2022 Fourth Quarter
Investor Update





ZIONS BANCORPORATION

November 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.

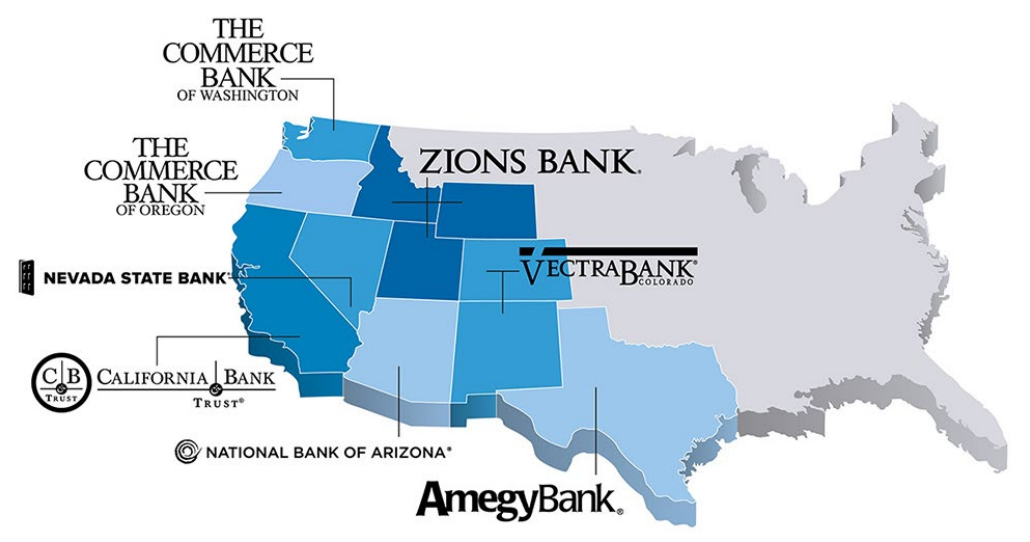
Use of Non-GAAP Financial Measures:

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.

Zions Is A Collection of Community Banks

Key Differentiators: Local decision-making and top-notch service, commercial banking focus, granular and low-cost deposit base

- Strategic local "ownership" of market opportunities and challenges
- Roughly **2/3** of revenue from commercial customers
- High quality, granular deposit franchise
  - **51%**: Noninterest bearing deposits (avg) to total deposits
  - **0.10%:** Cost of deposits consistently among the lowest of peers



Zions' Markets[1]

Bank	Headquarters	Ending Deposits	% of Total
Zions Bank	Salt Lake City	$23.3B	31%
CB&T	San Diego	$15.6B	21%
Amegy	Houston	$15.1B	20%
NB|AZ	Phoenix	$7.8B	10%
NSB	Las Vegas	$7.5B	10%
Vectra	Denver	$4.0B	5%
Commerce	Seattle	$1.5B	2%
Brokered Deposits & Other	—	$1.1B	1%
Zions Bancorporation	**Salt Lake City**	**$76.0B**	**100%**

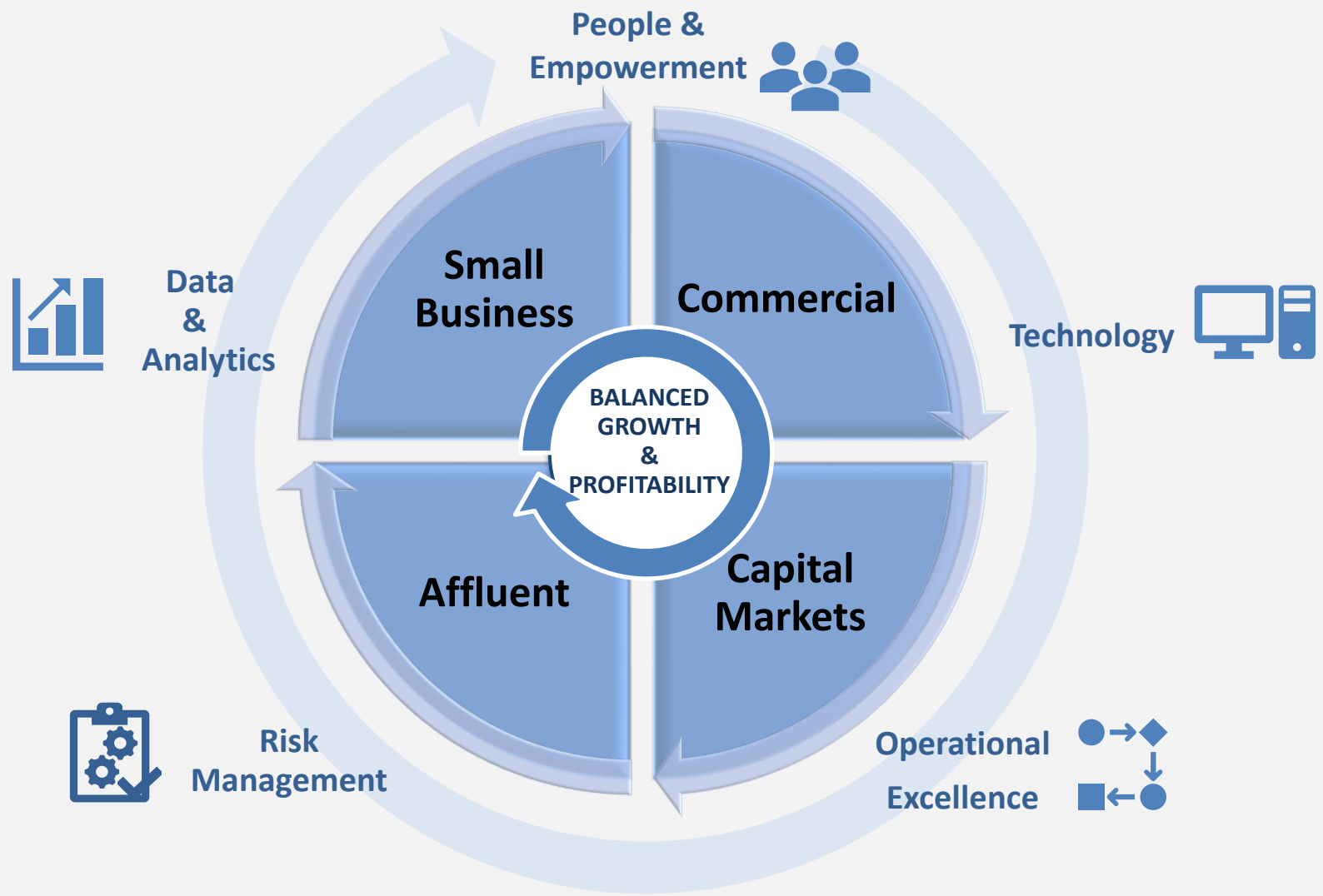
Financial Highlights

Key Metrics	3Q22
Listing	NASDAQ: ZION
Market Capitalization (as of 11/10/22)	$8.0B
Total Assets	$88.5B
Total Loans	$53.9B
Total Deposits	$76.0B
Common Equity Tier 1 Capital	$6.3B
Common Equity Tier 1 Capital Ratio	9.6%
Zions Bancorp. Rating (S&P/Fitch/Kroll)[2]	BBB+/BBB+/A-
Rating Outlook (S&P/Fitch/Kroll)[2]	Stable / Stable/ Positive

Source: S&P Global and internal data, as of 3Q22 except where noted.
[1] September 30, 2022, ending balances.
[2] Represents long-term debt / senior debt issuer rating, as of November 3, 2022.

Key Corporate Objectives

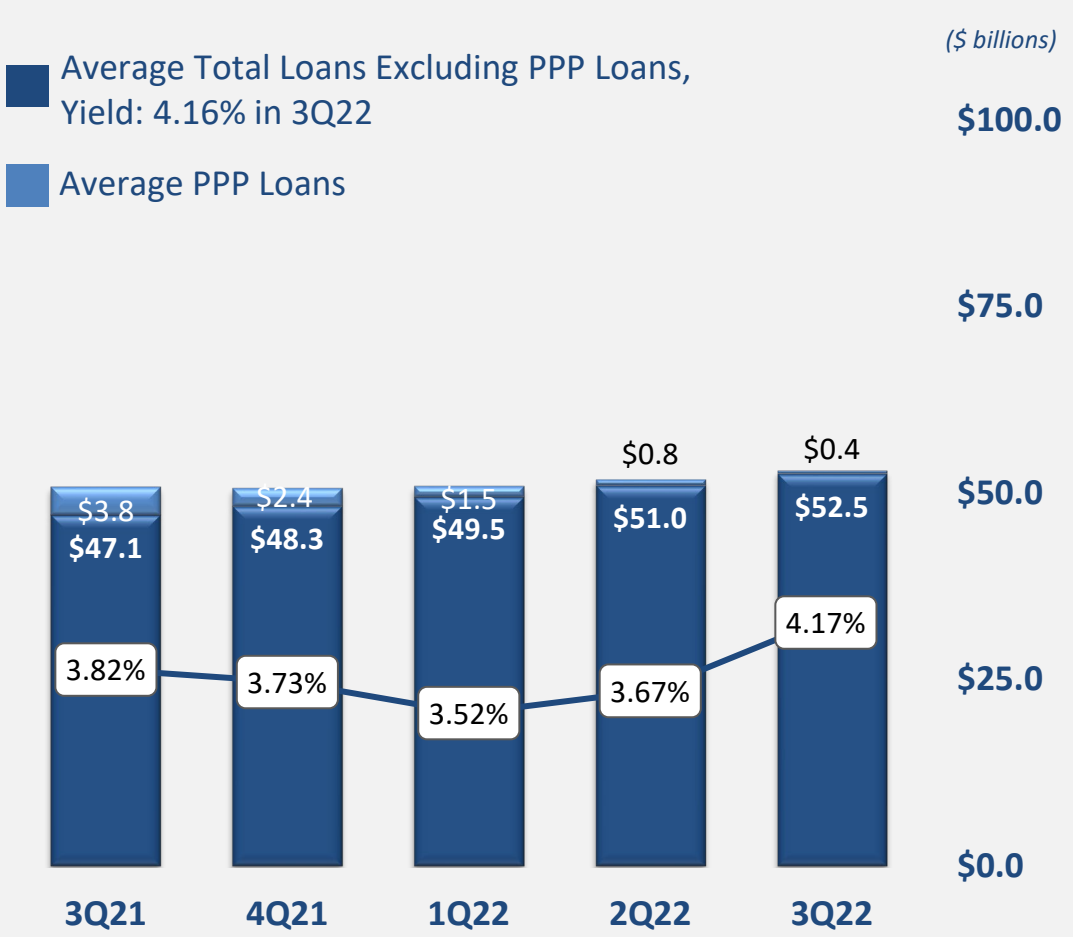
Focus on four growth areas supported by investments in key "enablers," intended to drive robust financial performance



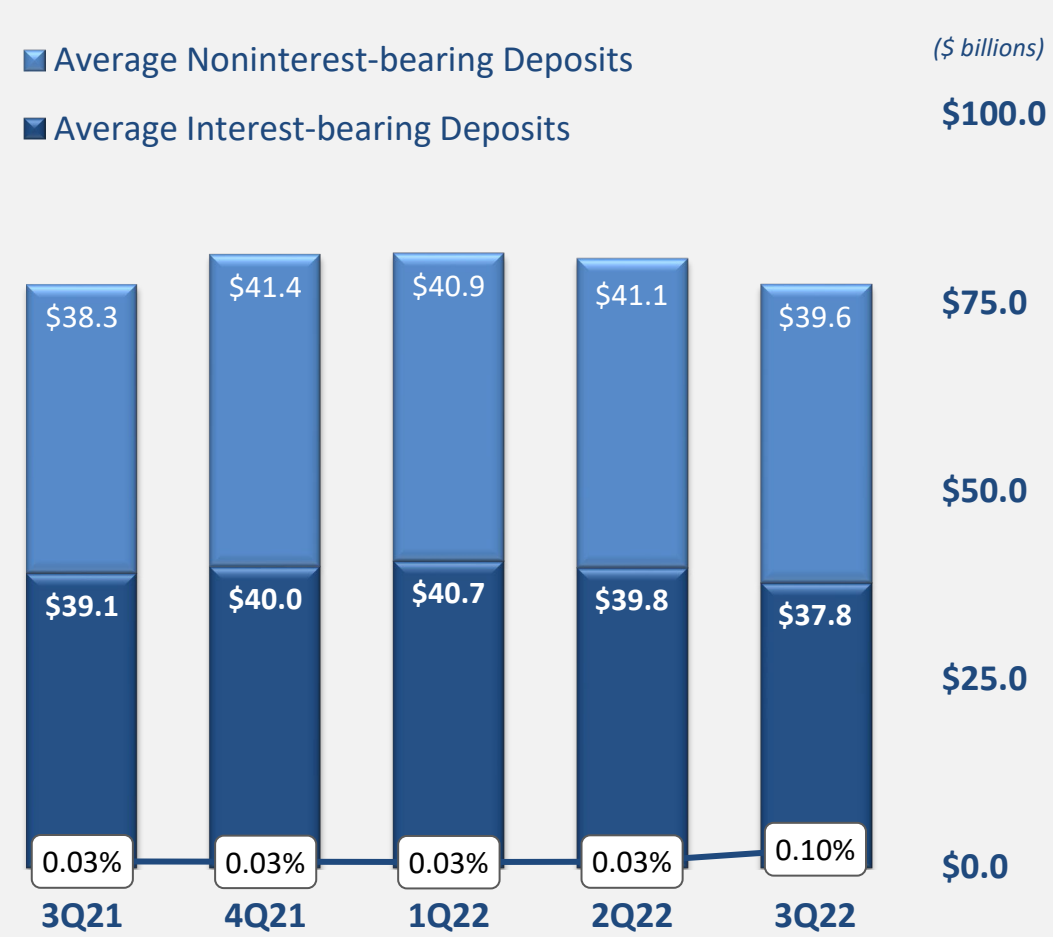
Average Loan and Deposit Balances

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

Average Total Loans



Average Total Deposits

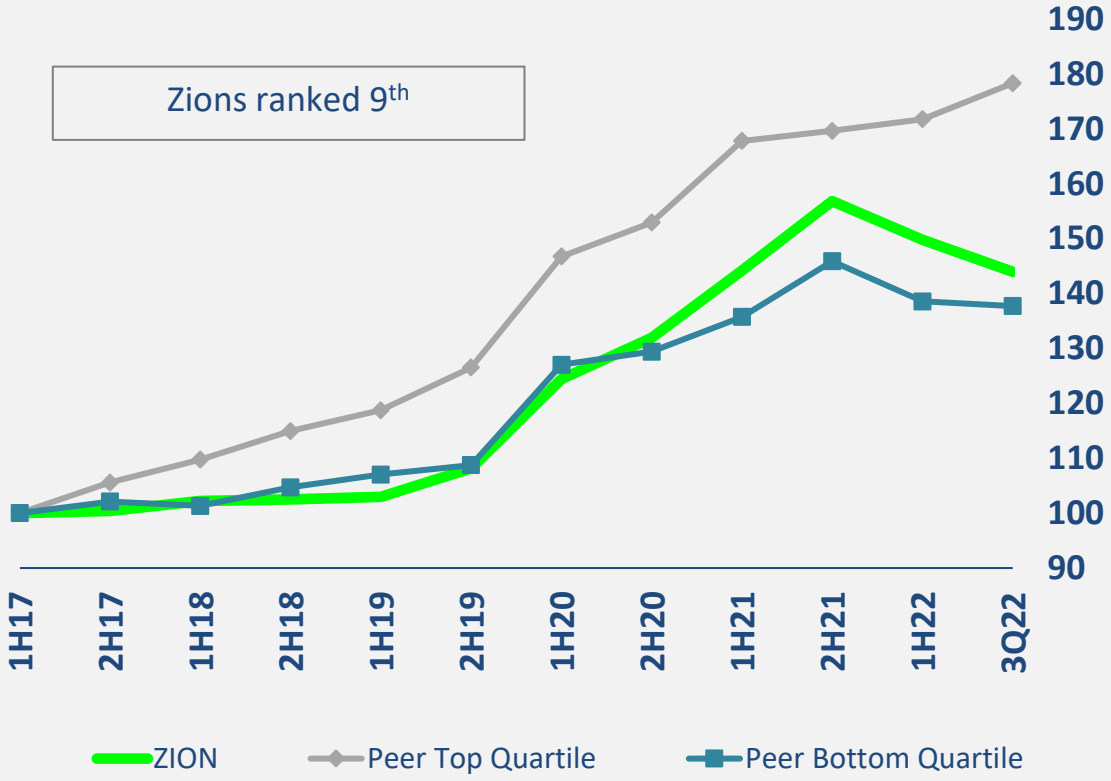


Deposit Growth and the Loan-to-Deposit Ratio

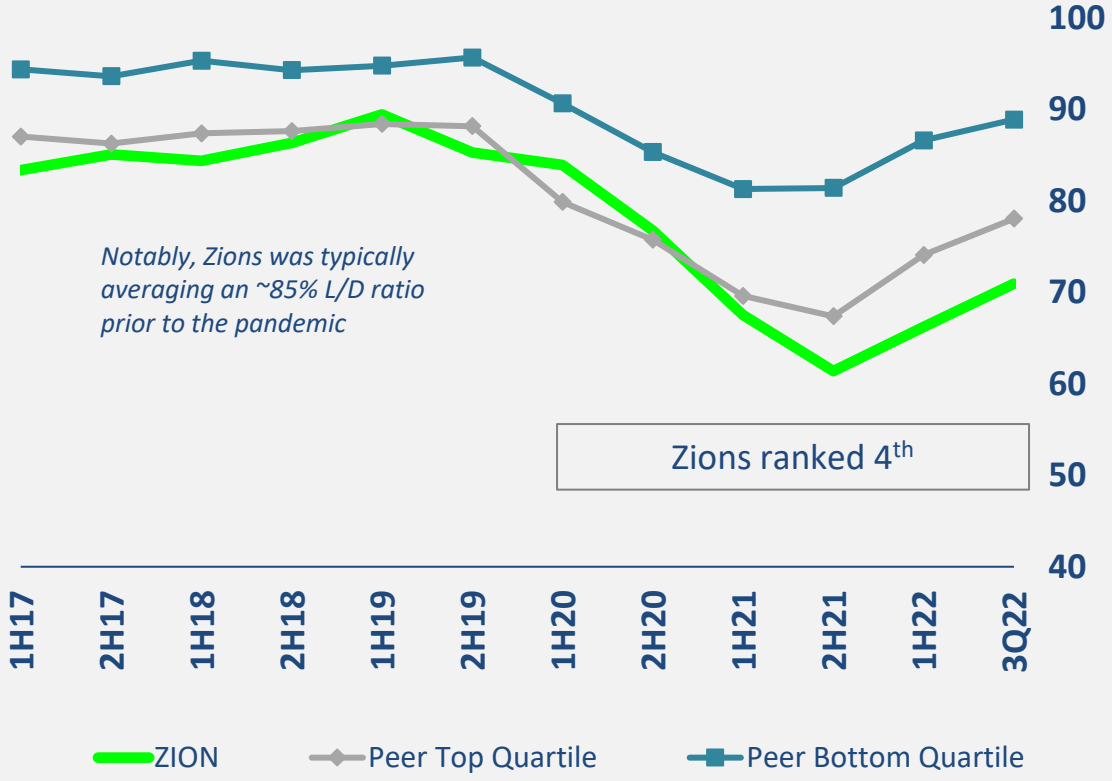
Zions' low loan-to-deposit ratio provides ample funding for future loan growth

