

ZIONS BANK

Press Release

***** FOR IMMEDIATE RELEASE *****

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CONSUMER ATTITUDE INDEX TICKS UPWARD AS BUSINESS CONDITIONS IN UTAH CONTINUE TO THRIVE

SALT LAKE CITY, Utah; June 30, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 0.4 points to 111.8 in June. Consumer sentiment regarding the present situation improved, while expectations for the next six months dropped slightly. The CAI currently sits 13.6 points higher than its level twelve months ago. The national Consumer Confidence Index® (CCI) increased 6.8 points from May to June and currently sits at 101.4.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has broken its record-high levels consistently over the past eight months. June provided no exception. Consumer confidence in the present situation of the economy is high, and currently sits at 120.9 points, up 2.7 points from May. The Present Situation Index is based on consumers' attitudes about current business conditions and job availability. Utah has some of the most business-friendly policies in the nation, which may be why 57 percent of consumers in June—up from 55 percent last month—rank business conditions as good. Simultaneously, only 3 percent of Utahns assess general business conditions as bad, down from 5 percent in May. Perceptions that job availability is plentiful declined slightly, from 47 percent to 46 percent, but these attitudes are still historically high. The Present Situation Index registers 18.9 points higher than its level twelve months ago.

Expectations for the future are slightly less optimistic than last month. The Expectations Index, the sub-index of the CAI that measures what consumers anticipate economic conditions six months from now will look like, decreased 1.2 points from May to June and currently sits at 105.8, which is still 10 points higher than its level a year ago. Opinions regarding business conditions in the next six months remained relatively steady from May to June. Thirty percent of consumers expect business conditions in their areas to be good six months from now, which represents no change from May or April, although a few more expect business conditions to worsen—8 percent instead of 5 percent. Twenty-eight percent of consumers expect job availability to be plentiful six months from now, which is down one point from May. The biggest drop in expectations related to perceptions of household income growth. Only 31 percent, compared to 35 percent last month, expect their household income to be higher in six months than it is today. The majority of consumers (63 percent) expect their household income to remain the same.

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Gasoline prices continue to increase, albeit slowly compared to growth rates earlier this year. Gasoline prices typically increase in the summer months, so current price increases mirror historical trends. Consumers' expectations for gasoline prices are converging back to historical trends as well. In June, 76 percent of Utahns reported expectations that gasoline prices will go up over the next 12 months, while 14 percent expect prices to go down. For comparison, last month 84 percent expected prices to go up, and 13 percent expected them to go down. The average expected increase is 46 cents, whereas the average expected decrease is 35 cents. The current average price of gasoline in Utah is \$3.00 per gallon, and the national average is \$2.77 per gallon.

Sixty-six percent of consumers expect interest rates for borrowing money to increase during the next 12 months, which is up six points from May. Sixty-eight percent of consumers expect prices for consumer goods to increase in the next year, which is one point lower than last month. Attitudes about the nation's economy are down slightly in June: 26 percent believe the U.S. economy will improve during the next 12 months, which is down from 31 percent in May. Fewer Utahns expect an investment in their 401(k) to increase in the next year—42 percent instead of 44 percent. Twenty-seven percent expect their household income to increase faster than inflation, which is down one percent from last month.

“Another month marked by improvement in consumer attitudes emphasizes Utah's strong and growing economy,” said Scott Anderson, president and CEO of Zions Bank. “Attitudes have been consistently high, and Utah continues to set the economic standard for the rest of the nation, a standard that continues to bring even more business and job opportunities to 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 July CAI will be released during a press conference at a local business at 10:30 A.M. on July 28, 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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