2023 Fourth Quarter
Investor Update





ZIONS BANCORPORATION

November 2023

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. Actual results and outcomes may differ materially from those presented. Although this list is not comprehensive, important factors that may cause material differences include the quality and composition of our loan and securities portfolios and the quality and composition of our deposits; changes and uncertainties in applicable laws, and fiscal, monetary, regulatory, trade, and tax policies, and actions taken by governments, agencies, central banks and similar organizations, including increases in bank fees, insurance assessments, capital standards, and other regulatory requirements; protracted congressional negotiations and political stalemates regarding government funding and other issues that increase the possibility of government shutdowns; changes in general industry, political and economic conditions, including continued elevated inflation, economic slowdown or recession, or other economic disruptions; changes in interest and reference rates which could adversely affect our revenue and expenses, the value of assets and obligations, and the availability and cost of capital and liquidity; deterioration in economic conditions that may result in increased loan and leases losses; securities and capital markets behavior, including volatility and changes in market liquidity and our ability to raise capital; the impact of bank failures or adverse developments at other banks on general investor sentiment regarding the stability and liquidity of banks; the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital; competitive pressures and other factors that may affect aspects of our business, such as pricing and demand for our products and services, our ability to recruit and retain talent, and the impact of digital commerce, artificial intelligence, and other innovations affecting the banking industry; our ability to complete projects and initiatives and execute on our strategic plans, manage our risks, control compensation and other expenses, and achieve our business objectives; our ability to provide adequate oversight of our suppliers or prevent inadequate performance by third parties upon whom we rely for the delivery of various products and services; our ability to develop and maintain technology, information security systems and controls designed to guard against fraud, cybersecurity, and privacy risks; adverse media and other expressions of negative public opinion whether directed at us, other banks, the banking industry or otherwise that may adversely affect our reputation and that of the banking industry generally; the effects of pandemics and other health emergencies that may affect our business, employees, customers, and communities; the effects of wars and geopolitical conflicts, such as the ongoing conflict between Russia and Ukraine and the escalating events in the Middle East, and other local, national, or international disasters, crises, or conflicts that may occur in the future; natural disasters that may impact our and our customer's operations and business; and governmental and social responses to environmental, social, and governance issues, including those with respect to climate change.

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 2022 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).

We caution against the undue reliance on forward-looking statements, which reflect our views only as of the date they are made. 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.

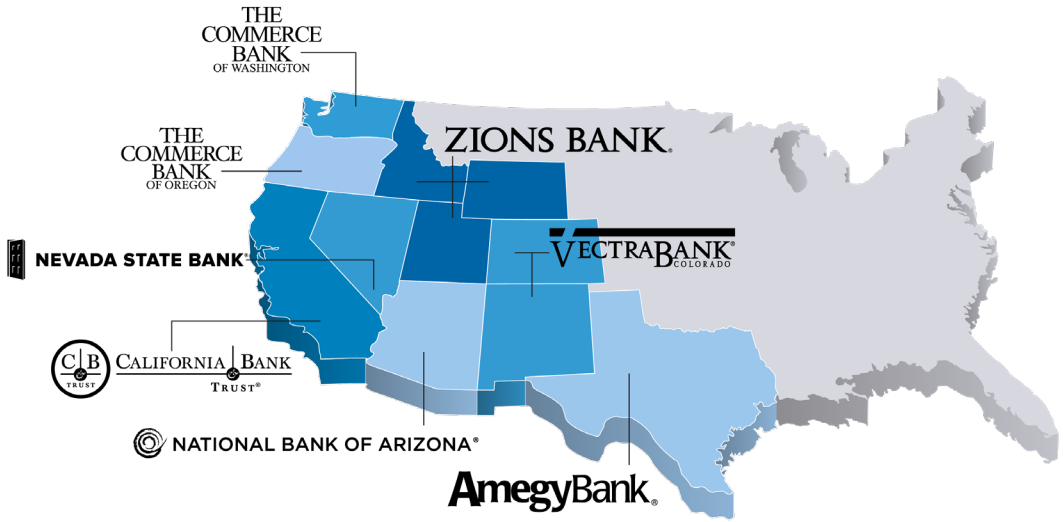
Use of Non-GAAP Financial Measures:

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 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, superior credit performance

- Affiliate CEOs "own" their local market opportunities and challenges
- One of only four banks to have averaged 15 or more Greenwich Excellence Awards since 2009
- Roughly **2/3** of revenue from commercial customers
- Best-in-class credit quality
  - **0.04%:** TTM net charge-offs; consistently among the lowest of peers



Zions' Markets[1]

