

ZIONS BANK

Press Release

* * * FOR IMMEDIATE RELEASE * * *

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UTAHNS LESS CONFIDENT IN PRESENT ECONOMY Consumer Attitude Index Falls in Utah in October

SALT LAKE CITY, Utah; October 25, 2016 —The Zions Bank Utah Consumer Attitude Index (CAI) decreased 1.4 points to 111.8 in October. The decline resulted from less confidence in the present economy, which slightly outweighed greater confidence in the future economic situation. The overall CAI currently sits 3.8 points lower than its level 12 months ago. In comparison, the national Consumer Confidence Index® decreased 4.9 points from September to October and currently sits at 98.6.

The Present Situation Index, the sub-index of the CAI that measures how consumers feel about current economic conditions, decreased 3.9 points since last month but is 3.2 points higher than it was at this time last year. Utahns believe the general business environment is slightly less favorable, with 57 percent of them rating business conditions in their area as good — a 1 percent decline from last month. Confidence in the current labor market is also slightly lower. The percentage of Utahns who describe available jobs in their areas as plentiful decreased from 53 percent to 52 percent this month.

Expectations for the next six months increased 0.2 points in October due to a slightly more positive outlook on future business conditions. The percentage of Utahns who think business conditions will be better in six months increased from 24 percent to 26 percent in October. Twenty percent of Utahns believe the U.S. economy is likely to improve during the next 12 months — a 2 percent decrease since last month. Meanwhile, the outlook for the labor market has declined slightly. Sixteen percent of Utahns think there will be fewer jobs available in their area six months from now, compared to 13 percent last month. Confidence regarding job security remained steady, as 79 percent of Utahns believe they are unlikely to lose a job they want to keep, which represents no change from last month.

Utahns are slightly more confident in the future market value of personal retirement savings, with 43 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 2 percent increase from last month. Slightly fewer consumers predict they will make major expenditures in the near future, as 29 percent of Utahns are likely to purchase a major household item in the next 60 days — a 1 percent decrease since last month.

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Seasonal declines in gasoline prices stalled this month largely due to Hurricane Matthew-related supply disruptions and rising oil prices. The average gasoline price in Utah stands at \$2.37, while the national average stands at \$2.23 per gallon. Most Utah consumers expect gasoline prices to rise over the next 12 months: 68 percent say gasoline prices will increase by an average of 45 cents per gallon. Only 6 percent of Utahns expect gasoline prices to go down over the next year, and the average estimated decline is 20 cents. Oil prices have increased in September and October in the wake of an announced OPEC agreement to cut production. Current Brent crude oil futures are trading at \$51 per barrel, compared to \$46 per barrel at the beginning of September.

Although inflation has slowed in recent months, 64 percent of Utahns expect prices for consumer goods to increase over the next 12 months — a 3 percent increase from last month. More Utahns expect interest rates to rise, with 63 percent of Utahns believing interest rates for borrowing money will increase in the next 12 months, compared to 60 percent in September. Experts generally agree, believing the Federal Reserve will raise its benchmark rate by year's end.

Satisfaction with the steps taken by the federal government to improve the overall economy of the U.S. decreased in October, with 12 percent of Utahns indicating belief that the federal government is doing a good job compared to 15 percent last month. Approval of the state government remains relatively higher, with 46 percent of Utahns saying the state is doing a good job improving the overall state economy, representing a decline of 3 percent from last month.

Confidence in the Utah housing market remained fairly steady, as 64 percent of residents believe the price of homes in their communities will increase over the next year, mostly unchanged from last month. Still, 41 percent of Utahns believe it is likely they will be able to retire and maintain their living standards — a 2 percent increase since September.

"National GDP growth remains somewhat sluggish," said Scott Anderson, president and CEO of Zions Bank. "But job growth remains robust, the latest inflation numbers are strong, and oil prices are in an upward but stable trajectory, painting a favorable picture for Utah's economic future."

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