

ZIONS BANCORPORATION /UT/
Form 424B3
December 13, 2006

STOCKMEN'S BANCORP

PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED -- YOUR VOTE IS VERY IMPORTANT

Dear Stockmen's Bancorp Shareholder:

The board of directors of The Stockmen's Bancorp, Inc., which we refer to in this document as "Stockmen's," has unanimously approved the sale of Stockmen's to Zions Bancorporation. In this document, we refer to the agreement and plan of reorganization among Zions, National Bank of Arizona, Stockmen's and The Stockmen's Bank, our wholly-owned subsidiary, as the "merger agreement." Under the merger agreement, Stockmen's will merge with and into Zions, and The Stockmen's Bank will merge with and into National Bank of Arizona, Zions' wholly-owned subsidiary. Following the merger, Zions will be the surviving corporation; and following the bank merger, National Bank of Arizona will be the surviving bank. We refer to the two mergers herein collectively as the "merger." We believe that the merger is in the best interests of our shareholders and unanimously recommend that our shareholders vote to approve the merger agreement. We will hold a special meeting for our shareholders to consider and vote upon the merger agreement. Throughout this proxy statement/prospectus, we use the words "we," "our, and "us"; these words refer to Stockmen's, its board or directors and/or management, as the context demands.

After completion of the merger, Zions will issue the merger consideration, which shall consist solely of shares of Zions common stock (and cash in lieu of fractional shares), to the former Stockmen's shareholders. In exchange for his, her or its shares of Stockmen's common stock, each former Stockmen's shareholder will receive approximately 7.46 shares of Zions common stock for each share of our common stock. See "Approval of the Merger Agreement - The Merger Consideration."

Under the merger agreement and based on the number of shares of Stockmen's common stock on the record date for our special meeting, Zions expects to issue approximately 2,600,237 shares of Zions common stock to former Stockmen's shareholders upon completion of the merger. Immediately after the merger, former Stockmen's shareholders would own approximately 2.4% of the then-outstanding shares of Zions common stock (without giving effect to shares of Zions common stock held by Stockmen's shareholders prior to the merger).

Zions common stock trades under the symbol "ZION" on the Nasdaq Global Select Market. On December 5, 2006, the closing price per share of Zions common stock as reported on the Nasdaq Global Select Market was \$79.02. Stockmen's common stock is held by approximately 215 shareholders of record and there is no public market for our shares.

We cannot complete the merger unless the holders of a majority of the outstanding shares of Stockmen's common stock vote at our special meeting of shareholders to approve the merger agreement. **Please complete, sign, date and promptly return the enclosed proxy card in the enclosed postage-paid envelope.** Various of our executive officers and directors and their affiliates, including William W. Becker, our chairman of the board, Tod W. Becker, our vice chairman of the board, and Farrel Holyoak, our president and chief operating officer and president and chief executive officer of The Stockmen's Bank, own approximately 46.72% of the outstanding Stockmen's common stock. These persons have agreed with Zions that they will vote the Stockmen's common stock they own in favor of the merger agreement. No vote of Zions' shareholders is required to approve the transaction.

This proxy statement/prospectus provides you with detailed information about the merger of Zions and Stockmen's. You are encouraged to read this entire document carefully. **Please pay particular attention to "Risk Factors" beginning on page 13 for a discussion of the risks related to the merger and owning Zions common stock after the merger.** This document incorporates important business and financial information about Zions. See "Where You Can Find More Information" and "Documents Incorporated by Reference," below.

iii

Table of Contents

Our special shareholders' meeting will be held at The Stockmen's Bank, 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a.m. local time.

Farrel Holyoak
President and Chief Operating Officer
The Stockmen's Bancorp, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Zions common stock to be issued in the merger under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The shares of Zions common stock offered by this document 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.

Proxy Statement/Prospectus dated December 7, 2006, and first mailed to shareholders on or about December 11, 2006.

iv

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Zions files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information Zions files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Zions' SEC filings are also available to the public from commercial document retrieval services and 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 Stock Market, 1735 K Street, N.W., Washington, D.C. 20006-1500. Zions' Internet address is www.zionsbancorporation.com. Zions' website does not form a part of this proxy statement/prospectus.

This proxy statement/prospectus incorporates important business and financial information about Zions that is not included in or delivered with this document. See "Documents Incorporated by Reference" on page 54. This information is available to you without charge if you contact Clark B. Hinckley, Senior Vice President - Investor Relations and Communications of Zions Bancorporation, One South Main, Suite 1134, Salt Lake City, Utah 84111, telephone (801) 524-4787. In order to ensure timely delivery of documents, you should request information as soon as possible, but no later than January 5, 2007.

In "Questions and Answers About the Merger and the Special Meeting" and in the "Summary" below, we highlight selected information from this proxy statement/prospectus. However, we may not have included all of the information that may be important to you. To better understand the merger agreement and the merger, and for a description of the legal terms and conditions governing the merger, you should carefully read this entire proxy statement/prospectus, including the appendices, as well as the documents that Zions has incorporated by reference into this document. See "Documents Incorporated by Reference" on page 54.

Table of Contents

**The Stockmen's Bancorp, Inc.
3825 Stockton Hill Road
Kingman, Arizona 86402-3879**

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that The Stockmen's Bancorp, Inc. ("Stockmen's") will hold a special meeting of shareholders at the Main Office of The Stockmen's Bank ("Stockmen's Bank" or the "Bank"), 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a. m. local time to:

1. Consider and vote upon the Agreement and Plan of Reorganization by and among Stockmen's, the Bank, Zions Bancorporation ("Zions"), a Utah corporation, and National Bank of Arizona ("NBA"), dated as of September 8, 2006, and amended as of September 25, 2006, a favorable vote upon which will approve the following actions described in the merger agreement:

· Stockmen's will merge with Zions, with Zions being the surviving corporation;

· Stockmen's Bank, a wholly-owned subsidiary of Stockmen's, will merge with and into NBA, a wholly-owned subsidiary of Zions, with NBA being the surviving bank; and

· Zions will issue an aggregate of approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders in exchange for their shares of Stockmen's common stock upon completion of the merger, or approximately 7.46 shares of Zions common stock for each outstanding share of Stockmen's common stock.

2. Consider and vote upon the adjournment of our special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

3. Transact such other business as may properly come before our special meeting and any adjournments or postponements of our meeting.

We describe the merger agreement and the merger more fully in the attached proxy statement/prospectus, which includes a copy of the merger agreement as Appendix A. Stockmen's has fixed the close of business on November 27, 2006 as the record date for determining the shareholders of Stockmen's entitled to vote at our special meeting and any adjournments or postponements of the meeting. Only holders of record of Stockmen's common stock at the close of business on the record date are entitled to notice of and to vote at our special meeting.

The board of directors of Stockmen's unanimously recommends that you vote "**FOR**" approval of the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of Stockmen's common stock is required to approve the merger agreement. Various directors and executive officers of Stockmen's and their affiliates who own in the aggregate approximately 46.72% of the outstanding stock of Stockmen's have agreed with Zions to vote their shares in favor of the merger agreement. Abstentions and broker non-votes will have the same effect as votes against approval of the merger agreement. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares. **Stockmen's shareholders are entitled to assert dissenters' rights and have the right to dissent to the merger agreement under Chapter 13 of the Arizona Business Corporation Act and thereby to receive a payment solely in cash for the fair value of their Stockmen's shares.** A summary of the relevant provisions of Chapter 13 is included in the accompanying proxy statement/prospectus in the section entitled "Rights of Dissenting Shareholders." A copy of Chapter 13 is annexed to

the proxy statement/prospectus as Appendix C.

Your vote is important regardless of the number of shares you own. The Stockmen's board requests that you complete and sign the enclosed proxy card and mail it promptly in the accompanying postage-prepaid envelope. You may revoke any proxy that you have previously delivered prior to our special meeting by delivering a written notice to Stockmen's stating that you have revoked your earlier proxy or by delivering a later-dated proxy at any time prior to our special meeting. Shareholders of record of Stockmen's common stock who attend our special meeting may vote in person, even if they have previously delivered a signed proxy.

By Order of the Board of Directors of
The Stockmen's Bancorp, Inc.

Farrel Holyoak
President and Chief Operating Officer

Kingman, Arizona
December 11, 2006

vi

Table of Contents**TABLE OF CONTENTS**

<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>iii</u>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	<u>1</u>
<u>SUMMARY</u>	<u>5</u>
<u>Interests of Stockmen's Officers and Directors in the Merger That Are Different from Your Interests</u>	<u>10</u>
<u>Summary Financial Information</u>	<u>12</u>
<u>RISK FACTORS</u>	<u>13</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>15</u>
<u>THE SHAREHOLDERS' MEETING</u>	<u>17</u>
<u>The Stockmen's Special Meeting</u>	<u>17</u>
<u>PROPOSAL 1</u>	<u>19</u>
<u>APPROVE OF THE MERGER AGREEMENT</u>	<u>19</u>
<u>Vote Required to Approve the Merger Agreement</u>	<u>20</u>
<u>General</u>	<u>20</u>
<u>Background of the Merger</u>	<u>21</u>
<u>Recommendation of the Stockmen's Board and Stockmen's Reasons for the Merger</u>	<u>23</u>
<u>Zions' Reasons for the Merger</u>	<u>25</u>
<u>Opinion of Stockmen's Financial Advisor</u>	<u>25</u>
<u>Interests of Officers and Directors in the Merger That Are Different from Your Interests</u>	<u>30</u>
<u>Accounting Treatment</u>	<u>34</u>
<u>Dissenters' Rights</u>	<u>34</u>
<u>Inclusion of Zions' Common Stock on the Nasdaq Global Select Market</u>	<u>34</u>
<u>Dividends</u>	<u>34</u>
<u>Exchange of Stockmen's Certificates; Payment of Cash for Fractional Shares</u>	<u>35</u>
<u>Representations and Warranties</u>	<u>35</u>
<u>Conduct of Business Pending Completion of the Merger</u>	<u>37</u>
<u> Compensation; Employment Agreements; Benefit Plans</u>	<u>37</u>
<u>Conditions to Complete the Merger</u>	<u>38</u>
<u>Termination and Termination Fees</u>	<u>40</u>
<u>Survival of Certain Provisions</u>	<u>42</u>
<u>Restrictions on Resales by Affiliates</u>	<u>42</u>
<u>Allocation of Costs and Expenses</u>	<u>43</u>
<u>MATERIAL FEDERAL INCOME TAX CONSEQUENCES</u>	<u>43</u>
<u>REGULATORY APPROVALS</u>	<u>45</u>
<u>RIGHTS OF DISSENTING SHAREHOLDERS</u>	<u>46</u>
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	<u>49</u>
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	<u>50</u>
<u>DESCRIPTION OF ZIONS CAPITAL STOCK</u>	<u>53</u>

