

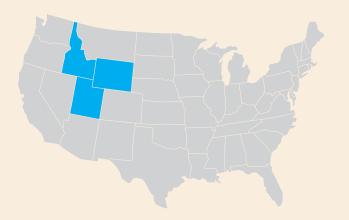




We are winning over customers with products and services that help grow their businesses. This has Main Street talking and Wall Street listening.

At Zions Bancorporation, we are proud of our customers and we want them to be proud to bank with us. We go the extra mile to earn their trust and loyalty. We were ranked No. 4 in small business lending of large institutions in the most recent Small Business Administration's "Small Business Lending in the United States" report and won 24 Greenwich Excellence Awards (No. 2 of more than 750 U.S. Banks) in a variety of banking categories in 2014. With a commitment to excellence, we remain focused on delivering the personalized service you'd expect from a local community bank, but offer the comprehensive solutions available at major financial institutions. By meeting the needs of Main Street, we are creating value for our customers and shareholders alike.





Hanko's Story

Zions First National Bank

Utah, Idaho, Wyoming

As swift growth in online sales has driven demand for shipping products, Hanko Kiessner has positioned his Salt Lake City-based company, Packsize International LLC, as the worldwide leader in On Demand Packaging® systems, services and software solutions.

Packsize resolves inventory and shipping complexities through the ability to create a custom-sized box for every order. Companies using On Demand Packaging® today save an average of 20 percent in corrugated costs. These optimized box configurations also reduce empty space and increase efficiencies in handling and transportation while minimizing wasted shipping container space. In doing so, Packsize helps its clients reduce their carbon footprint through fewer planes and trucks, and less material.

Since opening in 2002, Packsize has expanded to serve customers through operations in North America, Scandinavia, Germany and the United Kingdom. Along the way, Zions Bank has kept pace with Packsize's growth, offering unique financing solutions and flexibility that enable the company to expand faster.

The Communities We Serve

Zions Bank's ongoing support for military service members and their families garnered national recognition. On Sept. 26, 2014, then-Secretary of Defense Chuck Hagel presented Zions Bank with the 2014 Secretary of Defense Employer Support Freedom Award during a ceremony at the Pentagon.

The Freedom Award is the Department's highest recognition given to employers for exceptional support of Guard and Reserve employees. The bank was selected from 2.864 nominations.

Zions Bank pioneered a professional development program offering internships and training specifically to service members and veterans, which has launched civilian careers throughout the Intermountain West. In addition, the Zions Bank Military Relations Group maintains contact with deployed employees and their families, providing home repairs, lawn maintenance, holiday gifts, and financial assistance. The bank also launched a military employee forum to facilitate networking opportunities for service members.







Rickerillo Companies

___Houston, Texas





Vincent, Mary and Kelli's Story **Amegy Bank**

Texas

Vincent Kickerillo founded Kickerillo Companies almost 60 years ago, and today the company is one of the largest custom homebuilders in Houston, having developed upwards of 15,000 homes in more than 40 communities, as well as numerous commercial developments. Kickerillo Companies is a family affair; Vincent's wife, Mary, is chairman of the executive committee and Vincent's daughter, Kelli, is executive vice president and chief marketing officer. For several years, Kickerillo Companies has maintained a line of credit with Amegy Bank to finance construction projects and grow their business. Vincent believes the relationship he has with Amegy has given Kickerillo Companies "the ability to take advantage of ongoing opportunities in the real estate market." He added, "In the real estate business, it is paramount to have a good relationship with your bank. It is your lifeline to being able to conduct business. Houston is lucky to have Amegy Bank. Their dedication to customers and the Houston community is what makes me proud to bank at Amegy." Amegy Bank's Ben Burch said, "Our goal with our clients is to build lasting relationships that grow over time. It has been a pleasure to work with Kickerillo Companies, and we look forward to helping them grow their business for many more years."

The Communities We Serve

Amegy Bank's Officer Development Program (ODP) adopted H.E.A.R.T. (Housing, Entrepreneurship and Readiness Training) as its official philanthropy in 2014. H.E.A.R.T. provides job training and placement in vending and concessions to low-income Houston adults with developmental disabilities based on the philosophy that everyone deserves to excel and experience the sense of pride and accomplishment achieved through education and employment.

To kick off the partnership, Amegy's ODP volunteers operated cash registers

and served refreshments alongside H.E.A.R.T. trainees at a Houston Rockets basketball game. Amegy's summer interns volunteered at the organization's warehouse sorting supplies, and the bank also sponsored their annual luncheon.

"This organization has opened our eyes to how great the need is for adult work programs," said Amegy Bank's Kim Foxen Dadd. "The H.E.A.R.T. trainees are so appreciative and full of joy. They take pride in their work and are thrilled to be there, and we feel the same."







Mary Jean's Story California Bank & Trust

Plumbing, Heating & Air in 2004.

California

Mary Jean Anderson is on a mission to improve the image of the plumbing industry. She's been passionately committed to raising the bar on professionalism since she bought out her former husband's interest and became president of El Cajon-based Anderson

Improving the image is a formidable challenge when sewage baths, late-night calls and toiling in murky, smelly places are all in a day's work. Mary Jean focuses on hiring transformational people who are also empathetic problem-solvers. Once hired, continuous training keeps everyone performing at a high level, and dedication to the customer quickly resolves any complaints.

Her team is also committed to the community and has supported cancer research, military families and other charitable causes.

Anderson's success proves she's making progress. Revenue has increased 350 percent since 2004 making the company one of the largest of its kind in San Diego — and she now has 125 employees.

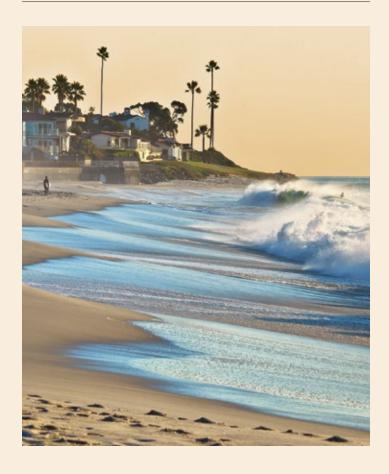
The Communities We Serve

California Bank & Trust associates take pride in serving the local communities where they live and work.

