

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

RIISING CLOTHING AND GASOLINE PRICES DRIVE SLIGHT INCREASE IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; April 14, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 0.4 percent from February to March on a non-seasonally adjusted basis. The index has increased 2.2 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 increased 0.4 percent from February to March and increased 0.9 percent over the last year.

Transportation prices were the primary driver of the increase in Utah's March CPI, rising 1.5 percent from the month before as gasoline prices rose. The price of Brent Crude Oil, the international benchmark for oil prices, increased sharply through the first half of March before receding slightly. Currently, futures register at about \$42 per barrel compared to \$61 per barrel a year ago. As refineries completed the switchover to a more expensive summer blend in March, gasoline prices rose steadily and are expected to move higher leading into the summer driving season. However, consumers will likely benefit from prices that will remain low compared to previous summers due to overall abundance of supply and low crude oil prices. Gas prices in Utah are slightly higher than the national average of \$2.10 per gallon, currently averaging \$2.12 per gallon in the state.

Vehicle rental rates also contributed to the increase in transportation prices. Car rental agencies often increase rates when demand is high. With gas prices low compared to previous summer driving seasons, demand for car rentals is on the rise. As such, rental companies may continue to increase prices to capitalize on increasing demand.

Although clothing only accounts for 4.9 percent of the average Utahn's expenditures, clothing prices increased 2.0 percent from February to March, a greater increase than that of any other

- more -

sector. This increase stems from rising prices in all categories of apparel.

Prices for utilities increased 0.8 percent from February to March, reflecting higher summer electricity rates. Although prices for utilities in Utah have increased 2.6 percent since this time last year, the average retail price of electricity is cheaper in only eight other states in the U.S. Housing prices also rose this month, increasing 0.3 percent as hotel and motel rates and furniture prices ticked slightly upward.

Recreation prices increased 0.5 percent this month due to slightly higher prices for pets and pet products. Prices for medical care increased 0.4 percent. Education and communication prices also increased 0.4 percent as elementary and high school tuition rose slightly. With recreation, medical care, and education and communication accounting for 6.1, 6.2, and 6.6 percent of a typical Utahn’s consumption, respectively, these three categories in aggregate contributed to the increase in this month’s overall CPI.

Prices for other goods and services declined more than any other sector in March as several service providers such as laundromats and hair stylists lowered their prices. Food prices also declined in March. Prices for food at home decreased 0.5 percent this month, and prices for food away from home decreased 0.2 percent this month. Accounting for a combined 16 percent of the average Utahn’s consumption, food prices have a significant impact on the overall CPI.

“Short-term price jumps for necessities such as clothing may present a reason for pause for some consumers,” said Scott Anderson, Zions Bank’s President and CEO. “But long-term inflation has been both gradual and broadly dispersed across several categories, suggesting that the economy is in fact continuing to stabilize and grow.”

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 April 26, 2016.

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.

#