

ZIONS BANCORPORATION /UT/
Form 424B3
December 13, 2006

STOCKMEN'S BANCORP

PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED -- YOUR VOTE IS VERY IMPORTANT

Dear Stockmen's Bancorp Shareholder:

The board of directors of The Stockmen's Bancorp, Inc., which we refer to in this document as "Stockmen's," has unanimously approved the sale of Stockmen's to Zions Bancorporation. In this document, we refer to the agreement and plan of reorganization among Zions, National Bank of Arizona, Stockmen's and The Stockmen's Bank, our wholly-owned subsidiary, as the "merger agreement." Under the merger agreement, Stockmen's will merge with and into Zions, and The Stockmen's Bank will merge with and into National Bank of Arizona, Zions' wholly-owned subsidiary. Following the merger, Zions will be the surviving corporation; and following the bank merger, National Bank of Arizona will be the surviving bank. We refer to the two mergers herein collectively as the "merger." We believe that the merger is in the best interests of our shareholders and unanimously recommend that our shareholders vote to approve the merger agreement. We will hold a special meeting for our shareholders to consider and vote upon the merger agreement. Throughout this proxy statement/prospectus, we use the words "we," "our, and "us"; these words refer to Stockmen's, its board or directors and/or management, as the context demands.

After completion of the merger, Zions will issue the merger consideration, which shall consist solely of shares of Zions common stock (and cash in lieu of fractional shares), to the former Stockmen's shareholders. In exchange for his, her or its shares of Stockmen's common stock, each former Stockmen's shareholder will receive approximately 7.46 shares of Zions common stock for each share of our common stock. See "Approval of the Merger Agreement - The Merger Consideration."

Under the merger agreement and based on the number of shares of Stockmen's common stock on the record date for our special meeting, Zions expects to issue approximately 2,600,237 shares of Zions common stock to former Stockmen's shareholders upon completion of the merger. Immediately after the merger, former Stockmen's shareholders would own approximately 2.4% of the then-outstanding shares of Zions common stock (without giving effect to shares of Zions common stock held by Stockmen's shareholders prior to the merger).

Zions common stock trades under the symbol "ZION" on the Nasdaq Global Select Market. On December 5, 2006, the closing price per share of Zions common stock as reported on the Nasdaq Global Select Market was \$79.02. Stockmen's common stock is held by approximately 215 shareholders of record and there is no public market for our shares.

We cannot complete the merger unless the holders of a majority of the outstanding shares of Stockmen's common stock vote at our special meeting of shareholders to approve the merger agreement. **Please complete, sign, date and promptly return the enclosed proxy card in the enclosed postage-paid envelope.** Various of our executive officers and directors and their affiliates, including William W. Becker, our chairman of the board, Tod W. Becker, our vice chairman of the board, and Farrel Holyoak, our president and chief operating officer and president and chief executive officer of The Stockmen's Bank, own approximately 46.72% of the outstanding Stockmen's common stock. These persons have agreed with Zions that they will vote the Stockmen's common stock they own in favor of the merger agreement. No vote of Zions' shareholders is required to approve the transaction.

This proxy statement/prospectus provides you with detailed information about the merger of Zions and Stockmen's. You are encouraged to read this entire document carefully. **Please pay particular attention to "Risk Factors" beginning on page 13 for a discussion of the risks related to the merger and owning Zions common stock after the merger.** This document incorporates important business and financial information about Zions. See "Where You Can Find More Information" and "Documents Incorporated by Reference," below.

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Our special shareholders' meeting will be held at The Stockmen's Bank, 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a.m. local time.

Farrel Holyoak
President and Chief Operating Officer
The Stockmen's Bancorp, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Zions common stock to be issued in the merger under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The shares of Zions common stock offered by this document are not savings accounts, deposits or other obligations of any bank or non-bank subsidiary of any of the parties. Neither the FDIC nor any other governmental agency insures or guarantees any loss to you of your investment value in the Zions common stock.

Proxy Statement/Prospectus dated December 7, 2006, and first mailed to shareholders on or about December 11, 2006.

