

ZIONS BANCORPORATION /UT/

Form 10-Q

August 08, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period June 30,
ended 2008

OR

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

For the
transition
period
from to

COMMISSION FILE NUMBER: 001-12307

ZIONS BANCORPORATION
(Exact name of registrant as specified in its charter)

| | |
|---|--------------------------------------|
| UTAH | 87-0227400 |
| (State or other jurisdiction of Incorporation or organization) | (IRS Employer Identification No.) |

| | |
|---|---------------|
| ONE SOUTH MAIN, 15th FLOOR SALT LAKE CITY, UTAH | 84133 |
| (Address of principal executive offices) | (Zip Code) |

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

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

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Yes

No

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

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

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

Yes

No

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

Common Stock, without par value, outstanding at July 31, 2008

107,574,383 shares

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ZIONS BANCORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Unaudited)

ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| (In thousands, except share amounts) | June 30, 2008 (Unaudited) | December 31, 2007 | June 30, 2007 (Unaudited) |
|---|---------------------------------|----------------------|---------------------------------|
| ASSETS | | | |
| Cash and due from banks | \$ 1,751,724 | \$ 1,855,155 | \$ 1,640,946 |
| Money market investments: | | | |
| Interest-bearing deposits and commercial paper | 504,314 | 726,446 | 39,881 |
| Federal funds sold | 274,456 | 102,225 | 120,959 |
| Security resell agreements | 484,487 | 671,537 | 482,893 |
| Investment securities: | | | |
| Held-to-maturity, at adjusted cost (approximate fair value \$1,730,104, \$702,148, and \$685,521) | 1,914,833 | 704,441 | 702,189 |
| Available-for-sale, at fair value | 2,817,682 | 5,134,610 | 4,564,183 |
| Trading account, at fair value (includes \$463, \$741, and \$1,745 transferred as collateral under repurchase agreements) | 51,670 | 21,849 | 22,808 |
| | 4,784,185 | 5,860,900 | 5,289,180 |
| Loans: | | | |
| Loans held for sale | 158,509 | 207,943 | 226,041 |
| Loans and leases | 41,874,224 | 39,044,163 | 36,715,752 |
| | 42,032,733 | 39,252,106 | 36,941,793 |
| Less: | | | |
| Unearned income and fees, net of related costs | 159,756 | 164,327 | 153,588 |
| Allowance for loan losses | 548,958 | 459,376 | 380,295 |
| Loans and leases, net of allowance | 41,324,019 | 38,628,403 | 36,407,910 |
| Other noninterest-bearing investments | 1,153,933 | 1,034,412 | 972,830 |
| Premises and equipment, net | 656,013 | 655,712 | 648,731 |
| Goodwill | 2,009,511 | 2,009,513 | 2,013,314 |
| Core deposit and other intangibles | 132,481 | 149,493 | 180,867 |
| Other real estate owned | 125,186 | 15,201 | 10,646 |
| Other assets | 1,430,574 | 1,238,417 | 883,288 |
| | \$ 54,630,883 | \$ 52,947,414 | \$ 48,691,445 |

**LIABILITIES AND
SHAREHOLDERS' EQUITY**
Deposits:

| | | | | | | |
|----------------------------|----|-----------|----|-----------|----|-----------|
| Noninterest-bearing demand | \$ | 9,735,265 | \$ | 9,618,300 | \$ | 9,857,638 |
|----------------------------|----|-----------|----|-----------|----|-----------|

Interest-bearing:

| | | | | | | |
|-----------------|--|-----------|--|-----------|--|-----------|
| Savings and NOW | | 4,590,767 | | 4,507,837 | | 4,368,184 |
|-----------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|--------------|--|------------|--|------------|--|------------|
| Money market | | 11,175,844 | | 10,304,225 | | 10,344,110 |
|--------------|--|------------|--|------------|--|------------|

| | | | | | | |
|-----------------------|--|-----------|--|-----------|--|-----------|
| Internet money market | | 2,211,557 | | 2,163,014 | | 1,544,031 |
|-----------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|----------------------|--|-----------|--|-----------|--|-----------|
| Time under \$100,000 | | 2,466,082 | | 2,562,363 | | 2,535,881 |
|----------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|-------------------------|--|-----------|--|-----------|--|-----------|
| Time \$100,000 and over | | 4,102,369 | | 4,391,588 | | 4,881,994 |
|-------------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|---------|--|-----------|--|-----------|--|-----------|
| Foreign | | 3,326,111 | | 3,375,426 | | 2,653,734 |
|---------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|--|--|------------|--|------------|--|------------|
| | | 37,607,995 | | 36,922,753 | | 36,185,572 |
|--|--|------------|--|------------|--|------------|