<u>Authorized Capital Stock</u>	<u>53</u>
<u>Registrar and Transfer Agent</u>	<u>53</u>
<u>PRINCIPAL SHAREHOLDERS OF STOCKMEN'S</u>	<u>53</u>
<u>OTHER MATTERS</u>	<u>54</u>
<u>LEGAL MATTERS</u>	<u>54</u>
<u>EXPERTS</u>	<u>54</u>
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	<u>55</u>
<u>Appendix A - Agreement and Plan of Reorganization, dated as of September 8, 2006, as amended as of September 25, 2006</u>	
<u>Appendix B - Fairness Opinion of Hovde Financial, Inc.</u>	
<u>Appendix C - Rights of Dissenting Shareholders under Securities 10-1301 through 10-1331 of the Arizona Business Corporation Act.</u>	

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

This proxy statement/prospectus, which we sometimes refer to as "this document," provides you with detailed information about the merger agreement, the merger and related matters that we will submit for approval at the Stockmen's special meeting of shareholders. We encourage you to read this entire document carefully. This document incorporates important business and financial information about Zions that is not included in or delivered with this document. See "Documents Incorporated by Reference" on page 54. Stockmen's shareholders may obtain this information without charge by requesting in writing, by telephone or e-mail as follows:

For information regarding Zions, please contact:

Zions Bancorporation

One South Main, Suite 1134

Salt Lake City, Utah 84111

Attention: Mr. Clark B. Hinckley, Senior

Vice President - Investor Relations and

Communications

Tel: (801) 524-4787

e-mail at: clark.hinckley@zionsbancorp.com

If you would like to request documents from Zions or us, please do so by January 5, 2007 to receive them prior to the Stockmen's special meeting. See "Where You Can Find More Information" above at the beginning of this document.

Q: WHAT IS THE PURPOSE OF THIS DOCUMENT?

A: This document serves as both a proxy statement of Stockmen's and a prospectus of Zions. As a *proxy statement*, it's being provided to you because Stockmen's board of directors is soliciting your proxy for use at our special meeting of shareholders called to consider and vote on the proposed merger of Stockmen's and Zions. As a *prospectus*, it's being provided to you because Zions is offering to exchange shares of its common stock for your shares of Stockmen's common stock if the merger is completed.

Q: WHAT AM I VOTING ON?

A: Zions and Stockmen's have entered into an agreement and plan of reorganization under which Zions has agreed to acquire Stockmen's. You are being asked to vote to approve the merger agreement under which Stockmen's will merge with and into Zions, and Stockmen's Bank will merge with and into NBA; and an adjournment of our special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

Q: WHAT WILL HAPPEN IN THE PROPOSED TRANSACTION?

A: Stockmen's will merge with and into Zions, with Zions being the surviving corporation. Upon completion of this merger, the corporate existence of Stockmen's will cease. Immediately following that merger, Stockmen's Bank, Stockmen's wholly-owned subsidiary, will merge with and into NBA, Zions' wholly-owned subsidiary, and NBA will be the surviving bank, and the corporate existence of Stockmen's Bank will cease.

Q: WHY IS STOCKMEN'S PROPOSING TO MERGE?

A: Stockmen's believes that the merger with Zions presents the best opportunity for maximizing shareholder value, giving Stockmen's shareholders the opportunity to continue to participate in the growth of the combined company and

to benefit from the significantly greater liquidity of the trading market for Zions' common stock.

Q: WHAT WILL I RECEIVE IN EXCHANGE FOR MY STOCKMEN'S SHARES?

A: As a shareholder of Stockmen's, you will receive approximately 7.46 shares of Zions common stock for each share of Stockmen's common stock that you own at the effective time of the merger. You will receive cash in lieu of any fraction of a share of Zions stock. See "Approval of the Merger Agreement - The Merger Consideration" on page 19 below.

Q: WILL I BE TAXED ON THE ZIONS STOCK THAT I RECEIVE IN EXCHANGE FOR MY STOCKMEN'S SHARES?

A: The transaction is intended to be tax-free to Stockmen's shareholders for U.S. federal income tax purposes, except with respect to any cash you receive in lieu of fractional shares of Zions stock. **Tax matters are very complicated and the federal, state and local tax consequences of the merger to you will depend on your particular facts and circumstances. We urge you to consult your tax advisor to fully understand the tax consequences of the merger to you.** See "Material Federal Income Tax Consequences" beginning on page 43 of this proxy statement/prospectus.

Table of Contents

Q: WHAT IS THE REQUIRED VOTE TO APPROVE THE MERGER AGREEMENT?

A: The holders of a majority of the outstanding shares of Stockmen's common stock as of the close of business on November 27, 2006, the record date for our special meeting, must vote to approve the merger agreement in order for the merger to be completed. Abstentions from voting and "broker non-votes" are not considered affirmative votes and, therefore, will have the same practical effect as a vote against the merger agreement. No vote of the shareholders of Zions is required to complete the merger.

Q: WHAT DOES THE STOCKMEN'S BOARD OF DIRECTORS RECOMMEND?

A: The board of directors of Stockmen's unanimously recommends that Stockmen's shareholders vote in favor of the merger agreement, and in favor of an adjournment of our special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

Q: WHEN AND WHERE WILL THE SPECIAL MEETING TAKE PLACE?

A: Our special meeting is scheduled to take place on January 12, 2007, at the time and place indicated in our notice of special meeting of shareholders at the beginning of this document. Please refer to the notice for the relevant information regarding our special meeting.

Q: WHO IS ENTITLED TO VOTE AT THE SPECIAL MEETING?

A: Holders of record of Stockmen's common stock at the close of business on November 27, 2006, which is the date our board of directors has fixed as the record date for our special meeting, are entitled to vote at our special meeting and any adjournments or postponements of our meeting.

Q: HOW DO I VOTE? WHAT DO I NEED TO DO NOW?

A: After you have carefully read this document, please indicate on your proxy card how you want your shares to be voted, then sign, date and mail the proxy card in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at our special meeting. In addition, you may attend our special meeting in person and vote, whether or not you have already signed and mailed your proxy card. If you sign and return your proxy but do not indicate how you want to vote, we will count your proxy as a vote in favor of the proposal. If you abstain from voting or do not vote, that will have the effect of a vote against the proposal.

Q: IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A: Your broker will vote your shares on the merger proposal *only* if you provide your broker instructions on how you would like to vote. Your broker cannot vote your shares without receiving voting instructions from you. Your broker will send you directions on how you can instruct your broker to vote. You should follow the directions provided by your broker. If you fail to instruct your broker how to vote your shares, your shares will not be voted and the effect will be the same as a vote against the merger agreement.

Q: MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A: Yes. You may change your vote at any time before your proxy is voted at our special meeting. If your shares are held in your own name, there are three ways for you to revoke your proxy and change your vote:

- You may send a later-dated, signed proxy card before our special meeting;
- You may attend our special meeting in person and vote at our special meeting; merely attending our special meeting, however, will not revoke your proxy; you will need to complete a ballot in order to vote in person at our special meeting; we will provide ballots for those of our shareholders who wish to vote at our special meeting; and
- You may revoke any proxy by written notice to our president, Farrel Holyoak, given prior to our special meeting.

You should send any written notice of revocation or subsequent proxy to Farrel Holyoak, President, The Stockmen's Bancorp, Inc., 3825 Stockton Hill Road, Kingman, Arizona 86402-3879, or hand deliver the notice of revocation or subsequent proxy to the president at or before the taking of the vote at our special meeting.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Table of Contents

Q: DO I HAVE DISSENTERS' RIGHTS?

A: Yes. Under Arizona law, you have the right to dissent from the merger and thereby to receive solely a cash payment for your shares of Stockmen's common stock. The Arizona statutory scheme is very complicated. Failure to follow the statutory provisions precisely may result in your loss of your dissenters' rights under Arizona law. See "Rights of Dissenting Shareholders," below. We present the Arizona statutory provisions in their entirety in Appendix C to this document. Please read this document and Appendix C carefully.

Q: WHEN DO YOU EXPECT TO MERGE?

A: We and Zions hope to complete the merger as quickly as possible after receipt of shareholder and regulatory approvals. We and Zions expect to complete the merger during the first quarter of 2007, shortly after receipt of shareholder approval, the expiration of applicable regulatory waiting periods and the satisfaction or waiver of all other conditions to the merger.

