

# **Zions Bancorporation**

## **2014 Resolution Plan**

### **Public Executive Summary**

Section 1: PUBLIC SECTION

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ZIONS BANCORPORATION RESOLUTION PLAN

TABLE OF CONTENTS

**Section 1: PUBLIC SECTION**

1.1 Introduction	<a href="#">4</a>
1.2 Zions Bancorporation	<a href="#">4</a>
1.3 Summary of Resolution Plan	<a href="#">5</a>
1.3.1 Material Entities	<a href="#">5</a>
1.3.1.1 Zions Bancorporation	<a href="#">5</a>
1.3.1.2 Zions First National Bank	<a href="#">6</a>
1.3.1.3 California Bank & Trust	<a href="#">6</a>
1.3.1.4 Amegy Corporation	<a href="#">6</a>
1.3.1.5 Amegy Bank	<a href="#">6</a>
1.3.1.6 Zions Management Services Company	<a href="#">7</a>
1.3.2 Description of Core Business Lines	<a href="#">7</a>
1.3.3 Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources	<a href="#">7</a>
1.3.3.1 Capital	<a href="#">9</a>
1.3.3.2 Regulatory Capital	<a href="#">9</a>
1.3.3.3 Funding Sources and Liquidity	<a href="#">11</a>
1.3.4 Description of Derivatives and Hedging Activities	<a href="#">12</a>
1.3.5 Memberships in Material Payment, Clearing and Settlement Systems	<a href="#">16</a>
1.3.6 Description of Foreign Operations	<a href="#">16</a>
1.3.7 Material Supervisory Authorities	<a href="#">17</a>
1.3.8 Principal Officers	<a href="#">17</a>
1.3.9 Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning	<a href="#">19</a>

Section 1: PUBLIC SECTION

---

1.3.10 Description of Material Management Information Systems	<a href="#">19</a>
1.3.11 High-Level Description of Resolution Strategy Including Such Items as the Range of Potential Purchasers of Zions Bancorporation, Its Material Entities and Core Business Lines	<a href="#">19</a>
1.4 Conclusion	<a href="#">20</a>

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Section 1: PUBLIC SECTION

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**Section 1: PUBLIC SECTION**

**1.1 Introduction**

To promote financial stability, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) and the related rule (the “**Title I Rule**”) require each bank holding company with total consolidated assets of \$50 billion or more to periodically submit to the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) and the Federal Deposit Insurance Corporation (the “**FDIC**”) a plan for that company’s rapid and orderly resolution in the event of material financial distress or failure.

Zions Bancorporation is a financial holding company registered with the Federal Reserve with total consolidated assets in excess of \$50 billion. Zions Bancorporation’s initial Resolution Plan (the “**Zions Resolution Plan**”) was submitted on December 31, 2013, with subsequent plans submitted on each anniversary thereafter. At the present time, all third-party sources such as nationally recognized statistical rating organizations and other organizations that use statistically-based models to forecast probabilities of default indicate that the risk of a need for resolution of Zions Bancorporation is highly unlikely. The Company continues to operate with a strong balance sheet and has recently implemented significant enhancements to its Enterprise Risk Management framework. Nevertheless, in the unlikely event of material financial distress or failure, the Zions Resolution Plan provides for the resolution of Zions Bancorporation and its material entities (“**MEs**”), in a rapid and orderly way, without posing systemic risk to the larger financial system and without the need for any government or taxpayer support.

The Zions Resolution Plan is a roadmap to facilitate the orderly resolution of Zions Bancorporation and its MEs (collectively, the “**Company**”) upon the failure of its MEs under applicable insolvency regimes, including (1) receivership under the Federal Deposit Insurance Act, as amended (the “**FDIA**”) and (2) reorganization or liquidation under the United States Bankruptcy Code (the “**Bankruptcy Code**”).

In conformance with the rules and guidance provided by the Federal Reserve and the FDIC, the Zions Resolution Plan assumes an idiosyncratic material financial event that affects the Company under economic conditions consistent with the Federal Reserve Supervisory Baseline, Adverse and Severe Adverse Scenarios published on November 1, 2013. The Zions Resolution Plan further assumes that:

- there is no disruption to the capital markets,
- other market participants are functioning normally, and
- the Company has not taken any steps to enhance its capital or liquidity position.

Unless otherwise indicated, information in this Public Summary is provided as of December 31, 2013.

