



**Z I O N S B A N C O R P O R A T I O N**

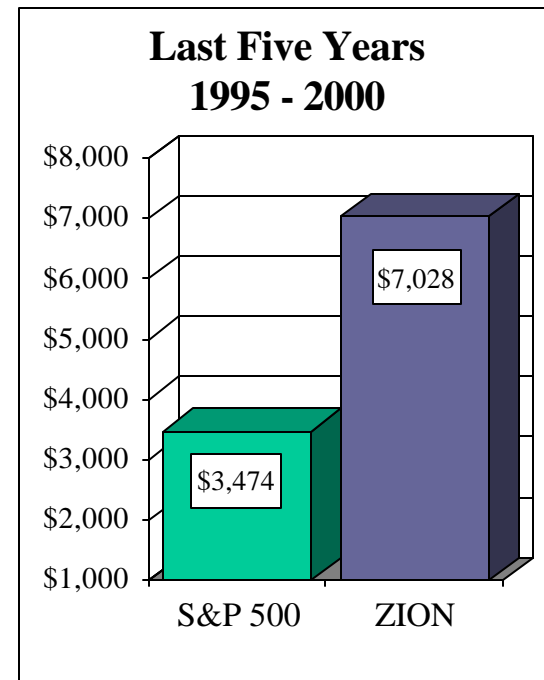
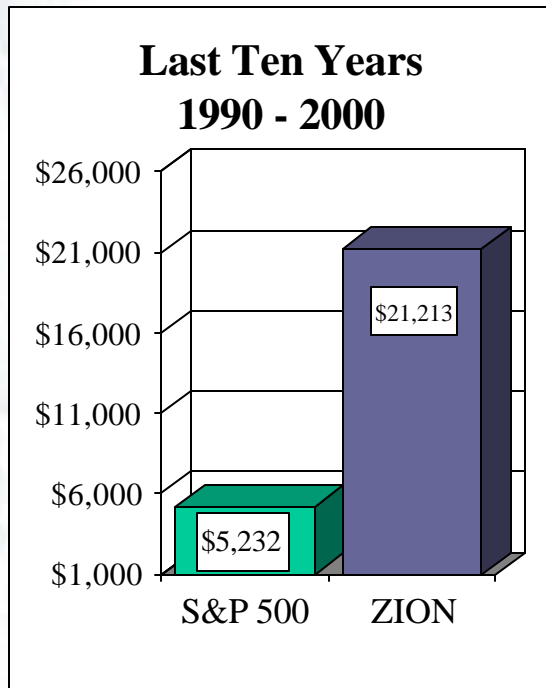
# **Creating Value**

**Goldman Sachs  
Investor Conference**

**December 4, 2001**

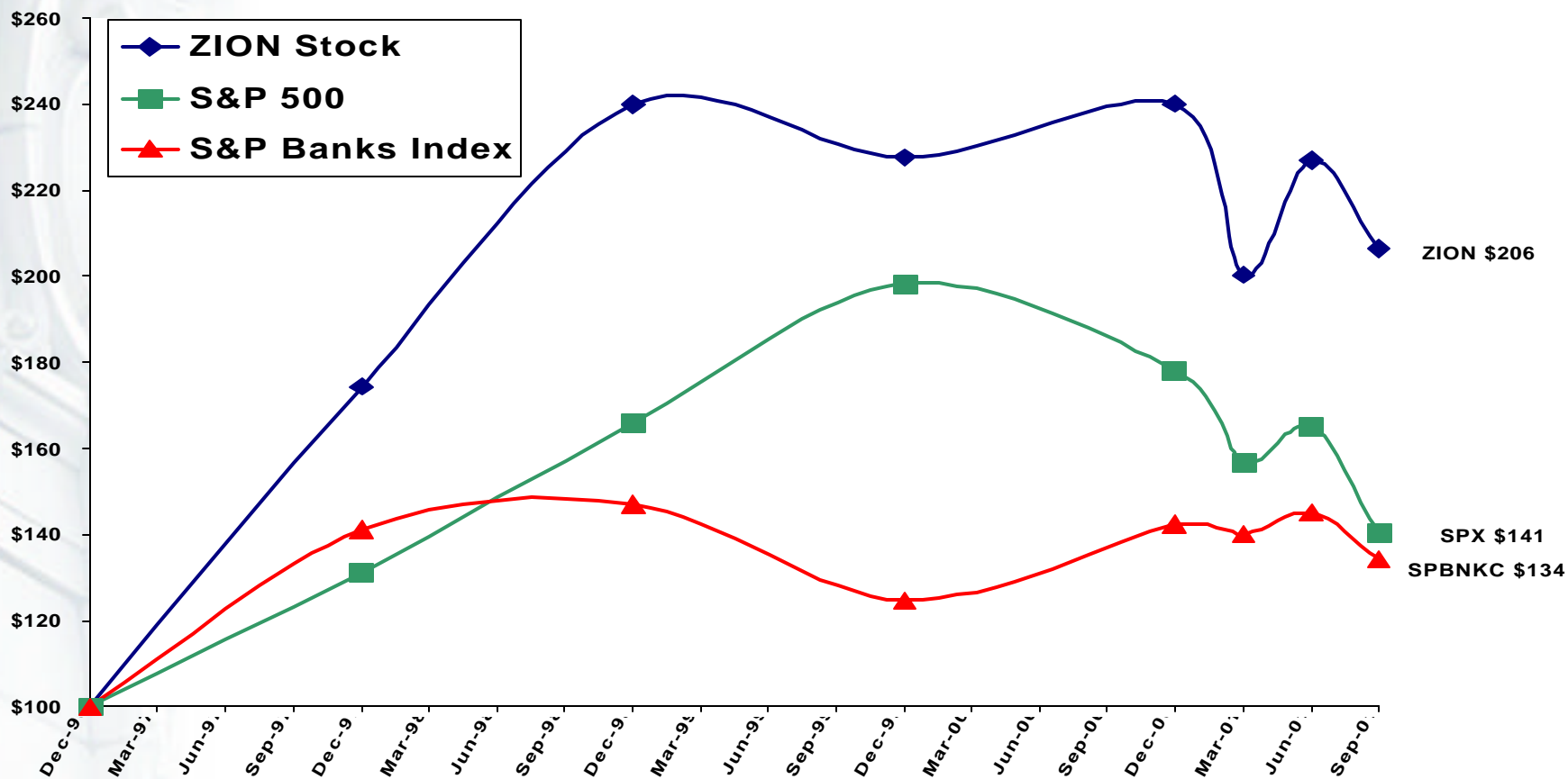
# Delivering Value to Shareholders

## Value of \$1,000 Investment

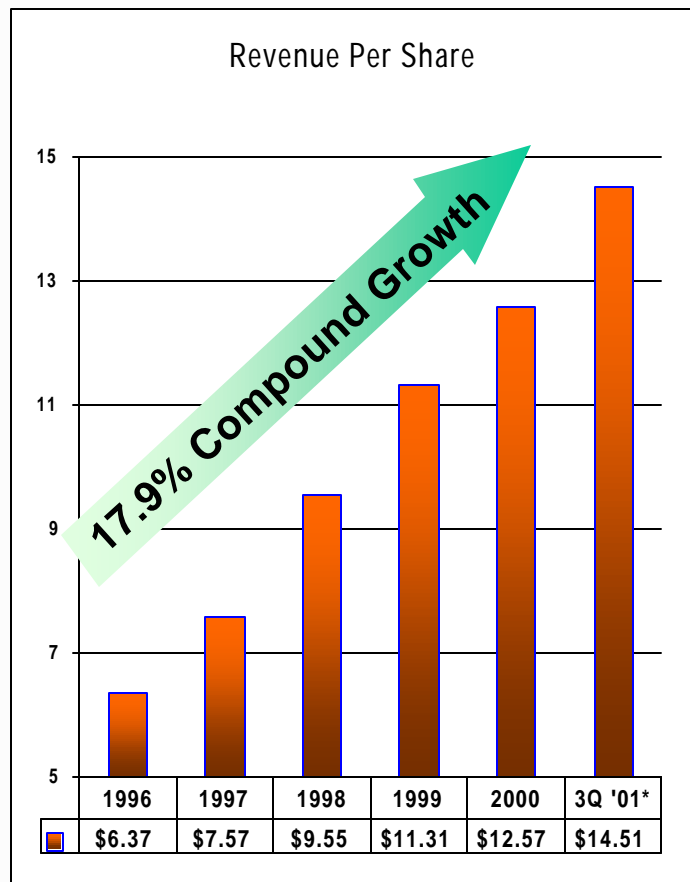


Zions was #1 in total shareholder return for U.S. Banks surveyed by *Fortune* magazine and *The Wall Street Journal* during the 1990's and the last half of the 1990's, respectively.

