

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAH CONSUMER ATTITUDE INDEX RISES SLIGHTLY AS CONFIDENCE IN CURRENT CONDITIONS CAUTIOUSLY REMAINS FIRM

SALT LAKE CITY, Utah; February 23, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 0.1 point to 105.8 in February. Increasingly positive perspectives regarding the present circumstances of the economy led to this slight escalation, but were counteracted by dipping expectations for the future. The CAI currently sits 0.8 points lower than its level from 12 months ago. In comparison, the national Consumer Confidence Index[®] decreased 5.6 points from January to February and currently sits at 92.2.

Expectations for the next six months decreased due to a more negative outlook on business conditions, future job availability, and income situations. Compared to January, fewer Utahns think business conditions in their area will be better in six months, falling from 30 percent to 25 percent in February. Twenty-four percent of Utahns think there will be more jobs available in their area six months from now—a five-point decline since last month. In line with this expectation for fewer job opportunities, 34 percent of Utahns expect their household income to be higher six months from now—a 2-percent decline since January.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 4.4 points since this time last year. Fifty-four percent of Utahns rate general business conditions in their area as good—a 6-percent increase since last month and a 4-percent increase since last year. Forty-six percent of Utahns describe available jobs in their area as plentiful, a 5-percent increase since last month, and a 10-percent increase since last year.

Gas prices seem to be stabilizing as the global glut of crude oil has slowed as refineries cut production while preparing for seasonal maintenance. The average price in Utah stands at \$1.74, while the national average has fallen to \$1.71 per gallon. Most consumers expect gasoline prices to bounce back and rise over the next 12 months: Sixty-seven percent say gasoline prices will increase. The average expected gasoline price increase is 66 cents per gallon. Only 12 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 36 cents. These expectations come as oil prices, which have fallen to historic lows, seem poised for a comeback as major OPEC leaders agreed to freeze output last week. Current Brent crude oil futures are trading for about \$34 per barrel, compared to \$67 a year ago.

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Following a rocky start for the year across major stock indexes, consumer opinions regarding major economic indicators remain mixed. While 66 percent of Utahns believe interest rates for borrowing money will rise during the next 12 months, this represents a 6-percent decrease since January. Similarly, the percentage of Utahns who believe prices for consumer goods will increase fell from 68 percent to 62 percent this month. Still, 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 31 percent last month. With 28 percent of Utahns expecting their household income to increase by more than the rate of inflation during the next two years—a 4-percent increase since last month—many consumers expect their spending power to increase in the future.

Market forces can have a significant impact on consumer-level spending decisions. Perhaps due to low oil and consumer goods prices, 29 percent of Utahns are likely to purchase a major household item in the next 60 days, a 4-percent increase from last month. Furthermore, 38 percent of Utahns believe it is likely they will be able to retire and maintain their living standards, a 2-percent increase since January, and only 5 percent believe they are likely to lose their jobs, suggesting confidence in personal finance and employment increased this month.

As national attention turns toward the candidates running for office this fall, satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. is up slightly this month, with 13 percent of Utahns indicating belief that the federal government is doing a good job compared to 11 percent last month. Approval of the state government is significantly higher with 40 percent of Utahns saying the state is doing a good job improving the overall state economy, but this represents a one-percent decrease since last month.

“Despite the grim portrait painted by the stock market’s opening weeks of 2015, consumer confidence remains positive,” said Scott Anderson, president and CEO of Zions Bank. “As consumers bear in mind the inevitability of such market corrections, their confidence in the economic situation is accurately and largely unaffected, particularly here in Utah where the economy is so healthy.”

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 March CAI will be released during a press conference at a local business at 10:30 a.m. on Mar. 29, 2016.

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.