

ZIONS BANK

Press Release

***** FOR IMMEDIATE RELEASE *****

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HIGHER UTILITIES AND LOWER FOOD PRICES LEAD TO SMALL JUMP IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; June 18, 2015 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 0.6 percent from April to May on a non-seasonally adjusted basis. The index has increased 0.6 percent since this same time last year. The national Consumer Price Index increased 0.5 percent from April to May and has remained flat at 0.0 percent over the past twelve months.

Increases in housing prices this month were driven primarily by higher rates for hotel and motel rooms. Prices typically fluctuate based on demand. The beginning of the summer season created a surge in demand for hotel rooms as families began their summer travels. While hotel prices drove the increase, apartment rent also increased in May. Bedding and appliance prices ticked up slightly while maintenance prices dropped.

Utility prices have fluctuated the past few months as summer rates have rolled out. Summer natural gas rates typically decrease starting in April. On the other hand, water and electricity rates in the summer are higher, starting in May. As a result, utility prices jumped from April to May but are expected to flatten out through the rest of the summer.

Food at home prices experienced the biggest decrease in the Wasatch Front Consumer Price Index in May with a 4.9 percent decline. Other goods and services registered next with a decline of 4.3 percent. Utilities marked the largest increase at 4.5 percent, followed by housing at 2.9 percent. All other categories changed less than 1 percent.

Food at home prices dropped primarily as a result of lower prices for seafood, apples, and shelf items. Several monitored items registered with higher prices, but those increases were not high enough to cancel out the items that decreased significantly. Higher-priced items in May included bell peppers, cucumbers, citrus fruits, tomatoes, beef and poultry. The bird flu outbreak in the

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Midwest has had a slight inflationary effect on poultry and egg prices, but not as much as expected. The spread of the disease has ebbed, but experts expect supply to continue to be an issue, particularly in the Midwest.

Transportation prices declined for the first time in three months as vehicle prices, rentals, maintenance, and car insurance decreased in price. The index decreased 0.6 percent from April to May. Gasoline prices, which have driven the increase in the transportation price index, continued to increase in May, but those increases have been gradual the past few weeks. Gasoline prices in Utah are currently \$3.04 per gallon, higher than the national average of \$2.80 per gallon. Crude oil futures, which have largely impacted gasoline prices, have fluctuated between \$62 and \$69 per barrel through the month of May and into June. Brent Crude Oil, the international oil price benchmark, currently sits at approximately \$64 per barrel.

Education and communication prices inched up 0.1 percent in May. As the school year ended, schools published their tuition prices for next school year, which explains part of the increase. Additionally, telephone prices, personal computers, and Internet prices also slightly increased from April to May.

Medical care prices dropped 0.3 percent in May as prescription and nonprescription drugs became slightly less expensive. Medical care services and hospital and related services increased in price but only marginally. Recreation prices dropped 0.1 percent while clothing prices inched upward 0.1 percent. Food away from home prices did not change from April to May.

“Lower food prices this month means extra cash in many consumers’ pocketbooks,” said Scott Anderson, Zions Bank President and CEO. “Steadying gasoline prices will also augment consumers’ spending options heading into the summer season.”

Analysis and data collection for the Zions Bank CPI and the Zions Bank Consumer Attitude Index are provided by the Cicero Group. The Cicero Group is a premier market research firm based in Salt Lake City. The Zions Bank Utah Consumer Attitude Index will be released June 30, 2015.

Zions Bank is Utah’s oldest financial institution and is the only local bank with a statewide distribution of branches, operating 100 full-service offices. Zions Bank also operates 25 full-service branches in Idaho. In addition to offering a wide range of traditional banking services, Zions Bank is also a leader in small business lending and has ranked as the No. 1 lender of U.S. Small Business Administration 7(a) loans in Utah for the past 21 consecutive years. Founded in 1873, Zions Bank has been serving the communities of Utah for more than 140 years. Additional information is available at www.zionsbank.com.