

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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CONSUMER ATTITUDE INDEX JUMPS AS GASOLINE PRICES DECLINE AND HOME VALUES RISE

SALT LAKE CITY, Utah; August 25, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 5.8 points to 111.2 in August. Consumer sentiment regarding the present situation and expectations for the next six months both ticked upward. The CAI currently sits 4.3 points higher than its level twelve months ago. The national Consumer Confidence Index® increased 10.5 points from July to August and currently sits at 101.5. Because August consumer confidence was measured prior to the stock market volatility last week and this week, it is unknown what effect the market fluctuations have on consumer confidence at this point.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, increased in August following an unexpected downturn in July. The Present Situation Index sits at 119.9 points, up 3.9 points from 116.0 in July. Confidence in current economic conditions is 7.9 points higher than its level 12 months ago. Fifty-four percent of Utahns rate general business conditions in their area as “good” compared to 56 percent last month. Sentiment regarding job availability remained the same from July to August, with 46 percent of Utahns saying available jobs in their area are plentiful. Expectations regarding the current job situation have remained steady for the past three months.

Expectations for the next six months increased after two months of declines, jumping from 98.2 in July to 105.3 in August. The Expectations Index, the sub-index of the CAI that measures what consumers anticipate economic conditions six months from now to be, is 1.9 points higher than its level twelve months ago. The percentage of Utahns who believe business conditions in their area will be better six months from now increased four points to 30 percent in August. Twenty-six percent of Utahns believe the number of available jobs in their area will be greater in six months, up from 24 percent in July. Confidence that total household income will be higher in six months increased from 30 percent in July to 34 percent in August.

Expectations regarding gasoline price increases changed more than any other measure this month. Seasonal tapering of gasoline price increases coupled with the memory of the dramatic decrease in gasoline prices experienced at this time last year has led fewer consumers to expect gas prices to increase in the coming year. Only 57 percent of Utahns expect gasoline prices to increase over the next twelve months, down from 70 percent in July. Expectations for gasoline

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price increases have not been this low since December 2014. Likewise, expectations that gasoline prices will decline have not been reflected in the index since December 2014. Nineteen percent of Utahns expect gasoline prices to go down over the next year compared to 9 percent who felt that way last month. The average expected increase is 44 cents per gallon over the course of a year, and the average expected drop is 35 cents per gallon. Gasoline prices in Utah reached their summer peak in June and have been decreasing incrementally since then. Current gasoline prices in the state average \$2.78 per gallon. National average gasoline prices are \$2.58 per gallon.

In general, Utahns' expectations for increases in overall prices and interest rates are slightly lower this month. Sixty-three percent of Utahns expect interest rates for borrowing money to increase in the next 12 months, down one point from July. Likewise, 68 percent of Utahns think prices for consumer goods will increase, down from 70 percent last month. Meanwhile, 25 percent of consumers believe their household income will increase by more than the rate of inflation over the next two years, which is down two points from July. When it comes to investments, 42 percent of Utahns think it is likely that a \$1,000 investment in their 401(k) will be worth more than \$1,000 a year from now, which is up from 34 percent in July. On another positive note, 64 percent of Utahns expect prices of homes in their communities to increase over the next 12 months, compared to 62 percent last month.

Slightly fewer members of the Utah workforce are worried about losing a job they wanted to keep during the next two years—8 percent in August compared to 9 percent in July. On a similar note, 80 percent say it is unlikely they will lose their job, which is up from 73 percent in July and equal to June's percentage. Thirty-four percent say they will be able to maintain their living standards when they retire, which represents no change from last month.

“Utahns are more confident in their personal economic situations as gasoline prices decline and home values rise,” said Scott Anderson, president and CEO of Zions Bank. “As expectations increase, Utah's economy will continue to grow, and vice-versa.”

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 September CAI will be released during a press conference at a local business at 10:30 A.M. on September 29, 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.