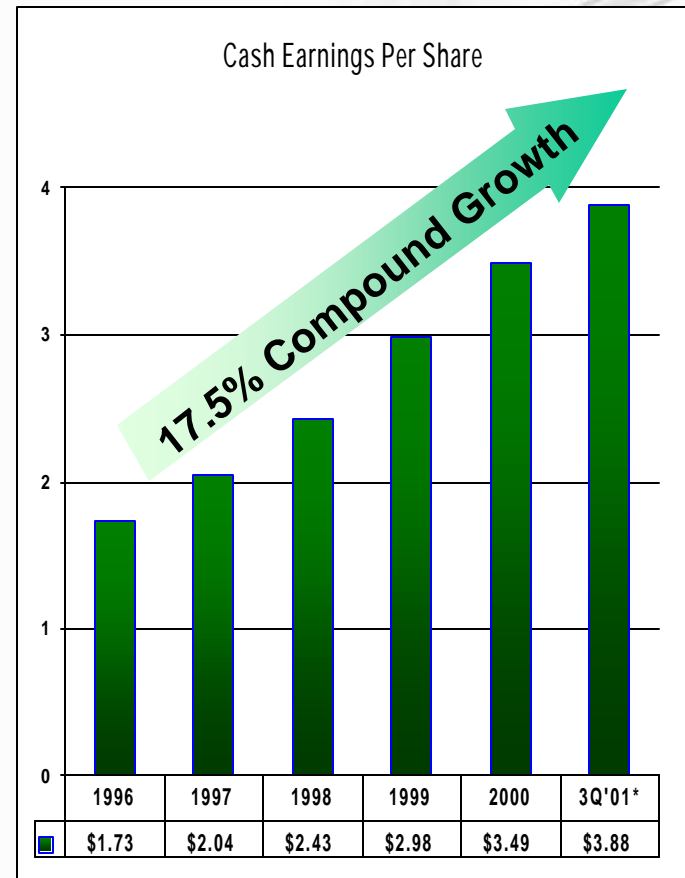
# Simple Price Appreciation



# Demonstrated Superior Growth



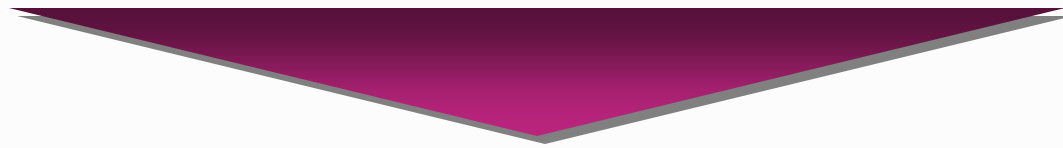
\* Annualized  
Excludes Star System gain and venture capital gains/losses.



\* Annualized  
Excludes yearly e-Commerce losses.

# Success Factors

- **Community Banking Strategy**
- **Geography**
- **Technology**
- **National Niche Businesses**
- **Focus on Fundamentals**
- **Shareholder Driven**