One notable example is Corporate Banking **Executive Vice President** Gary Green. He chairs the board of the Boys & Girls Club of Tustin and its Orange extension site, an organization that inspires disadvantaged young people to achieve academic success, build good character and maintain healthy lifestyles.

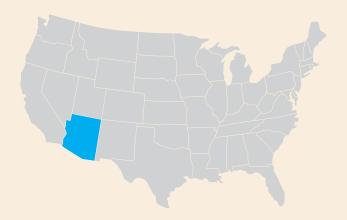
The chapter offers programming to an average of more than 300 students daily. These students receive help completing their homework and learning the value of community service. Gary, the board and the staff are committed to making this Boys & Girls Club chapter the premiere youth development agency for the City of Orange by 2020.

Other CB&T associates donate their time and expertise serving on the boards of local Boys & Girls Club chapters throughout California — with many dedicated to helping young people learn the basics of money and finance.





Corey "Thunder" Law, CFO Michael Syracuse and Will "Bull" Bullard Harlem Globetrotters Inc. Phoenix, Arizona



The Harlem Globetrotters' Story

National Bank of Arizona

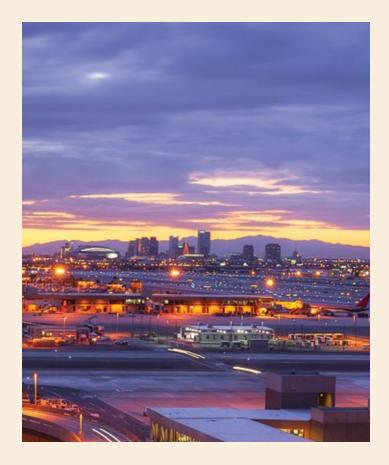
Arizona

Harlem Globetrotters Inc. (HGI), headquartered in Phoenix, was founded in 1926. It is one of the most renowned sports and entertainment franchises in the world. The Globetrotters are widely regarded as the leading family entertainment touring show, annually playing more than 400 games in more than 300 cities around the world. Known worldwide as the "Ambassadors of Goodwill"™, they also visit approximately 400 elementary schools, 200 hospitals and numerous military bases each year, spreading smiles and promoting initiatives designed to foster positive character traits in the next generation of Globetrotter fans. HGI is led by CEO Kurt Schneider. His background and proven strengths are in branding, and he has been recognized as one of the entertainment industry's most highly respected and fastest rising executives. HGI was acquired in 2013 by Herchend Family Entertainment, the third largest theme park corporation in the U.S. and the largest family owned theme park corporation in the U.S. They turned to National Bank of Arizona to help finance the acquisition and NB|AZ continues to serve the Harlem Globetrotters Inc. with their ongoing banking needs.

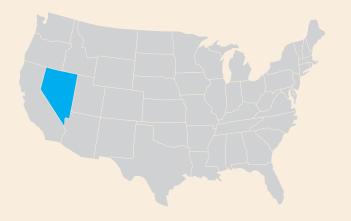
The Communities We Serve

In 2014, National Bank of Arizona (NB|AZ) celebrated its 30th anniversary. The bank remains dedicated to serving not only the financial needs of Arizonans and Arizona businesses but to building communities and making Arizona a better place for all. Through support of education, philanthropy and grass roots leadership initiatives, NB|AZ is elevating Arizona. Headquartered in Phoenix, NB|AZ has 71 branches and serves 47 communities throughout Arizona. The bank proudly sponsors the NB|AZ Winter Swing Golf Tournament. This year's event raised nearly \$200,000 that benefitted

16 Arizona charities such as Habitat for Humanity, Partners in Action, St. Mary's Food Bank and World Vision. High profile CEOs from organizations throughout Arizona were instrumental in raising proceeds that aided charities especially meaningful to them. Sponsors, donors and participants gave generously to ensure a successful experience for all involved. This unique collaboration, representing some of Arizona's finest, truly exemplifies the value of a community working together for the greater good. NB|AZ is proud to stand with them in making Arizona a great place to live and do business.







Donna's Story Nevada State Bank

Nevada

Life Guard International - Flying ICU, based in Las Vegas, helps save lives by quickly and safely transporting by air patients in need of medical care. Its four specially equipped planes — staffed by medical professionals - fly patients wherever they need to go for treatment, making sure they receive the same quality of care en route as they would in a hospital.

The company was founded in 2002 by Donna Miller. A native of Romania, Miller immigrated to the United States at the age of 22 and achieved her own version of the American dream by putting herself through nursing school while still learning English. After becoming a registered nurse specializing in critical care, she served as a flight nurse with an air ambulance company in Las Vegas before striking out on her own.

In 2010, Miller began a banking relationship with Nevada State Bank, which has helped her company obtain SBA loans to purchase three planes and refinance its building. In 2014, the SBA named Life Guard International - Flying ICU its Nevada Woman-Owned Business of the Year.

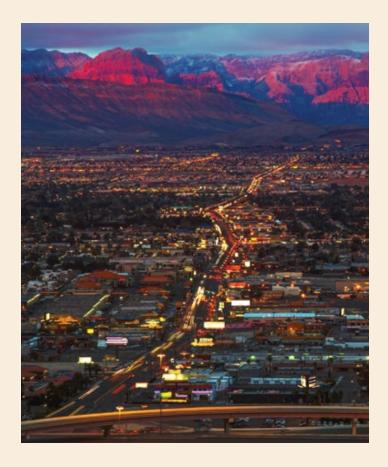
The Communities We Serve

In cooperation with the Harmon's Heroes Foundation, Nevada State Bank donated a house in Fernley to the Northern Nevada Veteran's Coalition (NNVC) to aid deserving veterans and their families.

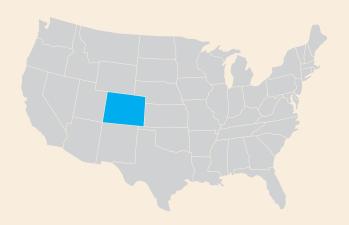
The donation is part of the NNVC "Heroes Hand Up" program, which puts families on the path to homeownership by providing a rent-free home for up to a year while the veteran gains employment and becomes financially stable. NNVC provides counseling and assistance

in finding employment, while Nevada State Bank provides financial education on topics such as budgeting and responsible use of credit.