Deposit Growth

Indexed: 1H17 = 100



Loan-to-Deposit Ratio %

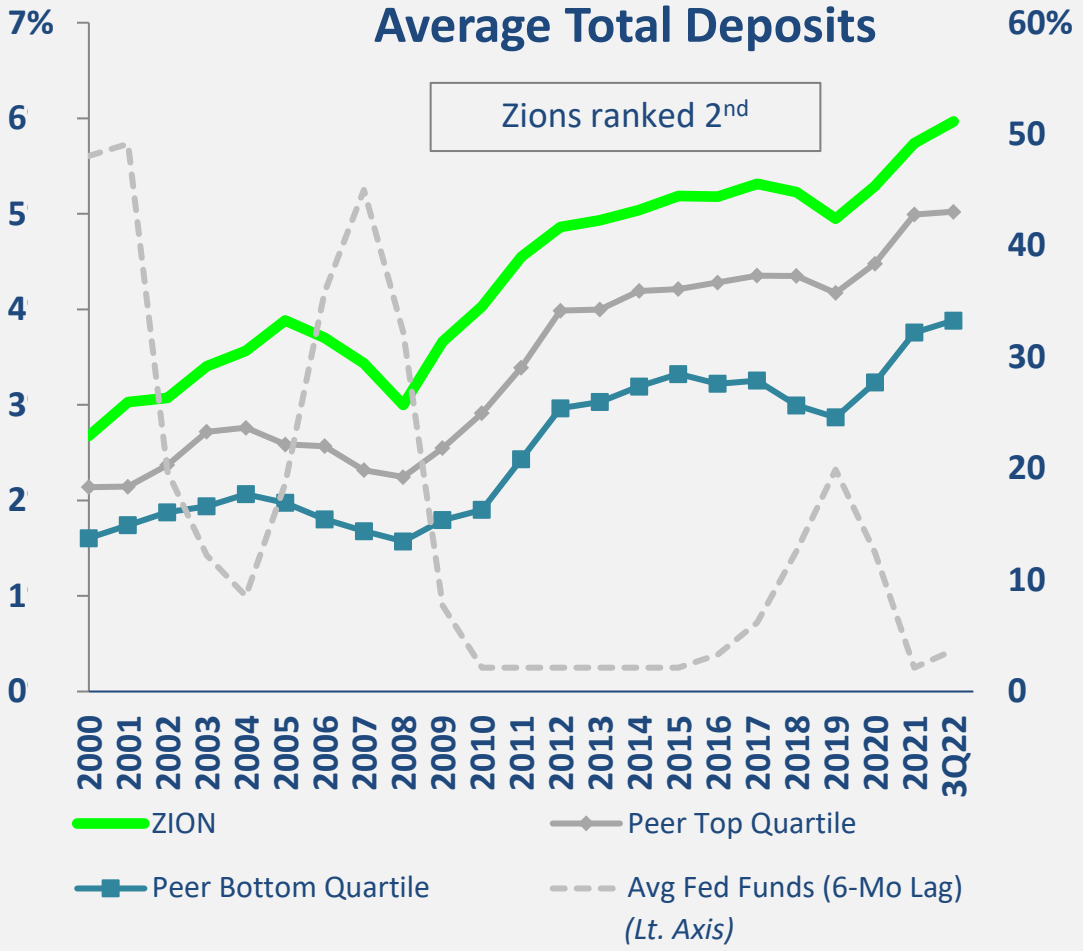


Source: S&P Global. Growth rates adjusted to normalize for major acquisitions. Period end levels shown.

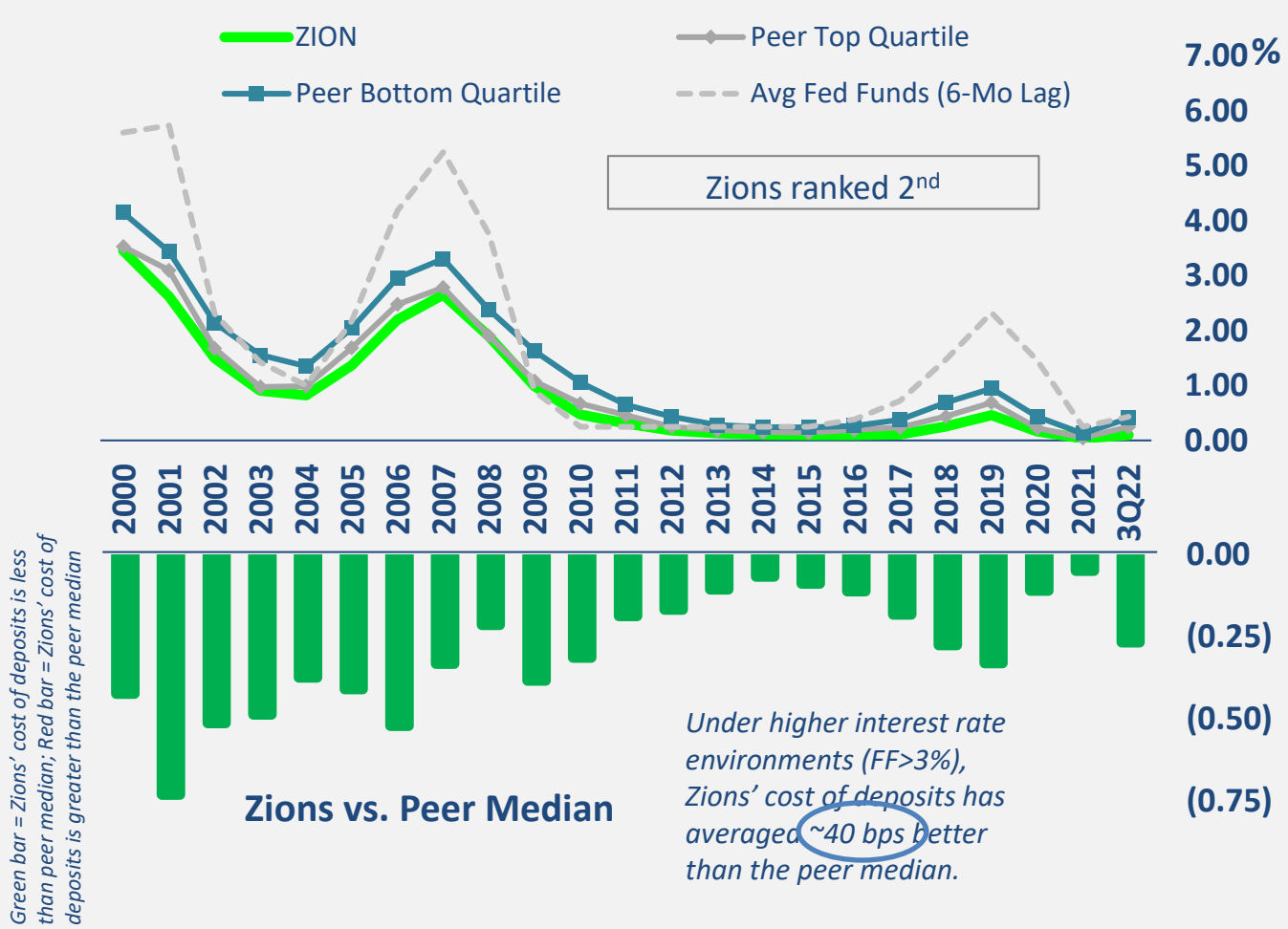
Deposits – Noninterest Bearing ("NIB") Mix and Cost of Total Deposits

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

Average Noninterest Deposits / Average Total Deposits



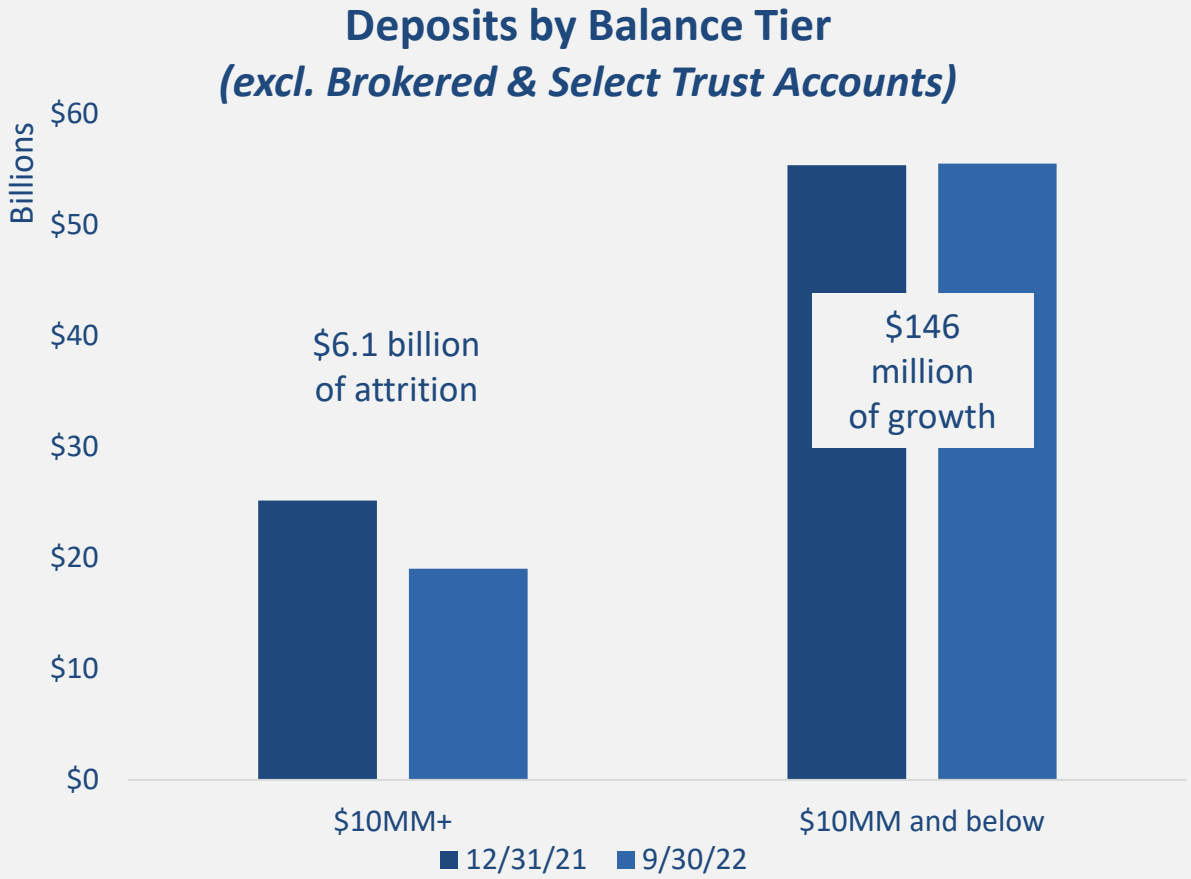
Average Cost of Total Deposits



Source: S&P Global. The federal funds rate shown on this page has been adjusted such that, for example, the 2007 peak rate of 5.25% is the daily average rate from July 1, 2006 to June 30, 2007, which attempts to reflect the delay between the Fed's increase or decrease and the response by Zions and the banking industry to increase or decrease rates paid on deposits.

Deposit Trends

Deposits for smaller businesses and households[1] 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

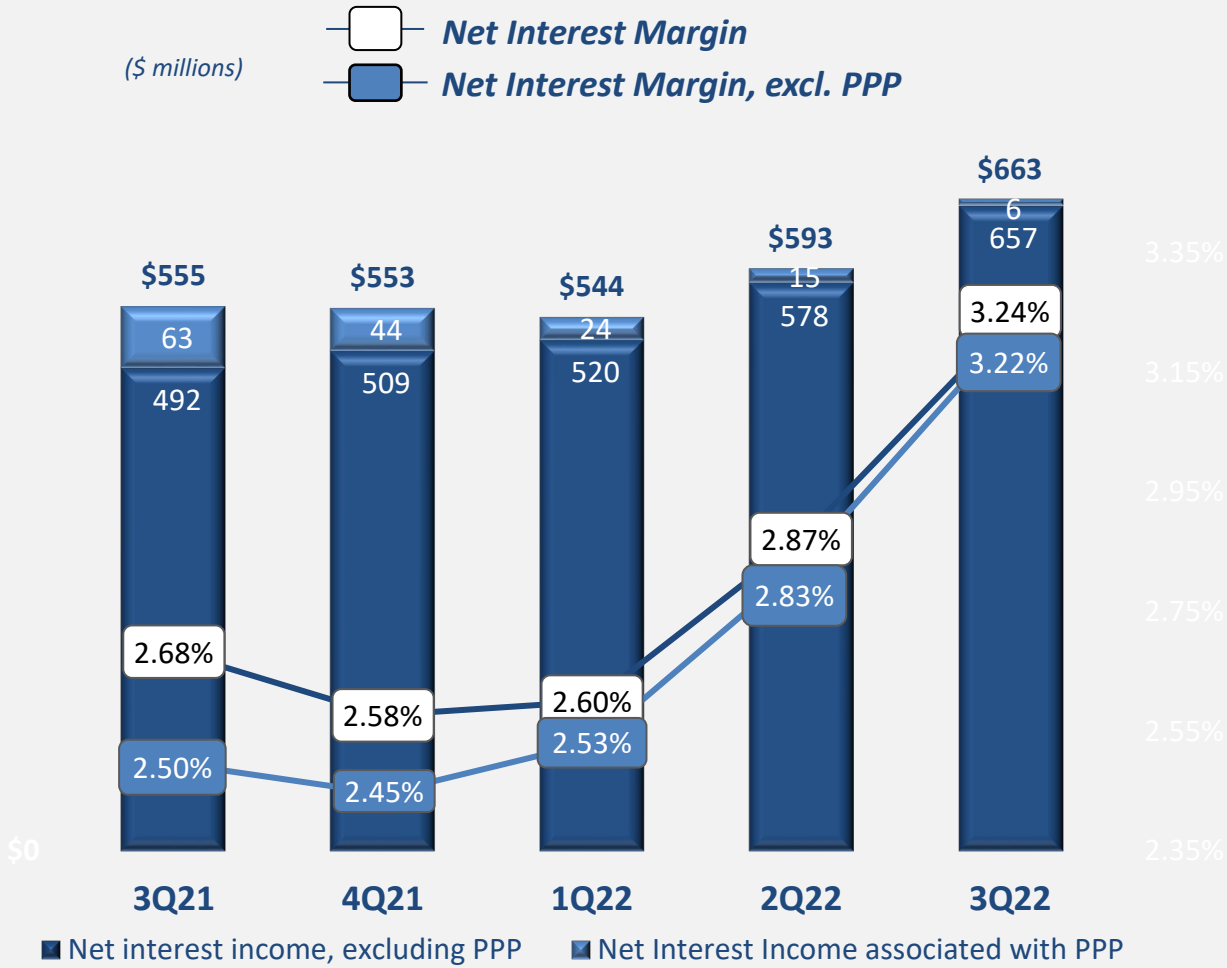
- Our loan-to-deposit ratio is low relative to peers, at 71%, allowing greater flexibility in pricing
- Our cycle-to-date deposit beta is just 3%
- Our commercial deposit customer satisfaction scores rank among the very best in the industry
- Our median commercial relationship balance is less than $20,000,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

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

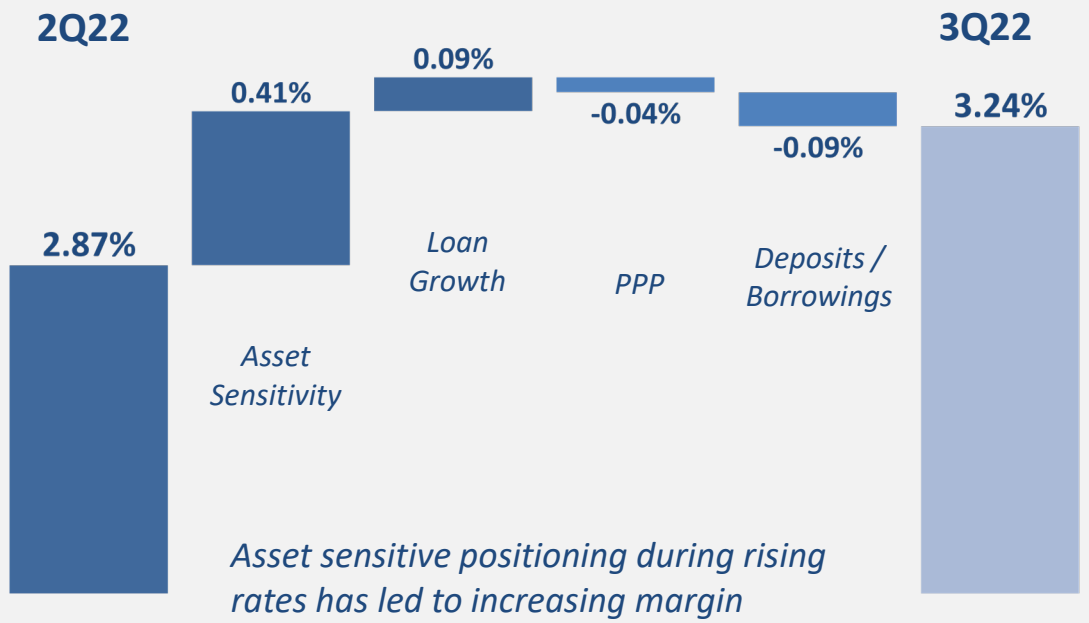
Vs. 2Q22, net interest income increase driven by continued rate increases and loan growth

