

ZIONS BANK

Press Release

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

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RISING GASOLINE AND HOUSING PRICES DRIVE INCREASE IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; May 17, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 1.1 percent from March to April on a non-seasonally adjusted basis. The index has increased 2.1 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 0.5 percent from March to April and increased 1.1 percent over the last year.

Transportation prices were the primary driver of the increase in Utah's April CPI, rising 3.6 percent from the month before as airfare and gasoline prices increased. The price of Brent Crude Oil, the international benchmark for oil prices, increased nearly 20 percent in April despite volatility stemming from a failed OPEC deal in the middle of the month. Currently, futures register at about \$49 per barrel compared to \$67 per barrel a year ago. Rising crude prices and increased demand pushed gasoline prices higher in April. However, gasoline prices remain low compared to previous summers due to a decline in oil prices year-over-year. Gas prices in Utah are slightly higher than the national average of \$2.23 per gallon, currently averaging \$2.42 per gallon in the state.

Prices for food away from home increased 1.6 percent from March to April, and have increased 6.6 percent since this time last year. Food away from home prices have been pushed higher as labor costs rise and as restaurants continue to make larger investments in technology. Meanwhile, food at home prices remain relatively low. Food at home prices decreased 0.1 percent this month, and have decreased 4.4 percent since this time last year.

Education and communication prices increased 1.4 percent this month as tuition and fees for colleges and elementary and high schools rose. Bolstered by a strong housing market, apartment

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rental and hotel and motel rates rose this month, driving housing prices up 1.0 percent from March to April. Housing prices have increased 4.8 percent since this time last year, and are expected to continue to rise through 2016. Accounting for a combined 43 percent of the average Utahn’s consumption, increases in housing and education and communication have a significant impact on the overall CPI.

Recreation prices increased 0.8 percent this month due largely to slightly higher rates for subscription television services. Prices for medical care increased 0.5 percent. With recreation and medical care each accounting for 6.1 percent of a typical Utahn’s consumption, these two categories in aggregate contributed slightly to the increase in this month’s overall CPI.

In spite of rising oil prices, utilities declined more than any other sector in April as providers switched to lower summer rates for gas. These lower rates, along with decreased prices for propane, offset slight increases in rates for water, causing utilities prices to decline 2.3 percent this month.

Prices for other goods and services also declined as prices for personal care products decreased. Prices for other goods and services declined 0.6 percent, but only account for 3.0 percent of the average Utahn’s consumption, resulting in a marginal impact on the Wasatch Front’s overall CPI.

“Rising gasoline and housing prices may seem like unwelcome strains on tight budgets,” said Scott Anderson, Zions Bank’s President and CEO. “But rising oil prices from historic lows lead to greater stability in the global economy, and a strong housing market signals promising returns and financial security for Utah homeowners.”

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 May 31, 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.

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