Zions Bancorporation (ZION)

Updated October 26th, 2025, by Sure Dividend Analyst

Key Metrics

Current Price:	$53	**5 Year Annual Expected Total Return:**	12.5%	**Market Cap:**	$7.8 B
Fair Value Price:	$64	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date[1]:**	11/14/25
% Fair Value:	83%	**5 Year Valuation Multiple Estimate:**	3.7%	**Dividend Payment Date[1]:**	11/28/25
Dividend Yield:	3.4%	**5 Year Price Target**	$85	**Years Of Dividend Growth:**	13
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Zions Bancorporation (ZION) is a bank holding company that operates full-service banking offices in 11 western states in the U.S. The company also offers a range of investment, mortgage, insurance, and electronic commerce services. Zions primarily focuses on providing banking services to small and midsize businesses, with the majority of its loans focused on commercial and commercial real estate lending. The company was formerly known as ZB, National Association and changed its name to Zions Bancorporation, National Association in September 2018. Zions Bancorporation is a $7.8 billion company that was founded in 1873 and has 9,400 employees.

On October 20th, 2025, Zions Bancorporation released its third quarter 2025 results for the period ending September 30th, 2025. For the quarter, the company reported net earnings of $221 million, an increase from $204 million in the prior-year quarter, but a decrease from $243 million in the previous quarter. Earnings per diluted share were $1.48, compared to $1.37 for the year-ago quarter and $1.63 in the previous quarter.

The company's net interest income was $672 million, up from $620 million in the prior-year quarter and $648 million in the second quarter of 2025. Results benefited from ongoing net interest margin (NIM) expansion, although customer-related fee income posted a 3% year-over-year increase, and capital ratios remained strong. The net interest margin (NIM) was 3.28%, compared to 3.03% in the third quarter of 2024 and 3.17% in the prior quarter.

Noninterest income was $189 million, up from $172 million in the same quarter of the previous year and $190 million in the second quarter of 2025. Noninterest expense was $527 million, unchanged from the prior quarter and up from $502 million in the same quarter of 2024. Average loans and leases were $60.8 billion, representing a 3.6% year-over-year increase. The provision for credit losses was $49 million, compared to $13 million in the prior-year quarter and $(1) million (a release) in the previous quarter, with net charge-offs rising to 0.37% annualized, primarily due to two related commercial loans. The allowance for credit losses remained at 1.20% of loans and leases, flat compared to the same quarter of 2024.

The efficiency ratio improved to 59.6%, compared to 62.5% in the same quarter last year and 62.2% in the previous quarter, indicating enhanced operating efficiency. Total average customer deposits were $70.4 billion, up 0.6% year-over-year and up 3.1% annualized from the prior quarter. The estimated Common Equity Tier 1 (CET1) capital ratio increased to 11.3%, up from 10.7% in the year-ago period and 11.0% in the prior quarter. Management expects net interest income and NIM to moderately increase in the fourth quarter and into 2026, supported by loan growth, asset repricing, and earning asset remix, though it remains cautious amid persistent macroeconomic headwinds.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.20	$1.99	$2.83	$4.08	$4.16	$3.02	$6.79	$5.79	$4.35	$4.95	***$5.80***	***$7.76***
DPS	$0.22	$0.28	$0.44	$1.04	$1.28	$1.36	$1.44	$1.59	$1.59	$1.64	***$1.80***	***$2.30***
Shares[2]	204	203	198	188	165	164	152	150	150	150	***147***	***147***

[1] Estimated date

[2] In millions.

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The company has grown earnings by 17.1% per year since 2015 and 13.9% over the past five years. After the above-average growth EPS in 2021 and the decline in EPS for 2022 due to the absence of loan loss provision recoveries that occurred that year ($276 million), we expect earnings to increase by 6% per year for the next five years and key business drivers such as loan growth and NII to return to historical levels. The company has been able to increase its dividend for 13 consecutive years. Over the last five years, the average annual dividend growth rate is 5.8%. In August 2025, the company increased its quarterly dividend by 4.7% from $0.43 to $0.45 per share.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	23.7	14.4	15.6	12.7	11.2	11.8	8.0	9.3	9.5	10.8	***9.2***	***11.0***
Avg. Yld.	1.9%	1.0%	1.0%	2.0%	2.7%	3.8%	2.6%	3.2%	3.5%	3.2%	***3.4%***	***2.7%***

During the past decade shares of Zions Bancorporation have traded with an average price-to-earnings ratio of about 13 and today, it stands at 9.2. We are using 11 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The company's dividend yield is currently 3.4%, which is above the average yield of 2.4% over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	10%	18%	14%	16%	25%	31%	45%	21%	29%	29%	***31%***	***30%***