Bank	Headquarters	Ending Deposits	% of Total	Ending Loans	% of Total
Zions Bank	Salt Lake City	$20.3B	27%	$14.5B	25%
CB&T	San Diego	$14.5B	19%	$14.2B	25%
Amegy	Houston	$14.5B	19%	$12.7B	22%
NB|AZ	Phoenix	$7.1B	9%	$5.4B	10%
NSB	Las Vegas	$7.1B	9%	$3.4B	6%
Vectra	Denver	$3.5B	5%	$4.0B	7%
Commerce	Seattle	$1.1B	2%	$1.7B	3%
Brokered / Other	—	$7.4B	10%	$1.0B	2%
Zions Bancorporation	**Salt Lake City**	**$75.4B**	**100%**	**$56.9B**	**100%**

Financial Highlights

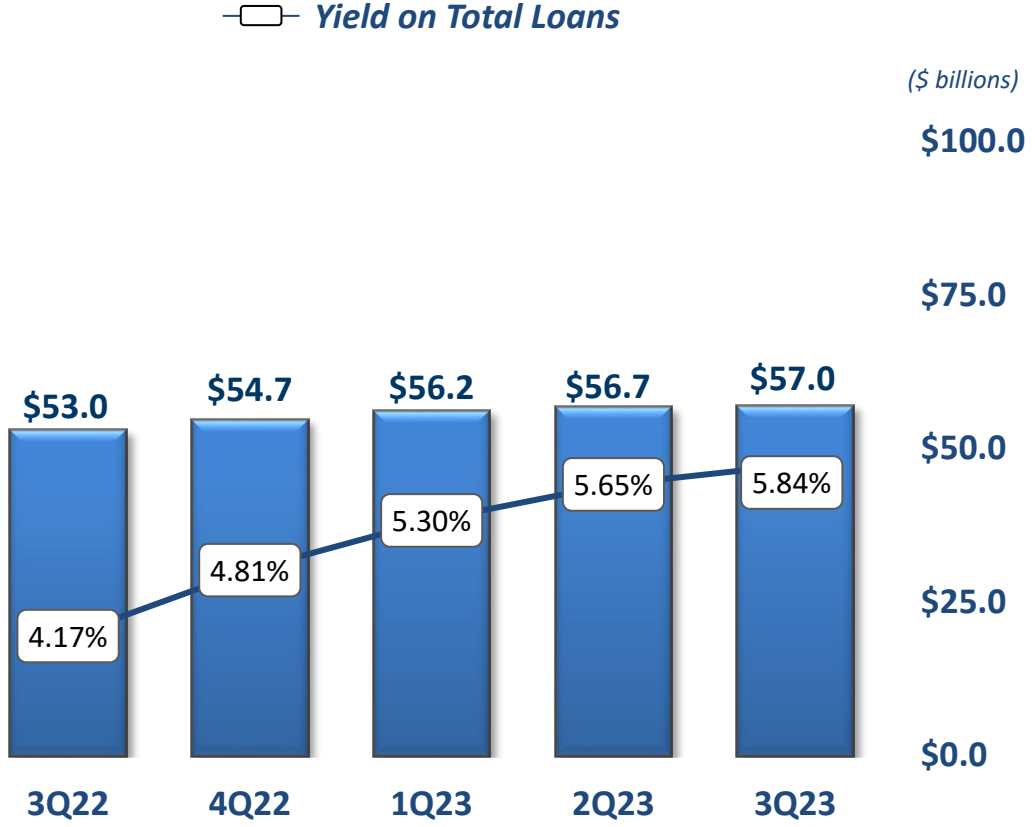
Key Metrics	3Q23
Listing	NASDAQ: ZION
Market Capitalization (as of 11/15/23)	$5.4B
Total Assets	$87.3B
Total Loans	$56.9B
Total Deposits	$75.4B
Common Equity Tier 1 Capital	$6.8B
Common Equity Tier 1 Capital Ratio	10.2%
Zions Bancorp. Rating (S&P/Fitch/Kroll)[2]	BBB+ / BBB+ / A-
Rating Outlook (S&P/Fitch/Kroll)[2]	Negative / Stable/ Positive

Source: S&P Global and internal data, as of 3Q23 unless noted.
[1] September 30, 2023, ending balances.
[2] Represents long-term debt / senior debt issuer rating, as of November 15, 2023.

