regional bank entities in the United States.



1

### ZIONS BANK

**Zions Bank**  
Salt Lake City, UT  
126 offices  
\$19 billion assets  
21% market share

2

### AmegyBank of Texas

**Amegy Bank of Texas**  
Houston, TX  
84 offices  
\$13 billion assets  
2% market share

3

### CALIFORNIA BANK TRUST

**California Bank & Trust**  
San Diego, CA  
97 offices  
\$11 billion assets  
1% market share

4

### NB|AZ

**National Bank of Arizona**  
Phoenix, AZ  
71 offices  
\$5 billion assets  
4% market share

5

### NEVADA STATE BANK

**Nevada State Bank**  
Las Vegas, NV  
50 offices  
\$4 billion assets  
8% market share

6

### VECTRA BANK COLORADO

**Vectra Bank Colorado**  
Denver, CO  
39 offices  
\$2 billion assets  
2% market share

7

### THE COMMERCE BANK OF WASHINGTON

**The Commerce Bank  
of Washington**  
Seattle, WA  
1 office  
< \$1 billion assets  
< 1% market share

8

### THE COMMERCE BANK OF OREGON

**The Commerce Bank  
of Oregon**  
Portland, OR  
1 office  
< \$1 billion assets  
< 1% market share

**It begins.** Brigham Young organizes Zions Savings Bank and Trust Company, incorporated with a capital stock of \$200,000. There were almost \$6,000 in deposits from 46 depositors on the first day.

1873



## CHAIRMAN'S MESSAGE

### TO OUR SHAREHOLDERS:

The past year saw a continued strengthening of the foundations of Zions Bancorporation's business. We made significant strides in bolstering our enterprise risk management practices, further building our capital and the processes by which we determine its adequacy, and further reducing the risk in our loan and securities portfolios.

Although economic conditions in the western states in which we operate continued to show steady improvement, the banking environment remains extremely challenging. Industry-wide total loans held by banks increased only 2.8% during 2013, reflecting a continued reluctance by consumers and smaller businesses, in particular, to borrow. Despite recent steps to "taper" the "quantitative easing" that has artificially lowered long-term interest rates in recent years, the Federal Reserve System's monetary policies remain extremely accommodative. And while the prospect of less aggressive bond purchases by the Federal Reserve led to moderately higher medium and longer-term interest rates during the year, short-term rates remain at historically low levels, a phenomenon that continued to pressure our net interest margin – an important variable in determining our total revenue. And while the heightened regulatory requirements we are meeting are strengthening our capacity to manage risk and position us to better weather future challenges, these requirements have become increasingly costly to the company.

Despite these pressures, we continued to exhibit improved financial performance in 2013. Net earnings applicable to common shareholders increased to \$294 million or \$1.58 per share, from \$179 million or \$0.97 per share in 2012. Our financial results in 2013 nevertheless contain a fair amount of "noise" – items that we do not expect to recur as a matter of course in future years. These include \$120 million in pretax expense in conjunction with the redemption of high-cost debt issued during the depths of



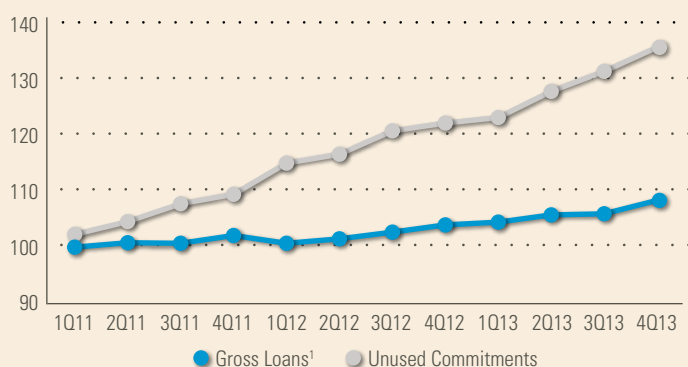
HARRIS H. SIMMONS  
CHAIRMAN AND CEO



Zions' strong growth in unused loan commitments may be a positive indicator of stronger loan balance growth yet to come.

### Loan Balance and Commitment Growth

Indexed to 100



<sup>1</sup> Net of unearned income and fees.

the financial crisis, and an elevated level of “other than temporary impairment” on certain securities we hold, amounting to \$165 million before tax, as we took steps to reduce risk in our securities portfolio. On the other side of the coin, we experienced the benefit of \$104 million before tax from releasing reserves from our allowances for loan losses and unfunded lending commitments, and a \$126 million after-tax benefit from the redemption of our Series C preferred stock.

As noted, a fundamental challenge we have been grappling with is the very low level of interest rates that has persisted for the past half decade. The effective overnight federal funds rate at the close of 2013 was 7 basis points (hundredths of a percentage point), a level that has persisted since the end of 2008. With our average rate on interest-bearing deposits at a meager 20 basis points at year-end, there is little remaining room to reduce rates on deposit balances. At the same time, fixed rate term loans made with higher yields several years ago continue to be replaced at lower yields as they mature or are refinanced, resulting in margin pressure. The combination of low interest rates and tighter industry-wide credit spreads – the premium over the risk-free rate we receive for taking credit risk – contributed to a decrease in our net interest margin to 3.36% from 3.57% a year ago.

Margin pressure was offset in part by modest growth in average outstanding balances in our loan portfolio, which increased \$1.1 billion to \$38.1 billion in 2013. Loan demand has been sluggish across the industry, and that was also the case at Zions. However, we saw improved loan growth in the fourth quarter, and we’re reasonably optimistic that we will see somewhat greater loan growth in the coming year. We also experienced continued strong growth in average noninterest bearing demand deposits, which increased to a record \$18.0 billion in 2013 from \$16.7 billion the prior year.

*In the panic of 1893, Zions faced its first economic challenge. The bank managed not only to remain solvent, but to continue to grow.*

**1893**

**1900**

*Zions was making significant contributions to the business community in Utah. Zions helped firms such as Union Pacific, Kennecott Copper, and Questar Gas during the turn of the century.*



While the opportunities for reducing deposit funding costs are limited, we took a number of actions to reduce the cost of long-term debt and preferred equity over the past year. Much of the debt and preferred equity we issued during the depths of the financial crisis carried very high interest and dividend rates, but was structured to provide us the ability to refinance these instruments at lower rates within a reasonably short period of time. Accordingly, we redeemed all of the 9.5% Series C preferred stock with a book value of \$926 million and a par value of \$800 million, financing the redemption with the proceeds from several preferred stock issuances totaling \$800 million and with an average cost of 6.23%. Total preferred dividends decreased to \$96 million from \$171 million the prior year, primarily as a result of the redemption of the Series D “TARP” preferred shares in 2012. The steps we took with respect to preferred stock in 2013 are expected to further reduce preferred dividend levels by more than \$20 million in 2014.

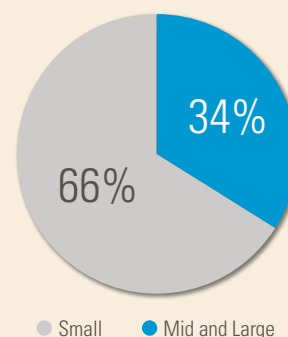
We also redeemed \$508 million of various senior and subordinated notes with a weighted average cost of approximately 14.6%, and \$285 million of trust preferred securities with a cost of 8.0%; and issued \$550 million of both subordinated and senior notes with an average cost of approximately 5.2%. We have an additional \$336 million (book value) of subordinated and senior debt maturing during 2014 with an average effective cost of 13.6%, and \$202 million (book value) of subordinated debt maturing in 2015 with an average effective cost of 14.6%. We currently do not anticipate needing to replace much of this debt, in light of our strong parent company cash balances. Accordingly, we expect that these upcoming debt maturities, together with the actions we’ve taken to redeem a portion of these issues during 2013, will greatly help in reducing the impact of low interest rates on our margin over the coming two years.