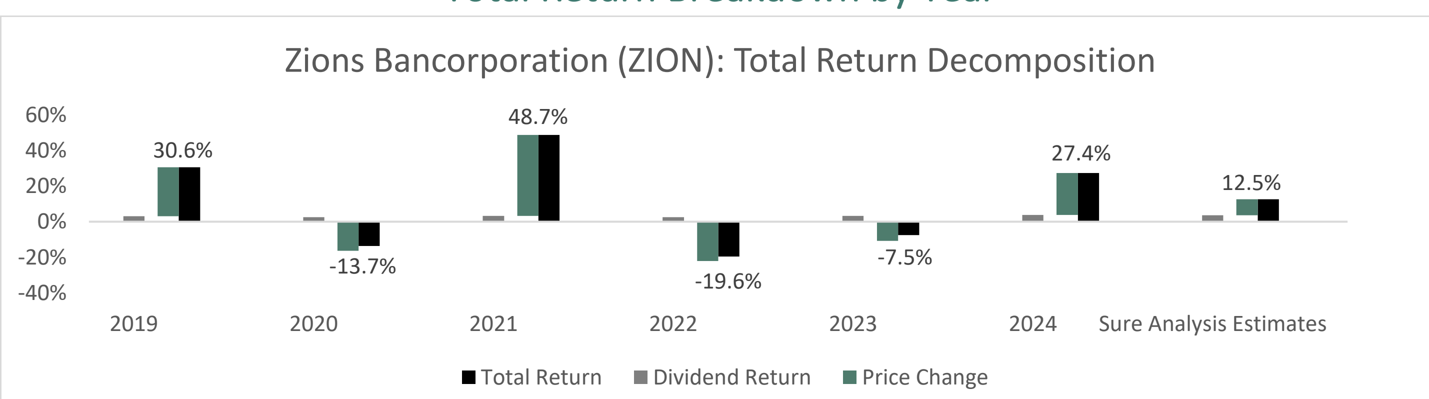
During the past five years, the company's dividend payout ratio has averaged around 31%. Zions Bancorporation's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

Zions Bancorporation is a well-diversified collection of community banks with localized decision-making, a strong focus on commercial banking, and a consistent record of solid credit performance. Its decentralized model fosters local "ownership," enabling the bank to better identify regional opportunities and address market-specific challenges. Since 2009, Zions has been one of only three banks to average 16 or more Greenwich Excellence Awards annually. Approximately two-thirds of its revenue is generated from commercial customers. The bank recently completed its digital banking overhaul, known as *FutureCore*, aimed at enhancing the customer experience and reducing operating costs. This transformation is expected to strengthen Zions' competitive positioning while lowering its overall risk profile.

Final Thoughts & Recommendation

Zions Bancorporation is an old and well-established regional bank active in 11 western states with a solid earnings track record and a dividend yield of 3.4%. We estimate total return potential of 12.5% per year for the stock over the next five years based on a 6% earnings-per-share growth, the dividend yield, and a valuation tailwind. Recent results reaffirm the bank's strong credit profile, though management has flagged growing macroeconomic uncertainty. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,072	2,383	2,609	2,782	2,834	2,790	2,923	3,152	3,115	3,130
SG&A Exp.	1,032	1,040	1,081	1,146	1,185	1,131	1,171	1,324	1,400	1,412
D&A Exp.	86	123	179	193	188	86	(14)	110	140	124
Net Profit	309	469	592	884	816	539	1,129	907	680	784
Net Margin	14.9%	19.7%	22.7%	31.8%	28.8%	19.3%	38.6%	28.8%	21.8%	25.0%
Free Cash Flow	307	400	759	1,047	580	548	423	1,280	772	1,051
Income Tax	142	236	344	259	237	133	317	245	206	228

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	59,665	63,239	66,288	68,746	69,172	81,479	93,200	89,540	87,200	88,780
Cash & Equivalents	6,906	2,148	1,330	1,233	1,448	1,617	10,878	1,997	2,204	3,501
Goodwill & Int.	1,030	1,022	1,016	1,015	1,014	1,016	1,015	1,065	1,059	1,052
Total Liabilities	52,157	55,605	58,609	61,168	61,819	73,593	85,737	84,650	81,510	82,650
Long-Term Debt	811	1,034	3,982	5,224	2,719	1,332	1,008	7,747	2,063	3,471
Total Equity	6,679	6,924	7,113	7,012	6,787	7,320	7,023	4,453	5,251	6,058
LTD/E Ratio	0.11	0.14	0.52	0.69	0.37	0.17	0.14	1.58	0.36	0.57

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.5%	0.8%	0.9%	1.3%	1.2%	0.7%	1.3%	1.0%	0.8%	0.9%
Return on Equity	4.7%	6.9%	8.4%	12.5%	11.8%	7.6%	15.7%	15.8%	12.9%	13.3%
ROIC	3.7%	5.5%	5.8%	7.2%	7.1%	5.6%	12.8%	8.6%	6.7%	9.0%
Shares Out.	204	203	198	188	165	164	152	150	148	147.2
Revenue/Share	10.17	11.67	12.44	13.47	15.20	16.85	18.24	20.98	21.08	21.26
FCF/Share	1.51	1.96	3.62	5.07	3.11	3.31	2.64	8.52	5.23	7.14

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.