Net Interest Income



Net Interest Margin

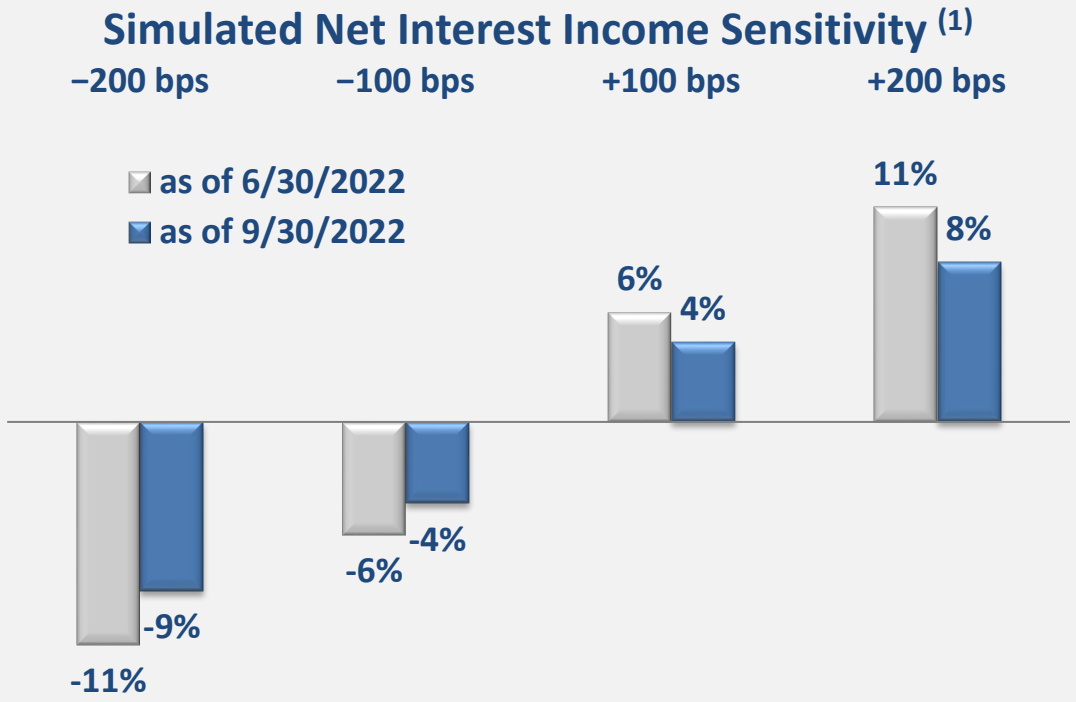
Zions' strong loan growth and rising interest rates have combined to support expansion of the NIM.



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 modeled to **add approximately 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 is modeled to **add approximately 4% to net interest income in 3Q23** when compared to 3Q22 (excluding PPP revenues).

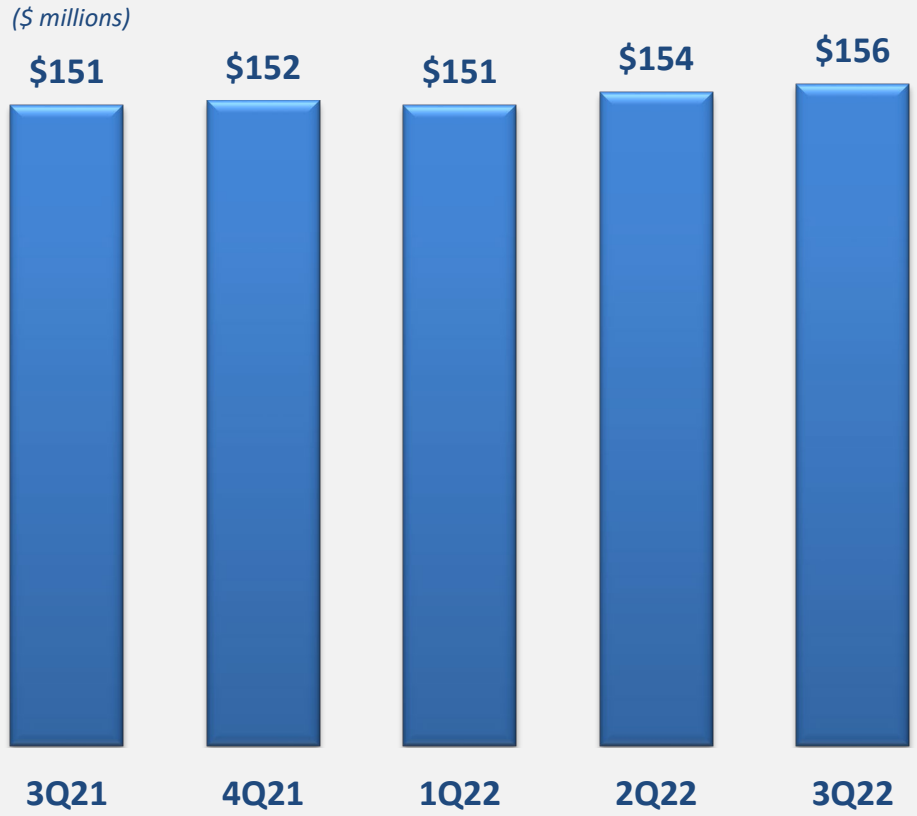
*This simulation does not include any changes to the **size** or **composition** of earning assets; it reflects existing swap maturities and forward-starting swaps.*

(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.

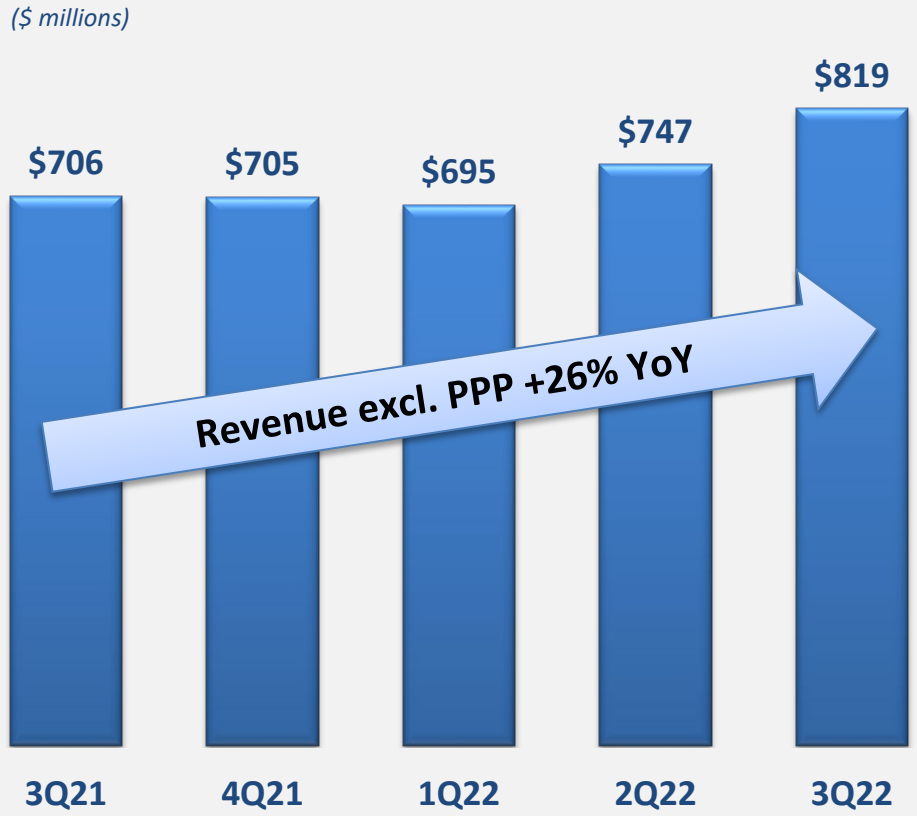
Noninterest Income and Revenue

Revenue increased 10% vs. 2Q22, and was up 16% from the year-ago period, and up 26% excl. PPP revenue

Customer-Related Noninterest Income (1)



Revenue (2)



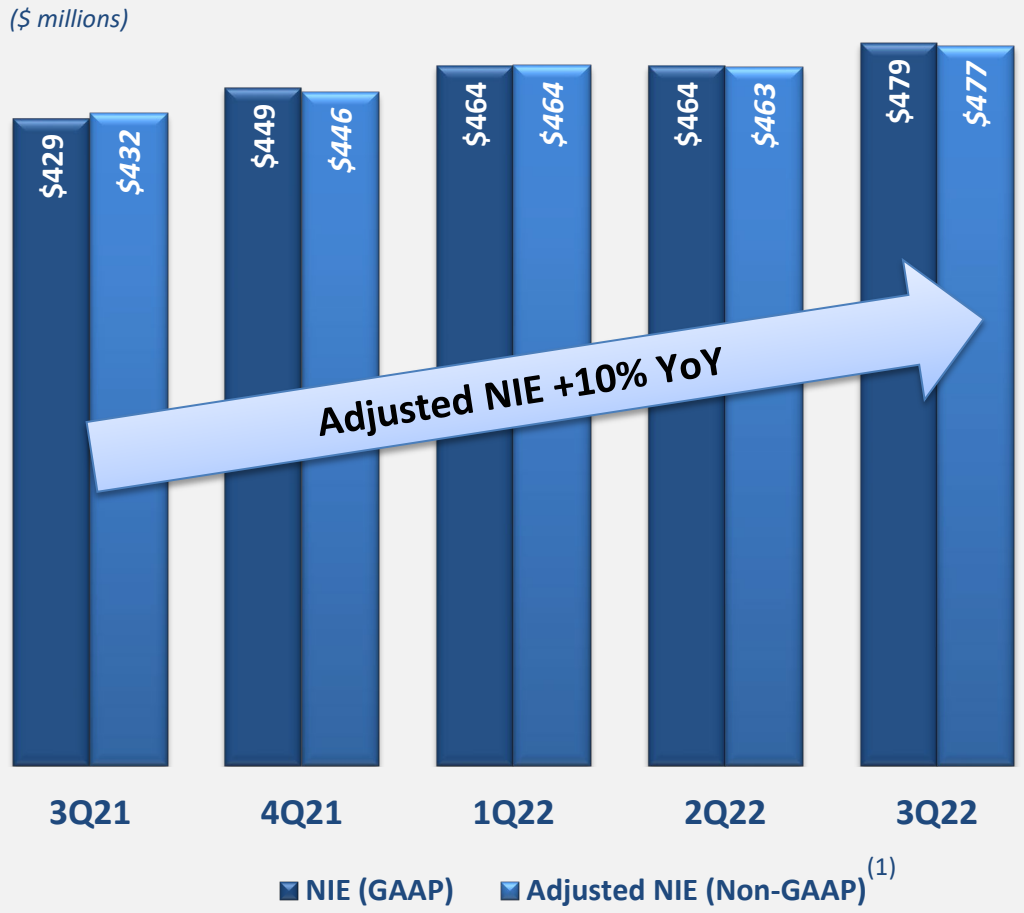
(1) Reflects total customer-related noninterest income, which excludes items such as fair value and non-hedge derivative income, securities gains (losses), and other items, as detailed in the Noninterest Income table located in the earnings release.

(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

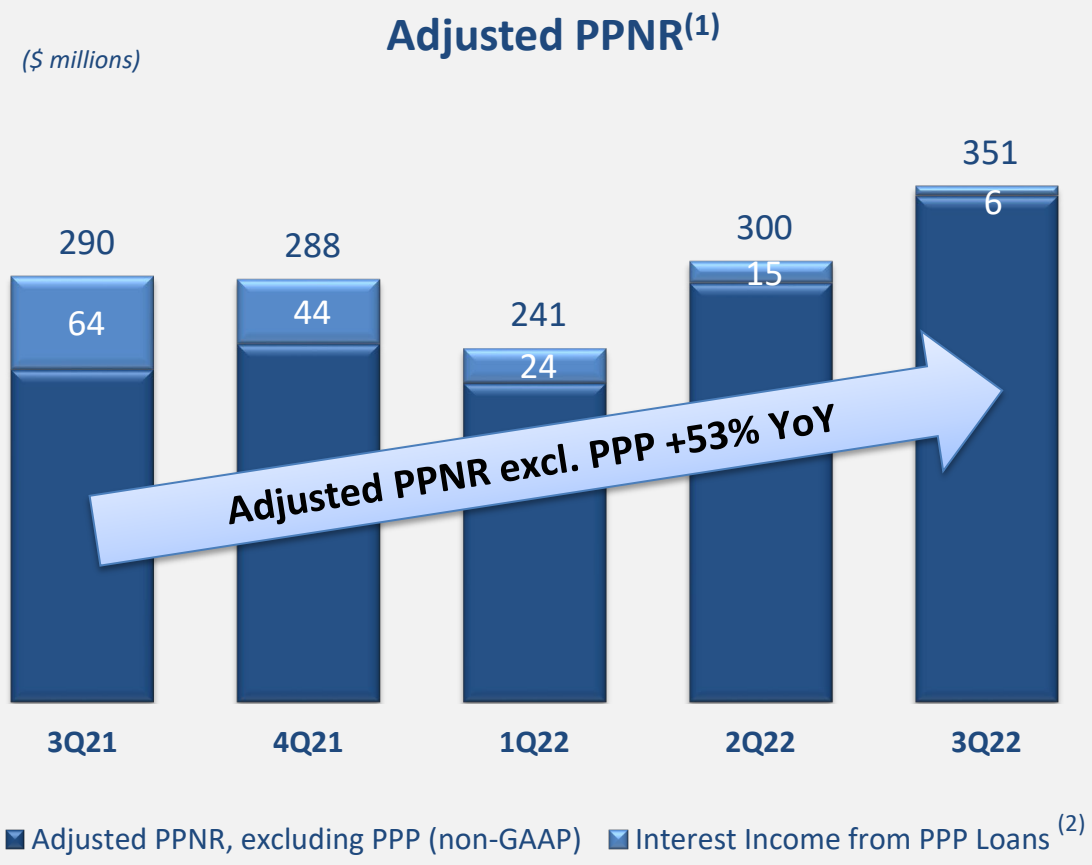
Notable items in:

- *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.

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.

