

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

BROAD PRICE INCREASES LED TO MARGINAL LIFT IN WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; October 18, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) increased 0.1 percent from August to September on a non-seasonally adjusted basis. The index has grown 0.9 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 0.2 percent from August to September and has grown 1.5 percent over the last year.

The increase in Utah's overall CPI was driven by price increases in several categories. Housing and education and communication prices increased more than any of the other measured sectors, each rising 0.7 percent. Rising rates for telecommunication services, and slightly higher tuition at some elementary and high schools drove the increase in the education and communication sector. The increase in housing prices was driven primarily by rising apartment rental rates. 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 2.5 percent since this time last year. Specifically, prices for homes have fared even better, rising 7.7 percent in the last year compared to a national increase of 6.2 percent.

Transportation prices remained fairly steady after several months of volatility, as lower rates for airfares and vehicle rentals were offset by higher prices for public transit and cab fares. The price of Brent Crude Oil, the international benchmark for oil prices, remained relatively steady in the month of September as well. Currently, futures register at about \$52 per barrel compared to \$38 per barrel at the year's open and \$53 per barrel at their peak in early June. Seasonal declines in gas prices stalled this month largely due to disruptions on the Colonial Pipeline, refinery maintenance, and market reactions to OPEC's production agreement. Gas prices in Utah are currently higher than the national average of \$2.24 per gallon, currently averaging \$2.34 per

- more -

gallon. Since this time last year, transportation prices have declined 1.0 percent in Utah and 1.1 percent in the U.S.

Medical care prices also saw increases, rising 0.5 percent in September as prices for hospital and other medical care services increased. Utah has remained relatively insulated from rising medical care prices, which have increased 4.9 percent nationally but only 0.7 percent in Utah since this time last year.

Prices for other goods and services increased 0.2 percent, as prices for hygiene products increased, offsetting lower prices for cosmetic products. Prices for the utilities sector increased 0.5 percent this month as sewer rates, water rates, and propane rose in price. Combined, these two categories account for almost 8 percent of the average Utahn's expenditures, resulting in a moderate impact on the overall CPI in spite of only minor price increases.

Recreation prices fell more than any other sector this month, declining 3.1 percent. Lower recreation prices stemmed primarily from lower subscription rates for cable and satellite television. Clothing prices also decreased 1.2 percent from August to September as prices for apparel, jewelry and watches declined.

Food at home prices decreased 0.7 percent in September as prices for a variety of fruits and produce decreased. Meanwhile, prices for food away from home increased 0.1 percent as prices for fast food and snacks rose slightly.

“Slower than optimal inflation is always a concern,” said Scott Anderson, Zions Bank President and CEO. “But steady price increases across a broad range of products and services signals relative stability, a welcome respite after several months of volatility in particularly large sectors such as transportation.”

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 25, 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.