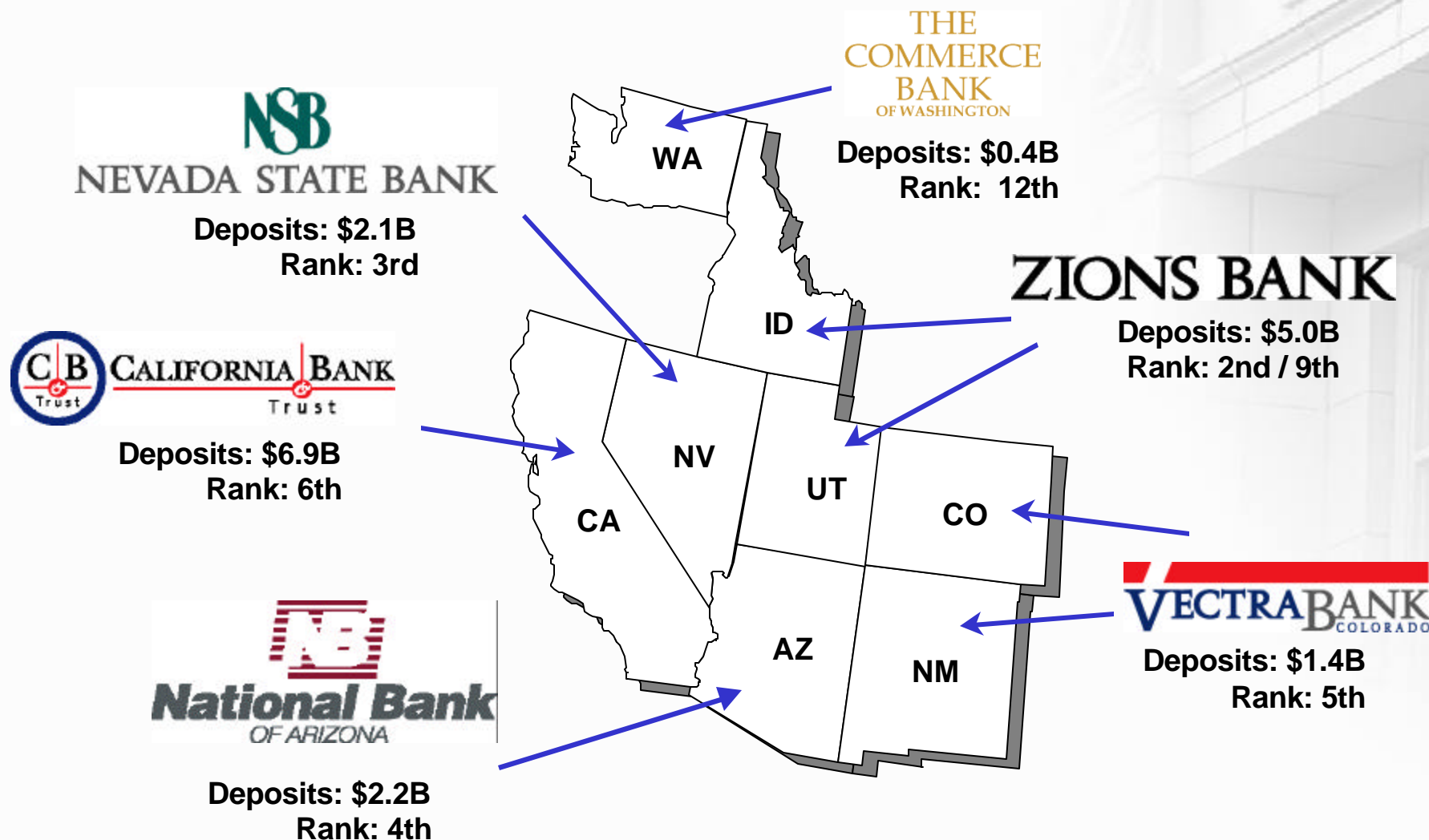


**#1 in total shareholder return for U.S. banks  
in the 90's**

# A Collection of Great Community Banks

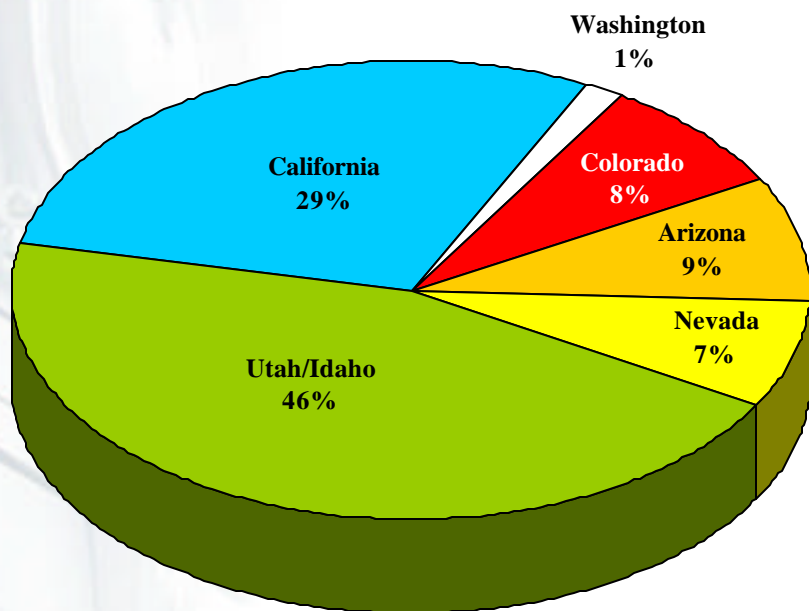
- 
- **Local names and identities**
  - **Local boards - including regional advisory boards**
  - **Local management teams with real authority**