**1.2 Zions Bancorporation**

Zions Bancorporation (“the Parent”) is a financial holding company organized under the laws of the State of Utah in 1955, and registered under the Bank Holding Company Act, as amended. The Parent and its subsidiaries (collectively “the Company”) owned and operated eight commercial banks (the “**Subsidiary Banks**”) in ten Western and Southwestern states with a

## Section 1: PUBLIC SECTION

---

total of 469 domestic branches at year-end 2013. The Subsidiary Banks each operate under a different name and each has its own board of directors, chief executive officer, and management team.

The Company provides a full range of banking and related services through its Subsidiary Banks and other non-bank subsidiaries, primarily in Utah, California, Texas, Arizona, Nevada, Colorado, Idaho, Washington, and Oregon. Full-time equivalent employees of the Company totaled 10,452 at year-end 2013.

The Company focuses on providing community banking services by continuously strengthening its offerings of the following products and services:

- small and medium-sized business and corporate banking;
- commercial and residential development, construction and term lending;
- retail banking;
- treasury cash management and related products and services;
- residential mortgage servicing and lending;
- trust and wealth management;
- limited capital markets activities, including municipal finance advisory and underwriting; and,
- investment activities.

In addition to these products and services, the Company specializes in capital markets and public finance, SBA lending, secondary market agricultural real estate mortgage loans through Farmer Mac, and municipal finance advisory and underwriting services. Certain of the Subsidiary Banks also provide services to key market segments through their women's financial, diverse markets, private client services, and executive banking groups.

### **1.3 Summary of Resolution Plan**

#### **1.3.1 Material Entities**

For purposes of resolution planning, Zions Bancorporation has identified six MEs under the Title I Rule. An ME under the Title I Rule is any subsidiary that is significant to the activities of a critical operation or core business line of a covered company. The Zions Resolution Plan addresses strategies that could be useful in ensuring the orderly resolution of each ME in the event of material financial distress or failure. The MEs are:

##### **1.3.1.1 Zions Bancorporation**

Zions Bancorporation and subsidiaries together comprise a \$56 billion financial holding company headquartered in Salt Lake City, Utah that provides a full range of banking and related services through the Subsidiary Banks in ten Western and Southwestern states:

- Zions First National Bank (“**Zions Bank**”) in Utah and Idaho;
- California Bank & Trust (“**CB&T**”) in California;
- Amegy Corporation and its subsidiary, Amegy Bank N.A. (“**Amegy Bank**”), in Texas;
- National Bank of Arizona (“**NBAZ**”) in Arizona;
- Nevada State Bank (“**NSB**”) in Nevada;

## Section 1: PUBLIC SECTION

---

- Vectra Bank Colorado (“**Vectra**”), in Colorado and New Mexico;
- The Commerce Bank of Washington, N.A. (“**TCBW**”) in Washington; and
- The Commerce Bank of Oregon (“**TCBO**”) in Oregon.

Zions Bancorporation and the Subsidiary Banks also own and operate certain nonbank subsidiaries that engage in financial services.

In addition, Zions Bancorporation owns Zions Management Services Company (“**ZMSC**”), which provides centralized technology and operations functions for the Subsidiary Banks and other affiliates.

### **1.3.1.2 Zions First National Bank**

Zions Bank is headquartered in Salt Lake City, Utah and is primarily responsible for conducting the Company’s operations in Utah and Idaho. Zions Bank is the 2nd largest full-service commercial bank in Utah and the 4th largest in Idaho, as measured by domestic deposits in these states, (excluding national or global wholesale banking organizations such as Goldman Sachs and American Express). Zions Bank conducts the largest portion of the Company’s capital markets operations, which include activities through its broker-dealer subsidiary Zions Direct, Inc., fixed income securities trading, correspondent banking, public finance, and trust and investment advisory services.

### **1.3.1.3 California Bank & Trust**

CB&T is the 16th largest full-service commercial bank in California, as measured by domestic deposits. Its core business is built on relationship banking by providing commercial, real estate and consumer lending, depository services, international banking, cash management, and community development services.

### **1.3.1.4 Amegy Corporation**

Amegy Corporation is headquartered in Houston, Texas and operates Amegy Bank, Amegy Mortgage Company, Amegy Investments, and Amegy Insurance Agency.

### **1.3.1.5 Amegy Bank**

Amegy Bank is headquartered in Houston, Texas and is the 9th largest full-service commercial bank in Texas, as measured by domestic deposits in the state. Its core business is built on a wide range of commercial, retail banking, and mortgage lending products and services. Amegy Bank specializes in banking privately owned businesses of all sizes and public companies in all industries, with additional expertise in real estate, energy, and correspondent banking.

