Third Quarter 2022

Financial Review





ZIONS BANCORPORATION

October 24, 2022

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

Forward Looking Information

This earnings presentation includes “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements, often accompanied by words such as “may,” “might,” “could,” “anticipate,” “expect,” and similar terms, are based on management’s current expectations and assumptions regarding future events or determinations, all of which are subject to known and unknown risks and uncertainties. Forward-looking statements are not guarantees, nor should they be relied upon as representing management’s views as of any subsequent date. Factors that could cause our actual results, performance or achievements, industry trends, and results or regulatory outcomes to differ materially from those expressed or implied in the forward-looking statements are discussed in our 2021 Form 10-K and subsequent filings with the Securities and Exchange Commission (SEC) and are available on our website (www.zionsbancorporation.com) and from the SEC (www.sec.gov). Except to the extent required by law, we specifically disclaim any obligation to update any factors or to publicly announce the revisions to any forward-looking statements to reflect future events or developments.

Use of Non-GAAP Financial Measures:

This document contains several references to non-GAAP measures, including but not limited to, 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.

Select Themes

Strong loan growth, fee income growth, and rising rates are driving a significant increase in revenue

- **Our planned interest rate sensitivity has yielded significant revenue benefits; as rates have increased, we've begun to position the bank for stable or falling rates**
  - Our balance sheet remains asset sensitive, although less so than at the beginning of the year (+4% change to NII in a +100 bps rate shock, down from +12% at December 31, 2021)
  - Our net interest income (excl. PPP) has increased 34% over the past year
- **We continue to experience solid loan demand**
  - Our loan growth was achieved using consistent underwriting standards and risk-based concentration limits which produced superior credit losses during recent years
  - Our loans are underwritten to withstand the effects of higher interest rates
  - More than two-thirds of our loan growth YTD is in lower-risk categories including loans backed by 1-4 family residential property, owner-occupied real estate, and municipal loans
- **Our balance sheet composition allows for a great deal of flexibility**
  - Our loan-to-deposit ratio of 71% provides a healthy cushion to absorb future loan growth and deposit migration
  - Our deposit strategy includes optimizing the size of the balance sheet and the cost of funding; rate cycle-to-date total deposit cost beta[1] of just 3% (to a cost of 0.10%) is among the best of our peers thus far
  - Our recent deposit attrition is primarily attributable to larger balance relationships; balances in smaller, more granular customer relationships (<$10 million, or 74% of non-brokered deposits) have grown slightly year-to-date; a significant portion of deposit attrition moved to off-balance sheet sweep accounts
- **We are well prepared for a recession**
  - We have a strong stream of earnings to support possible higher credit losses (3Q22 annualized PPNR of $1.4 billion)
  - We have significant loss-absorbing capacity with our level of Common Equity Tier 1 capital plus Allowance for Credit Losses, at 10.5% of risk-weighted assets
  - We have well-managed concentrations and smaller hold limits in higher-risk categories, including high leverage, enterprise value, and land development loans; we have very little unsecured consumer exposure

(1) Deposit beta is calculated as the change in the cost of total average deposits (including both interest and noninterest bearing) from 4Q21 to 3Q22 which was seven (7) basis points, relative to the change in the target (high) federal funds rate for the same period, which increased 214 basis points to a quarterly average of 2.39% in 3Q22 from 0.25% in 4Q21.

Third Quarter 2022 Financial Highlights

Vs. 2Q22, another quarter of strong increases in non-PPP loans and growth in adjusted PPNR

✓ Earnings and Profitability:

- **$1.40** diluted earnings/share, compared to $1.29
- **$828 million** adjusted taxable-equivalent revenue, compared to $763 million
- **$359 million** Pre-Provision Net Revenue
  - $351 million Adjusted PPNR(1), compared to $300 million
- **$71 million** provision for credit losses, compared to $41 million
- **$211 million** Net Income Applicable to Common, compared to $195 million primarily due to increased net interest income
- **0.97%** Return on Assets (annualized), compared to 0.91%
- **19.5%** Return on Average Tangible Common Equity (annualized), compared to 17.1%

✓ Credit quality (excluding PPP Loans):

- **0.31%** Nonperforming Assets + loans 90+ days past due / non-PPP loans and leases and other real estate owned, from 0.40%
- **0.20%** net loan charge offs as a percent of loans, annualized, from 0.07%
- **Allowance for credit loss** ("ACL"), of $590 million or 1.10% of non-PPP loans, from 1.05%

✓ Loans and Deposits: *Vs. 2Q22, growth rates not annualized*

- **3.0%** increase in period-end loan balances
- **3.4%** increase in period-end loan balances (excluding PPP loans)
- **3.9%** decrease in period-end deposits
- **2.9%** decrease in period-end noninterest-bearing deposits
- **71%** period-end loan-to-deposit ratio
- **0.10%** cost of average total deposits

✓ Capital:

- **9.6%** Common Equity Tier 1 Ratio (CET1), compared to 9.9%
- **10.5%** (CET1+Allowance for Credit Losses) / Risk-Weighted Assets
- **$50 million** of common stock repurchased during 3Q22

Note: For the purposes of comparison in this presentation, we generally use linked-quarter ("LQ"), due to that being the preferred comparison for professional investors and analysts. (1) Adjusted for items such as severance and restructuring costs, other real estate expense, pension termination-related expense, securities gains and losses, and accruals for investment and advisory expenses related to SBIC investments. See Appendix for GAAP to non-GAAP reconciliation tables.

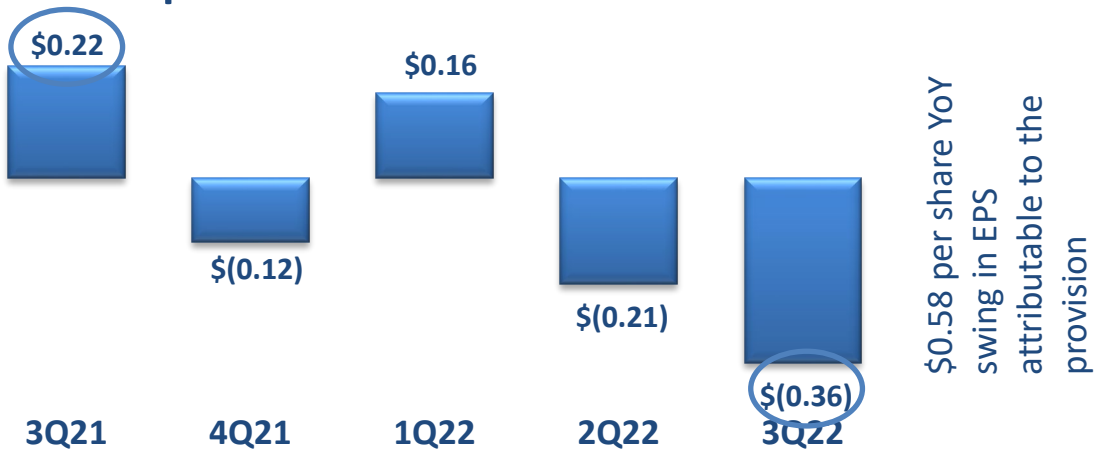
Diluted Earnings Per Share

Strong linked-quarter growth due to increased PPNR, despite a larger provision for credit losses and less PPP-related income

Diluted Earnings per Share



EPS Impact of Provision for Credit Losses



Notable Items:

3Q22:

- $0.02 per share positive impact from sale of equity investments
- $(0.03) per share negative impact from a valuation loss on an equity investment
- $0.02 per share favorable impact from a credit valuation adjustment ("CVA")

2Q22:

- $0.05 per share favorable impact from a credit valuation adjustment ("CVA")
- $0.02 per share favorable impact from the sale of bank-owned facilities

1Q22:

- $(0.10) per share adverse mark-to-market impact from SBIC investments, net of success fees paid
- $0.03 per share favorable impact from a credit valuation adjustment ("CVA")
- $0.03 per share favorable impact from alignment of commercial account fee income items

4Q21:

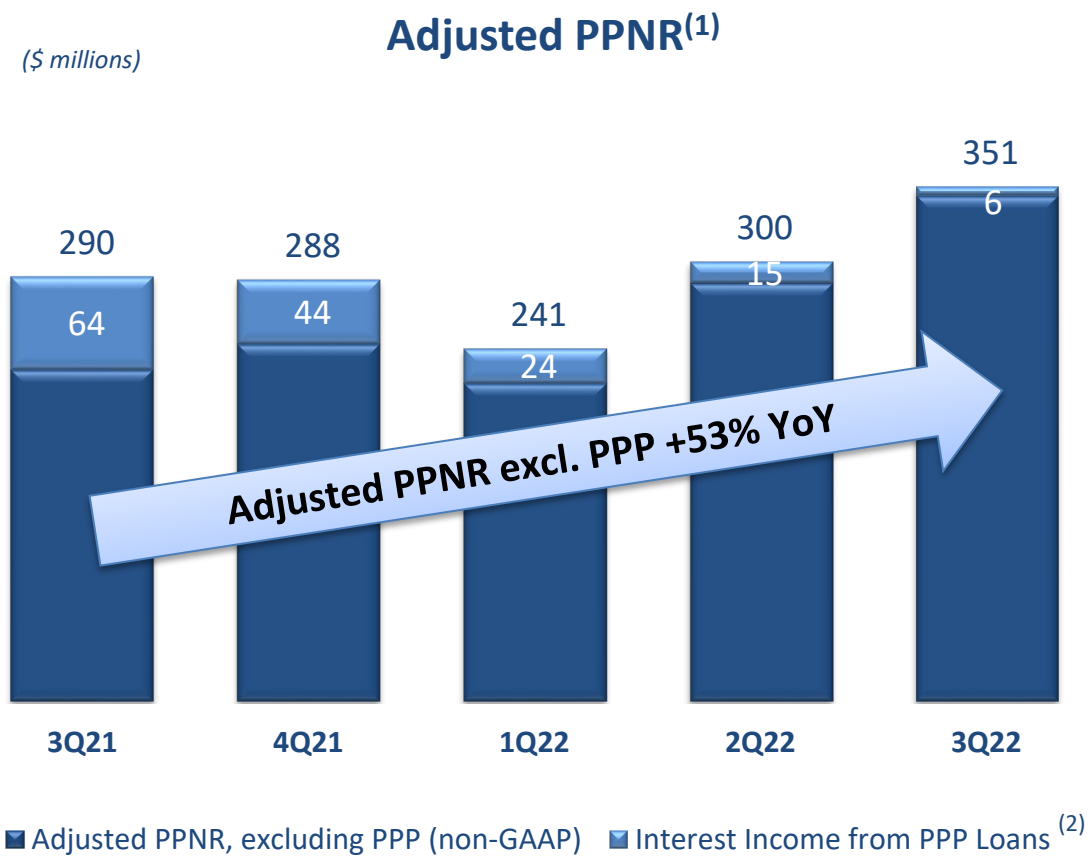
- $0.06 per share favorable impact from the sale of bank-owned facilities
- $0.08 per share net securities gain (including SBIC investments)
- $0.05 per share charitable contribution

3Q21: $(0.11) per share adverse impact from SBIC investments and CVA

Note: EPS effects from PPP income and provision for credit loss calculations assume a 24.5% statutory tax rate.
PPP income incorporates interest income less professional service expense related to forgiveness.

Adjusted Pre-Provision Net Revenue ("PPNR")

Adjusted PPNR increased 17% from the prior quarter, primarily due to the benefit of higher rates and loan growth



Linked quarter:

- Adjusted PPNR increased 17% primarily from
  - A 9% increase in adjusted revenue
    - Significantly higher yields on all major asset categories from rising interest rates combined with modest change in funding costs
    - Growth of higher yield assets (e.g., loans vs. money market)
    - Improved customer-related noninterest income, despite reduction of non-sufficient funds/overdraft income
  - A 3% increase in adjusted noninterest expense

Year-over-year:

- Adjusted PPNR increased 21%
  - Loan yields, excluding PPP, grew by 57 basis points; loan balances increased $3.2 billion (6.4%), or $6.0 billion (12.6%) if excluding PPP loans
  - Taxable-equivalent net interest income increased 20%
  - Increased level of customer-related noninterest income
  - Net revenue growth partially offset by a 10% increase in adjusted noninterest expense

(1) Adjusted for items such as severance costs, restructuring costs, other real estate expense, pension termination-related expense, securities gains and losses, and accruals for investment and advisory expenses related to the unrealized gains/(losses) on SBIC investments. See Appendix for GAAP to non-GAAP reconciliation table.

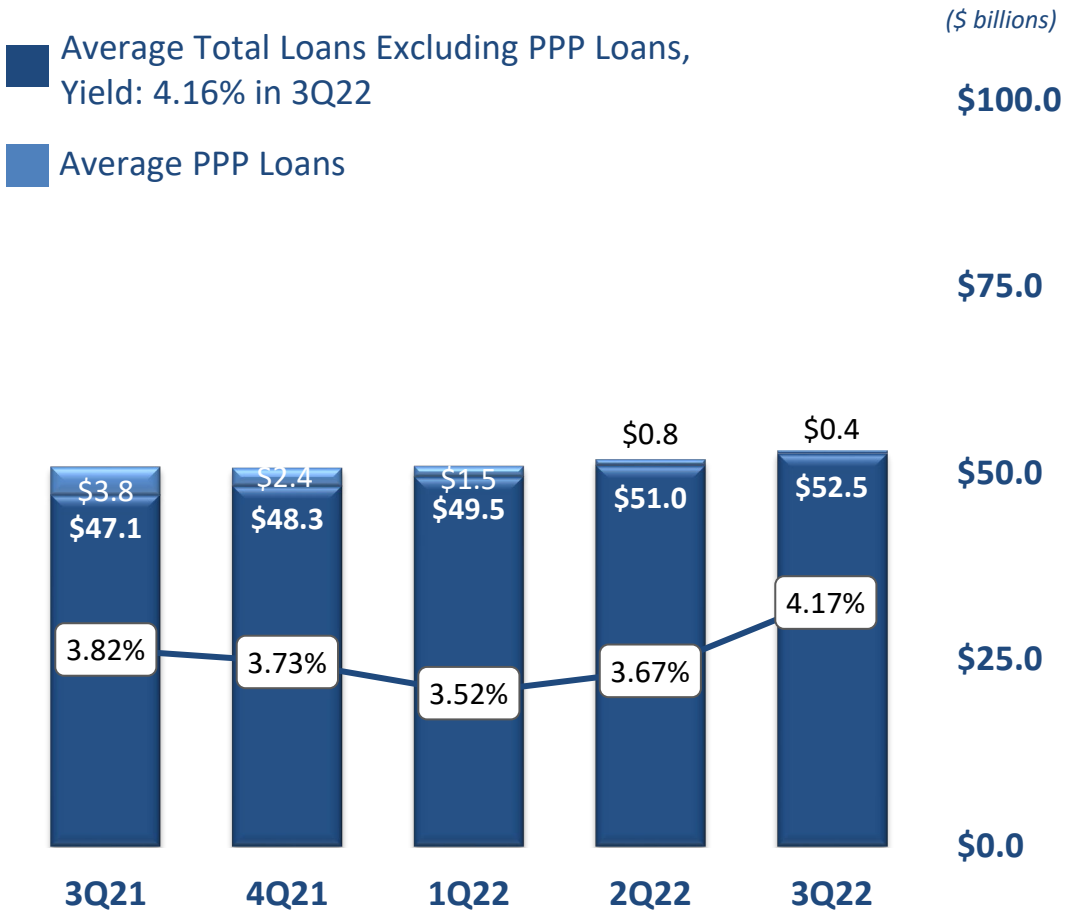
(2) Interest income from PPP, as shown, is net of professional services expense associated with forgiveness.

