Simmons Energy Conference



ZIONS BANCORPORATION

September 3, 2020

Forward-Looking Statements; Use of Non-GAAP Financial Measures

Forward Looking Information

These materials include "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and assumptions regarding future events or determinations, all of which are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, market trends, industry results or regulatory outcomes to differ materially from those expressed or implied by such forward-looking statements.

Without limiting the foregoing, the words "forecasts," "targets," anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "might," "plans," "projects," "should," "would," "targets," "will" and the negative thereof and similar words and expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about future financial and operating results. Actual results and outcomes may differ materially from those presented, either expressed or implied, in these materials. Important risk factors that may cause such material differences include, but are not limited to, the effects of the spread of the virus commonly referred to as the coronavirus or COVID-19 (and other potentially similar pandemic situations) and associated impacts on general economic conditions on, among other things, our customers' ability to make timely payments on obligations, fee income revenue due to reduced loan origination activity and card swipe income, operating expense due to alternative approaches to doing business, and so forth; the Bank's ability to meet operating leverage goals; the rate of change of interest-sensitive assets and liabilities relative to changes in benchmark interest rates; the ability of the Bank to upgrade its core deposit system and implement new digital products in order to remain competitive; risks associated with information security, such as systems breaches and failures; and legislative, regulatory and economic developments. These risks, as well as other factors, are discussed in the Bank's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (SEC) and available at the SEC's Internet site (https://www.sec.gov/). In addition, you may obtain documents filed with the SEC by the Bank free of charge by contacting: Investor Relations, Zions Bancorporation, N.A., One South Main Street, 11th Floor, Salt Lake City, Utah 84133, (801) 844-7637.

We caution you against undue reliance on forward-looking statements, which reflect our views only as of the date they are made. Except as may be required by law, Zions Bancorporation, N.A. specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

Use of Non-GAAP Financial Measures:

This document contains several references to non-GAAP measures, including pre-provision net revenue and the "efficiency ratio," which are common industry terms used by investors and financial services analysts. Certain of these non-GAAP measures are key inputs into Zions' management compensation and are used in Zions' strategic goals that have been and may continue to be articulated to investors. Therefore, the use of such non-GAAP measures are believed by management to be of substantial interest to the consumers of these financial disclosures and are used prominently throughout the disclosures. A full reconciliation of the difference between such measures and GAAP financials is provided within the document, and users of this document are encouraged to carefully review this reconciliation.

Oil & Gas (O&G) Credit Quality

Oil and gas loans account for $2.5 billion or 5% of total loans, excluding PPP Loans

