

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX DIPS SLIGHTLY AS EXPECTATIONS FOR HOME PRICES AND BUSINESS CONDITIONS DECLINE

SALT LAKE CITY, Utah; September 29, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 1.2 points to 110.0 in September. While consumer sentiment regarding the present situation of the economy ticked slightly upward, expectations for the next six months dropped 2.1 points. The CAI currently sits 0.6 points higher than its level twelve months ago. The CAI has hovered around 110 for over a year, consistently indicating that Utahns are confident in the strength of the state's economy. The national Consumer Confidence Index® increased 1.7 points from August to September and currently sits at 103.0.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, inched upward a mere 0.1 point in September. Fifty-seven percent of consumers rate general business conditions in their area as good, which is up three points from last month and matches June levels. However, sentiment regarding available jobs dropped marginally from 46 percent to 44 percent. September marks the first time in five months that confidence about current job availability has declined, however slightly. The Present Situation Index sits at 120.0 points, up 7.2 points from this time last year.

Expectations for the next six months decreased after a large jump in August, declining to 103.3 in September. The Expectations Index, the sub-index of the CAI that measures what consumers anticipate economic conditions to be six months from now, is 3.7 points lower than its level twelve months ago. The percentage of Utahns who believe business conditions in their area will be better six months from now decreased two points to 28 percent in September, and 33 percent believe their total household income will be higher six months from now—down one point from last month. In contrast, 28 percent expect the number of available jobs to increase in the next six months, which represents a two-point increase from August.

Overall, consumers still expect gasoline prices to increase over the next 12 months, although the percentage who feel that way continues to decline. In September 56 percent of Utahns expect gasoline prices to increase over the next year, which is down from 57 percent who felt that way last month. The average expected increase is 42 cents per gallon. Slightly more consumers expect gasoline prices to decline—22 percent in September compared to 19 percent in August—with an average expected decrease of 37 cents per gallon. Gasoline prices have been consistently

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falling since June but remain above the national average. Statewide gasoline prices currently average \$2.72 per gallon, while the national average sits at \$2.29 per gallon. Gasoline prices will continue to decline heading into the winter months. Along with seasonal price declines, gasoline prices are also dropping due to lower oil prices in the market. Oil is down more than 25 percent so far this quarter—the second largest drop since 2008—driven by a glut in supply and hesitations surrounding global economic growth.

Sentiment regarding the overall economic policy of the federal government is up three points this month, with 13 percent of Utahns stating the federal government is doing a good job. While approval of the state government in terms of economic policy is down 1 percent from last month, it is still higher than the federal government—41 percent say the state is doing a good job.

Expectations regarding inflation were down in September even prior to the announcement of the Federal Reserve that they are not going to raise interest rates yet. Sixty-one percent of Utahns in September think that interest rates for borrowing money will go up during the next 12 months, which is down two points from August. Only 39 percent of consumers expect a \$1,000 investment in their 401(k) to be worth more than \$1,000 a year from now, which is down from 42 percent last month. Similarly, 67 percent expect prices for consumer goods to go up—down 1 point from August. Expectations for home price increases are down as well with 59 percent expecting home prices to go up in September compared to 64 percent in August.

Confidence about personal finance ticked upward in September. Twenty-eight percent of consumers expect their household income to increase more than the rate of inflation in the next two years, which is up from 25 percent who felt that way in August. Only 6 percent of employed Utahns think it is likely they will lose a job they wanted to keep in the next two years, which is down 1 point from last month. On a similar note, 35 percent of working Utahns think they'll be able to maintain their living standards upon retirement—up from 34 percent last month.

“Utahns are very confident in the state of our economy despite a small dip in expectations this month,” said Scott Anderson, president and CEO of Zions Bank. “Businesses continue to thrive, and declining gasoline prices leave more disposable cash in the pockets of consumers.”

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 October CAI will be released during a press conference at a local business at 10:30 A.M. on October 27, 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.