Credit Quality

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

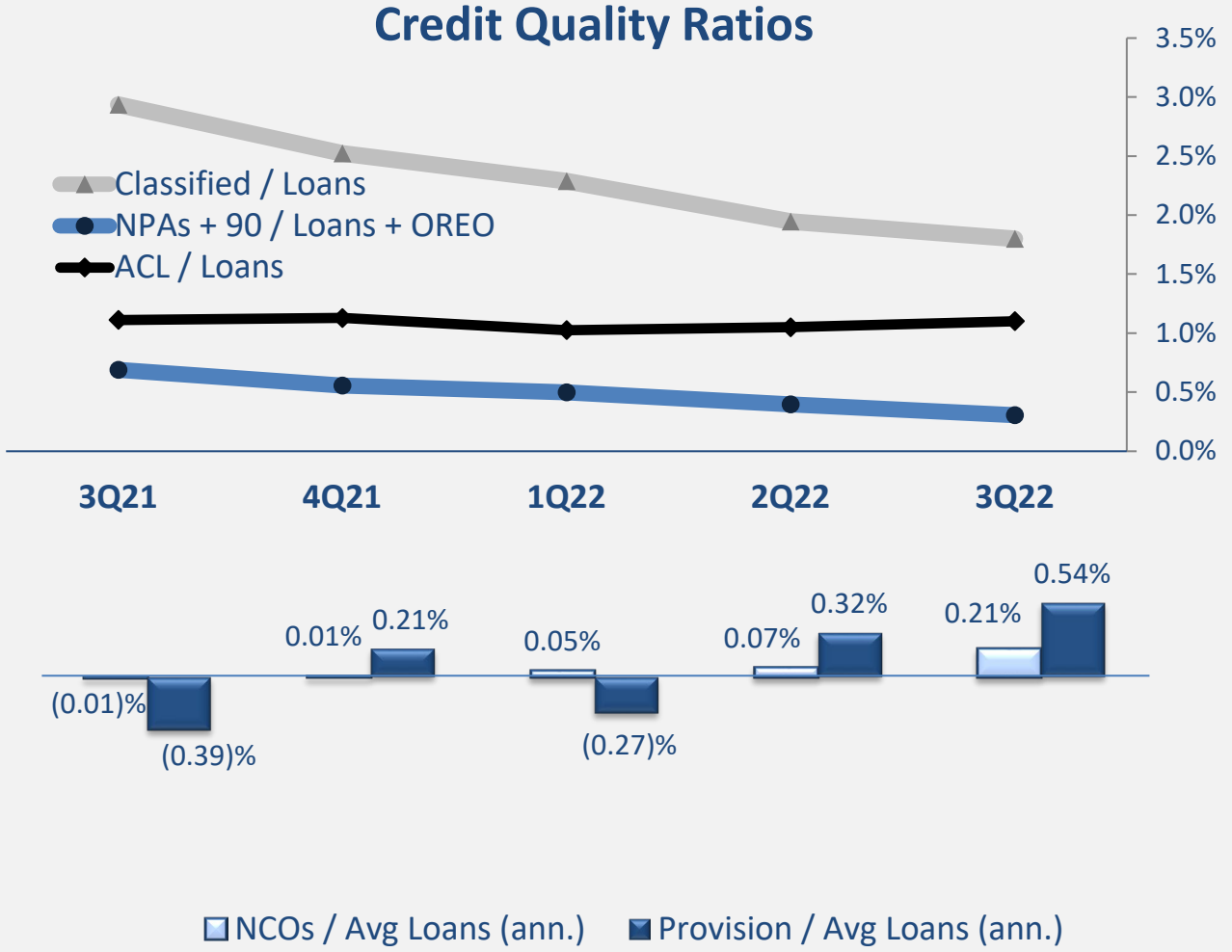
All Ratios Exclude PPP Loans

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

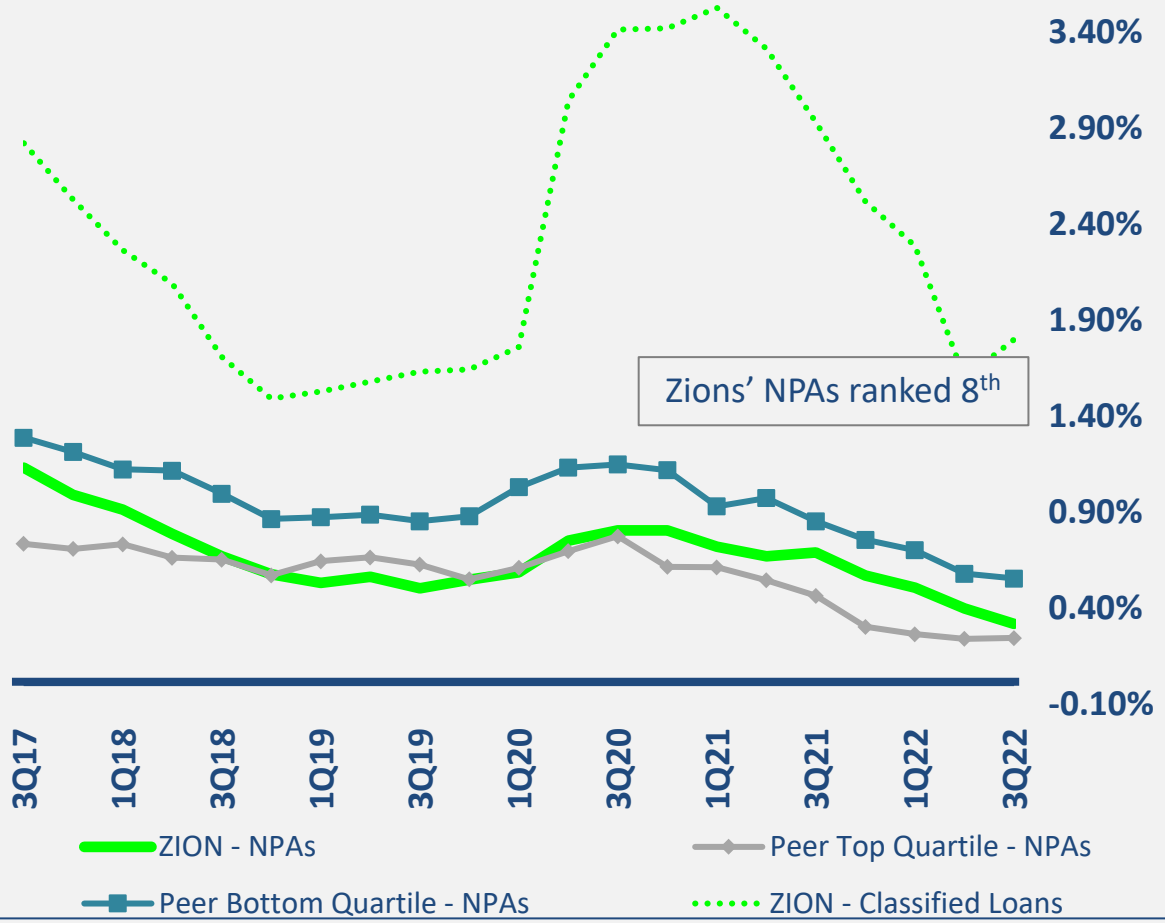
Note: Net charge-offs / average loans and provision / average loans ratios are annualized for all periods shown

Credit Quality Trends Relative to Peers

Zions' NCOs/Loans ratio is frequently in the best (lowest) quartile of peers; very low loss rates on NPAs or classified loans

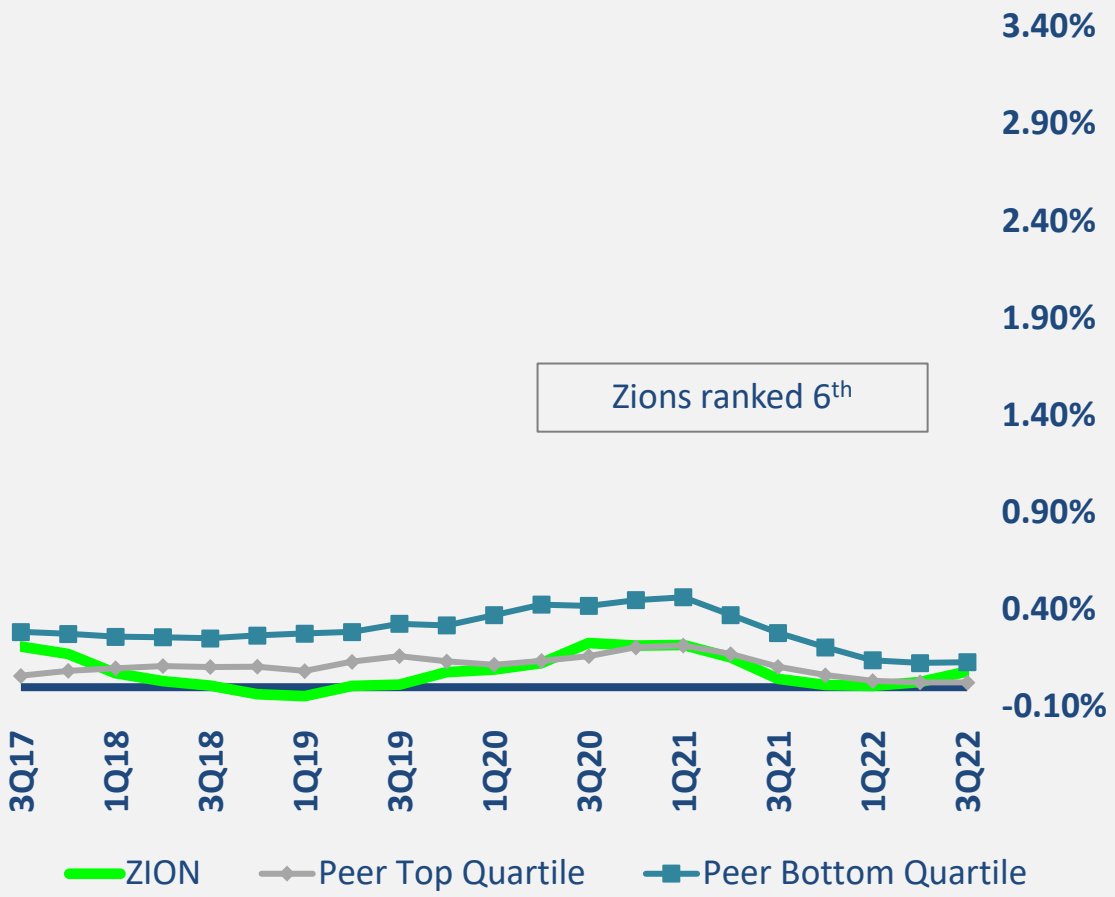
Classified & NPA Ratios

Classified Loans and *NPAs + 90 DPD, as a percentage of Loans (Excluding PPP) + OREO*



NCOs / Loans (Excluding PPP)

(Trailing 12-month Average)



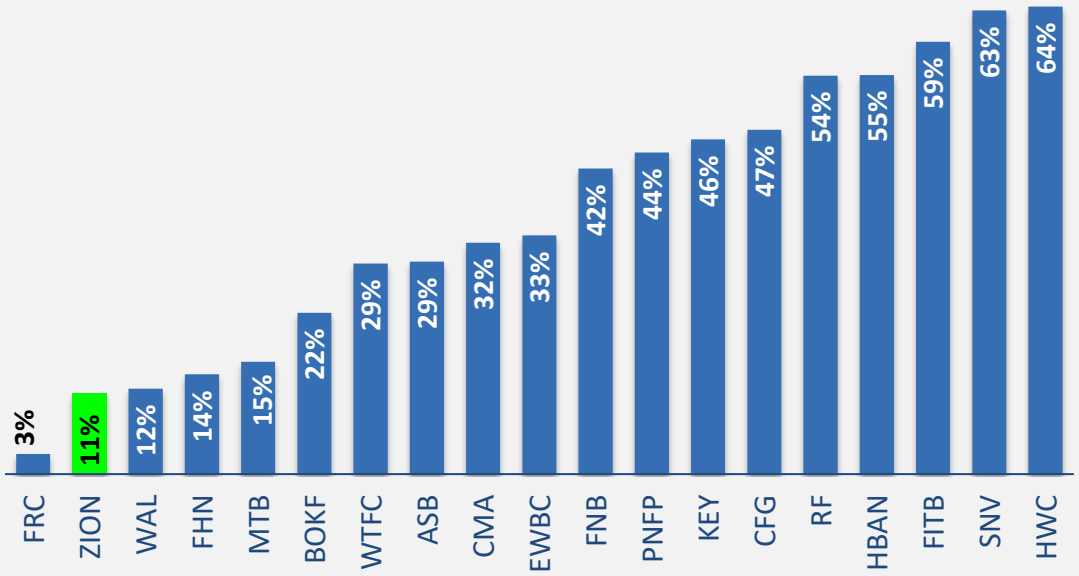
Source: S&P Global, data as of 2Q22, where available. NPAs + 90 DPD = nonperforming assets (nonaccrual loans plus other real estate owned) plus loans 90 days past due and still accruing interest.

Loan Loss Severity

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

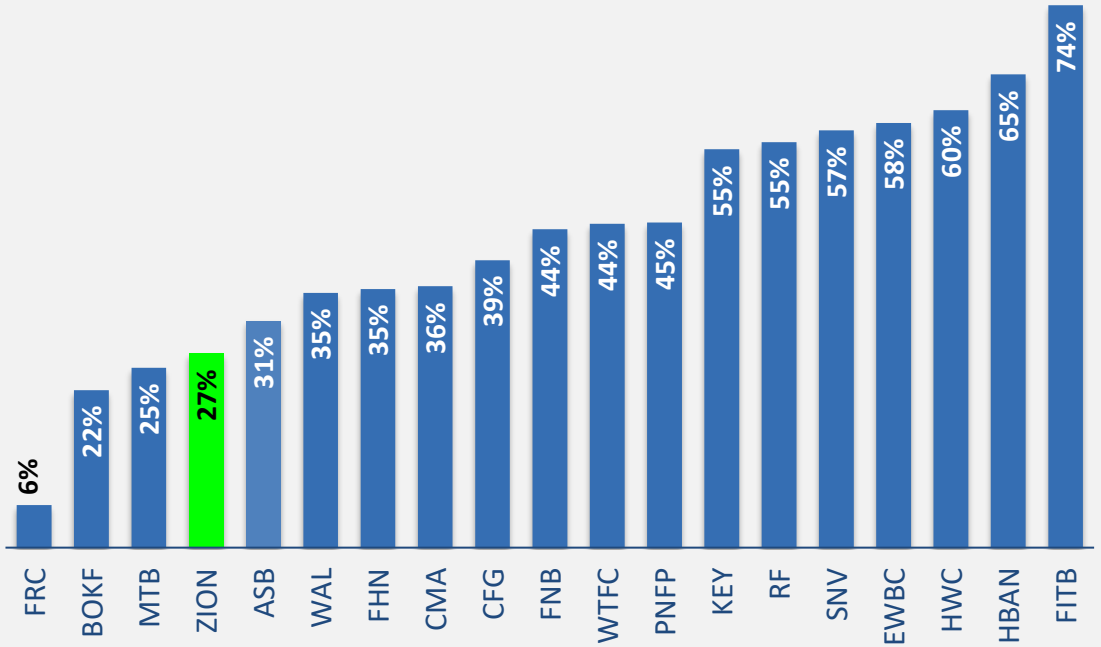
Annualized NCOs / Nonaccrual Loans

Five Year Average (2017 – 2021)



Annualized NCOs / Nonaccrual Loans

Fifteen Year Average (2007 – 2021)



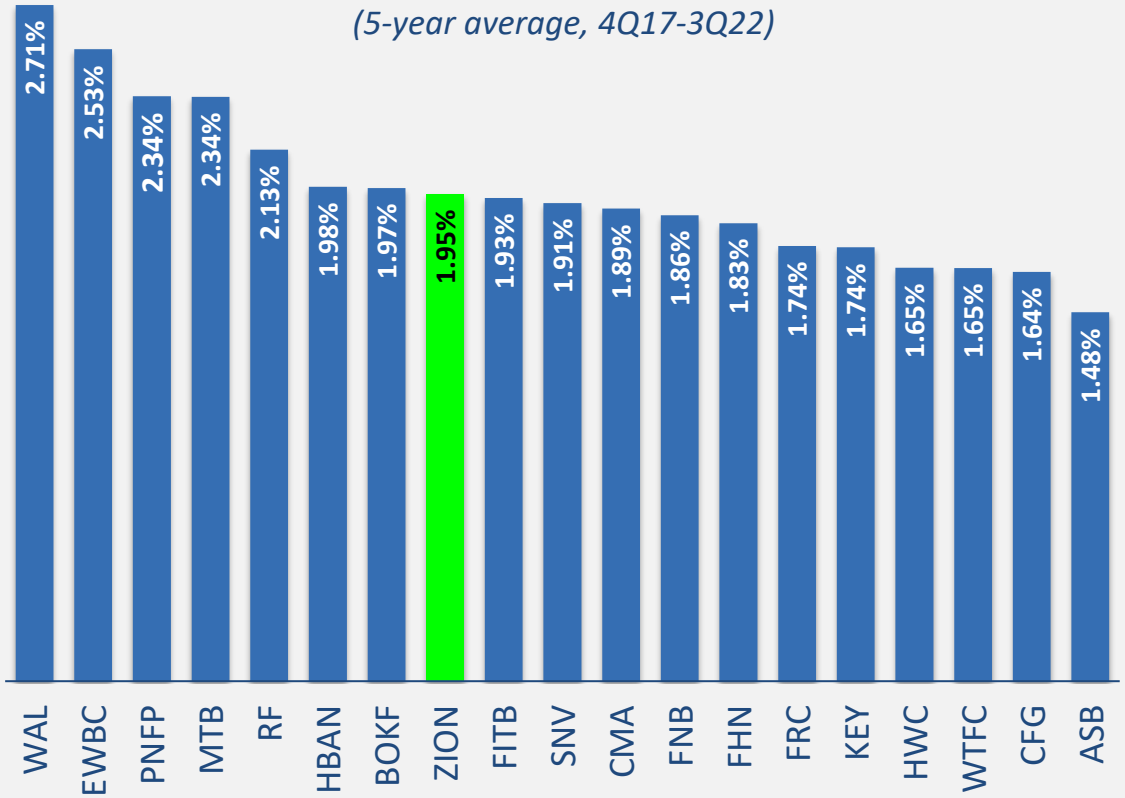
Source: S&P Global. Calculated using the average of annualized quarterly results. Note: Survivorship bias: some banks that may have been included in Zions' peer group have been excluded due to their failed or merged status.

Profitability Measures

Risk-Adjusted PPNR as a percent of risk-weighted assets & return on risk-weighted assets are in line with peer median

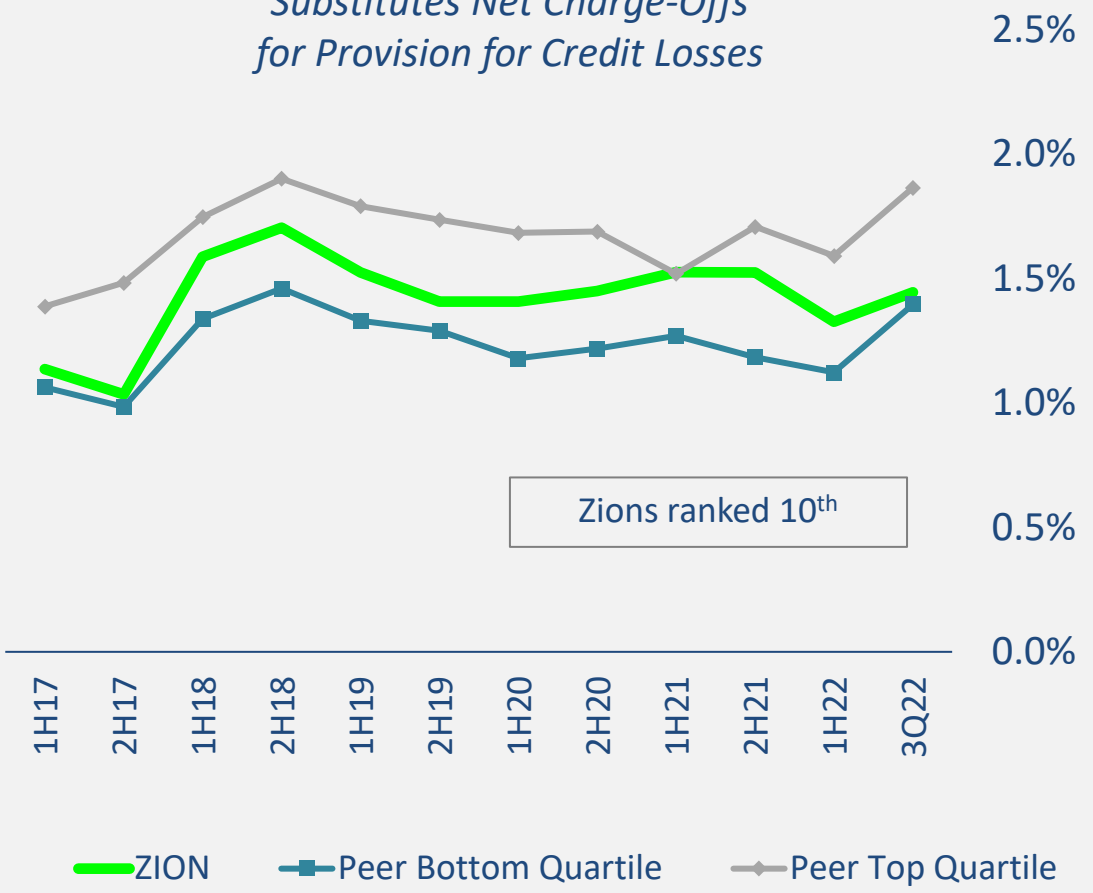
Pre-Provision Net Revenue less Net Charge Offs / Risk Weighted Assets

(5-year average, 4Q17-3Q22)



Return on Risk-Weighted Assets (modified)[1]

Substitutes Net Charge-Offs for Provision for Credit Losses

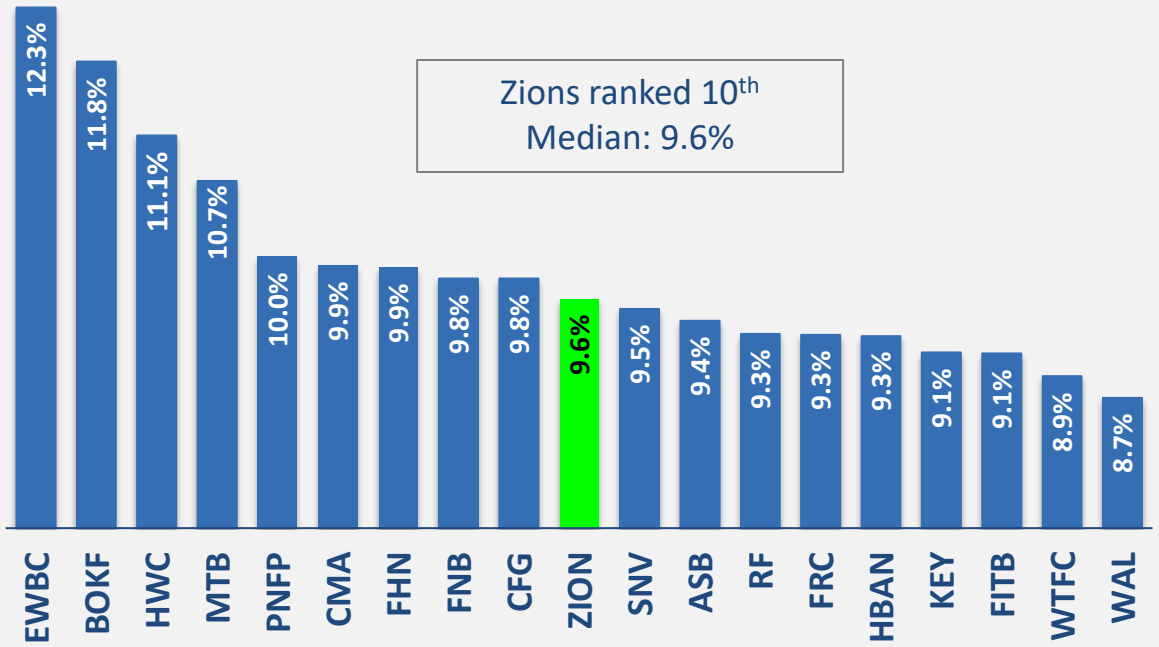


Source: S&P Global. (1) The modified RoRWA is calculated using reported annualized net income less tax-effected securities gains/losses, Zions' pension termination expense (2Q20), Zions' one-time charitable contribution (3Q20 & 4Q21) and annualized net charge-offs, plus annualized provisions for credit losses, expressed as a percentage of risk-weighted assets.

