

ZIONS BANK

Press Release

*** FOR IMMEDIATE RELEASE ***

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UTAHNS MORE CONFIDENT ABOUT PRESENT AND FUTURE ECONOMY Consumer Attitude Index Rises in Utah in June

SALT LAKE CITY, Utah; June 28, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) rose 7.3 points to 111.5 in June. Increased confidence in both present and future economic situations drove this increase. The overall CAI currently sits 0.3 points lower than its level 12 months ago. In comparison, the national Consumer Confidence Index[®] increased 5.6 points from May to June and currently sits at 98.0.

Expectations for the next six months increased 6.9 points in June due to a more positive outlook on future business conditions and employment opportunities. Compared to May, more Utahns think business conditions in their area will be better in six months, rising from 24 percent to 27 percent in June. The outlook for the labor market is also slightly more positive, as 27 percent of Utahns think there will be more jobs available in their area six months from now—a three-point increase since last month. Income expectations have increased slightly as well, with 33 percent of Utahns expecting their household income to be greater six months from now, representing a 1 percent increase since last month.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, has risen 7.9 points since last month and is 1.3 points higher than it was this time last year. Utahns believe the general business environment is more favorable compared to last month, with 57 percent of Utahns rating general business conditions in their area as good—a 4 percent increase from last month. Fifty percent of Utahns describe available jobs in their area as plentiful, marking a 2 percent increase since last month, and a 5 percent increase since last year. Although unemployment in Utah increased from 3.7 percent in April to 3.8 percent in May, the increase stems largely from increasing wages, which have drawn more people into the labor force to look for work.

Increasing confidence in the economy is also reflected by opinions regarding the future value of personal retirement savings, with 42 percent of consumers believing \$1,000 invested in their 401(k) is likely to be worth more than \$1,000 a year from now — a 23 percent increase from last month. Utahns are also slightly more confident in their housing investments compared to last month, as 68 percent of Utahns believe the price of homes in their communities will increase, up from 64 percent last month. The housing market, which has enjoyed 51 consecutive months of

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ZIONS BANK

Press Release – Page 2

June 28, 2016

year-over-year increases nationally, is particularly strong in Utah, where home prices have grown 8 percent in the last year.

Gas prices have fallen slightly this month, potentially marking a relatively early decline from seasonal highs, or at least providing a short reprieve, and remaining significantly lower than they have been at this time of year compared to the previous three years. The average gasoline price in Utah stands at \$2.37, while the national average stands at \$2.30 per gallon. Most Utah consumers expect gasoline prices to rise over the next 12 months: 78 percent say gasoline prices will increase. The average expected gasoline price increase is 51 cents per gallon. Only 5 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 33 cents. Oil prices experienced significant volatility this month in the face of concerns regarding Britain's vote to leave the European Union and politically fueled production instability in Nigeria.

Fewer consumers predict they will make major expenditures in the future, as 26 percent of Utahns are likely to purchase a major household item in the next 60 days, a 5 percent decline since last month. Additionally, 35 percent of Utahns believe it is likely they will be able to retire and maintain their living standards, a 2 percent decline since May.

As the contentious presidential primaries come to a close and both parties' national conventions near, satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. increased slightly, 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 relatively higher, with 39 percent of Utahns saying the state is doing a good job improving the overall state economy, representing a 3 percent decrease since last month.

“Weak national employment gains have spurred concerns regarding the labor market,” said Scott Anderson, president and CEO of Zions Bank. “But wages and consumer confidence are on the rise here in Utah, where a growing number of optimistic job-seekers are jumping into a thriving workforce.”

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.