



## TRANSACTION PROFILE: STOCKMEN'S BANCORP/ZIONS BANCORPORATION

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, \$1.2 billion asset size Kingman, Arizona-based Stockmen's Bancorp, Inc. ("SBI") and \$45.1 billion asset size Salt Lake City, Utah-based Zions Bancorporation (NASDAQ: ZION). Hovde both initiated this transaction and served as Stockmen's exclusive financial advisor.

For your reference, we are attaching our Hovde Financial Transaction Alert regarding the terms of this deal. Stockmen's Bancorp, Inc. shareholders will receive a fixed number of shares worth approximately \$210.2 million in ZION stock, subject to certain adjustments between announcement and closing, in a stock for stock transaction. Using June 30, 2006 financial data, the \$210.2 million deal value equates to 17.7x SBI's trailing 12-month earnings, 348.7% of SBI's tangible book value, and 334.1% of SBI's book value. This deal results in the second highest price to tangible book value multiple in Arizona bank transaction history for an all stock transaction and the 3<sup>rd</sup> highest measure across all bank transactions in the State. Furthermore, the agreement marks the largest bank transaction in Arizona since 1998 and the third largest in State history.

With this deal, ZION acquires Arizona's second largest independent bank in the second fastest growing state in the nation along with eleven additional SBI branches located in California's rapidly growing Central Valley. SBI's Arizona franchise will be combined with ZION's subsidiary, National Bank of Arizona, and its California locations will be converted to California Bank & Trust branches. Using June 2005 deposit information, the combination will strengthen ZION's current position as the 4<sup>th</sup> largest bank in Arizona, controlling 5.71% of the deposit market in the State. Likewise, ZION's 12<sup>th</sup> ranked position in California deposit market share will be increased to 1.14% with a bolstered presence in some of the top growth markets in the State. The transaction will allow the combined Company to take advantage of Stockmen's fantastic deposit base combined with a significant amount of lending capacity and reaffirms ZION's dedication to maintaining a strong presence in the fastest growing regions of the Western United States. The acquisition of SBI is ZION's first transaction since entering Texas with the purchase of Amegy Bancorporation in July, 2005.

### About Hovde Financial

Hovde Financial is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 230 merger and acquisition transactions for an aggregate deal value of over \$19 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

Washington

Chicago

Los Angeles

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## TRANSACTION PROFILE

HOVDE FINANCIAL IS PLEASED TO ANNOUNCE

### Stockmen's Bancorp, Inc. - Kingman, AZ

has agreed to merge with

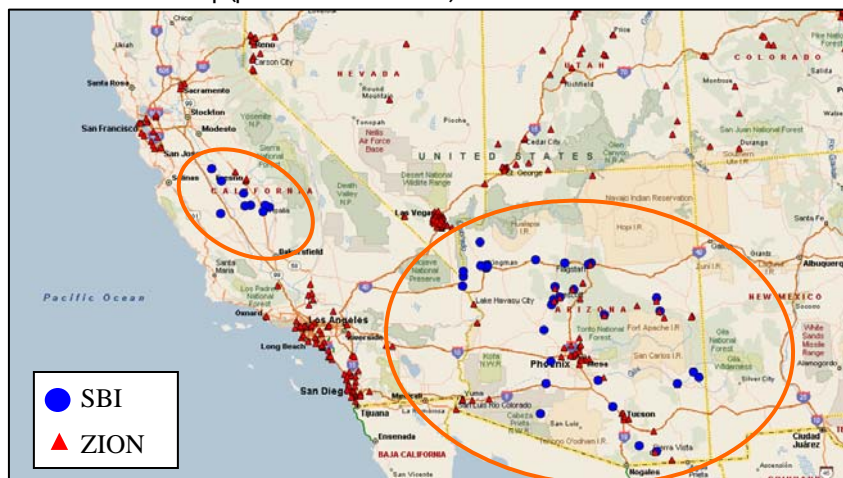
### Zions Bancorporation - Salt Lake City, UT

*Hovde Financial served as exclusive financial advisor to Stockmen's Bancorp, Inc.*

#### Overview of the Deal

- Salt Lake City, UT-based Zions Bancorporation ("ZION") is bolstering its expansive footprint in the Western United States with the announced signing of a definitive agreement to acquire Kingman, AZ-based Stockmen's Bancorp, Inc. ("SBI") in an all stock transaction valued at \$210.2 million
- At \$210.2 million, this price represents Arizona's largest bank transaction since 1998 with implied multiples of 348.7% of tangible book value and 17.7x trailing twelve month earnings off of June 30, 2006 financials
- SBI's 32 Arizona and 11 California locations will operate as ZION's National Bank of Arizona and California Bank & Trust, respectively
- ZION will strengthen its position of the 4th ranked leader in deposit market share in Arizona and 12th in California

#### Pro Forma Branch Map (partial ZION's franchise)



#### Transaction Pricing

Aggregate Deal Price (\$million)	\$210.2
Announced Date	7/8/2006
Anticipated Closing Date	Q1 2007
Form of Consideration	100% Stock
Consideration Structure	Fixed Exchange Ratio
Price-to-Book Value	334.1%
Price-to-Tangible Book Value	348.7%
Price-to-12 Months Trailing Earnings	17.7x

#### Pro Forma Market Share - Arizona

Rank	Institution	Branch Count	Deposits in Market (\$000)	Market Share (%)
1	JPMorgan Chase & Co. (NY)	217	18,249,379	25.1
2	Bank of America Corp. (NC)	173	15,360,173	21.1
3	Wells Fargo & Co. (CA)	254	14,183,190	19.5
<b>PRO FORMA COMPANY</b>		<b>84</b>	<b>4,157,055</b>	<b>5.7</b>
4	Zions Bancorp. (UT)	53	3,395,074	4.7
5	Wachovia Corp. (NC)	15	3,037,412	4.2
6	Compass Bancshares Inc. (AL)	76	2,514,945	3.5
7	Marshall & Ilsley Corp. (WI)	41	2,021,598	2.8
8	First NB Holding Company (AZ)	15	1,594,579	2.2
9	Washington Mutual Inc. (WA)	48	904,794	1.2
10	Northern Trust Corp. (IL)	11	835,549	1.2
11	BMO Financial Group	7	804,349	1.1
12	Stockmen's Bancorp Inc. (AZ)	31	761,981	1.1
13	Washington Federal Inc. (WA)	20	755,614	1.0
14	Ohio Savings Financial Corp. (OH)	6	742,119	1.0
15	Capitol Bancorp Ltd. (MI)	11	726,068	1.0
Remaining Institutions		1,209	6,919,440	9.5

Deposit information as of 6/30/05 Source: SNL DataSource

#### Buyer and Seller Financial Information (as of 6/30/2006)

	<u>ZION</u>	<u>SBI</u>
Headquarters	Salt Lake City, UT	Kingman, AZ
Ticker	ZION	N/A
States of Operation	Western U.S.	AZ(32),CA(11)
Total Branches	497	43
Total Assets (\$000)	45,142,086	1,211,517
Total Deposits (\$000)	33,254,210	1,089,905
Total Equity (\$000)	4,447,330	62,925
Tangible Equity (\$000)	2,388,382	60,289
Nonperforming Loans/Loans (%)	0.23	0.08
LTM Earnings (\$000)	534,020	11,901
LTM ROAA (%)	1.37	1.02
LTM ROAE (%)	14.11	20.01