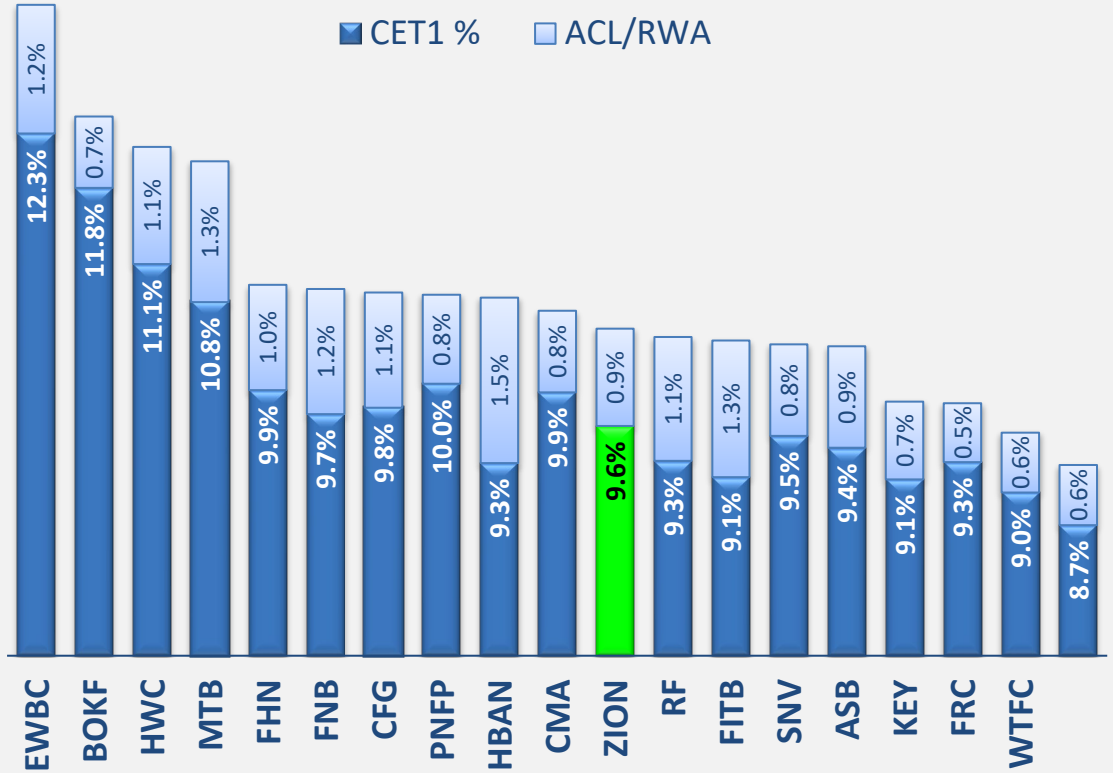
Loss-Absorbing Capital

Common Equity Tier 1 capital plus the allowance for credit loss compares well relative to peers

Common Equity Tier 1 Capital Ratio



CET1 Capital and Allowance for Credit Losses / Risk-Weighted Assets



Source: Company data and S&P Global. Data as of 3Q22. Zions' Allowance for Credit Loss to Loan Ratio excluding PPP Loans was 1.10% in 3Q22. Total Risk-Based Capital for Zions at 3Q22 was 12.0%

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**
- **We continue to experience solid loan demand**
- **Our balance sheet composition allows for a great deal of flexibility**
- **We are well prepared for a recession**

(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.

Financial Outlook (3Q 2023E vs 3Q 2022A), as of October 24, 2022

	Outlook	Comments
Loan Balances, ex-PPP	**Moderately Increasing**	▪ Excludes PPP loans, which are now significantly less impactful
Net Interest Income	**See Slide 10**	▪ 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

Generally , Zions does not provide an intra quarter update to its financial outlook. The outlook contained within this presentation is as of Zions' last earnings report (October 24, 2022).

Appendix

- Company Abbreviation Key
- Financial Results Summary
- 3Q22 Financial Highlights
- Earnings Per Share and Tangible Book Value Per Share Growth
- 2021 Greenwich Excellence Awards
- Technology Roadmap and FutureCore
- Balance Sheet Profile
- Securities and Money Market
- Loan Portfolio Profile – Concentration, Growth by Type and Bank Brand
- Small Business Niche
- Earning Asset Repricing and Interest rate swaps (detailed schedule)
- Credit Detail: Long-Term Credit Quality, Consumer Real Estate, CRE
- Credit: Allowance for Credit Loss
- 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
HCW: Hancock Whitney Corp
HBAN: Huntington Bancshares Incorporated
JPM: JPMorgan Chase & Co.
KEY: KeyCorp
MTB: M&T Bank Corporation
PNFP: Pinnacle Financial Partners
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' 2022 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

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

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.

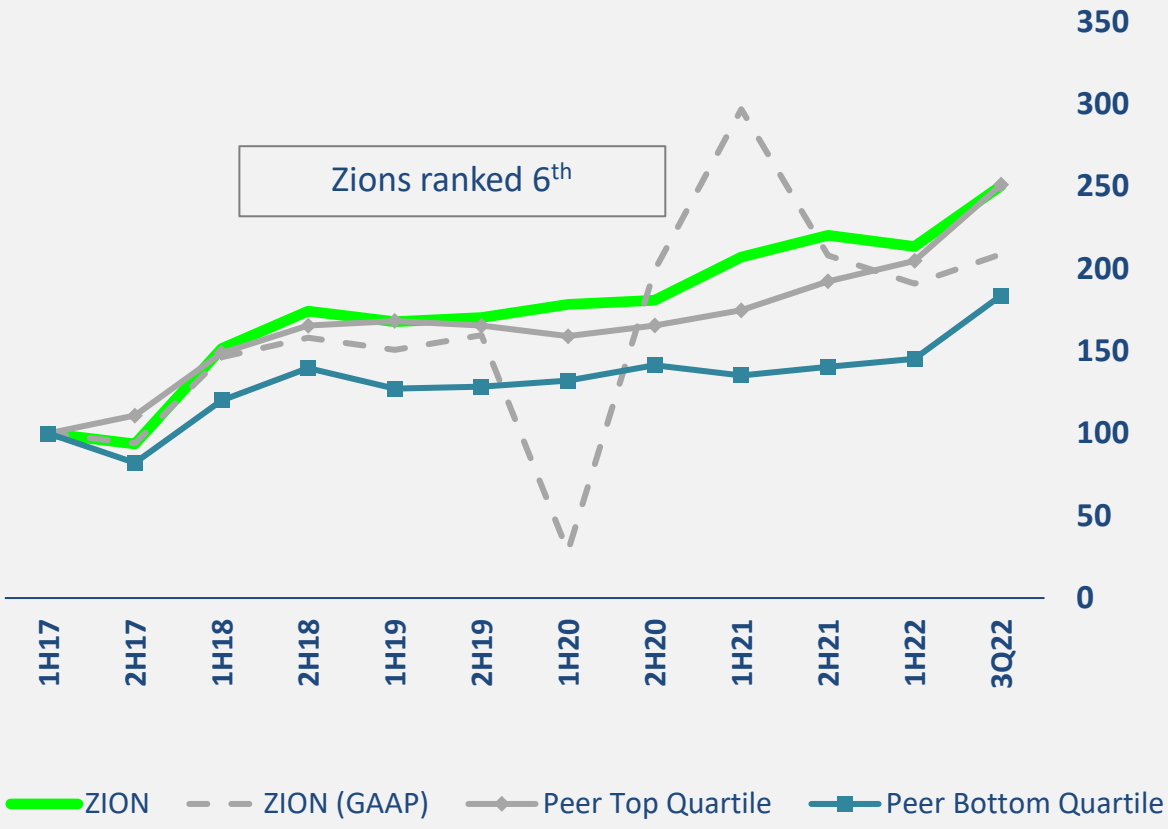
Earnings Per Share and Tangible Book Value Per Share Growth

Assisted by lower credit costs and greater returns of capital to shareholders, EPS growth ranks sixth among peers, while the TBV/Share has grown steadily

Earnings per Share (modified)

Substitutes Net Charge-Offs for Provision for Credit Losses

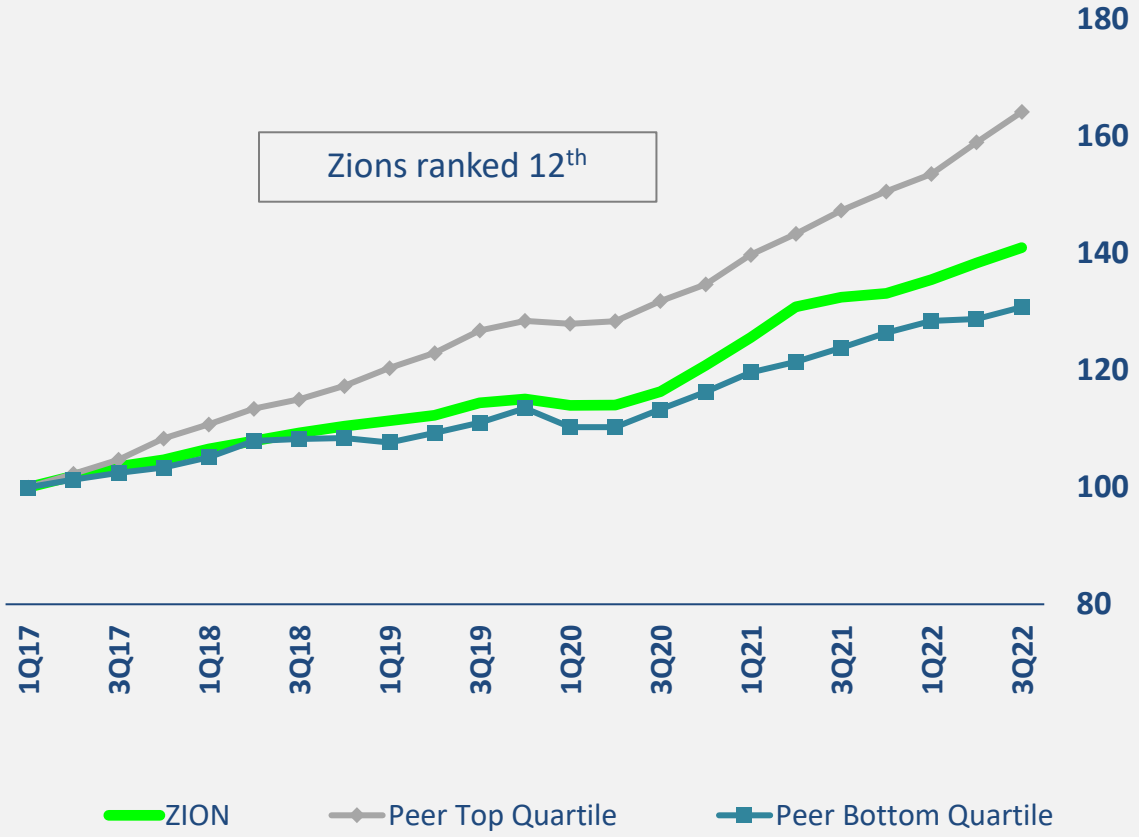
Indexed: 1H17 = 100



Tangible Book Value per Share

Excluding Accumulated Other Comprehensive Income

Indexed: 1Q17 = 100



Source: S&P Global. Growth rates adjusted to normalize for major acquisitions.

Zions Consistently Receives National and Local Recognition for Excellence

Affiliates have strong brands in their markets

Greenwich Excellence 2021

One of only four banks to have averaged 15 or more Greenwich Excellence Awards since 2009

AMERICAN BANKER

Top team of women bankers (2015-2020) [1]

CB Trust | California Bank Trust





Consistently Voted Best Bank in San Diego and Orange Counties[2]

NATIONAL BANK OF ARIZONA®

RANKING ARIZONA
The Best of Arizona Business

National Bank of Arizona consistently voted #1 Bank in Arizona[3]

NEVADA STATE BANK®
THE DOOR TO YOUR FUTURE

Nevada State Bank consistently voted #1 Bank in Nevada[4]

WINNER
BEST OF STATE



UTAH 2021

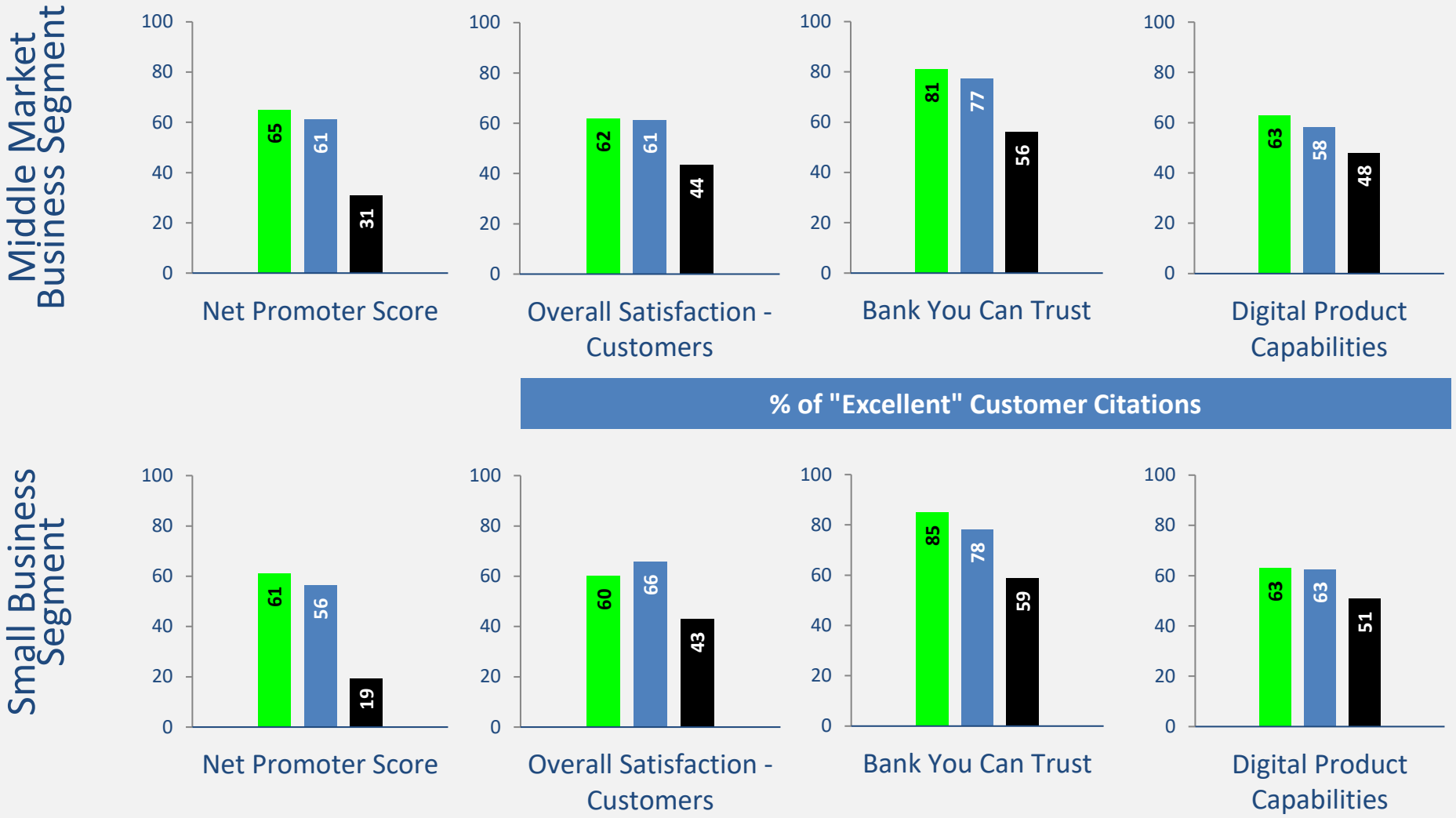
ZIONS BANK

Business Services – Banking (16th consecutive year)
Business Services – Mortgage Banking
Community Development – Corporate Giving
Community Development – Employer

