

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX DECLINES SLIGHTLY AS EXPECTATIONS FOR NEXT SIX MONTHS DIP

SALT LAKE CITY, Utah; November 24, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 1.6 points to 114.0 in November. Both subcategories of the CAI contributed to the decrease, showing that consumers are slightly less confident in current and future economic conditions in Utah. The CAI currently sits 2.8 points lower than its level 12 months ago. However, the CAI has now registered at or above 110 four months in a row. In comparison, the national Consumer Confidence Index® decreased 8.7 points from October to November and currently sits at 90.4.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 1.4 points since this time last year. Forty-eight percent of Utahns describe available jobs in their area as plentiful, a six percent increase more than 12 months ago. More than half of Utahns rate general business conditions in their area as good—56 percent, compared to 55 percent last month and 50 percent a year ago. Entrepreneurs have responded; issuance of the most common type of loans offered by the Small Business Administration increased 13 percent year over year in the administration's Utah District during the fiscal year that ended at the close of September.

Expectations for the next six months decreased primarily due to a less positive outlook on the labor market and employment situation. Twenty-seven percent of Utahns think the number of jobs available in their area six months from now will be greater—a three-point decrease from last month. Slightly more Utahns think business conditions in their area will be better in six months, rising from 27 percent to 28 percent. Likewise, more people expect their household income to be higher six months from now—36 percent in November compared to 30 percent in October. Fifty-eight percent expect their income to remain the same.

In spite of recent price declines, a majority of consumers still expect gasoline prices to start edging upward again over the next 12 months. Fifty-nine percent say gasoline prices will increase, which is down from 62 percent a month ago. The average expected gasoline price increase is 55 cents per gallon. Only 12 percent of Utahns expect gasoline prices to go down over the next year, and the average estimate is 27 cents. Meanwhile, gasoline prices in Utah continue to fall, but remain above the national average. Statewide, gasoline prices currently average \$2.17

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per gallon, while the national average sits at \$2.06 per gallon. Oil prices, which impact gasoline prices, fell fairly steadily throughout October and November. High global production has contributed to an oversupply of oil on the market. While U.S. production is expected to decline, global oil supply will likely remain constant, continuing to push prices lower. Current Brent crude oil futures are trading for about \$46 per barrel.

Expectations for prices for consumer goods mirror expectations for gas prices. Sixty-eight percent of Utahns expect prices for consumer goods to go up during the next 12 months, which is two percent fewer Utahns than last month. Sixty-five percent of Utahns expect interest rates for borrowing money to go up over the next year, which represents a four percent increase from last month. At the same time, only 39 percent of consumers expect \$1,000 invested in their 401(k) to be worth more than \$1,000 a year from now.

Satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. is up two percent this month, with 13 percent of Utahns stating the federal government is doing a good job. Thirty-nine percent of Utahns say the state government is doing a good job improving the overall state economy, which is down two percentage points from last month.

Utahns' confidence in their personal financial situations edged slightly upward in November, which may be another factor fueling the entrepreneurial spirit that is prompting more Utahns to take out loans to fund small businesses. Twenty-six percent of consumers expect their household income to increase more than the rate of inflation in the next two years, which is up from 24 percent last month. Seventy-three percent of employed Utahns think it is unlikely they will lose a job they want to keep in the next two years. Meanwhile, 34 percent of working Utahns think they will be able to maintain their living standards upon retirement, the same as last month.

“The intersection of low interest rates and improving general business conditions signals an opportune moment for entrepreneurialism,” said Scott Anderson, president and CEO of Zions Bank. “Small business owners have taken note, seeking to build and grow businesses that will, in turn, help to provide greater employment certainty for many others.”

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 December CAI will be released during a press conference at a local business at 10:30 a.m. on Dec. 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 24 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 22 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.