# A Collection of Great Community Banks



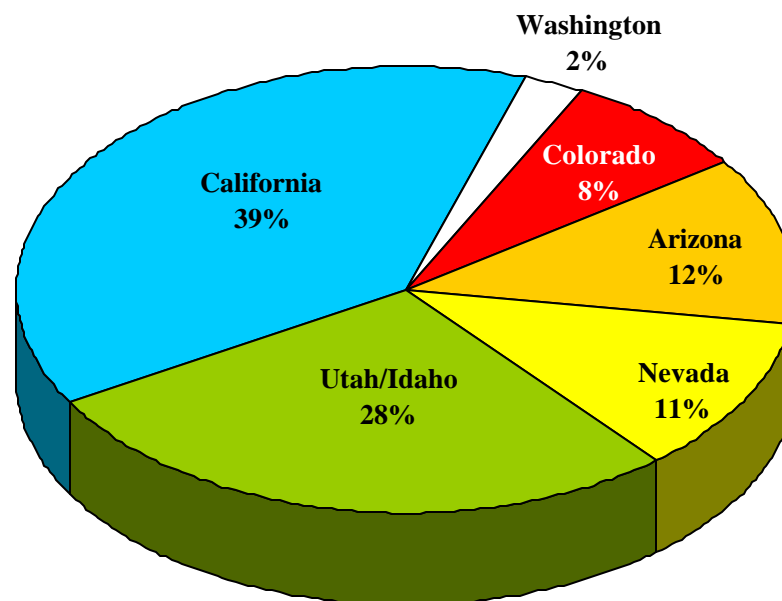
# Balance Sheet Composition

September 30, 2001



**Total Loans: \$18.8 Billion\***

**\*Includes \$2.3 Billion in Loans Sold**



**Total Deposits: \$18.1 Billion**

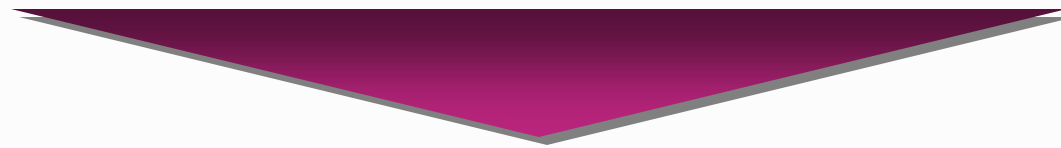


# Value of Community Banking Structure

**Better Talent**

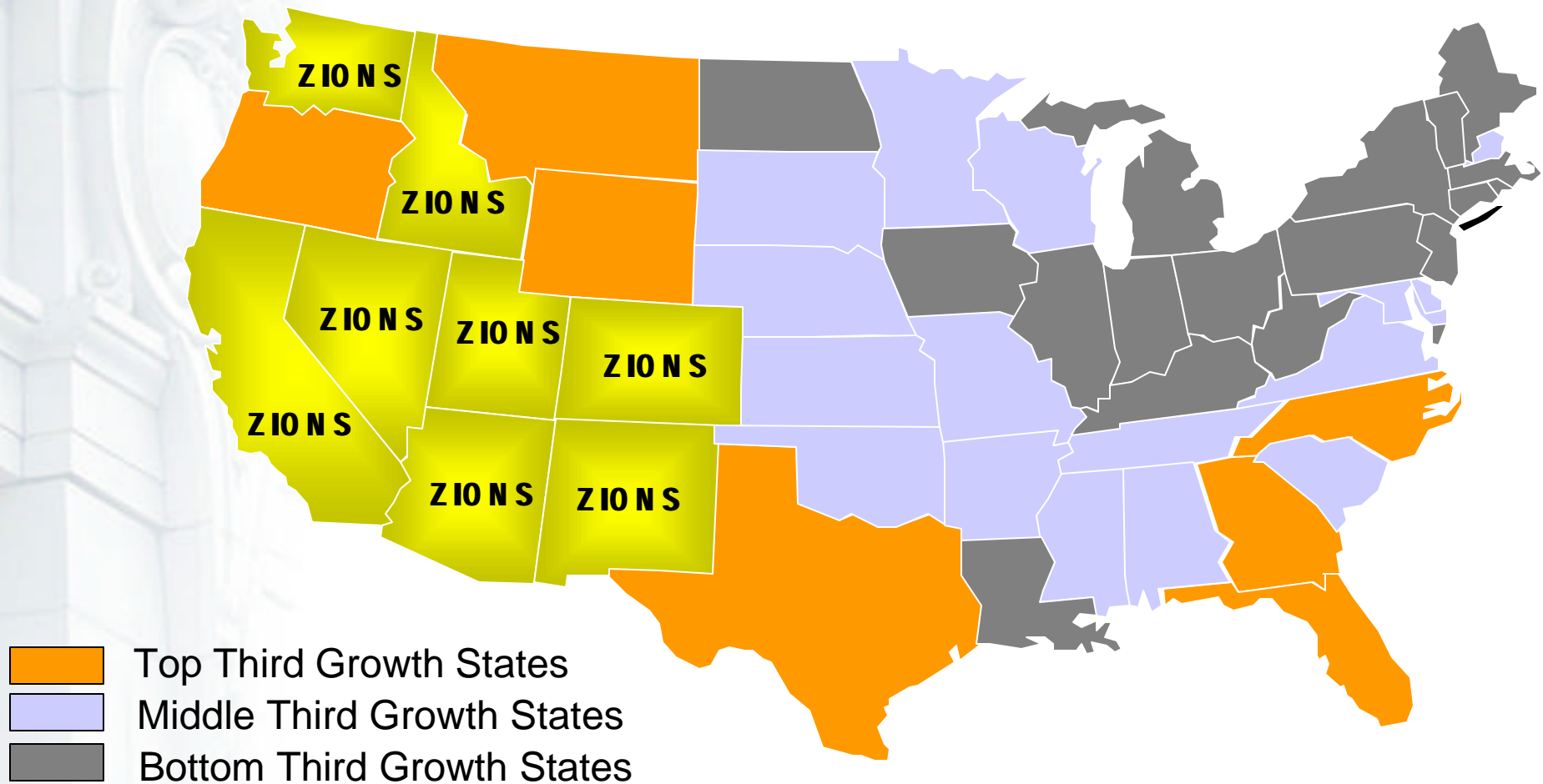
**Better Revenue Growth**

**Better Asset Quality**



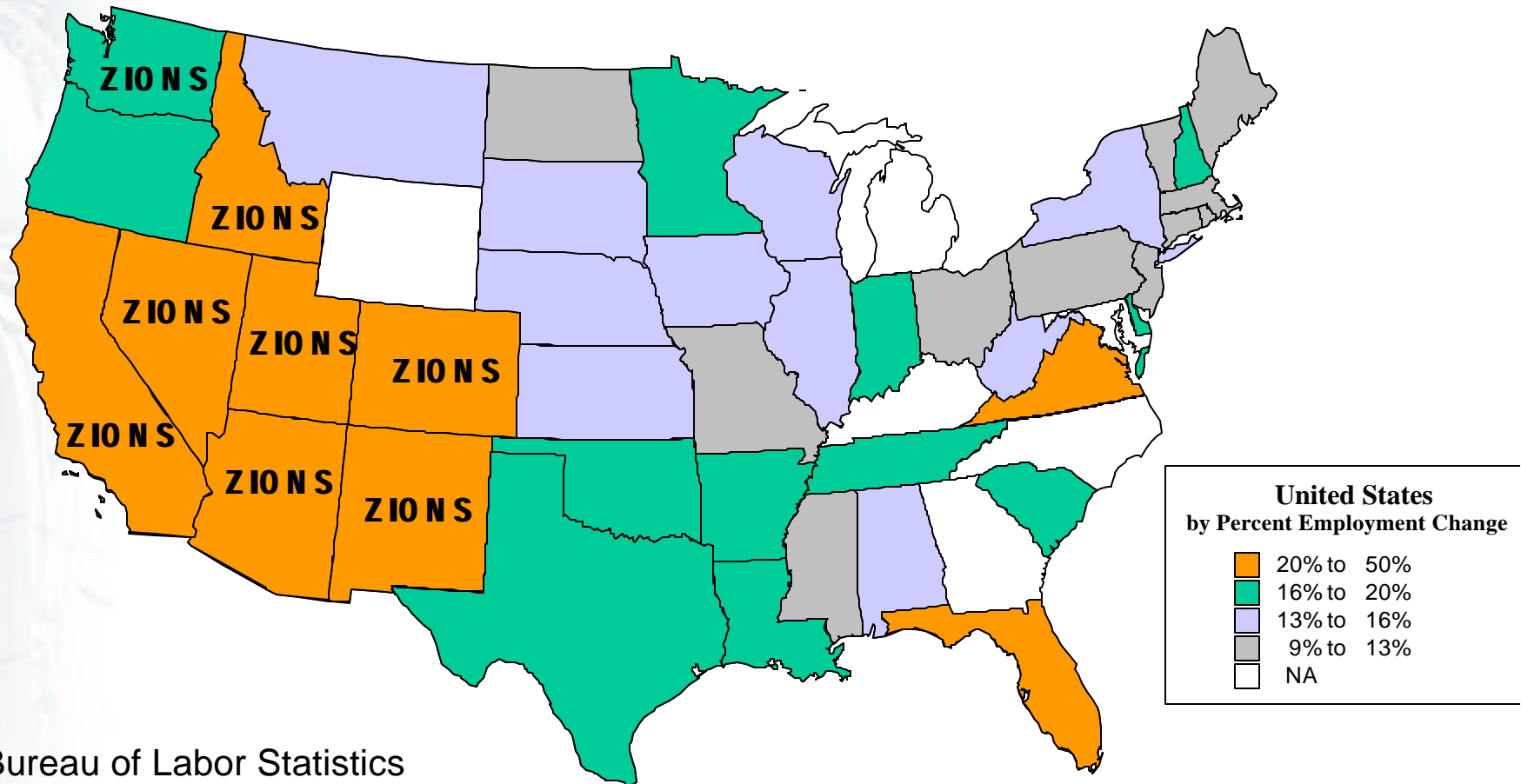
**Stronger Customer  
Relationships**

# Zions' Growth Engine: Projected Population Growth to 2005



Source: U.S. Census Bureau

# Zions' Growth Engine: Employment Growth Rates to 2008



Source: Bureau of Labor Statistics

# Markets Matter:

## Top 10 Growth Markets

1. **Phoenix-Mesa, AZ**
2. Dallas, TX
3. San Antonio, TX
4. **Denver, CO**
5. Atlanta, GA
6. **Salt Lake City-Ogden, UT**
7. **Oakland, CA**
8. Austin-San Marcos, TX
9. **San Diego, CA**
10. Houston, TX

Source: Putnam Lovell; Top 100 MSAs  
Ranked based on projected growth  
in population and personal income



# Markets Matter:

## 15 Best Places For Business

1. **San Jose, CA**
2. Austin, TX
3. **San Francisco, CA**
4. **Boulder, CO**
5. Dallas, TX
6. Santa Rosa, CA
7. **Boise, ID**
8. **San Diego, CA**
9. **Phoenix, AZ**
10. **Oakland, CA**
11. **Sacramento, CA**
12. **Orange County, CA**
13. Raleigh-Durham, NC
14. **Las Vegas, NV**
15. **Seattle, WA**



Source: Forbes Magazine  
Top 200 MSAs

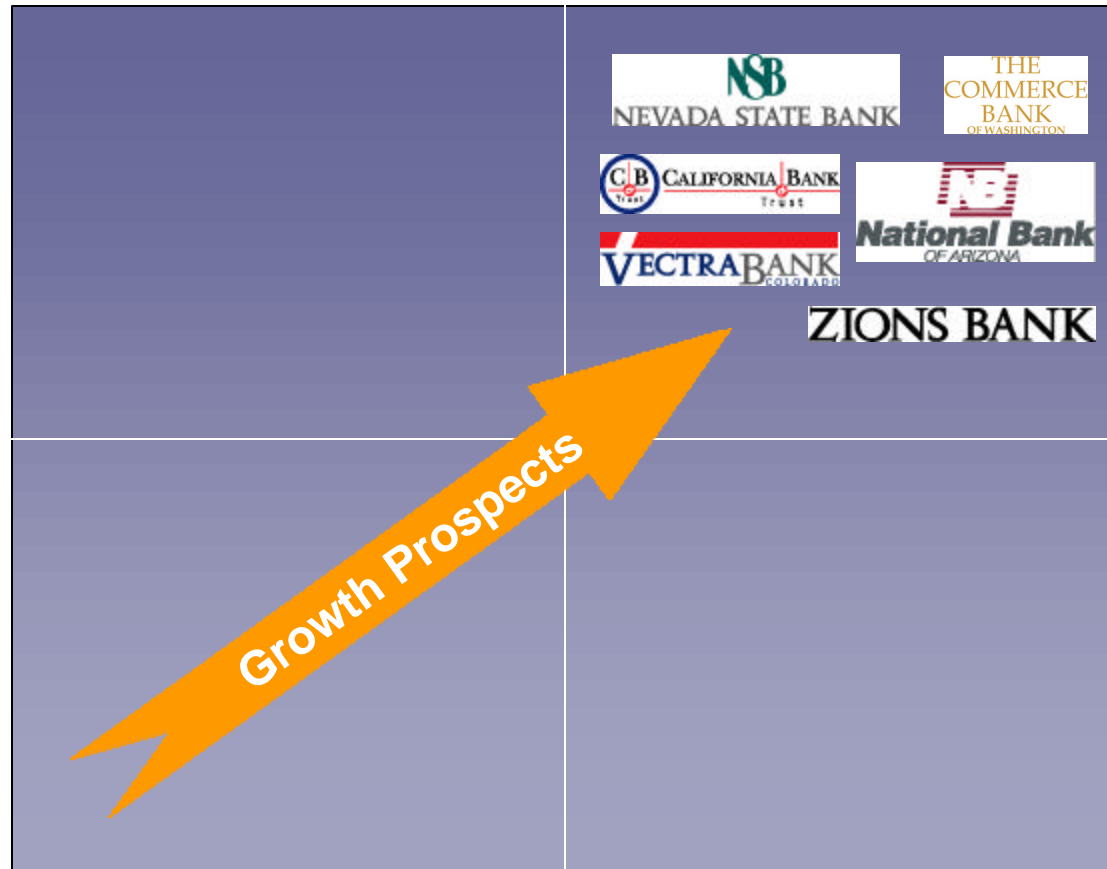
# The Growth Combination

## The Right Banks in the Right Places

High Growth Markets



Low Growth Markets



Larger Banks



Community Banks

# Market Growth Opportunities

(\$ in Billions)