"Donating the house is only the beginning of our commitment to northern Nevada veterans," notes Terry Shirey, president and COO of Nevada State Bank. "Our colleagues have pledged to stay involved with the project, not only assisting with the financial literacy component, but also volunteering to paint and fix up the house for the family."







Bill, Rich and Len's Story Vectra Bank Colorado

Colorado

Big Agnes was founded 14 years ago in Steamboat Springs out of the unique idea of creating a sleeping bag with a sleeve for an inflatable sleeping pad. Beyond the revolutionary idea that spawned Big Agnes, the company has maintained focus on creating the perfect bag with additions such as DownTek, a waterrepellent down filling, and Inosotect Flow, which keeps the down from shifting. Unsatisfied to only provide increased satisfaction to one area of the outdoors experience, Big Agnes has diversified its offerings in outdoor equipment to include tents, duffels, apparel and other various camping accessories. The company is consistently on the leading edge for innovation in all its products, a quality co-owner Len Zanni attributes to the open culture at Big Agnes, where employees take many backcountry outings together and new ideas are encouraged from all employees. Vectra has built a lasting relationship with Big Agnes since the company's inception, providing the financing needs at every step of the journey from innovative ideas to the very successful business it is today.

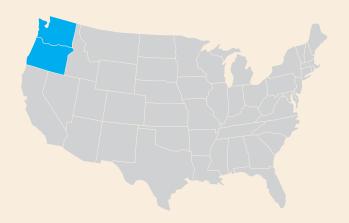
The Communities We Serve

For the second year, Vectra Bank is proud to support the Colorado Nonprofit Social Enterprise Exchange (The Exchange), which supports nonprofits in building more sustainable, unrestricted sources of funding. The Exchange offers a peer networking and learning environment where nonprofits develop business ideas over the course of nine months through different business development topics such as market research, financing, understanding the customer and writing business plans. The first year culminates with nonprofits pitching their new businesses for funding, and a second year of services includes

launch and implementation support. Following the April 2014 graduation of the first group of nonprofits, the Exchange chooses nine new nonprofits to participate in the program's second group. The 2015 Social Enterprise Cohort includes organizations such as Colorado Cross-Disability Coalition, Colorado Health Network, Denver Shared Spaces/Urban Land Conservancy, Denver Urban Ministries, and Planned Parenthood of the Rocky Mountains. Vectra Bank is pleased to be involved with this diverse, dynamic and innovative group of nonprofits as they conceive of, develop and launch their new social ventures.







Doug's Story

The Commerce Bank of Washington Washington

The Commerce Bank of Washington was honored to provide funding to the Museum of Flight Foundation for the construction of The Charles Simonyi Space Gallery. This gallery is home to NASA's Full Fuselage Shuttle Trainer, which has been used as a training apparatus by space shuttle astronaut crews since the 1980s. "The acquisition of the space shuttle trainer was a very unique process. Constructing that building, drafting the plans, creating the design and obtaining the financing needed to be done in a heartbeat. Commerce Bank understood who we were, the very unique circumstance we were in and helped us get to where we needed to go," said Matt Hayes, vice president and CFO. Established in 1964, the Museum of Flight Foundation has fought to be the foremost educational air and space museum in the world. Doug King, president and CEO, believes that inspiration begins at the museum with "the people who tell the history of the first 100 years of flight and the great people, like Commerce Bank, that help us inspire the people who will keep writing the story."

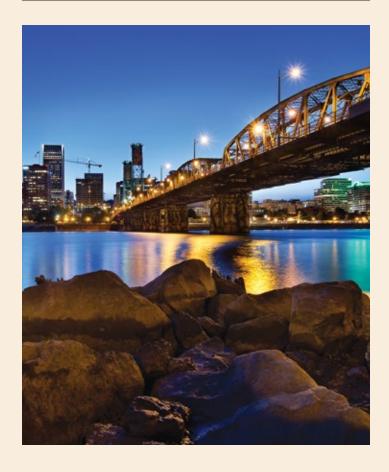
The Communities We Serve

In 2014, Third Rail Repertory Theater approached The Commerce Bank of Oregon with a proposal for a strategic partnership. This partnership separated itself from the many other requests the bank receives as an opportunity to differentiate itself, entertain clients and support the arts of the community.

The sponsorship included three private "Preview Night" performances in 2014 and will continue in 2015. In 2015, the bank will be adding an additional element to the sponsorship to include its clients in the event, further expanding the bank's network.

Third Rail's Development and Community Outreach Director Maureen Porter said. "The collaboration with The Commerce Bank of Oregon has been amazing. It has exposed our work to new audiences and given the bank a way to offer a unique and entertaining event. This partnership was creative and truly addresses needs of both organizations."

The bank was awarded a 2014 "Bridge Award" for this creative partnership by Business for Culture and the Arts — a nonprofit focused on the collaboration between business and the arts community.



A COLLECTION OF GREAT BANKS

ZIONS BANK

Zions Bank
Salt Lake City, UT;
Boise, ID; Jackson, WY
\$19 billion assets
21% market share



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

THE COMMERCE BANK

The Commerce Bank of Oregon/Washington Portland, OR / Seattle, WA \$1 billion assets < 1% market share

AmegyBank of Texas

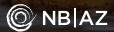
Amegy Bank of Texas Houston, TX \$14 billion assets 2% market share



Vectra Bank Colorado Denver, CO \$3 billion assets 2% market share

NEVADA STATE BANK

Nevada State Bank Las Vegas, NV \$4 billion assets 7% market share



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

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.

CORPORATE INFORMATION

EXECUTIVE OFFICES

One South Main Street Salt Lake City, Utah 84133-1109 800-974-8800

ANNUAL SHAREHOLDERS' MEETING

Friday, May 22, 2015, 1 p.m. 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 website at 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 website at 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, option 2 James.Abbott@zionsbancorp.com

ZIONS BANCORPORATION NEWS RELEASES

Our news releases are available on our website at: zionsbancorporation.com.
To be added to the email distribution list, please visit zionsbancorporation.com and click on "Email Notification."