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WHERE YOU CAN FIND MORE INFORMATION

Zions files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information Zions files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Zions' SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>. In addition, you may read and copy Zions' SEC filings at the Nasdaq Stock Market, 1735 K Street, N.W., Washington, D.C. 20006-1500. Zions' Internet address is www.zionsbancorporation.com. Zions' website does not form a part of this proxy statement/prospectus.

This proxy statement/prospectus incorporates important business and financial information about Zions that is not included in or delivered with this document. See "Documents Incorporated by Reference" on page 54. This information is available to you without charge if you contact Clark B. Hinckley, Senior Vice President - Investor Relations and Communications of Zions Bancorporation, One South Main, Suite 1134, Salt Lake City, Utah 84111, telephone (801) 524-4787. In order to ensure timely delivery of documents, you should request information as soon as possible, but no later than January 5, 2007.

In "Questions and Answers About the Merger and the Special Meeting" and in the "Summary" below, we highlight selected information from this proxy statement/prospectus. However, we may not have included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a description of the legal terms and conditions governing the merger, you should carefully read this entire proxy statement/prospectus, including the appendices, as well as the documents that Zions has incorporated by reference into this document. See "Documents Incorporated by Reference" on page 54.

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**The Stockmen's Bancorp, Inc.
3825 Stockton Hill Road
Kingman, Arizona 86402-3879**

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that The Stockmen's Bancorp, Inc. ("Stockmen's") will hold a special meeting of shareholders at the Main Office of The Stockmen's Bank ("Stockmen's Bank" or the "Bank"), 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a. m. local time to:

1. Consider and vote upon the Agreement and Plan of Reorganization by and among Stockmen's, the Bank, Zions Bancorporation ("Zions"), a Utah corporation, and National Bank of Arizona ("NBA"), dated as of September 8, 2006, and amended as of September 25, 2006, a favorable vote upon which will approve the following actions described in the merger agreement:

· Stockmen's will merge with Zions, with Zions being the surviving corporation;

· Stockmen's Bank, a wholly-owned subsidiary of Stockmen's, will merge with and into NBA, a wholly-owned subsidiary of Zions, with NBA being the surviving bank; and

· Zions will issue an aggregate of approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders in exchange for their shares of Stockmen's common stock upon completion of the merger, or approximately 7.46 shares of Zions common stock for each outstanding share of Stockmen's common stock.

2. Consider and vote upon the adjournment of our special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

3. Transact such other business as may properly come before our special meeting and any adjournments or postponements of our meeting.

We describe the merger agreement and the merger more fully in the attached proxy statement/prospectus, which includes a copy of the merger agreement as Appendix A. Stockmen's has fixed the close of business on November 27, 2006 as the record date for determining the shareholders of Stockmen's entitled to vote at our special meeting and any adjournments or postponements of the meeting. Only holders of record of Stockmen's common stock at the close of business on the record date are entitled to notice of and to vote at our special meeting.

The board of directors of Stockmen's unanimously recommends that you vote "**FOR**" approval of the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of Stockmen's common stock is required to approve the merger agreement. Various directors and executive officers of Stockmen's and their affiliates who own in the aggregate approximately 46.72% of the outstanding stock of Stockmen's have agreed with Zions to vote their shares in favor of the merger agreement. Abstentions and broker non-votes will have the same effect as votes against approval of the merger agreement. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares. **Stockmen's shareholders are entitled to assert dissenters' rights and have the right to dissent to the merger agreement under Chapter 13 of the Arizona Business Corporation Act and thereby to receive a payment solely in cash for the fair value of their Stockmen's shares.** A summary of the relevant provisions of Chapter 13 is included in the accompanying proxy statement/prospectus in the section entitled "Rights of Dissenting Shareholders." A copy of Chapter 13 is annexed to

the proxy statement/prospectus as Appendix C.

Your vote is important regardless of the number of shares you own. The Stockmen's board requests that you complete and sign the enclosed proxy card and mail it promptly in the accompanying postage-prepaid envelope. You may revoke any proxy that you have previously delivered prior to our special meeting by delivering a written notice to Stockmen's stating that you have revoked your earlier proxy or by delivering a later-dated proxy at any time prior to our special meeting. Shareholders of record of Stockmen's common stock who attend our special meeting may vote in person, even if they have previously delivered a signed proxy.