Average Loan and Deposit Balances

Vs. 2Q22, average non-PPP loans increased 3.1% in 3Q22; average deposits decreased 4.2%

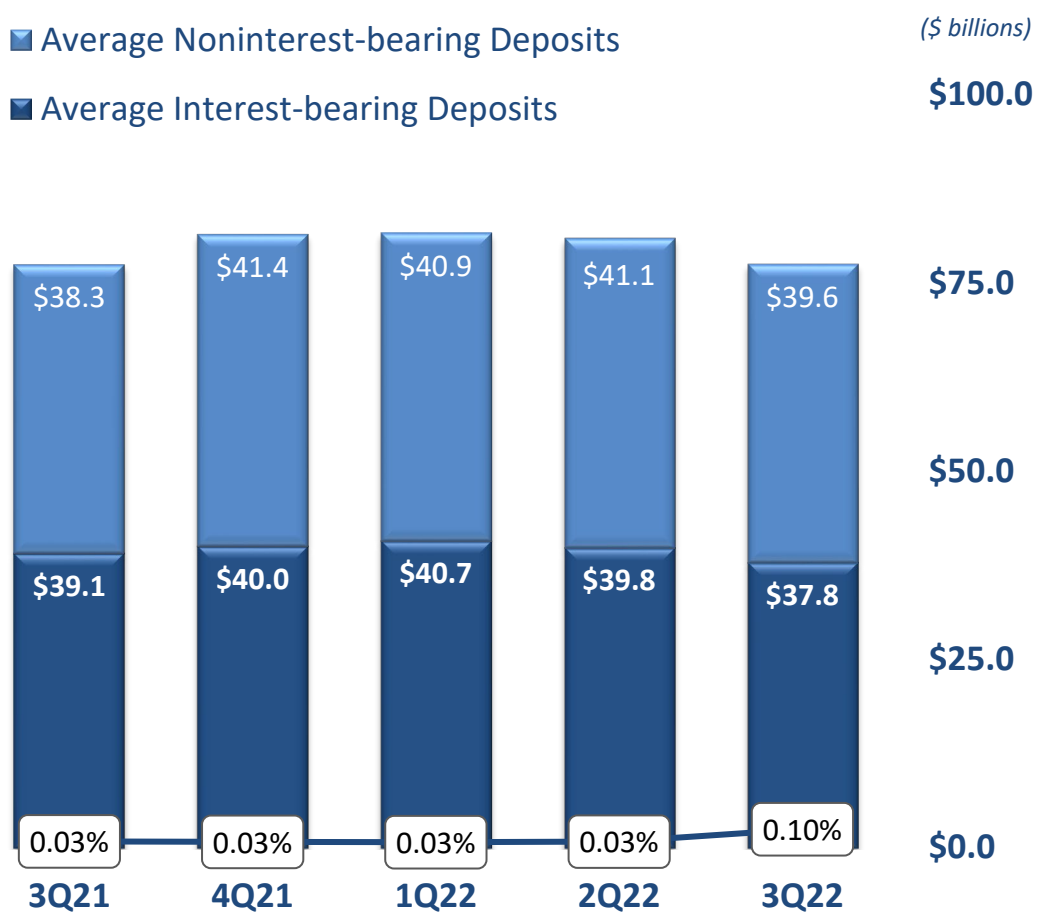
Average Total Loans

Yield on Total Loans



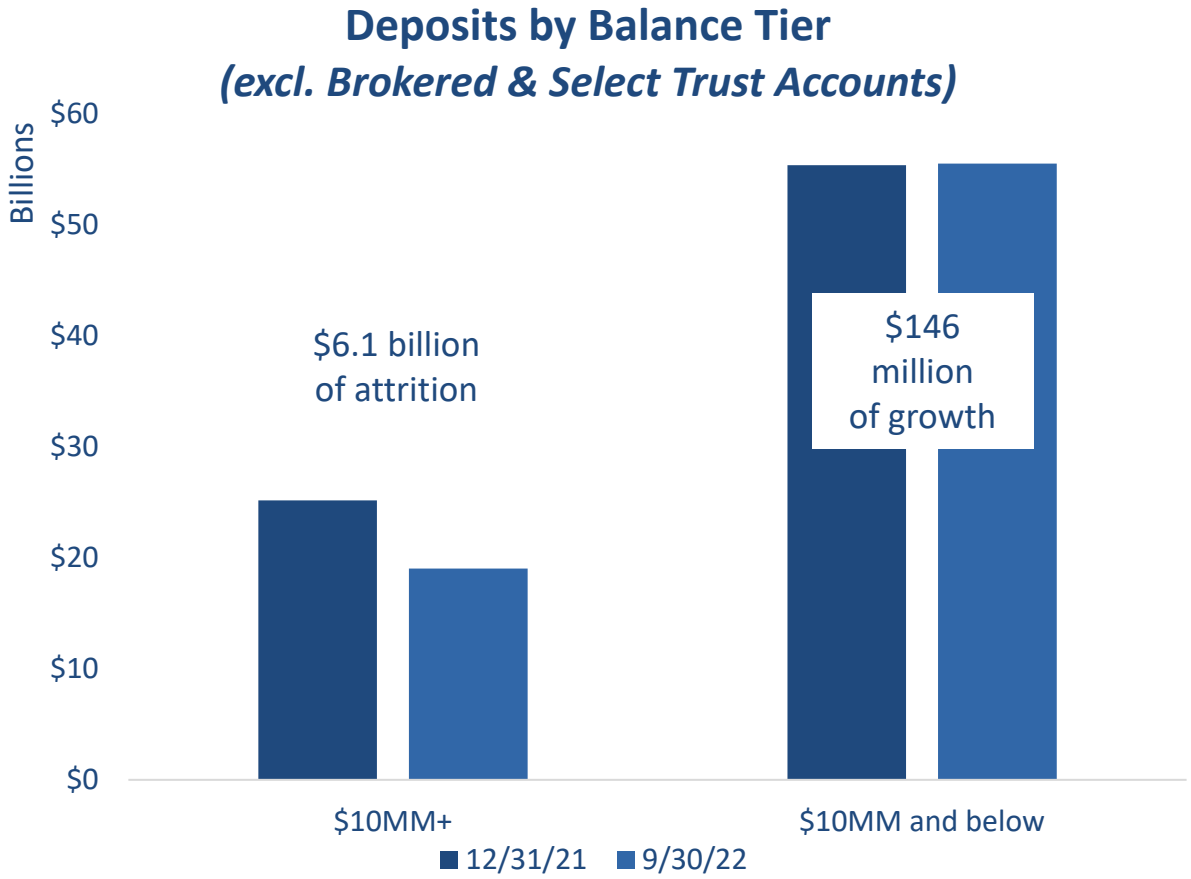
Average Total Deposits

Cost of Total Deposits



Deposit Trends

Deposits for smaller businesses and households ($10 million and smaller, 74% of deposits (excluding brokered and trust deposits) has been stable to slightly increasing



Deposit attrition composition and destination:

- Balance attrition has been concentrated in larger balance, more rate sensitive / non-operating deposits
- Off-balance sheet money market sweep balances have increased from $5.9 billion to $9.2 billion (YTD)

Additional Deposit Data

- Our loan-to-deposit ratio is low relative to peers, at 71%, allowing greater flexibility in pricing
- Our cycle-to-date deposit beta is just 3%
- Our commercial deposit customer satisfaction scores rank among the very best in the industry
- Our median commercial relationship balance is less than $20,000, with the average balance less than $250,000
- Our median consumer relationship balance is less than $5,000, with the average balance less than $40,000

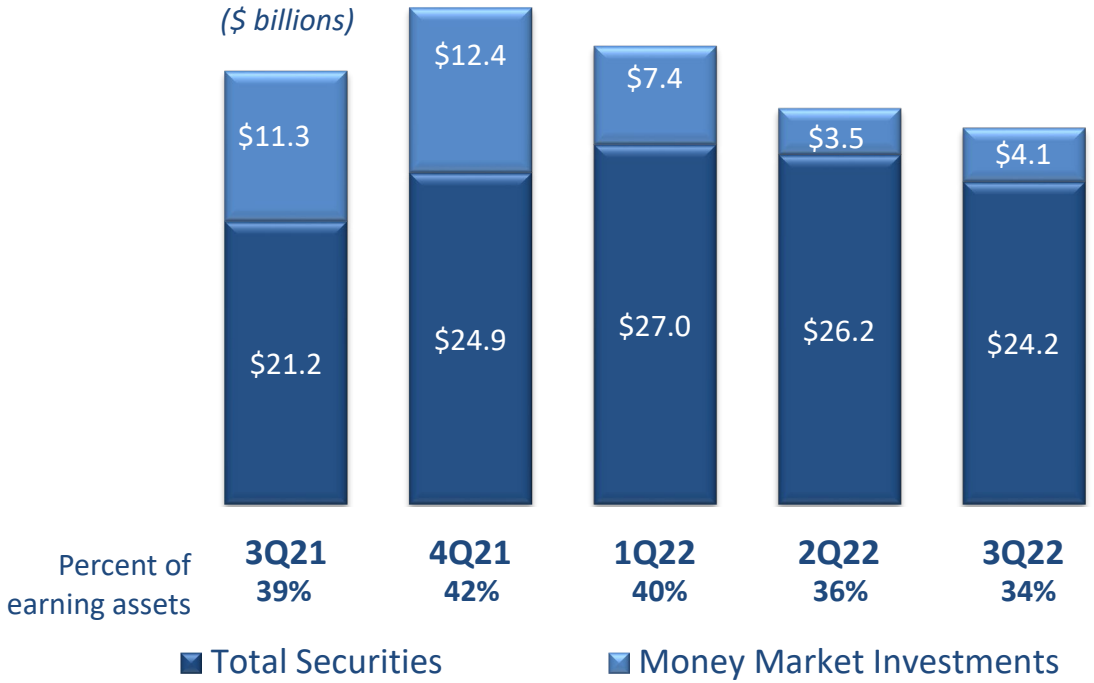
Notes: (1) This analysis contains customer deposits only, excluding brokered and certain deposit accounts such as select omnibus trust accounts and certain internal operational accounts (2) For purposes of categorizing into tiers, balances are grouped into relationships which are potentially multiple related TIN-aligned customers (3) Tier categorization is based on the greater of balances at 12/31/21 and 9/30/22

Securities, Money Market Investments

Outsized deposit growth during the pandemic was primarily invested in highly liquid assets

Total Securities Portfolio (at Fair Value) and Money Market Investments

(end of period balances)



Strong deposit growth during the pandemic was primarily invested in highly liquid assets

- 3Q22 period-end securities declined $2 billion. Securities accounted for 29% of period-end interest-earning assets
  - Cash flow of AFS securities was ~$900 million
  - Fair value adjustment to AOCI was $1.2B (pre-tax)
- 3Q22 period-end money market investments increased $566 million. Money market accounted for 5% of period-end interest-earning assets

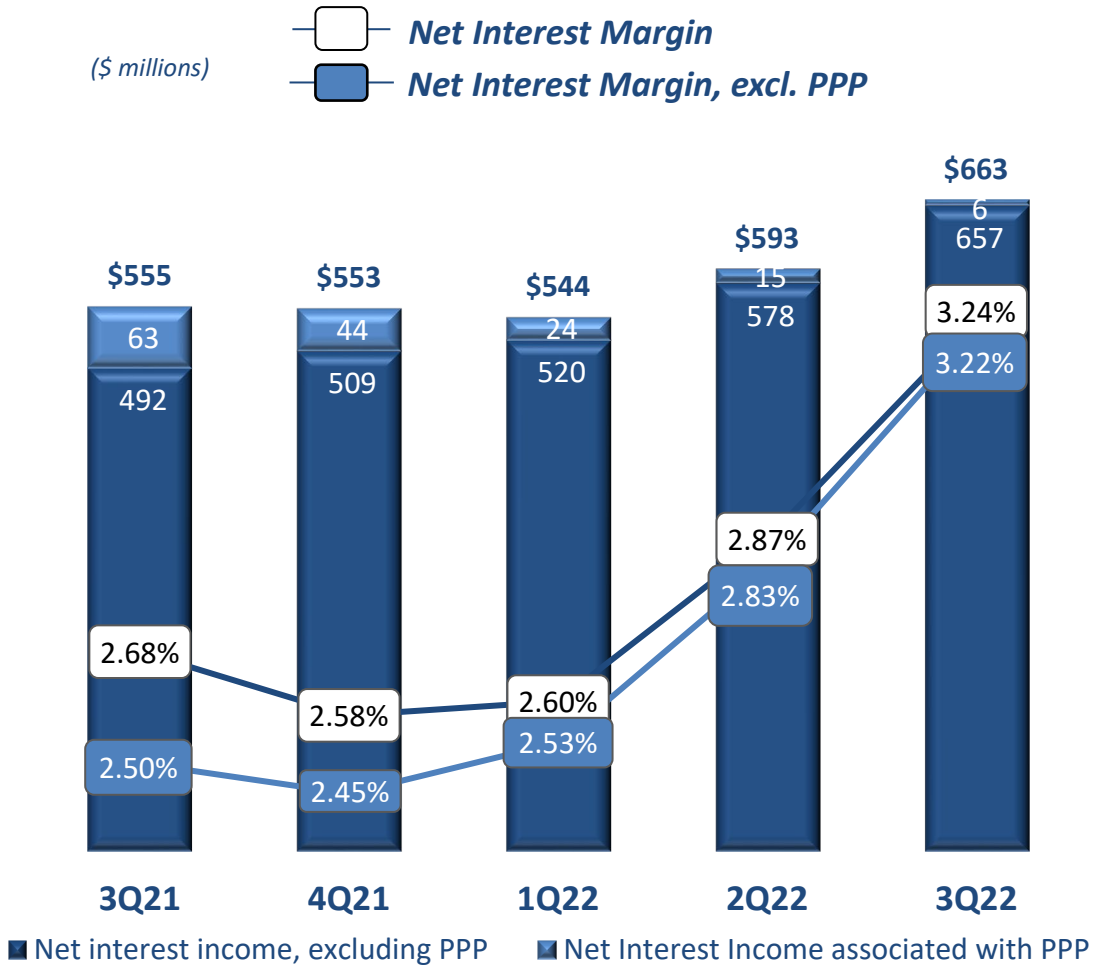
Securities portfolio duration as of September 30, 2022: 3.9 years (3.9 in 2Q22); it is not expected to extend materially under a higher interest rate environment

Interest on total securities includes $27 million and $29 million of taxable-equivalent premium amortization for the third quarters of 2022 and 2021, respectively, and $82 million and $87 million for the first nine months of 2022 and 2021, respectively.