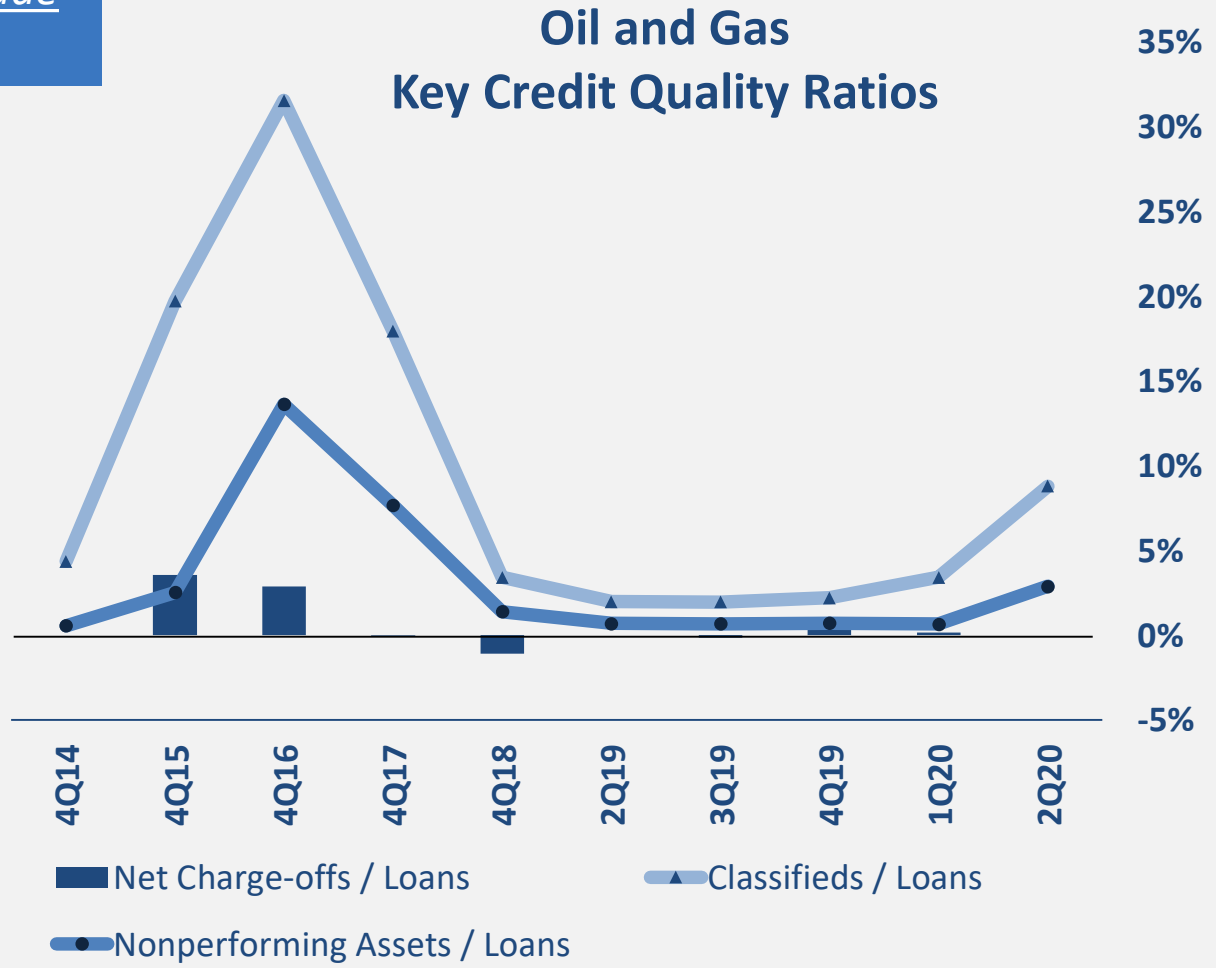
Excluding PPP Loans and as of June 30, 2020:

- Annualized NCOs equaled 0% of loans
- Classified loans equaled 8.8% of loans
- Allowance for credit losses of $151 million or 6.1% of balances
- Approximately 4/5 of 2020 production hedged in the low-$50s (oil) and mid $2s (natural gas)

All Ratios Exclude PPP Loans

Today vs. 2014-2016 downturn:

- Reduced concentration of energy services (64% decline in balances, 24 percentage point reduction of concentration in the energy portfolio)
- Underwriting on energy services has been much stronger
  - Less leverage
  - Replaced term loans with revolvers
- Sponsor support: private equity has dry powder
- Fewer junior lien or subordinated debt behind Zions' loans going into this cycle



Note: Net Charge-offs/Loans ratio is annualized for all periods shown.