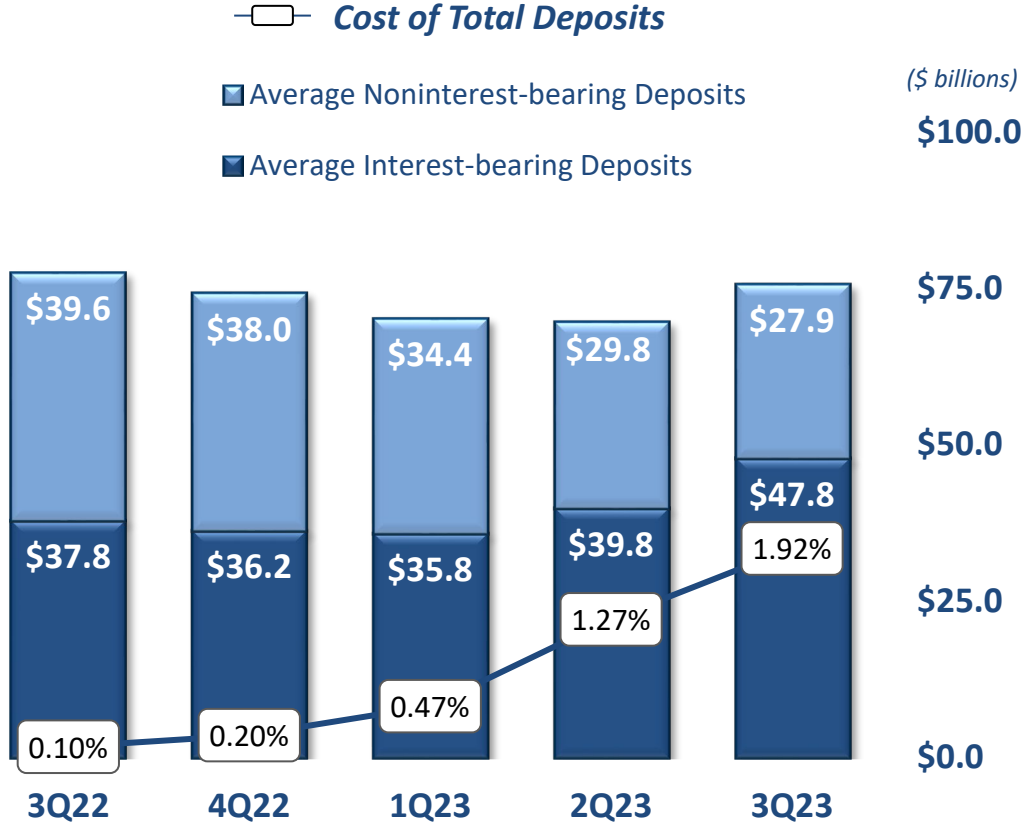
Average Loan and Deposit Balances

Average loans increased slightly in 3Q23 vs. 2Q23; average deposits increased 9%

Average Total Loans



Average Total Deposits



Zions' average cost of total deposits reflect a total deposit beta[1] of 36% and an interest-bearing deposit beta of 57%

(1) Deposit beta compares the change in the cost of deposits vs. the change in the target fed funds rate relative to 4Q21.