Net Interest Income ("NII") and Net Interest Margin ("NIM")

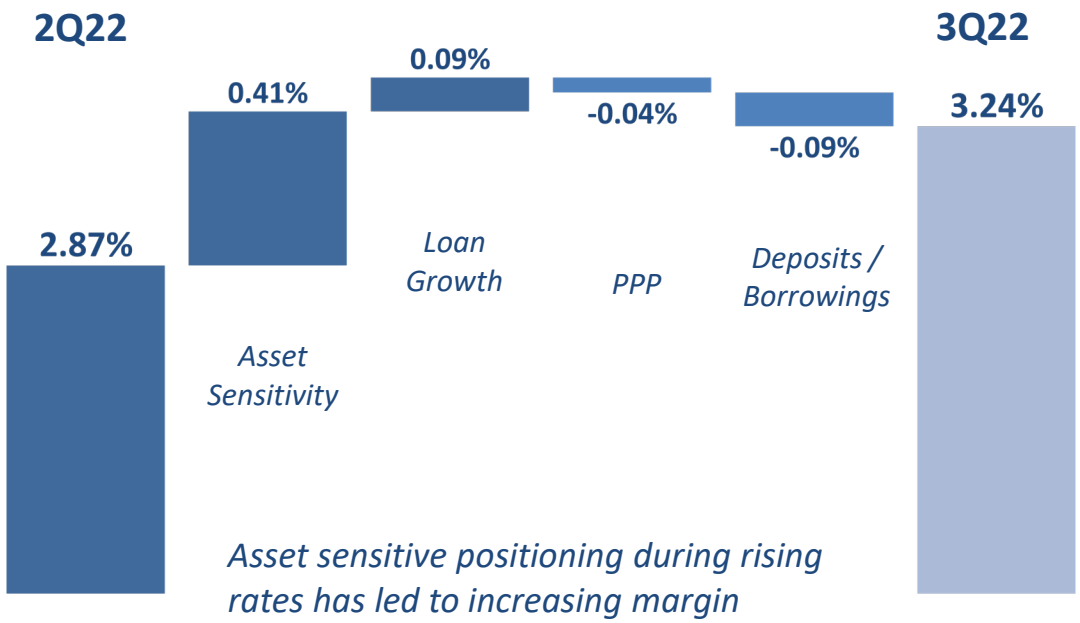
Vs. 2Q22, net interest income increase driven by continued rate increases and loan growth

Net Interest Income



Net Interest Margin

Zions' strong loan growth and rising interest rates have combined to support expansion of the NIM.

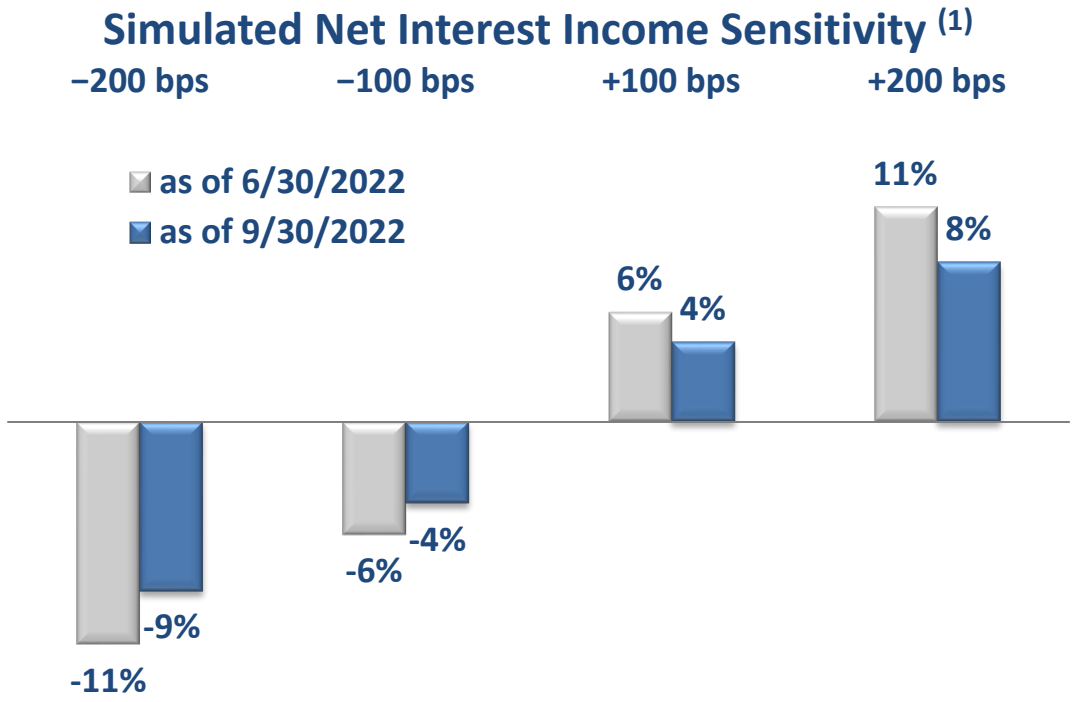


Asset sensitive positioning during rising rates has led to increasing margin

As of September 30, 2022, unamortized net origination fees related to the PPP loans totaled $5 million, to be amortized over the remaining life or as forgiven by the SBA. Net interest income from PPP loans assumes a funding cost equal to each period's total cost of deposits and debt.

Interest Rate Sensitivity

Latent and emergent interest rate sensitivity are expected to lead to an increase in net interest income



The linked-quarter reduction in interest rate sensitivity is primarily attributable to:

- A reduction of deposits
- An increase in the size of the interest rate swaps portfolio
- A higher net interest income denominator.

Latent interest rate sensitivity refers to future changes in NII based upon past rate movements that have yet to be fully realized in revenue.

Latent sensitivity is expected to **add 10% to net interest income in 3Q23** when compared to 3Q22 (excluding PPP revenues).

Emergent interest rate sensitivity refers to changes to NII based upon future rate movements.

Forward curve-driven (as of 9/30) *emergent* sensitivity would **add 3% to net interest income in 3Q23** when compared to 3Q22 (excluding PPP revenues).

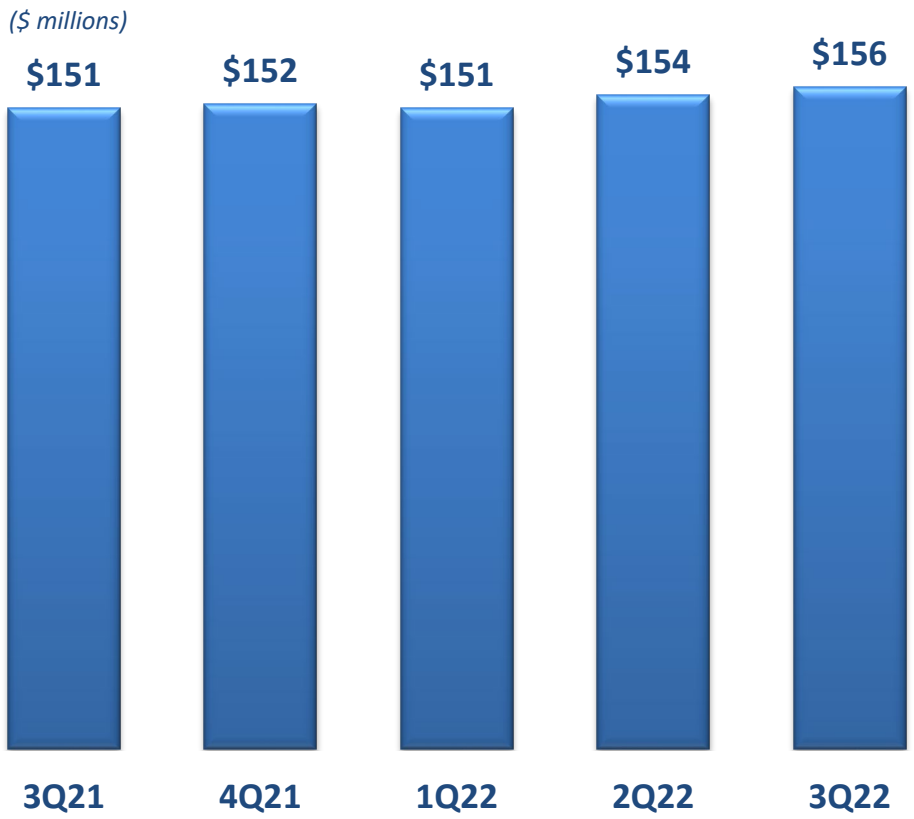
*This simulation does not include any changes to the **size** or **composition** of earning assets; it reflects existing swap maturities and forward-starting swaps.*

(1) 12-month forward simulated impact of an instantaneous and parallel change in interest rates and assumes no change in the size of the balance sheet or composition of the earning assets, while it assumes a change in composition of deposits (a lesser concentration of noninterest bearing and a greater concentration of interest bearing). In the latent sensitivity model (a FF high target rate of 3.25%), the total deposit cost beta relative to the federal funds rate is estimated to be 13% by 3Q23; in the emergent model (a FF high target rate of 4.5%), the total deposit cost beta is estimated to be 14% by 3Q23.

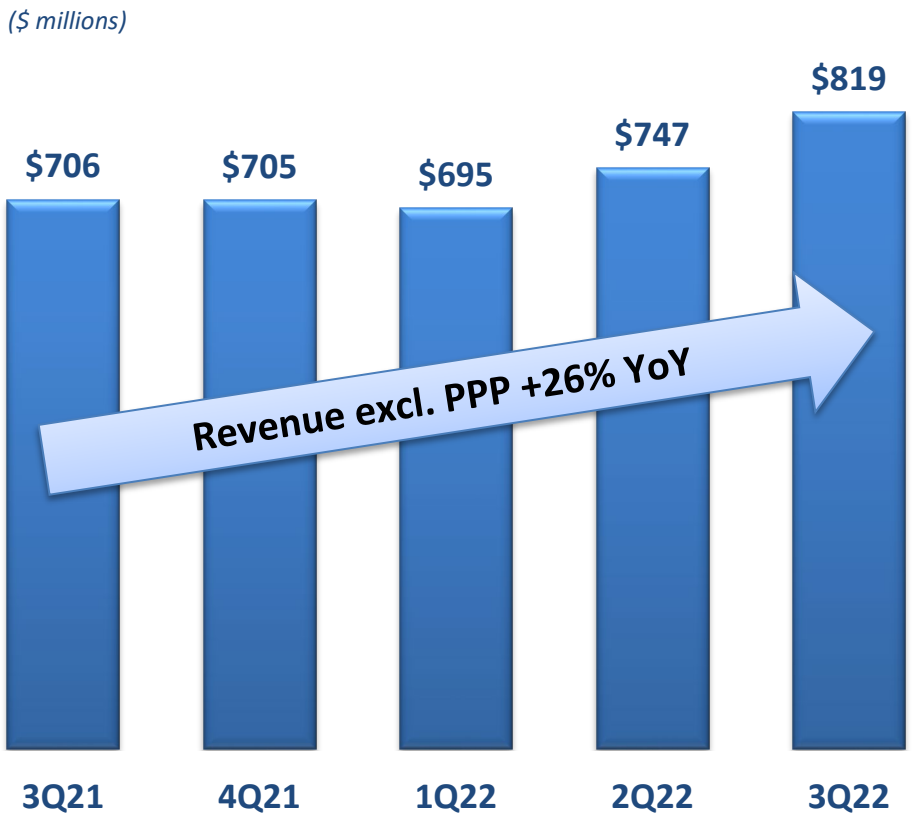
Noninterest Income and Revenue

Total customer-related noninterest income improved vs. 2Q22 and was up 3% from the year-ago period. Revenue increased 10% vs. 2Q22, and was up 16% from the year-ago period

Customer-Related Noninterest Income (1)



Revenue (2)



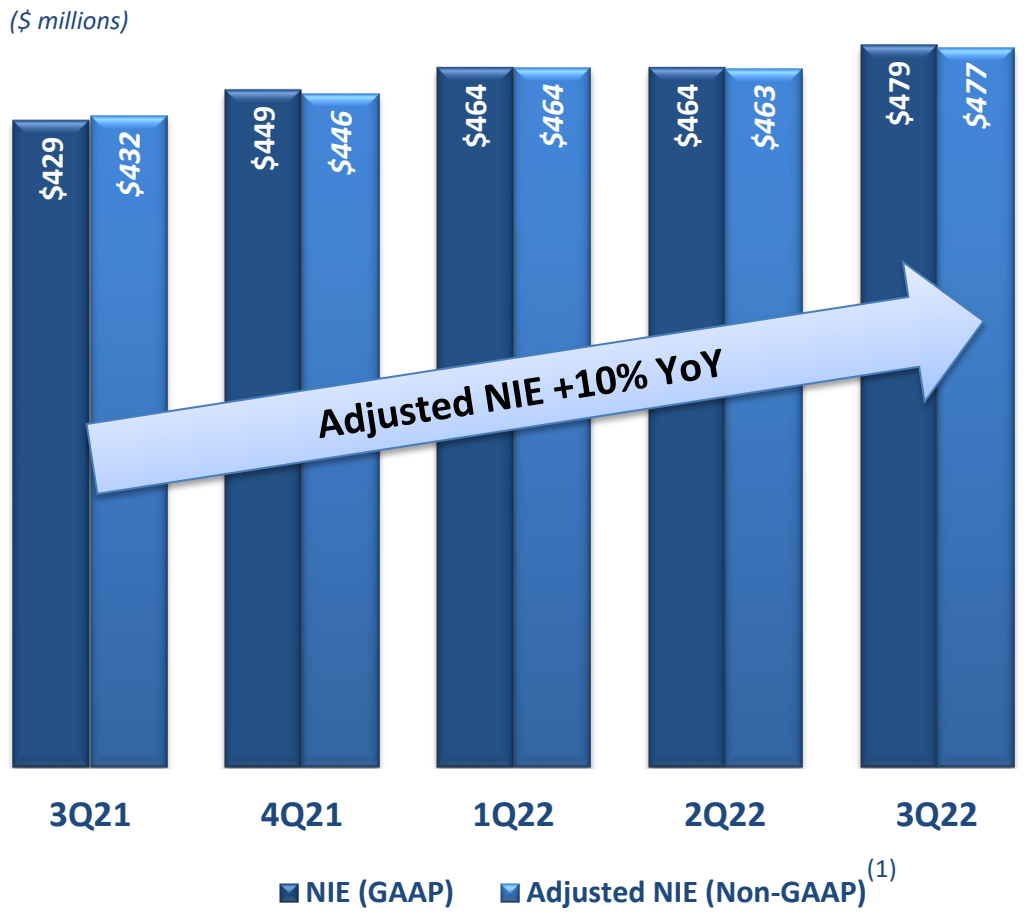
(1) Reflects total customer-related noninterest income, which excludes items such as fair value and non-hedge derivative income, securities gains (losses), and other items, as detailed in the Noninterest Income table located in the earnings release.

(2) Revenue displayed is the sum of net interest income and customer-related noninterest income. It excludes the impact of securities gains/losses, dividends and fair value and non-hedge derivative income

Noninterest Expense

Noninterest expense increased 3% vs. 2Q22, and was up 12% from the year-ago period

Noninterest Expense (NIE)



Total noninterest expense increased compared to the prior quarter

- Salaries and benefits increased by $5 million driven by:
  - An extra day in the quarter
  - Continued hiring of new employees

Notable items in:

- *2Q22: $3 million higher deposit insurance*
- *1Q22: $13 million of seasonal share-based compensation*
- *4Q21: $10 million donation to Zions Foundation; $2 million success fee related to net gains on SBIC investments*
- *3Q21: $(4) million success fee reversal*

(1) Adjusted for items such as severance, provision for unfunded lending commitments, and accruals for investment and advisory expenses related to the unrealized gain on an SBIC investment. See Appendix for GAAP to non-GAAP reconciliation table.