Oil & Gas Portfolio

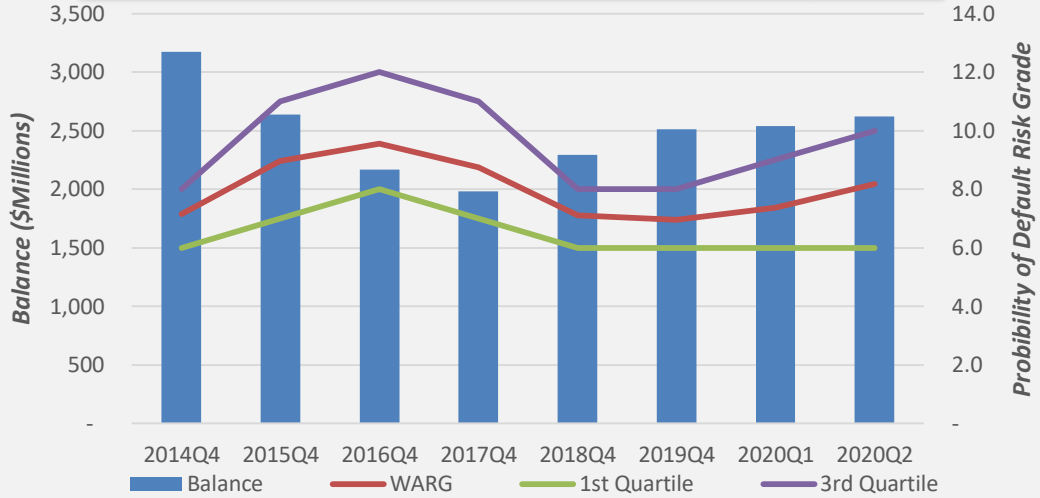
Significant realignment since downturn

- Services, which accounted for bulk of charge offs in the last cycle, accounts for 17% of the portfolio versus 42% going into the previous cycle (Dec 2014)
- Using current mix of loans, assuming net loss rates remain the same as the 2015-2018 downturn/recovery, Zions would experience approximately $93 million of loan losses or 3.6%.
- Major differences today vs. then: Stronger individual loan underwriting, but weaker capital markets support
- Oil curve in contango: spot in low $40s, two years out: mid-to-high $40s
- Allowance for credit losses of $151 million or approximately 6% of balances, up from $77 million at December 31, 2019

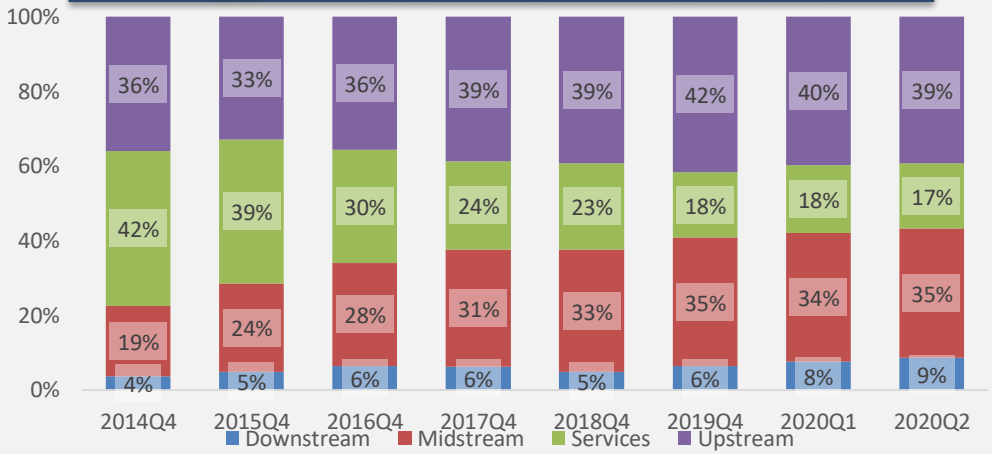
Historical Loss Rates (2015Q1 – 2018Q4)

Sector	GCOs	Recoveries	NCOs
Services	11.9%	2.5%	9.4%
Upstream	6.1%	1.5%	4.6%
Other	1.3%	0.8%	0.5%
Total	***7.6%***	***1.8%***	***5.8%***

Portfolio Trends



Distribution of Outstanding Balance by Energy Type



Oil & Gas portfolio tracked with internal coding, which includes services companies that have more than 50% of revenues sourced from the O&G industry. Based on internal data as of 2Q20. GCO=gross charge-off; NCO=net charge-off

OCC Guidelines for Reserve-based Loans (RBLs)