Margin compression has led us to increase our focus on fee income growth in areas such as wealth management, business credit cards, mortgage banking and treasury management. We’re also carefully managing noninterest expenses, which, when adjusted for debt extinguishment costs and the provision for unfunded lending commitments, increased a modest 1.2% in 2013, despite greatly increased costs for non-discretionary regulatory and risk management initiatives.

Credit risk has historically been the most material of the risks we manage, so we’re pleased with the continued improvement we saw in credit metrics during 2013. Net loan and lease charge-offs were \$52 million, a reduction from \$155 million in 2012, and a very modest 14 basis points of average total loans and leases. Nonperforming lending-related assets as a percentage of total loans, leases and other real estate owned decreased to 1.15% from 1.96% in 2012. While the total allowance for loan losses decreased almost 17% during the year, it remains conservative relative to peer levels, and totaled 184% of nonperforming loans at the end of 2013, as compared to 138% at the end of 2012.

We continued to maintain a highly liquid balance sheet in 2013. A large portion of our liquid assets is held in accounts at the Federal Reserve. We’ve continued to avoid investments such as mortgage-backed securities

Loan Portfolio by Size



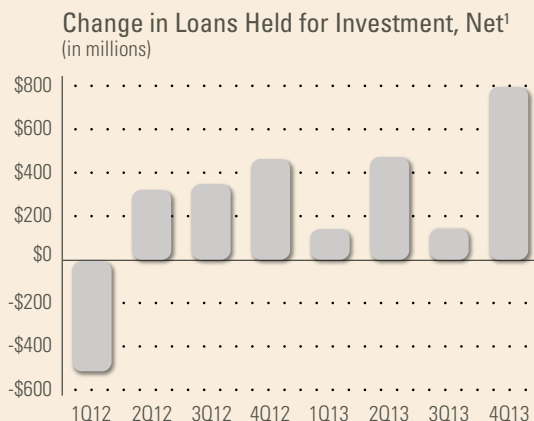
Zions’ loan portfolio is skewed towards smaller loans (defined as commitments less than \$5 million in size). Smaller loans are a natural result of Zions’ effort to be a collection of smaller community banks with local decision-making authority to serve the small business and consumers in these communities.

*The depression of 1907 was the lone interruption in the steady growth of Zions Savings Bank. Even with this interruption, deposits grew from just over \$2 million to a healthy \$9 million between 1901 and 1918.*

1907



Although quarterly loan production has been fairly steady during the past several periods, loan balances have fluctuated significantly due to prepayment behavior by customers.



<sup>1</sup> Excluding FDIC-supported loans.

that pose the risk of extended maturities at lower-than-market yields during periods of rising interest rates. Accordingly, we tend to be more “asset sensitive” than most of our peers, meaning that as rates – and particularly short-term rates – rise, we would expect to experience greater than average benefit. As intermediate term interest rates rise further, we would expect to reduce our asset sensitivity accordingly. However, we have not felt that the relatively modest interest rate movements experienced to date have warranted a material change in our posture.

We took actions during 2013 to greatly reduce the risk in our portfolio of collateralized debt obligations, or “CDOs,” primarily backed by trust preferred securities issued by numerous community banks. Market conditions for such investments also improved during the year, resulting in a substantial increase in the fair market values of these securities. On December 10, 2013, five federal government agencies, including each of the three banking regulatory agencies, issued a final rule implementing section 619, also known as the “Volcker Rule,” of the Dodd-Frank Act. The rule, which was primarily intended to prohibit speculative trading by Wall Street firms with major trading operations, and to curtail investments by banks in private equity and hedge funds, included language that would have required banks to divest most all CDOs by mid-2015.

Because the market for such investments had become relatively illiquid following the financial crisis, these securities’ fair value has been significantly lower than their book value. Accounting standards require that this discount be reflected as a reduction in shareholders’ equity through an offset known as “Accumulated Other Comprehensive Income,” predicated upon the representation of our intent and ability to hold the securities until the fair value equals or exceeds their book value or until maturity. Upon publication of the Volcker Rule, it became clear that the required divestiture of these securities would preclude our ability to continue to make such a



*The Zions Bank building in Vernal, Utah is built entirely by mason bricks from Salt Lake City sent by parcel post. After this, the US Postal Service had to impose weight limits on daily shipments.*

**1916**

**1932**

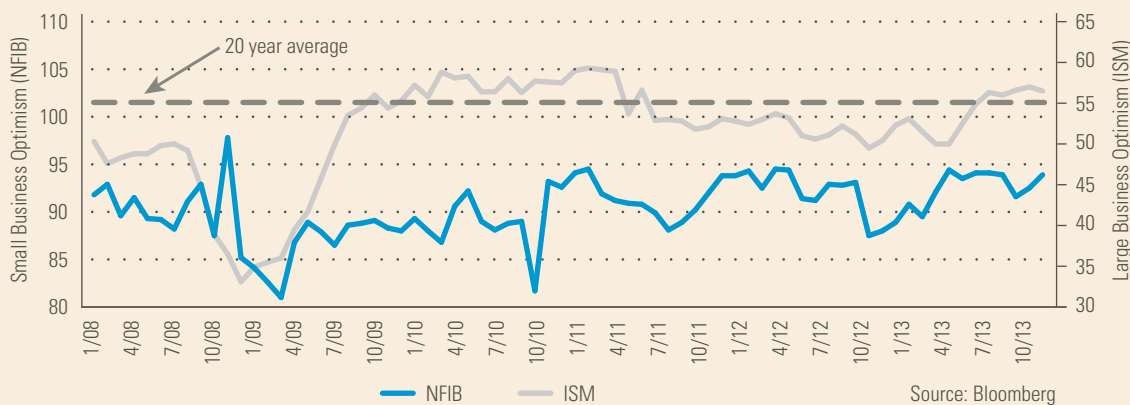
representation, thus requiring that the unrealized losses be expensed through the Company's income statement. Accordingly, we filed notice with the Securities and Exchange Commission (the "SEC") on December 16, 2013, indicating that the Volcker Rule would trigger a substantial loss in the fourth quarter.

Many other banks hold such CDOs, and it became apparent that they, too, would be hard-hit by what appears to have been an unintended consequence of the Volcker Rule, resulting in substantial impairments of regulatory capital at many banks throughout the nation. The American Bankers Association initiated litigation on behalf of the industry, and politicians from across the ideological spectrum weighed in, criticizing the impact of the rule on America's "Main Street" banks. Consequently, the regulatory agencies issued a modified "interim final rule" repealing the prohibition with regard to ownership by banks of most such CDOs.

We nevertheless concluded that the liquidation of some of the higher-risk tranches of our CDO portfolio would significantly reduce our risk profile and the significant capital required to be held against such assets while also allowing for the cancellation of a "total return swap" that has reduced the risk-weighted capital impact of these holdings, but that has cost us more than \$20 million annually. As a result, we booked a \$142 million pretax charge in the fourth quarter in anticipation of the liquidation of these securities. We successfully concluded the sale of these securities in February, 2014, realizing a \$65 million pretax gain that will be reflected in first quarter 2014 results.

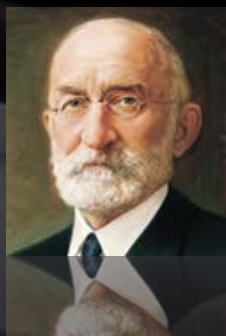
The Volcker Rule was but one of the many challenges we dealt with in the past year related to the greatly heightened regulatory requirements and expectations arising from the financial crisis, the Dodd-Frank Act and other legislation. We spent a great deal of time and many millions of dollars this past year developing increased capabilities to enable us to participate in the Comprehensive Capital Analysis and Review (or "CCAR") conducted by the Federal Reserve in concert with the nation's 30 largest banking companies. This was our first round of

Business Confidence Levels: Large Business vs. Small Business



Large business optimism, as measured by the Institute of Supply Management, has rebounded to its historical average, while small business optimism, as measured by the National Federation of Independent Businesses, improved in 2013 but remains below the long term average level.