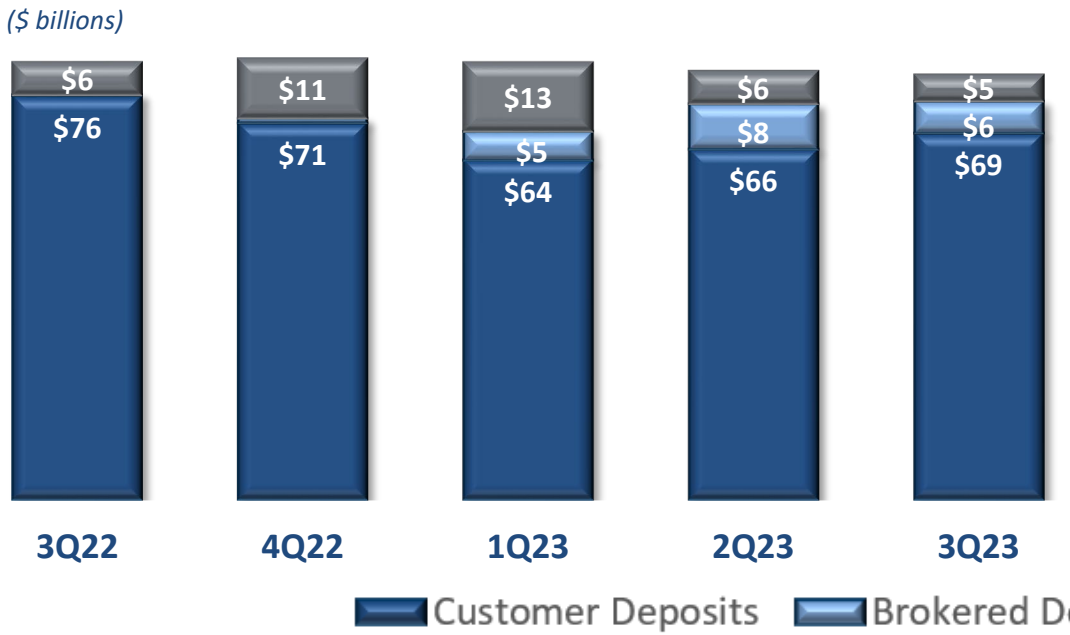
Deposit Balance and Borrowing Trends

Ending deposit balances grew $1 billion vs. 2Q23; customer deposit balances increased $3 billion

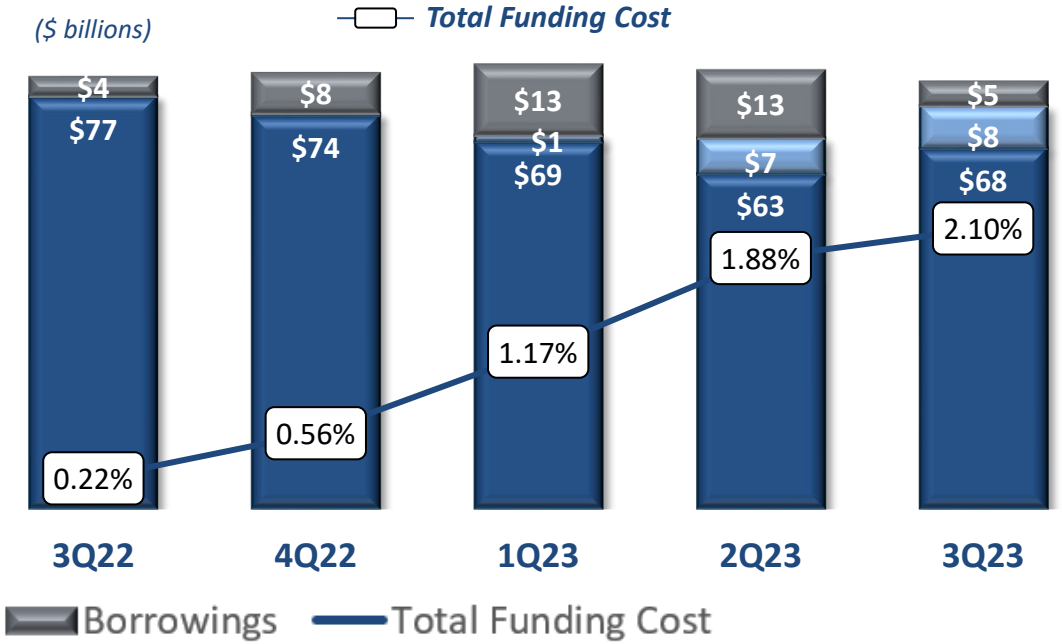
3Q23 total funding costs increased 22 basis points as customer deposits replaced wholesale funding

- Brokered deposits were managed down by $2 billion during the quarter; short-term borrowings have been reduced by $8 billion since their peak in 1Q23
- At September 30th, total customer deposits included $6 billion of reciprocal deposits

