October 20, 2009

Dear Valued Customer:

The third quarter was an eventful one for California Bank & Trust. Given the uncertain economic outlook, we continued to build our reserves for credit losses. We also decided to lower our exposure to bank-related securities by selling a portion of the portfolio. The highlight of the quarter was bidding for and winning the assets and deposits of Vineyard Bank – our second FDIC assisted acquisition in five months. While all of these events translated into a modest loss for the quarter, I'm pleased to say that we accomplished this while improving our regulatory risk-based capital ratios. Furthermore, our core pre-tax, pre-provision operating earnings, net interest margin, and efficiency ratio all remain strong.

Strong Operating Income Reduced by Securities Losses and Elevated Provision for Loan Losses
Net Interest Income, which represents our largest source of revenue, improved to $343.4 for the nine months ending September 30, 2009, compared to $308.3 million for the same period last year. Non-Interest Income contained offsetting large non-recurring gains and losses. Gains on the acquisitions of Alliance Bank and Vineyard Bank of $152.9 million were offset by securities losses of $165.0 million. Year-to-date, CB&T remains profitable, realizing net income of $21.3 million, compared to $73.7 million for the same period last year.

Significant Increase to Allowance for Loan Losses
Loan losses for the quarter were elevated as we recognized declines in the value of commercial real estate. Net charge-offs for the quarter were 2.45% of average loans on an annualized basis, compared to 2.02% in the second quarter of 2009, and 0.80% for the third quarter of 2008. The Allowance for Loan Losses increased by $56.5 million during the quarter and is now equal to 2.94% of loans, providing significant reserves for future potential losses.

Continued Improvement in Risk-Based Capital Ratios*
Both the Tier 1 Risk-Based Ratio and the Total Risk-Based Capital Ratio increased during the quarter. The Tier 1 Risk improved from 9.59% at June 30, 2009 to 9.93% and the Total Risk-Based Ratio increased from 10.84% to 11.19%. However, the Tier 1 Leverage Ratio declined by 1.07% to 9.45%, largely due to the addition of the acquired Vineyard Bank assets.

Update on Vineyard Bank Acquisition
The Vineyard Bank acquisition adds 13 branches to our footprint, greatly expanding our presence in east Los Angeles County and San Bernardino County. The franchise was acquired at a very attractive valuation, and we see a tremendous opportunity growing the business by introducing our style of high-touch relationship banking to the thousands of former Vineyard Bank customers.

Zions Bancorporation Earnings Release
Our parent company, Zions Bancorporation, recently announced earnings for the third quarter. The complete earnings release can be found at www.zionsbancorporation.com. The results reflected strong core operating earnings, significant deposit growth, and continued high credit costs. As most equity analysts expected, Zions reported a quarterly loss as the company builds the allowance for credit losses and aggressively works to resolve problem loans.

While weak economic conditions have adversely affected our results, our balance sheet remains very strong. Regulatory capital ratios improved and our liquidity levels remain excellent. I'm confident this will put us in a strong position to return to high levels of profitability once economic conditions begin to improve.

Sincerely,

David Blackford
President and CEO

CALIFORNIA BANK & TRUST
2009 3RD QUARTER FINANCIAL RESULTS

(Updated November 6, 2009)

Significant Items

- Net Income was $21.3 million for the nine months ending September 30, 2009, compared to $73.7 million for the same period of 2008. The decrease was primarily due to higher securities losses and provisions for credit losses, offset partially by gains on the acquisitions of Alliance Bank and Vineyard Bank.
- The Net Interest Margin for the third quarter remained stable at 4.86% compared to 4.78% in the second quarter, and 4.54% in the third quarter of 2008.
- The Provision for Loan Losses was $197 million for the nine months ending September 30, 2009, compared to $58.9 million for the same period last year.
- The Allowance for Loan Losses of $208.1 million as of September 30, 2009 is $88.1 million higher than a year ago.
- The Tier 1 Risk Based Capital Ratio increased to 9.93% at September 30, 2009 compared to 9.59% at June 30, 2009 and 7.63% at September 30, 2008.
- Non-Interest Expense increased to $210.5 million for the nine months ending September 30, 2009, compared to $177.5 million for the same period last year. The increase was due to higher industry-wide assessments for deposit insurance and the additions of Alliance Bank and Vineyard Bank banking operations.

