

ZIONS BANK

Press Release

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

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UTAH CONSUMER ATTITUDE INDEX FALLS AS CONFIDENCE IN CURRENT CONDITIONS DECLINES

SALT LAKE CITY, Utah; January 26, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 3.2 points to 105.7 in January. Slightly more negative perspectives about the present circumstances of the economy contributed to this decline, though present concerns were balanced by expectations for the future, which were more positive than they were last month. The CAI currently sits 7.7 points lower than its level from 12 months ago. In comparison, the national Consumer Confidence Index[®] increased 1.8 points from December to January and currently sits at 98.1.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has fallen 1.6 points since this time last year. Forty-eight percent of Utahns rate general business conditions in their area as good—a 3 percent decrease since last month and a 2 percent decrease since last year. Forty-one percent of Utahns describe available jobs in their area as plentiful, a 9 percent decrease since last month. However, this still represents a 3 percent increase over a year ago.

Expectations for the next six months increased due to a more positive outlook on business conditions, future job availability, and income situations. Compared to December, more Utahns think business conditions in their area will be better in six months, rising from 24 percent to 30 percent in January. Twenty-nine percent of Utahns think there will be more jobs available in their area six months from now—a four-point increase from last month. In line with this expectation for more job opportunities, more people expect their household income to be higher six months from now—36 percent in January compared to 33 percent in December.

Gas prices in Utah have fallen in spite of the statewide implementation of an additional 5-cent tax, with prices in the state averaging \$1.96, while the national average has fallen to \$1.83 per gallon. Most consumers expect the trend of falling gasoline prices to reverse over the next 12 months. Sixty-nine percent say gasoline prices will increase, which is up from 67 percent a month ago. The average expected gasoline price increase is 60 cents per gallon. Only eight percent of Utahns expect gasoline prices to go down over the next year, and the average estimate is 27 cents. These expectations come as gasoline prices in Utah have fallen in the wake of tumbling oil prices, which fell steadily to historic lows before surging at the end of last week.

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Current Brent crude oil futures are trading for about \$31 per barrel, compared to \$60 a year ago.

Many Utahns also expect prices for consumer goods to rise—68 percent of Utahns expect prices for consumer goods to increase during the next 12 months, which is a 2 percent increase over last month. The number of Utahns who expect interest rates for borrowing money to go up over the next year remained unchanged at 72 percent. Meanwhile, only 32 percent of consumers expect \$1,000 invested in their 401(k) to be worth more than \$1,000 a year from now, compared to 39 percent last month.

Satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. is up slightly this month, with 11 percent of Utahns indicating belief that the federal government is doing a good job compared to nine percent last month. While approval of the state government is much higher with 41 percent of Utahns saying the state is doing a good job improving the overall state economy, this represents a one-percent decrease since last month.

Utahns' confidence in their personal financial situations edged downward in January. Seventy-two percent of employed Utahns think it is unlikely they will lose a job they want to keep in the next two years, down from 80 percent last month. Similarly, 36 percent of working Utahns think they will be able to maintain their living standards upon retirement, a decrease of 2 percent since last month. Twenty-four percent of consumers expect their household income to increase more than the rate of inflation in the next two years, which is down 2 percent from last month.

“Although Utahns' attitudes regarding the present situation have fallen in line with an increasingly volatile and frustrating stock market of late, most consumers remain optimistic regarding the economy's future,” said Scott Anderson, president and CEO of Zions Bank. “While recent market trends have raised concerns among consumers, positive expectations indicate that stock market corrections will give way to continued improvement of ongoing business conditions.”

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 February CAI will be released during a press conference at a local business at 10:30 a.m. on Feb. 23, 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.