Q: WHY IS IT IMPORTANT FOR ME TO VOTE?

A: We and Zions cannot complete the merger without the holders of a majority of the outstanding shares of Stockmen's common stock as of the record date voting to approve the merger agreement. If you do not vote or do not give instructions to your broker or bank to vote on your behalf, it will have the same effect as a vote against the merger agreement.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES WITH MY PROXY CARD?

A: No. Please do not send your stock certificates with your proxy card. After our special meeting, together with the transmittal materials which Zions will send to Stockmen's shareholders after our special meeting, you should send your Stockmen's common stock certificates (or a properly completed notice of guaranteed delivery) to the exchange agent, Zions First National Bank, or, if your shares are held in "street name," according to your broker's instructions.

Q: IS THERE OTHER INFORMATION I SHOULD CONSIDER?

A: Yes. Much of the business and financial information about Zions that may be important to you is not included in this document. Instead, this information is incorporated by reference to documents separately filed by Zions with the Securities and Exchange Commission ("SEC"). This means that Zions may satisfy its disclosure obligations to you by referring you to one or more documents separately filed by it with the SEC. See "Documents Incorporated by Reference" on page 54 for a list of documents that Zions has incorporated by reference into this document and for instructions on how to obtain copies of these documents. The documents are available to you without charge.

Q: WHAT IF THERE IS A CONFLICT BETWEEN DOCUMENTS?

A: You should rely on the *later filed document*. Information in this document may update information contained in one or more of the Zions documents incorporated by reference. Similarly, information in documents that Zions may file after the date of this document may update information contained in this document or information contained in previously filed documents.

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms and conditions of the merger agreement and the merger, you should carefully read this entire document, including the appendices attached to this document, and the documents referred to in "Where You Can Find More Information" above and "Documents Incorporated by Reference," below.

The Companies

Zions Bancorporation

One South Main, Suite 1134
Salt Lake City, Utah 84111
(801) 524-4787

Zions Bancorporation is a financial holding company organized under the laws of Utah in 1955, and registered under the Bank Holding Company Act of 1956, as amended. Zions and its subsidiaries own and operate eight commercial banks with a total of 473 offices as of December 31, 2005. Zions provides a full range of banking and related services through its banking and other subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, New Mexico, Idaho, Washington and Oregon. On December 31, 2005, Zions had total assets of approximately \$42.8 billion, loans of approximately \$30.1 billion, deposits of approximately \$32.6 billion and shareholders' equity of approximately \$4.2 billion. On September 30, 2006, Zions had total assets of approximately \$45.8 billion, loans of approximately \$33.7 billion, deposits of approximately \$33.6 billion and shareholders' equity of approximately \$4.6 billion. Active full-time equivalent employees totaled 10,102 at year end 2005.

Zions focuses on maintaining community-minded banking services by continuously strengthening its core business lines of retail banking, small and medium-sized business lending, residential mortgage, and investment activities. Zions operates eight different banks in ten Western states with each bank operating under a different name and each having its own chief executive officer and management team. The banks provide a wide variety of commercial and retail banking and mortgage lending products and services. Zions provides commercial loans, lease financing, cash management, electronic check clearing, lockbox, customized draft processing, and other special financial services for business and other commercial banking customers. Zions also provides a wide range of personal banking services to individuals, including home mortgages, bankcard, student and other installment loans, home equity lines of credit, checking accounts, savings accounts, time certificates of various types and maturities, trust services, safe deposit facilities, direct deposit, and 24-hour ATM access. In addition, certain banking subsidiaries provide services to key market segments through their Women's Financial, Private Client Services, and Executive Banking Groups. Zions also offers wealth management services through a subsidiary, Contango Capital Advisors, Inc., that was launched in 2004.

In addition to these core businesses, Zions has built specialized lines of business in capital markets and public finance and is also a leader in U.S. Small Business Administration lending. Through its eight banking subsidiaries, the Company provides Small Business Administration ("SBA") 7(a) loans to small businesses throughout the United States and is also one of the largest providers of SBA 504 financing in the nation. Zions owns an equity interest in the Federal Agricultural Mortgage Corporation ("Farmer Mac") and is the nation's top originator of secondary market agricultural real estate mortgage loans through Farmer Mac. Zions is a leader in municipal finance advisory and underwriting services. Zions also controls four venture capital companies that provide early-stage capital, primarily for start-up companies located in the Western United States.

National Bank of Arizona

6001 N. 24th Street

Phoenix, Arizona 85016
(602) 235-6000

NBA is responsible for Zions' primary Arizona operations. National Bank of Arizona is a wholly-owned subsidiary of Zions. NBA, organized in 1984, is incorporated under the National Bank Act as a national bank and is a member bank of the Federal Reserve System. Through its 53 offices in 36 communities throughout Arizona, NBA provides commercial banking services throughout the state of Arizona. As of September 30, 2006, NBA had assets of approximately \$4.5 billion, deposits of approximately \$3.5 billion, loans of approximately \$4.0 billion and shareholders' equity of approximately \$351 million and is the fourth largest financial institution in Arizona as measured by Arizona deposits.

The Stockmen's Bancorp, Inc.

3825 Stockton Hill Road
Kingman, Arizona 86402-3879
(928) 757-7171

The Stockmen's Bancorp, Inc. is a bank holding company organized under the laws of Arizona and registered under the Bank Holding Company Act of 1956. As of December 31, 2005, Stockmen's had total assets of approximately \$1.2 billion, loans of approximately \$597 million, deposits of approximately \$1.0 billion, and shareholders' equity of approximately \$58 million.

Table of Contents

The Stockmen's Bank

3825 Stockton Hill Road
Kingman, Arizona 86402-3879
(928) 757-7171

Stockmen's Bank is a wholly-owned subsidiary of Stockmen's Bancorp. Stockmen's Bank was chartered under Arizona law on February 28, 1979. The Bank is an FDIC-insured commercial bank serving the states of Arizona and California out of 43 branches by providing traditional banking services, including lending and deposit taking and card processing. As of September 30, 2006, Stockmen's Bank had assets of approximately \$1.2 billion, loans of approximately \$710 million, deposits of approximately \$1.1 billion and shareholders' equity of approximately \$86.0 million. As of June 30, 2006, Stockmen's Bank was the twelfth largest financial institution in Arizona as measured by Arizona deposits. Stockmen's Bank's primary federal bank regulator is the FDIC.

Stockmen's Board Recommends that You Vote "FOR" Approval of the Plan of Merger; Stockmen's Reasons for the Merger (see page 23)

Our board has determined that the merger is advisable and in your best interests and unanimously recommends that you vote **FOR** the approval of the merger agreement, and, if necessary, any adjournments of our special meeting.

Stockmen's believes that the merger with Zions presents the best opportunity for maximizing shareholder value, giving Stockmen's shareholders the opportunity to continue to participate in the growth of the combined company and to benefit from the significantly greater liquidity of the trading market for Zions' common stock.

You should refer to the factors considered by our board of directors in making its decision to approve the merger agreement and recommend approval of the merger agreement to our shareholders.

Stockmen's Shareholder Vote Required to Approve the Merger (see page 17)

Approval of the merger agreement requires the affirmative vote of the holders of a majority of the shares of our common stock outstanding as of the close of business on November 27, 2006, the record date for our special meeting of shareholders. At the close of business on the record date, there were 348,713 shares of our common stock outstanding held by approximately 215 holders of record. Each holder of record of our common stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at our special meeting and any adjournments or postponements of our meeting.

As of the record date, various of our executive officers and directors and their affiliates, in the aggregate, beneficially owned approximately 46.72% of our outstanding shares of common stock. Zions has entered into agreements with these individuals and entities under which they have agreed to vote their shares in favor of approval of the merger agreement.

Nature of the Merger (see page 20)

The merger will combine Zions and Stockmen's. Zions will be the surviving corporation. After the merger, Zions will issue the merger consideration consisting of shares of Zions common stock to the former shareholders of Stockmen's in exchange for their shares of Stockmen's common stock.

Immediately following the merger of Zions and Stockmen's, their banking subsidiaries, NBA and Stockmen's Bank will merge. The merger of these banks will be accomplished through the merger of Stockmen's Bank into NBA. NBA will be the surviving bank.

What Stockmen's Shareholders Will Receive as a Result of the Merger; What Is the Merger Consideration? (see page 20)

The Stockmen's shareholders will receive the merger consideration upon completion of the merger. The sole merger consideration shall be shares of Zions common stock, plus cash in lieu of any fractional shares. Zions will issue approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders upon completion of the merger. Each shareholder of Stockmen's will receive approximately 7.46 shares of Zions common stock in exchange for each share of Stockmen's common stock.

Zions may terminate the merger agreement under certain circumstances if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is more than \$93.24, unless Stockmen's agrees to accept fewer shares in the merger, and Stockmen's may terminate the merger agreement if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is less than \$68.92, unless Zions agrees to issue additional shares of its common stock to the Stockmen's shareholders in the merger.

Table of Contents

Cash Dividends after the Merger (see page 34)

The current annualized rate of cash dividends on the shares of Zions common stock is \$1.56 per share. For illustrative purposes only, if one assumes that Zions will issue 7.46 shares of its common stock for each share of Stockmen's common stock and if one further assumes a Zions annualized dividend rate of \$1.56 per share of Zions common stock, then in these circumstances a former Stockmen's shareholder would receive as a Zions shareholder following the merger an equivalent annualized dividend of \$11.64 (7.46 Zions shares times \$1.56 dividend per share) with respect to each share of Stockmen's common stock surrendered in the merger. The current annualized rate of regular cash dividends on Stockmen's common stock is \$6.50 per share. The payment of cash dividends by Zions in the future will depend on its financial condition, earnings, business conditions and other factors.

