

ZIONS BANCORPORATION®

P r e s s R e l e a s e

*****FOR IMMEDIATE RELEASE*****

For: ZIONS BANCORPORATION
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Chairman/Chief Executive Officer

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July 20, 2009

ZIONS BANCORPORATION REPORTS 2009 SECOND QUARTER RESULTS WITH STRONG IMPROVEMENT IN CAPITAL LEVELS

SALT LAKE CITY, July 20, 2009 – Zions Bancorporation (Nasdaq: ZION) (“Zions” or “the Company”) today reported a second quarter net loss applicable to common shareholders of \$40.7 million or \$0.35 per diluted share, compared to a net loss of \$852.3 million (which included nonoperating goodwill impairment of \$634.0 million) or \$7.47 per diluted share for the first quarter of 2009.

Second Quarter 2009 Highlights

Positives:

- Tangible common equity ratio of 5.66% at June 30, 2009 compared to 5.26% at March 31, 2009, which includes the impact of previously announced capital actions of \$511 million.
- Average noninterest-bearing demand deposits increased \$0.8 billion or 32% annualized from first quarter.
- Net interest margin of 4.09% compared to 3.93% in first quarter.
- Build-up of the allowance for loan losses, with ratio to net loans of 3.08% compared to 2.03% in first quarter; ratio of total allowance and reserve for credit losses to net loans increased to 3.23%.

Continuing challenges:

- Net loan charge-offs of \$347.5 million (including one credit for \$47.5 million on which a substantial recovery is expected) compared to \$151.7 million in first quarter.
- Nonperforming lending related assets of \$1.9 billion (excluding FDIC-supported assets); ratio to net loans and other real estate owned of 4.68% compared to 3.96% in first quarter.
- Credit-related OTTI on CDO securities of \$42.0 million compared to \$82.7 million in first quarter.

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“As we continue to progress through this difficult economic period, we are pleased to have been able to significantly increase key capital ratios while at the same time substantially building our reserves for problem credits this quarter,” said Harris H. Simmons, chairman and chief executive officer. “We are further encouraged by the particularly strong growth of our highest quality deposits. This, along with the reduction in excessive cash balances which had been carried at a negative spread has strengthened our net interest margin. Finally, we are pleased that a major U.S. consulting firm, based on a survey of business customers, recently reported that Zions ranks as one of the best among leading U.S. banks for customer service, willingness to lend, and treasury management products,” Simmons added.

Asset Quality

The provision for loan losses was \$762.7 million for the second quarter of 2009 compared to \$297.6 million for the first quarter of 2009 and \$114.2 million for the second quarter of 2008. The provision for the second quarter of 2009 was 7.44% annualized of average loans excluding FDIC-supported assets and was \$415.2 million in excess of net loan and lease charge-offs. The increased provision resulted from continued deterioration in commercial real estate and commercial and industrial loan portfolios, re-estimation of certain of the Company’s loss reserve factors based on a newly updated migration analysis reflecting more recent loss experience, and to incorporate the possibility of a more protracted credit cycle.

The allowance for loan losses as a percentage of net loans and leases excluding FDIC-supported assets was 3.08% at June 30, 2009 compared to 2.03% at March 31, 2009 and 1.32% at June 30, 2008. Based on March 31, 2009 (the latest available) industry peer group data, this allowance level would rank in the top quartile. The combined allowance for loan losses and reserve for unfunded lending commitments was \$1,308.7 million, or 3.23% of net loans and leases excluding FDIC-supported assets at June 30, 2009, compared to 2.16% at March 31, 2009 and 1.38% at June 30, 2008.

Nonperforming lending related assets were \$2,059.3 million at June 30, 2009 (\$1,922.6 million excluding FDIC-supported assets) compared to \$1,754.8 million at March 31, 2009 and \$695.3 million at June 30, 2008. The ratio of nonperforming lending related assets excluding FDIC-supported assets to

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net loans and leases and other real estate owned was 4.68% at June 30, 2009 compared to 3.96% at March 31, 2009 and 1.66% at June 30, 2008.

Net loan and lease charge-offs for the second quarter of 2009 were \$347.5 million or 3.39% annualized of average loans excluding FDIC-supported assets. This compares with \$151.7 million or 1.47% annualized of average loans for the first quarter of 2009 and \$67.8 million or 0.67% annualized of average loans for the second quarter of 2008. One large credit on which a substantial recovery is expected accounted for 46 bp of the ratio of net loan and lease charge-offs to average loans for the second quarter of 2009. Construction-related credits accounted for another 168 bp.

Capital Management

During June 2009, as previously disclosed, the Company announced several actions to enhance its tangible common equity. The net effect of these actions added \$511 million to tangible common equity and 99 bp to the tangible common equity ratio during the quarter as follows:

(Dollars in millions, except per share amounts)	Effect on				
	Second quarter net earnings applicable to common shareholders		Diluted EPS	Tangible common equity	
	Pretax	After-tax		Amount	Ratio (bp)
1. Subordinated debt modification	\$ 305.0	\$ 188.4			
2. Recognition of deferred gains on terminated swaps	161.3	99.6			
	466.3	288.0	\$ 2.48	\$ 288.0	56
3. Gain recognized in equity for conversion option				45.3	9
4. Preferred stock redemption		52.4	0.45	54.2	10
5. Common equity ongoing issuances				123.7	24
	<u>\$ 340.4</u>	<u>\$ 2.93</u>	<u>\$ 2.93</u>	<u>\$ 511.2</u>	<u>99</u>

1. Subordinated debt modification – The Company exchanged approximately \$0.2 billion of subordinated notes for new notes with the same terms. The remaining \$1.2 billion of subordinated notes were modified to permit conversion on a par for par basis into either the Company’s Series A or Series C preferred stock. Net of issuance costs and debt discount on the previous debt, the pretax gain recognized in earnings from this debt modification was approximately \$305.0 million.

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2. Recognition of deferred gains on terminated swaps – The Company recognized deferred gains of approximately \$161.3 million pretax on terminated swaps related to the subordinated debt that was modified.
3. Gain recognized in equity for conversion option – The Company recognized directly in equity a \$45.3 million after-tax gain for the conversion option of the modified debt.
4. Tender offer of Series A preferred stock – The Company purchased 4,020,435 depository shares (each share representing a 1/40th ownership interest in a share of preferred stock) at a price of \$11.50 per depository share, or an aggregate amount of \$46.4 million including accrued dividends. At a \$25 per depository share liquidation preference, the purchase reduced the \$240 million carrying value of the Series A preferred stock by approximately \$100.5 million. Net of related costs, the redemption resulted in a \$52.4 million increase to retained earnings.
5. Common equity ongoing issuances – The Company issued approximately \$123.7 million of new common stock net of issuance costs, which consisted of 9,177,658 shares at an average price of \$13.79 per share. The Company has stated that it expects to issue the balance of the announced \$250 million in the next two quarters.

The tangible common equity ratio was 5.66% at June 30, 2009 compared to 5.26% at March 31, 2009 and 5.51% at June 30, 2008. The increase from the first quarter reflects the impact of the capital actions previously discussed, which was partially offset by the effect of operating items, including the provision for loan losses, and the reclassification of securities subsequently discussed.

The estimated Tier 1 common to risk-weighted assets ratio was 6.07% at June 30, 2009 and was 5.73% at March 31, 2009.

Acquisition Related Gains

As previously disclosed, two of the Company's banking subsidiaries acquired failed financial institutions from the FDIC during the first and second quarters of 2009. California Bank & Trust acquired Alliance Bank on February 6, 2009 and Nevada State Bank acquired Great Basin Bank on April 17, 2009. The acquired loans in both acquisitions involved loss sharing agreements with the FDIC. During the second quarter of 2009, these subsidiaries recognized acquisition related gains totaling \$23.0 million, after applying the provisions of SFAS No. 141 (revised 2007) that was adopted on January 1, 2009.

Loans

On-balance-sheet net loans and leases of \$41.4 billion at June 30, 2009 decreased approximately \$0.5 billion or 5.1% annualized from \$41.9 billion at March 31, 2009, and decreased approximately \$0.3 billion or 0.8% from \$41.7 billion at June 30, 2008.

Deposits

Average total deposits for the second quarter of 2009 increased \$0.8 billion or 7.9% annualized to \$42.9 billion compared to \$42.1 billion for the first quarter of 2009, and increased \$6.2 billion or 16.8% compared to \$36.8 billion for the second quarter of 2008. Average noninterest-bearing demand deposits increased \$0.8 billion or 32.0% annualized to \$10.7 billion compared to \$9.9 billion for the first quarter of 2009, which was used to reduce more expensive sources of funding.