Ending Deposits and Borrowings

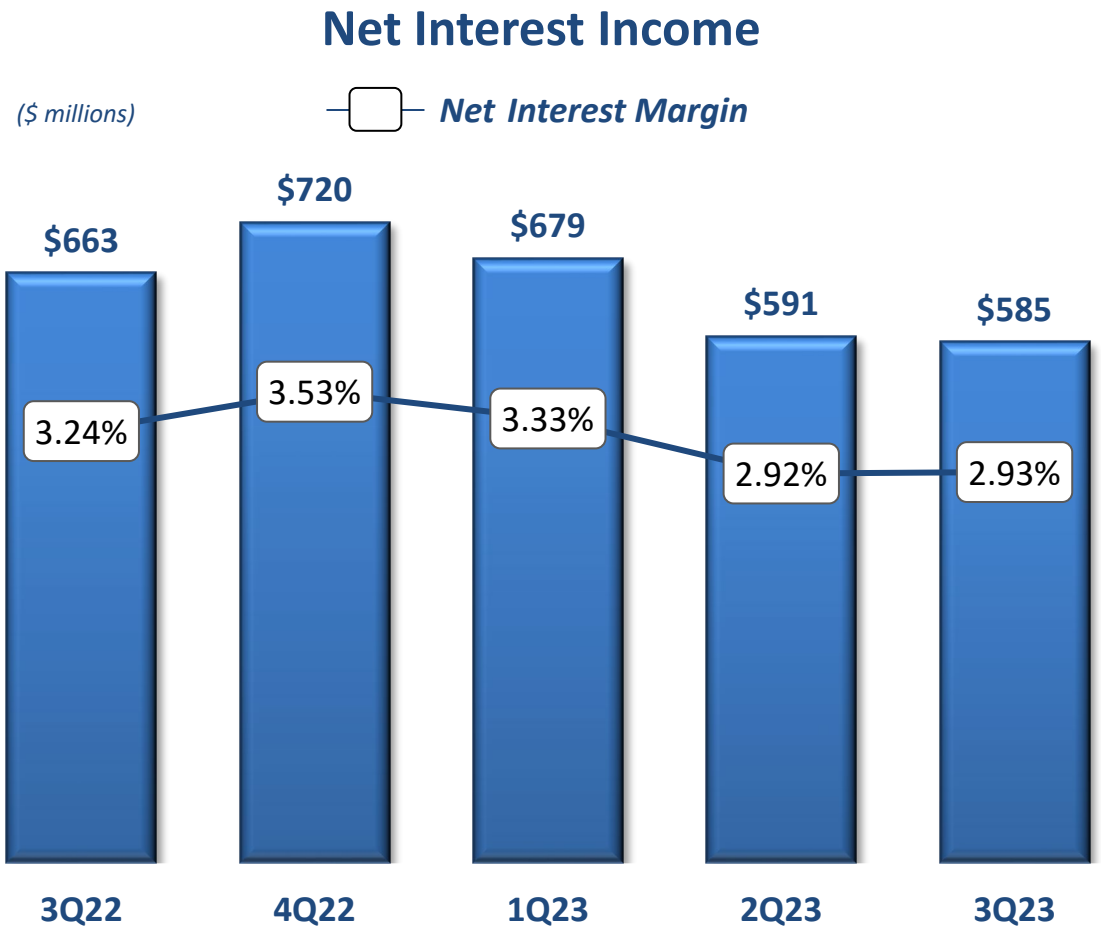


Average Deposits and Borrowings



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

Flat net interest margin as asset repricing offset funding cost pressure



Linked quarter (3Q23 vs. 2Q23):

- Net interest income declined 1%
  - Interest earned on loans increased $40 million
  - Interest paid on deposits increased $146 million
  - Interest paid on borrowings decreased $107 million

Year-over-year (3Q23 vs. 3Q22):

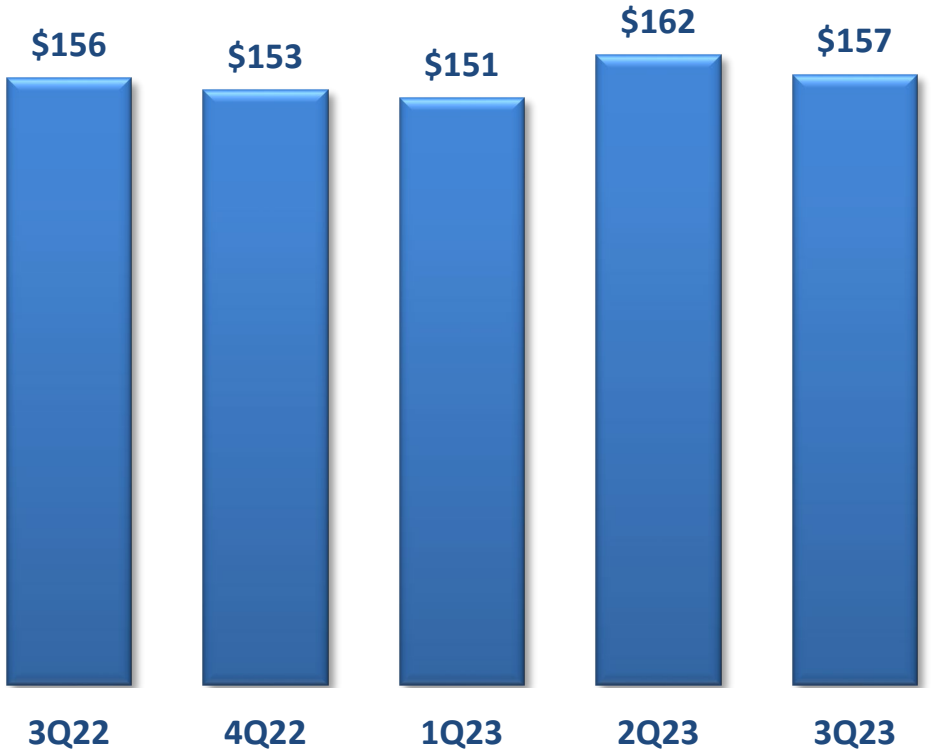
- Net interest income declined 12%
  - Interest income increased $303 million or 43%
  - Interest expense increased $381 million as the cost of interest-bearing liabilities grew significantly during 2023