*In February, the beginning of the Great Depression, customers began a run on Zions' deposits.*



*Heber J. Grant posts a sign on the door on the bank after the second day of the run that read, "There is no safer bank in the state or the nation." By the end of the month, deposits are more than withdrawals.*

participation in this very stringent stress-test exercise, which is run in parallel with Dodd-Frank Act stress tests for our three largest bank subsidiaries. We built or rebuilt numerous primary and “challenger” models for virtually every major component of our balance sheet and income statement, independently validated them, and prepared extensive documentation of each model. Our board of directors reviewed and approved the many significant assumptions used in each of the models, as well as the elements in the various stress scenarios we used to forecast operating income, credit losses and capital positions and requirements for the nine forward-looking quarters embodied in the stress tests. Because the Volcker Rule was announced in mid-December, as the exercise was being concluded, substantial last-minute modifications were required to produce the stress test results and capital plan submitted to the Federal Reserve. With the subsequent modifications to the Volcker Rule, and the steps we’ve taken to reduce risk in the securities portfolio, we expect to resubmit a new set of stress tests and an accompanying capital plan in early 2014.

Many other projects were undertaken to bring the Company into compliance with new and revised regulations during the year. These included the development of a comprehensive resolution plan, or “living will,” outlining in detail the steps that would need to be taken to liquidate the Company in a manner designed to minimize or eliminate taxpayer exposure in the event of insolvency. We also installed a new mortgage system, centralized our back-office mortgage operations and dramatically simplified our product set in preparation for the implementation of new “Qualified Mortgage” rules that became effective in January, 2014 with respect to residential mortgage lending. We appointed a new Chief Risk Officer, Ed Schreiber, and a new Chief Credit Officer, Michael Morris. Together with the rest of our Enterprise Risk Management team, and working with the board of directors and its Risk Oversight Committee, they prepared a new Risk Appetite Framework, more carefully defining our tolerance for risk, and engaging employees throughout the enterprise in better understanding their respective roles in risk management. We also have made extensive revisions to the manner in which we establish and administer incentive compensation plans for hundreds of our employees, in accordance with recent guidelines established by the Federal Reserve.

Very recently, the Federal Reserve Board published its final rule enacting section 165 of the Dodd-Frank Act, implementing “Enhanced Prudential Standards” that further raise the bar for enterprise risk management and governance, including extensive new requirements to measure and manage the firm’s liquidity. The new requirements will require a great deal of additional data collection for daily submission to regulators, and monthly “Comprehensive Liquidity Analysis and Review” stress tests that will complement the CCAR exercises. The Office of the Comptroller of the Currency, or “OCC,” also recently issued proposed rules elevating requirements for risk management and governance at larger national banks.

In order to prepare ourselves for new regulatory data requirements, as well as the challenges and opportunities of the fast-changing digital world in which we live, we embarked on a major initiative, known within the Company



1957  
1927

*Zions Savings Bank and Trust Company, Utah Savings and Trust Company and First National Bank of Salt Lake City merged to form Zions First National Bank. The newly enlarged institution had a total of \$109.5 million in deposits.*

as “FutureCore,” to replace our major legacy loan and deposit software systems with a modern, integrated system known as BaNCS. This new software platform will be installed in phases over the next three years, and together with ancillary projects upgrading the front-end systems used by many of our lenders, and a revised and simplified chart of accounts, will allow for faster product development, greater customization at the account level and real-time processing of all loan and deposit transactions. It will also allow us to more efficiently handle the millions of transactions we process each year.

The regulations and guidelines banks must comply with pose their own risks to the economy and to individual firms. The availability and cost of credit and reduced rates paid to depositors are among the effects already being seen. Over the longer term, the industry’s ability to attract highly talented and innovative young people to an industry beset by an increasingly complex thicket of regulation is likely to become an increasing challenge.

While the environment is difficult, we remain very optimistic about the opportunities ahead. We serve some of the most dynamic markets in the nation – markets that will grow faster than the country as a whole in coming years. We’ve built a strong balance sheet, and are poised to see much stronger earnings in the years ahead as the economy strengthens and interest rates rise.

I want to express my appreciation to the colleagues and employees with whom I work. They are incredibly dedicated people, and they have been going the extra mile not only this past year, but for the past several years as the industry and Zions Bancorporation have gone through an unprecedented amount of challenge and change. I especially wish to thank your board of directors. They give selflessly of their time, and provide a great deal of value to our management team and to the Company.

I want to particularly acknowledge R. Don Cash, who has served on the board of directors for 25 years, and will retire this spring. I also wish to congratulate Scott J. McLean, formerly CEO of Amegy Bank of Texas, in his new role as Zions Bancorporation’s President. His contributions to our success have been substantial in recent years, and I look forward to working with him in his new assignment.

We are most grateful for our many shareholders who recognize the long-term value of our franchise. We appreciate your continued loyalty and support.



Harris H. Simmons  
Chairman and CEO



1959

*Nevada State Bank opens its doors for business, earning the distinction of being the oldest state-chartered community bank in Nevada.*

## OUR CUSTOMERS



*"National Bank of Arizona has helped us by providing tools and funding necessary to make our dreams a reality. NB|AZ is proactive in how they help, checking in with us regularly to see how we are doing. Most importantly, they go out of their way to provide services beyond the typical day-to-day business banking. For instance, they have created a forum to help educate our young veterinarians on topics like insurance and investing. They've really partnered with us to help us succeed."*

Dr. Wayne Anderson, Founding Partner, Arizona Pet Vet

### ARIZONA PET VET / NATIONAL BANK OF ARIZONA

Dr. Wayne Anderson, founding partner of Arizona Pet Vet, opened his first veterinary practice, Arrow Animal Hospital, in January 1984, partnering with a classmate, Dr. Jim Prater. The doctors launched their business while sharing a position at the Arizona Humane Society. After a year of dividing their time between their practice and the Humane Society, they were able to focus their full attention on Arrow Animal Hospital and worked around the clock, seven days a week, providing high quality veterinary care to patients in the Glendale, AZ area.

Today, that one practice has grown to a family of seventeen cooperative hospitals throughout the greater Phoenix area, all independently owned, operated, and built upon the principal of outstanding care. As part owner in every practice, Dr. Anderson enjoys being able to

provide exemplary care to more patients than he would ever be able to reach on his own, working alongside more than sixty doctors that share his core values of integrity, service, and compassion. As a cooperative, Arizona Pet Vet enjoys economies of scale with highly skilled business staff providing great training, business development, and information technology resources to all the practices.

When asked how they opened their own practice and evolved it into their current business structure, Dr. Anderson candidly replied, "Our main thought was, 'let's not go out of business.' The doctors were dedicated to providing high quality care and worked seven days a week, staying open late every evening; no one else did that at the time so they really stood apart from the competition. As business grew, they looked for investment opportunities

and decided to buy a practice that was nearby. That launched the business model that grew to where they are today.

Dr. Anderson quickly added, "I love building healthy veterinary practices throughout the valley – creating jobs and providing great client care. It's exciting to work with high quality people who share the same values, watching partners grow over time as they continue to apply their knowledge and passion for helping others."

After more than thirty years of working with animals, Dr. Anderson still loves the excitement of taking care of clients and of nurturing the human-animal bond. "Pure emotional gold," he says.

*Majority control of Zions First National Bank was sold to Keystone Insurance and Investment Company, a group of businessmen headed by Leland B. Flint, Roy W. Simmons and Judson S. Sayre.*



## BARRIO PLANNERS / CALIFORNIA BANK & TRUST

*"In all our years in business, we have never had a bank be truly concerned with our business and care about our community. CB&T is a true partner and we are honored to be a part of their family."*

Frank Villalobos, Co-founder, Barrio Planners

California Bank & Trust takes great pride in supporting many local businesses that demonstrate a culture of improving the quality of life in the community. One shining example is Barrio Planners, the first ever Latino-owned architectural firm in Los Angeles. Formed in the 1960s by Frank Villalobos and four of his college classmates at Cal Poly Pomona, Barrio Planners has grown to a strong company with twenty-one employees and four offices.