Net Interest Income

The net interest margin was 4.09% for the second quarter of 2009 compared to 3.93% for the first quarter of 2009 and 4.18% for the second quarter of 2008. The improvement in the net interest margin for the second quarter of 2009 was primarily due to lower rates on deposits, a more favorable funding mix, and reduction of short-term lower yielding assets. The Company continues to pursue strategies to reduce higher cost deposits in order to reduce short-term, low-yielding assets.

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Investment Securities

During the second quarter of 2009, the Company recognized in earnings impairment and valuation losses on CDOs of \$53.7 million, or \$0.28 per diluted share, compared to \$283.1 million during the first quarter of 2009. The second quarter losses consisted of the following:

- \$42.0 million of credit-related other-than-temporary impairment (“OTTI”), which includes:
 - \$18.3 million for bank and insurance trust preferred CDOs
 - \$18.6 million for REIT trust preferred CDOs
 - \$5.1 million for other CDOs
- \$11.7 million of valuation losses on securities purchased, which includes:
 - \$6.2 million for securities purchased from Lockhart Funding LLC, prior to fully consolidating Lockhart in June 2009
 - \$5.5 million for additional valuation adjustments to auction rate securities previously purchased from customers

The Company recognized OTTI according to new accounting guidance adopted during the first quarter of 2009. Credit-related OTTI is recognized currently in earnings while noncredit-related OTTI on securities not expected to be sold is recognized in other comprehensive income (“OCI”).

The primary driver of OTTI in the second quarter of 2009 for bank and insurance trust preferred CDOs was an increased rate of new bank deferrals rather than an increase of actual defaults compared to previously predicted defaults.

During the second quarter of 2009 subsequent to ratings downgrades, the Company reclassified approximately \$557 million at fair value of held-to-maturity securities to available-for-sale. No gain or loss was recognized in earnings at the time of reclassification. However, pretax fair value adjustments of \$120.8 million on these securities were recorded in OCI, which reduced the tangible common equity ratio by 14 bp.

Noninterest Income

Noninterest income for the second quarter of 2009 was \$585.3 million compared to a loss of \$145.3 million for the first quarter of 2009 and income of \$72.4 million for the second quarter of 2008.

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Excluding the previously discussed impairment and valuation losses on securities, the gains on debt modification and terminated swaps, and the acquisition related gains, for the first and second quarters of 2009, noninterest income was \$149.7 million for the second quarter of 2009 and \$137.8 million for the first quarter of 2009.

Capital markets income increased during the second quarter of 2009 as the Company experienced strength in its securities trading and public finance businesses. Dividends and other investment income decreased primarily due to losses of approximately \$5.5 million at two investment funds. Fair value and nonhedge derivative income was \$20.3 million during the second quarter of 2009 compared to \$4.0 million during the first quarter of 2009. The increase primarily reflects the recognition of hedge ineffectiveness and net changes in credit valuation adjustments on derivatives.

Noninterest Expense

Noninterest expense for the second quarter of 2009 was \$419.5 million compared to \$376.2 million for the first quarter of 2009 and \$354.4 million for the second quarter of 2008. Salaries and employee benefits declined compared to the first quarter; approximately \$4.3 million and \$1.8 million of severance costs were included in the second and first quarters, respectively. FTEs have been reduced by 3.4% from December 31, 2008 even after adding personnel from FDIC-assisted acquisitions. Other real estate expense increased to \$23.7 million during the second quarter of 2009 compared to \$18.3 million during the first quarter of 2009. FDIC premiums were \$42.3 million for the second quarter of 2009 compared to \$14.2 million for the first quarter of 2009; the second quarter premiums included a special assessment of \$24.2 million. Other noninterest expense included \$5.1 million of debt extinguishment costs primarily for certain long-term FHLB debt and \$7.9 million for the provision for unfunded lending commitments compared to \$1.8 million in the first quarter of 2009.

Subsequent Event

On July 17, 2009, Zions' subsidiary, California Bank & Trust ("CB&T"), entered into a purchase and assumption agreement with the FDIC as receiver of the failed Vineyard Bank in Southern California. CB&T is acquiring most of the assets and liabilities of Vineyard in a "whole bank" transaction, with loss sharing. Vineyard has approximately \$1.6 billion of assets, including \$1.4 billion of loans, \$1.5 billion

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of deposits and 16 branches that are mostly located in the “Inland Empire” area. CB&T conducted due diligence on the loan portfolio. Under the terms of the bid, CB&T will purchase most of Vineyard’s assets at a discount of \$242 million to stated value. The FDIC will bear 80% of the first \$465 million of loan losses, and 95% of any loan losses above that amount, as provided in the purchase and assumption agreement. The transaction is estimated to be nondilutive to Zions’ tangible common equity ratio and approximately 6 to 9 basis points accretive to risk-based capital ratios as a result of a pretax gain on the purchase, which is estimated to be greater than \$100 million and will be recognized in the third quarter of 2009. The transaction is expected to be approximately \$0.04 to \$0.06 per share accretive to earnings on an annualized basis thereafter.

Conference Call

Zions will host a conference call to discuss these second quarter results at 5:30 p.m. ET this afternoon (July 20, 2009). Media representatives, analysts and the public are invited to listen to this discussion by calling 1-800-706-7745 (international: 617-614-3472) and entering the passcode 81536894, or via on-demand webcast. A link to the webcast will be available on the Zions Bancorporation Web site at www.zionsbancorporation.com. A replay of the call will be available from 8:30 p.m. ET on Monday, July 20, 2009, until midnight ET on Monday, July 27, 2009, by dialing 1-888-286-8010 (international: 617-801-6888) and entering the passcode 77926352. The webcast of the conference call will also be archived and available for 30 days.

About Zions Bancorporation

Zions Bancorporation is one of the nation’s premier financial services companies, consisting of a collection of great banks in select high growth markets. Zions operates its banking businesses under local management teams and community identities through approximately 500 offices in ten Western and Southwestern states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah and Washington. The Company is a national leader in Small Business Administration lending and public finance advisory services. In addition, Zions is included in the S&P 500 and NASDAQ Financial 100 indices. Investor information and links to subsidiary banks can be accessed at www.zionsbancorporation.com.

Forward-Looking Information

Statements in this earnings release that are based on other than historical data are forward-looking, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations or forecasts of future events. These forward-looking statements are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. Forward-looking statements involve significant risks and uncertainties and actual results may differ materially from those presented, either expressed or implied, in this news release. Factors that might cause such differences include, but are not limited to: the Company's ability to successfully execute its business plans and achieve its objectives; changes in general economic and financial market conditions, either internationally, nationally or locally in areas in which the Company conducts its operations, including changes in securities markets and valuations in structured securities and other assets; changes in governmental policies and programs resulting from general economic and financial market conditions; changes in interest and funding rates; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; increased competitive challenges and expanding product and pricing pressures among financial institutions; legislation or regulatory changes which adversely affect the Company's operations or business; and changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the 2008 Annual Report on Form 10-K of Zions Bancorporation filed with the Securities and Exchange Commission ("SEC") and available at the SEC's Internet site (<http://www.sec.gov>).

The Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

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FINANCIAL HIGHLIGHTS

(Unaudited)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2009	2008	% Change	2009	2008	% Change
EARNINGS						
Taxable-equivalent net interest income	\$ 499,432	\$ 490,587	1.80 %	\$ 980,102	\$ 983,124	(0.31)%
Taxable-equivalent revenue	1,084,776	562,959	92.69 %	1,420,184	1,166,496	21.75 %
Net interest income	493,688	484,743	1.85 %	968,463	971,201	(0.28)%
Noninterest income	585,344	72,372	708.80 %	440,082	183,372	139.99 %
Provision for loan losses	762,654	114,192	567.87 %	1,060,278	206,474	413.52 %
Noninterest expense	419,469	354,417	18.35 %	795,674	704,520	12.94 %
Impairment loss on goodwill	-	-		633,992	-	
Income (loss) before income taxes	(103,091)	88,506	(216.48)%	(1,081,399)	243,579	(543.96)%
Income taxes (benefit)	(34,239)	22,037	(255.37)%	(185,966)	71,933	(358.53)%
Net income (loss)	(68,852)	66,469	(203.59)%	(895,433)	171,646	(621.67)%
Net loss applicable to noncontrolling interests	(1,209)	(5,729)	(78.90)%	(1,749)	(7,301)	(76.04)%
Net income (loss) applicable to controlling interest	(67,643)	72,198	(193.69)%	(893,684)	178,947	(599.41)%
Net earnings (loss) applicable to common shareholders	(40,672)	69,744	(158.32)%	(892,999)	174,040	(613.10)%
PER COMMON SHARE						
Net earnings (loss) (diluted)	(0.35)	0.65	(153.85)%	(7.77)	1.62	(579.63)%
Dividends	0.04	0.43	(90.70)%	0.08	0.86	(90.70)%
Book value per common share				32.50	46.82	(30.59)%
SELECTED RATIOS						
Return on average assets	(0.50)%	0.54 %		(3.29)%	0.68 %	
Return on average common equity	(4.06)%	5.53 %		(40.27)%	6.86 %	
Efficiency ratio	38.67 %	62.96 %		56.03 %	60.40 %	
Net interest margin	4.09 %	4.18 %		4.01 %	4.20 %	