Issued in 2016, this is more conservative than what the market was doing at the time

Test	RBL Loan Rating				
	Pass	Criticized	Classified		
		Special Mention	Substandard	Doubtful	Loss
Repayment RBL	<.60 Reserve Life	.60 - .75 Reserve Life	>.75 Reserve Life		
Repayment Total Secured	<.75 Reserve Life	.75 - .90 Reserve Life	>.90 Reserve Life		
Funded Debt / EBITDAX	<3.5X	3.5 - 4.0X	>4.0X		
Funded Debt / Capital	<.50	.50 - .60	>.60		
Committed Debt/ Total Reserves	<.65	.65 - .75	>.75		
			Debt <100% Risked Reserves	Incremental Debt Above Substandard <100% Unrisked Reserves	Remaining Debt >100% Unrisked Reserves

Source: Buddy Clark, Haynes and Boone, LLC

Loan Grading in the Upstream Lending Market

Significant tightening of underwriting standards

Lending Market, *Prior* to 2016 OCC Updated Guidance

Acceptable Loan:

- Debt/EBITDA < 4.0x
- Debt/Capital < 60% - 70%
- Adv. Rate: PV9% < 65%

Substandard Loan:

- Debt/EBITDA > 5.0x
- Debt/Capital > 70%
- Adv. Rate: PV9% < 80%

Lending Market, *After* 2016 OCC Updated Guidance

Acceptable Loan:

- Debt/EBITDA < 3.5x
- Debt/Capital < 50%
- Adv. Rate PV9% < 65%

Substandard Loan:

- Debt/EBITDA > 4.0x
- Debt/Capital > 60%
- Adv. Rate: PV9% < 75%

Upstream Loan Metrics

Significant tightening of underwriting standards

Lending Market, Prior to Pandemic

Market Valuation Comps:

- PV9% of Proved Reserves
- EV/EBITDA 6.0x – 8.0x

Loan Metrics:

- Advance Rate ~ 60% - 65% of PV9%
- Debt/EBITDA Covenant ~ 3.5x
- Distribution Req.: D/E < 2.75x
- Debt/Capital < 50%

Lending Market: Current

Market Valuation Comps:

- PV20% - 30% of Proved Reserves
- EV/EBITDA 3.5x – 4.5x

Loan Metrics:

- Advance Rate ~ 60% - 65% of PV?%
- Debt/EBITDA Covenant ~ 3.5x
- Distribution Req.: D/E < 2.0x
- Debt/Capital < 50%

Appendix

- Company Abbreviation Key
- COVID-19 Elevated Risk vs. Oil and Gas Portfolio Detail
- GAAP to Non-GAAP Reconciliation

Company Abbreviation (Ticker Symbol) Key

ASB: Associated Banc-Corp
BAC: Bank of America
BOKF: BOK Financial Corporation
C: Citigroup, Inc.
CFG: Citizens Financial Group, Inc.
CMA: Comerica Incorporated
EWBC: East West Bancorp, Inc.
FHN: First Horizon National Corporation
FITB: Fifth Third Bancorp
FNB: FNB Corp
FRC: First Republic Bank
HBAN: Huntington Bancshares Incorporated
JPM: JPMorgan Chase & Co.
KEY: KeyCorp
MTB: M&T Bank Corporation
PBCT: People's United Financial, Inc.
RF: Regions Financial Corporation
SNV: Synovus Financial Corp.
USB: US Bank
WFC: Wells Fargo & Co.
WAL: Western Alliance Bancorporation
WTFC: Wintrust Financial Corp.
ZION: Zions Bancorporation, N.A.