Material Federal Tax Consequences of the Merger (see page 43)

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a)(1) of the Internal Revenue Code. We and Zions will have no obligation to complete the merger unless we and Zions receive a legal opinion that the merger will qualify as a reorganization for federal income tax purposes. The legal opinion will not bind the Internal Revenue Service, which, however, could take a different view. Assuming the merger qualifies as a reorganization, then you generally will not recognize any gain or loss, except with respect to cash you receive in lieu of fractional shares of Zions common stock. You should read "Material Federal Income Tax Consequences" beginning on page 43 for a more complete discussion of the United States federal income tax consequences of the merger. We urge you to consult with your tax advisor for a full understanding of the tax consequences of the merger to you.

What We Need to Do Before the Merger is Complete (see page 38)

Completion of the merger depends on a number of conditions being met, including the following:

- approval of the merger agreement by the required majority vote of our shareholders;
- approval by or waiver from the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Commissioner of Financial Institutions of Utah, and the Arizona Superintendent of Financial Institutions. While we do not know of any reason why Zions would be unable to obtain these approvals or waivers in a timely manner, we cannot be certain when or if Zions will get these approvals or waivers; and
- receipt by us of an opinion from the law firm of Duane Morris LLP, counsel to Zions, to the effect that the U.S. federal income tax treatment of the merger to Stockmen's shareholders, Stockmen's and Zions will generally be as described in this document.

Generally, Zions and Stockmen's can waive conditions to completion of the merger. Some of these conditions, however, cannot be waived, including shareholder and regulatory approvals. We expect to complete the merger during the first quarter of 2007.

Terminating the Merger Agreement (see page 40)

Zions or Stockmen's may terminate the merger agreement without completing the merger by mutual consent, or if any of the following occurs:

- if any of the representations or warranties of the other party was incorrect when made, subject to the material adverse effect requirement, or in the event of a breach or failure in any material respect by the other party of any of that party's covenants or obligations and that breached covenant or obligation has not been or cannot be cured within

thirty days, and which inaccuracy, breach, or failure, if continued to the effective date of the merger, would result in any condition precedent to completion of the merger not being satisfied;

- either Zions or Stockmen's shall have determined in good faith that the merger has become inadvisable or impracticable by reason of the institution of litigation by the federal government or the government of Arizona or Utah to restrain or invalidate the transactions contemplated by the merger agreement;
- if any required approvals of governmental authorities are denied, and such denial has become final and non-appealable;
- the shareholders of Stockmen's fail to approve the merger;
- the average closing price of Zions common stock during a defined period prior to the effective time of the merger is above or below specified prices, the party that is adversely affected by the price change elects to terminate the merger agreement, and the other party does not elect to change the exchange ratio in accordance with a formula to avoid the termination of the merger agreement;
- Stockmen's, following receipt of advice from its counsel, shall have determined that it must terminate the merger to comply with its fiduciary duties to the Stockmen's shareholders imposed by law by reason of its having received an alternative proposal, as defined in the merger agreement, provided that Zions shall have been paid the amount of liquidated damages specified in the merger agreement; or
- the merger is not completed by May 31, 2007.

The merger agreement provides for the payment of damages under certain circumstances if the merger agreement is terminated; depending upon the circumstances, these damages can range from \$2,250,000 to \$9,750,000. The circumstances of the termination as presented in the merger agreement will determine which party, if any, is liable for damages resulting from termination of the merger agreement. We encourage you to review the discussion of termination fees under "Approval of the Merger Agreement - Termination and Termination Fees" on page 40 below and the specific provisions of §13.03 of the merger agreement for a more comprehensive understanding of the effects of termination of the merger agreement.

Table of Contents

Amending the Agreement

Zions and Stockmen's may amend the merger agreement at any time by mutual written agreement, except that after approval by our shareholders, no waiver or amendment is permitted which would adversely change the amount and kind of consideration or prejudice the economic interests of our shareholders.

Stockmen's Shareholders Will Have the Right to Dissent to the Merger Agreement and the Merger (see page 46)

Under Arizona law, our shareholders will have dissenters' rights in connection with the merger. By following the Arizona statutory scheme, you may dissent to the merger agreement and the merger and thereby receive solely a cash payment for your shares of our common stock if the merger occurs. To assert your rights successfully, you will need to follow the statutory requirements **precisely**. Failure to follow the precise requirements of Arizona law may result in the loss of your dissenters' rights. In order to exercise your dissenters' rights, you must refrain from voting "FOR" the merger. For more information regarding your right to dissent from the merger and the procedures and requirements to exercise appraisal rights, please see "Rights of Dissenting Shareholders" beginning on page 46. We also have attached a copy of the relevant provisions of Arizona law as Appendix C to this proxy statement/prospectus.

Our Financial Advisor Believes the Merger Consideration is Fair to Our Shareholders from a Financial Point of View (see page 25)

We have received a written opinion from our financial advisor, Hovde Financial, Inc. to the effect that, as of September 7, 2006, the merger consideration was fair to our shareholders from a financial point of view. We recommend that each of our shareholders carefully read the discussion of Hovde's financial analysis of the merger under the heading "Approval of the Merger Agreement - Opinion of Stockmen's Financial Advisor" beginning on page 25, as well as Hovde's opinion in its entirety to understand the assumptions made, matters considered, and limitations on the review undertaken by our financial advisor. The full text of Hovde's opinion is attached as Appendix B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde in rendering its opinion. The description of the opinion set forth herein is qualified in its entirety by reference to the opinion. Hovde urges Stockmen's shareholders to read the entire opinion carefully in connection with their consideration of the proposed merger. Hovde's opinion speaks only as of September 7, 2006. The opinion was directed to our board of directors and is directed only to the fairness of the merger consideration to our shareholders as of September 7, 2006 from a financial point of view. It does not address the relative merits of the merger as compared to any other alternative business strategies that might exist for Stockmen's or the effect of any other transaction in which Stockmen's might engage. It is not a recommendation to any Stockmen's shareholder as to how such shareholder should vote at our special meeting with respect to the merger or any other matter.

Accounting Treatment of the Merger (page 34)

The combination of the two companies will be accounted for as an acquisition of Stockmen's by Zions using the purchase method of accounting.

Table of Contents

When We Expect the Merger to Close (see page 20)

We expect completion of the merger as soon as practicable following receipt of all necessary regulatory approvals and following approval of the merger agreement by our shareholders at our special shareholders meeting and satisfaction of all other conditions to the merger. We expect that the merger will close during the first quarter of 2007.

We Unanimously Recommend That Our Shareholders Approve the Merger Agreement (see page 23)

Our board of directors believes that the merger is fair to you and is in your best interests, and unanimously recommends that you vote **FOR** the proposal to approve the merger agreement.

Interests of Stockmen's Officers and Directors in the Merger That Are Different from Your Interests (see page 30)

You should be aware that some of our officers and directors have interests in the merger that are different from, or in addition to, the interests that they have or would have as shareholders of Stockmen's. The members of our board of directors knew about these additional interests, and considered them, when they approved the merger agreement. These interests include, among other things, an employment agreement and non-competition agreements entered into (or that will be entered into) with our executive officers that take effect upon completion of the merger, and enhanced and additional payments under the Supplemental Executive Retirement Plan and certain change-in-control agreements upon a change in control of Stockmen's. The aggregate amount that may be payable under these agreements with the various officers and directors is approximately \$6.2 million. Of this amount, \$3,412,373 is attributable to SERP payments; \$1,407,192 is attributable to change in control payments; and \$1,342,444 is attributable to payments under non-competition agreements (that are currently being discussed). The following represent the more salient of interests involved in the merger. For a more expansive discussion, see "Approval of the Merger Agreement - Interests of Officers and Directors in the Merger That Are Different from Your Interests," below.

Farrel Holyoak, our president and chief operating officer and who is president and CEO of Stockmen's Bank, will enter into an employment agreement with NBA effective as of the effective date of the merger. For a period of one year following the effective date of the merger, extendable by mutual agreement for an additional year, Mr. Holyoak will serve as a Regional President of NBA. In exchange for his performance under this agreement, NBA will agree to pay Mr. Holyoak a salary at an annual rate of \$250,000. After the first anniversary of his commencing employment with NBA, if Mr. Holyoak continues in NBA's employ through that date, he shall be entitled to a one-time bonus of \$50,000, which will be payable on or before the first March 15 following the first anniversary of his employment with NBA. Mr. Holyoak will also receive additional benefits to which an officer of NBA would be entitled.

Additional officers of Stockmen's Bank may become officers of NBA following the merger and, whether or not they become officers of NBA, it is expected that they will sign non-competition agreements with NBA for which they will be compensated. These non-competition agreements are currently being discussed, and the terms and conditions of these agreements have not yet been finalized. Mr. Holyoak will also be subject to a non-competition agreement.

Stockmen's is expected to enter into Change in Control Agreements with Messrs. Farrel Holyoak, James Walker, Jeff Duncan, William Kitchen and Gary Jay, all executives of Stockmen's Bank, under which those executives will receive payments in the event of a change of control of Stockmen's. Upon completion of the merger, it is expected that Stockmen's will be required to make change in control payments to those five executive officers of Stockmen's Bank in the aggregate amount of \$1,407,192. In addition, ten directors and executive officers of Stockmen's Bank will receive payments under The Stockmen's Bank Supplemental Executive Retirement Plan upon a change of control and following completion of the merger. Those ten individuals will receive a total of \$3,412,373 in payments under the SERP following completion of the merger.