By Order of the Board of Directors of
The Stockmen's Bancorp, Inc.

Farrel Holyoak
President and Chief Operating Officer

Kingman, Arizona
December 11, 2006

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

This proxy statement/prospectus, which we sometimes refer to as "this document," provides you with detailed information about the merger agreement, the merger and related matters that we will submit for approval at the Stockmen's special meeting of shareholders. We encourage you to read this entire document carefully. This document incorporates important business and financial information about Zions that is not included in or delivered with this document. See "Documents Incorporated by Reference" on page 54. Stockmen's shareholders may obtain this information without charge by requesting in writing, by telephone or e-mail as follows:

For information regarding Zions, please contact:

Zions Bancorporation

One South Main, Suite 1134

Salt Lake City, Utah 84111

Attention: Mr. Clark B. Hinckley, Senior

Vice President - Investor Relations and

Communications

Tel: (801) 524-4787

e-mail at: clark.hinckley@zionsbancorp.com

If you would like to request documents from Zions or us, please do so by January 5, 2007 to receive them prior to the Stockmen's special meeting. See "Where You Can Find More Information" above at the beginning of this document.

Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?

A: This document serves as both a proxy statement of Stockmen's and a prospectus of Zions. As a *proxy statement*, it's being provided to you because Stockmen's board of directors is soliciting your proxy for use at our special meeting of shareholders called to consider and vote on the proposed merger of Stockmen's and Zions. As a *prospectus*, it's being provided to you because Zions is offering to exchange shares of its common stock for your shares of Stockmen's common stock if the merger is completed.

Q: WHAT AM I VOTING ON?

A: Zions and Stockmen's have entered into an agreement and plan of reorganization under which Zions has agreed to acquire Stockmen's. You are being asked to vote to approve the merger agreement under which Stockmen's will merge with and into Zions, and Stockmen's Bank will merge with and into NBA; and an adjournment of our special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

Q: WHAT WILL HAPPEN IN THE PROPOSED TRANSACTION?

A: Stockmen's will merge with and into Zions, with Zions being the surviving corporation. Upon completion of this merger, the corporate existence of Stockmen's will cease. Immediately following that merger, Stockmen's Bank, Stockmen's wholly-owned subsidiary, will merge with and into NBA, Zions' wholly-owned subsidiary, and NBA will be the surviving bank, and the corporate existence of Stockmen's Bank will cease.

Q: WHY IS STOCKMEN'S PROPOSING TO MERGE?

A: Stockmen's believes that the merger with Zions presents the best opportunity for maximizing shareholder value, giving Stockmen's shareholders the opportunity to continue to participate in the growth of the combined company and

to benefit from the significantly greater liquidity of the trading market for Zions' common stock.

Q: WHAT WILL I RECEIVE IN EXCHANGE FOR MY STOCKMEN'S SHARES?

A: As a shareholder of Stockmen's, you will receive approximately 7.46 shares of Zions common stock for each share of Stockmen's common stock that you own at the effective time of the merger. You will receive cash in lieu of any fraction of a share of Zions stock. See "Approval of the Merger Agreement - The Merger Consideration" on page 19 below.

Q: WILL I BE TAXED ON THE ZIONS STOCK THAT I RECEIVE IN EXCHANGE FOR MY STOCKMEN'S SHARES?

A: The transaction is intended to be tax-free to Stockmen's shareholders for U.S. federal income tax purposes, except with respect to any cash you receive in lieu of fractional shares of Zions stock. **Tax matters are very complicated and the federal, state and local tax consequences of the merger to you will depend on your particular facts and circumstances. We urge you to consult your tax advisor to fully understand the tax consequences of the merger to you.** See "Material Federal Income Tax Consequences" beginning on page 43 of this proxy statement/prospectus.

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Q: WHAT IS THE REQUIRED VOTE TO APPROVE THE MERGER AGREEMENT?

A: The holders of a majority of the outstanding shares of Stockmen's common stock as of the close of business on November 27, 2006, the record date for our special meeting, must vote to approve the merger agreement in order for the merger to be completed. Abstentions from voting and "broker non-votes" are not considered affirmative votes and, therefore, will have the same practical effect as a vote against the merger agreement. No vote of the shareholders of Zions is required to complete the merger.

