

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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PRESENT SITUATION INDEX REACHES RECORD HIGH AND LIFTS UTAH CONSUMER ATTITUDE INDEX

SALT LAKE CITY, Utah; May 26, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 5.8 points to 111.4 in May. Sentiment about the present situation and expectations for the next six months both improved, and the CAI currently sits 15.2 points higher than its level twelve months ago. The national Consumer Confidence Index® (CCI) increased 1.1 points from April to May and currently sits at 95.4 points.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, currently sits at 118.2 points—its highest level on record. The Present Situation Index registers 21.9 points higher than its level twelve months ago. Both measures that feed into the Present Situation Index are at record highs this month, confirming that economic conditions in Utah are thriving.

The percentage of consumers who rate current business conditions as “good” increased seven points to 55 percent in May. Forty-one percent of consumers assess business conditions as “normal,” and 5 percent think they are “bad.” Consumers are also positive about the employment situation in their area, with 41 percent describing jobs as “plentiful”—up 6 percent from last month.

Expectations for the future are on the rise as well. The Expectations Index, the sub-index of the CAI that measures how consumers feel about economic conditions six months from now, increased 3.9 points from April to May and currently sits at 107.0—10.6 points higher than its level a year ago. Opinions regarding business conditions in the next six months remained relatively steady from April to May. Thirty percent of consumers expect business conditions in their areas to be good six months from now, which represents no change from April, although fewer expect business conditions to be worse. More people expect jobs in their area to be plentiful in the coming months—29 percent this month as opposed to 26 percent last month. Utahns are also optimistic about their income potential in the next six months, with 35 percent expecting their total household income to be higher, which is an increase of four points from April.

Gasoline prices, while still trending upward, are increasing at a slower rate, which is reflected in consumers’ expectations for gasoline prices. Eighty-four percent of Utahns expect gasoline prices to increase over the next twelve months, a decline from 86 percent in April and 89 percent in March. The average expected price increase per gallon is 51 cents, which also represents a decline from April. Thirteen percent of Utahns expect prices to go down in the coming year with an average

decrease of 34 cents. Utah’s gasoline prices currently average \$3.03 per gallon and sit above the national average of \$2.74 per gallon. Evidence that gasoline price increases are tapering off is reflected in the trend in Brent crude oil prices, which increased in April but have declined overall in May. Brent crude oil futures are currently selling for approximately \$64 per barrel. For comparison, oil prices were just under \$105 per barrel one year ago.

Utahns’ opinions about the economic policies of the state government have improved since April. Forty-four percent of Utahns think the state government is doing a good job in taking steps to improve Utah’s overall economy, which represents a four-point increase over April. Forty-three percent think the state is doing a fair job, and 9 percent think it is doing a poor job. Opinions regarding the state government are much higher than the federal government, however. Only 12 percent of Utahns think the federal government is doing a good job of taking steps to improve the overall U.S. economy, and 45 percent think it is doing a poor job.

While the Federal Reserve continues to be guarded in communicating the exact timing of any potential future increase in interest rates, the number of Utahns who expect interest rates to rise has generally declined. Sixty percent of Utahns in May expect interest rates for borrowing money to go up, which is down from 66 percent in April. Likewise, 69 percent of consumers expect prices for consumer goods to increase, which is 4 points lower than last month. The majority still expect higher prices, but that majority is decreasing. Utahns are slightly more optimistic about the U.S. economy than they were last month, with 31 percent believing it is likely the U.S. economy will improve in the next 12 months—up from 28 percent in April. More Utahns expect an investment in their 401(k) to increase in the next year—44 percent instead of 41 percent. Twenty-eight percent expect their household income to increase faster than inflation, which is only 1 percent higher than last month.

“Consumer sentiment in Utah is booming and is positively impacting the economy,” said Scott Anderson, president and CEO of Zions Bank. “As Utahns continue to exude confidence in their job situations and business conditions, consumer spending can be expected to increase, spurring even greater economic growth in the state.”

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 June CAI will be released during a press conference at a local business at 10:30 A.M. on June 30, 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.

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