Credit Quality

Net charge-offs remain low, with last 12 months net charge-offs at just 0.09% of average loans

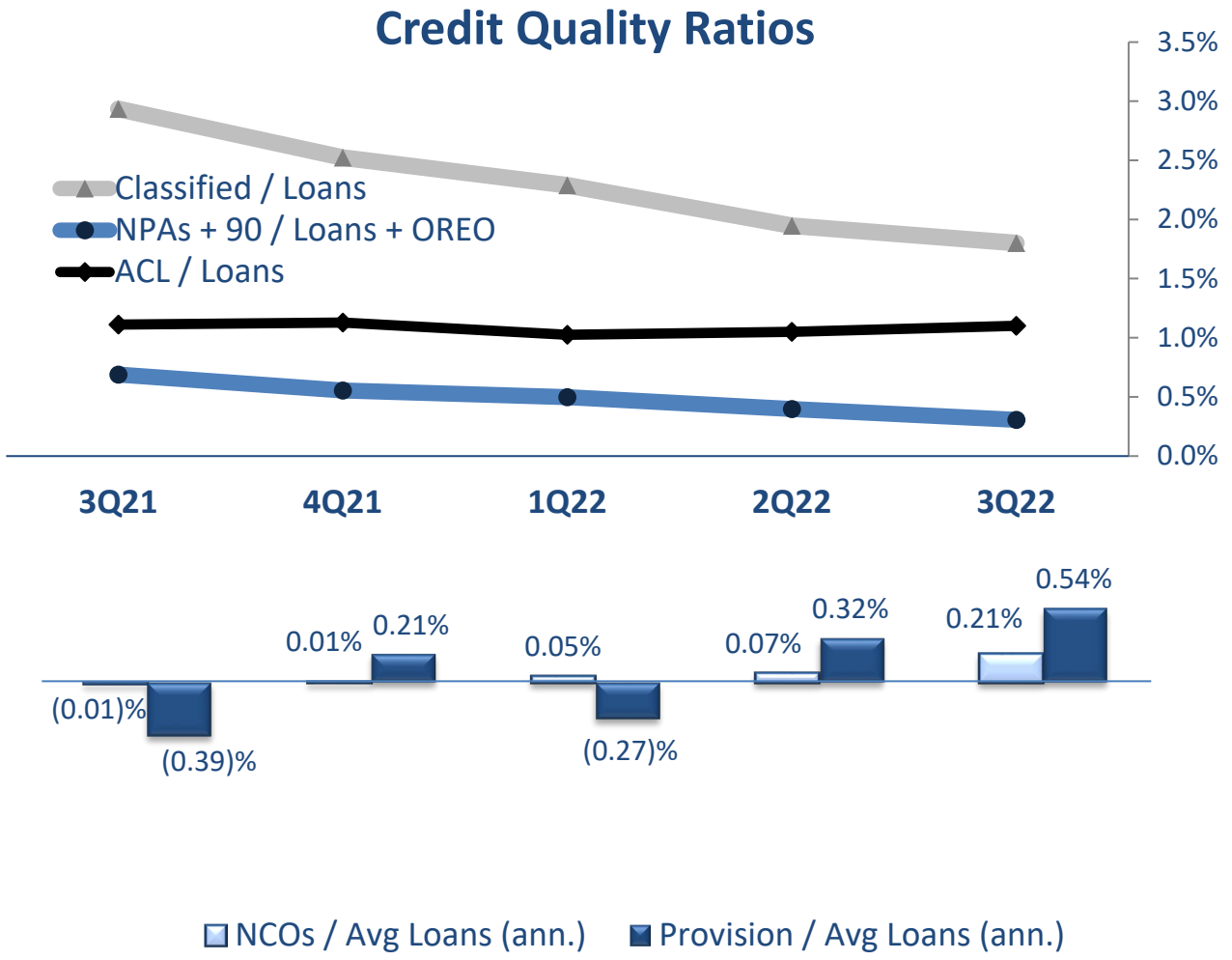
All Ratios Exclude PPP Loans

Key credit metrics:

- **1.8%:** Classified loans/loans
  - **Classified balance improved (declined) by more than 4%** in 3Q22 from 2Q22
- **0.31%:** NPAs+90[(1)]/loans + OREO
  - **NPA balance improved (declined) by more than 20%** in 3Q22 from 2Q22
- Net charge-offs (recoveries), relative to average loans:
  - **0.21%** annualized in 3Q22; ~$19 million or 70% attributable to two credits
  - **0.09%** over the last 12 months

Allowance for credit losses:

- 1.10% of total loans and leases, up 5 basis points from 2Q22

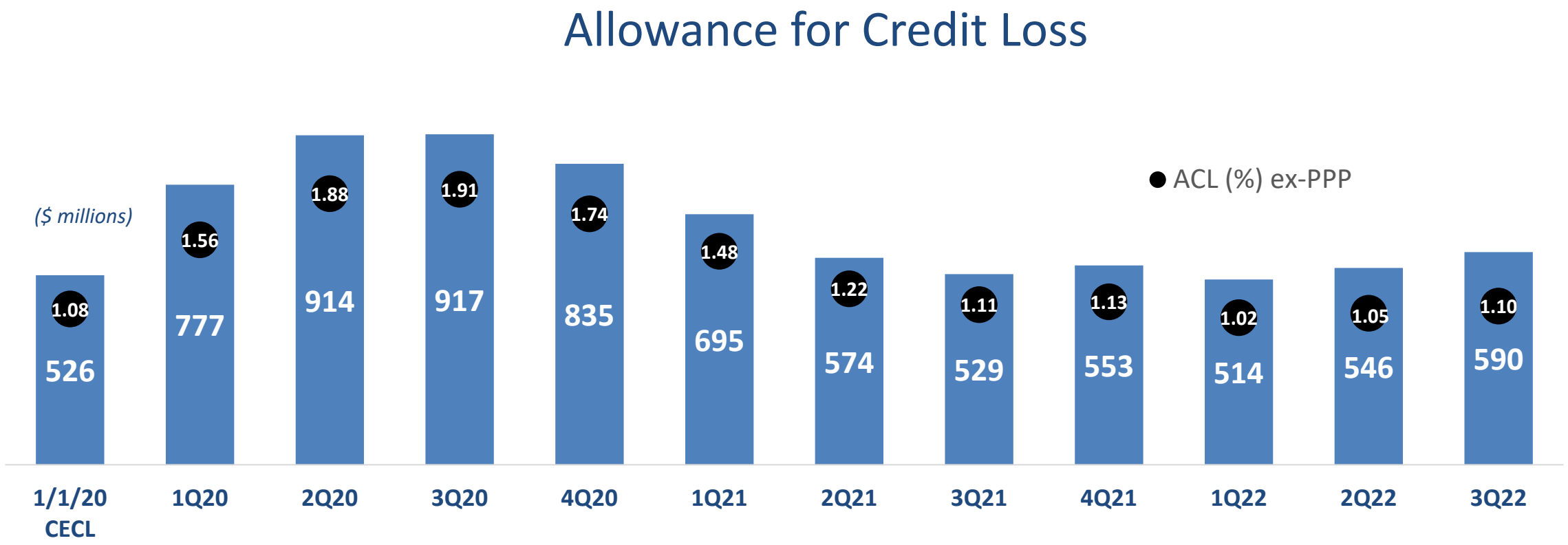


(1) Nonperforming assets plus accruing loans that were ≥ 90 days past due

Note: Net charge-offs / average loans and provision / average loans ratios are annualized for all periods shown

Allowance for Credit Loss ("ACL")

The ACL increase vs. 2Q22 is due to increased economic uncertainty



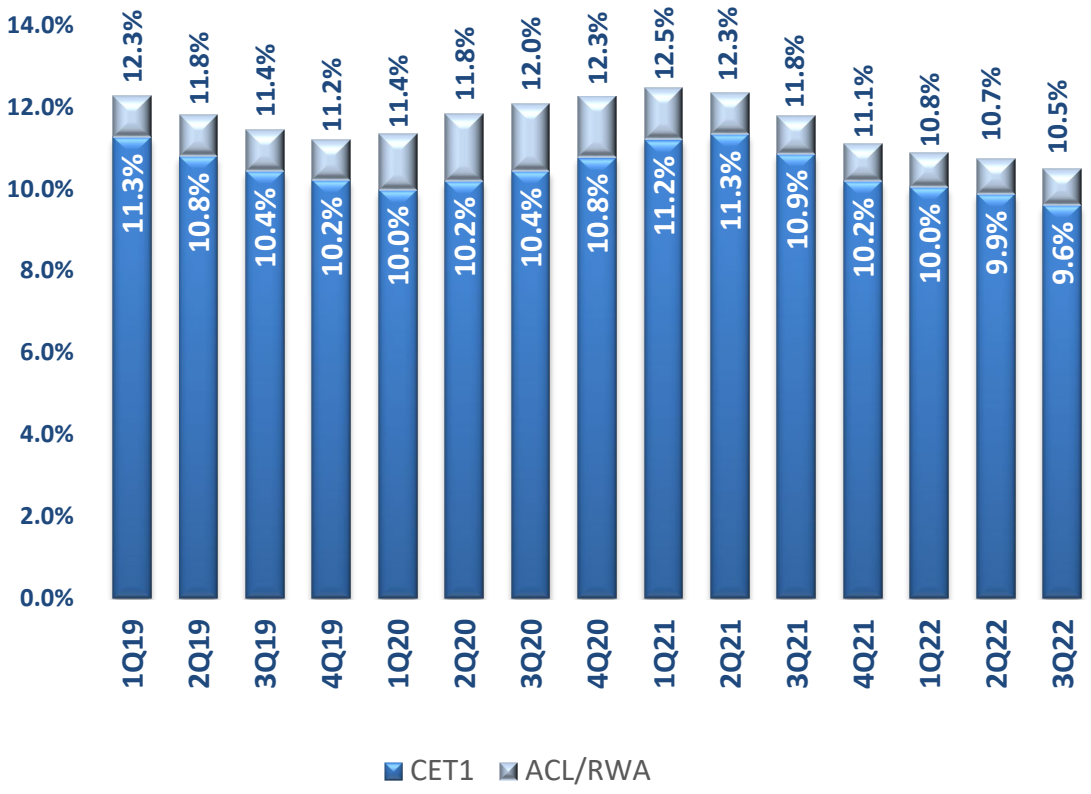
- The increase in the 3Q22 ACL from 2Q22 reflects an increase in the likelihood of a recession and growth in the loan portfolio
- Credit quality remains very clean

Capital Strength

Balance sheet capital remains strong relative to our risk profile

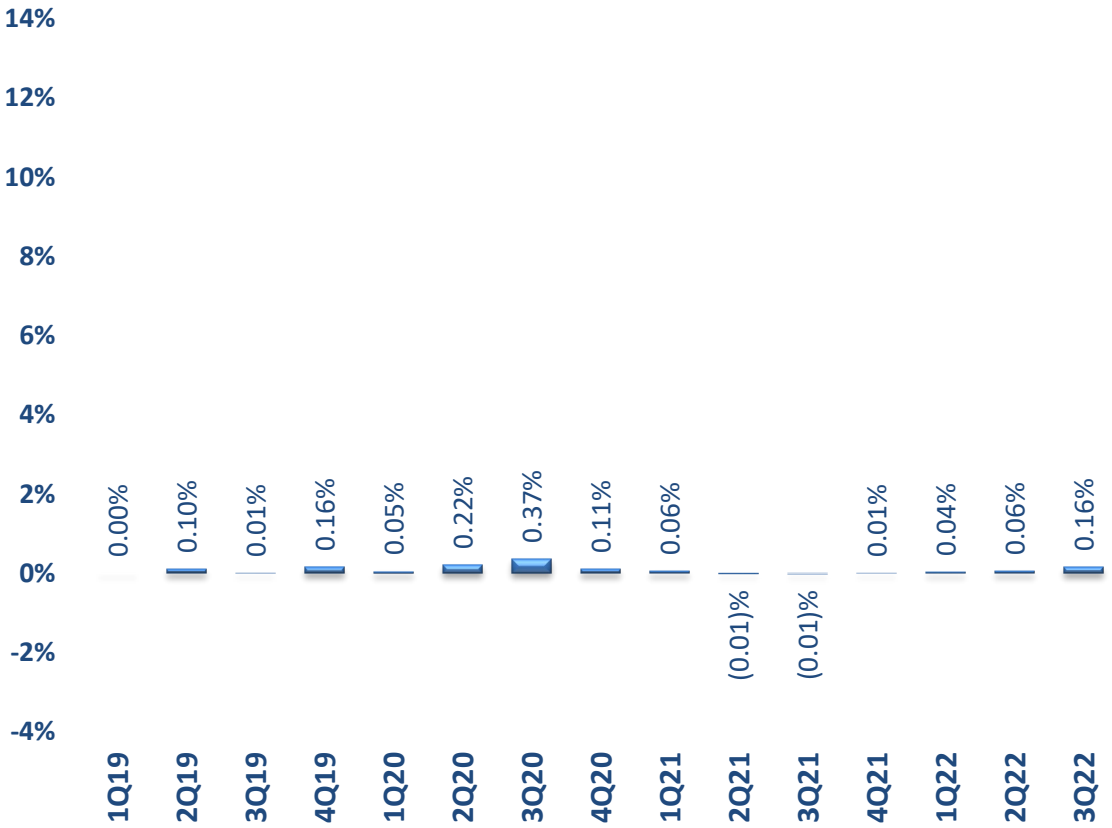
Common Equity Tier 1 Capital and Allowance for Credit Losses

as a percentage of risk-weighted assets



Net Charge-offs

annualized, as a percentage of risk-weighted assets



Financial Outlook (3Q 2023E vs 3Q 2022A)

	Outlook	Comments
Loan Balances, ex-PPP	**Moderately Increasing**	▪ Excludes PPP loans, which are now significantly less impactful
Net Interest Income	**See Slide 11**	▪ We expect latent and emergent interest rate sensitivity, combined with continued loan growth to meaningfully increase net interest income
Customer-Related Noninterest Income	**Slightly Increasing**	▪ Customer-related noninterest income excludes securities gains/losses
Adjusted Noninterest Expense	**Moderately Increasing**	▪ Assumes continued elevated inflationary pressure on noninterest expense and build out of our Capital Markets business
Capital Management		▪ Capital generated in excess of what is required for loan growth may be returned to shareholders through share repurchases

Appendix

- Financial Results Summary
- Credit Metrics
- Loan Loss Severity (NCOs as a percentage of nonperforming assets)
- Balance Sheet Profitability
- Earning Asset Repricing
- Deposit History
- Interest Rate Swaps
- Loan Growth by Geography and Type
- Mortgage Banking
- FutureCore Project
- Technology Initiatives
- GAAP to Non-GAAP Reconciliation