Q: WHAT DOES THE STOCKMEN'S BOARD OF DIRECTORS RECOMMEND?

A: The board of directors of Stockmen's unanimously recommends that Stockmen's shareholders vote in favor of the merger agreement, and in favor of an adjournment of our special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

Q: WHEN AND WHERE WILL THE SPECIAL MEETING TAKE PLACE?

A: Our special meeting is scheduled to take place on January 12, 2007, at the time and place indicated in our notice of special meeting of shareholders at the beginning of this document. Please refer to the notice for the relevant information regarding our special meeting.

Q: WHO IS ENTITLED TO VOTE AT THE SPECIAL MEETING?

A: Holders of record of Stockmen's common stock at the close of business on November 27, 2006, which is the date our board of directors has fixed as the record date for our special meeting, are entitled to vote at our special meeting and any adjournments or postponements of our meeting.

Q: HOW DO I VOTE? WHAT DO I NEED TO DO NOW?

A: After you have carefully read this document, please indicate on your proxy card how you want your shares to be voted, then sign, date and mail the proxy card in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at our special meeting. In addition, you may attend our special meeting in person and vote, whether or not you have already signed and mailed your proxy card. If you sign and return your proxy but do not indicate how you want to vote, we will count your proxy as a vote in favor of the proposal. If you abstain from voting or do not vote, that will have the effect of a vote against the proposal.

Q: IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A: Your broker will vote your shares on the merger proposal *only* if you provide your broker instructions on how you would like to vote. Your broker cannot vote your shares without receiving voting instructions from you. Your broker will send you directions on how you can instruct your broker to vote. You should follow the directions provided by your broker. If you fail to instruct your broker how to vote your shares, your shares will not be voted and the effect will be the same as a vote against the merger agreement.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. You may change your vote at any time before your proxy is voted at our special meeting. If your shares are held in your own name, there are three ways for you to revoke your proxy and change your vote:

- You may send a later-dated, signed proxy card before our special meeting;
- You may attend our special meeting in person and vote at our special meeting; merely attending our special meeting, however, will not revoke your proxy; you will need to complete a ballot in order to vote in person at our special meeting; we will provide ballots for those of our shareholders who wish to vote at our special meeting; and
- You may revoke any proxy by written notice to our president, Farrel Holyoak, given prior to our special meeting.

You should send any written notice of revocation or subsequent proxy to Farrel Holyoak, President, The Stockmen's Bancorp, Inc., 3825 Stockton Hill Road, Kingman, Arizona 86402-3879, or hand deliver the notice of revocation or subsequent proxy to the president at or before the taking of the vote at our special meeting.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

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Q: DO I HAVE DISSENTERS' RIGHTS?

A: Yes. Under Arizona law, you have the right to dissent from the merger and thereby to receive solely a cash payment for your shares of Stockmen's common stock. The Arizona statutory scheme is very complicated. Failure to follow the statutory provisions precisely may result in your loss of your dissenters' rights under Arizona law. See "Rights of Dissenting Shareholders," below. We present the Arizona statutory provisions in their entirety in Appendix C to this document. Please read this document and Appendix C carefully.

Q: WHEN DO YOU EXPECT TO MERGE?

A: We and Zions hope to complete the merger as quickly as possible after receipt of shareholder and regulatory approvals. We and Zions expect to complete the merger during the first quarter of 2007, shortly after receipt of shareholder approval, the expiration of applicable regulatory waiting periods and the satisfaction or waiver of all other conditions to the merger.

Q: WHY IS IT IMPORTANT FOR ME TO VOTE?

A: We and Zions cannot complete the merger without the holders of a majority of the outstanding shares of Stockmen's common stock as of the record date voting to approve the merger agreement. If you do not vote or do not give instructions to your broker or bank to vote on your behalf, it will have the same effect as a vote against the merger agreement.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES WITH MY PROXY CARD?