Section 1: PUBLIC SECTION

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**1.3.1.6 Zions Management Services Company**

ZMSC provides internal technology and operational services to the Company and its subsidiaries. These services include a retail loan center (which houses centralized consumer lending, small business administration lending, and small business lending), wires, ACH, check clearing, bankcard, remote deposit capture, lockbox, vendor management, business continuity, disaster recovery, fraud monitoring and management, information security, customer call center, payroll and benefits, and project management, among others.

**1.3.2 Description of Core Business Lines**

The Company has determined that its Core Business Lines correspond primarily with its Securities and Exchange Commission (“**SEC**”) reporting segments, Zions Bank, Amegy Corporation (including Amegy Bank) and CB&T.

**1.3.3 Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources**

For detailed financial information with respect to Zions Bancorporation, please refer to Zions Bancorporation’s annual, quarterly, and current reports filed with the SEC and available on the SEC’s website at [www.sec.gov](http://www.sec.gov), including the Annual Report on Form 10-K for the year ended December 31, 2013.

Section 1: PUBLIC SECTION

<b>Exhibit 1: Zions Bancorporation and Subsidiaries - Consolidated Balance Sheets</b>		
<b>(In thousands, except share amounts)</b>	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>	\$ 1,175,083	\$ 1,841,907
Cash and due from banks		
Money market investments:	8,175,048	5,978,978
Interest-bearing deposits	282,248	2,775,354
Federal funds sold and security resell agreements		
Investment securities:	588,981	756,909
Held-to-maturity, at adjusted cost (approximate fair value \$609,547 and \$674,741)	3,701,886	3,091,310
Available-for-sale, at fair value	34,559	28,290
Trading account, at fair value	4,325,426	3,876,509
Loans held for sale	171,328	251,651
Loans, net of unearned income and fees:		
Loans and leases	38,693,094	37,137,006
FDIC-supported loans	350,271	528,241
	39,043,365	37,665,247
Less allowance for loan losses	746,291	896,087
Loans, net of allowance	38,297,074	36,769,160
Other noninterest-bearing investments	855,642	855,462
Premises and equipment, net	726,372	708,882
Goodwill	1,014,129	1,014,129
Core deposit and other intangibles	36,444	50,818
Other real estate owned	46,105	98,151
Other assets	926,228	1,290,917
<b>Total Assets</b>	<b>\$56,031,127</b>	<b>\$55,511,918</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits:		
Noninterest-bearing demand	18,758,753	18,469,458
Interest-bearing:		
Savings and money market	23,029,928	22,896,624
Time	2,593,038	2,962,931
Foreign	1,980,161	1,804,060
	46,361,880	46,133,073
Securities sold, not yet purchased	73,606	26,735
Federal funds purchased and security repurchase agreements	266,742	320,478
Other short-term borrowings	—	5,409
Long-term debt	2,273,575	2,337,113

Section 1: PUBLIC SECTION

<b>Exhibit 1: Zions Bancorporation and Subsidiaries - Consolidated Balance Sheets</b>		
<b>(In thousands, except share amounts)</b>	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
Reserve for unfunded lending commitments	89,705	102,422
Other liabilities	501,056	510,531
<b>Total Liabilities</b>	<b>49,566,564</b>	<b>46,165,881</b>
Shareholders' equity:		
Preferred stock, without par value, authorized 4,400,000 shares	1,003,970	2,377,560
Common stock, without par value; authorized 350,000,000 shares; issued and outstanding 184,677,696 and 184,199,198 shares		4,163,242
	4,179,024	
Retained earnings	1,473,670	1,036,590
Accumulated other comprehensive income (loss)	(192,101)	(592,084)
Controlling interest shareholders' equity	6,464,563	6,985,308
Noncontrolling interests	—	(2,080)
<b>Total shareholders' equity</b>	<b>6,464,563</b>	<b>6,983,228</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$56,031,127</b>	<b>\$53,149,109</b>

**1.3.3.1 Capital**

Exhibit 2 below provides capital and performance ratios for Zions Bancorporation and Subsidiaries.

<b>Exhibit 2: Capital and Performance Ratios for Zions Bancorporation and Subsidiaries</b>			
	<b>December 31</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Tangible common equity ratio	8.02%	7.09%	6.77%
Tangible equity ratio	9.85%	9.15%	11.33%
Average equity to average assets	11.81%	12.22%	13.36%
Risk-based capital ratios:			
Common equity Tier 1	10.18%	9.80%	9.57%
Tier 1 leverage	10.48%	10.96%	13.40%
Tier 1 risk-based	12.77%	13.38%	16.13%
Total risk-based	14.67%	15.05%	18.06%
Return on average common equity	5.73%	3.76%	3.32%
Tangible return on average tangible common equity	7.44%	5.18%	4.72%

**1.3.3.2 Regulatory Capital**

Section 1: PUBLIC SECTION

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The Company is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory—and possibly additional discretionary—actions by regulators that, if undertaken, could have a direct material effect on the Company’s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. Required capital levels are also subject to judgmental review by regulators.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of Total and Tier 1 capital to risk-weighted assets, and of Tier 1 capital to average assets. As of December 31, 2013, the Company exceeded all capital adequacy requirements to which it is subject.