We Have Not Yet Received the Required Regulatory Approvals (see page 45)

The merger and the bank merger have not yet received the required approvals from the Board of Governors of the Federal Reserve, the Comptroller of the Currency and the Arizona Superintendent of Financial Institutions. Zions and Stockmen's have either filed or intend to complete the filing promptly after the date of this proxy statement/prospectus of all required applications and notices with applicable regulatory authorities in connection with the merger. There can be no assurance that all requisite approvals will be obtained or that such approvals will be received on a timely basis. The U.S. Department of Justice has not yet completed its review of the effect the transaction could have on competition.

Our Shareholders' Meeting

We will hold our special meeting of shareholders at the Main Office of Stockmen's Bank, 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a. m. local time.

Table of Contents**Summary Financial Information**

The following table sets forth certain historical financial information for Zions. This information is based on the historical financial statements of Zions incorporated into this proxy statement/prospectus by reference. Our shareholders should read the financial statements and the related notes with respect to Zions.

	Nine Months Ended September 30,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
	(Unaudited)		(In Millions, Except Per Share Amounts)				
Zions							
Earnings							
Net interest income	\$ 1,305.7	\$ 986.5	\$ 1,361.4	\$ 1,160.8	\$ 1,084.9	\$ 1,025.7	\$ 942.8
Provision for loan losses	45.9	32.9	43.0	44.1	69.9	71.9	73.2
Net income	436.6	352.0	480.1	406.0	337.8	256.3	283.0
Per Share							
Net income basic	\$ 4.12	\$ 3.92	\$ 5.27	\$ 4.53	\$ 3.75	\$ 2.80	\$ 3.10
Net income diluted	4.04	3.84	5.16	4.47	3.72	2.78	3.07
Cash dividends	1.08	1.08	1.44	1.26	1.02	0.80	0.80
Statement of Condition at Period End							
Assets	\$ 45,778	\$ 33,423	\$ 42,780	\$ 31,470	\$ 28,558	\$ 26,566	\$ 24,304
Deposits	33,641	25,400	32,642	23,292	20,897	20,132	17,842
Long-term borrowings	2,767	1,912	2,746	1,919	1,843	1,310	1,022
Shareholders' equity	4,643	2,999	4,237	2,790	2,540	2,374	2,281

Table of Contents

RISK FACTORS

In addition to the other information included or incorporated by reference into this proxy statement/prospectus, you should carefully read and consider the following factors in evaluating the proposals to be voted on at our special meeting of Stockmen's shareholders. Please also refer to the additional risk factors identified in the periodic reports and other documents of Zions incorporated by reference into this proxy statement/prospectus and listed in "Documents Incorporated by Reference."

We may fail to realize the anticipated benefits of the merger.

The success of the merger will depend, in part, on the parties' ability to realize the anticipated cost savings from combining certain aspects of the businesses of Zions and Stockmen's. However, to realize the anticipated benefits from the merger, Zions must successfully combine the businesses of Zions and Stockmen's in a manner that permits those cost savings to be realized. The anticipated benefits of the merger also depend on the continued operating performance of Stockmen's business following the merger. If Zions is not able to combine the businesses of Zions and Stockmen's in a manner that permits the anticipated cost savings to be realized, or if the business of Stockmen's does not perform as anticipated following the merger, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Zions and Stockmen's have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect each company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger.

The market price of the shares of Zions common stock after the merger may be affected by factors different from those affecting the shares of Zions currently.

Zions' current businesses and geographic markets differ in some respects from those of Stockmen's, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock will be affected by factors different from those currently affecting the independent results of operations of each company and the market price of Zions. For a discussion of the businesses of Zions and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under "Documents Incorporated by Reference" beginning on page 54.

Because the market price of Zions common stock will fluctuate, the shareholders of Stockmen's cannot be sure of the value of the merger consideration they will receive.

Although it is anticipated that our shareholders will receive approximately 7.46 shares of Zions common stock for each share of Stockmen's common stock exchanged in the merger, Stockmen's shareholders cannot be sure of the precise value of the Zions common stock they will receive upon completion of the merger, because the market price of Zions common stock will fluctuate. The price of Zions common stock on the Nasdaq Global Select Market may vary from the closing price of Zions common stock on the date we and Zions announced the merger, on the date that this proxy statement/prospectus is being mailed to our shareholders, and on the date of our special meeting of Stockmen's shareholders. Any change in the market price of Zions common stock will affect the value of the Zions common stock in the hands of our shareholders following completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond the companies' control.

Additionally, the date that you will receive your shares of Zions common stock following completion of the merger depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

Stockmen's will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Stockmen's and consequently on Zions. These uncertainties may impair Stockmen's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Stockmen's to seek to change existing business relationships with Stockmen's. Retention of certain employees may be challenging during the pendency of the merger, because certain employees may experience uncertainty about their future roles with Zions. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Zions, Zions' business following the merger could be harmed. In addition, the merger agreement restricts Stockmen's from making certain acquisitions and taking other specified actions until the merger occurs. These restrictions may prevent Stockmen's from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled "Approval of the Merger Agreement - Conduct of Business Pending Completion of the Merger" beginning on page 36 of this proxy statement/prospectus for a description of some of the restrictive covenants to which Stockmen's is subject.

Table of Contents

Some of the directors and executive officers of Stockmen's have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger.

The interests of some of our directors and executive officers may be different from those of our shareholders, and our directors and officers may be participants in arrangements that are different from, or in addition to, those of our shareholders. These interests are described in more detail in the section of this proxy statement/prospectus entitled "Approval of the Merger Agreement - Interests of Officers and Directors in the Merger That Are Different from Your Interests" beginning on page 30.

The merger agreement limits Stockmen's ability to pursue alternatives to the merger.

The merger agreement contains provisions that make it more difficult for Stockmen's to sell its business to a party other than Zions. These provisions include (1) the general prohibition on Stockmen's soliciting any acquisition proposal or offer for a competing transaction and (2) the requirement that Stockmen's pay termination fees of up to \$9.75 million in the aggregate if the merger agreement is terminated in specified circumstances. See "Approval of the Merger Agreement - Conduct of Business Pending Completion of the Merger" and "Approval of the Merger Agreement - Termination and Termination Fees" beginning on pages 36 and 40, respectively, of this proxy statement/prospectus.

Zions required Stockmen's to agree to these provisions as a condition to Zions' willingness to enter into the merger agreement. These provisions, however, might discourage a third party that might have an interest in acquiring all of or a significant part of Stockmen's from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share market price than the current proposed merger consideration. Furthermore, the termination fee may result in a potential competing acquiror proposing to pay a lower per share price to acquire Stockmen's than it might otherwise have proposed to pay.

The shares of Zions common stock to be received by Stockmen's shareholders as a result of the merger will have different rights from the shares of Stockmen's common stock.

The rights associated with our common stock are different from the rights associated with Zions common stock. See the section of this proxy statement/prospectus entitled "Comparison of Shareholders' Rights" on page 49 for a discussion of the different rights associated with Zions common stock.

If the merger is not consummated by May 31, 2007, either Zions or Stockmen's may choose not to proceed with the merger.

Either Zions or Stockmen's may terminate the merger agreement if the merger has not been completed by May 31, 2007, unless the failure of the merger to have been completed has resulted from the failure of the party seeking to terminate the merger agreement to have performed its obligations. See "Approval of the Merger Agreement - Termination and Termination Fees," beginning at page 40 of this proxy statement/prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the SEC filings that are incorporated by reference into this proxy statement/prospectus contain or incorporate by reference forward-looking statements that have been made pursuant to the provisions of, and in reliance on the safe harbor under, the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "could," "should," "will,"

"projects," "estimates" and similar expressions are intended to identify forward-looking statements. These statements include statements with respect to the expected timing, completion and effects of the proposed merger. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the companies' control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In that event, Stockmen's or Zions' business, financial condition or results of operations could be materially adversely affected, and investors in Stockmen's or Zions' securities could lose part or all of their investment. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents. Except as required by the federal securities laws, we and Zions are not obligated to update these statements or publicly release the result of any revision to them to reflect events or circumstances after the date of this proxy statement/prospectus or, in the case of documents incorporated by reference, the date referenced in those documents, or to reflect the occurrence of unanticipated events.

Table of Contents

You should understand that the following important factors, in addition to those discussed elsewhere in this document (including the risks described above) and in the documents which are incorporated by reference, could affect the future results of Zions and Stockmen's, and of the combined company after the merger, and could cause those results or other outcomes to differ materially from those expressed in the forward-looking statements:

- the businesses of Zions and Stockmen's may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected, in particular with respect to the integration of information technology systems;
- the expected growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;
- operating costs, customer losses and business disruption prior to or following the merger, including adverse effects on relationships with employees, may be greater than expected;
- governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger;
 - the shareholders of Stockmen's may fail to approve the merger;
- Zions' and Stockmen's may not be able to successfully execute their business plans and achieve their objectives;
- changes may occur in political and general economic conditions, including the economic effects of terrorist attacks against the United States and elsewhere and related events;
- changes may occur in financial market conditions, either nationally or locally in areas in which Zions or Stockmen's conduct their operations, including without limitation, reduced rates of business formation and growth, commercial real estate development and real estate prices;
 - fluctuations may occur in the equity and fixed-income markets;
- changes may occur in interest rates, the quality and composition of the loan or securities portfolios, demand for loan products, deposit flows and competition;
 - acquisitions and integration of acquired businesses may not be as successful as anticipated;
 - increases may occur in the levels of losses, customer bankruptcies, claims and assessments;
- changes may occur in fiscal, monetary, regulatory, trade and tax policies and laws, including policies of the U.S. Treasury and the Federal Reserve Board;
 - there may be continuing consolidation in the financial services industry;
 - there may be new litigation or changes in existing litigation;
 - there may not be success in gaining regulatory approvals, when required;
 - changes may occur in consumer spending and savings habits;

- there may be increased competitive challenges and expanding product and pricing pressures among financial institutions;
 - there may be demand for financial services in Zions' or Stockmen's market areas;
 - inflation and deflation may occur;
- technological changes may occur and Zions' and Stockmen's implementation of new technologies might not be successful;
- Zions' and Stockmen's may not be able to develop and maintain secure and reliable information technology systems;
- legislation or regulatory changes may occur, which adversely affect the ability of Zions or Stockmen's to conduct the businesses in which they are engaged;
 - Zions' and Stockmen's may not be able to comply with applicable laws and regulations; and
- changes may occur in accounting policies, procedures or guidelines as may be required by the Financial Accounting Standards Board or regulatory agencies.