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FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

(In thousands, except share and ratio data)	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2009	2008	% Change	2009	2008	% Change
AVERAGE BALANCES						
Total assets	\$ 54,070,154	\$ 53,293,375	1.46 %	\$ 54,731,243	\$ 53,103,599	3.07 %
Total interest-earning assets	49,018,640	47,202,577	3.85 %	49,298,298	47,028,006	4.83 %
Securities	4,907,115	4,866,421	0.84 %	4,697,746	5,103,854	(7.96)%
Net loans and leases	41,910,940	40,325,657	3.93 %	41,899,844	39,781,734	5.32 %
Goodwill	1,017,382	2,009,517	(49.37)%	1,334,043	2,009,497	(33.61)%
Core deposit and other intangibles	125,768	137,675	(8.65)%	126,261	142,019	(11.10)%
Total deposits	42,958,798	36,774,214	16.82 %	42,546,019	36,684,444	15.98 %
Shareholders' equity:						
Preferred equity	1,587,752	240,000	561.56 %	1,585,717	240,000	560.72 %
Common equity	4,016,134	5,070,047	(20.79)%	4,472,023	5,098,334	(12.28)%
Noncontrolling interests	25,268	27,244	(7.25)%	26,487	28,960	(8.54)%
Weighted average common and common-equivalent shares outstanding	115,908,127	106,711,948	8.62 %	115,012,123	106,696,919	7.79 %
AT PERIOD END						
Total assets				\$ 52,874,957	\$ 54,630,883	(3.21)%
Total interest-earning assets				48,024,659	47,920,419	0.22 %
Securities				4,920,445	4,784,185	2.85 %
Net loans and leases				41,399,533	41,714,468	(0.75)%
Allowance for loan losses				1,248,055	548,958	127.35 %
Reserve for unfunded lending commitments				60,688	26,838	126.13 %
Goodwill				1,017,385	2,009,511	(49.37)%
Core deposit and other intangibles				121,675	132,481	(8.16)%
Total deposits				42,644,172	37,607,995	13.39 %
Shareholders' equity:						
Preferred equity				1,491,730	240,000	521.55 %
Common equity				4,066,202	5,033,530	(19.22)%
Noncontrolling interests				24,021	25,528	(5.90)%
Common shares outstanding				125,095,328	107,518,975	16.35 %
Average equity to average assets	10.41%	10.01%		11.12%	10.11%	
Common dividend payout	na	66.23%		na	52.98%	
Tangible common equity ratio				5.66%	5.51%	
Tangible equity ratio				8.59%	6.01%	
Nonperforming assets, excluding FDIC-supported assets				\$ 1,922,557	\$ 695,287	176.51 %
Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases and other real estate owned				4.68%	1.66%	
Accruing loans past due 90 days or more, excluding FDIC-supported assets				\$ 178,300	\$ 108,934	63.68 %

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FINANCIAL HIGHLIGHTS (Continued)**(Unaudited)**

(In thousands, except per share and ratio data)	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
EARNINGS					
Taxable-equivalent net interest income	\$ 499,432	\$ 480,670	\$ 514,422	\$ 497,822	\$ 490,587
Taxable-equivalent revenue	1,084,776	335,408	432,132	587,432	562,959
Net interest income	493,688	474,775	508,442	492,003	484,743
Noninterest income	585,344	(145,262)	(82,290)	89,610	72,372
Provision for loan losses	762,654	297,624	285,189	156,606	114,192
Noninterest expense	419,469	376,205	398,167	372,276	354,417
Impairment loss on goodwill	-	633,992	353,804	-	-
Income (loss) before income taxes	(103,091)	(978,308)	(611,008)	52,731	88,506
Income taxes (benefit)	(34,239)	(151,727)	(126,512)	11,214	22,037
Net income (loss)	(68,852)	(826,581)	(484,496)	41,517	66,469
Net income (loss) applicable to noncontrolling interests	(1,209)	(540)	(1,520)	3,757	(5,729)
Net income (loss) applicable to controlling interest	(67,643)	(826,041)	(482,976)	37,760	72,198
Net earnings (loss) applicable to common shareholders	(40,672)	(852,327)	(498,084)	33,351	69,744
PER COMMON SHARE					
Net earnings (loss) (diluted)	(0.35)	(7.47)	(4.37)	0.31	0.65
Dividends	0.04	0.04	0.32	0.43	0.43
Book value per common share	32.50	34.39	42.65	45.78	46.82
SELECTED RATIOS					
Return on average assets	(0.50)%	(6.05)%	(3.52)%	0.28 %	0.54 %
Return on average common equity	(4.06)%	(70.07)%	(38.77)%	2.59 %	5.53 %
Efficiency ratio	38.67 %	112.16 %	92.14 %	63.37 %	62.96 %
Net interest margin	4.09 %	3.93 %	4.20 %	4.13 %	4.18 %

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FINANCIAL HIGHLIGHTS (Continued)

(Unaudited)

(In thousands, except share and ratio data)	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
AVERAGE BALANCES					
Total assets	\$ 54,070,154	\$ 55,399,675	\$ 54,546,364	\$ 54,279,760	\$ 53,293,375
Total interest-earning assets	49,018,640	49,581,062	48,708,673	47,984,725	47,202,577
Securities	4,907,115	4,486,050	4,516,559	4,582,727	4,866,421
Net loans and leases	41,910,940	41,888,624	41,769,536	41,824,097	40,325,657
Goodwill	1,017,382	1,654,222	1,720,536	2,009,509	2,009,517
Core deposit and other intangibles	125,768	126,759	130,703	132,167	137,675
Total deposits	42,958,798	42,128,652	39,580,867	37,321,656	36,774,214
Shareholders' equity:					
Preferred equity	1,587,752	1,583,659	961,072	282,500	240,000
Common equity	4,016,134	4,932,977	5,110,430	5,123,399	5,070,047
Noncontrolling interests	25,268	27,720	28,751	29,949	27,244
Weighted average common and common-equivalent shares outstanding	115,908,127	114,106,164	114,065,100	108,497,464	106,711,948
AT PERIOD END					
Total assets	\$ 52,874,957	\$ 54,545,012	\$ 55,092,791	\$ 53,974,168	\$ 54,630,883
Total interest-earning assets	48,024,659	49,267,000	49,071,281	47,656,065	47,920,419
Securities	4,920,445	4,800,957	4,509,308	4,755,359	4,784,185
Net loans and leases	41,399,533	41,932,315	41,658,738	41,735,598	41,714,468
Allowance for loan losses	1,248,055	832,878	686,999	609,433	548,958
Reserve for unfunded lending commitments	60,688	52,761	50,934	23,574	26,838
Goodwill	1,017,385	1,034,465	1,651,377	2,009,504	2,009,511
Core deposit and other intangibles	121,675	124,585	125,935	133,989	132,481
Total deposits	42,644,172	43,307,233	41,316,496	38,590,901	37,607,995
Shareholders' equity:					
Preferred equity	1,491,730	1,587,027	1,581,834	286,949	240,000
Common equity	4,066,202	3,965,979	4,919,862	5,279,078	5,033,530
Noncontrolling interests	24,021	26,828	27,320	30,288	25,528
Common shares outstanding	125,095,328	115,335,668	115,344,813	115,302,598	107,518,975
Average equity to average assets	10.41%	11.81%	11.18%	10.01%	10.01%
Common dividend payout	na	na	na	138.44%	66.23%
Tangible common equity ratio	5.66%	5.26%	5.89%	6.05%	5.51%
Tangible equity ratio	8.59%	8.28%	8.91%	6.66%	6.01%
Nonperforming assets, excluding FDIC-supported assets	\$ 1,922,557	\$ 1,647,913	\$ 1,138,375	\$ 922,339	\$ 695,287
Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases and other real estate owned	4.68%	3.96%	2.71%	2.19%	1.66%
Accruing loans past due 90 days or more, excluding FDIC-supported assets	\$ 178,300	\$ 88,035	\$ 129,567	\$ 97,831	\$ 108,934

