

ZIONS BANK

Press Release

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

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LOWER TRANSPORTATION PRICES OFFSET BROAD PRICE INCREASES RESULTING IN STEADY WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; September 16, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) remained unchanged from July to August on a non-seasonally adjusted basis. The index has grown 1.3 percent since this same time last year, which is below the Federal Reserve's national inflation target of 2 percent. The national Consumer Price Index increased 0.1 percent from July to August and has grown 1.1 percent over the last year.

Transportation prices decreased more than any other sector in August, falling 2.3 percent as prices for gasoline and rates for vehicle rentals and airfares declined. Since this time last year, transportation prices have declined 3.2 percent in Utah and 4.9 percent in the U.S. These declines took place in spite of the fact that the price of Brent Crude Oil, the international benchmark for oil prices, remained fairly steady in the month of August. Currently, futures register at about \$46 per barrel compared to \$38 per barrel at the year's open and \$53 per barrel at their peak in early June. Gas prices across the nation have decreased over the last month largely due to lower driving demand as the busy summer driving season has come to a close. Gasoline prices are expected to continue to decline as the changeover from summer-blend to a cheaper winter-blend begins to take place this month. Gas prices in Utah are higher than the national average of \$2.18 per gallon, currently averaging \$2.33 per gallon.

Food at home prices decreased 1.5 percent in August as prices for a variety of fruits and vegetables decreased. Grocery prices nationwide have fallen for eight straight months as U.S. food companies have continued to produce and stockpile food while overseas demand has simultaneously tapered. Meanwhile, prices for food away from home remained fairly steady as higher prices for fast food were offset by lower prices for full service meals.

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Clothing prices increased more than any other sector, rising 2.0 percent from July to August as prices for women's and men's apparel more than offset lower prices for children's clothes. Medical care prices also saw strong gains, rising 1.9 percent in August as prices for prescription drugs increased. Utah has remained relatively insulated from rising medical care prices, which have increased 4.0 percent nationally but only 0.1 percent in Utah since this time last year.

Housing prices rose 0.4 percent from July to August as apartment rental rates increased. The housing index includes prices for furniture, bedding, appliances, and maintenance, in addition to rates for hotels, motels, and apartment rent. Prices in the housing sector as a whole have increased 3.0 percent since this time last year. Prices for homes specifically have fared even better, rising 7.9 percent in the last year compared to a national increase of 5.4 percent.

Recreation prices increased 1.1 percent this month as prices for pets and pet products increased. Prices for other goods and services increased 0.2 percent, as prices for personal care, hygiene, and cosmetics products increased, more than offsetting lower prices for laundry services.

Education and communication prices increased 0.9 percent this month as tuition and fees at some elementary and high schools rose. Prices for the utilities sector increased 0.1 percent this month as rates for garbage collection and water increased slightly. Combined, these two categories account for just over 11 percent of the average Utahn's expenditures, resulting in a moderate impact on the overall CPI in spite of only minor price increases.

“Oil prices climbed in early 2016 but have remained fairly steady over the past three months,” said Scott Anderson, Zions Bank President and CEO. “Relatively low gasoline prices have continued to yield savings at the pump for consumers, and combined with lower costs for groceries, consumer dollars are stretching even further.”

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 September 27, 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.