Zions disclaims any obligation to update any of these factors or to publicly announce the result of any revisions to any of the forward-looking statements included in this document to reflect future events or developments, except as required by the federal securities laws. Zions' actual results could differ materially from those set forth in the forward-looking statements because of many reasons, including the factors listed in this section of this document. This list may not be exhaustive.

Table of Contents

THE SHAREHOLDERS' MEETING

The Stockmen's Special Meeting

When and Where the Stockmen's Special Meeting Will Be Held

We will hold a special meeting of our shareholders at the Main Office of The Stockmen's Bank, 3825 Stockton Hill Road, Kingman, Arizona on January 12, 2007 at 10:00 a.m.. local time.

What Will Be Voted on at the Stockmen's Special Meeting

Our shareholders will consider and vote upon a proposal to approve the agreement and plan of reorganization, dated as of September 8, 2006, as amended as of September 25, 2006, among Zions, NBA, Stockmen's and Stockmen's Bank, under which, among other things:

- Stockmen's will merge with Zions, with Zions being the surviving corporation;
- Zions will issue approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders upon completion of the merger in exchange for all of their shares of Stockmen's common stock, or approximately 7.46 shares for each share of Stockmen's common stock; and
- Stockmen's Bank, our wholly-owned subsidiary, will merge with and into NBA, Zions' wholly-owned subsidiary, with NBA being the surviving bank.

In addition, you are being asked to vote to approve a proposal to adjourn our special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of our special meeting to approve the merger agreement.

We may take action on the above matters at our special meeting, or on any later date to which our special meeting is postponed or adjourned.

We are unaware of other matters to be voted on at our special meeting. If other matters do properly come before our special meeting, we intend that the persons named in the proxies will vote, or not vote, in their discretion the shares represented by proxies in the accompanying proxy card.

Shareholders Entitled to Vote

We have set the close of business on November 27, 2006 as the record date to determine which Stockmen's shareholders will be entitled to receive notice of and to vote at our special meeting. Only those of our shareholders who held their shares of record as of the close of business on the record date will be entitled to receive notice of and to vote at our special meeting. As of the record date, there were 348,713 outstanding shares of our common stock. Each Stockmen's shareholder on the record date is entitled to one vote per share. You may cast your vote either in person or by properly executed proxy. As of the same date, various of our directors, executive officers and their affiliates owned a total of 162,919 shares of our common stock, representing approximately 46.72% of the shares of our common stock then issued and outstanding. Each of those directors, executive officers and affiliated persons has agreed to vote his, her or its shares in favor of the merger agreement.

Vote Required to Approve the Merger Agreement and to Approve the Adjournment Proposal

The affirmative vote, either in person or by proxy, of the holders of a majority of the outstanding shares of our common stock entitled to vote at our special meeting is required to approve the merger agreement.

The affirmative vote, either in person or by proxy, of the holders of a majority of the shares of our common stock entitled to vote on the adjournment proposal and represented at our special meeting, either in person or by proxy, is required to approve the adjournment proposal.

Stock exchange rules prohibit brokers who hold shares of Stockmen's common stock in nominee or "street name" from giving a proxy without specific instructions from the beneficial owners of the shares. We will count these so-called "broker non-votes," which we receive, for purposes of determining whether a quorum exists; we will not vote these shares in connection with the merger or any adjournment proposal.

Abstentions and broker non-votes on the proposal to approve the merger agreement will effectively count as votes against that proposal. Abstentions will effectively count as votes against, and broker non-votes will not count with respect to, the adjournment proposal.

Table of Contents

Voting Your Shares

Our board is soliciting proxies from our shareholders. This will give you an opportunity to vote at our special meeting. Our board urges you to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope. When you deliver a valid proxy, the shares represented by that proxy will be voted in accordance with your instructions by a named agent. If you do not either vote by proxy or attend the special meeting and vote in person, your vote will be counted as not present for quorum purposes and will effectively count as a vote against the proposal to approve the merger agreement, but will be neutral regarding the adjournment proposal. If you vote by proxy, but make no specification on your proxy that you have otherwise properly executed, the named agent will vote "FOR" approval of the merger agreement and approval of the adjournment proposal.

You may grant a proxy by dating, signing and mailing your proxy card. You may also attend the special meeting and cast your vote in person at the meeting.

Mail. To grant your proxy by mail, please complete your proxy card and sign, date and return it in the enclosed envelope. To be valid, a returned proxy card must be signed and dated.

In person. If you attend our special meeting in person, you may vote your shares by completing a ballot at the meeting. Attendance at our special meeting will not by itself be sufficient to vote your shares; you still must complete and submit a ballot at our special meeting to vote your shares.

DO NOT SEND IN YOUR STOCKMEN'S STOCK CERTIFICATES WITH YOUR PROXY CARD. After our special meeting, you will receive from Zions a transmittal form and other materials relating to the exchange of your Stockmen's shares for Zions shares, and you will be requested at that time to send in your Stockmen's stock certificates (or follow the procedures for guaranteed delivery) together with the properly completed transmittal form.

Establishing a Quorum of Shareholders

If a majority of the total number of issued and outstanding shares of Stockmen's common stock entitled to vote at our special meeting are present at the meeting, either in person or by proxy, our special meeting will have the quorum of shareholders required for us to transact business. Abstentions and broker non-votes (which are executed proxies returned by a broker that indicate that the broker has not received voting instructions from the beneficial owner of the shares and does not have discretionary authority to vote the shares) will be counted for purposes of determining whether a quorum exists.

Changing Your Vote

Any of our shareholders giving a proxy may revoke the proxy at any time before the vote at our special meeting in one or more of the following ways:

- delivering a written notice to our president, Farrel Holyoak, bearing a later date than the proxy previously submitted;
- giving a later-dated proxy by mail; or
- appearing in person and voting at our special meeting. Attendance at our special meeting will not by itself constitute a revocation of a proxy; to revoke your proxy, you must complete and submit a ballot at our special meeting.

You should send any written notice of revocation or subsequent proxy to Farrel Holyoak, President, The Stockmen's Bancorp, Inc., 3825 Stockton Hill Road, Kingman, Arizona 86402-3879, Attention: President, or hand deliver the notice of revocation or subsequent proxy to the president at or before the taking of the vote at our special meeting.

Solicitation of Proxies and Costs

We will bear our own costs of solicitation of proxies. We will reimburse brokerage houses, fiduciaries, nominees and others for their out-of-pocket expenses in forwarding proxy materials to owners of shares of our common stock held in their names. In addition to the solicitation of proxies by use of the mails, our directors, officers and employees may solicit proxies from our shareholders. We will not pay any additional compensation, except for reimbursement of reasonable out-of-pocket expenses, to our directors, officers and employees in connection with the solicitation. You may direct any questions or requests for assistance regarding this document and related proxy materials to Farrel Holyoak, President, by telephone at (928) 757-7171.

Regardless of the number of shares you own, your vote is important to us. Please complete, sign, date and promptly return the accompanying proxy card in the enclosed postage-paid envelope.

Table of Contents

Recommendation of the Stockmen's Board

Our board of directors has unanimously approved the merger agreement, the merger and the related matters. Our board considered the fairness opinion of Hovde Financial, Inc., our financial advisor, when our board unanimously approved the merger agreement. We believe that the merger agreement, the merger and the related matters are in the best interests of Stockmen's and our shareholders, and we recommend that our shareholders vote "**FOR**" approval of the merger agreement and "FOR" the approval of the adjournment proposal. See "Proposal 1 - Approval of the Merger Agreement - Recommendation of the Stockmen's Board and Stockmen's Reasons for the Merger."

Adjournment and Postponement

Any adjournment or postponement may be made from time to time by approval of the holders of common stock representing a majority of the votes present in person or represented by proxy at our special meeting, whether or not a quorum exists, without further notice other than by an announcement made at our special meeting. If a quorum is not present at our special meeting, our shareholders may be asked to vote on a proposal to adjourn or postpone our special meeting to solicit additional proxies. If a quorum is present at our special meeting, but there are not sufficient votes at the time of the special meeting to approve the merger agreement, our shareholders may also be asked to vote on a proposal to approve the adjournment or postponement of our special meeting to permit further solicitation of proxies.

PROPOSAL 1

APPROVAL OF THE MERGER AGREEMENT

The following summary describes the material terms and provisions of the merger agreement and the merger. We have attached a copy of the merger agreement to this document as Appendix A and we have incorporated it into this document by reference. **We urge all shareholders to read the merger agreement carefully in its entirety.**

Vote Required to Approve the Merger Agreement

The affirmative vote, either in person or by proxy, of the holders of a majority of the outstanding shares of Stockmen's common stock entitled to vote at our special meeting is required to approve the merger agreement.