ZIONS BANCORPORATION AND SUBSIDIARIES
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CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)	June 30, 2009 <u>(Unaudited)</u>	March 31, 2009 <u>(Unaudited)</u>	December 31, 2008 <u>(Unaudited)</u>	September 30, 2008 <u>(Unaudited)</u>	June 30, 2008 <u>(Unaudited)</u>
ASSETS					
Cash and due from banks	\$ 1,229,205	\$ 1,321,972	\$ 1,475,976	\$ 1,441,957	\$ 1,751,724
Money market investments:					
Interest-bearing deposits and commercial paper	1,005,060	1,952,555	2,332,759	568,875	504,314
Federal funds sold	390,619	13,277	83,451	274,129	274,456
Security resell agreements	57,476	305,111	286,707	170,009	484,487
Investment securities:					
Held-to-maturity, at adjusted cost (approximate fair value \$891,186, \$1,361,460, \$1,443,555, \$1,587,006, and \$1,730,104)	937,942	1,648,971	1,790,989	1,917,354	1,914,833
Available-for-sale, at fair value	3,903,895	3,086,788	2,676,255	2,792,236	2,817,682
Trading account, at fair value (includes \$0, \$0, \$538, \$531, and \$463 transferred as collateral under repurchase agreements)	78,608	65,198	42,064	45,769	51,670
	<u>4,920,445</u>	<u>4,800,957</u>	<u>4,509,308</u>	<u>4,755,359</u>	<u>4,784,185</u>
Loans held for sale	251,526	262,785	200,318	152,095	158,509
Loans:					
Loans and leases excluding FDIC-supported assets	40,654,802	41,220,610	41,791,237	41,876,371	41,874,224
FDIC-supported assets	874,773	836,454			
	<u>41,529,575</u>	<u>42,057,064</u>	<u>41,791,237</u>	<u>41,876,371</u>	<u>41,874,224</u>
Less:					
Unearned income and fees, net of related costs	130,042	124,749	132,499	140,773	159,756
Allowance for loan losses	1,248,055	832,878	686,999	609,433	548,958
Loans and leases, net of allowance	<u>40,151,478</u>	<u>41,099,437</u>	<u>40,971,739</u>	<u>41,126,165</u>	<u>41,165,510</u>
Other noninterest-bearing investments	1,046,131	1,051,956	1,044,092	1,170,367	1,153,933
Premises and equipment, net	703,613	701,742	687,096	675,480	656,013
Goodwill	1,017,385	1,034,465	1,651,377	2,009,504	2,009,511
Core deposit and other intangibles	121,675	124,585	125,935	133,989	132,481
Other real estate owned	293,857	226,634	191,792	156,817	125,186
Other assets	1,686,487	1,649,536	1,532,241	1,339,422	1,430,574
	<u>\$ 52,874,957</u>	<u>\$ 54,545,012</u>	<u>\$ 55,092,791</u>	<u>\$ 53,974,168</u>	<u>\$ 54,630,883</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits:					
Noninterest-bearing demand	\$ 11,142,017	\$ 10,517,910	\$ 9,683,385	\$ 9,413,484	\$ 9,735,265
Interest-bearing:					
Savings and NOW	4,949,711	4,710,899	4,452,919	4,341,873	4,590,767
Money market	17,276,743	18,103,564	16,826,846	14,087,288	13,387,401
Time under \$100,000	2,845,893	3,112,864	2,974,566	2,954,116	2,466,082
Time \$100,000 and over	4,455,225	4,647,015	4,756,218	4,468,225	4,102,369
Foreign	1,974,583	2,214,981	2,622,562	3,325,915	3,326,111
	<u>42,644,172</u>	<u>43,307,233</u>	<u>41,316,496</u>	<u>38,590,901</u>	<u>37,607,995</u>
Securities sold, not yet purchased	51,109	39,892	35,657	29,528	46,376
Federal funds purchased	1,169,809	1,213,970	965,835	1,179,197	2,379,055
Security repurchase agreements	565,975	551,686	899,751	734,379	1,010,325
Other liabilities	597,543	578,768	669,111	649,672	555,812
Commercial paper	1,019	984	15,451	40,493	137,200
Federal Home Loan Bank advances and other borrowings:					
One year or less	47,152	429,655	2,039,853	4,690,784	5,003,057
Over one year	18,882	127,680	128,253	128,855	129,474
Long-term debt	2,197,343	2,715,310	2,493,368	2,334,044	2,462,531
Total liabilities	<u>47,293,004</u>	<u>48,965,178</u>	<u>48,563,775</u>	<u>48,377,853</u>	<u>49,331,825</u>
Shareholders' equity:					
Preferred stock, without par value, authorized 3,000,000 shares	1,491,730	1,587,027	1,581,834	286,949	240,000
Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 125,095,328, 115,335,668, 115,344,813, 115,302,598 and 107,518,975 shares	2,779,896	2,607,541	2,599,916	2,482,517	2,224,455
Retained earnings	1,668,608	1,713,897	2,433,363	2,968,242	2,981,062
Accumulated other comprehensive income (loss)	(368,164)	(340,727)	(98,958)	(157,305)	(158,325)
Deferred compensation	(14,138)	(14,732)	(14,459)	(14,376)	(13,662)
Controlling interest shareholders' equity	<u>5,557,932</u>	<u>5,553,006</u>	<u>6,501,696</u>	<u>5,566,027</u>	<u>5,273,530</u>
Noncontrolling interests	24,021	26,828	27,320	30,288	25,528
Total shareholders' equity	<u>5,581,953</u>	<u>5,579,834</u>	<u>6,529,016</u>	<u>5,596,315</u>	<u>5,299,058</u>
	<u>\$ 52,874,957</u>	<u>\$ 54,545,012</u>	<u>\$ 55,092,791</u>	<u>\$ 53,974,168</u>	<u>\$ 54,630,883</u>