INTERNET SITES

Zions Bancorporation: zionsbancorporation.com

Zions First National Bank:

California Bank & Trust:

Amegy Bank: amegybank.com

National Bank of Arizona: nbarizona.com

Nevada State Bank: nsbank.com

Vectra Bank Colorado:

The Commerce Bank of Washington: tchwa.com

The Commerce Bank of Oregon:

Contango Capital Advisors Inc.:

Zions Direct Inc.: zionsdirect.com

This document may contain statements that could be considered "forward looking." Readers should review the forward-looking statement disclaimer of Zions' Annual Report on Form 10-K, which can be found on the website at zionsbancorporation.com and applies equally to this document.



ZIONS BANCORPORATION

The complete list of officers and directors for Zions Bancorporation and its subsidiaries is available at zionsbancorporation.com.

CORPORATE OFFICERS

Harris H. Simmons
Chairman and
Chief Executive Officer

Doyle L. ArnoldVice Chairman and
Chief Financial Officer

Scott J. McLean President

Executive Vice Presidents

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

A. Scott Anderson CEO, Zions 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. MaioCEO, National Bank of Arizona

Michael Morris
Credit Administration

Joseph L. Reilly Operations and

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.

Senior Vice Presidents

James R. Abbott Investor Relations

Travis E. Finstad Internal Audit

Alexander J. Hume

Ronald L. Johnson Credit Examination

Alvin Lee Corporate Development

Norman W. Merritt Corporate 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 1,3,5 Chairman and Chief Executive Officer Skywest Airlines

John C. Erickson 1,2,4 Retired/Former Vice Chairman Union Bank

Patricia Frobes 1,4
Retired/Former Senior
Vice President
The Invine Company

J. David Heaney ^{2,5} Chairman Heaney Rosenthal Inc.

Edward F. Murphy 1,2,4 Retired/Former CFO Federal Reserve Bank

Roger B. Porter 3,5

of New York

IBM Professor of Business and Government, Harvard University

Stephen D. Quinn ^{2,4} Retired/Former Managing Director and General Partner Goldman, Sachs & Co.

Harris H. Simmons¹
Chairman and
Chief Executive Officer
of the Company and
Chairman of the Board of
Zions First National Bank

L. E. SimmonsPresident
SCF Partners, LP

Steven C. Wheelwright 1,3,5 President Brigham Young University-Hawaii

Shelley Thomas Williams 3,5 Communications Consultant

¹Member, Executive Committee

² Member, Audit Committee

Member, Compensation Committee

⁴ Member, Risk Oversight Committee

⁵ Member, Nominating and Corporate Governance Committee

Ticker Symbol Key

BAC Bank of America Corporation **BBT BB&T Corporation CMA** Comerica Incorporated Citiaroup Inc. FITB Fifth Third Bancorp **HBAN Huntington Bancshares** Incorporated JPM JPMorgan Chase & Co. **KEY KeyCorp MTB M&T Bank Corporation PNC PNC Financial Services** Group, Inc. **Regions Financial** Corporation

STI SunTrust Banks, Inc.

UB MUFG Americas Holdings Corporation

USB U.S. Bancorp

WFC Wells Fargo & Company
ZION Zions Bancorporation



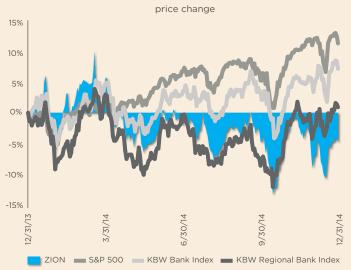
FINANCIAL HIGHLIGHTS

(In millions, except per share amounts, employees and offices)	2014/2013 Change	2014	2013	2012	2011
FOR THE YEAR					
Net interest income	-1%	\$1,680.0	\$ 1,696.3	\$ 1,731.9	\$1,756.2
Noninterest income	51%	508.6	337.4	419.9	498.2
Total revenue	8%	2,188.6	2,033.7	2,151.8	2,254.4
Provision for loan losses	-13%	(98.1)	(87.1)	14.2	74.5
Noninterest expense	-3%	1,665.3	1,714.4	1,595.0	1,658.6
Income before income taxes	53%	621.4	406.4	541.6	521.3
Income taxes	56%	222.9	142.9	193.4	198.6
Net income	51%	398.5	263.5	348.2	322.7
Net income applicable to noncontrolling interests	NM	_	(0.3)	(1.3)	(1.1)
Net income applicable to controlling interests	51%	398.5	263.8	349.5	323.8
Preferred stock dividends	-25%	(71.9)	(95.5)	(170.9)	(170.4)
Net earnings applicable to common shareholders	11%	326.6	294.0	178.6	153.4
PER COMMON SHARE					
Net earnings - diluted	6%	1.68	1.58	0.97	0.83
Net earnings - basic	6%	1.68	1.58	0.97	0.83
Dividends declared	23%	0.16	0.13	0.04	0.04
Book value ¹	6%	31.35	29.57	26.73	25.02
Market price - end		28.51	29.96	21.40	16.28
Market price - high		33.33	31.40	22.81	25.60
Market price - low		25.02	21.56	16.40	13.18
AT YEAR-END					
Assets	2%	57,209	56,031	55,512	53,149
Net loans and leases	3%	40,064	39,043	37,665	37,258
Deposits	3%	47,847	46,362	46,133	42,876
Long-term debt	-52%	1,092	2,274	2,337	1,954
Shareholders' equity:					
Preferred equity	_	1,004	1,004	1,128	2,377
Common equity	17%	6,366	5,461	4,924	4,608
PERFORMANCE RATIOS					
Return on average assets		0.71%	0.48%	0.66%	0.63%
Return on average common equity		5.42%	5.73%	3.76%	3.32%
Tangible return on average tangible common equit	У	6.70%	7.44%	5.18%	4.72%
Net interest margin		3.26%	3.36%	3.57%	3.77%
CAPITAL RATIOS ¹					
Equity to assets		12.88%	11.54%	10.90%	13.14%
Tier 1 common ²		11.92%	10.18%	9.80%	9.57%
Tier 1 leverage		11.82%	10.48%	10.96%	13.40%
Tier 1 risk-based capital ²		14.47%	12.77%	13.38%	16.13%
Total risk-based capital ²		16.27%	14.67%	15.05%	18.06%
Tangible common equity to assets		9.48%	8.02%	7.09%	6.77%
Tangible equity to assets		11.27%	9.85%	9.15%	11.33%
SELECTED INFORMATION					
Average common and common-equivalent shares		192.8	184.3	183.2	182.6
Common dividend payout ratio		9.56%	8.20%	4.14%	4.80%
Full-time equivalent employees		10,462	10,452	10,368	10,606
Commercial banking offices		460	469	480	486