[1] https://www.americanbanker.com/list/most-powerful-women-in-banking-top-teams-zions-bancorp; [2] The San Diego Union-Tribune (annually #1 from 2011-2021) and Orange County Register (annually #1 from 2014-2020); [3] Sixteen annual occurrences, Ranking Arizona Magazine; [4] Las Vegas Review-Journal, Reno Magazine, Elko Daily Free Press (annual winner since inception of rankings, 2017)

Zions Finishes 2nd Among All US Banks in Greenwich 2021 Excellence Awards

Zions has Consistently Achieved "Excellence" vs Four Major Competitors[1] and Peers[2]



- Zions Bancorp
- Zions' Peer Group Avg
- Average of Four Major Competitors

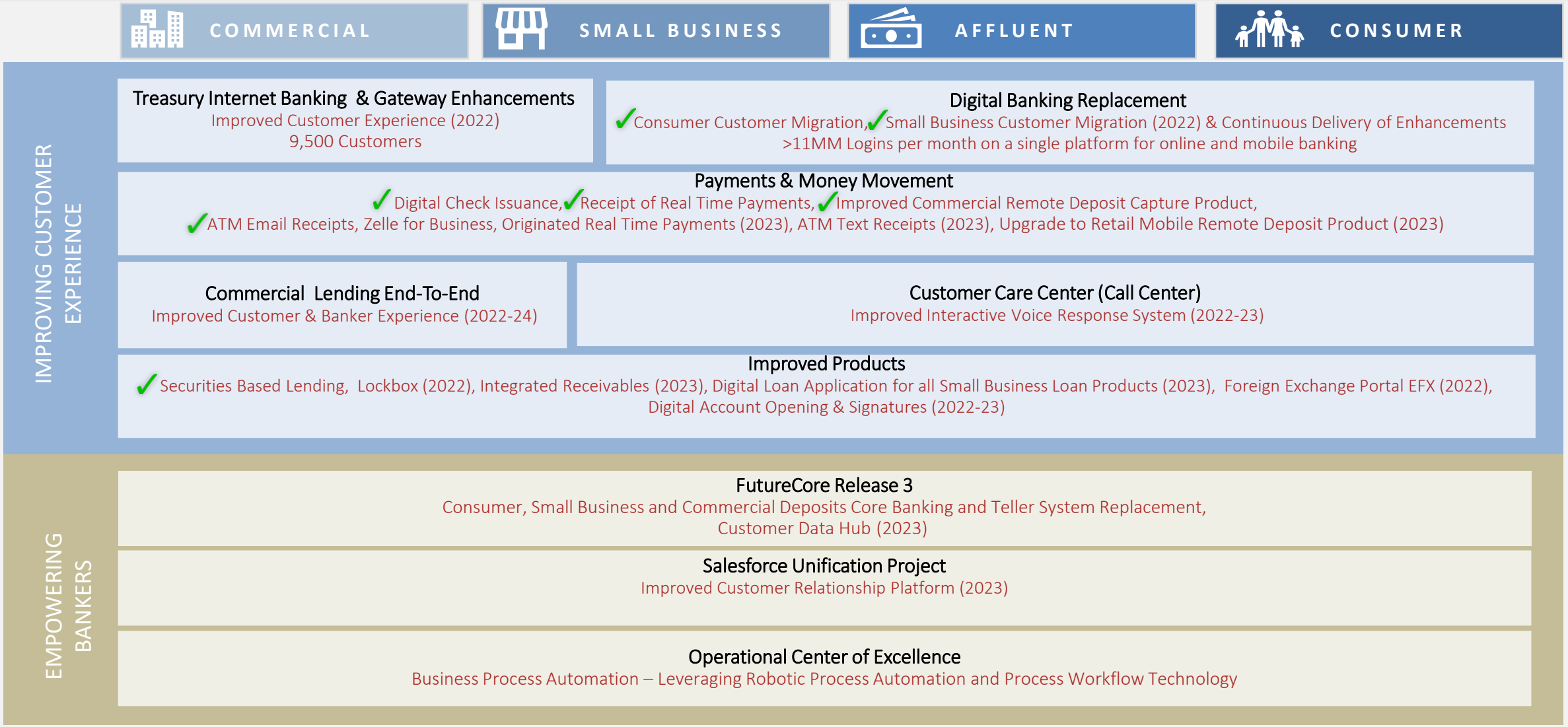
Zions Bancorporation

- One of four U.S. banks to average 15 or more Excellence Awards since the inception of the awards in 2009
- One of four banks in the country to win 6 of 6 "Best Brand" awards (Small Business and Middle Market categories)
  - Bank You Can Trust
  - Values Long-Term Relationships
  - Ease of Doing Business

Source: 2021 Greenwich Associates Market Tracking Program Nationwide
(1) "Four Major Competitors" are JP Morgan, Bank of America, Wells Fargo, US Bank
(2) 17 of 18 peers had Greenwich data available: ASB; BOKF; CFG; CMA; EWBC; FHN; FITB; FNB; FRC; HBAN; HWC; KEY; MTB; PNFP; RF; SNV; WTFC

Technology Roadmap

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



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

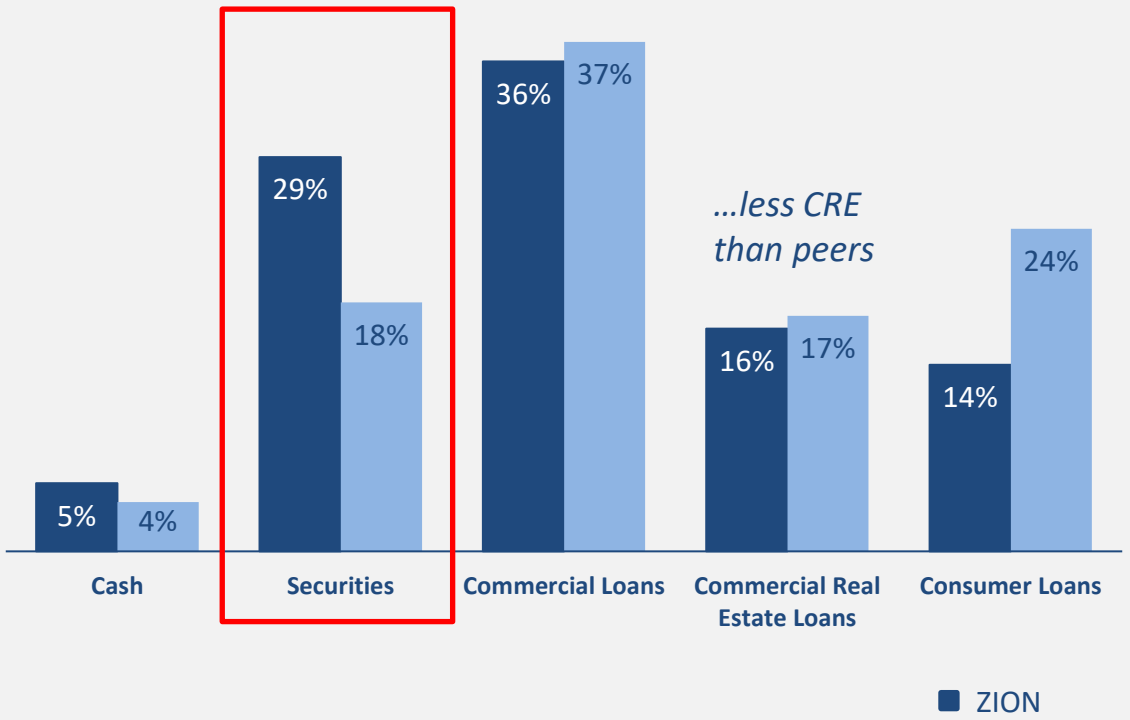
Balance Sheet Profile

Zions' liquidity profile is notably stronger, with higher securities. Funding advantages include granularity and more noninterest bearing deposits.

Earning Asset Composition

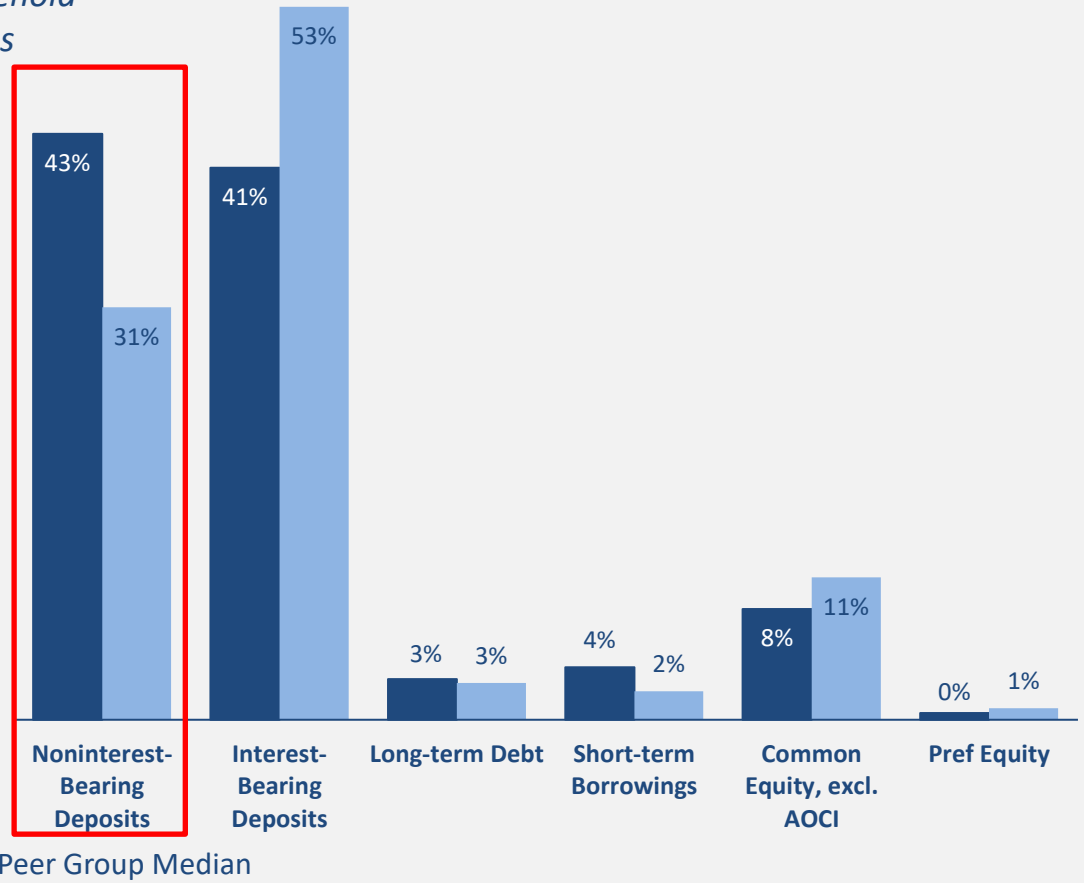
More liquid assets = superior liquidity profile, superior "dry powder"

…less CRE than peers



Liabilities and Equity Composition

Very substantial funding advantage with stable household and business operating accounts



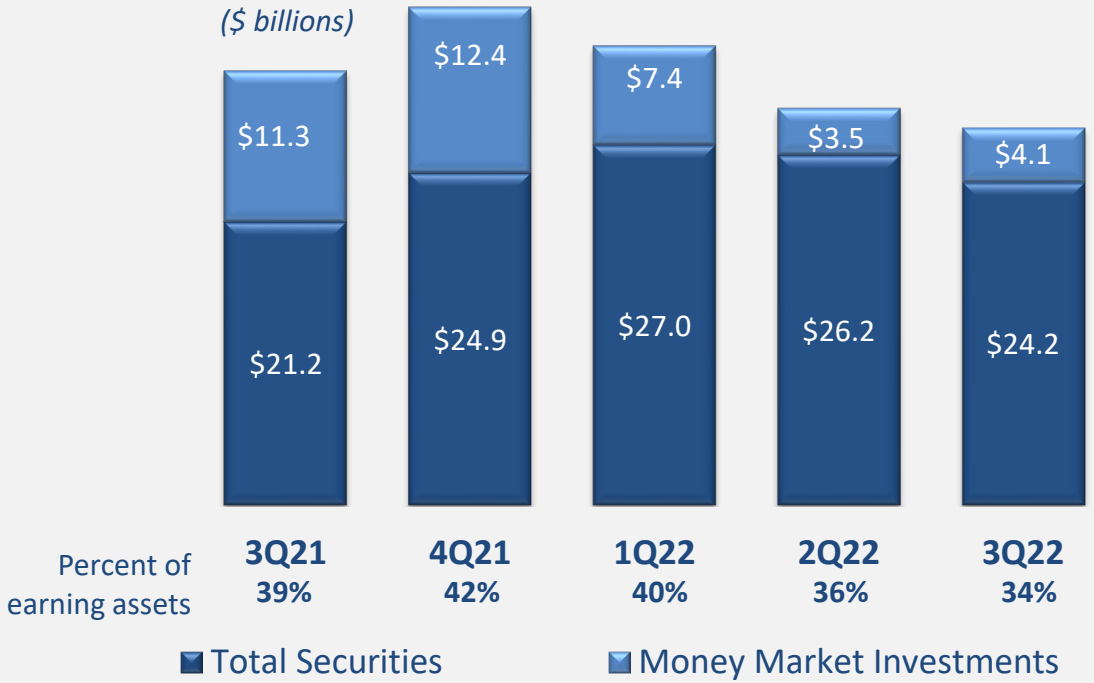
S&P Global as of 3Q22, period-end balances. Major categories of assets and liabilities included, and percentages expressed as a sum of the total of the categories; does not include other assets or liabilities, such as property, equipment, accounts payable, etc. Owner-Occupied loans are included in Commercial. As of Nov. 10, 2022, 3Q data for HWC, HBAN, KEY, WAL, and WTFC was unavailable and 2Q was used as proxy.

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

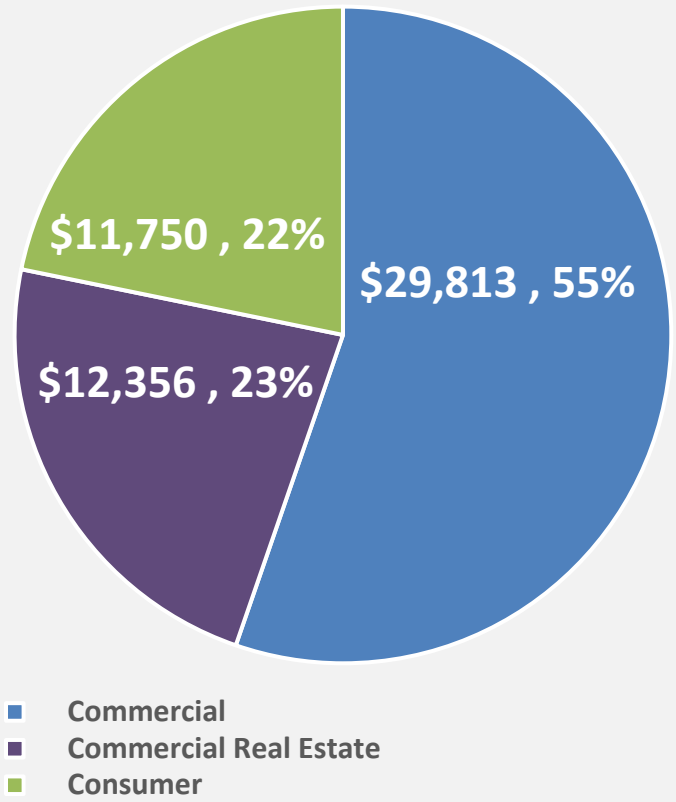
Securities portfolio duration as of September 30, 2022: 3.9 years (3.9 in 2Q22); it is not expected to extend materially under a higher interest rate environment

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.

