

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX DROPS AS GASOLINE PRICES CONTINUE TO RISE

SALT LAKE CITY, Utah; April 28, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 8.8 points to 105.6 in April. However, according to Utah consumers, the current employment outlook is strong, and a high percentage of Utah consumers assess business conditions in their area as either good or normal. The Utah CAI currently sits 2.7 points higher than its level twelve months ago. The national Consumer Confidence Index® (CCI) decreased 6.2 points from March to April and currently sits at 95.2.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, currently sits at 109.1 points. The percentage of consumers who rate current business conditions as “good” decreased to 48 percent in April from 53 percent in March. Forty-five percent of consumers simply assess business conditions as “normal,” and 8 percent think they are “bad.” Consumers are more positive about the employment situation in their area—41 percent describe jobs as “plentiful,” which is up 6 percent from last month.

Expectations for the next six months decreased overall—10.4 points—but diminished expectations were not measured across the board. Relative to past years, expectations in April simply did not increase as much as expected—the index is 2.9 points lower than its level twelve months ago, which accounts for most of the decline in this April’s index. Thirty percent of consumers still expect business conditions to be better six months from now, which represents no change from March, although 1 percent more believe business conditions will be worse. The employment situation for the next six months reflects slightly less optimism among Utahns, with 26 percent believing more jobs will be available compared to 30 percent last month. On a more positive note, the percentage of people who expect their household income to be higher six months from now increased 5 percent to 31 percent in April.

Gas prices continue to be at the forefront of consumers’ minds. Eighty-six percent of Utahns expect gasoline prices to increase in the next 12 months. Apart from last month’s high of 89 percent, the percentage of Utahns who expect gasoline prices to increase hasn’t been this high since February 2013. The average expected price increase is 59 cents, which is down from a 67-cent expected increase last month. The current average gasoline price in the state of Utah is \$2.72 per gallon while the national price is \$2.55 per gallon. Crude oil futures, which are highly

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correlated with gasoline prices because gasoline is a derivative of oil, have been volatile since the beginning of February, fluctuating between \$52 per barrel and \$66 per barrel. Today crude futures are approximately \$65 per barrel. Crude oil futures dropped from a high of \$110 per barrel last July to a low of \$52 per barrel in late January this year. Economists are divided in their opinions about what will happen with oil prices in the coming months; some doubt oil prices will ever again reach \$100 per barrel while others see the cyclical trend of high summer prices and low winter prices resuming its historical course with barely a hiccup.

The end of Utah's legislative session in March had a mixed effect on consumers' views of the state government. Forty percent of Utahns think the state government is taking steps to improve the overall economy in the state, which is 2 points more optimistic than last month. However, the percentage of Utahns who think state government is doing a poor job also increased, moving from 10 percent in March to 14 percent in February. Forty-one percent are content in the middle, saying the state government is doing a fair job improving the state's economy.

The recent speculation that the Federal Reserve will increase interest rates in mid- to late-2015 has filtered into Utahns' expectations for interest rates, although no official statements have been released regarding timing of interest rate increases. The percentage of consumers who expect interest rates for borrowing money to increase in the next 12 months jumped 6 points to 66 percent this month. Likewise, prices for consumer goods are expected to increase, jumping from 70 percent in March to 73 percent in April. Expectations for investment interest rates didn't increase with other expectations, however, remaining at 41 percent in April.

Twenty-seven percent of Utahns expect their household income to increase faster than the rate of inflation, which is a 3 percent increase from last month. Confidence that people won't lose a job they wanted to keep is slightly down this month—73 percent instead of last month's 78 percent.

“Utah has one of the strongest economies in the nation,” said Scott Anderson, president and CEO of Zions Bank. “Even with a small dip in confidence this month, consumer attitudes in Utah are higher than the national average, and consumers continue to see gasoline savings in their wallets that they can use to fuel other businesses in the economy.”

Zions Bank provides the CAI as a free resource to the communities of Utah. The monthly CAI summary reports are released at a monthly press conference, coinciding with The Conference Board's national CCI release date. The reports are available online at www.zionsbank.com/cai. Analysis and data collection for the CAI are done by the Cicero Group, a premier market research firm based in Salt Lake City. The May CAI will be released during a press conference at a local business at 10:30 A.M. on May 26, 2015.

Zions Bank is Utah's oldest financial institution and is the only local bank with a statewide distribution of financial centers, operating 100 full-service centers. Zions Bank also operates 25 full-service financial centers in Idaho. In addition to offering a wide range of traditional banking services, Zions Bank is also a leader in small business lending and has ranked as the No.1 lender of U.S. Small Business Administration 7(a) loans in Utah for the past 21 consecutive years. Founded in 1873, Zions Bank has been serving the communities of Utah for more than 140 years. Additional information is available at www.zionsbank.com.