Securities sold, not yet

| | | | | | | |
|-----------|--|--------|--|---------|--|--------|
| purchased | | 46,376 | | 224,269 | | 28,456 |
|-----------|--|--------|--|---------|--|--------|

| | | | | | | |
|-------------------------|--|-----------|--|-----------|--|-----------|
| Federal funds purchased | | 2,379,055 | | 2,463,460 | | 2,221,887 |
|-------------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|--------------------------------|--|-----------|--|-----------|--|-----------|
| Security repurchase agreements | | 1,010,325 | | 1,298,112 | | 1,061,598 |
|--------------------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|-------------------|--|---------|--|---------|--|---------|
| Other liabilities | | 555,812 | | 644,375 | | 602,173 |
|-------------------|--|---------|--|---------|--|---------|

| | | | | | | |
|------------------|--|---------|--|---------|--|---------|
| Commercial paper | | 137,200 | | 297,850 | | 228,607 |
|------------------|--|---------|--|---------|--|---------|

**Federal Home Loan Bank
advances and other borrowings:**

| | | | | | | |
|------------------|--|-----------|--|-----------|--|---------|
| One year or less | | 4,799,143 | | 3,181,990 | | 664,509 |
|------------------|--|-----------|--|-----------|--|---------|

| | | | | | | |
|---------------|--|---------|--|---------|--|---------|
| Over one year | | 129,474 | | 127,612 | | 128,832 |
|---------------|--|---------|--|---------|--|---------|

| | | | | | | |
|----------------|--|-----------|--|-----------|--|-----------|
| Long-term debt | | 2,666,445 | | 2,463,254 | | 2,313,015 |
|----------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|-------------------|--|------------|--|------------|--|------------|
| Total liabilities | | 49,331,825 | | 47,623,675 | | 43,434,649 |
|-------------------|--|------------|--|------------|--|------------|

| | | | | | | |
|-------------------|--|--------|--|--------|--|--------|
| Minority interest | | 25,528 | | 30,939 | | 32,094 |
|-------------------|--|--------|--|--------|--|--------|

Shareholders' equity:
Capital stock:

Preferred stock, without par value, authorized 3,000,000 shares:

Series A (liquidation preference

\$1,000 per share); issued

| | | | | | | |
|--------------------------------|--|---------|--|---------|--|---------|
| and outstanding 240,000 shares | | 240,000 | | 240,000 | | 240,000 |
|--------------------------------|--|---------|--|---------|--|---------|

Common stock, without par

value; authorized 350,000,000

shares; issued

and outstanding 107,518,975,

107,116,505, and 108,034,079

| | | | | | | |
|--------|--|-----------|--|-----------|--|-----------|
| shares | | 2,224,455 | | 2,212,237 | | 2,279,722 |
|--------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|-------------------|--|-----------|--|-----------|--|-----------|
| Retained earnings | | 2,981,062 | | 2,910,692 | | 2,828,613 |
|-------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|---|--|-----------|--|----------|--|-----------|
| Accumulated other comprehensive income (loss) | | (158,325) | | (58,835) | | (112,840) |
|---|--|-----------|--|----------|--|-----------|

| | | | | | | |
|-----------------------|--|----------|--|----------|--|----------|
| Deferred compensation | | (13,662) | | (11,294) | | (10,793) |
|-----------------------|--|----------|--|----------|--|----------|

| | | | | | | |
|----------------------------|--|-----------|--|-----------|--|-----------|
| Total shareholders' equity | | 5,273,530 | | 5,292,800 | | 5,224,702 |
|----------------------------|--|-----------|--|-----------|--|-----------|

| | | | | | | |
|--|----|------------|----|------------|----|------------|
| | \$ | 54,630,883 | \$ | 52,947,414 | \$ | 48,691,445 |
|--|----|------------|----|------------|----|------------|

See accompanying notes to consolidated financial

statements.

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ZIONS BANCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| (In thousands, except per share amounts) | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|------------------|------------------|
| | June 30, 2008 | June 30, 2007 | June 30, 2008 | June 30, 2007 |
| Interest income: | | | | |
| Interest and fees on loans | \$ 643,111 | \$ 697,022 | \$ 1,331,550 | \$ 1,371,599 |
| Interest on loans held for sale | 2,699 | 4,322 | 5,716 | 8,197 |
| Lease financing | 5,767 | 5,234 | 11,585 | 10,440 |
| Interest on money market investments | 12,313 | 7,756 | 31,341 | 14,098 |
| Interest on securities: | | | | |
| Held-to-maturity – taxable | 15,730 | 2,064 | 18,185 | 4,267 |
| Held-to-maturity – nontaxable | 6,224 | 6,227 | 12,653 | 12,318 |
| Available-for-sale – taxable | 35,059 | 63,825 | 97,415 | 132,332 |
| Available-for-sale – nontaxable | 1,870 | 2,398 | 3,762 | 4,856 |
| Trading account | 159 | 766 | 840 | 1,958 |
| Total interest income | 722,932 | 789,614 | 1,513,047 | 1,560,065 |
| Interest expense: | | | | |
| Interest on savings and money market deposits | 80,144 | 117,295 | 184,131 | 230,398 |
| Interest on time and foreign deposits | 83,460 | 120,445 | | |