Noninterest Income and Revenue

Total customer-related noninterest income decreased 3% vs. 2Q23 and was stable vs. the year-ago period; Adjusted Revenue decreased 3% vs. 2Q23 and decreased 8% from the year-ago period

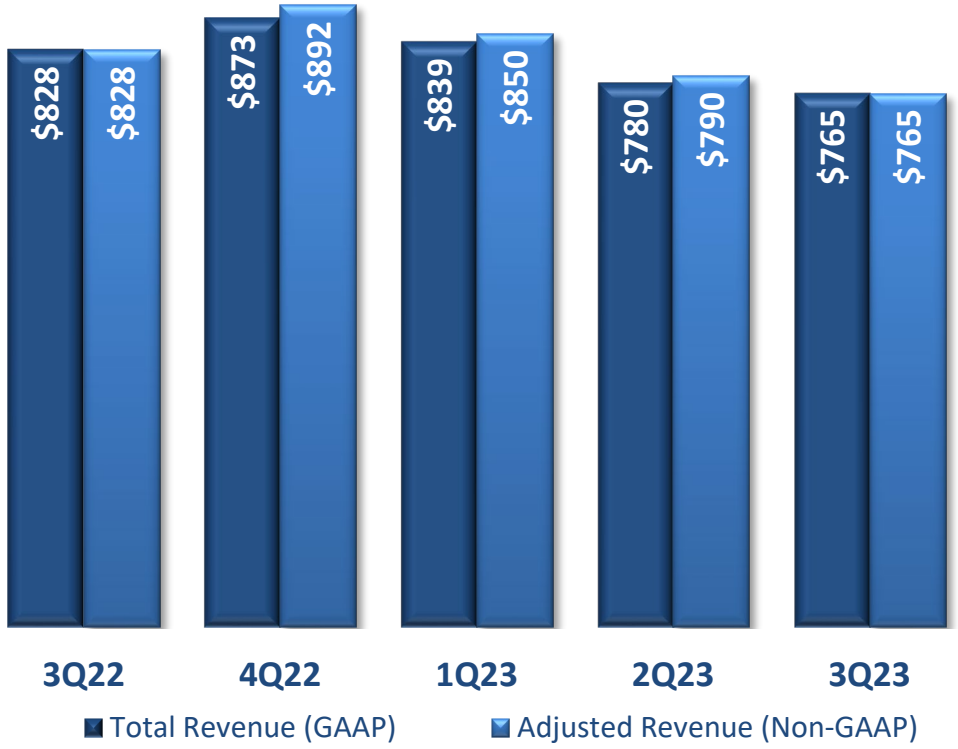
Customer-Related Noninterest Income (1)

($ millions)



Total Revenue (2)

($ millions)