California

Utah

Arizona

Nevada

Colorado

Washington

Idaho

## Deposits

\$6.9

\$4.8

\$2.2

\$2.1

\$1.4

\$0.4

\$0.2

## Market Share

2%

28%

4%

12%




3%

1%

2%

# Ensuring Our Future Success

## Integrating Key Technologies

-  **LEXIGN**
  - Expertise in complex electronic work flow solutions with established customer base
  - Creating electronic, Internet-based forms
  - Digital signing software
-  **EnterVault™**
  - Secure storage and retrieval of electronic documents
- **DST** **DIGITALSIGNATURETRUST**  
Guaranteeing Identity in Digital Transactions
  - Issuing and managing digital certificates





- **Transmitting check images for presentment**
  - Reduces transportation costs
  - Reduces float
- **Zions developed process and owns intellectual property**
- **Licensed to EDS**



# Why is a Bank in the Digital Signature Business?

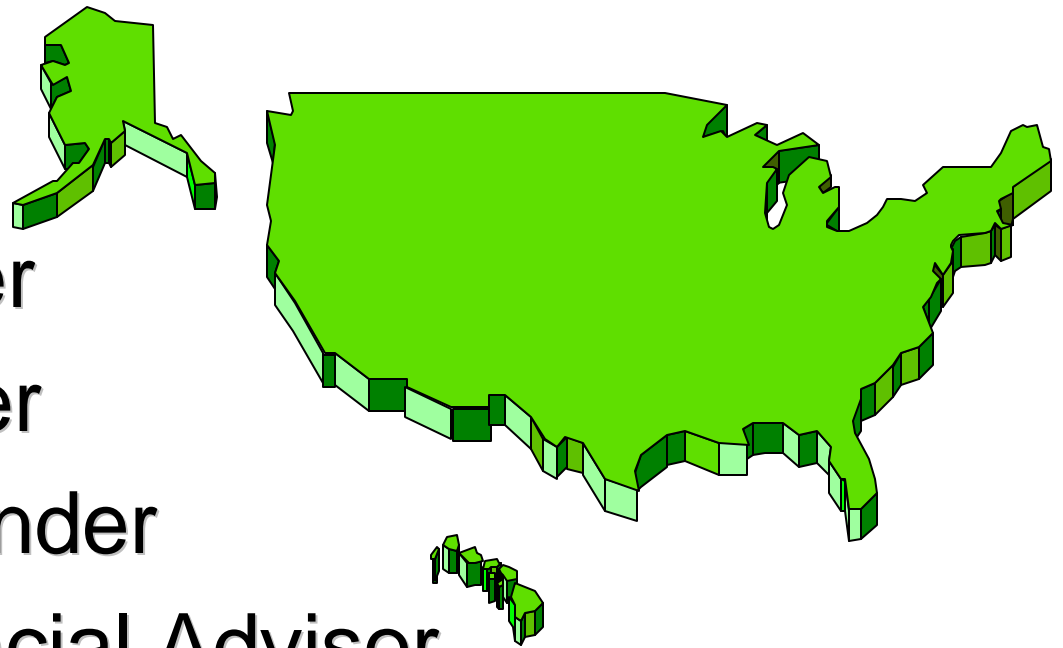
“We’re more like banks than we are Internet companies,” Sclavos says. If e-commerce is really going to take off, having a banker control the keys to the vault door may not be such a bad thing.

Business Week

May 15, 2000

Quoting Stratton Sclavos, CEO of Verisign

# National Niche Businesses



- #1 SBA 504 Lender
- #8 SBA 7(a) Lender
- #1 Farmer Mac Lender
- #6 Municipal Financial Advisor
- Electronic Bond Trading
- e-Business Solutions