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ZIONS BANCORPORATION AND SUBSIDIARIES
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CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Interest income:					
Interest and fees on loans	\$ 583,590	\$ 579,852	\$ 650,885	\$ 663,677	\$ 643,111
Interest on loans held for sale	3,082	2,756	2,442	1,916	2,699
Lease financing	4,735	4,593	4,999	5,515	5,767
Interest on money market investments	1,543	3,376	7,172	9,267	12,313
Interest on securities:					
Held-to-maturity – taxable	9,367	18,908	22,317	21,780	15,730
Held-to-maturity – nontaxable	5,796	6,265	6,396	6,319	6,224
Available-for-sale – taxable	26,982	21,703	28,680	25,044	35,059
Available-for-sale – nontaxable	1,778	1,678	1,711	1,697	1,870
Trading account	823	571	598	437	159
Total interest income	<u>637,696</u>	<u>639,702</u>	<u>725,200</u>	<u>735,652</u>	<u>722,932</u>
Interest expense:					
Interest on savings and money market deposits	64,949	74,553	95,717	90,720	80,144
Interest on time and foreign deposits	52,577	62,679	77,806	74,837	83,460
Interest on short-term borrowings	3,661	6,020	20,368	50,164	45,070
Interest on long-term borrowings	22,821	21,675	22,867	27,928	29,515
Total interest expense	<u>144,008</u>	<u>164,927</u>	<u>216,758</u>	<u>243,649</u>	<u>238,189</u>
Net interest income	493,688	474,775	508,442	492,003	484,743
Provision for loan losses	762,654	297,624	285,189	156,606	114,192
Net interest income after provision for loan losses	<u>(268,966)</u>	<u>177,151</u>	<u>223,253</u>	<u>335,397</u>	<u>370,551</u>
Noninterest income:					
Service charges and fees on deposit accounts	51,833	52,788	52,641	53,695	51,067
Other service charges, commissions and fees	40,291	38,227	40,532	42,794	42,362
Trust and wealth management income	8,750	7,165	8,910	8,865	10,284
Capital markets and foreign exchange	16,311	13,204	15,048	12,257	12,196
Dividends and other investment income	2,684	8,408	16,001	7,042	10,409
Loan sales and servicing income	7,040	5,851	4,420	3,633	8,516
Income (loss) from securities conduit	(149)	1,235	1,542	336	1,043
Fair value and nonhedge derivative income (loss)	20,316	4,004	(5,819)	(26,155)	(19,789)
Equity securities gains (losses), net	(619)	2,763	(14,125)	12,971	(8,121)
Fixed income securities gains (losses), net	1,444	195	(1,139)	135	78
Impairment losses on investment securities:					
Impairment losses on investment securities	(71,515)	(165,616)	(196,472)	(28,022)	(38,761)
Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income)	29,546	82,943			
Net impairment losses on investment securities	<u>(41,969)</u>	<u>(82,673)</u>	<u>(196,472)</u>	<u>(28,022)</u>	<u>(38,761)</u>
Valuation losses on securities purchased	(11,701)	(200,391)	(7,868)	-	-
Gains on swap termination and debt modification	466,333				
Acquisition related gains	22,977				
Other	1,803	3,962	4,039	2,059	3,088
Total noninterest income	<u>585,344</u>	<u>(145,262)</u>	<u>(82,290)</u>	<u>89,610</u>	<u>72,372</u>
Noninterest expense:					
Salaries and employee benefits	202,420	204,161	190,861	208,995	201,291
Occupancy, net	26,651	28,327	29,460	30,552	27,364
Furniture and equipment	24,870	24,999	26,507	24,281	25,610
Other real estate expense	23,748	18,343	40,124	7,126	1,290
Legal and professional services	9,497	8,543	14,774	11,297	11,566
Postage and supplies	8,036	8,410	9,873	9,257	8,536
Advertising	5,678	7,148	10,078	6,782	7,520
FDIC premiums	42,329	14,171	5,745	5,286	4,624
Amortization of core deposit and other intangibles	7,078	6,886	8,055	8,096	8,191
Other	69,162	55,217	62,690	60,604	58,425
Total noninterest expense	<u>419,469</u>	<u>376,205</u>	<u>398,167</u>	<u>372,276</u>	<u>354,417</u>
Impairment loss on goodwill	-	633,992	353,804	-	-
Income (loss) before income taxes	(103,091)	(978,308)	(611,008)	52,731	88,506
Income taxes (benefit)	<u>(34,239)</u>	<u>(151,727)</u>	<u>(126,512)</u>	<u>11,214</u>	<u>22,037</u>
Net income (loss)	<u>(68,852)</u>	<u>(826,581)</u>	<u>(484,496)</u>	<u>41,517</u>	<u>66,469</u>
Net income (loss) applicable to noncontrolling interests	<u>(1,209)</u>	<u>(540)</u>	<u>(1,520)</u>	<u>3,757</u>	<u>(5,729)</u>
Net income (loss) applicable to controlling interest	<u>(67,643)</u>	<u>(826,041)</u>	<u>(482,976)</u>	<u>37,760</u>	<u>72,198</u>
Preferred stock dividends	(25,447)	(26,286)	(15,108)	(4,409)	(2,454)
Preferred stock redemption	52,418				
Net earnings (loss) applicable to common shareholders	<u>\$ (40,672)</u>	<u>\$ (852,327)</u>	<u>\$ (498,084)</u>	<u>\$ 33,351</u>	<u>\$ 69,744</u>
Weighted average common shares outstanding during the period:					
Basic shares	115,908	114,106	114,065	108,407	106,595
Diluted shares	115,908	114,106	114,065	108,497	106,712
Net earnings (loss) per common share:					
Basic	\$ (0.35)	\$ (7.47)	\$ (4.37)	\$ 0.31	\$ 0.65
Diluted	(0.35)	(7.47)	(4.37)	0.31	0.65

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CONSOLIDATED STATEMENTS OF INCOME (Continued)
(Unaudited)

(In thousands, except per share amounts)	Six Months Ended	
	June 30,	
	2009	2008
Interest income:		
Interest and fees on loans	\$ 1,163,442	\$ 1,331,550
Interest on loans held for sale	5,838	5,716
Lease financing	9,328	11,585
Interest on money market investments	4,919	31,341
Interest on securities:		
Held-to-maturity – taxable	28,275	18,185
Held-to-maturity – nontaxable	12,061	12,653
Available-for-sale – taxable	48,685	97,415
Available-for-sale – nontaxable	3,456	3,762
Trading account	1,394	840
Total interest income	<u>1,277,398</u>	<u>1,513,047</u>
Interest expense:		
Interest on savings and money market deposits	139,502	184,131
Interest on time and foreign deposits	115,256	189,682
Interest on short-term borrowings	9,681	108,343
Interest on long-term borrowings	44,496	59,690
Total interest expense	<u>308,935</u>	<u>541,846</u>
Net interest income	968,463	971,201
Provision for loan losses	1,060,278	206,474
Net interest income after provision for loan losses	<u>(91,815)</u>	<u>764,727</u>
Noninterest income:		
Service charges and fees on deposit accounts	104,621	100,652
Other service charges, commissions and fees	78,518	84,343
Trust and wealth management income	15,915	19,977
Capital markets and foreign exchange	29,515	22,593
Dividends and other investment income	11,092	23,319
Loan sales and servicing income	12,891	16,326
Income from securities conduit	1,086	3,624
Fair value and nonhedge derivative income (loss)	24,320	(16,002)
Equity securities gains, net	2,144	1,947
Fixed income securities gains, net	1,639	1,853
Impairment losses on investment securities:		
Impairment losses on investment securities	(237,131)	(79,546)
Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income)	112,489	-
Net impairment losses on investment securities	<u>(124,642)</u>	<u>(79,546)</u>
Valuation losses on securities purchased	(212,092)	(5,204)
Gains on swap termination and debt modification	466,333	-
Acquisition related gains	22,977	-
Other	5,765	9,490
Total noninterest income	<u>440,082</u>	<u>183,372</u>
Noninterest expense:		
Salaries and employee benefits	406,581	410,645
Occupancy, net	54,978	54,163
Furniture and equipment	49,869	49,348
Other real estate expense	42,091	3,128
Legal and professional services	18,040	19,446
Postage and supplies	16,446	18,325
Advertising	12,826	13,871
FDIC premiums	56,500	8,827
Amortization of core deposit and other intangibles	13,964	17,011
Other	124,379	109,756
Total noninterest expense	<u>795,674</u>	<u>704,520</u>
Impairment loss on goodwill	633,992	-
Income (loss) before income taxes	(1,081,399)	243,579
Income taxes (benefit)	(185,966)	71,933
Net income (loss)	<u>(895,433)</u>	<u>171,646</u>
Net loss applicable to noncontrolling interests	(1,749)	(7,301)
Net income (loss) applicable to controlling interest	<u>(893,684)</u>	<u>178,947</u>
Preferred stock dividends	(51,733)	(4,907)
Preferred stock redemption	52,418	-
Net earnings (loss) applicable to common shareholders	<u>\$ (892,999)</u>	<u>\$ 174,040</u>
Weighted average common shares outstanding during the period:		
Basic shares	115,012	106,554
Diluted shares	115,012	106,697
Net earnings (loss) per common share:		
Basic	\$ (7.77)	\$ 1.62
Diluted	(7.77)	1.62

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CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
AND COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share amounts)	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Deferred compensation	Noncontrolling interests	Total shareholders' equity
Balance, December 31, 2008	\$ 1,581,834	\$ 2,599,916	\$ 2,433,363	\$ (98,958)	\$ (14,459)	\$ 27,320	\$ 6,529,016
Cumulative effect of change in accounting principle, adoption of FSP FAS 115-2 and 124-2			137,462	(137,462)			-
Comprehensive loss:							
Net loss for the period			(826,041)			(540)	(826,581)
Other comprehensive income (loss), net of tax:							
Net realized and unrealized holding losses on investments and retained interests				(83,553)			
Reclassification for net realized losses on investments recorded in operations				38,862			
Noncredit-related impairment losses on securities not expected to be sold				(49,928)			
Accretion of securities with noncredit-related impairment losses not expected to be sold				896			
Net unrealized losses on derivative instruments				(10,584)			
Other comprehensive loss				(104,307)			(104,307)
Total comprehensive loss							(930,888)
Dividends on preferred stock	5,193		(26,286)				(21,093)
Net stock issued under employee plans and related tax benefits		7,625					7,625
Dividends on common stock, \$.04 per share			(4,601)				(4,601)
Change in deferred compensation					(273)		(273)
Other changes in noncontrolling interests						48	48
Balance, March 31, 2009	1,587,027	2,607,541	1,713,897	(340,727)	(14,732)	26,828	5,579,834
Comprehensive loss:							
Net loss for the period			(67,643)			(1,209)	(68,852)
Other comprehensive income (loss), net of tax:							
Net realized and unrealized holding gains on investments and retained interests				5,041			
Reclassification for net realized losses on investments recorded in operations				24,434			
Noncredit-related impairment losses on securities not expected to be sold				(17,855)			
Accretion of securities with noncredit-related impairment losses not expected to be sold				35			
Net unrealized losses on derivative instruments				(39,092)			
Other comprehensive loss				(27,437)			(27,437)
Total comprehensive loss							(96,289)
Preferred stock redemption	(100,511)	1,763	52,418				(46,330)
Dividends on preferred stock	5,214		(25,447)				(20,233)
Issuance of common stock		123,741					123,741
Subordinated debt modification		45,326					45,326
Net stock issued under employee plans and related tax benefits		1,525					1,525
Dividends on common stock, \$.04 per share			(4,617)				(4,617)
Change in deferred compensation					594		594
Other changes in noncontrolling interests						(1,598)	(1,598)
Balance, June 30, 2009	\$ 1,491,730	\$ 2,779,896	\$ 1,668,608	\$ (368,164)	\$ (14,138)	\$ 24,021	\$ 5,581,953