Financial Results Summary

Solid and improving fundamental performance

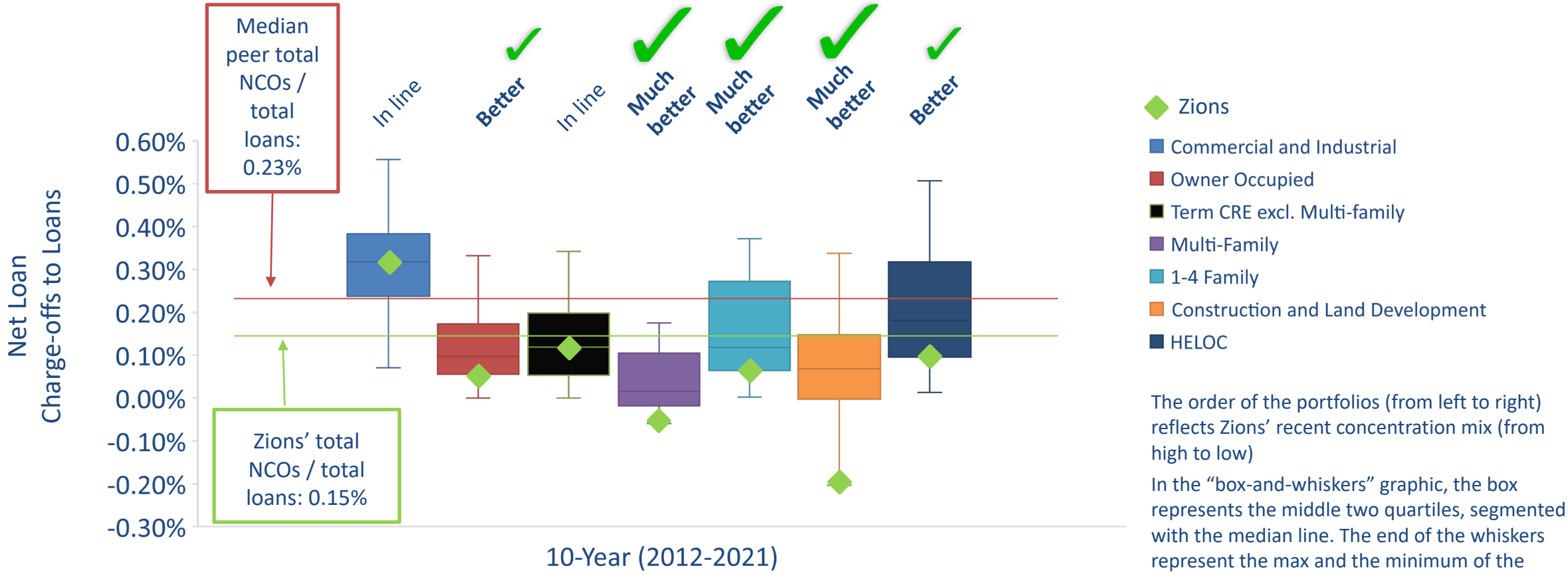
(Dollar amounts in millions, except per share data)	Three Months Ended			
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Earnings Results:				
Diluted Earnings Per Share	$ 1.40	$ 1.29	$ 1.27	$ 1.34
Net Earnings Applicable to Common Shareholders	211	195	195	207
Net Interest Income	663	593	544	553
Noninterest Income	165	172	142	190
Noninterest Expense	479	464	464	449
Pre-Provision Net Revenue - Adjusted (1)	351	300	241	288
Provision for Credit Losses	71	41	(33)	25
Ratios:				
Return on Assets(2)	0.97 %	0.91 %	0.90 %	0.92 %
Return on Common Equity(3)	15.8 %	14.0 %	11.8 %	11.5 %
Return on Tangible Common Equity(3)	19.5 %	17.1 %	13.9 %	13.4 %
Net Interest Margin	3.24 %	2.87 %	2.60 %	2.58 %
Yield on Loans	4.17 %	3.67 %	3.52 %	3.73 %
Yield on Securities	2.10 %	1.97 %	1.78 %	1.61 %
Average Cost of Total Deposits(4)	0.10 %	0.03 %	0.03 %	0.03 %
Efficiency Ratio (1)	57.6 %	60.7 %	65.8 %	60.8 %
Effective Tax Rate	21.9 %	21.9 %	20.4 %	20.8 %
Ratio of Nonperforming Assets to Loans, Leases and OREO	0.28 %	0.38 %	0.49 %	0.53 %
Annualized Ratio of Net Loan and Lease Charge-offs to Average Loans	0.20 %	0.07 %	0.05 %	0.01 %
Common Equity Tier 1 Capital Ratio(5)	9.6 %	9.9 %	10.0 %	10.2 %

(1) Adjusted for items such as severance costs, restructuring costs, other real estate expense, pension termination-related expense, securities gains and losses and investment and advisory expense related SBIC investments. See Appendix for GAAP to non-GAAP reconciliation tables.
(2) Net Income before Preferred Dividends used in the numerator; (3) Net Income Applicable to Common used in the numerator; (4) Includes noninterest-bearing deposits;
(5) Current period ratios and amounts represent estimates

Long-Term View: Credit Quality at the Subportfolio Level

Zions' loss rates across nearly all loan portfolio categories are better or much better than peer loss rates

- In **three** of the seven major categories in which Zions has significant exposure, Zions loss rate has been much better (top quartile)
- In **no** category is Zions worse than the median



The order of the portfolios (from left to right) reflects Zions' recent concentration mix (from high to low)

In the "box-and-whiskers" graphic, the box represents the middle two quartiles, segmented with the median line. The end of the whiskers represent the max and the minimum of the dataset.

Source: S&P Capital IQ Pro. Peers included are listed in the appendix. FRC is excluded from the dataset due to insufficient history for the 15-year period. Subportfolio loss ratios calculated by Zions using regulatory data and averaged over the timeframe. Credit cards are not included in the seven categories as it is not a significant concentration for Zions.

Credit Quality: Consumer Real Estate Secured (Term 1-4 Family and Home Equity Credit Lines)

Minimal risk layering shows strength of the consumer real estate loan portfolio.

Term 1-4 family mortgages ("1-4 family residential") account for approximately $10.1 billion of the outstanding balances or 19% of the total loan portfolio

- **70 percent** of such loans have FICO scores of 750 or better (higher) **and** loan-to-value ("LTV") ratios of 70% or better (lower)
- No meaningful exposure in the low FICO **and** high LTV segments
- **Average LTV:** 46%
- Home equity credit line portfolio:
  - 1st lien = 46% of portfolio balance, 51% of portfolio commitments, with an average LTV of 45%
  - 2nd lien = 54% of portfolio balance, 49% of portfolio commitments, with an average LTV of 50%

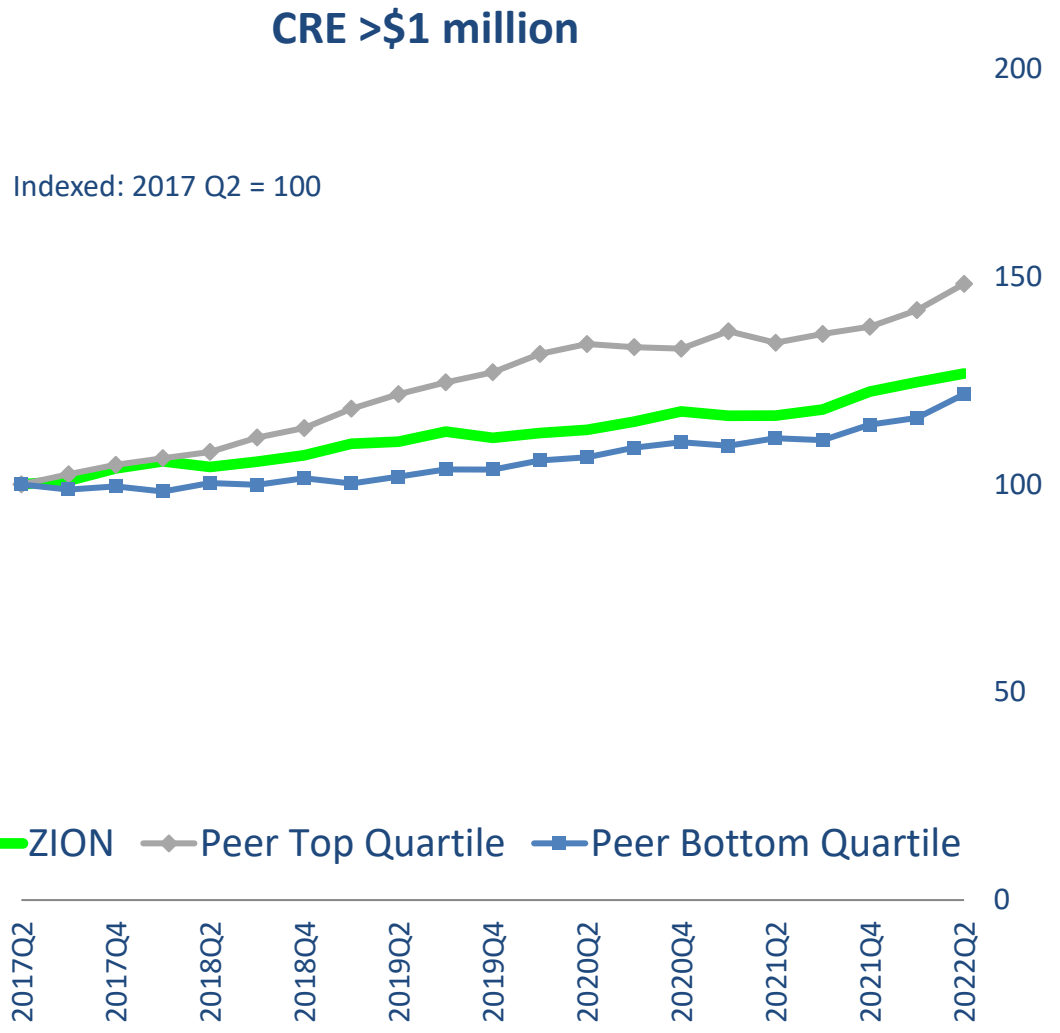
Term 1-4 Family + HECL							
		Refresh FICO					
		<= 649	650-699	700-749	750-799	800-850	Row Total
Combined Loan to Value (Index-Adjusted)	<= 50%	2%	3%	8%	16%	29%	**58%**
	50.01-60%	0%	1%	3%	6%	9%	**19%**
	60.01-70%	0%	1%	2%	5%	6%	**14%**
	70.01-80%	0%	0%	2%	3%	4%	**9%**
	80.01-90%	0%	0%	0%	0%	0%	**0%**
	>90%	0%	0%	0%	0%	0%	**0%**
	Column Total	**2%**	**5%**	**15%**	**30%**	**48%**	**100%**

Loan-to-value calculations reflect most current appraisal adjusted by a home price index (Case-Shiller or FHFA) for the area where the collateral is located for the denominator and the most recent outstanding balances in the numerator.
Data is as of 9/30/2022.

Exercising CRE Discipline Through Growth Management

Commercial real estate loan growth lags due to continued exercise of concentration risk discipline





Data as of June 30, 2022, as peer data is not available for 3Q22 as of the time of publication; peer growth rates are normalized for significant acquisitions

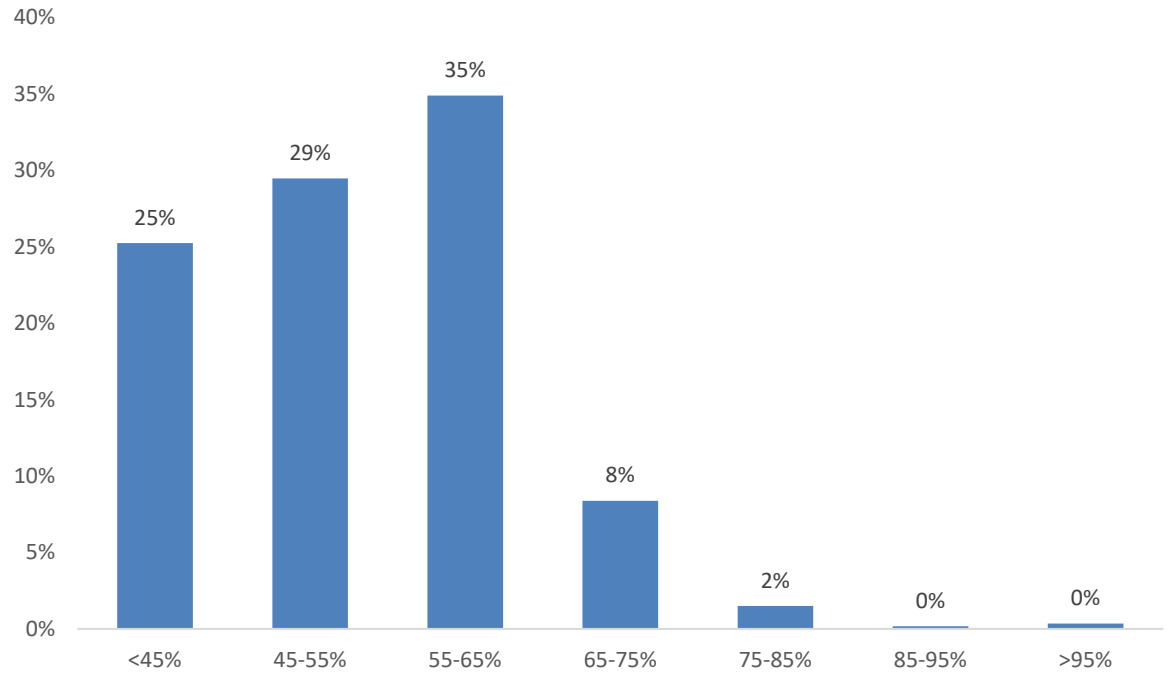
Credit Quality: Term Commercial Real Estate ("CRE")

Low loan-to-values ratios in the Term CRE portfolio demonstrates the ability of the portfolio to withstand stress

Term CRE loans account for $9.6 billion of the outstanding balances or 18% of the total loan portfolio

Weighted Average LTV by Major Property Type	
Apartments (Multi-Family)	53%
Hospitality	50%
Industrial (Warehouse / Mixed-Use Warehouse / Light Manufacturing / Research & Development)	53%
Office Building	54%
Retail	49%

Distribution of Term Commercial Real Estate LTV Ratios



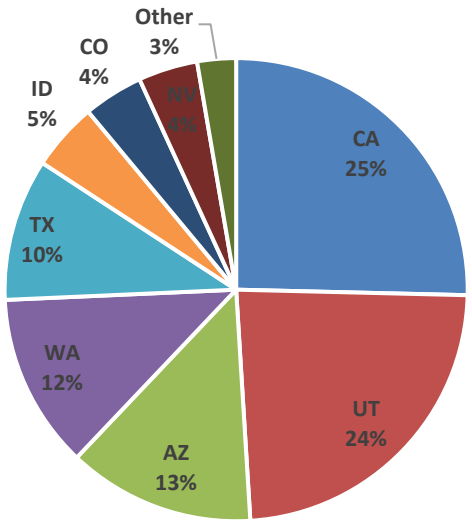
Data is limited to term CRE loans. Loan-to-value calculations reflect most current appraisal in the denominator and the outstanding balance in the numerator.

CRE Portfolios of Interest: CRE Office ($2.3B Balance)

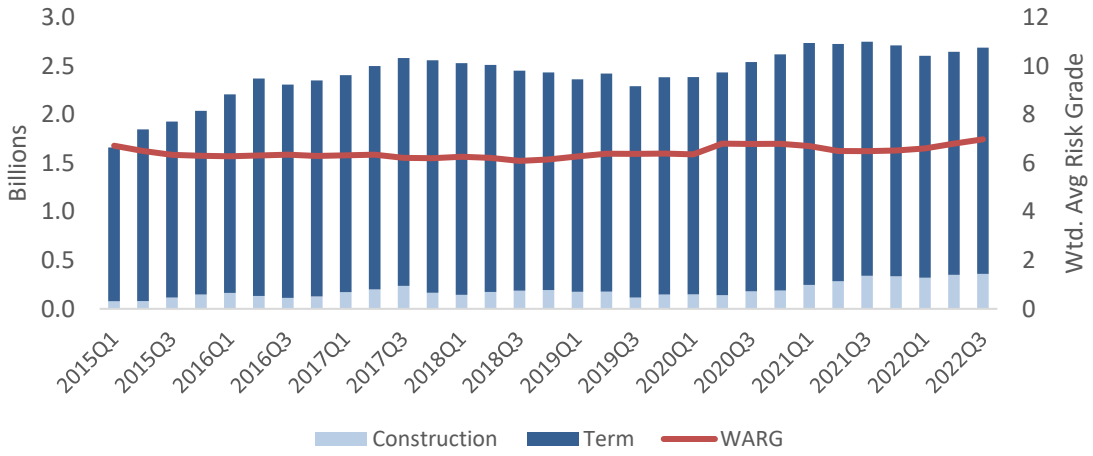
CRE Office portfolio highly concentrated in footprint, risk grades deteriorating but no losses forecast

- Low LTVs, strong guarantors, and tenants have kept problem loan levels relatively low
- Portfolio commitments composed of 80% term, 20% construction
- Recent downgrades are low-LTV value-add buildouts of B- properties moving to A- properties in west coast markets
- We have been selective when adding new office exposures due to long-term trends of remote work
- Commitments declined $373 million between 1Q21 and 3Q22.