# Focusing on the Fundamentals

## Shareholder Value Creation

### Effective Sales

17.9%

Compound Revenue  
Growth over 5 years

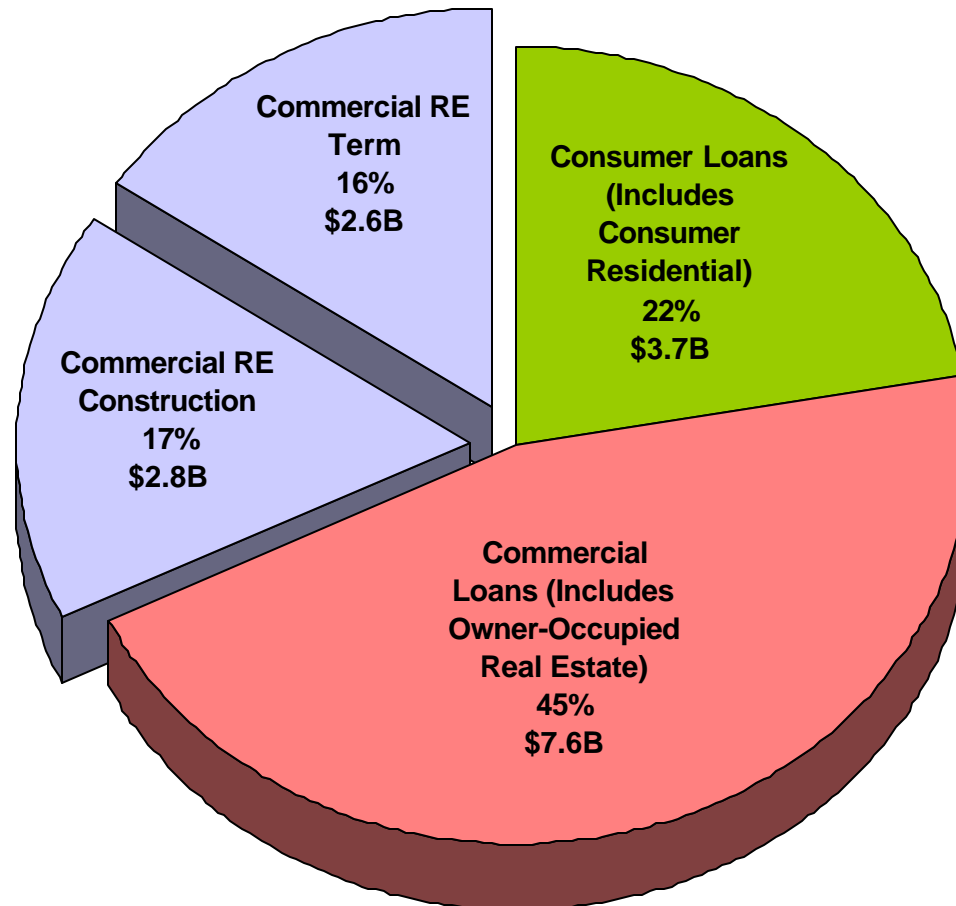
### Effective Cost Control

57.4% Operating  
Cash Efficiency  
Ratio

### Superior Asset Quality

.65% NPA ratio at 9/30/01

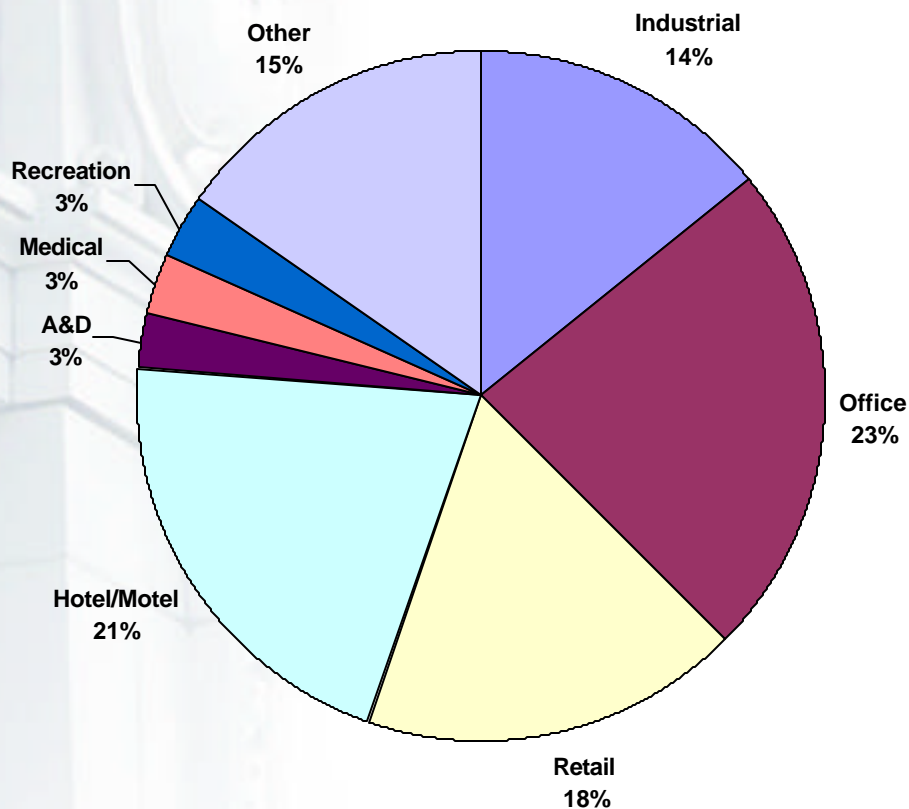
# Asset Quality: Understanding the Loan Portfolio



