

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX FALLS AS EXPECTATIONS FOR NEXT SIX MONTHS DECLINE

SALT LAKE CITY, Utah; December 29, 2015 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 5.1 points to 108.9 in December. Declining expectations for the next six months were the main contributor to the decrease, as consumers are less confident in future economic conditions, but slightly more confident in the current economic situation in Utah. The CAI currently sits 0.4 points lower than its level 12 months ago. In comparison, the national Consumer Confidence Index[®] increased 3.9 points from November to December and currently sits at 96.5.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 4.1 points since this time last year. Fifty percent of Utahns describe available jobs in their area as plentiful, a 13 percent increase since 12 months ago. More than half of Utahns rate general business conditions in their area as good—51 percent, compared to 56 percent last month and 52 percent a year ago.

Expectations for the next six months decreased primarily due to a less positive outlook on business conditions and income situations. Compared to November, fewer Utahns think business conditions in their area will be better in six months, declining from 28 percent to 24 percent in December. Likewise, fewer people expect their household income to be higher six months from now—33 percent in December compared to 36 percent in November. Fifty-seven percent expect their income to remain the same. Twenty-five percent of Utahns think there will be more jobs available in their area six months from now—a two-point decrease from last month.

In spite of and perhaps because of recent price declines, a majority of consumers expect gasoline prices to start rising over the next 12 months. Sixty-seven percent say gasoline prices will increase, which is up from 59 percent a month ago. The average expected gasoline price increase is 67 cents per gallon. Only 12 percent of Utahns expect gasoline prices to go down over the next year, and the average estimate is 12 cents. Meanwhile, gasoline prices in Utah have fluctuated up and down by a few cents, but they remain above the national average. Statewide, gasoline prices currently average \$2.05 per gallon, while the national average sits at \$2.00 per gallon. Oil prices, which impact gasoline prices, fell steadily throughout November and December, reaching levels not seen since 2004 and declining past lows seen during the 2008 recession. While U.S.

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production is expected to decline, global oil supply may continue to increase as Iranian supply resumes in 2016 following the lifting of sanctions, which will likely continue to keep prices low. Current Brent crude oil futures are trading for about \$38 per barrel, compared to \$60 a year ago.

Many Utahns also expect prices for consumer goods to rise—66 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. Seventy-two percent of Utahns expect interest rates for borrowing money to go up over the next year, which represents a seven 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 down three percent this month, with nine percent of Utahns indicating belief that the federal government is doing a good job. In contrast, 42 percent of Utahns say the state government is doing a good job improving the overall state economy, which is up three percentage points from last month.

Utahns' confidence in their personal financial situations edged slightly upward in December. Eighty percent of employed Utahns think it is unlikely they will lose a job they want to keep in the next two years, up from 73 percent last month. Meanwhile, 38 percent of working Utahns think they will be able to maintain their living standards upon retirement, an increase of four percent since last month. Twenty-six percent of consumers expect their household income to increase more than the rate of inflation in the next two years, which is unchanged from last month.

“While consumers' perspectives on future economic conditions are slightly lower, current perspectives remain very positive,” said Scott Anderson, president and CEO of Zions Bank. “The Federal Reserve's recent decision to raise rates suggests that we are still firmly on the road to recovery from the Great Recession, and Utah continues to lead the pack.”

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 January CAI will be released during a press conference at a local business at 10:30 a.m. on Jan. 26, 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.