As of December 31, 2013, all capital ratios of the Company and each of the Subsidiary Banks exceeded the “well capitalized” levels under the regulatory framework for prompt corrective action. In response to the recent severe economic crisis, the determination of appropriate capital levels, particularly for Zions Bancorporation and other systemically important financial institutions (“**SIFIs**”), is being driven increasingly by the results of comprehensive stress tests performed by each financial institution and its various regulators. These stress tests are part of the Capital Plan Review program overseen by the Federal Reserve, which requires SIFIs to submit their Capital Plans annually.

The stress tests seek to measure comprehensively all risks to which the institution is exposed, including credit, liquidity, market, operating, and other risks, the losses that could result from those risk exposures under adverse scenarios, and the institution’s resulting capital levels. The results of these institution-specific tests as well as the Basel III capital framework being implemented are driving the Company and most other SIFIs to hold capital considerably in excess of “well capitalized” regulatory standards, and in excess of historical levels. Regulators have indicated that these stress test results will also be an important factor in approving the amounts and timing of capital issuances, dividends and distributions, and stock and securities repurchases.

The actual capital amounts and ratios for Zions Bancorporation and the three largest Subsidiary Banks are as follows:

Section 1: PUBLIC SECTION

<b>Exhibit 3: Capital and Performance Ratios for the Company and ME Subsidiary Banks</b>				
<b>(In thousands, except ratio data)</b>	<b>Actual</b>		<b>To be well capitalized</b>	
	<b>Amount</b>	<b>Ratio</b>	<b>Amount</b>	<b>Ratio</b>
As of December 31, 2013:				
Total capital (to risk-weighted assets)				
The Company	\$ 6,621,539	14.67%	\$ 4,514,553	10.00%
Zions Bank	1,997,525	14.52%	1,375,347	10.00%
CB&T	1,252,860	13.65%	917,950	10.00%
Amegy Bank	1,714,314	14.86%	1,153,382	10.00%
Tier 1 capital (to risk-weighted assets)				
The Company	5,763,463	12.77%	2,708,732	6.00%
Zions Bank	1,831,720	13.32%	825,208	6.00%
CB&T	1,137,848	12.40%	550,770	6.00%
Amegy Bank	1,569,696	13.61%	692,029	6.00%
Tier 1 capital (to average assets)				
The Company	5,763,463	10.48%	N/A	N/A
Zions Bank	1,831,720	10.02%	913,592	5.00%
CB&T	1,137,848	10.75%	529,067	5.00%
Amegy Bank	1,569,696	12.09%	649,387	5.00%

### 1.3.3.3 Funding Sources and Liquidity

Zions Bancorporation funds itself primarily through long-term debt, while interest-bearing and noninterest-bearing deposits are a primary source of funding for the Subsidiary Banks. On a consolidated basis, average total deposits increased by 4.3% during 2013, with average interest-bearing deposits increasing by 2.2% and average noninterest-bearing deposits increasing 7.8%. The increase in noninterest-bearing deposits was largely driven by increased deposits from business customers.

Core deposits at December 31, 2013, which exclude time deposits larger than \$100,000 and brokered deposits, increased by 1.0%, or \$432 million, from December 31, 2012. The increase was mainly due to increases in noninterest-bearing and interest-bearing demand deposits and savings and money market accounts, partially offset by decreases in time deposits.

Demand and savings and money market deposits comprised 90.1% of total deposits at December 31, 2013, compared with 89.7% at December 31, 2012.

During 2013 and 2012, Zions Bancorporation maintained a low level of brokered deposits with the primary purpose of keeping that funding source available in case of a future need. At December 31, 2013, total deposits included \$29 million of brokered deposits compared to \$37 million at December 31, 2012. The Company manages its liquidity to provide adequate funds to meet its anticipated financial and contractual obligations, including withdrawals by depositors, debt and capital service requirements, and lease obligations, as well as to fund customers' needs for credit.