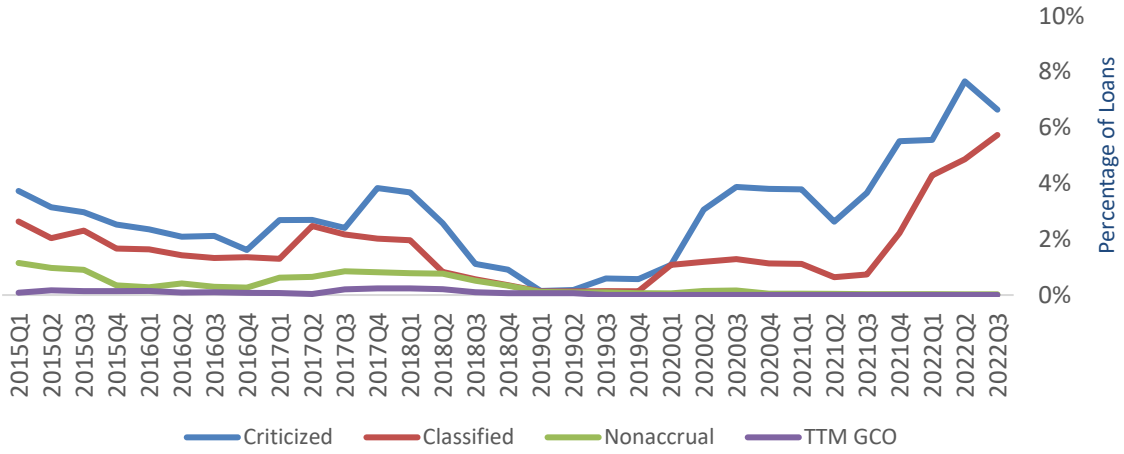
Distribution of Outstanding Balance by State



Portfolio Trends



Problem Loan Trends



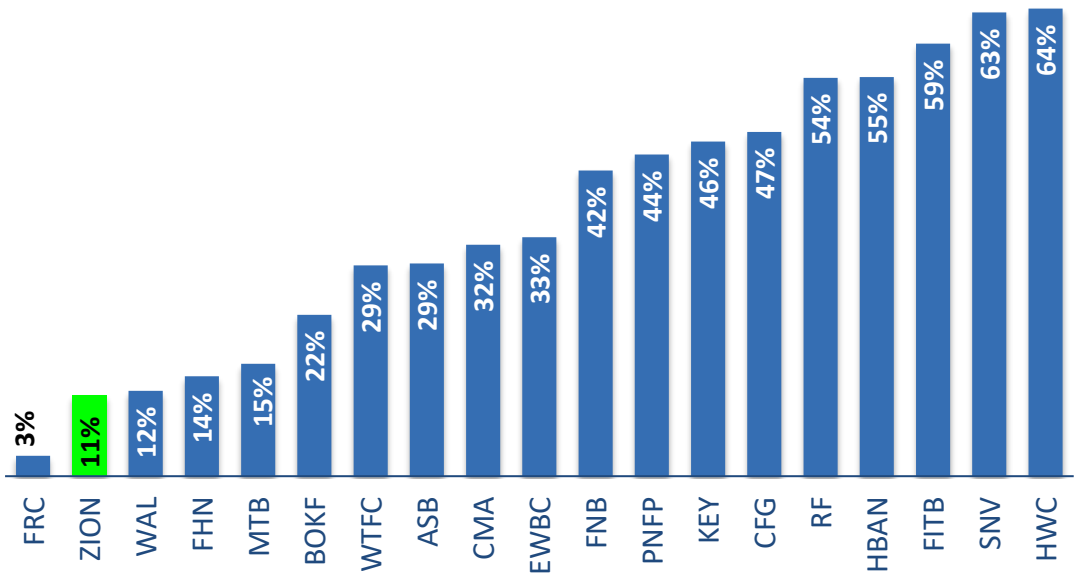
Data as of September 30, 2022; Excludes PPP; Includes both term and construction

Loan Loss Severity

When problems arise, Zions generally experiences less severe loan losses due to strong collateral and underwriting practices

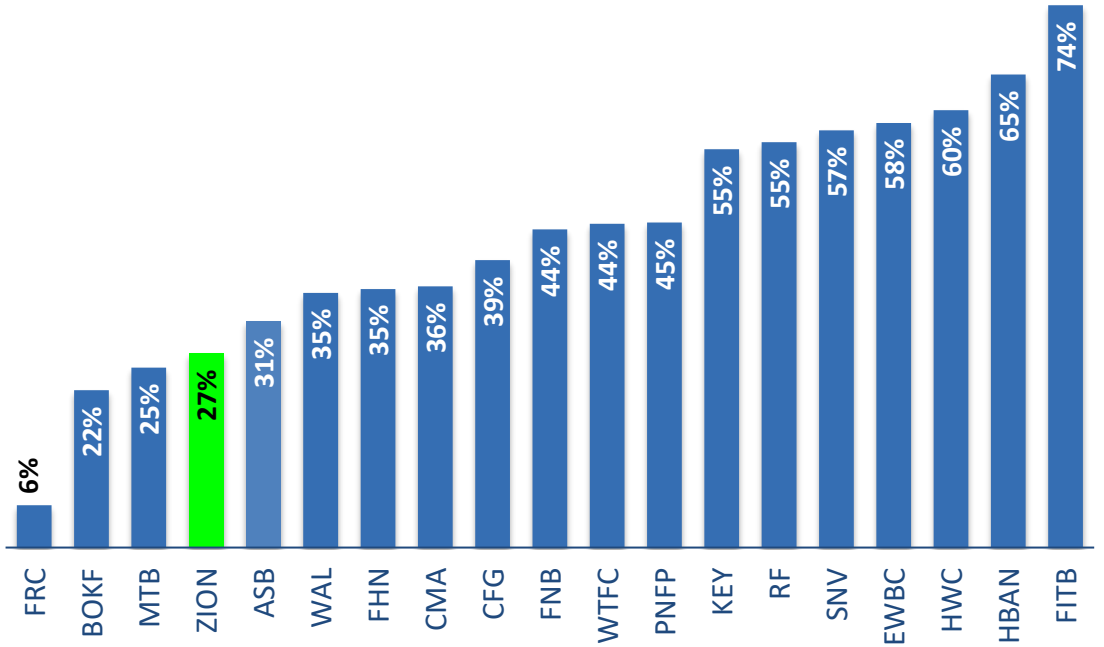
Annualized NCOs / Nonaccrual Loans

Five Year Average (2017 – 2021)



Annualized NCOs / Nonaccrual Loans

Fifteen Year Average (2007 – 2021)

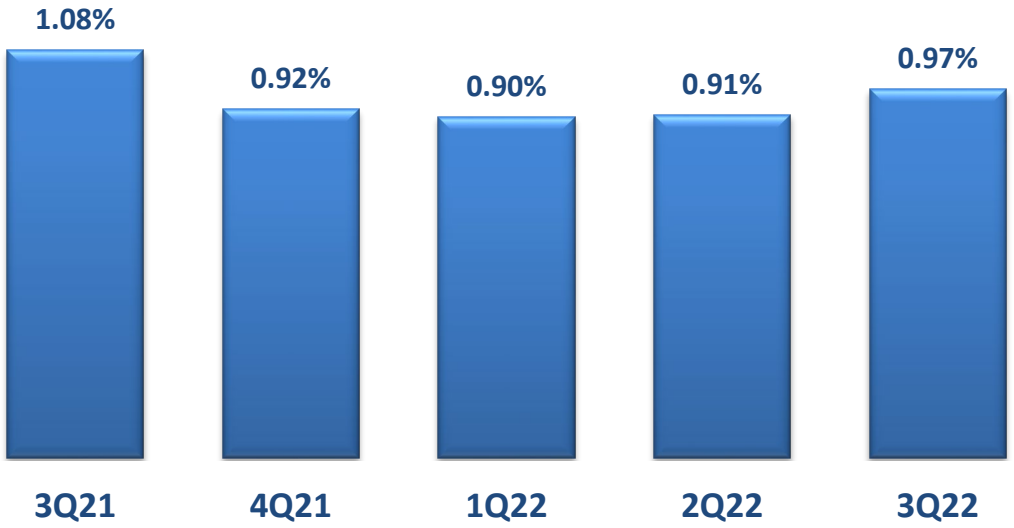


Source: S&P Global. Calculated using the average of annualized quarterly results. Note: Survivorship bias: some banks that may have been included in Zions' peer group have been excluded due to their failed or merged status.

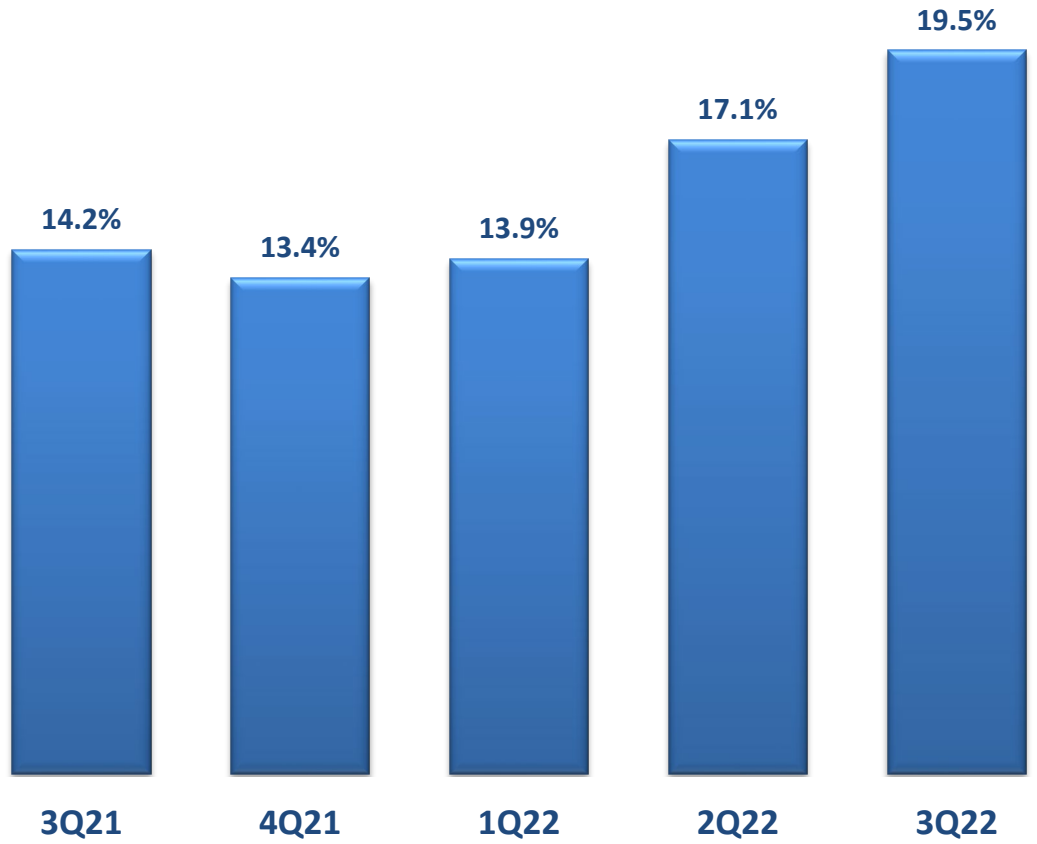
Balance Sheet Profitability

Profitability improving due to improved net interest income and loan growth; in addition, RoTCE has improved due to the effect of accumulated other comprehensive income on the denominator