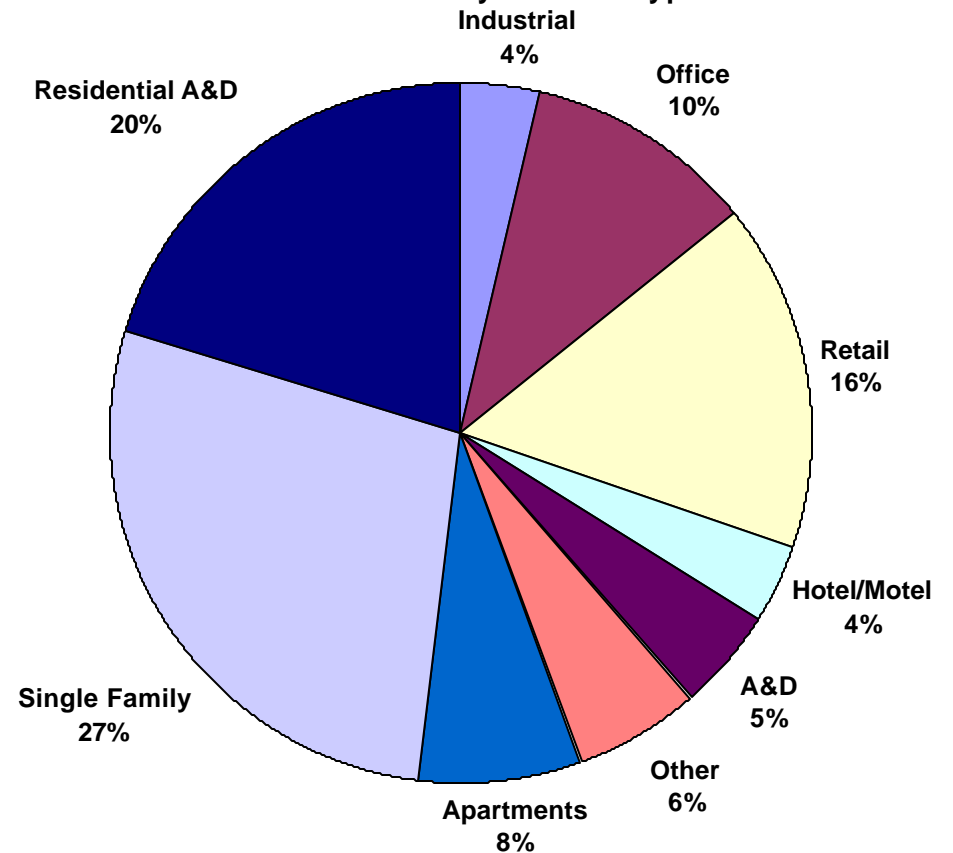
# Distribution by Product Type

09/30/01

Commercial Term Loans by Product Type



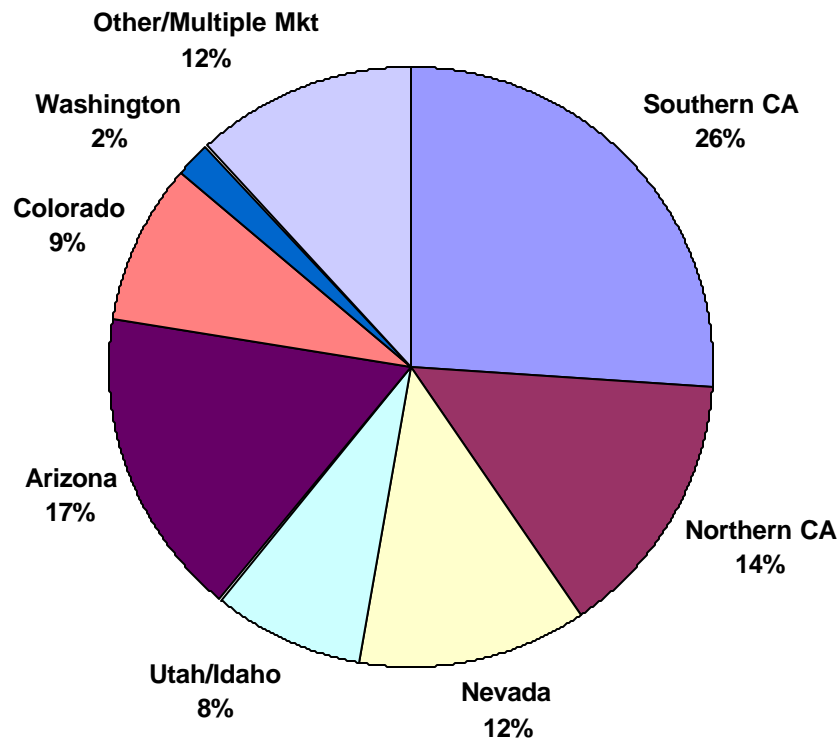
Construction Loans by Product Type



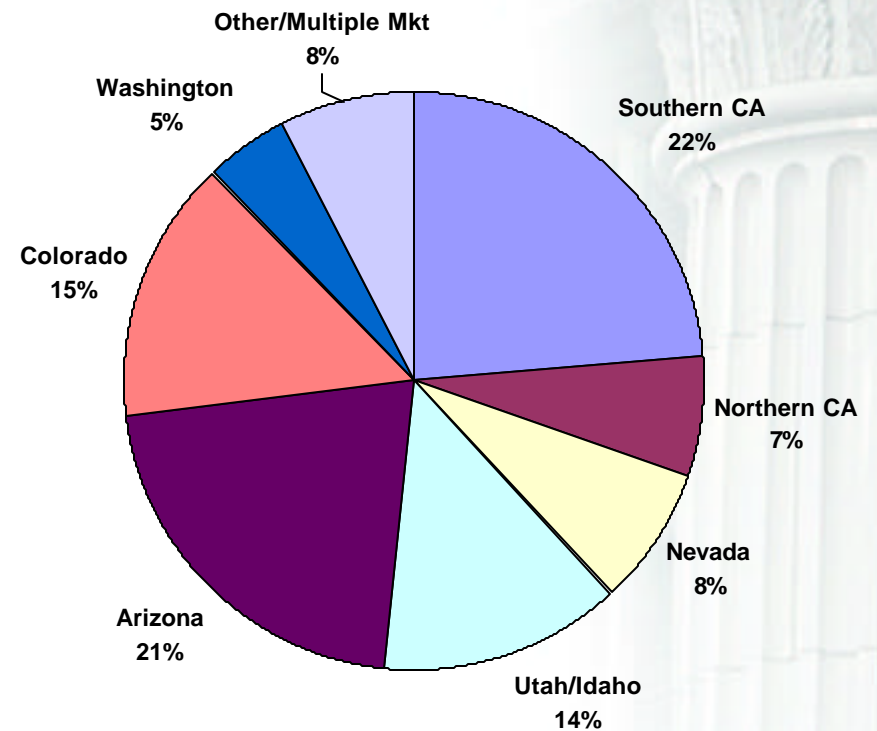
# Distribution by Geographic Location

09/30/01

## Commercial Term Loans by Collateral Location

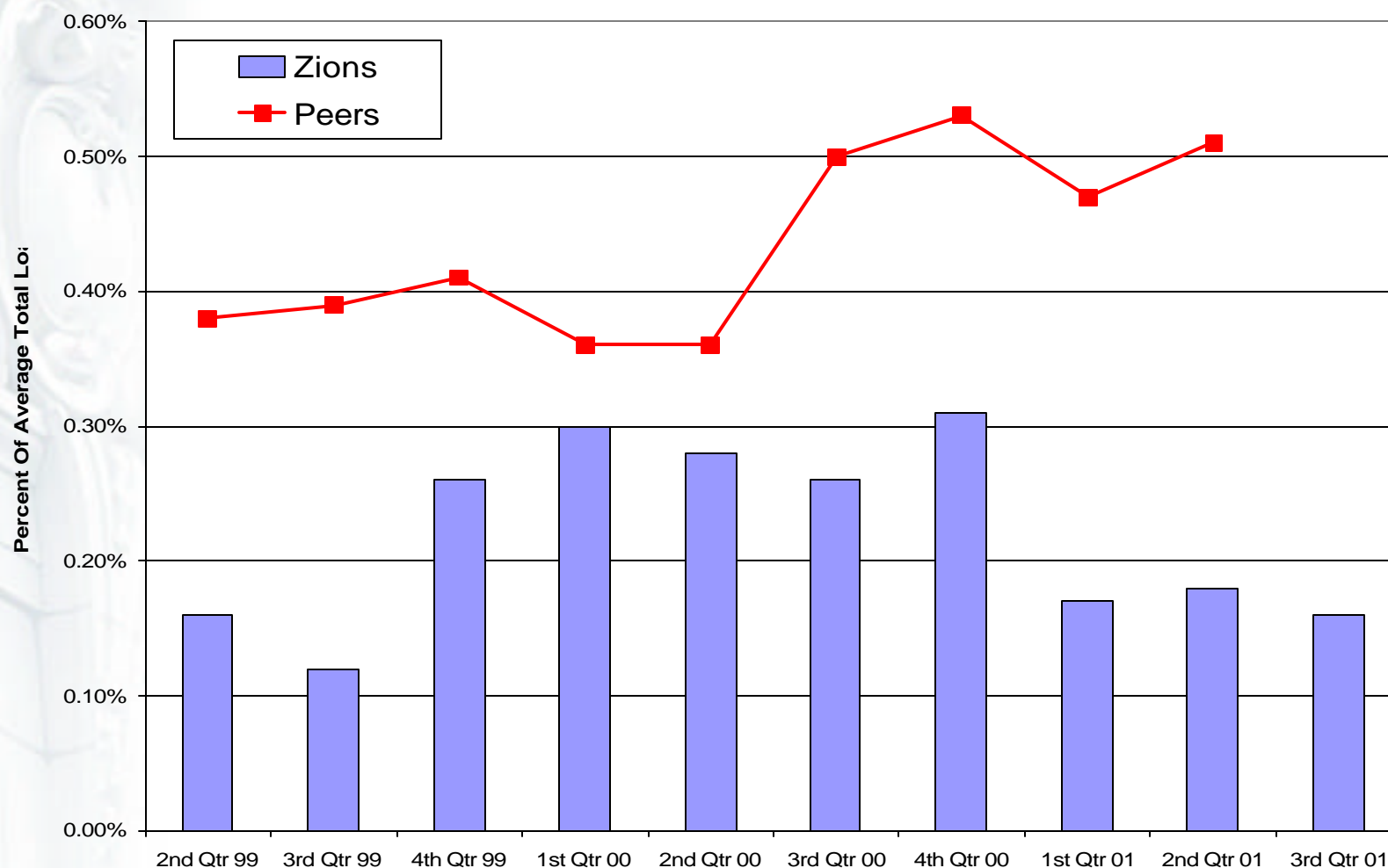


## Commercial Construction Loans by Location



# Net Charge-Off Trends vs. Peers

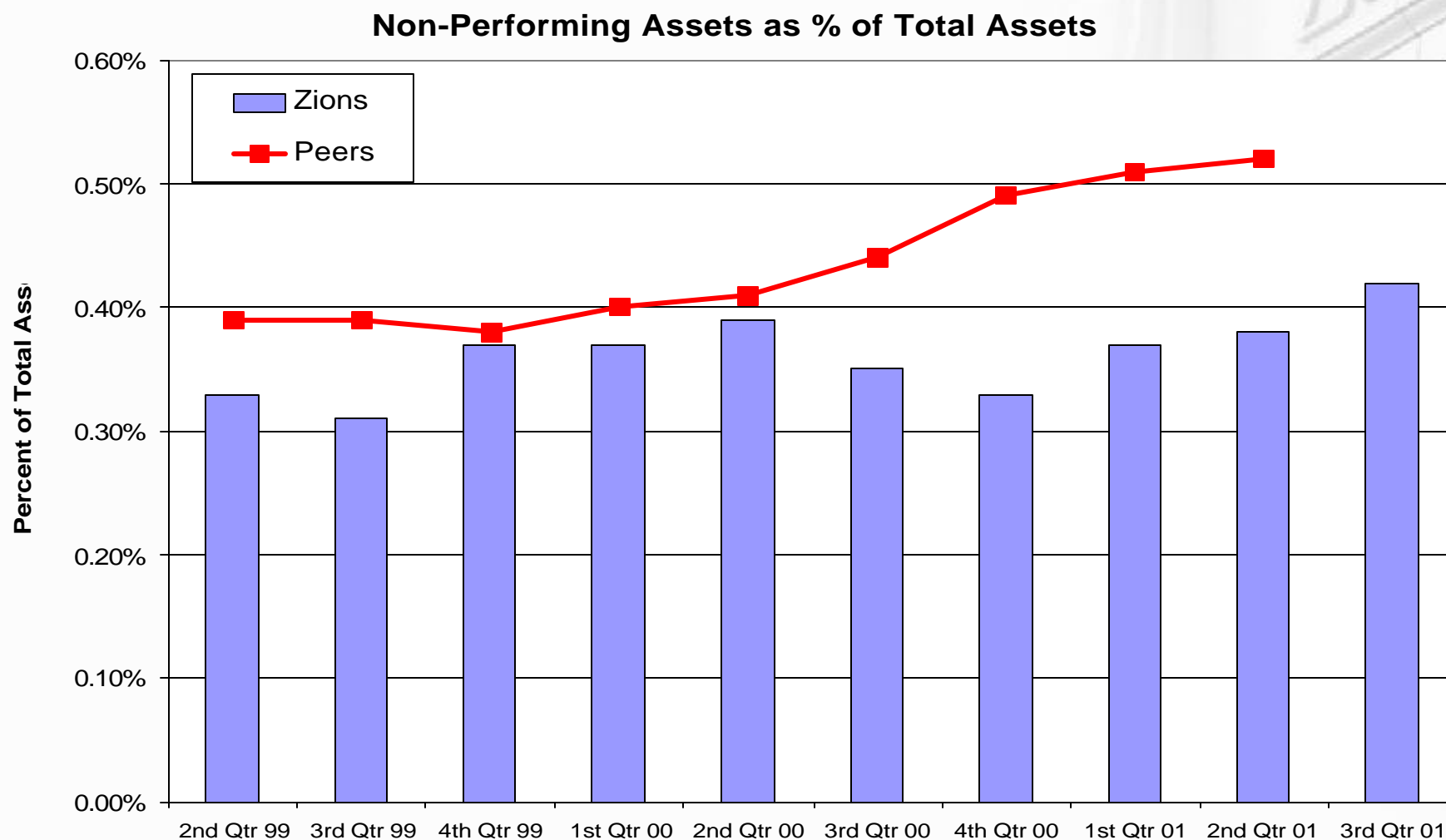
YTD Net Losses as % of Average Total Loans



Note: Peer group is defined as bank holding companies with assets > \$10 billion.