GREEN TEXT: Included in Zions' 2H19-1H20 peer group as listed in the annual proxy statement; this group is used by Zions' board in determining management compensation

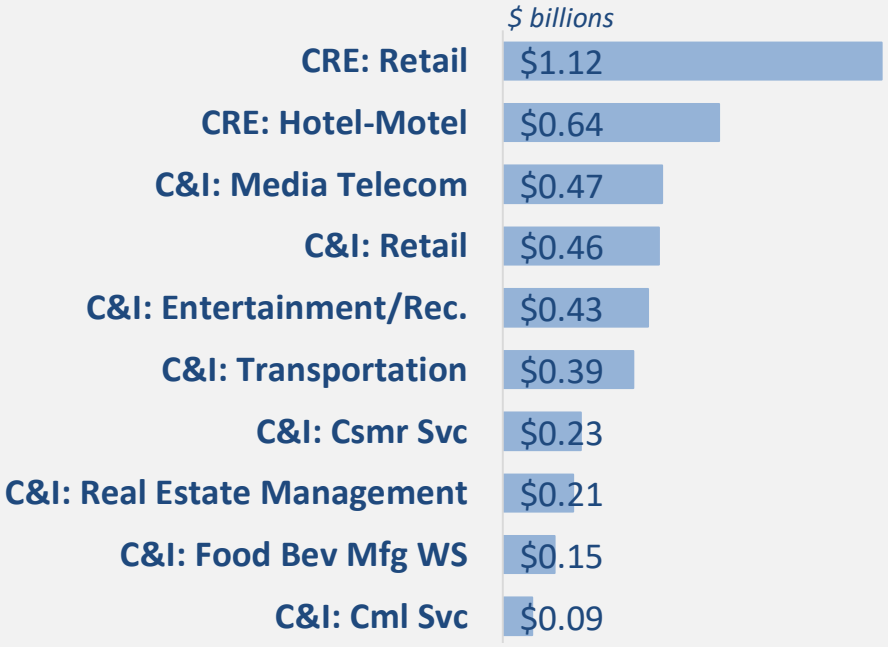
BLUE TEXT: Not included in Zions' peer group as listed in the annual proxy statement, but may be particularly relevant to the topic discussed within these slides

Select Sub-Industries with Elevated Risk Related to COVID-19 (C19ER)

C19ER is less than 10% of loans and has strong collateral coverage

Select sub-industries with elevated risk (C19ER)

$4.2 billion (8.6%) of 2Q20 non-PPP loan balances



CRE = Commercial Real Estate; C&I = Commercial and Industrial

- Portions of broad industry groups with significant growth in criticized rates during 1H20
- C19ER strengths:
  - Strong collateral coverage with 97% secured
  - Greater proportion of customers received PPP (28% received PPP through Zions) and other stimulus
- C19ER weaknesses:
  - Greater deferral and problem loan ratios
  - Some sectors (e.g. restaurants) struggled prior to COVID-19

C19ER Compared with All Other Lending

(% of 2Q20 non-PPP loan balances)

June 30, 2020	C19ER	Oil & Gas	Other
Percent of Total Non-PPP Loans	8.6%	5.4%	86.0%
Deferred or Modified	29%	1%	7%
PPP thru ZION	28%	14%	17%
Secured by non-RE	31%	87%	24%
Real Estate Secured	66%	9%	67%
Median LTV	52%	59%	59%
LTV >90%	3%	11%	1%