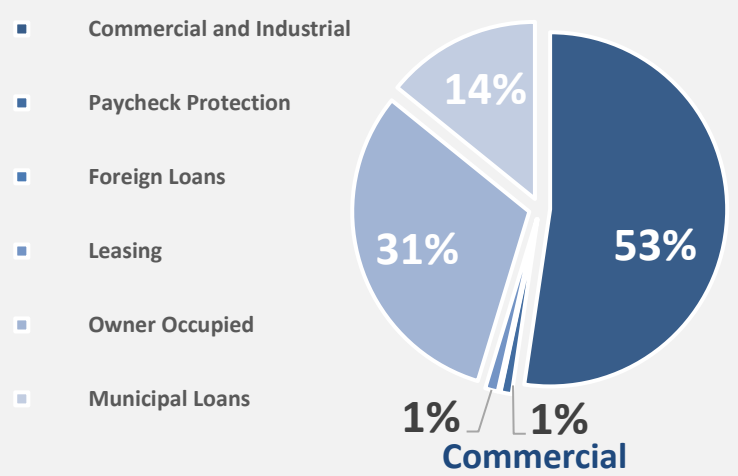
Loan Portfolio Profile

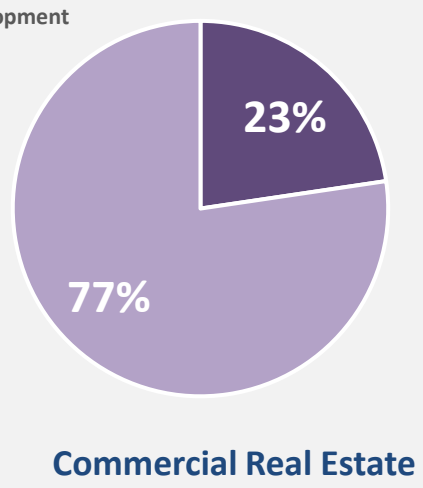
Zions' loan portfolio is skewed towards commercial lending, at 78% of total loans

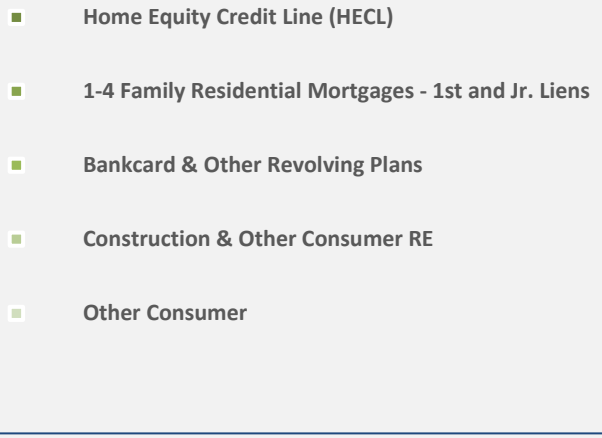
Loan Portfolio Composition

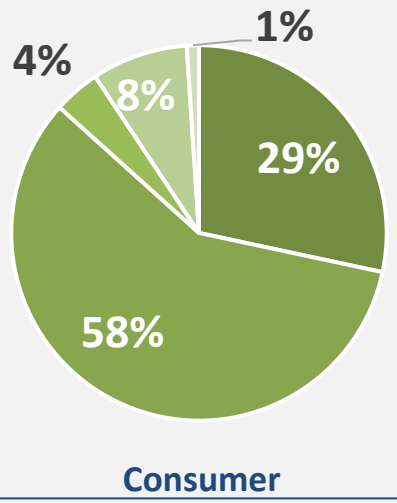


Loan Sub-Portfolio Composition



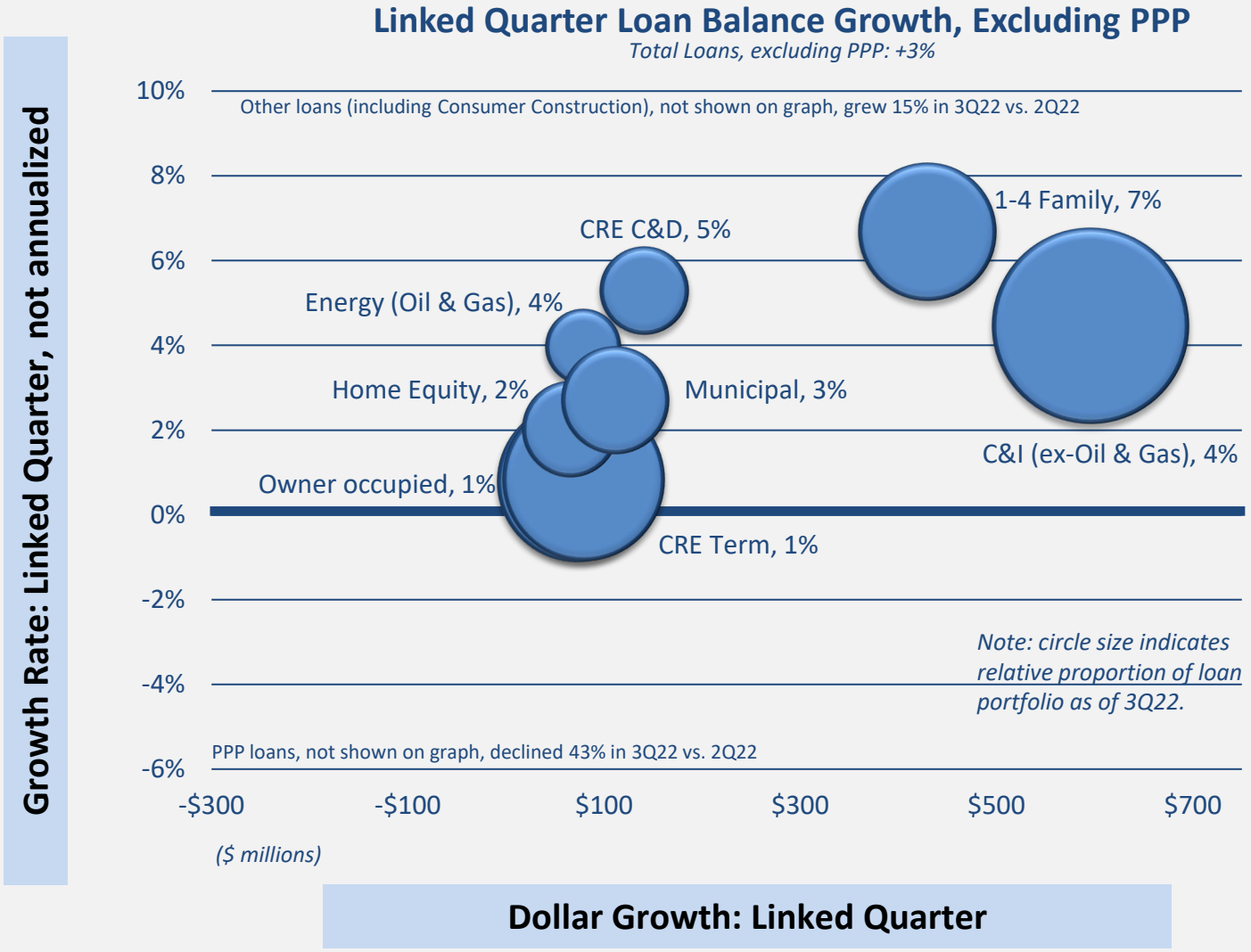






Loan Growth in Detail

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**

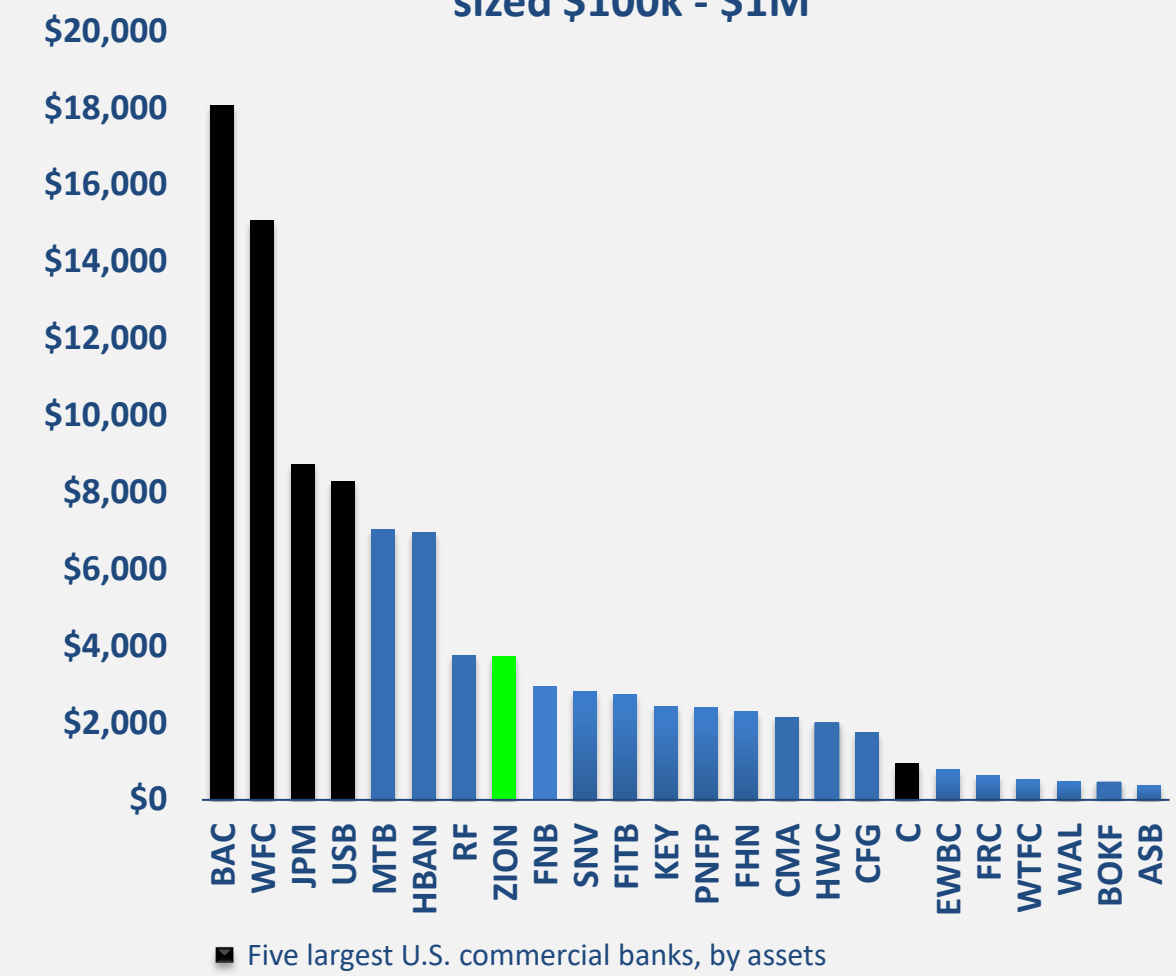
"Other" loans includes consumer construction, bankcard, and other consumer loan categories. Totals shown above may not foot due to rounding.

Zions is a Leader in Small Business Lending

Zions punches above its weight

Commercial Loans sized $100k - $1M

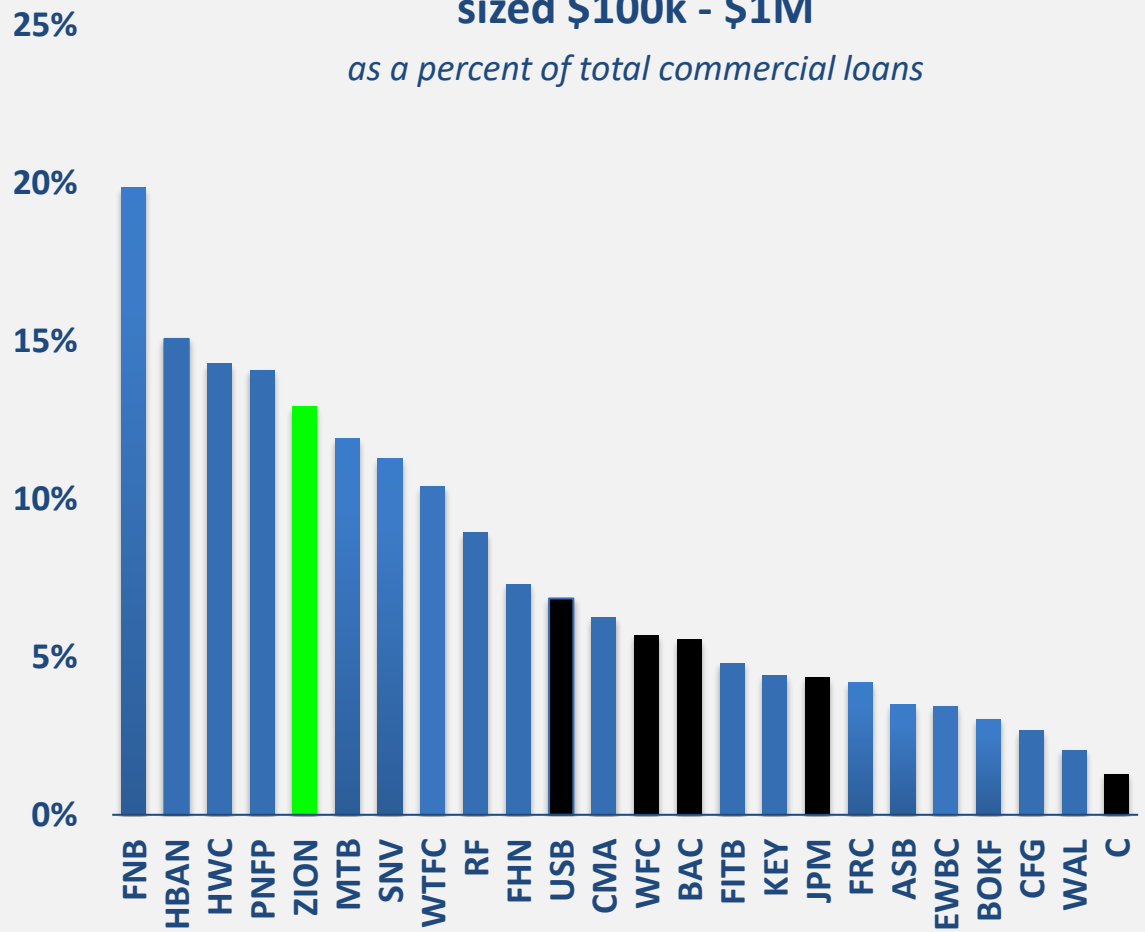
($ billion)



■ Five largest U.S. commercial banks, by assets

Commercial Loans sized $100k - $1M

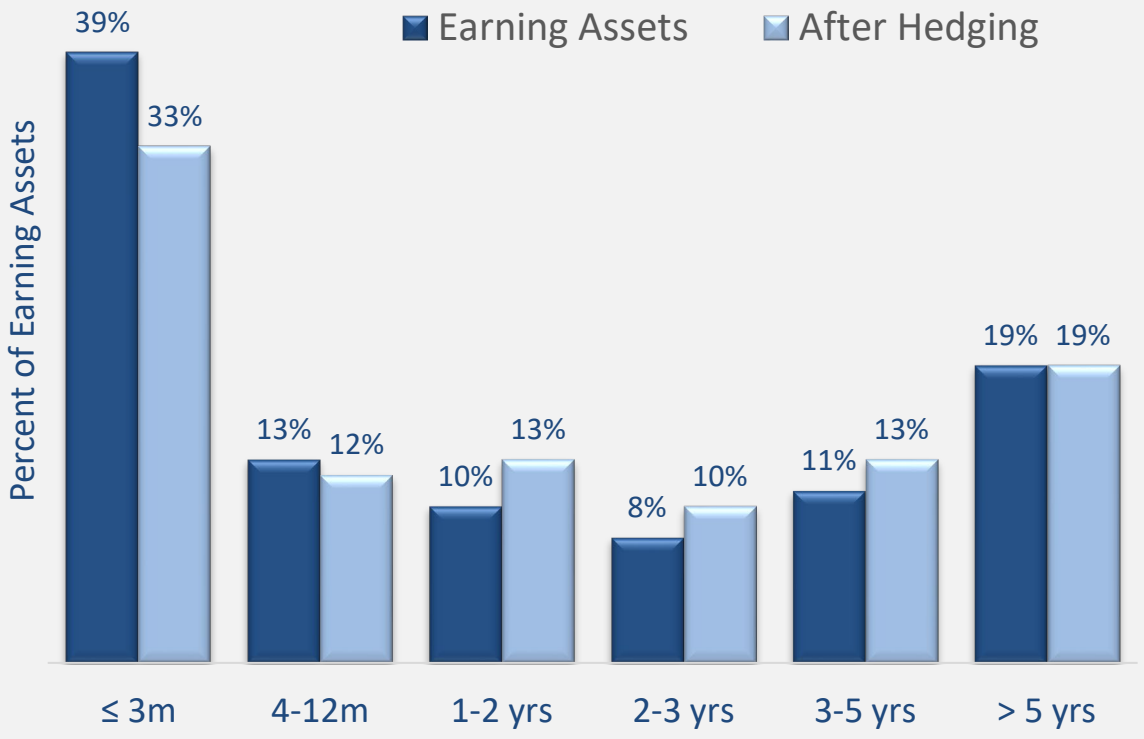
as a percent of total commercial loans



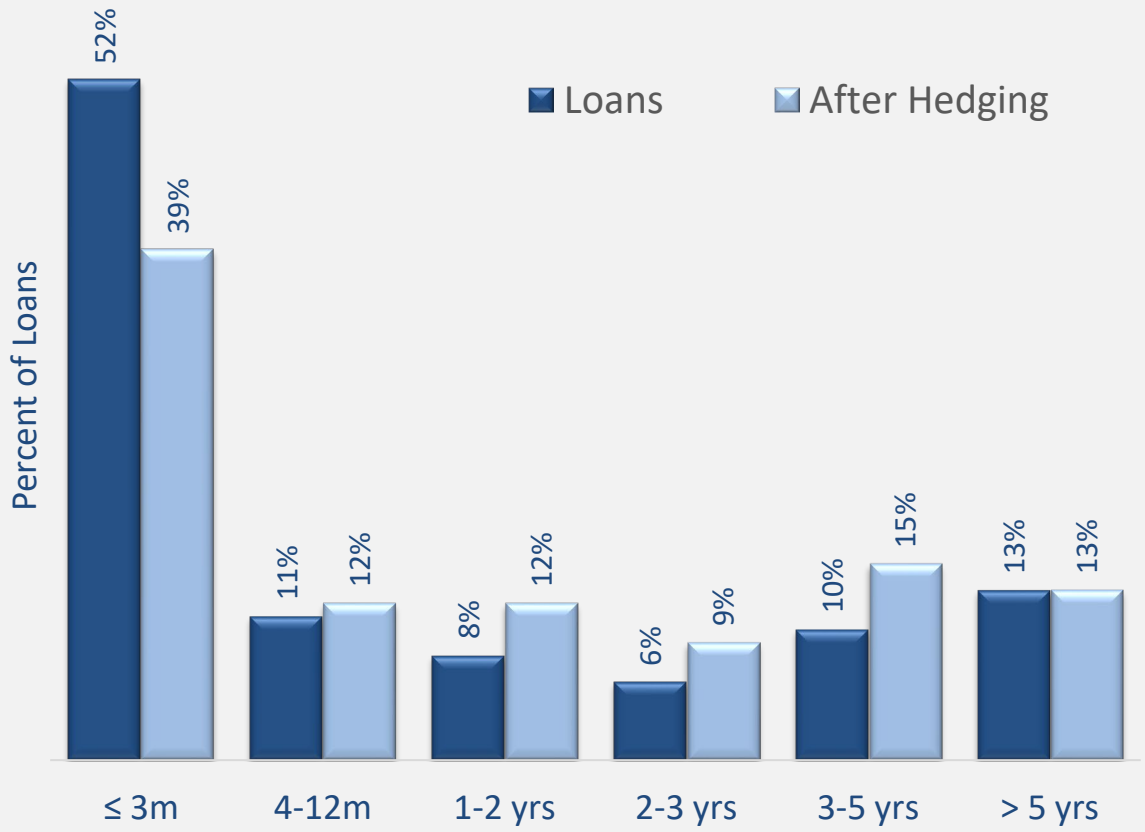
Note: Call report data via S&P Global, as of 3Q22; peer group shown different than typical peer group in order to show the position of the largest U.S. banks. Commercial loans includes both C&I and CRE.