## Section 1: PUBLIC SECTION

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Overseeing liquidity management is the responsibility of Zions Bancorporation's Asset and Liability Committee ("**ALCO**"), which implements a Board-adopted corporate Liquidity Policy. This policy addresses maintaining adequate liquidity, diversifying funding positions, monitoring liquidity at consolidated as well as Subsidiary Bank levels, and anticipating future funding needs. The policy also includes liquidity ratio guidelines, for example, the "time to required funding" (which measures the time remaining before a parent company would need to receive access to dividends from its subsidiaries, or alternatively issue capital in the financial markets in order to meet its financial obligations) and fixed charge coverage ratios, which are used to monitor the liquidity positions of Zions Bancorporation and the Subsidiary Banks, as well as various stress test and liquid asset measurements for Zions Bancorporation and bank liquidity.

The management of liquidity and funding is performed centrally by Zions Bank's Capital Markets/Investment Division under the direction of Zions Bancorporation's Chief Investment Officer, with oversight by ALCO. The Chief Investment Officer is responsible for recommending changes to existing funding plans, as well as to the policy guidelines. These recommendations must be submitted for approval to ALCO. The Subsidiary Banks have authority to price deposits, borrow from the Federal Home Loan Bank ("**FHLB**") and the Federal Reserve, and sell Federal Funds to or purchase Federal Funds from Zions Bank or correspondent banks. The Subsidiary Banks may also make liquidity and funding recommendations to the Chief Investment Officer.

The FHLB system and Federal Reserve Banks have been and are a source of back-up liquidity, and from time to time, a significant source of funding for each of the Subsidiary Banks. Moreover, as of December 31, 2013, the unused lines of credit of the Subsidiary Banks totaled approximately \$16.3 billion as a result of the Subsidiary Banks pledging a substantial portion of their loans with the FHLB.

### 1.3.4 Description of Derivatives and Hedging Activities

The Company's objectives in using derivatives are primarily to modify the duration of specific assets or liabilities or the duration of equity of the Company as it considers advisable, to manage exposure to interest rate movements or other identified risks, and/or to directly offset derivatives sold to customers of the Company. To accomplish these objectives, the Company has used, among other instruments, interest rate swaps as part of its cash flow hedging strategy. These derivatives are used to hedge the variable cash flows associated with designated commercial loans.

Exposure to credit risk arises from the possibility of nonperformance by counterparties. These counterparties primarily consist of financial institutions that are well established and well capitalized. The Company controls this credit risk through credit approvals, limits, pledges of collateral, and monitoring procedures. No losses on derivative instruments have occurred as a result of counterparty nonperformance. Nevertheless, the related credit risk is considered and measured when and where appropriate.

The Company's interest rate risk management strategy involves the use of hedging to mitigate its exposure to potential adverse effects from changes in interest rates. Interest rate swap agreements designated as cash flow hedges involve the receipt of fixed-rate amounts in exchange for variable-rate payments over the life of the agreements without exchange of the underlying principal amount. Derivatives not designated as accounting hedges, including basis swap agreements, are not speculative and are used to economically manage the Company's

Section 1: PUBLIC SECTION

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exposure to interest rate movements and other identified risks, but do not meet the strict hedge accounting requirements.

The derivative contracts used by the Company are exchange-traded or Over-the-Counter (“**OTC**”). Exchange-traded derivatives consist of forward currency exchange contracts, which are part of the Company’s services provided to commercial customers. OTC derivatives consist of interest rate swaps, options, and futures contracts. These financial instruments involve, to varying degrees, elements of credit, liquidity, and interest rate risk in excess of the amounts recognized in the balance sheet. The Company offers its customers interest rate swaps to assist them in managing their exposure to fluctuating interest rates. Upon issuance, all of these customer swaps are immediately “hedged” by offsetting derivative contracts, such that the Company minimizes its net risk exposure resulting from such transactions. Fee income from customer swaps is included in other service charges, commissions, and fees.

On July 28, 2010, the Company entered into a total return swap (“**TRS**”) and related interest rate swaps with Deutsche Bank AG (“**DB**”) relating to a portfolio of \$1.16 billion notional amount of the Company’s bank and insurance trust preferred CDOs. As a result of the TRS, DB assumed all of the credit risk of this CDO portfolio, providing timely payment of all scheduled payments of interest and principal when contractually due to the Company (without regard to acceleration or deferral events). The transaction reduced regulatory risk-weighted assets and improved the Company’s risk-based capital ratios. The fair value of the TRS derivative liability was \$4.1 million at December 31, 2013. Effective April 28, 2014, the Company canceled the TRS and related interest rate swaps. Prior to cancellation, the actual portfolio par balance had been reduced to \$545 million due to sales, paydowns and payoffs. As a result of the cancellation, the TRS derivative liability was extinguished at June 30, 2014, and the Company’s regulatory risk weighted assets increased by approximately \$0.9 billion at June 30, 2014.