¹At year-end

² As a percentage of risk-weighted assets

2014 STOCK PERFORMANCE



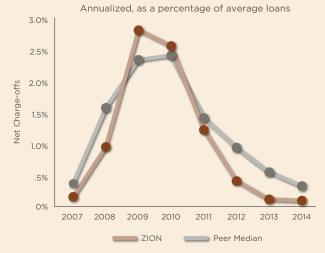
In 2014, banks broadly underperformed the S&P 500, including both an index of large banks ("KBW Bank Index") and an index of regional banks that are more similar in size to Zions' affiliate banks. Although Zions outperformed the broad market in 2013 with a 40% increase in the stock price, the 2014 decline in interest rates and the increase in shares outstanding dampened performance in 2014.

TIER 1 COMMON EQUITY



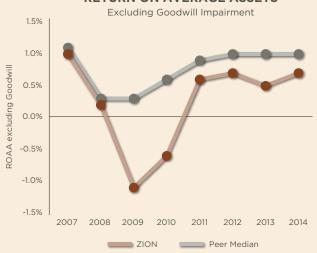
Zions' tier 1 common equity ratio has improved to one of the strongest levels among large U.S. banking organizations.

NET LOAN LOSSES (CHARGE-OFFS)



Net loan and lease charge-offs remained among the best in the industry. When combined with a strong reduction in nonaccrual and other problem loans, Zions was able to reduce its allowance for loan losses by more than \$140 million in 2014.

RETURN ON AVERAGE ASSETS



Zions' return on average assets has improved considerably since its trough during the financial crisis, although a moderate gap remains relative to peers. Much of the difference is explained by Zions' interest rate risk position, whereby Zions' earnings are expected to increase much more significantly than most banking institutions under a rising interest rate environment.



Harris H. Simmons, Chairman and CEO

CHAIRMAN'S MESSAGE

To Our Shareholders

The past year has been filled with great challenges and great accomplishments as Zions Bancorporation continued to build one of the strongest and most liquid balance sheets among the nation's regional banks, strengthening its core profitability and building strong communities by providing exceptional service to our customers.

While the economy across the western United States continued to strengthen in the wake of the financial downturn, business investment and loan demand remain subpar, the housing industry has only partially recovered and consumers remain

financially cautious. The interest rate environment remained incredibly challenging for traditional banks in 2014 with short-term interest rates effectively remaining at 0 percent for a sixth straight year, depressing interest margins. The political and regulatory environments also remain daunting, with the continued implementation and stringent enforcement of a host of new rules that require the costly investment of time and money for compliance.

The challenges of the past year also produced strength. Zions Bancorporation built its capital to among the strongest levels among the nation's larger traditional commercial banks, maintained loan loss reserves at very conservative levels and stayed highly liquid. We also continue to make substantial progress in building a technology infrastructure that will be a real competitive advantage and place us at the forefront of the industry, preparing us for a digital future in which we will be better able to nimbly develop products, significantly reduce back office costs and complexity, manage an unprecedented volume of data, and serve clients seamlessly through a variety of channels.

Financial Results

Zions Bancorporation's net income available to common shareholders increased 11% in 2014 to \$327 million from \$294 million in the prior year. Diluted earnings per share totaled \$1.68. a 6% increase from \$1.58 in 2013. The continuation of historically low interest rates contributed to a further compression of our net interest margin, which was 3.3%, down from 3.4% in 2013. While average loans and leases increased a moderate \$1.4 billion, or 3.7% in 2014, the average yield on loans decreased from 4.8% in 2013 to 4.4% in 2014, reflecting both competitive pressures and the fact that older loans with higher interest rates continue to be replaced with loans at current, lower rates. Additionally, loans with adjustable interest rates are experiencing rate resets at lower levels, and loans acquired in 2009 with FDIC backing and higher rates of interest have been reduced to nominal levels of outstanding balances. The net interest margin was positively impacted by a reduction in higher-cost long-term debt, and by a continued increase in noninterest-bearing demand deposits, which grew 9% or \$1.6 billion in 2014. A substantial portion of our noninterest-bearing demand deposits belong to commercial clients who use the value of such balances to pay for services that would otherwise be paid in the form of fee income.

Noninterest income rose 51% or \$171 million in 2014, primarily reflecting virtually no impairment losses on investment securities, as compared to \$165 million in net impairment losses on securities in 2013. Other fixed income and equity securities gains totaled \$24 million in 2014, compared to \$6 million in the prior year. A weaker market for mortgage refinance activity resulted in lower loan sales and servicing income, at \$26 million as compared to \$35 million the prior year.

NET INTEREST MARGIN



Zions' net interest margin remains stronger than the peer median, although it has compressed more than the peers' margin due in part to the interest rate risk position — Zions has a high percentage of assets with very short maturities and relatively low concentration of assets with long-dated (and therefore higher yielding) maturities.

Noninterest expense decreased \$49 million or nearly 3% in 2014, to \$1,665 million. Excluding the cost of extinguishing high-cost debt and negative provisions for unfunded lending commitments in both years, noninterest expense increased 1% to \$1,630 million from \$1,611 million in 2013.

Credit Quality and Energy Exposure

Credit quality continued to improve in 2014. Net loan and lease charge-offs totaled a modest \$42 million, or 0.11% of average loans and leases, as compared to 0.14% in 2013. Such levels of net charge-offs are significantly lower than those experienced by peer banks. Total

nonperforming lending-related assets decreased to \$326 million or 0.81% of average loans, leases and other real estate owned as compared to \$452 million or 1.15% in the prior year. Notably, loans and leases over 90 days past due and accruing interest totaled only 0.07% of loans and leases at year end, a reflection of the company's conservatism in designating nonaccrual loans.

The company's strong credit performance resulted in the release of reserves from both the allowance for loan and lease losses, and the allowance for unfunded commitments. The negative provision for loan and lease losses was \$98 million, as compared to a negative provision of \$87 million in 2013; the negative provision for unfunded commitments was \$9 million as compared to a negative provision of \$17 million in the prior year.

