

ZIONS BANCORPORATION /UT/
Form 424B3
December 12, 2002

PROSPECTUS

ZIONS BANCORPORATION

79,693 Shares

Common Stock

This prospectus is part of a registration statement of Zions Bancorporation ("Zions," "we," "us" or "our") filed with the Securities and Exchange Commission in connection with a private placement by Zions of 79,693 shares of its common stock in October 2002, upon the completion of the merger of Chatting Anchors Merger Company, a wholly-owned subsidiary of Zions, and Grant-Hatch & Associates, Inc. ("Grant-Hatch"). As part of the private placement, we agreed to register for resale the shares of common stock that we issued upon completion of the merger to the six former shareholders of Grant-Hatch. See "Issuance of Zions Common Stock to the Selling Shareholders," beginning at page 4.

This prospectus will be used by the selling shareholders to sell up to 85,365 shares of our common stock. The selling shareholders may sell their shares of common stock from time to time. See "Selling Shareholders," beginning at page 5.

For information on the methods of sale of the common stock, you should refer to the section entitled "Plan of Distribution," beginning at page 6. Zions will not receive any portion of the proceeds from the sale by the selling shareholders of their common stock.

You should read this prospectus and any prospectus supplement carefully and in its entirety before you invest in shares of our common stock.

Our common stock is listed on the Nasdaq National Market under the symbol "ZION." On December 3, 2002, the closing sales price for our common stock on the Nasdaq National Market was \$41.00.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

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

The date of this prospectus is December 12, 2002.

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WE HAVE NOT AUTHORIZED ANY DEALER, SALESPERSON OR OTHER PERSON TO GIVE ANY INFORMATION OR REPRESENT ANYTHING NOT CONTAINED IN THIS PROSPECTUS. YOU SHOULD NOT RELY ON ANY UNAUTHORIZED INFORMATION. THIS PROSPECTUS DOES NOT OFFER TO SELL OR BUY ANY SHARES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL. THE INFORMATION IN THIS PROSPECTUS IS CURRENT AS OF THE DATE ON THE COVER.

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ZIONS BANCORPORATION

Zions Bancorporation is a multi-bank holding company organized under the laws of Utah in 1955, and registered as a bank holding company and a financial holding company under the Bank Holding Company Act of 1956. Zions and its subsidiaries own and operate six commercial banks with a total of 409 offices. Zions provides a full range of banking and related services through its banking and other subsidiaries, primarily in Utah, Arizona, California, Colorado, Idaho, Nevada and Washington. On September 30, 2002, Zions had total consolidated assets of approximately \$26.3 billion, consolidated loans (net of unearned income and fees) of approximately \$18.3 billion, total consolidated deposits of approximately \$19.5 billion, and shareholders' equity of approximately \$2.4 billion. Active full-time equivalent employees totaled 8,049 at September 30, 2002. Zions focuses on maintaining community-minded banking by strengthening its core business lines of retail banking, small and medium-sized business lending, residential mortgage and investment activities. The banks provide a wide variety of commercial and retail banking and mortgage-lending products and services. The banks provide commercial loans, lease financing, cash management, lockbox, customized draft processing, and other special financial services for business and other commercial banking customers. A wide range of personal banking services are provided to individuals, including bank card, student and other installment loans and home equity lines of credit, checking

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accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit and 24 hour ATM access.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and documents incorporated by reference into this prospectus contain forward-looking statements that are based upon our current expectations, assumptions, estimates and projections about our business and our industry, and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in or contemplated by the forward-looking statements. We have used and incorporated by reference "forward-looking statements" in this prospectus, including one or more of the following:

- o projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
- o descriptions of plans or objectives of management for future operations, products or services;
- o forecasts of future economic performance; and
- o descriptions of assumptions underlying or relating to any of the foregoing.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "will permit," "will afford," "believes," "expects," "may," "should," "projected," "contemplates," or "anticipates." These statements are within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are subject to risks and uncertainties that could cause actual results of Zions to differ materially. We have used these

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statements to describe our expectations and estimates in various sections of this prospectus.

Factors that might cause such differences include, but are not limited to:

- o the timing of closing proposed mergers being delayed;
- o competitive pressures among financial institutions increasing significantly; economic conditions, either nationally or locally in areas in which we conduct our operations, being less favorable than expected;
- o the cost and effort required to integrate aspects of the operations of companies that we may acquire in the future being more difficult than expected;
- o expected cost savings from proposed mergers not being fully realized or realized within the expected time frame; and
- o legislation or regulatory changes which adversely affect the ability of Zions to conduct its current and future operations.