Return on Assets



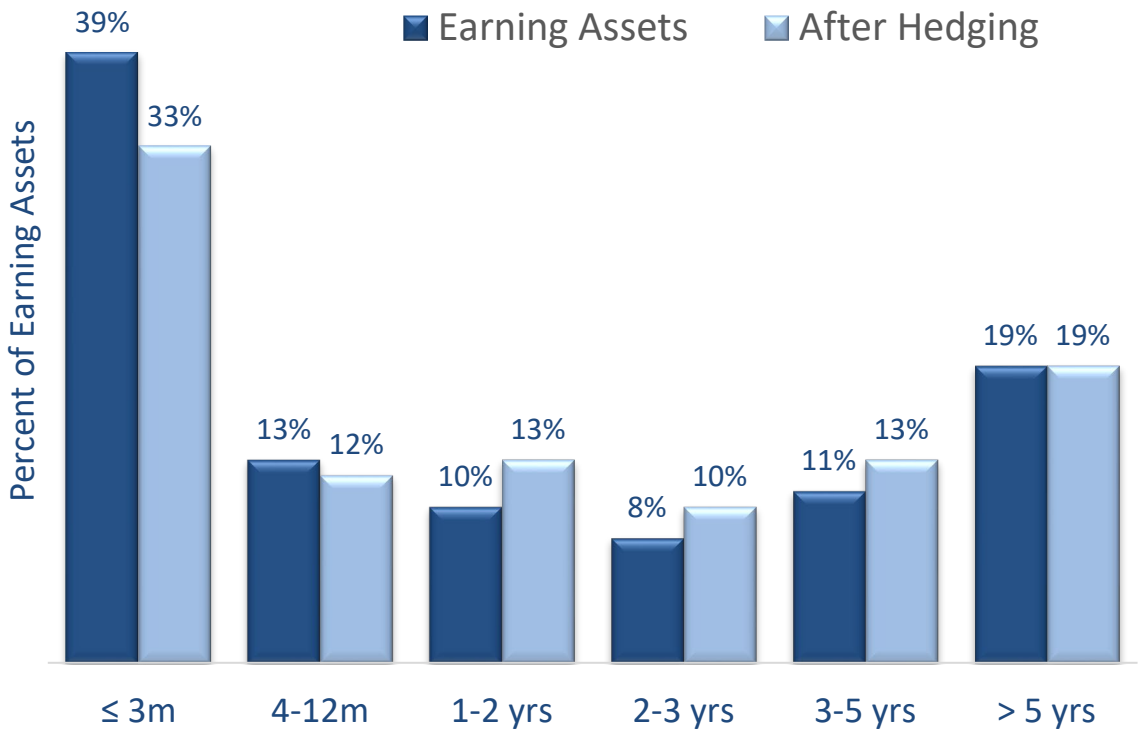
Return on Tangible Common Equity



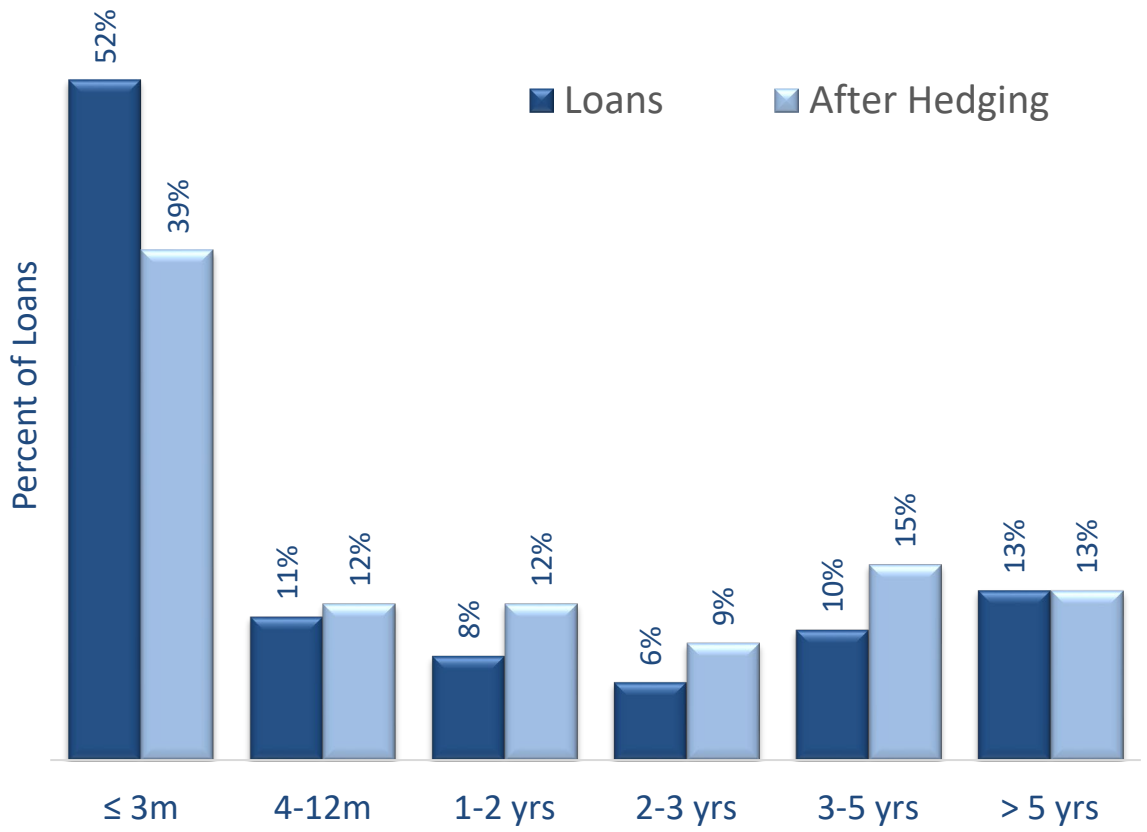
Return on Tangible Common Equity is a non-GAAP measure. See Appendix for GAAP to non-GAAP reconciliation table.

Simulated Repricing Expectations: Earning Assets and Loans

Earning Assets Rate Reset and Cash Flow Profile



Loans: Rate Reset and Cash Flow Profile

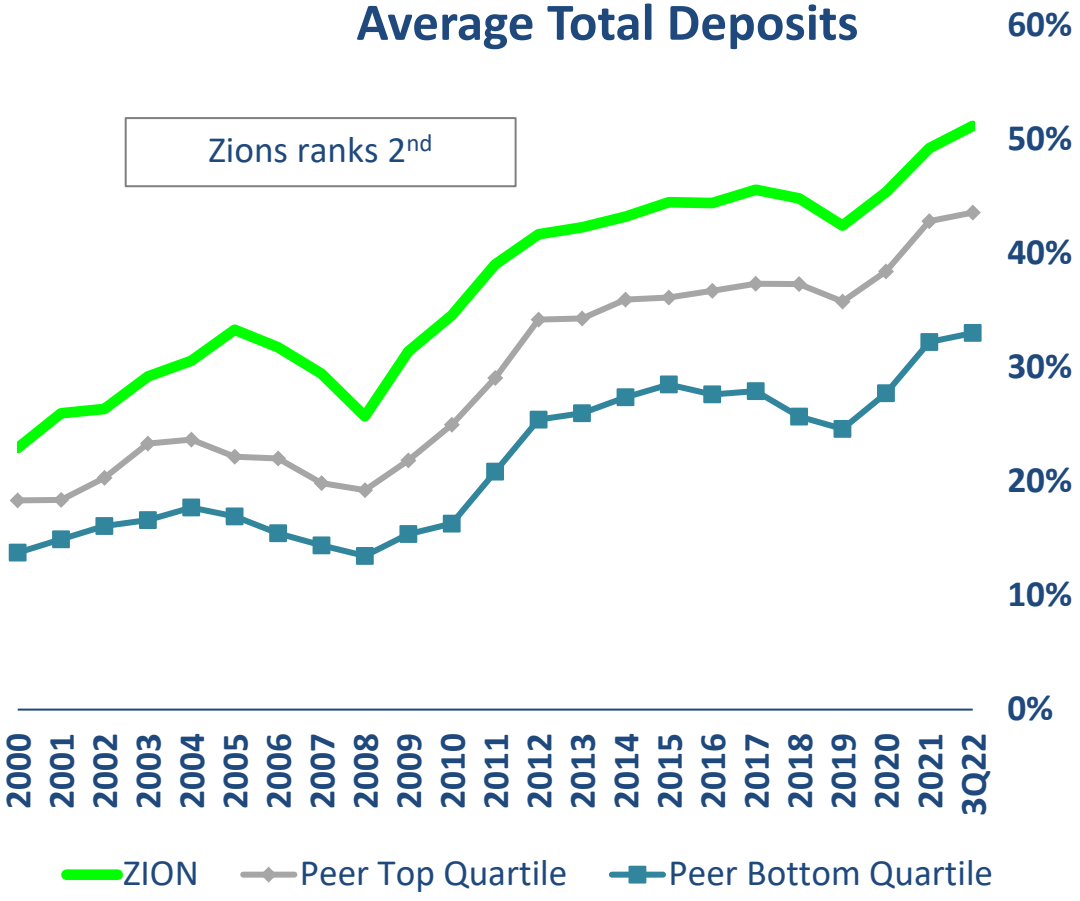


Source: Company filings and S&P Global; "Prior Fed Cycle" refers to 3Q15-2Q19, reflecting the lag effect of deposit pricing relative to Fed Funds rates. The "Current Fed Cycle" begins in 3Q19 to present. (1) 12-month simulated impact of an instantaneous and parallel change in interest rates. Loans are assumed to experience prepayments, amortization and maturity events, in addition to interest rate resets in chart on the right. The loan and securities portfolios have durations of 2.0 and 3.9 years, respectively.

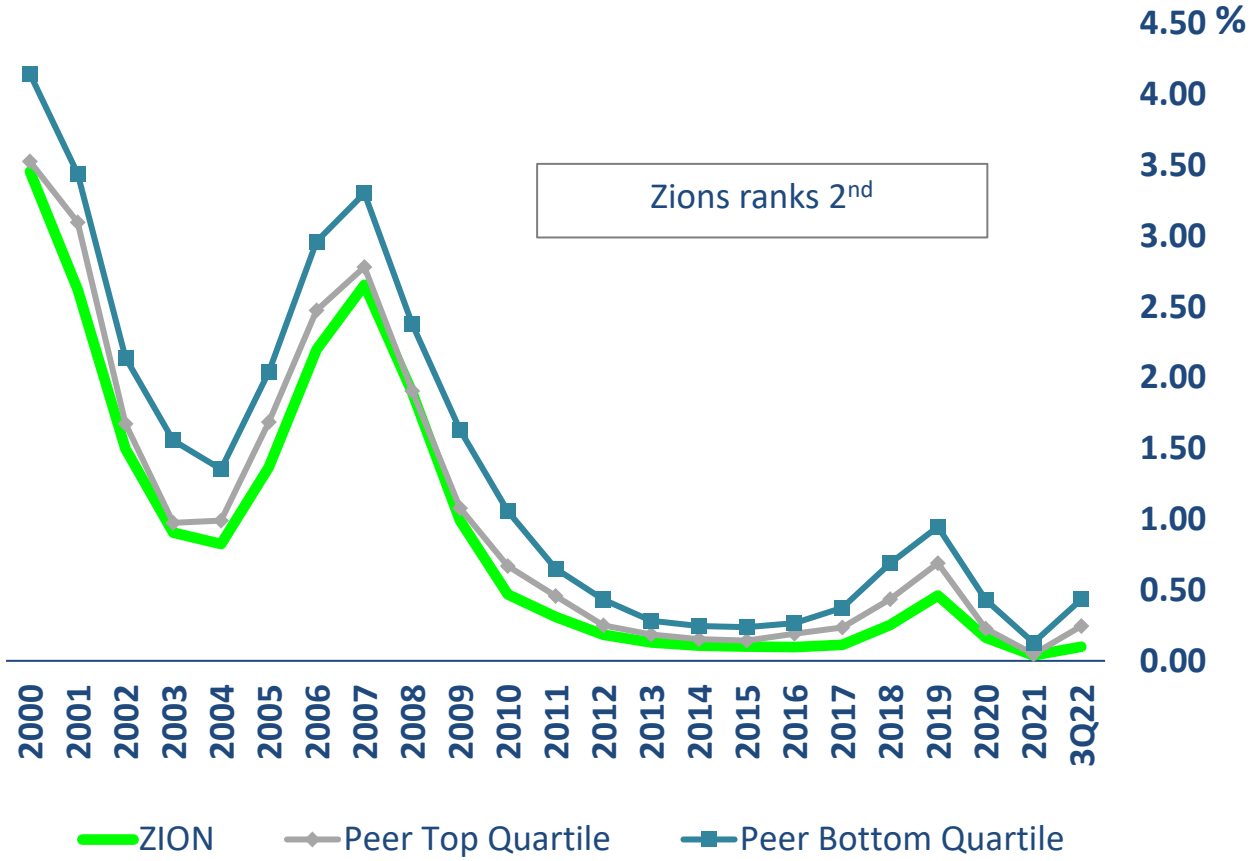
Deposits – Noninterest Bearing ("NIB") Concentration and Cost of Total Deposits

Through multiple rate cycles, Zions' NIB deposit concentration and cost have been consistently among the best of peers

Average Noninterest Deposits / Average Total Deposits



Average Cost of Total Deposits



Source: S&P Global.

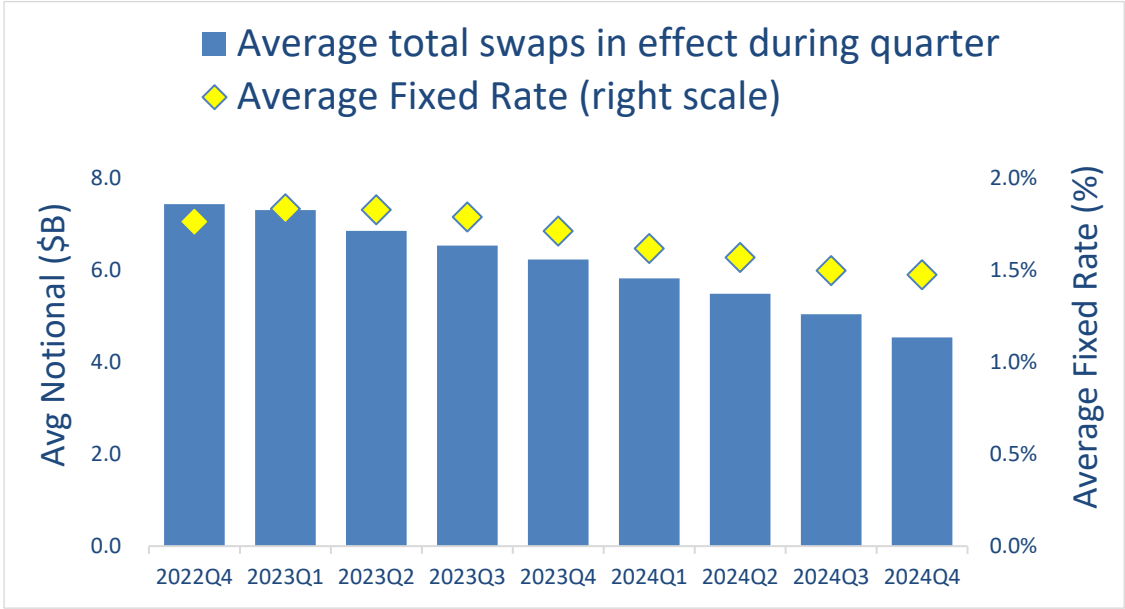
Interest Rate Swaps

Although the outlook is for rising rates, we continue to create some protection from falling rates

Interest rate sensitivity managed in part with **interest rate hedges**:

	Average Outstanding Notional	Weighted average Fixed Rate Received
2022Q4	$7,433	1.76%
2023Q1	$7,302	1.83%
2023Q2	$6,851	1.83%
2023Q3	$6,531	1.79%
2023Q4	$6,228	1.71%
2024Q1	$5,819	1.62%
2024Q2	$5,484	1.57%
2024Q3	$5,038	1.50%

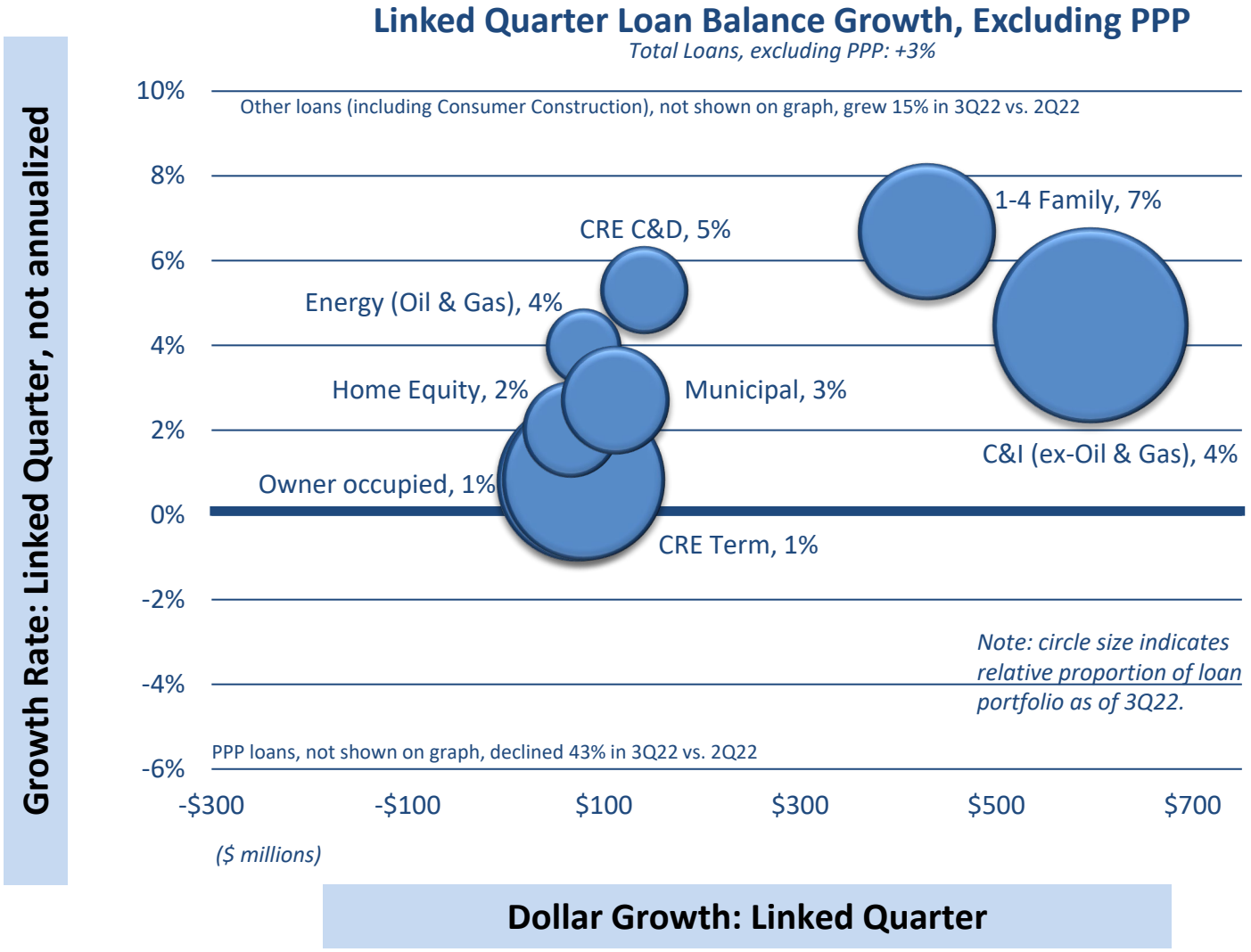
- $0.6B in interest-rate swaps on loans added in 3Q22 with a weighted average rate of 3.10%
- Peak size of the interest rate swaps portfolio has increased to $7.4 billion from $4.4 billion at December 31, 2021 as we have worked to gradually add protection against falling rates as actual rates moved higher



[1] Cash flow hedges consist of receive-fixed swaps hedging pools of floating rate loans.