In the fourth quarter of 2014, domestic oil prices saw a precipitous collapse, with West Texas Intermediate crude prices dropping from mid-\$90 per barrel to a current level in the mid-\$40 range. Natural gas prices, which have been at historically low levels in recent years, also softened further, decreasing by approximately a third in recent months. Zions' energy-related exposure to oil and gas exploration and production, mid-stream, downstream, and oil and gas services companies amounted to approximately \$3.2 billion in outstanding loans at year-end, or approximately 8.5% of total loans outstanding, with another \$2.9 billion in unused

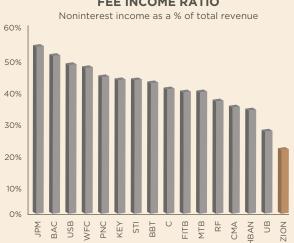
commitments. We also have approximately \$0.2 billion in loans outstanding to alternative energy ventures, most all of which are backed by take-or-pay and similar firm contracts from investment-grade utilities. We have a very strong, seasoned team of energy lenders at our Amegy Bank affiliate, and our underwriting discipline has been strong. Nevertheless, a prolonged period of low energy prices will likely create a degree of strain in this portfolio, and we accordingly began to build reserves in the fourth quarter to accommodate any prospective weakness.

Liquidity and Interest Rate Risk

We have continued to maintain strong liquidity, as reflected by the fact that cash, interest-bearing deposits held as investments, and security resell agreements comprised over 16% of the balance sheet at year-end. We also have a very strong base of "core deposits" consisting largely of low-cost demand deposits and other transactional accounts held by our business clients and individual customers. At the parent company level, we strengthened liquidity during 2014 by reducing long-term debt by 55% or \$1.1 billion in 2014.

New liquidity rules adopted in September 2014 that become effective early in 2016 will require the company to hold a defined portion of its assets in "High Quality Liquid Assets" (HQLA), including cash, treasury securities and other highly liquid obligations issued by

LARGE COMMERCIAL BANKS **FEE INCOME RATIO**



COMMUNITY BANKS FEE INCOME RATIO Noninterest income as a % of total revenue



Significantly increasing fee income is a strategic initiative for Zions. Relative to larger national and super-regional banking organizations, the ratio is relatively small; however, recognizing that Zions' is a collection of community banks, when compared to a group of banks that are similar in size to Zions' affiliate banks, the fee income ratio is somewhat stronger than those companies.

or backed by the U.S. government or its agencies. The Liquidity Coverage Ratio (LCR) tests a bank's ability to accommodate sustained outflows of deposits through the sale or run-off of such highly liquid assets. Banks with assets of greater than \$50 billion are also required to conduct periodic liquidity stress tests to help identify and manage liquidity risk.

Zions Bancorporation has maintained high levels of liquidity and a very short average duration of its assets during this period of prolonged low interest rates in the wake of the financial crisis, and our calculations indicate that we currently meet the requirements of the LCR rule. With these new liquidity rules in place, it is clear that banks will be required to permanently hold a

larger portion of total assets in the form of High Quality Liquid Assets. Accordingly, we have begun to deploy a portion of our cash in relatively short-term mortgagebacked securities. By year-end 2014, we had acquired nearly \$1 billion in such securities and expect to continue to build a ladder of such securities over the next two to three years. This will moderately reduce the upside opportunity for us in a rising interest rate environment, but will produce higher levels of current income.

CCAR and Risk Reduction

One of the major requirements for bank holding companies deemed "systemically important" under the Dodd-Frank Act, including all banks over \$50 billion in assets, is participation in the Comprehensive Capital

BUSINESS CONFIDENCE LEVELS: LARGE BUSINESS VS. SMALL BUSINESS



Average Levels (1988-2006): ISM: 55 NFIB: 101

During 2014, small business confidence (measured by the NFIB Small Business Optimism Index) improved considerably. Zions is a national leader in small business lending — the improvement in confidence of these borrowers should result in stronger loan growth and credit quality.

Analysis and Review program (CCAR), to which Zions was subject for the first time in 2014. The CCAR program operates in conjunction with the stress tests that are required for larger banks under the Dodd-Frank Act and effectively acts as the primary tool by which the Federal Reserve regulates capital requirements for these institutions.

The Federal Reserve's annual stress test protocol requires a bank holding company to design, validate, document and maintain a comprehensive set of statistical models that project future financial performance over a nine-quarter period based on hypothetical economic scenarios defined by a set

of macroeconomic variables that include rates of unemployment, inflation, housing and commercial real estate price changes and a number of other inputs. The Federal Reserve annually produces a hypothetical set of both "adverse" and "severe adverse" economic scenarios, as defined by these variables, and all banks over \$10 billion in size run their own models to project capital levels over the nine-quarter planning horizon in order to assure that each of four regulatory capital ratio minimum thresholds would not be breached if such scenarios were to unfold. These Dodd-Frank Act Stress Test (DFAST) results effectively assume stable dividend levels or other capital actions such as share repurchases and assume that the bank continues to maintain or

increase its loan portfolio during the hypothetical stress period.

The process by which we produce our stress test results is arduous and required the direct expenditure in 2014 of more than \$15 million, many thousands of hours of work, and was approximately 7,000 pages in length — a number that expanded to more than 12,000 pages in the 2015 submission. The stress tests and accompanying capital plan involve a great deal of focus not only by management, but also the board of directors, whose members devoted many hours, both in board meetings and through individual input, to the oversight of this process.

The Federal Reserve collects enormous volumes of granular customer-level data from bank holding companies over \$50 billion that are subject to the CCAR requirements and runs its own models to form an assessment of each company's capital resiliency, comparing its results to those produced by the banks' own models. It focuses both on outcomes with no changes in dividend distributions or other capital actions (the DFAST results) and on pro forma results showing the effects of any proposed capital actions (the CCAR results).