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We disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements included in this prospectus to reflect future events or developments. Our actual results could differ materially from those set forth in the forward-looking statements because of many reasons, including the risk factors listed above. This list may not be exhaustive.

USE OF PROCEEDS

We will not receive any proceeds from the sale of common stock by the selling shareholders. All proceeds from the sale of the common stock under this prospectus will be for the account of the selling shareholders. See "Selling Shareholders" and "Plan of Distribution" below.

ISSUANCE OF ZIONS COMMON STOCK TO THE SELLING SHAREHOLDERS

On October 21, 2002, we completed our merger with Grant-Hatch. In the merger, our wholly-owned subsidiary Chatting Anchors merged with and into Grant-Hatch. Following the merger, Grant-Hatch was the surviving corporation and became a wholly-owned subsidiary of Zions.

Upon completion of the merger, we issued a total of 79,693 shares of our common stock to the six former shareholders of Grant-Hatch. We issued all of those securities, which are the subject of this prospectus, under an exemption from the registration requirements of the Securities Act of 1933. All of those securities are restricted and, in general, are not freely tradable until we register them with the SEC. In the Agreement and Plan of Reorganization which governed the merger, we agreed that following the merger we would register on behalf of the six shareholders of Grant-Hatch the shares of Zions common stock that were issuable to them upon completion of the merger. This prospectus covers the resale by the six former shareholders of Grant-Hatch as selling shareholders of up to 79,693 shares of our common stock that they received in the merger.

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INCOME TAX CONSIDERATIONS

You should consult your own tax advisor about the income tax issues and the consequences of holding and disposing of our common stock.

SELLING SHAREHOLDERS

The information provided in the table below with respect to each selling shareholder has been obtained from the selling shareholder. The following table sets forth information as of November 25, 2002, with respect to the number of shares of our common stock owned by each of our shareholders selling under this prospectus. None of the selling shareholders has had a material relationship with us within the past three years, other than as a result of the ownership of shares of our common stock or in the case of Norman D. Squires, as an executive officer and director of our Grant-Hatch subsidiary following the merger. We do not consider any of the selling shareholders an affiliate of Zions.

The selling shareholders will act independently of us in making decisions with respect to the timing, manner and size of the sale or sales of common stock covered by this prospectus. We cannot estimate the number of shares that each selling shareholder will hold after completion of this offering because the selling shareholders may offer some or all of the shares owned by them and further because we have no knowledge as to any agreements, arrangements or understandings with respect to the sale of any of the shares. Our

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registration of the shares of common stock held by the selling shareholders does not necessarily mean that the selling shareholders will sell all or any of the shares.

Name of Selling Shareholder	Shares of Zions Common Stock Beneficially Owned as of the Date Hereof	Percentage of Zions Common Stock Held before Sale of Common Stock	Number of Shares Registered for Sale Hereby	Shares of Zions Common Stock Beneficially Owned after the Sale of the Common Stock (1)
Richard G. Taylor Revocable Trust	28,161	*	26,711	1,450
Marilyn C. Taylor Revocable Trust	26,709	*	26,709	0
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Norman D. Squires Living Trust	12,744	*	12,744	0
Dorene H. Squires Living Trust	12,744	*	12,744	0
Robert C. Cummings	693	*	693	0
Estate of Julian C. Smith, Deceased	92	*	92	0
Totals	81,143	*	79,693	1,450

(1) Assumes the sale of all shares which are the subject of this prospectus. We cannot predict whether the selling shareholders will sell all or any of the shares.

* Represents less than 1/10th of one percent of the total number of Zions shares issued and outstanding. On November 20, 2002, there were 90,802,265 shares of Zions common stock outstanding.

PLAN OF DISTRIBUTION

The selling shareholders may sell the 79,693 shares of common stock covered by this prospectus from time to time. As used herein, "selling shareholders" includes the selling shareholders named in the table above and pledgees, donees, transferees or other successors-in-interest selling shares received from a named selling shareholder as a gift, partnership distribution or other non-sale-related transfer after the date of this prospectus. The selling shareholders will act independently of us, and to the best of our knowledge independently from each other, in making decisions with respect to the timing, manner and size of each sale. The common stock may be sold by or for the account of the selling shareholders in transactions on the Nasdaq National Market, the over-the-counter market, or otherwise. The sales may be made at fixed prices, at market prices prevailing at the time, or at privately negotiated prices. The selling shareholders may sell the common stock by means of one or more of the following methods:

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- o a block trade in which the broker-dealer so engaged will attempt to sell the common stock as agent, but may position and resell a portion of the block as a principal to facilitate the transaction;
- o purchases by brokers, dealers or underwriters as principal and resale by those purchasers for their own accounts under this prospectus;

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- o ordinary brokerage transactions in which the broker solicits purchasers;
- o in connection with the loan or pledge of the common stock registered hereunder to a broker-dealer, and the sale of the common stock so loaned or the sale of the shares so pledged upon a default;
- o in connection with the writing of non-traded and exchange-traded call options, in hedge transactions and in settlement of other transactions in standardized or over-the-counter options;
- o in privately negotiated transactions; or
- o in a combination of any of the above methods.

