

ZIONS BANK

Press Release

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

FOR: ZIONS FIRST NATIONAL BANK
One South Main, Suite 200
Salt Lake City, UT
A. Scott Anderson
President/Chief Executive Officer

Contact: Heidi Prokop
Public Relations Manager
Tel: (801) 844-7915

Randy Shumway
Chief Executive Officer
The Cicero Group
Tel: (801) 456-6700

SUSTAINED FALL IN GASOLINE PRICES CONTRIBUTES TO SLIGHT DECLINE IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; January 20, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) decreased 0.3 percent from November to December on a non-seasonally adjusted basis. The index has increased 1.8 percent since this same time last year, which is very near the Federal Reserve's national inflation target of 2 percent. The national Consumer Price Index decreased 0.3 percent from November to December and increased 0.7 percent over the last year.

Transportation prices contributed more than any other category to the decrease in Utah's December CPI, declining 2.7 percent from the month before as flight and vehicle rental rates fell. Gasoline prices have continued their steady, months-long decline, accounting for the greatest impact on falling transportation prices. Brent Crude Oil, the international benchmark for oil prices, fluctuated slightly throughout December but continued its downward trend. Current futures register at about \$28 per barrel compared to \$59 per barrel a year ago. Gasoline prices in Utah are still higher than the national average of \$1.87 per gallon. This is in part due to a gasoline tax of about five cents per gallon introduced in Utah on January 1 this year, which will generate about \$76 million for the state annually. Gasoline prices in Utah currently average \$2.00 per gallon.

Housing prices declined 0.2 percent in December due to decreases in prices of bedding and other furnishings. Housing prices have a large impact on the average Utahn's expenditures, magnifying the effect of even modest price fluctuations, making this month's slight decline broadly impactful across the state's economy.

The prices of other goods and services also fell 1.0 percent in December. However, since this

- more -

category comprises only 3.1 percent of the average Utahn’s expenditures, it made a minor contribution to the overall decrease in the CPI relative to the impact of transportation prices.

Some areas were marked by price increases in December. Prices for clothing rose 3.2 percent this month, a greater increase than all other sectors as retailers sought to take advantage of the busy holiday shopping season. However, clothing expenses account for only 4.8 percent of the average Utahn’s income. As a result, significant fluctuations in these prices have a relatively small impact on the overall CPI.

A few other categories increased in price this month, balancing some of the aforementioned price drops. Food at home prices increased by 1.4 percent—a significant increase that may be mitigated if El Niño rains resolve the water scarcity that has hindered food production. Meanwhile, recreation prices increased 0.3 percent this month. With food at home and recreation prices comprising 8.4 and 6.0 percent of the average Utahn’s total expenditures respectively, movement in these categories collectively had a moderate impact on the overall CPI.

Food away from home, utilities, medical care, education and communication prices remained unchanged through the month of December.

“The sustained decline in oil prices has continued to challenge many of the world’s largest economies,” said Scott Anderson, Zions Bank President and CEO. “But the savings this trend has passed on to individual consumers in Utah can be expected to pay dividends through 2016 here at home in Utah, as local businesses and the state’s economy profits from increased spending on local goods.”

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 Jan. 26, 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 24 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 22 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.

#