Barrio Planners was formed with one goal in mind – help the community of East LA. "We would sit around at Cal Poly Pomona and talk about our opportunities," reflected Mr. Villalobos. "We were the Barrio Boys because our state of mind was always in East Los Angeles. Our group met to discuss opportunities in design, and we focused our efforts in East Los Angeles."

Barrio Planners has been an overwhelming success. For example, they conceived and designed the cultural plaza that has revitalized the Los Angeles community of Boyle Heights. Known as the "Mariachi Plaza," the project is now a tourist attraction and cultural meeting place.

In 2012, a project near and dear to East LA residents – the Metro Gold Line East Side Extension – led Barrio Planners to California Bank & Trust. To secure this project, Barrio Planners needed new office space to hire additional employees required to handle the workload of this vital community project.

Seeking to purchase a building quickly, Frank Villalobos was referred to a bank known for being committed to California businesses, California Bank & Trust. With the assistance

of CB&T employees Ed Nance and Chico Perez, Mr. Villalobos obtained the financing for the building. When the title company discovered a potential "deal-breaking" mistake in the legal description of the property, Ed and Chico never wavered and held the loan open for six months while the legal issue was resolved. This allowed Barrio Planners to secure the office space and design the Metro Gold Line Extension.

"It is not a stretch to say the Metro Gold Line does not come to East LA without California Bank & Trust," added Mr. Villalobos.

# 1965



*Zions moves into the newly constructed Kennecott Building at One South Main Street. This building serves as Zions' headquarters today.*



## OUR CUSTOMERS



*"Since I've had the same Zions Bank loan officer for a number of years, she really understands our business. I just call her and say, 'Hey Jennifer, I need this.' And the same day she gets it done. She's really awesome."*

Stephanie Loud, Owner, Mountain West Precast

### MOUNTAIN WEST PRECAST / ZIONS BANK

In Utah and Idaho, roughly 97 percent of companies qualify as small businesses. Because these small firms help fuel economic growth and create new jobs, Zions Bank is proud to offer them support and expertise in U.S. Small Business Administration (SBA) lending. In fact, 2013 marked the 20th consecutive year that Zions Bank was the top provider of SBA 7(a) loans in Utah, and the 12th year in a row it was the top SBA lender in Idaho.

The capital provided through Zions Bank's loans to Utah and Idaho businesses allowed them to grow so that they could hire more than 1,000 new employees and retain more than 2,100 positions, according to SBA data. Zions Bank also leads all other financial institutions in Utah in marketing SBA loans to women-owned businesses, such as Mountain West Precast in Ogden, Utah.

Stephanie Loud is the owner of the concrete manufacturing company that is certified by the National Precast Concrete Association and the Utah Department of Transportation (UDOT). Mountain West Precast supplies high-quality precast products to government, commercial and residential projects and specializes in retaining wall systems, precast paving slabs, median barriers, and a wide variety of custom precast items. Concrete products are manufactured on site before they are delivered consistently on schedule to contractor partners who provide the installation.

Mountain West Precast now gets 95 percent of its business from state and federal contracts. The company has 10 full-time employees, and in the height of the 2013 construction season employed 34 workers.

In addition to providing the company SBA loans, Zions Bank has made several equipment loans to Mountain West Precast. Last year, when a contractor failed to make on-time payments for a large project, Zions Bank worked quickly to provide a short-term line of credit to keep the job moving.

Mountain West Precast is thriving with an array of new initiatives in its twelfth year of business. In late 2013, the company purchased a new 11-acre property located in Brigham City. The site features a manufacturing batch plant that allows the company to make its own concrete rather than purchasing it. The move is expected to increase profits and will enable the company the complete projects faster.

# 1966

*The first public offering of stock in Zions Bancorporation is made.*



## TEXAS TEXTILE SERVICES / AMEGY BANK

*"Our goal with every client is to help their business succeed, and we are happy to be a small piece of the solid operation Fred has built at Texas Textile Services."*

Adam Traweek, Amegy Bank, Commercial Lender

"From the ground up" is a strategy with which Amegy Bank customer Fred Heredia is very familiar. Long before Fred's relationship began with the bank, he started his successful career as a laundry chemical supply salesman, selling to prominent commercial and medical laundries. Realizing at an early age that he was an entrepreneur at heart, Fred worked hard to learn every aspect of the business.

Fred took the next step toward entrepreneurship and decided to buy a Houston plant, that had reached its limits as a functional facility. Fred began to rebuild it and in 2003 Texas Textile Services was born.

Texas Textile Services is the largest privately-owned healthcare laundry in Texas, strategically located on the edge of the world-renowned Texas Medical Center. The company operates from a 50,000 square foot facility with a service area that reaches over 300 miles from Houston. Shortly after Fred took over day-to-day operations at the plant, he turned to Amegy Bank and Commercial Lending Manager Dave Stevenson to develop a banking relationship that would support Texas Textile Services' steady growth and profitability in the years ahead.

Over 10 years, Amegy Bank has financed \$9 million in equipment and \$5 million in expansion and refurbishment for the plant.

Most recently, Amegy Bank Commercial Lender Adam Traweek facilitated a \$450,000 equipment loan to fund the installation of a rail system that transports thousands of pounds of laundry to and from various machines.

"The nature of Fred's business is very precise and he knows the cost of running it down to the penny," Adam said. "As a result of the new automated rail system, Fred was able to allocate manpower to other areas of his company and significantly improve efficiency. Our goal with every client is to help their business succeed and we are happy to be a small piece of the solid operation Fred has built at Texas Textile Services."

## BIRCH COMMUNITY SERVICES, INC. / THE COMMERCE BANK OF OREGON

Birch Community Services, Inc. (BCS), a 501(c)(3) nonprofit organization, trades discouragement for hope in an accountability-centered community where people learn to be responsible for meeting their own basic needs. This is accomplished through financial, vocational, and practical training while providing food and clothing for families. It's a powerful combination that has helped over 10,000 working-poor families since 1992.

Since 2008, Birch Community Services, Inc. has been proud to bank with The Commerce Bank of Oregon. BCS Executive Director, Suzanne Birch shares, "You want your bank to be accessible and supportive. The Commerce Bank of Oregon has been personally accessible to our leadership and supportive of our unique business model. Bank employees have also reached out to understand our values and they come on a regular basis to volunteer at the BCS

warehouse. I can't tell you how encouraging it is that our bank believes in our mission."

In the 2013 fiscal year alone, BCS helped 930 families to overcome financial difficulty. Nearly 1,000 people donating 33,000 hours of volunteer service helped distribute 7.1 million pounds of donated food, clothing, and household items.



# 1968

*Nevada State Bank introduces the Reddi Reserve Account, giving customers the ability to use a line of credit to cover overdrafts in their checking accounts.*

## OUR CUSTOMERS



*The Commerce Bank of Washington, partnering with Amegy Bank, is proud to have played a role in the success of Harley Marine Services and the cutting edge marine transportation services they are now able to provide to their customers.*

### HARLEY MARINE SERVICES, INC. / THE COMMERCE BANK OF WASHINGTON

This past year, The Commerce Bank of Washington (TCBWA) was honored to provide funding to our long-time client Harley Marine Services. Established in 1987 as Olympic Tug and Barge, Harley Marine Services, Inc. has gone from operating one leased tugboat and one leased barge to a leading provider of marine transportation services in the United States. Today it is continuing to experience persistent growth as it expands into new markets.

In order to support and sustain this continued growth, Harley Marine Services knew that the size of its fleet must not only grow but provide a value that other tug boat providers could not offer. Harley Franco, the President and CEO of Harley Marine Services states, "my goal for the company upon its inception was to become the safest and most environmentally responsible

marine transportation company in the country while exceeding customers' expectations." In early 2012, Harley Franco approached TCBWA and requested a loan to fund the construction of two state-of-the-art tractor tugs. Participating with Amegy Bank allowed TCBWA to meet the needs of its client, and as a result of the funding provided, Harley Marine was able to build two elite tugboats that exemplify his company's goal.