In effecting sales, brokers or dealers engaged by the selling shareholder may arrange for other brokers or dealers to participate in the resales. Brokers, dealers or agents may receive compensation in the form of discounts, concessions or commissions from the selling shareholders or from the purchasers, or from both. This compensation may exceed customary commissions.

The selling shareholders and any participating brokers, dealers or agents may be deemed to be "underwriters" within the meaning of the Securities Act in connection with their sales. In that event, any commission, discount or concession these "underwriters" receive may be deemed to be underwriting compensation. In addition, because selling shareholders may be deemed to be "underwriters" within the meaning of Section 2(a)(11) of the Securities Act, the selling shareholders will be subject to the prospectus delivery requirements of the Securities Act of 1933. We will make copies of this prospectus available to the selling shareholders and have informed them of the need for them to deliver copies of this prospectus to purchasers on or prior to the date of sales of the shares offered through this prospectus. In addition, any shares of a selling shareholder covered by this prospectus which qualify for sale under Rule 144 of the Securities Act may be sold under Rule 144 rather than by this prospectus.

We have agreed to bear all expenses of registration of the common stock (other than fees and expenses, if any, of legal counsel or other advisors to the selling shareholders). Any commissions, discounts, concessions or other fees, if any, which are payable to brokers or dealers in connection with any sale of the common stock will be borne by the selling shareholders selling those shares, and not by us.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. In addition, if we are notified by a selling shareholder that a donee, distributee, pledgee, or other transferee intends to sell more than 500 shares, we may file a supplement to this prospectus naming the successor-in-interest.

DESCRIPTION OF ZIONS CAPITAL STOCK

Authorized Capital Stock

The following statements are brief summaries of the material provisions of Zions' preferred stock and common stock and are qualified in their entirety by the provisions of Zions' articles of incorporation.

PREFERRED STOCK. The articles of incorporation of Zions authorize the issuance of 3,000,000 shares of preferred stock with no par value per share. There are no shares of Zions preferred stock outstanding. Zions' articles of incorporation authorize the Zions board to provide, without further shareholder action, for the issuance of one or more series of preferred stock. The Zions board has the power to fix various terms with respect to each series, including voting powers, designations, preferences and relative, participating, optional and or other special rights, qualifications, limitations, restrictions and redemption, conversion or exchangeability provisions. Holders of preferred stock have no preemptive rights.

COMMON STOCK. Zions is authorized to issue 350,000,000 shares of common stock with no par value per share. There are approximately 90,802,265 shares of common stock of Zions outstanding at November 20, 2002. The holders of common stock of Zions are entitled to voting rights for the election of directors and for other purposes, subject to voting rights which may in the future be granted to subsequently created series of preferred stock. Shares of Zions common stock do not have cumulative voting rights. Holders of Zions common stock are entitled to receive dividends when and if declared by the Zions board out of any funds legally available therefor, and are entitled upon liquidation, after claims of creditors and preferences of any series of preferred stock hereafter authorized, to receive pro rata the net assets of Zions. Holders of Zions common stock have no preemptive or conversion rights.

SHAREHOLDER RIGHTS PLAN. As of September 27, 1996, Zions adopted a Shareholder Protection Rights Agreement (the "Rights Plan"). In connection with that plan, the Zions board (1) declared a dividend of one right for each share of common stock held of record as of the close of business on October 11, 1996 and (2) authorized the issuance of one right to attach to each share of common stock issued after October 11, 1996, and prior to the occurrence of certain events described in the Rights Plan. The rights are attached to all common stock certificates that were outstanding on October 25, 1996, or have been issued since that date, and no separate rights certificates have been or will be distributed until the occurrence of certain events described in the Rights Plan. Until such separation, no right may be exercised or traded separately from the common stock certificate to which it is attached. Following separation, the rights may, depending upon the occurrence of certain events described in the Rights Plan, entitle the holders thereof to either purchase or receive additional shares of common stock. The rights will expire at the close of business on October 11, 2006, unless earlier redeemed by Zions in accordance with the terms of the Rights Plan.

