

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAHNS MORE CONFIDENT ABOUT PRESENT AND FUTURE ECONOMIC OUTLOOK

Consumer Attitude Index Rises in Utah in March

SALT LAKE CITY, Utah; March 29, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) increased 9.6 points to 115.4 in March. Increasingly positive perspectives regarding both the present circumstances of the economy and the economy's future led to this escalation. The CAI currently sits 1.0 point higher than its level from 12 months ago. In comparison, the national Consumer Confidence Index[®] increased 2.2 points from February to March and currently sits at 96.2.

Expectations for the next six months increased 11.5 points in March due to a more positive outlook on business conditions and future job availability. Compared to February, more Utahns think business conditions in their area will be better in six months, rising from 25 percent to 27 percent in March. Twelve percent of Utahns think there will be fewer jobs available in their area six months from now—a four-point decline since last month. In line with this expectation for fewer job opportunities, 35 percent of Utahns expect their household income to be higher six months from now—an 8 percent increase since this time last year.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 6.7 points since last month and 7.7 points since this time last year. Forty-nine percent of Utahns describe available jobs in their area as plentiful, a 4 percent increase since last month, and a 14 percent increase since last year. Seventy-five percent of Utahns believe they are unlikely to lose their jobs, suggesting strong confidence in personal employment. At the same time, forty-nine percent of Utahns rate general business conditions in their area as good—a 5 percent decrease since last month, and a 4 percent decrease since last year.

Some of this confidence stems from a rebounding stock market, as the Federal Reserve announced it would not raise interest rates this month, and that it expects to raise rates by only half a percentage point this year—a pullback from expectations set in December that rates would be raised by one percentage point this year. This news pleased investors, as the Standard & Poor's 500-stock index rose sharply following the announcement. Meanwhile, 66 percent of Utahns believe interest rates for borrowing money will rise during the next 12 months, which

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represents a 6 percent increase since last year. With 35 percent of consumers expecting \$1,000 invested in their 401(k) to be worth more than \$1,000 a year from now, expectations for the stock market seem to be on the rise, as this represents a 2 percent increase from last month.

Gas prices have risen this month, following the seasonal trend of rising in the spring as gas stations switch out their winter blend with a more heat-friendly but more expensive summer blend of gasoline, and as refineries undergo maintenance to prepare for the summer driving season. The average gasoline price in Utah stands at \$1.94, while the national average has reached \$2.04 per gallon. Most consumers expect gasoline prices to continue rising over the next 12 months: 76 percent say gasoline prices will increase. The average expected gasoline price increase is 60 cents per gallon. Only 7 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 26 cents. These expectations come as oil prices have rebounded from historic lows. Current Brent crude oil futures are trading for about \$39 per barrel, compared to \$37 a month ago and \$63 a year ago.

Perhaps due to still-low gas prices and positive market trends, consumer spending is poised to increase. Thirty-one percent of Utahns are likely to purchase a major household item in the next 60 days, a 2 percent increase from last month. Additionally, 39 percent of Utahns believe it is likely they will be able to retire and maintain their living standards, a 1 percent increase since February, and a 5 percent increase since last year.

As Utah focused its attention on the presidential candidates that visited the state this month, satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. fell slightly, with 11 percent of Utahns indicating belief that the federal government is doing a good job compared to 13 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, representing no change since last month.

“The Federal Reserve’s decision to delay interest rate hikes sent a wave of relief through investor circles nationally and in Utah,” said Scott Anderson, president and CEO of Zions Bank. “The decision also gives confidence and strength to the individual consumer as retirement savings recover from recent losses and small businesses continue to benefit from access to lending opportunities at historically low rates.”

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. Analysis and data collection for the CAI are done by the Cicero Group, a premier market research firm based in Salt Lake City. The April CAI will be released during a press conference at a local business at 10:30 a.m. on April 26, 2016.

Zions Bank, a division of ZB, N.A., 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.