A: No. Please do not send your stock certificates with your proxy card. After our special meeting, together with the transmittal materials which Zions will send to Stockmen's shareholders after our special meeting, you should send your Stockmen's common stock certificates (or a properly completed notice of guaranteed delivery) to the exchange agent, Zions First National Bank, or, if your shares are held in "street name," according to your broker's instructions.

Q: IS THERE OTHER INFORMATION I SHOULD CONSIDER?

A: Yes. Much of the business and financial information about Zions that may be important to you is not included in this document. Instead, this information is incorporated by reference to documents separately filed by Zions with the Securities and Exchange Commission ("SEC"). This means that Zions may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See "Documents Incorporated by Reference" on page 54 for a list of documents that Zions has incorporated by reference into this document and for instructions on how to obtain copies of these documents. The documents are available to you without charge.

Q: WHAT IF THERE IS A CONFLICT BETWEEN DOCUMENTS?

A: You should rely on the *later filed document*. Information in this document may update information contained in one or more of the Zions documents incorporated by reference. Similarly, information in documents that Zions may file after the date of this document may update information contained in this document or information contained in previously filed documents.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms and conditions of the merger agreement and the merger, you should carefully read this entire document, including the appendices attached to this document, and the documents referred to in "Where You Can Find More Information" above and "Documents Incorporated by Reference," below.

The Companies

Zions Bancorporation

One South Main, Suite 1134
Salt Lake City, Utah 84111
(801) 524-4787

Zions Bancorporation is a financial holding company organized under the laws of Utah in 1955, and registered under the Bank Holding Company Act of 1956, as amended. Zions and its subsidiaries own and operate eight commercial banks with a total of 473 offices as of December 31, 2005. Zions provides a full range of banking and related services through its banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, New Mexico, Idaho, Washington and Oregon. On December 31, 2005, Zions had total assets of approximately \$42.8 billion, loans of approximately \$30.1 billion, deposits of approximately \$32.6 billion and shareholders' equity of approximately \$4.2 billion. On September 30, 2006, Zions had total assets of approximately \$45.8 billion, loans of approximately \$33.7 billion, deposits of approximately \$33.6 billion and shareholders' equity of approximately \$4.6 billion. Active full-time equivalent employees totaled 10,102 at year end 2005.

Zions focuses on maintaining community-minded banking services by continuously strengthening its core business lines of retail banking, small and medium-sized business lending, residential mortgage, and investment activities. Zions operates eight different banks in ten Western states with each bank operating under a different name and each having its own chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services. Zions provides commercial loans, lease financing, cash management, electronic check clearing, lockbox, customized draft processing, and other special financial services for business and other commercial banking customers. Zions also provides a wide range of personal banking services to individuals, including home mortgages, bankcard, student and other installment loans, home equity lines of credit, checking accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit, and 24-hour ATM access. In addition, certain banking subsidiaries provide services to key market segments through their Women's Financial, Private Client Services, and Executive Banking Groups. Zions also offers wealth management services through a subsidiary, Contango Capital Advisors, Inc., that was launched in 2004.

In addition to these core businesses, Zions has built specialized lines of business in capital markets and public finance and is also a leader in U.S. Small Business Administration lending. Through its eight banking subsidiaries, the Company provides Small Business Administration ("SBA") 7(a) loans to small businesses throughout the United States and is also one of the largest providers of SBA 504 financing in the nation. Zions owns an equity interest in the Federal Agricultural Mortgage Corporation ("Farmer Mac") and is the nation's top originator of secondary market agricultural real estate mortgage loans through Farmer Mac. Zions is a leader in municipal finance advisory and underwriting services. Zions also controls four venture capital companies that provide early-stage capital, primarily for start-up companies located in the Western United States.

National Bank of Arizona

6001 N. 24th Street

Phoenix, Arizona 85016
(602) 235-6000

NBA is responsible for Zions' primary Arizona operations. National Bank of Arizona is a wholly-owned subsidiary of Zions. NBA, organized in 1984, is incorporated under the National Bank Act as a national bank and is a member bank of the Federal Reserve System. Through its 53 offices in 36 communities throughout Arizona, NBA provides commercial banking services throughout the state of Arizona. As of September 30, 2006, NBA had assets of approximately \$4.5 billion, deposits of approximately \$3.5 billion, loans of approximately \$4.0 billion and shareholders' equity of approximately \$351 million and is the fourth largest financial institution in Arizona as measured by Arizona deposits.