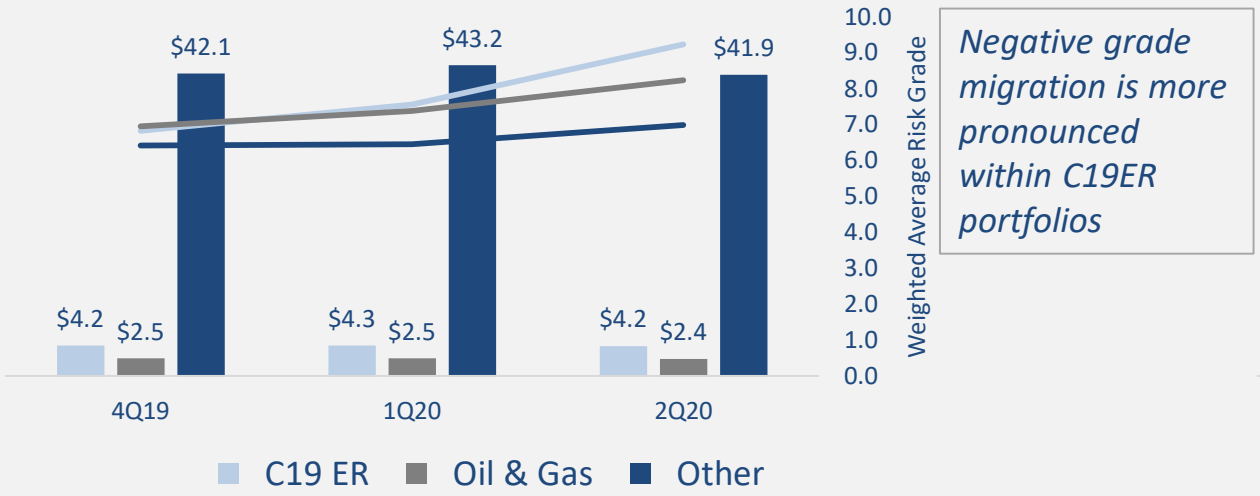
Loan to value (LTV) uses the June 30, 2020 commitment and the most recent appraisal

(1) C19ER select industries with the most criticized loans include within broad industry groups: regional and neighborhood shopping centers (excludes standalone structures), advertising/marketing, other telecommunications, motion picture/video, full-service restaurants/bars, amusement parks, sports teams, sporting goods, passenger airlines, museums, daycare, real estate agents, hotel operations, bakeries, hazardous waste.

Additional Recent Trends In Loan Balance, Credit Quality and Line Utilization

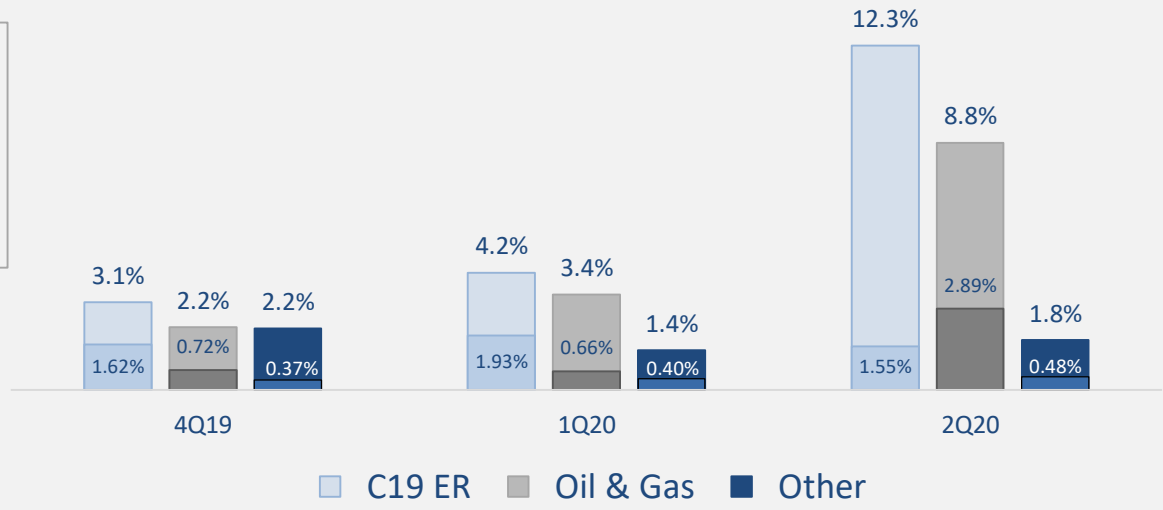
We have experienced generally stable credit quality trends outside of C19ER and Oil and Gas loans (data excludes PPP loans)