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

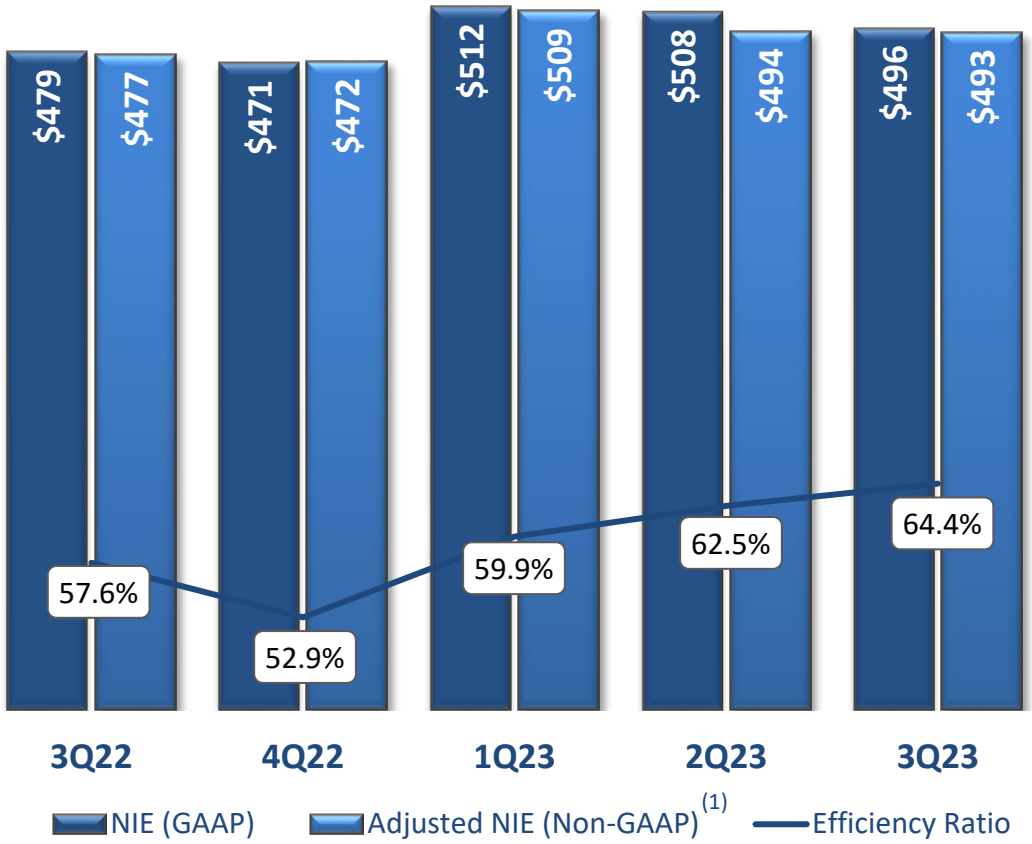
(2) Adjusted revenue is the sum of taxable-equivalent net interest income and noninterest income less adjustments. It excludes the impact of securities gains/losses and fair value and nonhedge derivative income. See Appendix for non-GAAP financial measures.

Noninterest Expense

Adjusted noninterest expense was flat vs. 2Q23 and was up 3% from the year-ago period

Noninterest Expense (NIE)

($ millions)



Total noninterest expense decreased $12 million, compared to the prior quarter, primarily due to the one-time severance expense during 2Q

We are focused on carefully managing operating expense in light of revenue headwinds

Notable items in:

- 2Q23: $13 million severance expense
- 1Q23: $13 million increase in share-based compensation
- 4Q22: $8 million decrease in incentive compensation

(1) Adjusted for items such as severance costs, restructuring costs, and other real estate expense.
See Appendix for non-GAAP financial measures.

Credit Quality

Net charge-offs remain low, with trailing 12 months net charge-offs at just 0.04% of average loans

