

ZIONS BANCORPORATION /UT/
Form 10-Q
August 09, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2010

OR

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER 001-12307

ZIONS BANCORPORATION

(Exact name of registrant as specified in its charter)

UTAH
(State or other jurisdiction

of incorporation or organization)

ONE SOUTH MAIN, 15TH FLOOR

SALT LAKE CITY, UTAH
(Address of principal executive offices)

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

87-0227400
(I.R.S. Employer

Identification No.)

84133
(Zip Code)

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

Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

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

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

Yes No

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

Common Stock, without par value, outstanding at July 31, 2010

173,340,649 shares

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ZIONS BANCORPORATION AND SUBSIDIARIES

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ZIONS BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)	June 30, 2010 (Unaudited)	December 31, 2009	June 30, 2009 (Unaudited)
ASSETS			
Cash and due from banks	\$ 1,068,755	\$ 1,370,189	\$ 1,229,205
Money market investments:			
Interest-bearing deposits	4,861,871	652,964	1,005,060
Federal funds sold	44,720	20,985	390,619
Security resell agreements	58,954	57,556	57,476
Investment securities:			
Held-to-maturity, at adjusted cost (approximate fair value \$802,370, \$833,455 and \$891,186)	852,606	869,595	937,942
Available-for-sale, at fair value	3,416,448	3,655,619	3,903,895
Trading account, at fair value	85,707	23,543	78,608
	4,354,761	4,548,757	4,920,445
Loans held for sale	189,376	208,567	251,526
Loans:			
Loans and leases excluding FDIC-supported loans	36,920,355	38,882,083	40,654,802
FDIC-supported loans	1,208,362	1,444,594	783,238
	38,128,717	40,326,677	41,438,040
Less:			
Unearned income and fees, net of related costs	125,779	137,697	130,042
Allowance for loan losses	1,563,753	1,531,332	1,248,055
Loans and leases, net of allowance	36,439,185	38,657,648	40,059,943
Other noninterest-bearing investments	866,970	1,099,961	1,046,131
Premises and equipment, net	705,372	710,534	703,613
Goodwill	1,015,161	1,015,161	1,017,385
Core deposit and other intangibles	100,425	113,416	121,675
Other real estate owned	413,336	389,782	304,778
Other assets	2,028,409	2,277,487	1,660,098
	\$ 52,147,295	\$ 51,123,007	\$ 52,767,954

LIABILITIES AND SHAREHOLDERS EQUITY

Deposits:			
Noninterest-bearing demand	\$ 14,071,456	\$ 12,324,247	\$ 11,142,017
Interest-bearing:			
Savings and NOW	6,030,986	5,843,573	4,949,711
Money market	15,562,664	16,378,874	17,276,743
Time under \$100,000	2,155,366	2,497,395	2,845,893
Time \$100,000 and over	2,509,479	3,117,472	4,455,225
Foreign	1,683,925	1,679,028	1,974,583

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	42,013,876	41,840,589	42,644,172
Securities sold, not yet purchased	81,511	43,404	51,109
Federal funds purchased	391,213	208,669	1,169,809
Security repurchase agreements	500,812	577,346	565,975
Federal Home Loan Bank advances and other borrowings:			
One year or less	218,589	121,273	48,171
Over one year	15,558	15,722	18,882
Long-term debt	1,918,852	2,017,220	1,917,598
Reserve for unfunded lending commitments	96,795	116,445	60,688
Other liabilities	488,987	472,082	536,855
Total liabilities	45,726,193	45,412,750	47,013,259
Shareholders' equity:			
Preferred stock, without par value, authorized 4,400,000 shares	1,806,877	1,502,784	1,491,730
Common stock, without par value; authorized 350,000,000 shares issued and outstanding 173,331,281, 150,425,070 and 125,095,328	3,964,140	3,318,417	2,935,724
Retained earnings	1,099,621	1,324,516	1,685,522
Accumulated other comprehensive income (loss)	(433,020)	(436,899)	(368,164)
Deferred compensation	(15,776)	(16,160)	(14,138)
Controlling interest shareholders' equity	6,421,842	5,692,658	5,730,674
Noncontrolling interests	(740)	17,599	24,021
Total shareholders' equity	6,421,102	5,710,257	5,754,695
	\$ 52,147,295	\$ 51,123,007	\$ 52,767,954

See accompanying notes to consolidated financial statements.

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ZIONS BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Interest income:				
Interest and fees on loans	\$ 541,474	\$ 583,590	\$ 1,081,618	\$ 1,163,442
Interest on loans held for sale	1,937	3,082	4,300	5,838
Lease financing	4,251	4,735	9,380	9,328
Interest on money market investments	2,601	1,543	4,040	4,919
Interest on securities:				
Held-to-maturity taxable	6,113	9,367	8,569	28,275
Held-to-maturity nontaxable	5,187	5,796	10,624	12,061
Available-for-sale taxable	19,818	26,982	40,789	48,685
Available-for-sale nontaxable	1,700	1,778	3,421	3,456
Trading account	657	823	1,132	1,394
Total interest income	583,738	637,696	1,163,873	1,277,398
Interest expense:				
Interest on savings and money market deposits	34,124	64,949	70,513	139,502
Interest on time and foreign deposits	18,629	52,577	38,316	115,256
Interest on short-term borrowings	3,486	3,661	6,553	9,681
Interest on long-term borrowings	114,153	22,821	179,845	44,496
Total interest expense	170,392	144,008	295,227	308,935
Net interest income	413,346	493,688	868,646	968,463
Provision for loan losses	228,663	762,654	494,228	1,060,278
Net interest income after provision for loan losses	184,683	(268,966)	374,418	(91,815)
Noninterest income:				
Service charges and fees on deposit accounts	51,909	51,833	103,517	104,621
Other service charges, commissions and fees	43,395	40,291	82,437	78,518
Trust and wealth management income	7,021	8,750	14,630	15,915
Capital markets and foreign exchange	10,733	16,311	19,272	29,515
Dividends and other investment income	8,879	2,684	16,579	11,092
Loan sales and servicing income	5,617	7,040	12,049	12,891
Fair value and nonhedge derivative income (loss)	(1,552)	20,316	636	24,320
Equity securities gains (losses), net	(1,500)	(619)	(4,665)	2,144
Fixed income securities gains, net	530	1,444	1,786	1,639
Impairment losses on investment securities:				
Impairment losses on investment securities	(19,557)	(71,515)	(68,127)	(237,131)
Noncredit-related losses on securities not expected to be sold (recognized in other comprehensive income)	1,497	29,546	18,804	112,489
Net impairment losses on investment securities	(18,060)	(41,969)	(49,323)	(124,642)
Valuation losses on securities purchased				