Loan Balances by Portfolio and Weighted Average Risk Grades

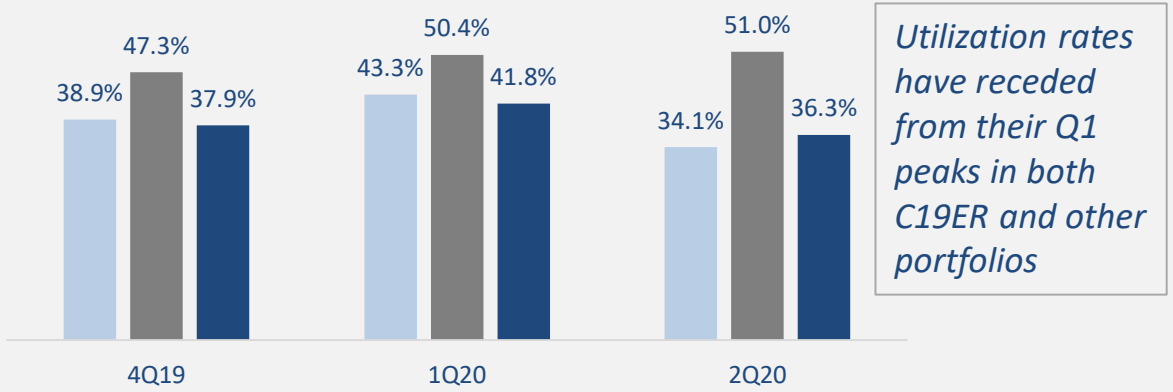


Negative grade migration is more pronounced within C19ER portfolios

Classified and Nonaccruals

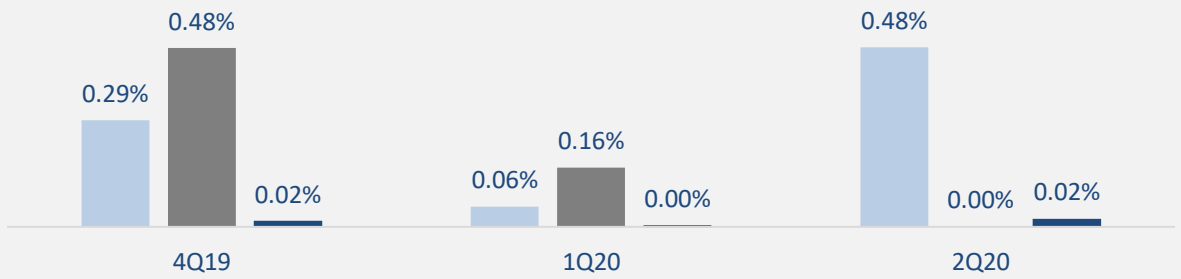


Line Utilization Rates[1]



Utilization rates have receded from their Q1 peaks in both C19ER and other portfolios

Net Charge-offs/Loans



(1) Line Utilization refers to revolving loans only.

GAAP to Non-GAAP Reconciliation

(Amounts in millions)		2Q20	1Q20	4Q19	3Q19	2Q19
Efficiency Ratio						
Noninterest expense (GAAP) [1]	(a)	$ 430	$ 408	$ 472	$ 415	$ 424
Adjustments:						
Severance costs		-	-	22	2	1
Other real estate expense		-	-	-	(2)	-
Debt extinguishment cost		-	-	-	-	-
Amortization of core deposit and other intangibles		-	-	-	-	-
Restructuring costs		-	1	15	-	-
Pension termination-related expense		28	-	-	-	-
Total adjustments	(b)	28	1	37	-	1
Adjusted noninterest expense (non-GAAP)	(a) - (b) = (c)	402	407	435	415	423
Net Interest Income (GAAP)	(d)	563	548	559	567	569
Fully taxable-equivalent adjustments	(e)	6	7	7	7	7
Taxable-equivalent net interest income (non-GAAP)	(d) + (e) = (f)	569	555	566	574	576
Noninterest income (GAAP) [1]	(g)	117	134	152	146	132
Combined income	(f) + (g) = (h)	686	689	718	720	708
Adjustments:						
Fair value and nonhedge derivative income (loss)		(12)	(11)	6	(6)	(6)
Equity securities gains (losses), net		(4)	(6)	2	2	(3)
Total adjustments	(i)	(16)	(17)	8	(4)	(9)
Adjusted taxable-equivalent revenue (non-GAAP)	(h) - (i) = (j)	702	706	710	724	717
Pre-provision net revenue (PPNR), as reported	(h) – (a)	$ 256	$ 281	$ 246	$ 305	$ 284
Adjusted pre-provision net revenue (PPNR)	(j) - (c)	**$ 300**	**$ 299**	**$ 275**	**$ 309**	**$ 294**
Efficiency Ratio [1]	**(c) / (j)**	**57.3 %**	**57.7 %**	**61.3 %**	**57.3 %**	**59.0 %**