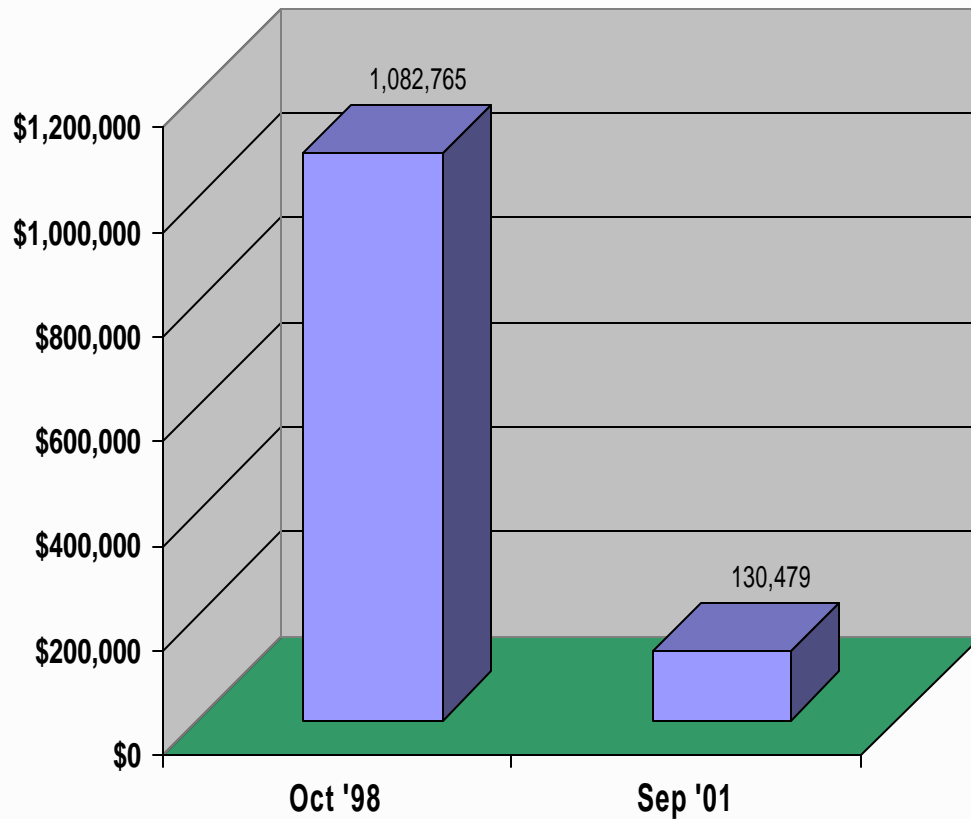
# Asset Quality Trends vs. Peers



Note: Peer group is defined as bank holding companies with assets > \$10 billion.

# Syndicated Credits

## Old Sumitomo Portfolio



- CB&T NCOs from 10/98:  
–\$50.7MM
- NCOs on Sumitomo  
Syndicated Credits:  
–\$18.4MM

# Allowance for Loan Losses to Non-Performing Loans

## 9/30/01

<u>Rank</u>	<u>Company</u>	<u>ALLL/NPL</u>
1	State Street Corp	5500.0%
2	North Fork Bancorp.	840.2%
3	Westamerica Corp.	616.8%
4	First Virginia Corp.	437.7%
5	City National Corp.	335.4%
6	Synovus Financial	329.5%
7	Fifth Third Bancorp.	319.1%
<b>8</b>	<b>Zions Bancorp.</b>	<b>262.9%</b>
9	US Bancorp	243.1%
10	BB&T Corp	238.0%
11	Wells Fargo & Co.	232.4%
12	Bank of New York	223.2%
13	First Midwest Bancorp	222.8%
14	First Tennessee Nat'l	217.6%
15	AmSouth Bancorp.	211.3%
16	SouthTrust Corp	211.1%
17	Wachovia	201.8%

<u>Rank</u>	<u>Company</u>	<u>ALLL/NPL</u>
18	FirstMerit	201.2%
19	PNC Financial	199.4%
20	BancWest Corp	181.4%
21	Mellon Bank corp	179.7%
22	Fleet Boston Corp	179.0%
23	Huntington Bancshares	178.4%
24	SunTrust Banks, Inc.	176.7%
25	National City Corp	171.1%
26	Bank of America Corp	161.8%
27	Marshall & Ilsley	161.1%
28	J P Morgan Chase*	146.2%
29	Bank One Corp	143.9%
30	Northern Trust Corp	138.4%
31	KeyCorp	132.7%
32	Citigroup	115.6%
33	Comerica Inc.	106.6%

\* Includes OREO

# Alignment of Shareholder and Employee Interests: Staff Ownership

We act like shareholders...

- Stock value held by execs to 2000 compensation: 40X
- Percent of employees who own shares: 80%
- Percent of employees receiving options\*: 100%
- Percent owned by employees & directors: 12%

\* All employees receive options after 1 year of service

...because we are shareholders

# Alignment of Shareholder and Employee Interests: Incentive Compensation

4 Year Average Tangible ROE

4 Year Average Cash EPS Growth Rate		16%	18%	20%	22%	24%
	25%	150%	180%	200%	230%	250%
	21%	130%	155%	170%	200%	220%
	17%	80%	100%	110%	120%	140%
	13%	40%	46%	50%	59%	60%
	9%	12%	15%	16%	19%	20%
	Average Annual Payout Bonus as a % of Executive Officer's Salary					

No Award if Cash ROE < 14%

# Earnings Guidance

	<u>4th Qtr. 2001</u>	<u>2002</u>
Operating Cash Earnings	\$0.94 - 0.96	\$4.05 - 4.10
Goodwill	(0.09)	(0.36)
CDI	(0.03)	(0.15)
GAAP EPS	0.81 - 0.83	3.54 - 3.59
“New” GAAP EPS	\$0.90 - 0.92	\$3.90 - 3.95

# Comparative Currency Valuations

November 28, 2001

<u>Company</u>	<u>Stock Price</u>	<u>IBES 5-Year Growth Estimate</u>	<u>2002 P/E Ratio</u>	<u>2002 PEG Ratio</u>
Northern Trust	\$57.32	12.90%	23.9X	185%
State Street	\$52.85	14.08%	24.1X	171%
Fifth Third	\$59.32	14.29%	21.7X	152%
Marshall & Ilsley	\$61.82	10.25%	15.6X	152%
M&T Bank	\$71.20	11.63%	16.8X	144%
Bank of New York	\$38.74	12.19%	17.5X	143%
Synovus	\$23.62	14.00%	19.7X	141%
Wells Fargo	\$42.66	12.77%	14.3X	112%
<b>Zions</b>	<b>\$47.83</b>	<b>13.89%</b>	<b>13.5X</b>	<b>97%</b>



# Forward-Looking Statements

This presentation contains statements regarding the projected performance of Zions Bancorporation. These statements constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act. Actual results or achievements may differ materially from the projections provided in this presentation since such projections involve significant known and unknown risks and uncertainties. Factors that might cause such differences include, but are not limited to: competitive pressures among financial institutions increasing significantly; economic conditions, either nationally or locally in areas in which Zions Bancorporation conducts their operations, being less favorable than expected; changes in the interest rate environment reducing expected interest margins; legislation or regulatory changes which adversely affect the ability of the company to conduct the business in which the company would be engaged; delays in adoption of digital certificates for online services. Zions Bancorporation disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included herein to reflect future events or developments.



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C B CALIFORNIA BANK  
Trust Trust

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December 4, 2001