The Stockmen's Bancorp, Inc.

3825 Stockton Hill Road
Kingman, Arizona 86402-3879
(928) 757-7171

The Stockmen's Bancorp, Inc. is a bank holding company organized under the laws of Arizona and registered under the Bank Holding Company Act of 1956. As of December 31, 2005, Stockmen's had total assets of approximately \$1.2 billion, loans of approximately \$597 million, deposits of approximately \$1.0 billion, and shareholders' equity of approximately \$58 million.

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The Stockmen's Bank

3825 Stockton Hill Road
Kingman, Arizona 86402-3879
(928) 757-7171

Stockmen's Bank is a wholly-owned subsidiary of Stockmen's Bancorp. Stockmen's Bank was chartered under Arizona law on February 28, 1979. The Bank is an FDIC-insured commercial bank serving the states of Arizona and California out of 43 branches by providing traditional banking services, including lending and deposit taking and card processing. As of September 30, 2006, Stockmen's Bank had assets of approximately \$1.2 billion, loans of approximately \$710 million, deposits of approximately \$1.1 billion and shareholders' equity of approximately \$86.0 million. As of June 30, 2006, Stockmen's Bank was the twelfth largest financial institution in Arizona as measured by Arizona deposits. Stockmen's Bank's primary federal bank regulator is the FDIC.

Stockmen's Board Recommends that You Vote "FOR" Approval of the Plan of Merger; Stockmen's Reasons for the Merger (see page 23)

Our board has determined that the merger is advisable and in your best interests and unanimously recommends that you vote **FOR** the approval of the merger agreement, and, if necessary, any adjournments of our special meeting.

Stockmen's believes that the merger with Zions presents the best opportunity for maximizing shareholder value, giving Stockmen's shareholders the opportunity to continue to participate in the growth of the combined company and to benefit from the significantly greater liquidity of the trading market for Zions' common stock.

You should refer to the factors considered by our board of directors in making its decision to approve the merger agreement and recommend approval of the merger agreement to our shareholders.

Stockmen's Shareholder Vote Required to Approve the Merger (see page 17)

Approval of the merger agreement requires the affirmative vote of the holders of a majority of the shares of our common stock outstanding as of the close of business on November 27, 2006, the record date for our special meeting of shareholders. At the close of business on the record date, there were 348,713 shares of our common stock outstanding held by approximately 215 holders of record. Each holder of record of our common stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at our special meeting and any adjournments or postponements of our meeting.

As of the record date, various of our executive officers and directors and their affiliates, in the aggregate, beneficially owned approximately 46.72% of our outstanding shares of common stock. Zions has entered into agreements with these individuals and entities under which they have agreed to vote their shares in favor of approval of the merger agreement.

Nature of the Merger (see page 20)

The merger will combine Zions and Stockmen's. Zions will be the surviving corporation. After the merger, Zions will issue the merger consideration consisting of shares of Zions common stock to the former shareholders of Stockmen's in exchange for their shares of Stockmen's common stock.

Immediately following the merger of Zions and Stockmen's, their banking subsidiaries, NBA and Stockmen's Bank will merge. The merger of these banks will be accomplished through the merger of Stockmen's Bank into NBA. NBA will be the surviving bank.

What Stockmen's Shareholders Will Receive as a Result of the Merger; What Is the Merger Consideration? (see page 20)

The Stockmen's shareholders will receive the merger consideration upon completion of the merger. The sole merger consideration shall be shares of Zions common stock, plus cash in lieu of any fractional shares. Zions will issue approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders upon completion of the merger. Each shareholder of Stockmen's will receive approximately 7.46 shares of Zions common stock in exchange for each share of Stockmen's common stock.

Zions may terminate the merger agreement under certain circumstances if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is more than \$93.24, unless Stockmen's agrees to accept fewer shares in the merger, and Stockmen's may terminate the merger agreement if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is less than \$68.92, unless Zions agrees to issue additional shares of its common stock to the Stockmen's shareholders in the merger.