The shareholder rights will cause substantial dilution to a person or group that attempts to acquire Zions on terms not approved by the Zions board, except by means of an offer conditioned on a substantial number of rights being acquired. The rights should not interfere with any merger or other business combination approved by the Zions board, as the rights may be redeemed by Zions prior to the time that a person or group has acquired beneficial ownership of 10% or more of the shares of Zions common stock.

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The Rights Plan is designed to protect the interests of Zions' shareholders in the event of an unsolicited attempt to acquire Zions, including a gradual accumulation of shares in the open market. Zions believes the plan provides protection against a partial or two-tier tender offer that does not treat all shareholders equally and against other coercive takeover tactics which could impair the Zions board's ability to represent Zions' shareholders fully. Management believes that the rights should also deter any attempt by a controlling shareholder to take advantage of Zions through self-dealing transactions. The Rights Plan is not intended to prevent a takeover of Zions. Issuing the rights has no dilutive effect, does not affect reported earnings per share and does not change the way in which Zions shares are traded. However, the exercise of rights by some but not all of Zions' shareholders would have a dilutive effect on non-exercising shareholders. Moreover, some may argue that the Rights Plan has the potential for "entrenching" current management by allowing current voting shareholders to increase their voting shares, thus making a tender offer more difficult and costly.

REGISTRAR AND TRANSFER AGENT

Zions' registrar and transfer agent is Zions First National Bank, Salt Lake City, Utah.

LEGAL MATTERS

Certain legal matters with respect to the legality of the issuance of the common stock offered in this prospectus have been passed upon for us by Duane Morris LLP, Washington, D.C.

EXPERTS

The consolidated financial statements for the years ended December 31, 2001 and 2000, of Zions Bancorporation incorporated by reference in the Zions Bancorporation Annual Report (Form 10-K) for the year ended December 31, 2001, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated statements of income, changes in shareholders' equity and comprehensive income, and cash flows for the year ended December 31, 1999 of Zions Bancorporation and subsidiaries have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent accountants, appearing in Zions Bancorporation's Annual Report on Form 10-K for the year ended December 31, 2001, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also

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maintains an Internet site that contains reports, proxy statements and other information that we file electronically with the SEC. You may read and copy these materials at the web site maintained by the SEC at <http://www.sec.gov>. In addition, you may read and copy Zions' SEC filings at the Nasdaq National Market, 1735 K Street, N.W., Washington, D.C. 20006-1500. Our Internet address is www.zionsbancorporation.com.

We have filed a registration statement on SEC Form S-3 to register with the SEC the shares of our common stock to be offered and sold by the selling shareholders. This prospectus is a part of that registration statement. As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. The following documents which we incorporate by reference into this prospectus contain important information about us, our finances and our common stock:

- o Our Annual Report on Form 10-K for the year ended December 31, 2001;
- o Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002;
- o Our Current Reports on Form 8-K, filed with the SEC on April 23, 2002, July 23, 2002, August 6, 2002, August 15, 2002, August 21, 2002, September 11, 2002, October 4, 2002, October 21, 2002 and November 14, 2002;
- o The description of our common stock and rights set forth in our registration statement on Form 10 and Form 8-A filed pursuant to Section 12 of the Exchange Act, including any amendment or report filed with the SEC for the purpose of updating such descriptions; and
- o The description of our common stock as set forth above under the caption "Description of Zions Capital Stock."

We incorporate by reference additional documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this prospectus and prior to termination of the offering.

If you are a shareholder, we may have sent you some of the documents incorporated by reference, but you can obtain any of them through us or the SEC. You can obtain documents incorporated by reference from us without charge, excluding all exhibits unless we have specifically incorporated by reference an exhibit into this prospectus. Shareholders may obtain documents incorporated by reference in this prospectus by requesting them in writing or by telephone from us at the following address:

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Zions Bancorporation
One South Main, Suite 1134
Salt Lake City, Utah 84111

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Attention: Ms. Jennifer R. Jolley
Assistant Secretary
Tel: (801) 524-4787

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROSPECTUS. THIS PROSPECTUS IS DATED DECEMBER ____, 2002. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE DELIVERY OF THIS PROSPECTUS SHALL NOT CREATE ANY IMPLICATION TO THE CONTRARY.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. This prospectus is dated December 12, 2002. You should not assume that the information contained in this prospectus is accurate as of any date other than that date, and the delivery of this prospectus shall not create any implication to the contrary.

79,693 Shares

ZIONS BANCORPORATION

Common Stock

PROSPECTUS

We have not authorized any dealer, salesperson or other person to give any information or represent anything not contained in this prospectus. This prospectus does not offer to sell or buy any securities in any jurisdiction where it is unlawful. The information in this prospectus is current as of December 12, 2002.

December 12, 2002