No derivatives have been designated for hedges of investments in foreign operations.

The Company records all derivatives at fair value on the balance sheet. When quoted market prices are not available, the valuation of derivative instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. These future net cash flows, however, are susceptible to change due primarily to fluctuations in interest rates (most significantly), and foreign exchange rates. As a result, the estimated values of these derivatives will change over time as cash is received and paid and as market conditions change. As these changes take place, they may have a positive or negative impact on the Company’s estimated valuations.

Selected information with respect to notional amounts and recorded gross fair values at December 31, 2013, and the related gain (loss) of derivative instruments for the year then ended is summarized as follows:

Section 1: PUBLIC SECTION

<b>Exhibit 4: Derivatives and Hedging Activities</b>						
<b>(In thousands)</b>	<b>December 31, 2013</b>			<b>December 31, 2012</b>		
	<b>Notional Amount</b>	<b>Fair Value</b>	<b>Fair Value</b>	<b>Notional Amount</b>	<b>Fair Value</b>	<b>Fair Value</b>
		<b>Other Assets</b>	<b>Other Liabilities</b>		<b>Other Assets</b>	<b>Other Liabilities</b>
Derivatives designated as hedging instruments						
Asset derivatives						
Cash flow hedges <sup>1</sup> :						
Interest rate swaps	\$ 100,000	\$ 202	\$ 583	\$ 150,000	\$ 1,188	\$ —
Total derivatives designated as hedging instruments	100,000	202	583	150,000	1,188	—
Derivatives not designated as hedging instruments						
Interest rate swaps	65,850	420	421	98,524	1,043	1,047
Interest rate swaps for customers <sup>2</sup>	2,902,776	55,447	54,688	2,607,603	79,579	82,926
Basis swaps	—	—	—	—	—	—
Future contracts	—	—	—	—	—	—
Options contracts	—	—	—	—	—	—
Foreign exchange	751,066	9,614	8,643	520,696	4,404	3,159
Total return swap	1,159,686	—	4,062	1,159,686	—	5,127
Total derivatives not designated as hedging instruments	4,879,378	65,481	67,814	4,386,509	85,026	92,259
<b>Total derivatives</b>	<b>\$4,979,378</b>	<b>\$ 65,683</b>	<b>\$ 68,397</b>	<b>\$4,536,509</b>	<b>\$ 86,214</b>	<b>\$ 92,259</b>

Note: These schedules are not intended to present at any given time Zions Bancorporation's long/short position with respect to its derivative contracts.

<sup>1</sup> Amounts recognized in OCI and reclassified from AOCI represent the effective portion of the derivative gain (loss).

<sup>2</sup> Amounts include both the customer swaps and the offsetting derivative contracts.

Section 1: PUBLIC SECTION

Exhibit 5: Amount of Derivative Gain (Loss) Recognized / Reclassified								
(In thousands)	Year Ended December 31, 2013				Year Ended December 31, 2012			
	OCI	Re-classified from AOCI to interest income	Non-interest income (expense)	Offset to interest expense	OCI	Re-classified from AOCI to interest income	Non-interest income (expense)	Offset to interest expense
Derivatives designated as hedging instruments								
Asset derivatives								
Cash flow hedges <sup>1</sup> :								
Interest rate swaps	(225)	2,647			390	13,062		
Interest rate floors	—	—			—	—		
	<u>(225)</u>	<u>2,647</u>			<u>390</u>	<u>13,062</u>		
Liability derivatives								
Fair value hedges:								
Terminated swaps on long-term debt				\$3,054				3,054
Total derivatives designated as hedging instruments	<u>(225)</u>	<u>2,647</u>		<u>3,054</u>	<u>390</u>	<u>13,062</u>		<u>3,054</u>
Derivatives not designated as hedging instruments								
Interest rate swaps			(493)				(1,467)	
Interest rate swaps for customers <sup>2</sup>			10,918				7,858	
Basis swaps			—				18	
Futures contracts			2				(13)	
Total return swap			<u>(21,753)</u>				<u>(21,707)</u>	
Total derivatives not designated as hedging instruments			<u>(11,326)</u>				<u>(15,311)</u>	
Total derivatives	<u>(225)</u>	<u>2,647</u>	<u>(11,326)</u>	<u>3,054</u>	<u>390</u>	<u>13,062</u>	<u>(15,311)</u>	<u>3,054</u>

Note: These schedules are not intended to present at any given time Zions Bancorporation's long/short position with respect to its derivative contracts.