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.

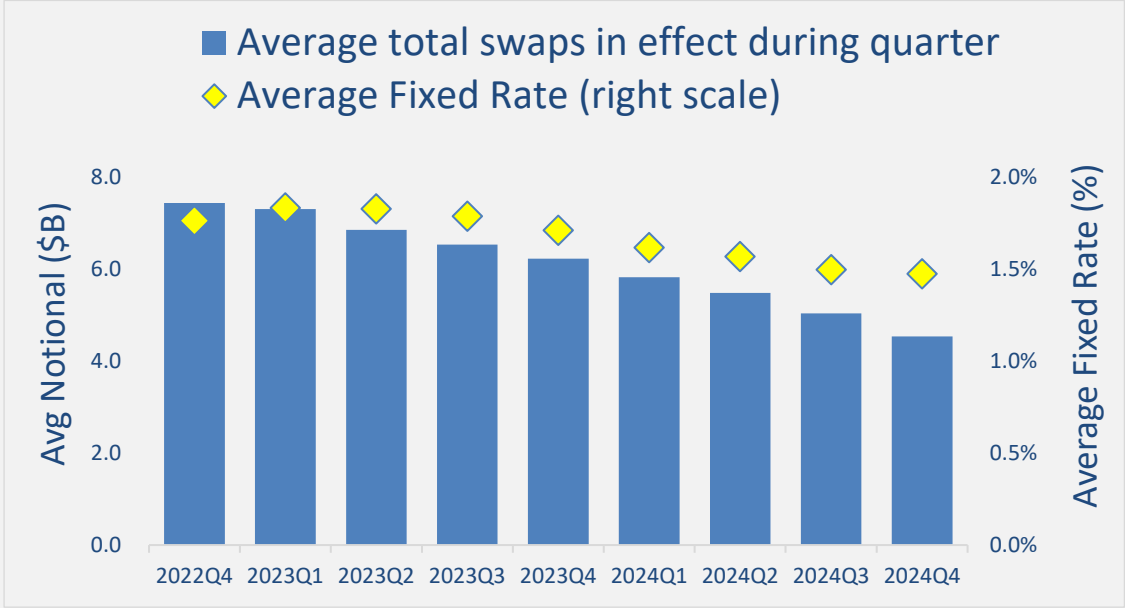
Interest Rate Swaps

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

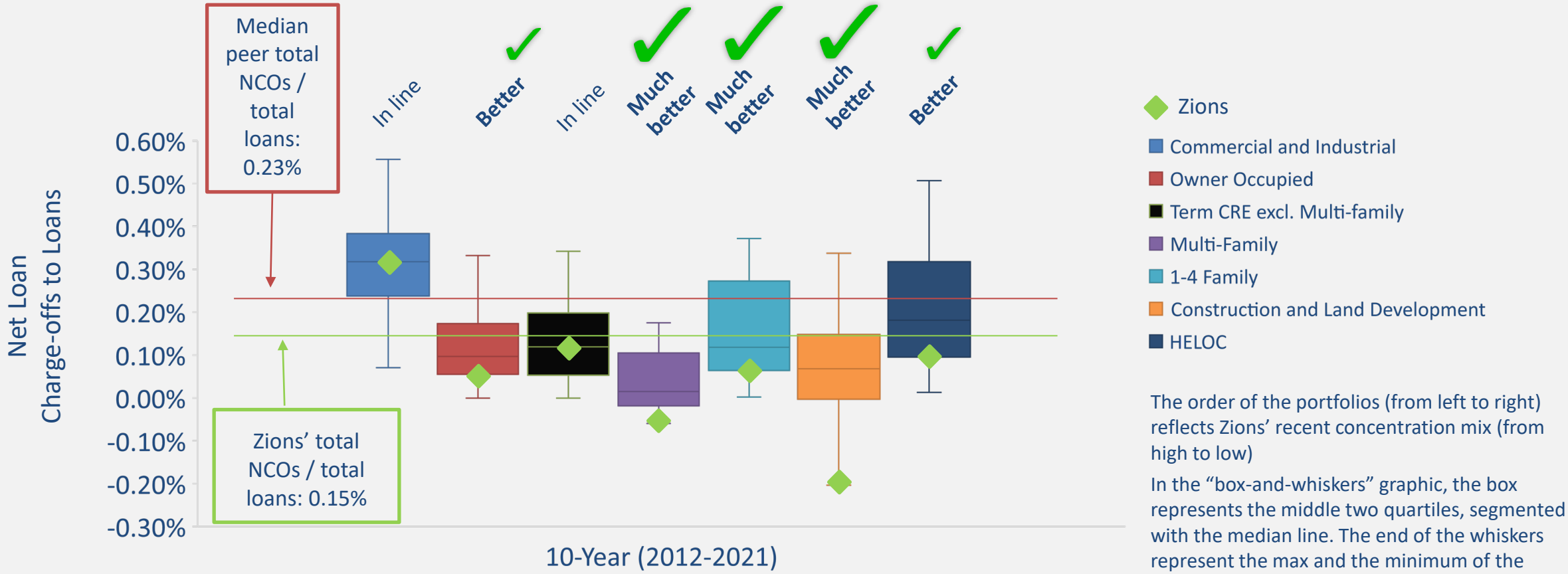


[1] Cash flow hedges consist of receive-fixed swaps hedging pools of floating rate loans.

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.

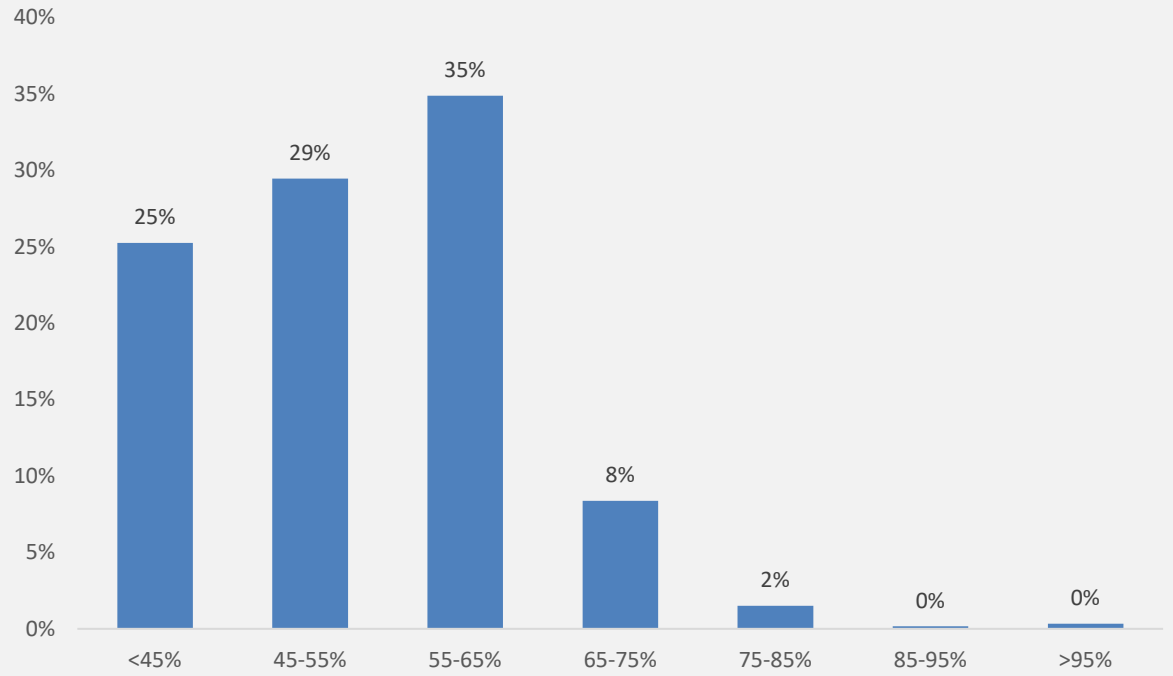
Credit Quality: Term Commercial Real Estate ("CRE")

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

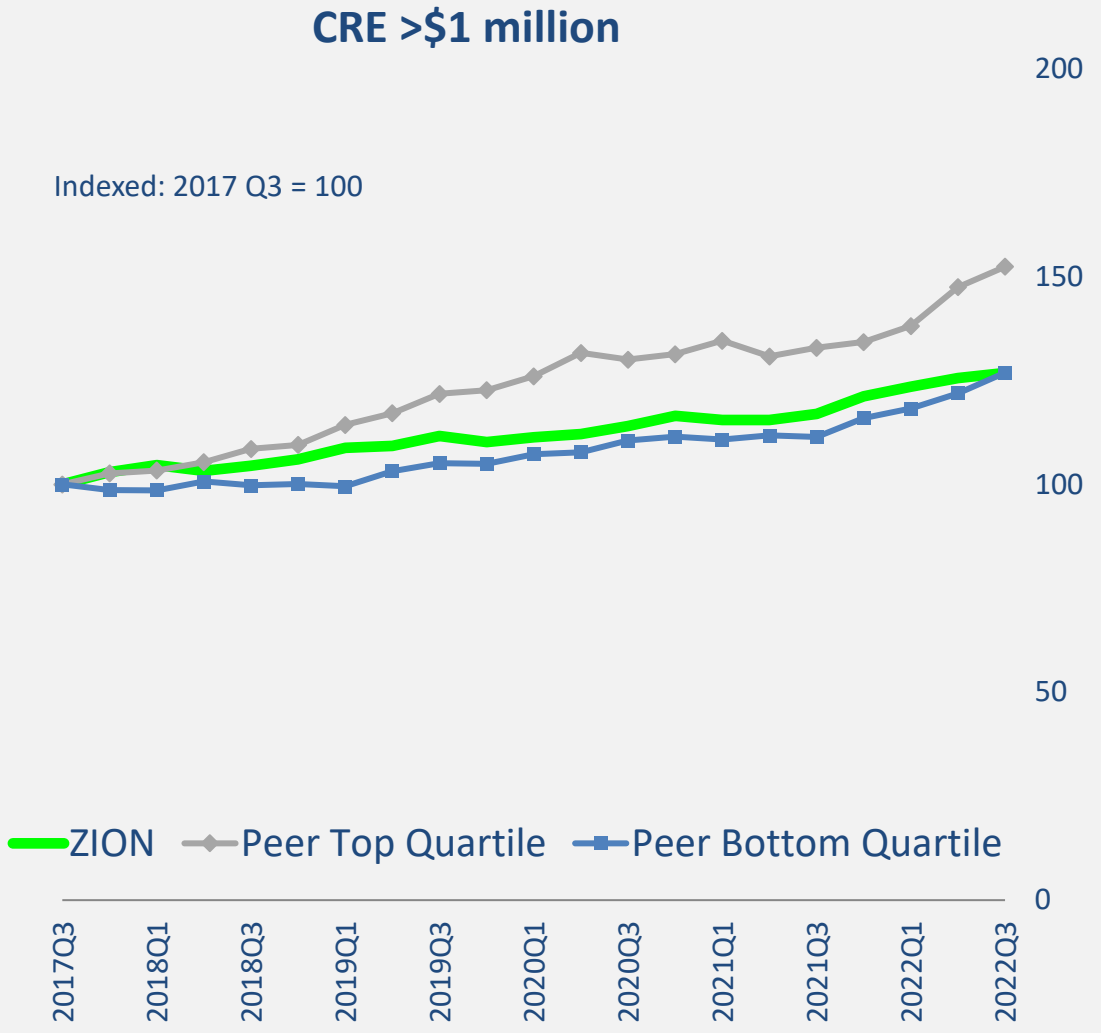


Data is limited to term CRE loans. Loan-to-value calculations reflect most current appraisal in the denominator and the outstanding balance in the numerator.

Exercising CRE Discipline Through Growth Management

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





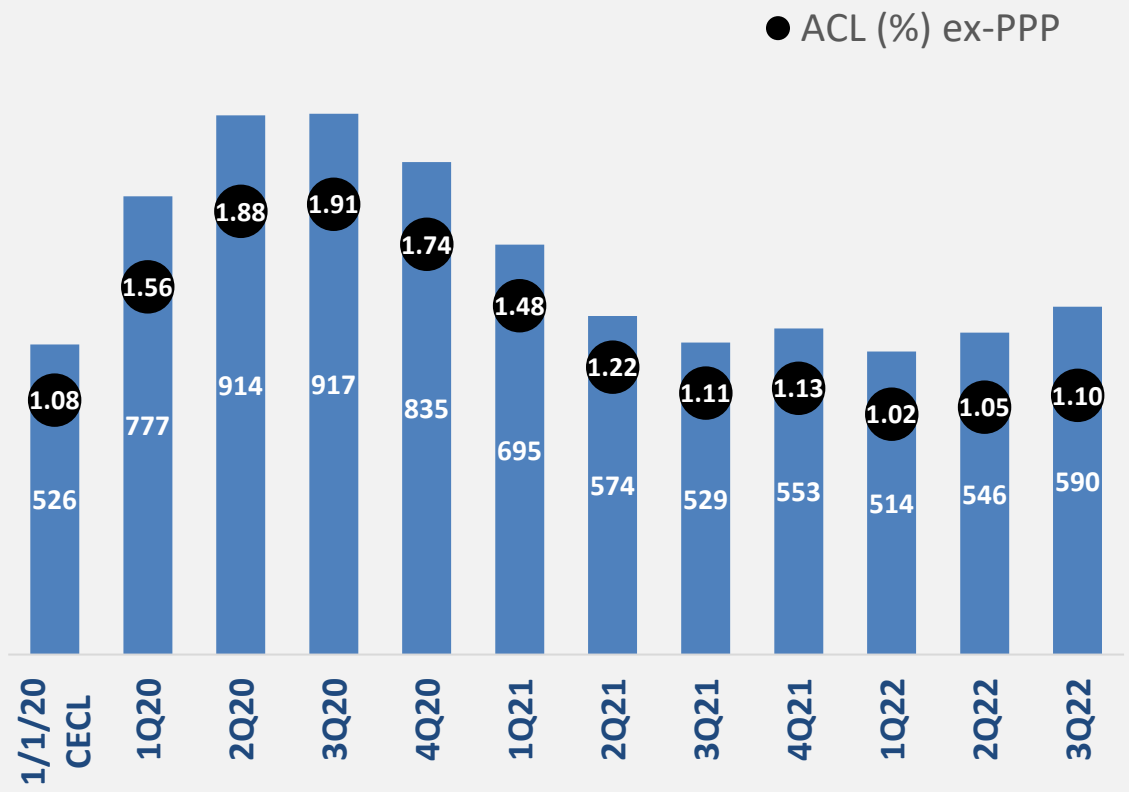
Data as of June 30, 2022, as peer data is not available for 3Q22 as of the time of publication; peer growth rates are normalized for significant acquisitions

Allowance for Credit Loss ("ACL")

ACL increase vs. 2Q22 is due to increased economic uncertainty & loan growth; ACL is strong relative to its recent NCOs

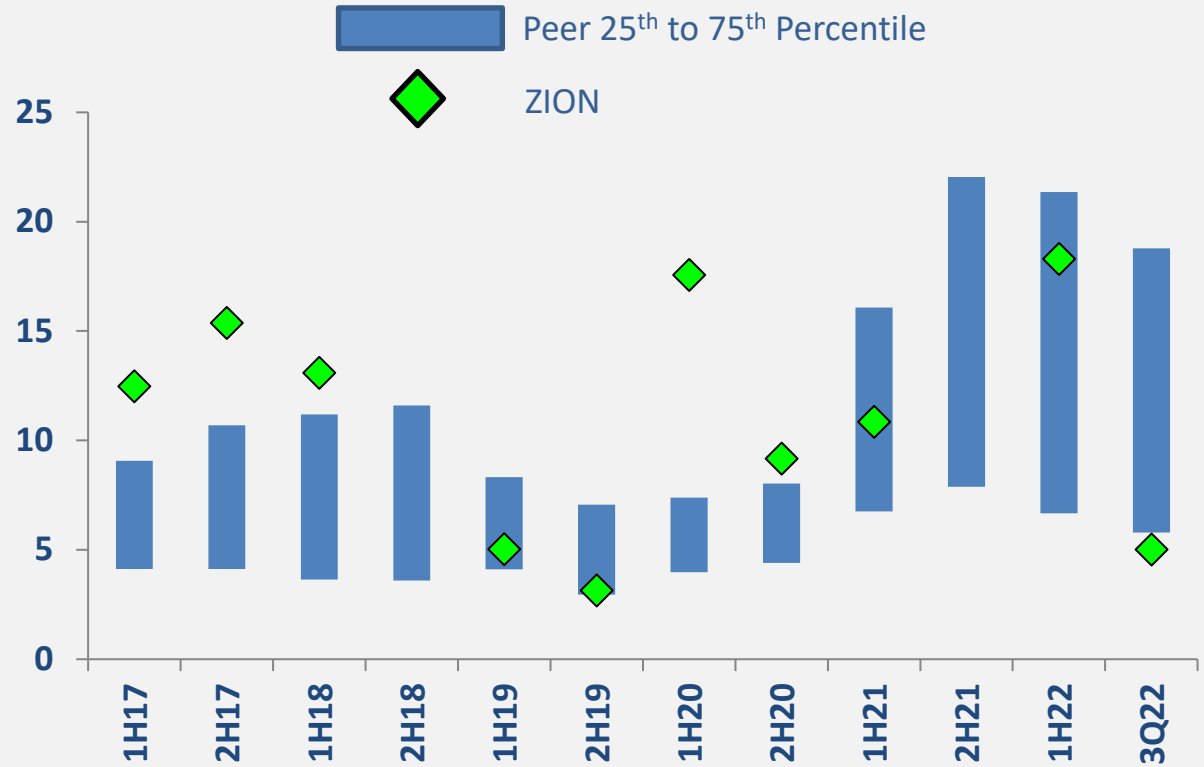
Allowance for Credit Loss

($ millions)



Allowance for Credit Loss

As a Multiple of Annualized Net Charge-Offs



In the calculation of the ACL multiple relative to annualized NCOs, negative ratios (due to net loan recoveries) are rendered as not meaningful and are excluded from the dataset. Ratios in excess of 100 (i.e. 100 years of NCOs, typically because of positive but very low NCO levels) are also excluded from the dataset. Zions' results in 2H18 and 2H21 were excluded for these reasons – $9 million recovery in 2H18 and zero NCOs in 2H21.

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%