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INVESTMENT SECURITIES PORTFOLIO

ASSET-BACKED SECURITIES CLASSIFIED AT HIGHEST CREDIT RATING*

As of June 30, 2009

(Unaudited)

(In thousands)	Par value	Amortized cost	Net unrealized gains (losses) recognized in OCI ¹	Carrying value	Net unrealized gains (losses) not recognized in OCI ¹	Estimated fair value
HELD-TO-MATURITY:						
Municipal securities	\$ 674,524	\$ 671,671	\$ -	\$ 671,671	\$ (272)	\$ 671,399
Asset-backed securities:						
Trust preferred securities – banks and insurance						
A rated	11,378	11,378	(1,397)	9,981	(1,250)	8,731
A rated – OTTI/PIK'd ²	551	549	(105)	444	-	444
BBB rated	16,698	16,699	(1,895)	14,804	(2,031)	12,773
Noninvestment grade	236,820	236,666	(22,419)	214,247	(35,223)	179,024
	<u>265,447</u>	<u>265,292</u>	<u>(25,816)</u>	<u>239,476</u>	<u>(38,504)</u>	<u>200,972</u>
Other						
AAA rated	4,334	4,147	(90)	4,057	(309)	3,748
A rated	3,831	3,243	(1,012)	2,231	559	2,790
BBB rated	18,000	16,615	(55)	16,560	(8,116)	8,444
Noninvestment grade – OTTI/PIK'd ²	12,413	8,481	(4,634)	3,847	(112)	3,735
	<u>38,578</u>	<u>32,486</u>	<u>(5,791)</u>	<u>26,695</u>	<u>(7,978)</u>	<u>18,717</u>
Other debt securities	100	100	-	100	(2)	98
	<u>978,649</u>	<u>969,549</u>	<u>(31,607)</u>	<u>937,942</u>	<u>(46,756)</u>	<u>891,186</u>
AVAILABLE-FOR-SALE:						
U.S. Treasury securities	25,653	25,113	732	25,845		25,845
U.S. Government agencies and corporations:						
Agency securities	290,084	290,504	5,874	296,378		296,378
Agency guaranteed mortgage-backed securities	410,168	411,180	9,504	420,684		420,684
Small Business Administration loan-backed securities	786,872	834,883	(22,353)	812,530		812,530
Municipal securities	257,441	251,029	1,804	252,833		252,833
Asset-backed securities:						
Trust preferred securities – banks and insurance						
AAA rated	86,348	85,601	(10,311)	75,290		75,290
AA rated	639,284	479,247	5,234	484,481		484,481
A rated	367,315	356,311	(113,497)	242,814		242,814
BBB rated	169,696	145,482	(37,446)	108,036		108,036
Not rated	26,020	25,003	(3,988)	21,015		21,015
Noninvestment grade	386,103	379,813	(118,546)	261,267		261,267
Noninvestment grade – OTTI/PIK'd ²	786,218	702,300	(359,039)	343,261		343,261
	<u>2,460,984</u>	<u>2,173,757</u>	<u>(637,593)</u>	<u>1,536,164</u>		<u>1,536,164</u>
Trust preferred securities – real estate investment trusts						
Noninvestment grade	45,000	33,890	(12,460)	21,430		21,430
Noninvestment grade – OTTI/PIK'd ²	50,000	42,855	(29,705)	13,150		13,150
	<u>95,000</u>	<u>76,745</u>	<u>(42,165)</u>	<u>34,580</u>		<u>34,580</u>
Auction rate securities						
AAA rated	181,625	167,209	(1,447)	165,762		165,762
A rated	7,300	4,678	789	5,467		5,467
	<u>188,925</u>	<u>171,887</u>	<u>(658)</u>	<u>171,229</u>		<u>171,229</u>
Other						
AAA rated	59,255	56,437	(11,544)	44,893		44,893
AA rated	3,495	1,987	196	2,183		2,183
BBB rated	53,724	50,810	(13,184)	37,626		37,626
Noninvestment grade	27,617	23,943	(14,773)	9,170		9,170
Noninvestment grade – OTTI/PIK'd ²	74,012	28,806	(15,349)	13,457		13,457
	<u>218,103</u>	<u>161,983</u>	<u>(54,654)</u>	<u>107,329</u>		<u>107,329</u>
	<u>4,733,230</u>	<u>4,397,081</u>	<u>(739,509)</u>	<u>3,657,572</u>		<u>3,657,572</u>
Other securities:						
Mutual funds and stock	246,323	246,323	-	246,323		246,323
	<u>4,979,553</u>	<u>4,643,404</u>	<u>(739,509)</u>	<u>3,903,895</u>		<u>3,903,895</u>
Total	<u>\$ 5,958,202</u>	<u>\$ 5,612,953</u>	<u>\$ (771,116)</u>	<u>\$ 4,841,837</u>	<u>\$ (46,756)</u>	<u>\$ 4,795,081</u>

* Ratings categories include entire range. For example, "A rated" includes A+, A and A-. Split rated securities with more than one rating are categorized at the highest rating level.

¹ Other comprehensive income. All amounts reported are pretax.

² Consists of securities determined to have Other Than Temporary Impairment ("OTTI") and/or securities whose most recent interest payment was capitalized as opposed to being paid in cash, as permitted under the terms of the security. This capitalization feature is known as Payment In Kind ("PIK") and where exercised the security is called PIK'd.

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INVESTMENT SECURITIES PORTFOLIO

ASSET-BACKED SECURITIES CLASSIFIED AT LOWEST CREDIT RATING*

As of June 30, 2009

(Unaudited)

(In thousands)	Par value	Amortized cost	Net unrealized gains (losses) recognized in OCI ¹	Carrying value	Net unrealized gains (losses) not recognized in OCI ¹	Estimated fair value
HELD-TO-MATURITY:						
Municipal securities	\$ 674,524	\$ 671,671	\$ -	\$ 671,671	\$ (272)	\$ 671,399
Asset-backed securities:						
Trust preferred securities – banks and insurance						
Noninvestment grade	264,896	264,743	(25,711)	239,032	(38,504)	200,528
Noninvestment grade – OTTI/PIK'd ²	551	549	(105)	444	-	444
	<u>265,447</u>	<u>265,292</u>	<u>(25,816)</u>	<u>239,476</u>	<u>(38,504)</u>	<u>200,972</u>
Other						
AAA rated	4,334	4,147	(90)	4,057	(309)	3,748
Noninvestment grade	21,831	19,858	(1,067)	18,791	(7,557)	11,234
Noninvestment grade – OTTI/PIK'd ²	12,413	8,481	(4,634)	3,847	(112)	3,735
	<u>38,578</u>	<u>32,486</u>	<u>(5,791)</u>	<u>26,695</u>	<u>(7,978)</u>	<u>18,717</u>
Other debt securities	100	100	-	100	(2)	98
	<u>978,649</u>	<u>969,549</u>	<u>(31,607)</u>	<u>937,942</u>	<u>(46,756)</u>	<u>891,186</u>
AVAILABLE-FOR-SALE:						
U.S. Treasury securities	25,653	25,113	732	25,845		25,845
U.S. Government agencies and corporations:						
Agency securities	290,084	290,504	5,874	296,378		296,378
Agency guaranteed mortgage-backed securities	410,168	411,180	9,504	420,684		420,684
Small Business Administration loan-backed securities	786,872	834,883	(22,353)	812,530		812,530
Municipal securities	257,441	251,029	1,804	252,833		252,833
Asset-backed securities:						
Trust preferred securities – banks and insurance						
AAA rated	5,779	5,779	(140)	5,639		5,639
AA rated	65,040	64,550	(8,884)	55,666		55,666
A rated	149,401	121,423	3,529	124,952		124,952
BBB rated	257,649	180,886	14,630	195,516		195,516
Not rated	26,020	25,003	(3,988)	21,015		21,015
Noninvestment grade	1,170,877	1,073,816	(283,701)	790,115		790,115
Noninvestment grade – OTTI/PIK'd ²	786,218	702,300	(359,039)	343,261		343,261
	<u>2,460,984</u>	<u>2,173,757</u>	<u>(637,593)</u>	<u>1,536,164</u>		<u>1,536,164</u>
Trust preferred securities – real estate investment trusts						
Noninvestment grade	45,000	33,890	(12,460)	21,430		21,430
Noninvestment grade – OTTI/PIK'd ²	50,000	42,855	(29,705)	13,150		13,150
	<u>95,000</u>	<u>76,745</u>	<u>(42,165)</u>	<u>34,580</u>		<u>34,580</u>
Auction rate securities						
AAA rated	174,825	161,023	(1,291)	159,732		159,732
BBB rated	7,300	4,678	789	5,467		5,467
Noninvestment grade	6,800	6,186	(156)	6,030		6,030
	<u>188,925</u>	<u>171,887</u>	<u>(658)</u>	<u>171,229</u>		<u>171,229</u>
Other						
AAA rated	30,134	28,146	(8,538)	19,608		19,608
AA rated	5,164	5,164	(787)	4,377		4,377
A rated	7,621	6,901	365	7,266		7,266
BBB rated	5,919	4,395	(1,242)	3,153		3,153
Noninvestment grade	95,253	88,571	(29,103)	59,468		59,468
Noninvestment grade – OTTI/PIK'd ²	74,012	28,806	(15,349)	13,457		13,457
	<u>218,103</u>	<u>161,983</u>	<u>(54,654)</u>	<u>107,329</u>		<u>107,329</u>
	<u>4,733,230</u>	<u>4,397,081</u>	<u>(739,509)</u>	<u>3,657,572</u>		<u>3,657,572</u>
Other securities:						
Mutual funds and stock	246,323	246,323	-	246,323		246,323
	<u>4,979,553</u>	<u>4,643,404</u>	<u>(739,509)</u>	<u>3,903,895</u>		<u>3,903,895</u>
Total	<u>\$ 5,958,202</u>	<u>\$ 5,612,953</u>	<u>\$ (771,116)</u>	<u>\$ 4,841,837</u>	<u>\$ (46,756)</u>	<u>\$ 4,795,081</u>

