

ZIONS BANCORPORATION

Via E-mail

November 30, 2012

Leslie Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via e-mail: director@fasb.org

Re: FASB File Reference No. 2012-220: Discussion Paper: *Disclosure Framework*

Dear Technical Director:

Zions Bancorporation (“Zions”) appreciates the opportunity to provide comments and observations on the Financial Accounting Standards Board’s (“FASB”) Discussion Paper *Disclosure Framework* (“DP”). Our input is based on our role as a preparer of financial statements and as a regional bank that is a user of community bank financial statements, as well as financial statements of customers from a wide variety of industries.

Zions is one of the largest regional bank holding companies in the Western United States, consisting of eight banks and about \$53 billion in assets. Zions operates its banking businesses under local management teams and community identities through approximately 500 offices in ten Western and Southwestern states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah and Washington. The vast majority of our earning assets are loans, and approximately 80% of those loans are to small businesses, other commercial and corporate businesses, real estate developers and commercial real estate investors in communities within those states.

We support the FASB’s desire to improve the disclosures in notes to financial statements, but we believe that the DP as currently drafted does not meet those objectives. Financial statements and their notes are intended to provide a report of a company’s financial performance over a specific past period of time, and a report of its financial condition as of a certain period-end date. We are concerned that many of the changes proposed by the DP, if implemented, will change the nature of financial statements from historical fact-based reports to a dataset used for assessing the prospects of future cash flow. We are also very concerned that the proposed changes will greatly reduce the comparability of financial statements issued by different entities.

In particular, we would like to bring to your attention the following concerns and suggestions:

Making Disclosure Requirements Flexible

The DP proposes that entities should “select” information for disclosure that “is relevant to an assessment of the prospects for cash flows from a particular entity”. As financial statement preparers, we find this objective extremely difficult to fulfill. Furthermore, the Management Discussion and Analysis (“MD&A”) section of public company financial statements is the location for forward-looking information. Disclosures about “the prospects for cash flows” are inherently forward-looking and therefore it is more logical to present them in the MD&A than in the notes to the financial statements.

Financial statements are prepared based on information obtained from a company’s accounting records and those records contain historical information. Even fair value information is historical by the time it gets published. An “assessment of the prospects for cash flows” is a forecast of future performance, and each securities analyst, potential creditor, and mom-and-pop investor has his/her own (and often secret) forecasting method. It is impossible for a financial statement preparer to accurately guess what may or may not be important to the proprietary models. Additionally, information about future events and contingencies, if material, are already disclosed in footnotes to the financial statements.

As financial statement readers, we are concerned about the comparability of financial information published by different entities. If preparers are able to use a great degree of judgment to select what information to disclose, the items selected may vary greatly between companies whose businesses are otherwise very similar.

Reporting Entities’ Decisions about Disclosure Relevance

We agree that entities should continue to disclose information that is relevant and material. As financial statement preparers, we use our own determination of materiality in deciding what to include in all of the disclosures required by GAAP, but it is impossible for us to accurately guesstimate what may or may not be material to the readers’ forecasting models.

As financial statement readers, we would greatly appreciate knowing the materiality threshold of the financial statements, because it would indicate the margin of error included in the disclosed amounts and the maximum amount of omitted information. Therefore, we would like to suggest that entities disclose the materiality dollar-amount (or other applicable currency) used to prepare the financial statements.

The DP discusses disclosures related to Defined Benefit Pension Plans in great detail. We would like to suggest that the FASB select a more relevant topic to use as an example in its future publications.

Financial statements have three main groups of stakeholders; preparers, readers, and auditors. The current members of the FASB appear to have a wealth of experience as readers and auditors, but we would like to suggest the addition of individuals with extensive experience as preparers. This DP, as well as several other recent documents published by the FASB, do not seem to fully

appreciate the practical difficulties of information gathering, the uncertainties and risks associated with forecasting, and the and high cost of financial statement preparation.

We thank you for reviewing our recommendations and would be pleased to discuss these issues in more detail with you or your staff at your convenience.

Sincerely,



Alexander J. Hume
Senior Vice President and Corporate Controller
Zions Bancorporation