General

Under the merger agreement,

- Stockmen's will merge with and into Zions, with Zions being the surviving corporation, and the separate corporate existence of Stockmen's will cease.
- Zions will survive and will continue its corporate existence under the laws of the State of Utah under its existing charter and bylaws. Subject to the satisfaction or waiver of conditions set forth in the merger agreement and described in "Approval of the Merger Agreement - Conditions to Complete the Merger," the merger of Stockmen's with and into Zions will become effective on the date and at the time specified in the certificate of merger to be filed with the Secretary of State of the State of Utah and the Secretary of State of the State of Arizona.
- Immediately following the completion of the Zions and Stockmen's merger,
- Stockmen's Bank will merge with and into NBA;

- the separate corporate existence of Stockmen's Bank will cease; and
- NBA will be the surviving bank in the bank merger and will continue its existence as a national bank under the laws of the United States under its current name, charter and bylaws.
- Each share of Stockmen's common stock issued and outstanding at the effective time of the merger will be converted into the right to receive a pro rata portion of the merger consideration, consisting of approximately 7.46 shares of Zions common stock.
- Zions will issue an aggregate of approximately 2,600,237 shares of its common stock to the former Stockmen's shareholders at the effective time of the merger.
- We expect to complete the merger in the first quarter of 2007.

Table of Contents

The Merger Consideration

Upon completion of the merger, each former Stockmen's shareholder will receive approximately 7.46 shares of Zions common stock in exchange for each of your shares of Stockmen's common stock.

Zions will not issue fractional shares of its common stock in the merger. Rather, each of our shareholders who would be entitled to a fractional share of Zions common stock will receive an amount of cash equal to the product of the fraction times the average of the last sales price of Zions common stock as reported in the *Wall Street Journal* during the twenty consecutive trading days ending on and including the trading day that is the eighth business day preceding the effective time of the merger.

Zions may terminate the merger agreement under certain circumstances if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is more than \$93.24, unless Stockmen's agrees to accept fewer shares in the merger; and Stockmen's may terminate the merger agreement if the average closing price of Zions stock during the pricing period, as defined in the merger agreement, is less than \$68.92, unless Zions agrees to issue additional shares of its common stock to the Stockmen's shareholders in the merger. See "Termination and Termination Fee" below.

Background of the Merger

During the normal course of its business, the management and board of directors of Stockmen's periodically reviewed and assessed the strategic options of the Company. Consistent with its fiduciary obligations to its shareholders, the board of directors of Stockmen's periodically considered strategic options including strategies to grow and enhance Stockmen's business through internal and external means. Those discussions included analyses of the financial institution merger market on a national and regional basis, the liquidity needs of Stockmen's shareholders, the potential value of the Stockmen's franchise based on current merger market fundamentals, and the potential market value of the Stockmen's stock assuming the execution of its current business plan under various scenarios. The board of directors and management of Stockmen's also routinely discussed the increasing level of competition, continuing consolidation, regulatory burden and related costs and other developments in the financial services industry.

In February 2005, Farrel Holyoak, President of Stockmen's Bank, met twice with John Gisi, Chairman of the Board of NBA, to informally discuss the prospect of a merger between the two banks. After those discussions and later in the spring of 2005, Harris Simmons, Chief Executive Officer and Chairman of Zions, met with Mr. Holyoak to further express Zions' interest in acquiring Stockmen's and submit a verbal offer. Mr. Holyoak then informed the Stockmen's board of directors of the occurrence and the specifics of the offer. After considering terms of the proposed transaction and the level of consideration offered (which was substantially less than the amount ultimately agreed upon in the merger agreement), the Stockmen's board of directors determined that it was in the best interests of Stockmen's and its shareholders to remain independent at that time. Although Stockmen's board of directors then elected not pursue a partnership, Mr. Holyoak informally maintained his existing relationships with executives from NBA and continued to be familiar with the bank's operating style, culture, and reputation in the Arizona marketplace.

In light of the growing liquidity needs of Stockmen's shareholders, on April 20, 2006 Stockmen's board of directors met to discuss the increasingly attractive pricing multiples characterizing bank mergers and acquisitions and the projected growth in the Bank's operating markets. After discussion, the board of directors determined that it was in the best interests of Stockmen's and its shareholders to explore the prospect of a combination with a partner. The board of directors concluded that a partnership could provide increased liquidity to Stockmen's shareholders and provide the Bank with access to additional capital to promote future expansion efforts.

In considering a possible business combination, Stockmen's board of directors decided to retain the investment banking firm Hovde Financial to assist and advise it in exploring such a transaction and if Stockmen's located a suitable acquirer to issue a fairness opinion with respect to such a transaction. Stockmen's entered into an engagement agreement with Hovde Financial on May 23, 2006.

Table of Contents

Hovde Financial evaluated the merger market available to Stockmen's and identified other institutions besides Zions that might be interested in pursuing a business combination with Stockmen's. Hovde Financial informed the Board of their views of the different levels of pricing that could be offered for Stockmen's by potential interested parties. After considering all the information presented, it was determined by the Board that it was in the best interest of Stockmen's and its shareholders to authorize Hovde Financial to approach various potential acquirers to determine the level of interest there may be in acquiring Stockmen's.

During June 2006, representatives from Hovde Financial worked with Stockmen's management to prepare marketing materials to provide to parties interested in evaluating the benefits of a partnership with Stockmen's. The marketing presentations, along with select Stockmen's public and private financial information, were sent out to thirteen interested parties who had previously signed Confidentiality Agreements. Hovde Financial had extensive conversations with the potential acquirers over the next several weeks and advised all potential acquirers to submit non-binding expressions of interest. Three companies, not including Zions, submitted written non-binding expressions of interest conditioned on a number of factors, including the ability to conduct due diligence. An additional company submitted a verbal indication of interest with similar conditions.

Concurrent to the process mentioned above during June 2006, Zions, which had not signed a Confidentiality Agreement, continuously reviewed the Stockmen's acquisition opportunity predominantly based on public information. On June 5, 2006, Mr. Simmons of Zions once again met with Mr. Holyoak in Kingman, Arizona to readdress the prospect of a partnership between the two organizations. During the meeting, the two parties discussed integration issues and Mr. Simmons extended a verbal offer in the amount of \$205.0 million.

Hovde Financial held extensive conversations with representatives from Zions during this period of time and requested that Zions submit a written non-binding indication of interest in order to pursue the acquisition. Zions then submitted a non-binding indication of interest on June 29, 2006, executed by Mr. Simmons with an aggregate purchase price of \$210.0 million in the form of Zions shares (subject to certain adjustments), conditioned upon approval by Zions' board of directors, regulatory approval, the negotiation of a binding definitive agreement, employment agreements for key personnel, and the completion of due diligence.

At a meeting held on July 7, 2006, Hovde Financial presented to Mr. Holyoak the five offers (four written and one verbal) submitted by the interested parties to Stockmen's. Keeping in mind the viable option of remaining independent, the presentation included an analysis of the amount and form of consideration offered, integration plans for the acquisition, price protection instruments proposed, board of directors representation, and an evaluation of the reinvestment opportunity for Stockmen's shareholders related to each of the proposals. The analysis also compared the offers to multiples received on comparable bank transactions. Furthermore, Hovde Financial provided additional feedback received from parties that reviewed the acquisition opportunity on topics including Stockmen's strategic value to a partner and issues limiting franchise value in a strategic partnership. On July 10, 2006, Mr. Holyoak met with Stockmen's board of directors to discuss the offers and Hovde's presentation, and after considering the information provided in the presentation, the board of directors decided to begin the due diligence process and the negotiation of an agreement exclusively with Zions.

Zions executed a Confidentiality Agreement on the afternoon of July 10, 2006 and was provided marketing material prepared by Hovde Financial which contained certain non-public information. Over the following weeks, Zions reviewed public and private information on Stockmen's, including an onsite review of the Bank's loan portfolio while Stockmen's reviewed public information available on Zions to gain comfort on the reinvestment opportunity in Zions common stock. During this period, Zions expressed a desire to retain Mr. Holyoak as a Regional President of NBA after the merger.

Stockmen's retained the law firm of Stinson Morrison Hecker LLP as legal counsel in connection with the negotiations with Zions. On August 10, 2006, Duane Morris LLP, special counsel to Zions, provided to Stockmen's and its representatives an initial draft of the merger agreement. During the following weeks, the parties and their representatives continued due diligence and negotiated the terms of the merger agreement and ancillary agreements. The terms of Mr. Holyoak's employment agreement and non-competition agreement were negotiated; additionally, the parties agreed upon the terms of the change of control agreements and structured a general framework for non-competition agreements with other officers of Stockmen's and Stockmen's Bank during this period.

Table of Contents

On September 7, 2006, the board of directors of Stockmen's met to consider the proposed merger with Zions. Representatives of Stinson Morrison Hecker LLP and Hovde Financial participated in the meeting by telephone. Stinson Morrison Hecker LLP provided a review of its memorandum previously distributed to the directors regarding the directors' fiduciary duties in connection with a possible transaction with Zions. Stinson Morrison Hecker LLP also reviewed the proposed merger agreement and ancillary agreements with the directors, which included review of a written summary of the merger agreement previously provided to the directors. Hovde Financial presented a summary of its financial analyses relating to the proposed merger and responded to questions posed by the board of directors. Hovde Financial provided its written opinion that, as of the date of the opinion and based upon and subject to the considerations described in the opinion, the consideration to be received by the holders of common stock in the proposed merger was fair, from a financial point of view, to such holders. The board meeting included, among other things, discussions of the form of consideration to be received by the shareholders of Stockmen's, the termination fee, potential price adjustments, caps and collars, the current stock price of Zions and its dividend history, and the implications to Stockmen's shareholders, employees and customers. Stockmen's evaluated the information provided in the presentation made by Hovde Financial and its fairness opinion that was presented and approved by the board of directors as written. After due deliberations, the board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were advisable to, fair to and in the best interests of Stockmen's and its shareholders and voted unanimously to approve the terms of the merger agreement and the merger.