* Ratings categories include entire range. For example, "A rated" includes A+, A and A-. Split rated securities with more than one rating are categorized at the lowest rating level.

¹ Other comprehensive income. All amounts reported are pretax.

² Consists of securities determined to have Other Than Temporary Impairment ("OTTI") and/or securities whose most recent interest payment was capitalized as opposed to being paid in cash, as permitted under the terms of the security. This capitalization feature is known as Payment In Kind ("PIK") and where exercised the security is called PIK'd.

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**Nonperforming Lending Related Assets
(Unaudited)**

(In thousands)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Nonaccrual loans	\$ 1,628,700	\$ 1,421,279	\$ 946,583	\$ 765,522	\$ 570,101
Other real estate owned	293,857	226,634	191,792	156,817	125,186
Nonperforming assets, excluding FDIC-supported assets	1,922,557	1,647,913	1,138,375	922,339	695,287
FDIC-supported assets ¹	136,775	106,910	-	-	-
Total nonperforming assets	<u>\$ 2,059,332</u>	<u>\$ 1,754,823</u>	<u>\$ 1,138,375</u>	<u>\$ 922,339</u>	<u>\$ 695,287</u>
Ratio of nonperforming assets, excluding FDIC-supported assets, to net loans and leases ² and other real estate owned	4.68%	3.96%	2.71%	2.19%	1.66%
Ratio of nonperforming assets to net loans and leases ² and other real estate owned	4.91%	4.14%	2.71%	2.19%	1.66%
Accruing loans past due 90 days or more, excluding FDIC-supported assets	\$ 178,300	\$ 88,035	\$ 129,567	\$ 97,831	\$ 108,934
Accruing loans past due 90 days or more	196,531	112,400	129,567	97,831	108,934
Ratio of accruing loans past due 90 day or more, excluding FDIC-supported assets, to net loans and leases	0.44%	0.21%	0.31%	0.23%	0.26%
Ratio of accruing loans past due 90 day or more to net loans and leases	0.47%	0.27%	0.31%	0.23%	0.26%

¹ FDIC-supported assets represent assets acquired from the FDIC subject to a loss sharing agreement.

² Includes loans held for sale.

**Allowance and Reserve for Credit Losses
(Unaudited)**

(In thousands)	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Allowance for Loan Losses					
Balance at beginning of period	\$ 832,878	\$ 686,999	\$ 609,433	\$ 548,958	\$ 501,283
Allowance associated with purchased securitized loans and loans sold	-	-	30	(804)	1,301
Add:					
Provision for losses	762,654	297,624	285,189	156,606	114,192
Deduct:					
Loan and lease charge-offs	(353,226)	(157,691)	(185,317)	(100,241)	(75,378)
Recoveries	5,749	5,946	5,601	4,914	7,560
Net loan and lease charge-offs	(347,477)	(151,745)	(179,716)	(95,327)	(67,818)
Reclassification to reserve for unfunded lending commitments	-	-	(27,937)	-	-
Balance at end of period	<u>\$ 1,248,055</u>	<u>\$ 832,878</u>	<u>\$ 686,999</u>	<u>\$ 609,433</u>	<u>\$ 548,958</u>
Ratio of allowance for loan losses to net loans and leases, excluding FDIC-supported assets, outstanding at period end	3.08%	2.03%	1.65%	1.46%	1.32%
Ratio of allowance for loan losses to nonperforming loans, excluding FDIC-supported assets, at period end	76.63%	58.60%	72.58%	79.61%	96.29%
Reserve for Unfunded Lending Commitments					
Balance at beginning of period	\$ 52,761	\$ 50,934	\$ 23,574	\$ 26,838	\$ 25,148
Reclassification from allowance for loan losses	-	-	27,937	-	-
Provision charged (credited) against earnings	7,927	1,827	(577)	(3,264)	1,690
Balance at end of period	<u>\$ 60,688</u>	<u>\$ 52,761</u>	<u>\$ 50,934</u>	<u>\$ 23,574</u>	<u>\$ 26,838</u>
Total Allowance and Reserve for Credit Losses					
Allowance for loan losses	\$ 1,248,055	\$ 832,878	\$ 686,999	\$ 609,433	\$ 548,958
Reserve for unfunded lending commitments	60,688	52,761	50,934	23,574	26,838
Total allowance and reserve for credit losses	<u>\$ 1,308,743</u>	<u>\$ 885,639</u>	<u>\$ 737,933</u>	<u>\$ 633,007</u>	<u>\$ 575,796</u>
Ratio of total allowance and reserve for credit losses to net loans and leases outstanding, excluding FDIC-supported assets, at period end	3.23%	2.16%	1.77%	1.52%	1.38%

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**Loan Balances By Portfolio Type
(Unaudited)**

(In millions)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Commercial lending:					
Commercial and industrial	\$ 10,588	\$ 10,958	\$ 11,447	\$ 11,351	\$ 11,247
Leasing	423	401	431	451	492
Owner occupied	8,782	8,769	8,743	8,782	8,912
Total commercial lending	<u>19,793</u>	<u>20,128</u>	<u>20,621</u>	<u>20,584</u>	<u>20,651</u>
Commercial real estate:					
Construction and land development	6,848	7,265	7,516	7,812	7,891
Term	6,795	6,559	6,196	6,079	5,939
Total commercial real estate	<u>13,643</u>	<u>13,824</u>	<u>13,712</u>	<u>13,891</u>	<u>13,830</u>
Consumer:					
Home equity credit line	2,086	2,058	2,005	1,899	1,794
1-4 family residential	3,781	3,817	3,877	3,892	3,914
Construction and other consumer real estate	599	666	774	769	852
Bankcard and other revolving plans	344	327	374	360	332
Other	342	358	385	411	436
Total consumer	<u>7,152</u>	<u>7,226</u>	<u>7,415</u>	<u>7,331</u>	<u>7,328</u>
Foreign loans	67	43	43	70	65
FDIC-supported assets ¹	<u>875</u>	<u>836</u>			
Total loans	<u>\$ 41,530</u>	<u>\$ 42,057</u>	<u>\$ 41,791</u>	<u>\$ 41,876</u>	<u>\$ 41,874</u>

¹ FDIC-supported assets represent assets acquired from the FDIC subject to loss sharing agreements and include expected reimbursements from the FDIC of approximately \$81 million.