Zions Bancorporation's submission of DFAST and CCAR results projected capital levels substantially higher than those produced by the Federal Reserve's models. Most notably, the Federal Reserve's models projected higher

levels of commercial real estate loan losses, higher levels of risk-weighted assets and lower levels of pretax, preprovision income than did Zions' own models. In order to satisfy regulatory requirements that capital levels remain above minimum thresholds under these hypothetical stress scenarios, Zions raised \$525 million of common equity in 2014 and took other actions to reduce risk in its balance sheet. Those actions included the sale or repayment of \$1.0 billion of trust preferred collateralized debt obligations (CDOs). This reduced the company's investment in such securities by almost two thirds, with reductions coming from the most junior — and thus riskiest — tranches of these securities. We also reduced the level of long-term debt outstanding through tender offers, early calls and redemptions totaling \$1.2 billion. We expect this reduction in debt will increase our net interest income by more than \$50 million in 2015. We also substantially reduced commitments to construction and land development loans — activities that produce higher levels of projected loss in our own stress test model, and which we believe are treated similarly harshly in the Federal Reserve's stress test model.

These stress testing exercises are both useful and frustrating. We have an excellent team that works hard throughout the year preparing for and executing these stress tests, and the results they produce provide insights into the interplay of risk and reward that can be produced in no other way and that are fundamentally important to the management of our business. However, being subject to the Federal Reserve's models, for which very few details are published with respect to the manner in which they operate, creates uncertainty and frustration for management and investors. The regulators' models, which the industry generally refers to as a "black box," effectively create the binding constraint for the level of capital we are required to hold. Absent a transparent understanding of how such models work, which specific assets are triggering projected losses and why they are triggering such losses, it becomes very difficult to fully understand the actions that can or should be taken to achieve satisfactory results.

Many industry experts, legislators and regulators have concluded that the Dodd-Frank Act's blanket designation of all bank holding companies with more than \$50 billion in assets as being "systemically important," and thus "too big to fail," does not accurately reflect the real systemic risk posed by regional banks such as Zions, and that a better approach would be to either raise the asset threshold to a materially higher level, or to determine a firm's systemic risk profile in the context of the complexity of its business activities and its interconnectedness with the entire financial system. Legislation has been introduced that would eliminate the arbitrary \$50 billion threshold.

Zions Bancorporation is a collection of local banks that operate using a very focused community banking model. We are particularly focused on meeting the financing needs of many thousands of small- and medium-sized businesses across the western United States, and doing so with a very diversified core deposit base. We have been heartened by the support we've received from a number of members of Congress who recognize the excessive cost and uncertainty posed by the "industrial strength" stress test and CCAR regulations that are applied to Zions in very much the same manner as they are applied to the nation's largest and most complex financial institutions, and we will continue to work with them and with regulators, who also have indicated support for easing the burden of these statutory requirements, to amend the Dodd-Frank Act to better match the risks posed by regional banks with the regulatory costs and burdens needed to maintain a safe banking system.

Building a Stronger Future

With the actions we took in 2015 to strengthen our capital and reduce risk, we believe we have one of the strongest balance sheets among the industry's larger banks. Total Tier 1 Common Equity at year-end was 11.9% as compared to a median ratio of 10.8% for publicly traded domestic bank holding companies with more than \$50 billion in assets (excluding large trust banks). Total risk-based capital was 16.3%, compared to a median ratio of 14.7%. Our loan loss reserves remain strong,

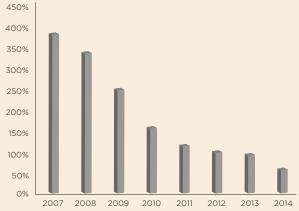
as well, with a total allowance for loan losses of 1.50%, compared to a median ratio of 1.42% for peer banks. This is despite the fact that both our current and longterm performance as measured by net charged-off loans as a percentage of average loans and leases has been materially stronger than our peer banks. As noted earlier, our liquidity position is also very strong.

We also continued to strengthen our governance during 2014 with the addition of two new directors. Edward F. Murphy was elected to the board of directors in July. Mr. Murphy has a strong financial background, with experience in public accounting, internal audit and executive leadership positions with JPMorgan Chase & Co. prior to serving as chief financial officer of the Federal Reserve Bank of New York and executive vice president of its Corporate Group from 2005 through 2013. John C. Erickson was elected to the board of directors in August, having served for many years in executive positions at Union Bank, most recently as vice chairman from 2007 to 2014, during which time he also held positions as chief risk officer and chief corporate banking officer. We welcome these talented new directors to our organization.

The banking industry has undergone tremendous change in recent years as the industry has responded to numerous new regulations, fortified its capital position and become increasingly liquid. Another set of

LAND DEVELOPMENT AND **CONSTRUCTION LOANS + CDOs**

As a percentage of tier 1 common equity



Zions has worked hard during the past several years to reduce risk and improve its risk management processes. One of the indicators of the success of these efforts is the significant decline in higher-risk assets including, but not limited to, land development and construction loans and collateralized debt obligations. Such assets exhibited significant losses and extreme changes in valuation during the crisis. Measured as a percentage of common equity, the level has declined dramatically. As a result of these and many other changes, Zions intends to be a positive outlier - lower losses and reduced volatility of problem loans during future credit and liquidity cycles.

changes and challenges facing the industry has to do with the rapid pace of innovation brought about by the digitization of information and the desire customers have to interact with their financial institutions across a variety of channels that include physical branches, call centers, ATMs, online banking and mobile devices. Data security has become a pressing concern and one to which we are devoting considerable attention and resources.

We believe that a bank's ability to adeptly process, analyze, manage and protect data will be an increasingly

important point of competitive differentiation in the years ahead. Accordingly, we embarked two years ago on an ambitious program that encompasses several interrelated projects designed to (1) create a welldefined structure for the definition and governance of data throughout the enterprise, (2) simplify and standardize the company's general ledger chart of accounts, (3) implement a new "front-end" system to simplify the tasks involved in originating and servicing many of our loans, (4) consolidating our loan operations across the enterprise, and (5) replacing antiquated core deposit and loan software application systems with an integrated, modern platform. We are well on our way to accomplishing these goals, and we expect the completion of the final phase of this undertaking the replacement of our core systems — by 2018. As we proceed, we are actively looking for and finding many opportunities to reduce costs, create easier access to critical data by frontline employees, and ensure a better experience for our customers.