Loan Growth in Detail

Strong loan growth achieved in several categories: C&I (ex-O&G), residential real estate, & commercial construction



Linked quarter:

- Excluding PPP loans, period-end loans increased $1.8 billion or 3.4%
- Loan growth in dollars predominantly in C&I (ex-O&G), 1-4 Family, Commercial and Consumer Construction (included in 'Other')
- Decline of 43% ($228 million) in SBA PPP loans

Loan Growth - by Bank Brand and Loan Type

Period-End Year over Year Loan Growth (3Q22 vs. 3Q21)

(in millions)	Zions Bank	Amegy	CB&T	NBAZ	NSB	Vectra	CBW	Other	Total
C&I (ex-Oil & Gas)	435	500	851	124	250	111	123	-	2,394
SBA PPP	(566)	(548)	(809)	(261)	(232)	(223)	(135)	-	(2,774)
Owner occupied	99	312	53	140	72	126	31	-	833
Energy (Oil & Gas)	(3)	83	(3)	-	-	10	(1)	-	86
Municipal	226	233	97	91	(46)	177	47	(1)	824
CRE C&D	36	(194)	(46)	66	(22)	125	(8)	-	(43)
CRE Term	38	89	103	(77)	22	(71)	142	-	246
1-4 Family	247	59	234	48	121	67	(11)	(53)	712
Home Equity	153	50	86	52	75	94	(13)	-	497
Other	136	60	90	62	52	69	(3)	(1)	465
Total net loans	**801**	**644**	**656**	**245**	**292**	**485**	**172**	**(55)**	**3,240**

Period-End Linked Quarter Loan Growth (3Q22 vs. 2Q22)

(in millions)	Zions Bank	Amegy	CB&T	NBAZ	NSB	Vectra	CBW	Other	Total
C&I (ex-Oil & Gas)	114	133	183	14	100	1	51	-	596
SBA PPP	(53)	(34)	(67)	(24)	(22)	(10)	(18)	-	(228)
Owner occupied	(13)	40	9	26	(4)	12	1	-	71
Energy (Oil & Gas)	(12)	82	-	-	-	9	-	-	79
Municipal	(16)	78	48	(82)	(3)	19	52	15	111
CRE C&D	62	32	(21)	30	(33)	56	15	-	141
CRE Term	(1)	(34)	13	70	(14)	18	27	-	79
1-4 Family	122	73	95	29	86	22	-	2	429
Home Equity	15	9	1	-	22	21	(3)	-	65
Other	93	24	26	19	16	29	(1)	(1)	205
Total net loans	**311**	**403**	**287**	**82**	**148**	**177**	**124**	**16**	**1,548**

"Other" loans includes consumer construction, bankcard, and other consumer loan categories. Totals shown above may not foot due to rounding.

Mortgage Banking

Despite Industry decline, Mortgage originations continue at record levels

2019

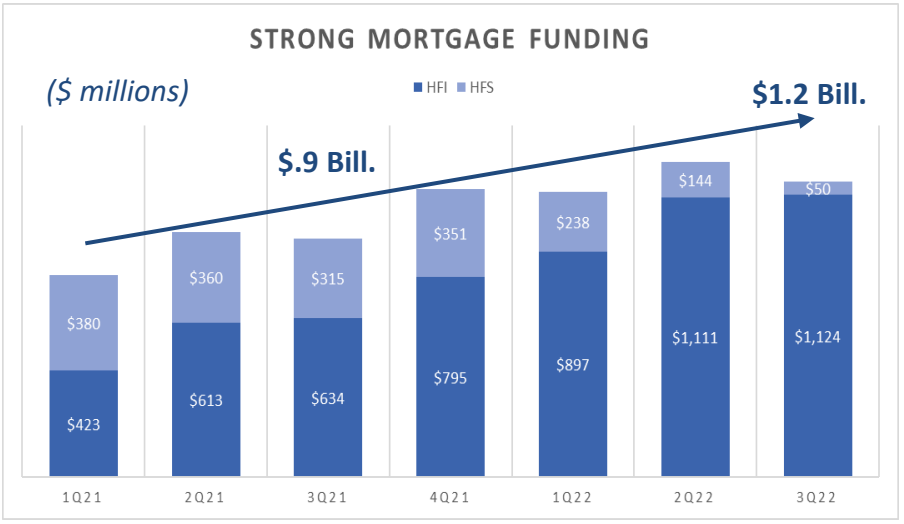
- Roll-out

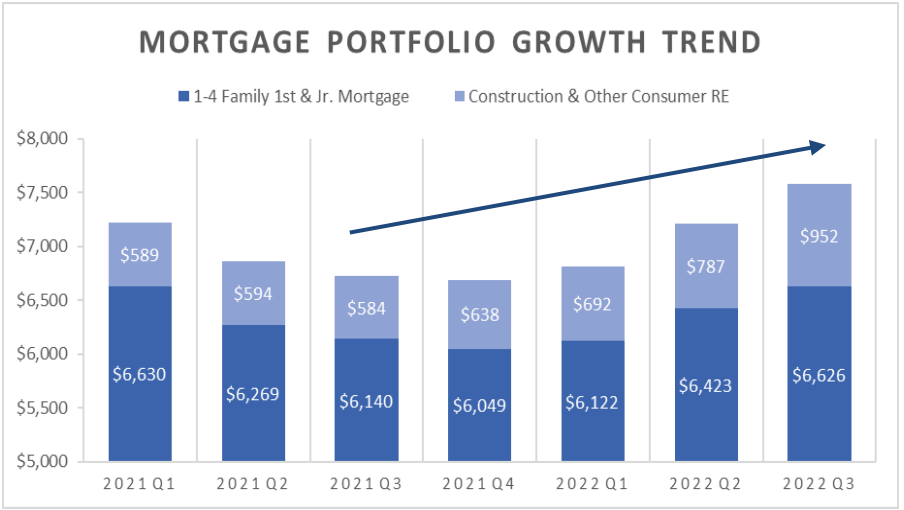
2020

- Record production driven by refinance volumes
- Record Fee income contribution

2021

- Enhanced Digital Fulfillment Process
- 33% reduction in turn-time vs. 2019, allowing for record unit production





YTD 2022

- Funded $3.6B in YTD 2022 (31% over '21) with $1.2B in Q3 (24% over same period '21)
- Production has returned to portfolio ARM production (88% YTD 2022)
- Starting Q4 with pipeline of $1.3B with 97% in portfolio ARM and Consumer Construction

- Successfully launched numerous process enhancements including
  - Refinement to the Affluent program launched late in 2021
  - Digital enhancements to our Consumer Construction process reducing turn-times and improving efficiency

FutureCore: A Strategic Technology Advantage for Years to Come

Replacing the entire core legacy environment to improve operational resiliency and efficiency

Benefits of FutureCore

Modern Architecture Built for Resiliency and Speed



- Parameter driven
- Real time
- One data model
- Natively API enabled
- Cloud deployable
- Modern cyber paradigm
- Continuously upgraded & tested
- Facilitates automation

Improved Customer Experience



- Faster time to market for new products
- Unified account opening platform (branch/online/ mobile)
- Decreased outage risk
- Improves consistency of customer attribute data across numerous apps
- 7-day processing (when U.S. adopts)
- Real time: Fraud alerts and data entry correction

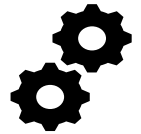
Empowered Bankers



- Intuitive user-friendly front end
- Real time data vs. calling the back office
- Reduces duplicate data entry
- Training simplified

FutureCore as a Catalyst

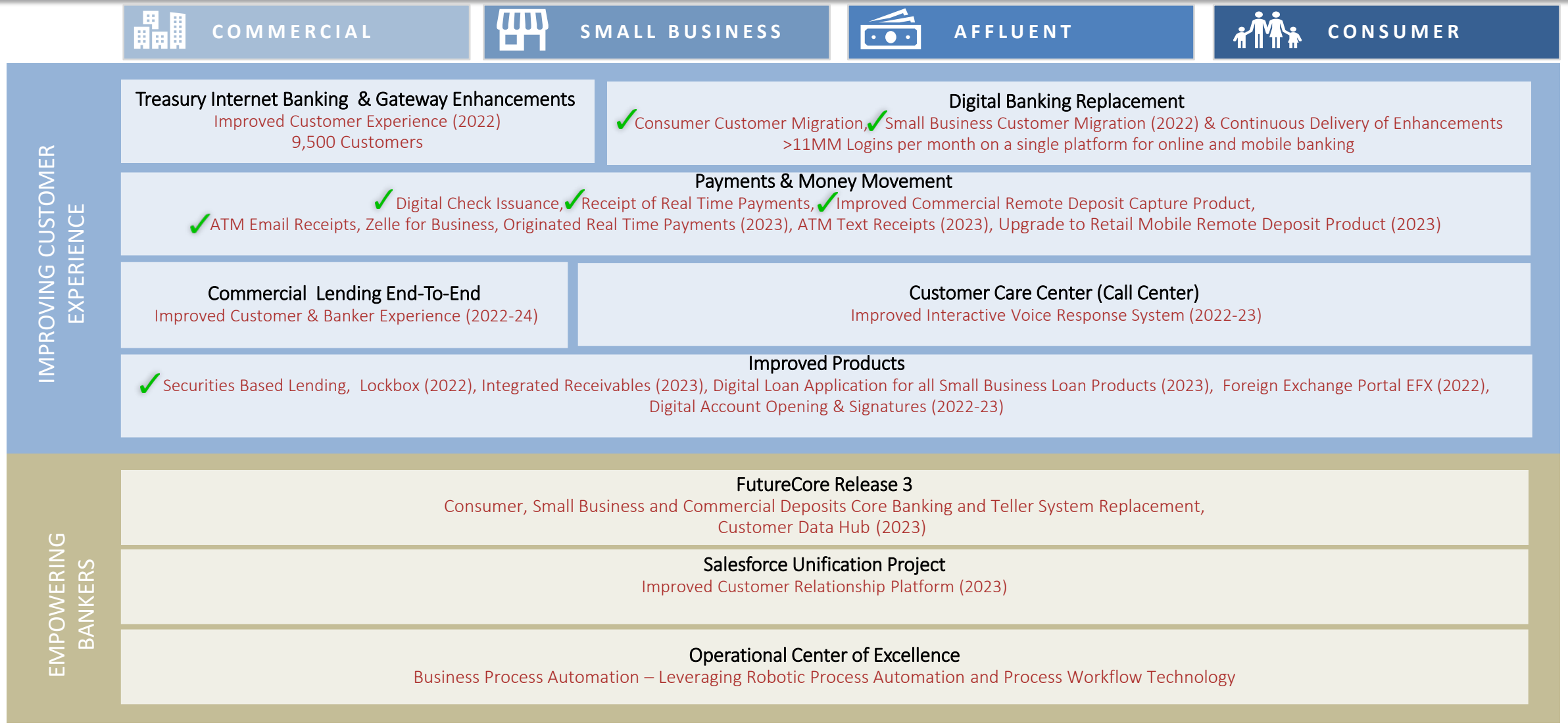
Driving Modernization



- General ledger simplification
- Credit approval workflow
- Loan ops consolidation
- Data governance disciplines
- Deposit product rationalization
- Charter consolidation

Technology Roadmap

We continue to invest in technology solutions focused on customer experience & empowering bankers



GAAP to Non-GAAP Reconciliation

	In millions, except per share amounts	3Q22	2Q22	1Q22	4Q21	3Q21
Pre-Provision Net Revenue (PPNR)						
(a)	**Total noninterest expense**	**$479**	**$464**	**$464**	**$449**	**$429**
	LESS adjustments:					
	Severance costs		1			1
	Other real estate expense			1		
	Amortization of core deposit and other intangibles	1			1	
	Pension Termination related expense					
	Restructuring costs					
	SBIC Investment Success Fee Accrual	1		(1)	2	(4)
(b)	*Total adjustments*	*2*	*1*	*0*	*3*	*(3)*
(a-b)=(c)	**Adjusted noninterest expense**	**477**	**463**	**464**	**446**	**432**
(d)	Net interest income	663	593	544	553	555
(e)	Fully taxable-equivalent adjustments	10	9	8	10	7
(d+e)=(f)	Taxable-equivalent net interest income (TE NII)	673	602	552	563	562
(g)	Noninterest Income	165	172	142	190	139
(f+g)=(h)	**Combined Income**	**$838**	**$774**	**$694**	**$753**	**$701**
	LESS adjustments:					
	Fair value and nonhedge derivative income (loss)	4	10	6	(1)	2
	Securities gains (losses), net	6	1	(17)	20	(23)
(i)	*Total adjustments*	*10*	*11*	*(11)*	*19*	*(21)*
(h-i)=(j)	**Adjusted revenue**	**$828**	**$763**	**$705**	**$734**	**$722**
(j-c)	**Adjusted pre-provision net revenue (PPNR)**	$351	$300	$241	$288	$290
(c)/(j)	Efficiency Ratio	57.6%	60.7%	65.8%	60.8%	59.8%

GAAP to Non-GAAP Reconciliation (Continued)

In millions, except per share amounts		3Q22	2Q22	1Q22	4Q21	3Q21
Net Earnings Applicable to Common Shareholders (NEAC)						
	Net earnings applicable to common	$211	$195	$195	$207	$234
	Diluted Shares (average)	150	151	152	154	160
(k)	Diluted EPS	1.40	1.29	1.27	1.34	1.45
	PLUS Adjustments:					
	Adjustments to noninterest expense	2	1	0	3	(3)
	Adjustments to revenue	(10)	(11)	11	(19)	21
	Tax effect for adjustments	2	2	(3)	4	(4)
	Preferred stock redemption					
	Total adjustments	(6)	(8)	8	(12)	14
(l)	**Adjustments per share**	**(0.04)**	**(0.05)**	**0.05**	**(0.08)**	**0.08**
(k+l)=(m)	Adjusted EPS	1.36	1.24	1.32	1.26	1.54
Balance Sheet Profitability						
	Adjusted Return on Assets	0.92%	0.84%	0.94%	0.87%	1.14%
	Adjusted Return on Tangible Common Equity	19.0%	16.5%	14.5%	12.6%	15.0%