GAAP to Non-GAAP Reconciliation

	$ In millions except per share amounts	2Q20	1Q20	4Q19	3Q19	2Q19
Pre-Provision Net Revenue (PPNR)						
(a)	**Total noninterest expense**	**$430**	**$408**	**$472**	**$415**	**$424**
	LESS adjustments:					
	Severance costs	-	-	22	2	1
	Other real estate expense	-	-	-	(2)	-
	Restructuring costs	-	1	15	-	-
	Pension termination-related expense	28	-	-	-	-
(b)	*Total adjustments*	*28*	*1*	*37*	-	*1*
(a-b)=(c)	**Adjusted noninterest expense**	**402**	**407**	**435**	**415**	**423**
(d)	Net interest income	563	548	559	567	569
(e)	Fully taxable-equivalent adjustments	6	7	7	7	7
(d+e)=(f)	Taxable-equivalent net interest income (TENII)	569	555	566	574	576
(g)	Noninterest Income	117	134	152	146	132
(f+g)=(h)	**Combined Income**	**$686**	**$689**	**$718**	**$720**	**$708**
	LESS adjustments:					
	Fair value and nonhedge derivative income (loss)	(12)	(11)	6	(6)	(6)
	Securities gains (losses), net	(4)	(6)	2	2	(3)
(i)	*Total adjustments*	*(16)*	*(17)*	*8*	*(4)*	*(9)*
(h-i)=(j)	**Adjusted revenue**	**$702**	**$706**	**$710**	**$724**	**$717**
(j-c)	**Adjusted pre-provision net revenue (PPNR)**	$300	$299	$275	$309	$294
Net Earnings Applicable to Common Shareholders (NEAC)						
(k)	Net earnings applicable to common	57	6	174	214	189
(l)	Diluted Shares	164,425	172,998	178,718	181,870	189,098
	GAAP Diluted EPS	0.34	0.04	0.97	1.17	0.99
	PLUS Adjustments:					
	Adjustments to noninterest expense	28	1	37	-	1
	Adjustments to revenue	16	17	(8)	4	9
	Tax effect for adjustments	(12)	(4)	(11)	(1)	(2)
	Preferred stock redemption	-	-	-	-	-
(m)	Total adjustments	32	14	18	3	8
(k+m)=(n)	**Adjusted net earnings applicable to common (NEAC)**	**89**	**20**	**192**	**217**	**197**
(n)/(l)	Adjusted EPS	0.54	0.12	1.07	1.19	1.04
(o)	Average assets	75,914	70,205	69,575	70,252	69,855
(p)	Average tangible common equity	6,016	5,910	5,852	5,988	5,974
Profitability						
(n)/(o)	Adjusted Return on Assets (annualized)	0.47%	0.11%	1.09%	1.23%	1.13%
(n)/(p)	Adjusted Return on Tangible Common Equity (annualized)	5.9%	1.4%	13.0%	14.4%	13.1%
(c)/(j)	Efficiency Ratio	57.3%	57.7%	61.3%	57.3%	59.0%

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