One of our major goals for 2015 is to improve the efficiency ratio, or operating expenses expressed as a percentage of net revenue. We intend to accomplish significant improvement both by increasing revenue through loan growth and the continued purchase of investment securities, as well as through working aggressively to streamline our operating expenses. Such improvements will be enhanced as the spending on the

aforementioned overhaul of technology winds down by 2018, and the related cost savings become evident.

Great Customer Relationships

I'm pleased to report that Zions Bancorporation and its affiliate banks continue to stand out as one of the industry's premier financial institutions as rated by customers. Greenwich Associates, one of the banking industry's preeminent market research firms, rated Zions Bancorporation second among all banks in the U.S., winning 24 "Excellence" awards in middle-market and small business banking, based on interviews with more than 30,000 companies across the country. Only 41 of more than 750 eligible banks received one or more Greenwich Excellence awards, and of those winners, the median number of such awards was only three, underscoring the significance of this recognition. In fact, since these awards were first given in 2009, only four banks have received 10 or more such awards each year; Zions Bancorporation is proud to be a member of this elite group.

California Bank & Trust was recognized by readers of the Orange County Register as the "Best Bank in Orange County," and for a fourth straight year as "Best Bank in San Diego" by readers of the San Diego Union Tribune, and as "Best Business Bank" in San Diego in the newspaper's inaugural poll in 2014. National Bank of Arizona was named the number one bank in the state

by Ranking Arizona magazine, and Best Private Bank by Arizona Foothills magazine. Amegy Bank was recognized by the Export-Import Bank of the United States as its "Small Business Lender of the Year." And Zions Bank was selected from among approximately 6,000 nominees by the U.S. Secretary of Defense as one of six Freedom Award winners, recognizing the outstanding support Zions Bank provides to members of the military and their families.

In the end, the exceptional service we provide to our customers is what will ensure a bright future for Zions Bancorporation, and I'm incredibly proud of our more than 10,000 bankers who have built some of the strongest relationships in the industry. I greatly appreciate the support of these colleagues, of our board of directors and of our shareholders. The past few years have brought more than their fair share of challenges. But we're meeting them and becoming much stronger in the process. As a result, our future as the premier regional banking institution in the western United States is very bright.

Respectfully,

Harris H. Simmons

March 14, 2015

CHANGE IN PREPROVISION NET REVENUE UNDER SEVERE ADVERSE STRESS

Annualized as projected by the Federal Reserve in the Dodd-Frank Act Stress Test 2014 Expressed as a percentage of 2013 full year actual results



During the 2014 Dodd-Frank Act Stress Test, the Federal Reserve's model generated a decline in preprovision, pretax net revenue (excludes loan and securities losses) of more than 80% relative to Zions actual 2013 results, compared to a 21% median decline for other larger commercial banks. Although it is unclear what factors may have driven such a decline, management responded in 2014 by quickly and significantly reducing high-cost debt and adding some longer-maturity assets. These actions appeared to be helpful, as the 2015 test results improved by 200%.

INDUSTRY PERSPECTIVE

The banking industry experienced a relatively lackluster year in 2014, with stock prices of regional banks underperforming the S&P 500 by more than 11 percentage points. Shares of the largest U.S. banks performed slightly better, but still underperformed by more than four percentage points. A major factor contributing to the underperformance, long-term interest rates declined significantly during 2014, and because many banks' income is expected to benefit from higher interest rates, the decline in yield dampened investor optimism. In 2013, the opposite was true — the large bank index appreciated 35% for that year as the 10-year U.S. Treasury increased in yield to 3.0% from 1.8%. However, in 2014, the U.S. Treasury yield gave back most of its prior-year increase, declining to finish at a yield of 2.2%, and bank stocks reflected that weakness. Zions is one of the most sensitive banks to interest rates, with its models projecting an increase in annual net interest income of between 14% and 17% for a two percentage point move upward in yields across the interest rate curve.

Partially supporting bank stock prices, the cost of common equity capital for the industry continued to decline during 2014. One indicator of such cost is the volatility of a stock or benchmark index relative to the broad market, where investors require higher returns in exchange for greater volatility. The 2014 daily volatility (or "beta") of the largest banks as well as Zions improved modestly to 1.1 times the volatility of the S&P 500, down from 1.2 times in the prior year. By comparison, for the second half of 2008 and the first half of 2009, both the large banks and Zions had betas of 1.8.

Contributing to the reduced cost of capital, asset quality improved for U.S. commercial banks (comprising a total of \$14.5 trillion of total assets), with nonperforming assets at Dec. 31, 2014, declining to 2.3% of loans and real estate owned from 3.1% for the prior year period. Net loan losses, or charge-offs, declined to 0.5% of average loans from 0.7% for the prior year. Zions also experienced a significant improvement in asset quality, with nonperforming assets declining 28% to only 0.8% as a percentage of loans and other real estate owned; net charge-offs remained at one of the industry's best levels, at 0.1% of average loans.

LONG-TERM DEBT As a percentage of tier 1 common equity 250% 200% 150% 100% 50% 0% 2007 2008 2009 2010 2011 2012 2013 2014

Although Zions has historically had less debt outstanding than its peers, due to the results of the 2014 stress test, Zions issued additional common equity and significantly reduced its outstanding debt, and now has the lowest ratio of the large banking organizations in the U.S.

Peer Median

ZION

Operating results for the industry were widely viewed as sleepy. For U.S. commercial banks, loans increased 5.0% during 2014, and deposits increased at a similar rate, only slightly greater than the growth of nominal U.S. gross domestic product (3.6% for 2014). For Zions, loans increased 2.5% during 2014, which was partially attributable to continued risk reduction efforts; Zions' deposits increased 3.2% for the same period. Despite moderate asset and loan growth, the industry's net interest income increased only 0.8% in 2014 compared to the prior year due in part to pricing pressure; Zions experienced similar headwind, with net interest income (excluding the effect of loans purchased from the FDIC in 2009) increasing 1.7%, driven by a significant reduction in long-term debt. Fee income (excluding gains or losses on securities) for the industry declined 2.3% in 2014, driven in part by reduced mortgage banking income resulting from the higher interest rate environment at the beginning of the year; on a comparable basis, Zions' fee income declined at a similar rate of 2.4%. Noninterest expenses (or operating expense) for the industry increased 1.6%; excluding debt extinguishment expenses, Zions' noninterest expenses increased at a comparable rate of 1.7%.