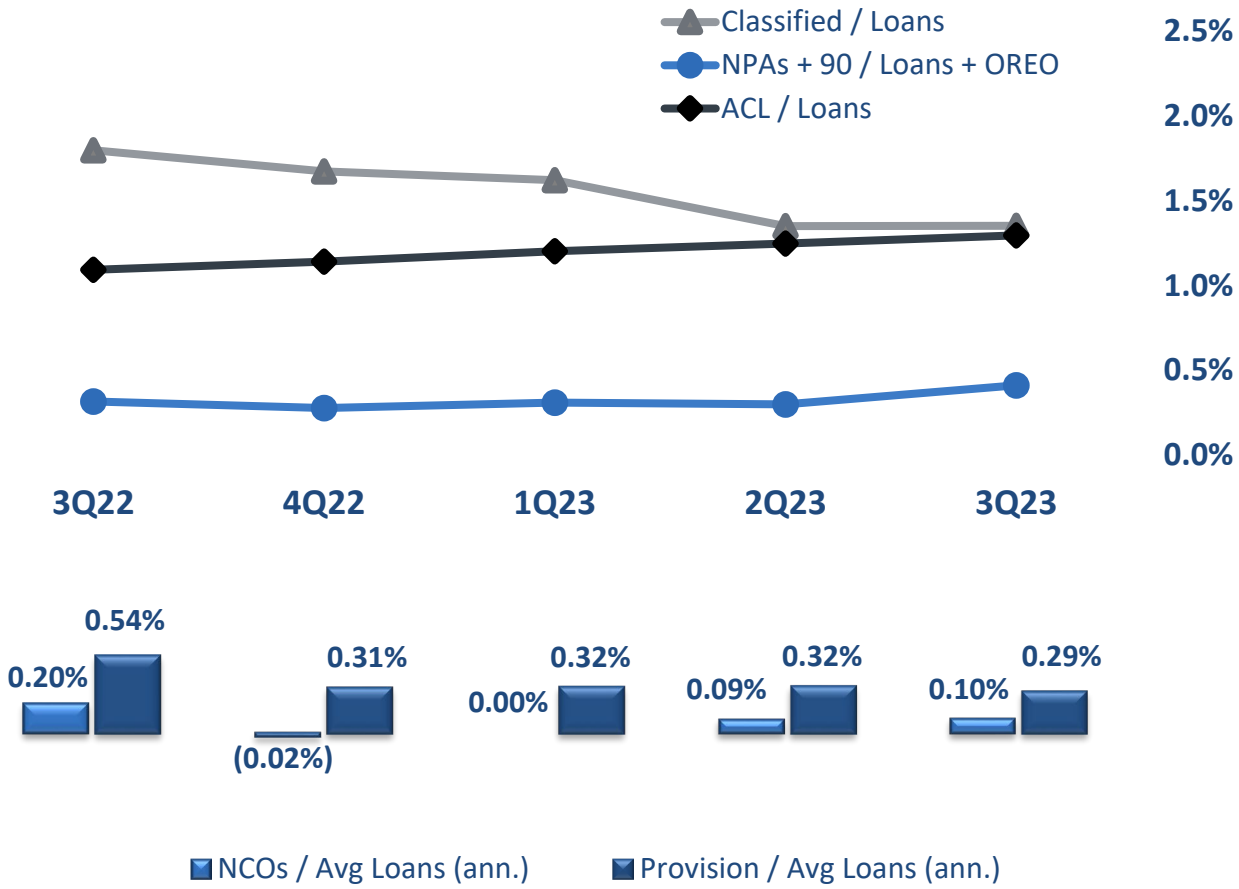
Key Credit Metrics

- **1.4%:** Classified loans/loans
  - **Classified balance remained flat** in 3Q23 from 2Q23
- **0.41%:** NPAs+90[(1)]/loans + OREO
  - **NPA balance increased $64 million or 37%** in 3Q23 from 2Q23
- Net charge-offs (recoveries), relative to average loans:
  - **0.10%** annualized in 3Q23
  - **0.04%** over the last 12 months

Allowance for Credit Losses:

- 1.30% of total loans and leases, up 5 basis points from 2Q23 reflecting an increase in the reserve for CRE Office and other portfolios potentially impacted by higher interest rates

Credit Quality Ratios



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

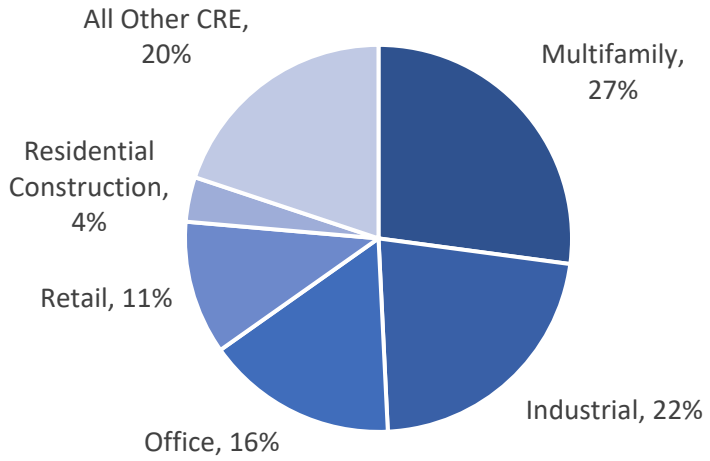
Note: Net charge-offs / average loans and provision / average loans ratios are annualized for all periods shown

Commercial Real Estate Summary

CRE is 23% of total loans: $13.1 billion total CRE; $10.5 billion term & $2.6 billion construction

Portfolio Composition

As of September 30, 2023



- ~80% term, ~20% construction
- Portfolio growth has been carefully managed for over a decade through disciplined concentration limits
- Granular portfolio with solid sponsor or guarantor support
- Well diversified by property type and location

Term CRE

- Conservative weighted-average LTVs (< 60%)
- Maturity distribution: 17% per year on average over next 36 months
- Average & median loan size of $3.3 million & < $1 million
- Total term CRE portfolio 3.6% criticized; 1.5% classified; 0.4% nonaccrual; 0.4% delinquencies

Construction and Land Development

- Land and A&D less than $250 million
- Total construction portfolio 4.6% criticized; 1.9% classified; 0.9% nonaccrual; 0.2% delinquencies

Office ($2.1B: $1.9B term | $0.2B construction)

- 70% suburban and 30% Central Business District
- Average LTV of less than 60%
- Average & median loan size of $4.5 million & < $1 million
- 9.9% criticized; 5.5% classified; 2.3% nonaccrual; 1.3% delinquent
- 3Q23 net charge-offs of $2.8 million in California market

Note: Loan-to-value (LTV) calculations reflect most current appraisal in the denominator and the current outstanding balance in the numerator.