

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAHNS LESS CONFIDENT ABOUT FUTURE ECONOMIC OUTLOOK Consumer Attitude Index Falls in Utah in May

SALT LAKE CITY, Utah; May 31, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 4.8 points to 104.2 in May. Slightly more negative perspectives regarding the economy's future led to this decline, though concerns about the future were balanced by confidence in the present situation, which was stronger than last month. The overall CAI currently sits 7.3 points lower than its level 12 months ago. In comparison, the national Consumer Confidence Index[®] decreased 2.1 points from April to May and currently sits at 92.6.

Expectations for the next six months decreased 8.5 points in May due to a more negative outlook on future business conditions and employment opportunities. Compared to April, fewer Utahns think business conditions in their area will be better in six months, falling from 26 percent to 24 percent in May. The outlook for the labor market is also slightly more negative, as 24 percent of Utahns think there will be more jobs available in their area six months from now—a four-point decline since last month. Income expectations have declined slightly as well, with 32 percent of Utahns expecting their household income to be greater six months from now, representing a 3 percent decrease since last month.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 0.7 points since last month but remains 4.0 points lower than this time last year. Utahns believe the general business environment is more favorable compared to last month, with 53 percent of Utahns rating general business conditions in their area as good—a 1 percent increase from last month, but a 2 percent decline from last year. Forty-eight percent of Utahns describe available jobs in their area as plentiful, remaining fairly steady since last month, but representing a 1 percent increase since last year. Although unemployment in Utah increased from 3.5 percent in March to 3.7 percent in April, Utah's unemployment rate remains the ninth-lowest in the country.

Wavering confidence in the economy emerged in opinions regarding the future value of personal retirement savings, with 38 percent of consumers believing \$1,000 invested in their 401(k) is unlikely to be worth more than \$1,000 a year from now, a 6 percent increase from last month. However, Utahns are slightly more confident in their housing investments compared to last month, as 64 percent of Utahns believe the price of homes in their communities will increase, up

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from 62 percent last month. Housing starts, buoyed by strong demand and a favorable labor market, rose 6.6 percent in April, outperforming expectations and suggesting a positive shift in momentum after growth stalled last quarter.

Gas prices have risen this month in keeping with seasonal trends, but remain lower than they have been at this time of year compared to the previous three years. The average gasoline price in Utah stands at \$2.44, while the national average stands at \$2.32 per gallon. Most Utah consumers expect gasoline prices to continue rising over the next 12 months: 82 percent say gasoline prices will increase. The average expected gasoline price increase is 61 cents per gallon. Only 4 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 30 cents. Oil prices continued to rise this month in spite of a strengthening dollar, in part because of production shortfalls in Canada, Venezuela, and Nigeria. Current Brent crude oil futures are trading for about \$50 per barrel, compared to \$47 a month ago.

Consumers predict they will spend slightly more in the future, as 31 percent of Utahns are likely to purchase a major household item in the next 60 days, a 2 percent increase from last month. Additionally, 37 percent of Utahns believe it is likely they will be able to retire and maintain their living standards, a 6 percent increase since April.

As the presidential election season continues to heat up, satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. increased slightly, with 11 percent of Utahns indicating belief that the federal government is doing a good job compared to 10 percent last month. Approval of the state government is relatively higher, with 42 percent of Utahns saying the state is doing a good job improving the overall state economy, representing a 2 percent increase since last month.

“Although employment gains slowed in April relative to the past several months, the Utah labor market remains strong,” said Scott Anderson, president and CEO of Zions Bank. “With robust growth in a variety of employment sectors, job growth along the Wasatch Front is well positioned to weather the effects of economic volatility elsewhere.”

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 June CAI will be released during a press conference at a local business at 10:30 a.m. on June 28, 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.