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CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES

(Unaudited)

(In thousands)	Three Months Ended June 30, 2009			Three Months Ended March 31, 2009		
	Average balance	Amount of interest ¹	Average rate	Average balance	Amount of interest ¹	Average rate
ASSETS						
Money market investments	\$ 1,944,332	\$ 1,543	0.32%	\$ 2,961,701	\$ 3,376	0.46%
Securities:						
Held-to-maturity	1,491,322	18,284	4.92%	1,786,617	28,546	6.48%
Available-for-sale	3,336,239	29,717	3.57%	2,643,327	24,285	3.73%
Trading account	79,554	823	4.15%	56,106	571	4.13%
Total securities	<u>4,907,115</u>	<u>48,824</u>	3.99%	<u>4,486,050</u>	<u>53,402</u>	4.83%
Loans held for sale	256,253	3,082	4.82%	244,687	2,756	4.57%
Loans:						
Net loans and leases excluding FDIC-supported assets ²	40,991,516	579,070	5.67%	41,383,829	579,020	5.67%
FDIC-supported assets	919,424	10,921	4.76%	504,795	7,043	5.66%
Total loans and leases	<u>41,910,940</u>	<u>589,991</u>	5.65%	<u>41,888,624</u>	<u>586,063</u>	5.67%
Total interest-earning assets	49,018,640	643,440	5.26%	49,581,062	645,597	5.28%
Cash and due from banks	1,236,641			1,364,473		
Allowance for loan losses	(876,064)			(714,642)		
Goodwill	1,017,382			1,654,222		
Core deposit and other intangibles	125,768			126,759		
Other assets	3,547,787			3,387,801		
Total assets	<u>\$ 54,070,154</u>			<u>\$ 55,399,675</u>		
LIABILITIES						
Interest-bearing deposits:						
Savings and NOW	\$ 4,931,024	\$ 5,292	0.43%	\$ 4,529,097	\$ 5,799	0.52%
Money market	17,787,662	59,657	1.35%	17,480,861	68,754	1.60%
Time under \$100,000	2,942,319	19,254	2.62%	3,103,857	21,793	2.85%
Time \$100,000 and over	4,628,867	28,475	2.47%	4,753,453	33,486	2.86%
Foreign	1,972,503	4,848	0.99%	2,356,293	7,400	1.27%
Total interest-bearing deposits	<u>32,262,375</u>	<u>117,526</u>	1.46%	<u>32,223,561</u>	<u>137,232</u>	1.73%
Borrowed funds:						
Securities sold, not yet purchased	47,804	637	5.34%	33,469	439	5.32%
Federal funds purchased and security repurchase agreements	2,047,532	1,591	0.31%	2,333,675	1,850	0.32%
Commercial paper	2,589	10	1.55%	3,383	14	1.68%
FHLB advances and other borrowings:						
One year or less	150,960	1,423	3.78%	935,108	3,717	1.61%
Over one year	35,777	476	5.34%	127,942	1,803	5.72%
Long-term debt	2,717,284	22,345	3.30%	2,659,678	19,872	3.03%
Total borrowed funds	<u>5,001,946</u>	<u>26,482</u>	2.12%	<u>6,093,255</u>	<u>27,695</u>	1.84%
Total interest-bearing liabilities	37,264,321	144,008	1.55%	38,316,816	164,927	1.75%
Noninterest-bearing deposits	10,696,423			9,905,091		
Other liabilities	480,256			633,412		
Total liabilities	<u>48,441,000</u>			<u>48,855,319</u>		
Shareholders' equity:						
Preferred equity	1,587,752			1,583,659		
Common equity	4,016,134			4,932,977		
Controlling interest shareholders' equity	5,603,886			6,516,636		
Noncontrolling interests	25,268			27,720		
Total shareholders' equity	<u>5,629,154</u>			<u>6,544,356</u>		
Total liabilities and shareholders' equity	<u>\$ 54,070,154</u>			<u>\$ 55,399,675</u>		
Spread on average interest-bearing funds			3.71%			3.53%
Taxable-equivalent net interest income and net yield on interest-earning assets		<u>\$ 499,432</u>	4.09%		<u>\$ 480,670</u>	3.93%

¹ Taxable-equivalent rates used where applicable.

² Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

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CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES

(Unaudited)

(In thousands)	Six Months Ended June 30, 2009			Six Months Ended June 30, 2008		
	Average balance	Amount of interest ¹	Average rate	Average balance	Amount of interest ¹	Average rate
ASSETS						
Money market investments	\$ 2,450,206	\$ 4,919	0.40%	\$ 1,941,873	\$ 31,341	3.25%
Securities:						
Held-to-maturity	1,638,154	46,830	5.76%	1,116,560	37,651	6.78%
Available-for-sale	2,991,697	54,002	3.64%	3,947,157	103,203	5.26%
Trading account	67,895	1,394	4.14%	40,137	840	4.21%
Total securities	<u>4,697,746</u>	<u>102,226</u>	4.39%	<u>5,103,854</u>	<u>141,694</u>	5.58%
Loans held for sale	250,502	5,838	4.70%	200,545	5,716	5.73%
Loans:						
Net loans and leases excluding FDIC-supported assets ²	41,186,589	1,158,090	5.67%	39,781,734	1,346,219	6.81%
FDIC-supported assets	713,255	17,964	5.08%	-	-	
Total loans and leases	<u>41,899,844</u>	<u>1,176,054</u>	5.66%	<u>39,781,734</u>	<u>1,346,219</u>	6.81%
Total interest-earning assets	49,298,298	<u>1,289,037</u>	5.27%	47,028,006	<u>1,524,970</u>	6.52%
Cash and due from banks	1,300,204			1,368,970		
Allowance for loan losses	(795,799)			(496,761)		
Goodwill	1,334,043			2,009,497		
Core deposit and other intangibles	126,261			142,019		
Other assets	3,468,236			3,051,868		
Total assets	<u>\$ 54,731,243</u>			<u>\$ 53,103,599</u>		
LIABILITIES						
Interest-bearing deposits:						
Savings and NOW	\$ 4,731,171	\$ 11,091	0.47%	\$ 4,585,133	\$ 19,245	0.84%
Money market	17,635,109	128,411	1.47%	12,861,959	164,886	2.58%
Time under \$100,000	3,022,642	41,047	2.74%	2,545,893	50,441	3.98%
Time \$100,000 and over	4,690,816	61,961	2.66%	4,402,884	89,536	4.09%
Foreign	2,163,338	12,248	1.14%	3,272,481	49,705	3.05%
Total interest-bearing deposits	<u>32,243,076</u>	<u>254,758</u>	1.59%	<u>27,668,350</u>	<u>373,813</u>	2.72%
Borrowed funds:						
Securities sold, not yet purchased	40,676	1,076	5.33%	33,438	747	4.49%
Federal funds purchased and security repurchase agreements	2,189,813	3,441	0.32%	3,157,020	38,775	2.47%
Commercial paper	2,984	24	1.62%	177,233	3,554	4.03%
FHLB advances and other borrowings:						
One year or less	540,868	5,140	1.92%	4,473,306	65,267	2.93%
Over one year	81,605	2,279	5.63%	128,185	3,665	5.75%
Long-term debt	2,688,640	42,217	3.17%	2,486,947	56,025	4.53%
Total borrowed funds	<u>5,544,586</u>	<u>54,177</u>	1.97%	<u>10,456,129</u>	<u>168,033</u>	3.23%
Total interest-bearing liabilities	37,787,662	<u>308,935</u>	1.65%	38,124,479	<u>541,846</u>	2.86%
Noninterest-bearing deposits	10,302,943			9,016,094		
Other liabilities	556,411			595,732		
Total liabilities	<u>48,647,016</u>			<u>47,736,305</u>		
Shareholders' equity:						
Preferred equity	1,585,717			240,000		
Common equity	4,472,023			5,098,334		
Controlling interest shareholders' equity	6,057,740			5,338,334		
Noncontrolling interests	26,487			28,960		
Total shareholders' equity	<u>6,084,227</u>			<u>5,367,294</u>		
Total liabilities and shareholders' equity	<u>\$ 54,731,243</u>			<u>\$ 53,103,599</u>		
Spread on average interest-bearing funds			3.62%			3.66%
Taxable-equivalent net interest income and net yield on interest-earning assets		<u>\$ 980,102</u>	4.01%		<u>\$ 983,124</u>	4.20%

¹ Taxable-equivalent rates used where applicable.

² Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

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**Capital Ratios
(Unaudited)**

	June 30, 2009	March 31, 2009	June 30, 2008
Tangible common equity ratio	5.66%	5.26%	5.51%
Tangible equity ratio	8.59%	8.28%	6.01%
Risk-based capital ratios ¹ :			
Tier 1 risk-based capital	9.64%	9.43%	7.45%
Total risk-based capital	12.84%	13.39%	11.58%

¹ Ratios for June 30, 2009 are estimates.