<sup>1</sup> Amounts recognized in OCI and reclassified from AOCI represent the effective portion of the derivative gain (loss).

<sup>2</sup> Amounts include both the customer swaps and the offsetting derivative contracts.

Section 1: PUBLIC SECTION

**1.3.5 Memberships in Material Payment, Clearing and Settlement Systems**

The Company depends on payment, clearing, and settlement systems to facilitate its day-to-day operations. During 2013, the Company engaged in cash and securities transactions across the following payment, clearing and settlement systems:

<b>Exhibit 6: Memberships in Material Payment, Clearing and Settlement Systems</b>	
<b>Network</b>	<b>Description</b>
ACI Money Transfer System	Multibank, multicurrency solution that provides payments processing capabilities
Automated Clearing House (ACH)	Electronic network for financial transactions, credit and debit batches, in the United States
Bank of New York Mellon	Futures Commission Merchant (FCM)
DeutscheBank Clearing	Futures Commission Merchant (FCM)
DTCC/FICC/NSCC	Securities settlement, safekeeping
Electronic Check Clearing House Organization (ECCHO)	A rules development, maintenance and advocacy organization. It specializes in rule that govern the electronic exchange of image items.
Fed Clearings	Used for presentment and receipt of forward collection checks
FedACH Services	Payment services that enable an electronic exchange of debit and credit transactions through the Automated Clearing House (ACH) network
Fedwire	Gross-settlement system that enables the bank to send or receive payments on its own behalf or for clients, settle commercial payments or positions with other financial institutions or clearing arrangements, submit federal tax payments or buy and sell federal funds
MasterCard	Global electronic payments
National ACH Association (NACHA):	Rule-making and governing organization for the ACH network
Payments Association Member (Regional Payments Association)	Regional Payments
Standard Chartered Bank	International wire transfer
SWIFT	Global network that allows financial institutions to send and receive information about financial transactions
VISA	Global electronic payments
Western Payments Alliance (WesPay)	Regional payments association located in the western United States

**1.3.6 Description of Foreign Operations**

Zions Bank and Amegy Bank operate branches in Grand Cayman, Grand Cayman Islands, B.W.I. The foreign branches only accept deposits from qualified domestic customers. While deposits in these branches are not subject to the Federal Reserve Bank reserve requirements,

Section 1: PUBLIC SECTION

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there are no federal or state income tax benefits to Zions Bancorporation or any customers as a result of these operations.

Foreign deposits at December 31, 2013 and 2012 were \$2.0 billion and \$1.8 billion, respectively, and averaged \$1.7 billion in 2013 and \$1.5 billion in 2012. Foreign deposits are related to domestic customers of the Company's subsidiary banks.

### **1.3.7 Material Supervisory Authorities**

The banking and financial services business in which the Company engages is highly regulated. Such regulation is intended, among other things, to improve the stability of banking and financial companies and to protect the interests of customers, including both loan customers and depositors. Zions Bancorporation and its affiliates are subject to regulatory supervision and examinations by the following authorities: Office of the Comptroller of the Currency, Federal Reserve, FDIC, Consumer Financial Protection Bureau, and the SEC.

Section 1: PUBLIC SECTION

**1.3.8 Principal Officers**

Below is a list of the principal officers for Zions Bancorporation as appointed by the respective Boards of Directors, effective December 31, 2013.

<b>Exhibit 7: Executive Officers of Zions Bancorporation</b>	
<b>Name</b>	<b>Position</b>
Harris H. Simmons	Chairman, President, and Chief Executive Officer
Doyle L. Arnold	Vice Chairman and Chief Financial Officer
Bruce K. Alexander	Executive Vice President; Chairman, President and Chief Executive Officer of Vectra Bank Colorado, N.A.
A. Scott Anderson	Executive Vice President; President and Chief Executive Officer of Zions First National Bank
David E. Blackford	Executive Vice President; Chairman, President and Chief Executive Officer of California Bank & Trust
Julie G. Castle	Executive Vice President; President and Chief Executive Officer of Contango Capital Advisors
Dallas E. Haun	Executive Vice President; President and Chief Executive Officer of Nevada State Bank
W. David Hemingway	Executive Vice President, Capital Markets and Investments
Dianne R. James	Executive Vice President, Chief Human Resources Officer
Thomas E. Laursen	Executive Vice President, General Counsel and Secretary
Keith D. Maio	Executive Vice President; President and Chief Executive Officer of National Bank of Arizona
Scott J. McLean	Executive Vice President; Chief Executive Officer of Amegy Bank N.A.
Michael Morris	Executive Vice President, Chief Credit Officer
Joseph L. Reilly	Executive Vice President, Technology and Operations Systems
Stanley D. Savage	Executive Vice President; Chairman, President and Chief Executive Officer of The Commerce Bank of Washington, N.A.
Edward P. Schreiber	Executive Vice President, Chief Risk Officer
Steven D. Stephens	Executive Vice President; President of Amegy Bank N.A.
James R. Abbott	Senior Vice President, Investor Relations
Alexander J. Hume	Senior Vice President, Corporate Controller