One year later, the tugs are in full operation and are two of the newest, cleanest, most powerful tugs in the United States. The tugs feature 6,850 horsepower engines that are about twice as powerful as a standard tug and about 50% stronger than a commercial tug. They emit 90% fewer air emissions by using EPA approved Tier 3 engines and

their propulsion package produces over 90 tons of bollard pull. The tugs are capable of maneuvering large ships, rescuing vessels offshore, assisting barges and tankers and putting out fires.

The extreme pulling power and maneuverability has earned the tug the nickname "Tugzilla". The tug can surge from forward at 13 knots to reverse at 13 knots in just 15 seconds. As an open-water ready tug located in Long Beach, California, the Robert Franco will even help rescue ships when they call 911. Recently, they rescued a disabled ship that was halfway to Hawaii. Within four days they reached the ship and brought it back safely to berth.



1983  
1983

*Nevada State Bank purchases and installs 8 ATMs.  
The "NSB Money Machine" card is introduced to customers.*

## PESCO / VECTRA BANK COLORADO

*"We were looking for a banking partner who could help us grow to be even more successful in the short-and the long term. Our company is about family, and Vectra feels like family."*

Linda Rodgers, Chief Financial Officer, PESCO

Family-owned and operated Process Equipment & Service Company, Inc. (PESCO) was founded in 1970, with a vision to design, manufacture, repair and service oil and gas production products with integrity and honesty. Today, with more than 250 manufacturing employees, close to 100,000 square feet of production space and more than 50 employees in field service operations, PESCO has become a leader in engineering, manufacturing and servicing production equipment for the oil and natural gas industry in the Rocky Mountains and throughout the United States.

Recently named Business of the Year by the Farmington Chamber of Commerce, the company is a community leader in manufacturing trade education, has long-partnered with the local Navajo Nation to provide employment opportunities and has built an organization of passionate employees.

In 2013, PESCO began its relationship with Commercial Banker Gerri Seaton in Farmington, NM with a simple real estate transaction for PESCO's manufacturing plant. "We really wanted to be associated with a company of

such character and one that is considered an employer of choice in the Four Corners region," said Ms. Linda Rodgers, PESCO's Chief Financial Officer. Over the next few months, the company increased its partnership into a full banking relationship.

"Our company is about family, and Vectra feels like family," says PESCO CFO Linda Rodgers. Vectra has a 'big bank' team with a 'small bank' feel. It's been refreshing to work with a bank that really listens and understand our needs. The onus isn't on us to ask for help; they proactively come to us with solutions."

## KALB CONSTRUCTION / NEVADA STATE BANK

The Kalb family started out in the construction business in Southern Nevada in 1963, when George Kalb and his wife founded George F. Kalb Construction. Their son Steve began working for the company at age 14, doing odd jobs and sweeping out buildings for 25 cents an hour. "I guess you could say I literally learned the business from the ground up," he remarked.

In 1976, the family launched Kalb industries to do insurance repairs, and in 1980, Steve and his brother George founded Kolb Construction

to bring the family business into the next generation.

Kalb Construction quickly became a major player in the Southern Nevada economy, building some of the largest commercial projects in the community. It was during this time that Kalb's relationship began with Nevada State Bank. Kalb Industries, with 28 employees, has diversified into many areas, including: insurance work; design-build for new construction; tenant improvements; commercial, professional and industrial

projects; residential remodels; and retail, restaurant, and convenience stores.

Steve's son, Justin, is now President of Kalb Industries, while Steve retains the title of CEO and acts as a mentor for younger executives. Justin hopes to eventually bring his 8-year-old son, Hudson, into the business, which would make the fourth generation of Kalbs helping to build Southern Nevada.

1984  
1987

National Bank of Arizona opens for business in Tucson, under the name National Bank of Tucson.



# THE COMMUNITIES WE SERVE



## CALIFORNIA

*Helping California's students learn the basics of how money and finances impact their future has become a major focus for California Bank & Trust. It's an important element of our many initiatives to enhance economic growth in the communities where we live and work.*

*CB&T's involvement with Junior Achievement began three years ago when several CB&T branch managers in the Los Angeles area donated their time to support the Junior Achievement Finance Park. This program brings local students to Junior Achievement headquarters, where they spend the day learning about money and finance from experienced bankers and other financial professionals. Over the course of the day, high school students get an expert perspective on managing money through real-world exercises that teach them budgeting skills, how to balance a checkbook, and the benefits of setting aside emergency funds through savings. This gives students an edge on becoming more financially literate so they can enjoy a successful future.*



## UTAH/IDAHO

*Zions Bank's commitment to serving the people and businesses of Utah and Idaho is no more evident than at the intersection of 8th and Main Streets in Boise, Idaho, where a gleaming office tower now stands 18 stories above the city.*

*In Spring 2011, Gardner Company Chairman Kem Gardner and Zions Bank President and CEO Scott Anderson worked together to create a plan to build an office tower on a site that had been vacant for more than 25 years. The developers still had to win the hearts and minds of future tenants, many of whom were skeptical, given the site's storied past. They succeeded; now more than 14 tenants are proud of their new Boise address.*

*This past January, the bank moved its Idaho headquarters into this \$76 million, 390,00 square feet of retail/office space. Zions Bank operates a full-service financial center on the first floor, office space on the sixth and seventh floors and a community room for public events on the 17th floor. We are proud of our commitment to work with industry and city leaders on valuable projects for the communities we serve.*

# 1985

Zions acquires Nevada State Bank.





## COLORADO

*As part of Vectra Bank Colorado's commitment to our community, We have long supported the efforts of Community Development Financial Institutions (CDFIs), such as Colorado Enterprise Fund, Rocky Mountain Finance and Accion, financial institutions that provide credit and financial services to underserved markets and populations for community development.*

*CDFIs often offer loans for as little as \$200 to entrepreneurs facing real or perceived barriers to business credit. Additionally, they offer training to business people so they may realize their dreams, and be catalysts for positive economic and social change.*

*Vectra recently provided a 10-year investment of \$250,000 at 0% interest to support Accion's work helping small businesses flourish. We continue to provide volunteer service, including serving on the organization's Colorado advancement and loan committees, and was recognized for the Significant Loan Referral Award, indicating the most number of loans referred to the organization.*

## NEVADA

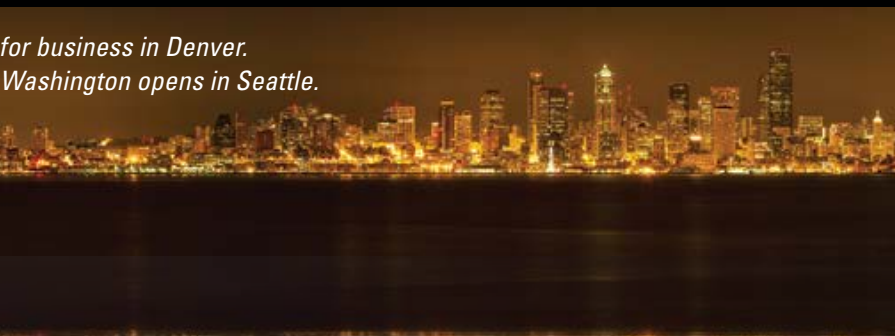
*In Nevada, 94 students drop out of school every school day. Currently, fewer than 62% of Nevada's high school students graduate; for minorities, it is fewer than one in three. Communities In Schools Nevada (CISN) is the nation's leading dropout prevention organization, with a unique model that brings community resources inside public schools where they are accessible, coordinated and accountable. CISN brings together all sectors of the community, including businesses, other nonprofits, faith-based organizations and government agencies to empower at-risk students to stay in school and achieve in life.*