	Nine Months Ended		Three Months Ended	
Performance Ratios[1]	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Net Interest Margin	4.85%	4.47%	4.86%	4.54%
Operating Efficiency Ratio[2]	46.9%	47.3%	49.7%	44.5%
Cash Return on Average Assets[2]	0.38%	1.12%	-0.45%	1.35%
Cash Return on Average Equity[2]	4.1%	16.3%	-4.6%	19.8%
Net Charge-offs/Average Loans[3]	1.79%	0.75%	2.45%	0.8%

Balance Sheet Amounts / Ratios	September 30, 2009	June 30, 2009	September 30, 2008
Total Loans	$9,226,342	$8,481,033	$7,968,132
Nonperforming Loans + OREO/Loans + OREO[3]	3.23%	2.89%	1.63%
Allowance for Credit Losses[4]/Loans[3]	2.94%	2.15%	1.6%
Total Deposits	$9,466,702	$8,516,484	$8,333,139
Loan-to-Deposit Ratio	97.5%	99.6%	95.6%

Capital Ratios	September 30, 2009	June 30, 2009	September 30, 2008
Tangible Equity/Tangible Assets	9.04%	9.83%	6.97%
Tier 1 Leverage	9.45%	10.52%	7.37%
Tier 1 Risk-based Capital	9.93%	9.59%	7.63%
Total Risk-based Capital	11.19%	10.84%	11.26%

Credit Rating	**Moody's**	**Fitch**	**S&P**
California Bank & Trust			
Long-Term Issuer	Ba3	BBB	-
Certificate of Deposits	Ba2	BBB+	-
Zions Bancorporation			
Long-Term Issuer	-	BBB	BBB-
Senior Unsecured Debt	B2	BBB	BBB-
Short-Term/Commercial Paper	NP	F2	A-3

[1] Performance Ratios as calculated on internal unaudited management financial reports
[2] Excludes net losses on securities & gains on acquisitions of Alliance Bank & Vineyard Bank
[3] Excludes FDIC Supported Assets
[4] Includes Allowance for Credit losses on Off-Balance Sheet Credit Exposures included in Other Liabilities

CB&T Statement of Condition

Dollars in thousands (unaudited)

Assets	September 30, 2009	June 30, 2009	September 30, 2008
Cash and Due from Banks	$ 206,098	$ 213,040	$ 196,689
Money Market Investments	40,303	1,019	331,488
Investment Securities	402,562	525,801	1,098,365
Loans and Leases, Net of Unearned Income	7,727,011	7,812,114	7,968,132
FDIC Supported Assets	1,554,118	678,724	-
Allowance for Loan and Lease Losses	(208,101)	(151,600)	(120,016)
Premises & Equipment	47,552	48,017	46,112
Intangible Assets	397,188	389,172	386,732
Other Assets	1,130,942	790,129	563,644
Total Assets	**$ 11,297,673**	**$ 10,306,416**	**$ 10,471,146**
Liabilities & Capital			
Liabilities			
Demand Deposits	$ 2,896,835	$ 2,668,032	$ 2,556,903
Interest Checking	492,332	443,395	431,557
Savings	262,334	240,168	224,370
Money Market	3,967,193	3,683,399	3,777,133
Time Deposits	1,836,729	1,465,446	1,327,017
Foreign Deposits	11,279	16,044	16,159
Total Deposits	9,466,702	8,516,484	8,333,139
Other Interest Bearing Liabilities	354,400	320,867	973,303
Allowance for Credit losses on Off-Balance Sheet Credit Exposures	19,375	15,978	7,832
Other Liabilities	75,089	89,183	67,218
Total Liabilities	9,915,566	8,942,512	9,381,492
Shareholder's Equity	1,382,107	1,363,904	1,089,654
Total Liabilities & Shareholder's Equity	**$ 11,297,673**	**$ 10,306,416**	**$ 10,471,146**

CB&T Statement of Earnings

Dollars in thousands (unaudited)

	Nine Months Ended	
Earnings	September 30, 2009	September 30, 2008
Interest Income	$ 403,961	$ 434,568
Interest Expense	60,565	126,257
Net Interest Income	343,396	308,311
Provision for Loan Losses	197,020	58,900
Net Interest Income after Provision for Loan Losses	146,376	249,411
Noninterest Income	259,563	61,197
Securities Gains (Losses), Net	(164,990)	(11,937)
Noninterest Expense		
Salaries and Employee Benefits	102,873	94,031
Premises & Equipment	26,651	24,653
Amortization of Intangible Assets	3,605	3,198
Other Operating Expenses	77,384	55,671
Total Noninterest Expense	**210,513**	**177,553**
Income Before Income Taxes	30,436	121,118
Income Taxes	9,161	47,406
Net Income	**$ 21,275**	**$ 73,712**