Section 1: PUBLIC SECTION

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### **1.3.9 Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning**

Zions Bancorporation has developed a strong governance framework with respect to its resolution planning obligations under the Dodd-Frank Act and the Title I Rule and is committed to maintaining strong, consistent, sustainable risk management practices and high standards of ethics and sound corporate governance, including management of the Company's affairs by a strong, qualified, and active board exercising independent judgment and effective risk oversight for the benefit of our shareholders and other constituencies. This framework has been informed by its resolution planning experience since the adoption of the Dodd-Frank Act.

The Company continues to commit significant internal and external resources to the annual updates of the Zions Resolution Plan. Key participants in the resolution governance structure include a dedicated resolution planning team within the Company's risk management framework. In addition, personnel across the businesses, operations, technology, finance, treasury, risk, legal, compliance, audit, and other functions are involved in developing, reviewing, refreshing and challenging the Zions Resolution Plan. Most importantly, prior to each annual submission, the Zions Resolution Plan is reviewed by the members of the Zions Bancorporation Risk Oversight Committee, and approved by the Zions Bancorporation Board of Directors.

This Zions Resolution Plan has been reviewed by the Zions Bancorporation Risk Oversight Committee and was approved by the Board of Directors on December 29, 2014.

### **1.3.10 Description of Material Management Information Systems**

The Company has dedicated significant resources to the development, maintenance, and management of comprehensive information technology and management information systems ("MIS") to enable business operations, transactions, risk management, accounting, and enable the creation of financial, regulatory compliance, and business management reports.

As part of the information collection process in the preparation of the Zions Resolution Plan, the Company identified management information systems deemed material to the Company, its MEs and the other Subsidiary Banks. Policies and procedures that govern the MIS environment have been well established and are updated based on regulatory requirements; business needs, and changes to the environment. The Company's risk governance framework drives the controls such as change management, incident management, information security, business continuity and disaster recovery that ensure a dependable and robust MIS environment.

As part of the information collection process in the context of the preparation of the Zions Resolution Plan, the Company identified systems and applications deemed key to the Company, its MEs and the other Subsidiary Banks. The Company has processes in place to provide regulators access to key MIS in the unlikely event of a resolution scenario.

Section 1: PUBLIC SECTION

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### **1.3.11 High-Level Description of Resolution Strategy Including Such Items as the Range of Potential Purchasers of Zions Bancorporation, Its Material Entities and Core Business Lines**

The Company has developed resolution strategies under the assumption that an idiosyncratic event of failure has occurred within the Company. The Company has planned for the rapid and orderly resolution without government intervention or taxpayer support by formulating resolution strategies for each of its MEs.

In the unlikely event that a resolution of the Company was necessary, Zions Bancorporation and Amegy Corporation would be wound down in an orderly manner under Chapter 11 of the Bankruptcy Code (“**Chapter 11**”). The Subsidiary Banks would be placed into FDIC receivership and a sale to one or more third-party buyers of assets and liabilities out of the receiverships would be attempted over the weekend after the FDIC places the Subsidiary Banks into receivership. Alternatively, substantially all of the Subsidiary Banks’ assets and liabilities would be transferred to one bridge bank or some combination of multiple bridge banks to be managed for an interim period of time, following which the assets and liabilities would be sold out of the bridge bank(s) by the FDIC to one or more third-party buyers.

It is expected that ZMSC would not enter resolution immediately, but rather would remain operational during the resolution of the entities it supports. Only then, some months later, would ZMSC enter into Chapter 11 proceedings.

### **1.4 Conclusion**

The Zions Resolution Plan provides for the rapid and orderly resolution of the Company, without posing systemic risk to the larger financial system and without the need for any government or taxpayer support. The resolution options proposed are designed to ensure that key components of the Company would be able to continue their operations during the period immediately following failure, minimizing impact to the Company’s customer base and the U.S. banking system. Zions Bancorporation believes it has developed an effective and feasible resolution plan.