*Nevada State Bank is proud to partner with CISN and underwrite the Hunger Prevention Program where food-insecure children are sent home every Friday with backpacks full of nutritious food for free to help them make it through the weekend. Also, CISN serves daily breakfasts and after-school snacks, ensuring they can focus during school. Nevada State's support is not just a check, we have boots on the ground – our volunteers at the schools, helping to distribute the daily breakfast and snacks. We are honored to help this wonderful cause.*



*Vectra Bank opens for business in Denver.  
Commerce Bank of Washington opens in Seattle.*

1988  
1988



# THE COMMUNITIES WE SERVE



## TEXAS

*Amegy Bank employees participated in a number of volunteer activities in 2013, affirming the bank remains committed to helping neighbors in need. One group worked together to coach three “rookie” teams of 7- to 8-year-olds with SpringSpirit Baseball in West Houston’s Spring Branch ISD for the program’s April and May season. With practices and games throughout the week, the volunteers put their mentoring skills to work as they bonded with the youth to teach them baseball basics and the value of working hard and as a team. Later in the year, more than 75 Amegy employees volunteered for a Day of Caring at three different United Way agencies. Volunteers spent their time at West End Day Care and Salvation Army Boys & Girls Club power washing, painting and gardening to revive the playgrounds at both locations, and the children attending both places will now enjoy refurbished playgrounds during their summer camps. Whether volunteers were helping players practice their swings or sprucing up flowerbeds, the value Amegy Bank employees placed on supporting all organizations was a reflection of the positive impact people can make when working together to build a more vibrant community.*

## ARIZONA

*In 2013, NB/AZ gave over \$1 million in cash and in-kind charitable contributions to support affordable housing, arts and culture, community service, economic development, education and financial literacy, health and human services and neighborhood revitalization. We believe banking is a local business and we encourage employee engagement and charitable giving in the communities in which we live and work. As one of only a handful of participating banks in Arizona, NB/AZ collaborates with the Federal Home Loan Bank of San Francisco (FHLB) to make use of their down payment assistance programs for first time home buyers. Working with local housing nonprofit agencies throughout the state, we have funded more than \$7 million of housing which has resulted in more than 700 low and moderate income families achieving the dream of home ownership. In 2013, 173 families made use of down payment assistance programs through NB/AZ, utilizing all of the \$1.6 million allocation in record time.*

*Amegy Bank opens for business in Houston, under the name Northwest Crossing National Bank.*

1989

1990



*Mr. Harris H. Simmons takes over as CEO and President of Zions Bancorporation.*



## WASHINGTON

*The Commerce Bank of Washington is continually striving to make a greater impact in our community; we have maintained a long-term innovative partnership with Compass Housing Alliance. Founded in 1920, the Seattle-based nonprofit organization provides transitional and emergency services to homeless men and women at locations throughout the Puget Sound. The partnership allows Compass Housing to utilize a portion of the bank's core platform to provide representative payee and deposit services for those that would otherwise have limited access to banking services. Currently, they provide more than 1,300 bank accounts to individuals who cannot maintain traditional bank accounts.*

*In addition to providing the transaction business, our staff volunteers to assist with operational issues when needed. In 2012, the bank applied for and was awarded a grant from the Federal Home Loan Bank of Seattle on behalf of Compass Housing. \$647,928 was given to support the Compass on Dexter project, sponsored by Compass Housing Alliance. We are honored to support our community through this unique and influential partnership.*

## OREGON

*The Commerce Bank of Oregon demonstrates its strong support of the local Arts and Culture community through ongoing membership, financial support, and leadership in organizations like Business for Culture and the Arts (BCA). Founded in 1986, BCA connects business and the arts to strengthen Oregon's culture and economy. We have sponsored a variety of BCA events, focusing primarily on board training sessions. In an effort to further support our employees' board leadership efforts, the Bank has also sponsored our employees' participation in BCA's six-session Art of Leadership program, which provides business professionals the necessary tools to cultivate the skills and knowledge needed to be effective board members. The partnership with BCA has provided increased visibility in the community and provided many introductions and opportunities for us to share our nonprofit business banking efforts. Through this partnership, we have also been able to connect existing nonprofit arts and culture clients with pertinent resources to help further their missions.*

# 1991

*Zions starts an annual tradition called the "Paint-a-thon" where employees drop the balance sheets and pick up paint brushes to spruce up the houses of the elderly and disabled.*





*Laramie Simmons\*, manager of Zions Bank's Newpark Financial Center in Park City, Utah went above and beyond to help a client receive a loan. The customer was so grateful that she shared her story with Utah Film Magazine.*

*The customer, who was initially turned down for a loan, expressed her frustration to Simmons. Ever persistent, Simmons worked closely with the underwriter to mitigate risks and overcome various obstacles. "I was stunned," the customer wrote. "I wondered why she [Laramie] took all the time and effort to learn about me."*

*When the client asked Simmons why she had gone the extra mile, Simmons' reply was simple: "Because you are my customer." She added, "There is a story behind every client. Zions is proud of their relationship banking and taking the time to understand the market and the industry of their customers. It is important to be able to explain to the underwriter the story behind each loan applicant."*

*\*No relation to Harris Simmons*



*National Bank of Tucson changes its name to National Bank of Arizona and expands into Phoenix and Flagstaff.*

**1991**  
Jazz



## OUR EMPLOYEES

We encourage our employees to give back to their communities and go the extra mile for their customers. We were recognized in 2013 as one of the best banks to work for, according to a survey of U.S. banking companies conducted by the American Banker Publication.

(Source: *American Banker*, November 1, 2013)

*As part of our dedication to contributing to the local communities we serve, nearly 100 California Bank & Trust branches throughout the state participate in our United Way campaign to support important health, education, and community improvement initiatives.*

*One volunteer who stands out is Karen Gilbert, CB&T's Vice President of Human Resources. She regularly volunteers as a Live United mentor in the San Diego area, helping to provide career development tools and coaching to students preparing to enter the workforce.*

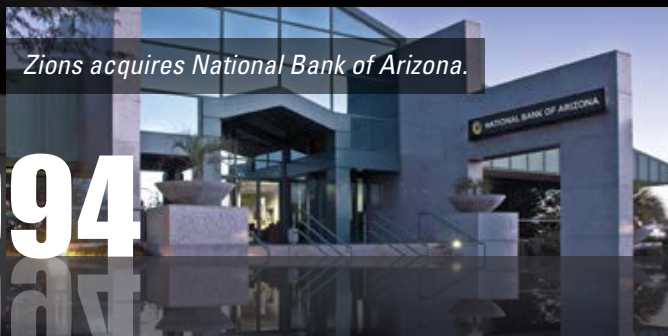
*At one of her recent development sessions, Karen met Marlen Guerrero, an enthusiastic young student who was pursuing a job at a local ice cream shop. Karen coached Marlen on making a good impression at her interview – helping her land the job.*

*As Karen explained, "It was a privilege to work with Marlen and to help her secure a job. It's great to be part of the CB&T team and I'm proud of our continued involvement in the communities we all call home."*



Zions acquires National Bank of Arizona.

1994





*Each month, Amegy Bank Senior Personal Banker Maria Faust looks forward to a visit from one of her elderly customers. Maria helps balance her checkbook to make sure all of the customer's expenses have been covered.*

*One day when Maria was helping her customer, the customer mentioned she was attending a celebration at her senior community later that afternoon. Maria could not help but think of her elderly loved ones and wanted to do more for her customer. So, with her lunch break approaching, Maria offered to touch up*

*her customer's makeup before the celebration and the customer was so appreciative.*

*After the gathering, the customer called Maria to tell her that everyone at the celebration was showering her with compliments as a result of the makeup and jewelry that Maria let her borrow. Maria said, "To me, this was my pay day. Every day we see so many customers... each one with a different story. It doesn't take much to share a little happiness with them."*

*Zions expands  
into Colorado.*

1997  
JaaP



*Amegy Bank, under the name  
of Southwest Bank of Texas,  
has its first public offering.*

1997  
JaaP



For 2013, Zions was awarded 12 Greenwich Excellence Awards. Greenwich Associates Awards include recognition of excellence in a variety of banking products and service categories, and represent the sum of awards given for both small businesses and middle market businesses. Nationally more than 750 banks were evaluated through the process of surveying more than 30,000 banking customers.