The proposed merger was approved by the board of directors of Zions on July 22, 2006.

The parties entered into the agreement and plan of reorganization on September 8, 2006.

On September 11, 2006, a joint press release was issued before the open of trading of Zions' stock announcing the transaction.

On September 25, 2006, the parties entered into an amendment to the agreement and plan of reorganization to address the sale by Stockmen's Bank of much of its securities portfolio and to clarify certain matters in the agreement.

Recommendation of the Stockmen's Board and Stockmen's Reasons for the Merger

Our board believes that the merger is fair to, and in the best interests of, Stockmen's and our shareholders. Accordingly, our board has unanimously approved the merger agreement and recommends that Stockmen's shareholders vote **FOR** the approval of the merger agreement.

At a special meeting held on September 7, 2006, our board of directors determined that the terms of the merger agreement were in the best interests of Stockmen's and its shareholders and that ample consideration was to be received such that the merger was fair to Stockmen's shareholders. In the course of reaching its decision to approve the merger agreement, our board of directors consulted with Hovde Financial, our financial advisor, and Stinson Morrison Hecker LLP, our legal counsel. In reaching our determination, our board of directors considered a number of factors, including, without limitation, the following:

- the total dollar amount of the consideration being paid and the terms of the consideration, including the form of the consideration and the ability of our shareholders to reinvest in Zions common stock;
- the potential adjustments to the aggregate purchase price in connection with changes in Stockmen's investment portfolio and capital levels as well as positive or negative changes in Zions' stock price;
- the likelihood of the merger being approved by applicable regulatory authorities without undue conditions or delay;
- the opinion of Hovde Financial, Inc. that the consideration to be received by Stockmen's shareholders in the merger is fair from a financial point of view;

- the financial terms of recent business combinations in the financial services industry and a comparison of the multiples of selected combinations with the terms of the proposed acquisition by Zions;
- the consideration offered by Zions compared to the standalone present value of Stockmen's using forecasted earnings growth and other market assumptions;
- the alternatives of Stockmen's continuing as an independent community bank or combining with other potential merger partners versus the determination that the merger with Zions presented the best opportunity for maximizing shareholder value;
- information concerning Zions' financial condition, results of operations and business prospects as well as Zions' demonstrated ability of completing bank acquisitions on the terms and within the timeframes initially agreed upon by the parties;
- the expectation that Stockmen's shareholders would have the opportunity to continue to participate in the growth of the combined company and would also greatly benefit from the significantly greater liquidity of the trading market for Zions' common stock;
- that Zions has historically paid cash dividends on its common stock;

18

Table of Contents

- Zions' operating philosophy as a community-oriented bank holding company operating in similar and nearby geographic markets, with a customer service focus that is consistent with Stockmen's philosophy;
- the potential balance sheet and earnings growth of the combined company due to Zions' successful history as a growth oriented organization with a focused presence in markets with favorable demographics;
- the opportunity to realize savings in expenses through the combination of overlapping and redundant processes through the combination of the two entities and the benefits of economies of scale realized with regard to regulatory and market pressures;
- the determination that a business combination with Zions would extend Stockmen's lending capabilities and increase the range of financial products and services available to Stockmen's customers;
- the terms and conditions of the merger agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the limited ability of the parties to terminate the merger agreement;
- the work that Hovde Financial had done to entertain offers from potential acquirers;
- provisions in the merger agreement permitting Stockmen's board of directors, in the exercise of its fiduciary duties to Stockmen's and its shareholders under applicable Arizona law, to furnish information, and enter into discussions, in connection with an alternative proposal that constitutes a superior proposal, subject to conditions specified in the merger agreement;
- provisions in the merger agreement permitting Stockmen's board of directors, in the exercise of its fiduciary duties to Stockmen's and its shareholders under applicable Arizona law, to terminate the merger agreement in favor of an alternative proposal, taking into account that Stockmen's would be required to pay Zions liquidated damages as a termination fee;
- the fact that the merger agreement would be subject to approval by the holders of a majority of Stockmen's issued and outstanding common stock; and
- the ability of shareholders who may not support the merger to obtain "fair value" for their shares if they properly perfect and exercise their dissenters' rights under Chapter 13 of the Arizona Business Corporation Act.

In the course of its deliberations, our board of directors also considered a variety of potentially countervailing factors in its deliberations concerning the merger, including the following:

- the fact that Stockmen's will no longer continue as an independent company owned by the shareholders;
- the risks and contingencies related to the announcement and pendency of the merger, including the impact of the merger on Stockmen's employees, customers and relationships with third parties;
- the conditions to Zions' obligation to complete the merger and the right of Zions to terminate the merger agreement in certain circumstances;
- the risk that the merger might not receive all necessary regulatory approvals and clearances to complete the merger;
- that the termination fee provisions in the merger agreement could have the effect of discouraging superior proposals for a business combination between Stockmen's and third parties; and
- the fact that, pursuant to the merger agreement, Stockmen's is subject to a number of restrictions on the conduct of its business prior to consummation of the merger.

The foregoing discussion in this section of the information and factors considered by our board of directors is not intended to be exhaustive but is believed to include all material factors that our board considered. In reaching its determination to approve and recommend the transaction, our board based its recommendation on the totality of the information presented to it, and did not assign any relative or specific weights to the factors considered. In reaching that determination, individual directors may have given differing weights to different factors. After deliberating with respect to the merger transaction with Zions, considering, among other things, the matters discussed above and the opinion of Hovde Financial referred to above, our board of directors unanimously approved and adopted the merger agreement and the merger with Zions as being in the best interests of Stockmen's and its shareholders.

For the reasons cited above, our board of directors unanimously approved the merger agreement and believes the merger is fair to, and is in the best interests of, our shareholders. Accordingly, our board unanimously recommends that our shareholders vote "**FOR**" approval of the merger agreement.

Table of Contents

Zions' Reasons for the Merger

Zions considers the merger with Stockmen's to be advantageous to it for a number of reasons. The merger with Stockmen's allows Zions and NBA to expand their operations into new and developing community markets within Arizona and California. Also, the composition of Stockmen's statement of condition blends well with that of NBA because Stockmen's has more deposits than loans and NBA has more loans than deposits. Combining these balance sheets permits the surplus deposits at Stockmen's to be deployed to fund higher-earning assets, and allows NBA access to additional lower-cost deposits to fund its loan pipeline. Additionally, with the enhanced technologies and services offered through Zions and its affiliates, customers of Stockmen's will be afforded a wider variety of products and services, which Zions expects to lead to profitable opportunities for NBA. Stockmen's was built on a platform of long-term customer relationships, and the introduction of Zions' products and services is expected to help to reinforce these relationships.

Opinion of Stockmen's Financial Advisor

Hovde Financial has delivered to the Board of Directors of Stockmen's its opinion that, based upon and subject to the various considerations set forth in its written opinion dated September 7, 2006, the total transaction consideration to be paid to the shareholders of Stockmen's is fair from a financial point of view as of that date. In requesting Hovde's advice and opinion, no limitations were imposed by Stockmen's upon Hovde with respect to the investigations made or procedures followed by it in rendering its opinion. The full text of Hovde's opinion, dated September 7, 2006, which describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached to this document as Appendix B. Stockmen's shareholders should read this opinion in its entirety.

Hovde Financial is a nationally recognized investment banking firm and, as part of its investment banking business, is continually engaged in the valuation of financial institutions in connection with mergers and acquisitions, private placements and valuations for other purposes. As a specialist in securities of financial institutions, Hovde has experience in, and knowledge of, banks, thrifts and bank and thrift holding companies. Stockmen's board of directors selected Hovde Financial to act as its financial advisor in connection with the merger on the basis of the firm's reputation and expertise in transactions such as the merger.

Hovde will receive a fee from Stockmen's for performing a financial analysis of the merger and rendering a written opinion to the Board of Directors of Stockmen's as to the fairness, from a financial point of view, of the merger to Stockmen's shareholders.

Hovde Financial's opinion is directed only to the fairness, from a financial point of view, of the total transaction consideration, and, as such, does not constitute a recommendation to any Stockmen's shareholder as to how the shareholder should vote at the Stockmen's shareholder meeting. The summary of the opinion is qualified in its entirety by reference to the full text of the opinion.

The following is a summary of the analyses performed by Hovde in connection with its fairness opinion. Certain of these analyses were confirmed in a presentation to the Stockmen's board by Hovde Financial. The summary set forth below does not purport to be a complete description of either the analyses performed by Hovde in rendering its opinion or the presentation delivered by Hovde to the Stockmen's board, but it does summarize all of the material analyses performed and presented by Hovde.

The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. In arriving at its opinion, Hovde Financial did not attribute any particular weight to any analysis and factor considered by it, but rather

made qualitative judgments as to the significance and relevance of each analysis and factor. Hovde Financial may have given various analyses more or less weight than other analyses. Accordingly, Hovde Financial believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, without considering all factors and analyses, could create an incomplete view of the process underlying the analyses set forth in its report to the Stockmen's board and its fairness opinion.

In performing its analyses, Hovde Financial made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Stockmen's and Zi