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ZIONS BANK

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Press Release

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HOUSING PRICES DRIVE INCREASE IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; October 15, 2015 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 0.4 percent from August to September on a non-seasonally adjusted basis. The index has increased 2.4 percent since this same time last year, which is in the range of the Federal Reserve's national inflation target of 2 percent. The national Consumer Price Index decreased 0.2 percent from August to September and has remained flat over the past twelve months.

Housing prices were the primary driver of the increase in the September CPI, having increased 1.2 percent from the month before. Housing prices — which include apartment rent, bedding, appliances, furniture and maintenance — account for over a third of the average Utahn's income. As a result, fluctuations in housing prices have a large impact on the CPI. In contrast, the next two largest categories, transportation and food at home prices, both declined in price in September.

Transportation prices declined 0.2 percent from August to September as a result of lower vehicle rental, vehicle maintenance and gasoline prices. The cost of vehicle rentals dropped the most from August to September, followed by vehicle maintenance. While gasoline price declines continue, these have slowed in recent weeks, having dropped less than 2 percent from August to September. Brent Crude Oil, the international benchmark for oil prices, fluctuated throughout September but trended downward. Current futures register at about \$49 per barrel compared to \$59 per barrel three months ago. Gasoline prices in Utah are still higher than the national average of \$2.29 per gallon, but national prices have started to decline at a slower rate. Gasoline prices in Utah currently average \$2.55 per gallon.

Food at home prices dropped 0.6 percent from August to September, as poultry, beef, pears, bell

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peppers and other produce items dropped in price. The decline was tempered by increases in dairy, pork, tomatoes and apples, among others. Producer prices nationally fell in September due to lower gasoline prices, which is evidence that lower consumer prices in Utah are following national trends. U.S. producer prices dropped 0.5 percent in September, and wholesale prices have decreased 1.1 percent from a year ago.

Clothing prices edged upward 0.4 percent in September. Women’s apparel increased in price going into the fall season. In contrast, men’s and children’s clothing dipped slightly in price, while accessories such as jewelry and watches remained essentially the same.

The beginning of school for elementary, high school, and college students led to noted increases in education fees. Education and communication prices overall increased 0.5 percent in September. College course fees were the main driver of higher education prices, although some other program fees increased as well.

Other goods and services also experienced a small increase, moving up 0.6 percent from a month earlier as a result of higher prices for personal hygiene products. A decline in personal care products and cosmetics prices dampened this price increase. Other categories, including food away from home, utilities, medical care and recreation, did not change from August to September.

“The increase of consumer prices in Utah is evidence of our state’s strong economy,” said Scott Anderson, Zions Bank President and CEO. “As housing and other prices rise, we’ll be able to create more jobs and opportunities for Utahns.”

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 October 27, 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.

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