*"My customers are like family to me," shared Lena Brass, who celebrates her 30th anniversary with Nevada State Bank this year. At the Annual Officers Meeting in 2013, Lena received the Bank's Lifetime Achievement Award for her "exceptional service and commitment."*

*Her dedication to customer service has enabled her to maintain many relationships that started in her earliest days at the Bank. Lena has generations of customers in her portfolio and is often invited to her customers' family functions and weddings. One long-time customer recently called to tell her that his grandson had been seriously injured in an accident. Although only family members were allowed into the hospital room, they put Lena's name on their list so she could visit. The client later called Lena to express how much her visit and compassion meant to the entire family.*

*In the end, Lena hopes to leave a legacy of loyalty, friendship, honesty, compassion and fairness. "I treat people the way that I want to be treated," she said. "The bottom line is, I just do what's right for the customer."*



1997



*Zions acquires three institutions in California that are merged together to create California Bank & Trust.*

## INDUSTRY PERSPECTIVE

After a tumultuous period for corporations, consumers, capital markets and governments both large and small, 2013 represented the first year without a major confidence crisis from European countries, and in the United States, abatement of the political and regulatory uncertainty from 2012 – stemming from the debt ceiling, the “fiscal cliff” and the presidential election – provided a backdrop for investors to be willing to take more risk and gave hope for a better growth rate of revenue and earnings for companies. U.S. stocks benefitted generally, with bank stocks particularly experiencing a lift. The S&P 500 index climbed 30%, bank stocks improved by 35%, and Zions stock price improved by 40%. The difference between the yield on the 10-year U.S. Treasury – the so-called “risk-free rate” – and the earnings yield on the S&P 500 index – or a basket of “risky” assets – narrowed by 45%, or 2.2 percentage points between December 2012 and December 2013, from a spread of 5.0% to only 2.8%, respectively.

The primary driver for bank stock price movement was not necessarily revenue growth; loans are a major source of revenue for banks, and loans only increased by 3% during 2013, while net interest income (62% of total net revenue for the industry) declined about 1% due to smaller profit margins on all earning assets (loans, securities, and cash). The bottom-line

net income increased by 10%, a relatively small rate of growth compared to the 35% increase in the bank stock index. The increase in net income was driven entirely by a reduced provision for loan losses. Although the releasing of the allowance for loan losses was supported by continuing improvement in credit quality, such earnings are not generally viewed by investors as a sustainable source of growth.

Much of the improvement in stock prices may be attributed to investors’ outlook on the economy and a shift in the view of future interest rates. The consumer confidence index, as measured by the Conference Board, improved to a reading of 78 by the end of the year, up from 67 at the beginning of the year (although still well below the average 110 reading for the decade prior to the recession beginning in 2008). Large business confidence ended the year slightly lower than it began but still at a favorable reading and in line with a 20 year average leading up to the 2008 recession; small business optimism began at a recessionary reading and sharply below its 20-year average, but improved steadily and finished well above where it began.

As a result of improving economic conditions during 2013, the 10-year U.S. Treasury yield increased 72% – albeit from a low yield of 1.8% at December 2012 to 3.0% at December 2013, and the forward interest

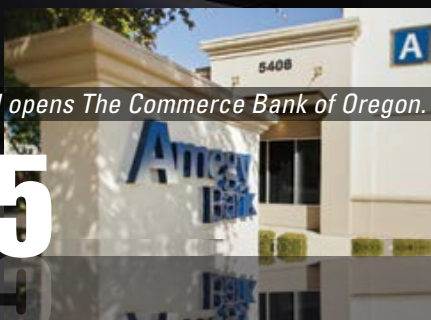


*Zions acquires The Commerce Bank of Washington.*



*Zions acquires Amegy Bank and opens The Commerce Bank of Oregon.*

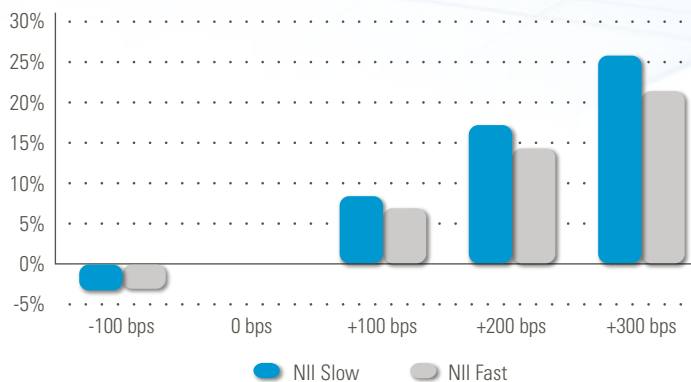
**2005**



rate curve for early 2016 suggests that rates will be approximately 0.75% to 1% higher than they are today. Most banks' disclosures suggest that when interest rates rise, their revenue will also improve, with some positioned much better than others, prompting investors to look for banks that will perform better than the average bank in a rising interest rate environment. Independent analysis by research firms Morgan Stanley and Citi Research conducted during 2013 suggest that a 1% move upward in interest rates would produce a lift of net interest income for regional banks, on average of between 4% and 6%. Zions is among the most well positioned banks for such a development, according to those research reports, particularly if the short-term interest rates rise. Zions' internal model estimates a slightly larger lift than the average – under a 1% increase in interest rates, Zions expects net interest income to rise between 7% and 8%.

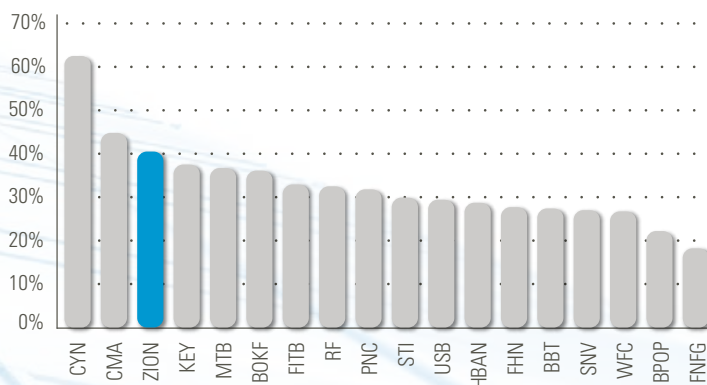
### Net Interest Income Sensitivity

(change in net interest income)



Zions' sensitivity to changes in higher interest rates is greater than the industry; for example, a 2 percentage point (or 200 basis point) move in interest rates across would be expected to produce an increase in net interest income of between 14% in a "slow" deposit repricing environment and 17% in a "fast" deposit repricing environment. Over various historical interest rate cycles, deposit pricing has reacted faster or slower to changes in benchmark government rates depending upon various factors, including demand for credit and scarcity of funding in the system.

### Non-Interest Bearing Deposits/Total Deposits



Zions' deposit funding is among the best in the industry, as measured by the percentage of non-interest bearing deposits relative to total deposits. Investors frequently comment to management that such a deposit franchise represents significant value to them as shareholders.

*Zions Bank enhanced its presence in the Idaho market by collaborating with Gardner Co. to build the tallest building in the Gem State.*



# 2013...

**Zions** has more than \$55 billion in assets across 10 western states. We have more than 11,000 employees and are continuing to grow.

# 2013

# ZIONS BANCORPORATION

The complete list of officers and directors for Zions Bancorporation and its subsidiaries is available at [www.zionsbancorporation.com](http://www.zionsbancorporation.com).

## CORPORATE OFFICERS

**Harris H. Simmons**  
Chairman and  
Chief Executive Officer

**Doyle L. Arnold**  
Vice Chairman and  
Chief Financial Officer

**Scott J. McLean**  
President  
(effective 3/14)

### *Executive Vice Presidents*

**Bruce K. Alexander**  
CEO, Vectra Bank Colorado, N.A.

**A. Scott Anderson**  
CEO, Zions First National Bank

**David E. Blackford**  
CEO, California Bank & Trust

**Julie G. Castle**  
Wealth Management

**Dallas E. Haun**  
CEO, Nevada State Bank

**W. David Hemingway**  
Capital Markets and  
Investments

**Dianne R. James**  
Human Resources

**Thomas E. Laursen**  
General Counsel

**Keith D. Maio**  
CEO, National Bank of Arizona

**Michael Morris**  
Credit Administration

**Joseph L. Reilly**  
Operations and  
Information Systems

**Stanley D. Savage**  
CEO, The Commerce Bank of  
Washington, N.A.

**Edward P. Schreiber**  
Chief Risk Officer

**Steven D. Stephens**  
CEO, Amegy Bank, N.A.  
(effective 3/14)

### *Senior Vice Presidents*

**James R. Abbott**  
Investor Relations

**Travis E. Finstad**  
Internal Audit

**Alexander J. Hume**  
Controller

**Ronald L. Johnson**  
Credit Examination

**Alvin Lee**  
Corporate Development

**Norman W. Merritt**  
Compliance

**Matthew L. Tyler**  
Corporate Finance

### *Vice Presidents*

**Jennifer R. Jolley**

**Melvin D. Leibsla**

**John A. Payne**

**J. Brandon Thomas**

## BOARD OF DIRECTORS

**Jerry C. Atkin**<sup>1, 2, 5</sup>  
Chairman and  
Chief Executive Officer  
Skywest Airlines  
St. George, Utah

**R. Don Cash**<sup>3, 4, 5</sup>  
Retired/Former Chairman,  
President and Chief Executive Officer  
Questar Corporation  
Lubbock, Texas

**Patricia Frobes**<sup>1, 3, 4</sup>  
Retired/Former Senior Vice President  
The Irvine Company  
Portland, Oregon

**J. David Heaney**<sup>2, 4</sup>  
Chairman  
Heaney Rosenthal, Inc.  
Houston, Texas

**Roger B. Porter**<sup>1, 3, 5</sup>  
IBM Professor of Business  
and Government,  
Harvard University  
Cambridge, Massachusetts

**Stephen D. Quinn**<sup>1, 2, 4</sup>  
Retired/Former Managing  
Director and General Partner  
Goldman, Sachs & Co.  
Park City, Utah

**Harris H. Simmons**<sup>1</sup>  
Chairman and Chief Executive Officer  
of the Company and Chairman of the  
Board of Zions First National Bank  
Salt Lake City, Utah

**L. E. Simmons**<sup>4</sup>  
President  
SCF Partners, LP  
Houston, Texas

**Shelley Thomas Williams**<sup>2, 3</sup>  
Communications Consultant  
Sun Valley, Idaho

**Steven C. Wheelwright**<sup>1, 3, 5</sup>  
President  
Brigham Young University-Hawaii  
Laie, Hawaii

<sup>1</sup> Member, Executive Committee

<sup>2</sup> Member, Audit Committee

<sup>3</sup> Member, Compensation Committee

<sup>4</sup> Member, Risk Oversight Committee

<sup>5</sup> Member, Nominating and  
Corporate Governance Committee

### *Ticker List Key*

BB&T Corporation	BBT
BOK Financial Corporation	BOKF
City National Corporation	CYN
Comerica Incorporated	CMA
Fifth Third Bancorp	FITB
First Horizon National Corporation	FHN
First Niagara Financial Group, Inc.	FNFG
Huntington Bancshares Incorporated	HBAN
KeyCorp	KEY
M&T Bank Corporation	MTB
PNC Financial Services Group, Inc.	PNC
Popular, Inc.	BPOP
Regions Financial Corporation	RF
SunTrust Banks, Inc.	STI
Synovus Financial Corp.	SNV
U.S. Bancorp	USB
Wells Fargo & Company	WFC

# CORPORATE INFORMATION

## EXECUTIVE OFFICES

One South Main Street  
Salt Lake City, Utah 84133-1109  
801-524-4787

## ANNUAL SHAREHOLDERS' MEETING

Friday, May 30, 2014, 1:00 pm  
Zions Bancorporation  
Founders Room, 18th Floor  
One South Main Street  
Salt Lake City, Utah 84133-1109

## TRANSFER AGENT

Zions First National Bank  
Corporate Trust Department  
One South Main Street, 12th Floor  
Salt Lake City, Utah 84133-1109  
801-844-7545 or 888-416-5176

## REGISTRAR

Zions First National Bank  
One South Main Street, 12th Floor  
Salt Lake City, Utah 84133-1109

## AUDITORS

Ernst & Young LLP  
178 S Rio Grande Street, Suite 400  
Salt Lake City, Utah 84101

## NASDAQ GLOBAL SELECT MARKET SYMBOL

ZION

## OTHER LISTED SECURITIES

Series A Preferred Stock – NYSE: ZBPRA  
Series F Preferred Stock – NYSE: ZBPRF  
Series G Preferred Stock – NYSE: ZBPRG  
Series H Preferred Stock – NYSE: ZBPRH  
Series I Preferred Stock – CUSIP: 989701BD8  
Series J Preferred Stock – CUSIP: 989701BF3

## DIVIDEND REINVESTMENT PLAN

Shareholders can reinvest their cash dividends in additional shares of our common stock at the market price on the dividend payment date. Shareholders, as well as brokers and custodians who hold our common stock for clients, can obtain a prospectus of the plan on the Zions Bancorporation Web site ([www.zionsbancorporation.com](http://www.zionsbancorporation.com)) or by writing to:

Zions Bancorporation  
Dividend Reinvestment Plan  
P.O. Box 30880  
Salt Lake City, Utah 84130-0880

## CREDIT RATINGS

Credit ratings are updated regularly and may be found on the Zions Bancorporation Web site ([www.zionsbancorporation.com](http://www.zionsbancorporation.com))

## OPTION MARKET MAKERS

Chicago Board Options Exchange  
Philadelphia Stock Exchange

## SELECTED INDEX MEMBERSHIPS

S&P 500  
S&P Global 1200  
KBW Bank  
NASDAQ Financial 100

## INVESTOR RELATIONS

For financial information about the Corporation, analysts, investors and news media representatives should contact:  
James R. Abbott  
801-844-7637  
[James.Abbott@zionsbancorp.com](mailto:James.Abbott@zionsbancorp.com)

## ZIONS BANCORPORATION NEWS RELEASES

Our news releases are available on our Web site at:  
[www.zionsbancorporation.com](http://www.zionsbancorporation.com).  
To be added to the e-mail distribution list, please visit [www.zionsbancorporation.com](http://www.zionsbancorporation.com) and click on "E-mail Notification."

## INTERNET SITES

*Zions Bancorporation:*  
[www.zionsbancorporation.com](http://www.zionsbancorporation.com)

*Zions First National Bank:*  
[www.zionsbank.com](http://www.zionsbank.com)

*California Bank & Trust:*  
[www.calbanktrust.com](http://www.calbanktrust.com)

*Amegy Bank:*  
[www.amegybank.com](http://www.amegybank.com)

*National Bank of Arizona:*  
[www.nbarizona.com](http://www.nbarizona.com)

*Nevada State Bank:*  
[www.nsbank.com](http://www.nsbank.com)

*Vectra Bank Colorado:*  
[www.vectrabank.com](http://www.vectrabank.com)

*The Commerce Bank of Washington:*  
[www.tcbwa.com](http://www.tcbwa.com)

*The Commerce Bank of Oregon:*  
[www.tcboregon.com](http://www.tcboregon.com)

*Contango Capital Advisors, Inc.:*  
[www.contangocapitaladvisors.com](http://www.contangocapitaladvisors.com)

*Zions Direct, Inc.:*  
[www.zionsdirect.com](http://www.zionsdirect.com)



# ZIONS BANCORPORATION

*One South Main Street – Salt Lake City, Utah 84133*  
*[www.zionsbancorporation.com](http://www.zionsbancorporation.com)*

