

# ZIONS BANK

## Press Release

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

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### **AS THE FED ANNOUNCES RATE HIKE, WASATCH FRONT CONSUMER PRICE INDEX RISES AS PRICES FOR FOOD AWAY FROM HOME AND MEDICAL CARE INCREASE**

SALT LAKE CITY, Utah; December 15, 2016 — As the Federal Reserve announced its first increase in short term interest rates since 2006 on Dec. 14, the Zions Bank Wasatch Front Consumer Price Index (CPI) surpassed the Fed's national inflation target of 2 percent. The CPI increased 0.2 percent from October to November on a non-seasonally adjusted basis, rising 2.1 percent since this same time last year. The national Consumer Price Index decreased 0.2 percent from October to November and has grown 1.7 percent over the last year.

The increase in Utah's overall CPI was driven by higher prices for food away from home and medical care, which rose 2.9 percent and 2.8 percent, respectively. Food away prices rose as prices for full service meals and fast food and snacks increased. Medical care prices increased as rates for services rose. Medical care prices have increased 2.3 percent over the last year in Utah, compared to the national annual increase of 4.0 percent.

“Medical care prices are rising across the nation, and Utah is no exception to this trend,” said Scott Anderson, Zions Bank President and CEO. “That being said, Utah healthcare prices are rising at a relatively slower clip, remaining affordable for consumers largely because we have one of the most efficient healthcare systems in the nation.”

The increase in Utah's overall CPI was also driven by higher prices in the following categories:

- Transportation prices increased 0.3 percent, bolstered by higher gasoline, airfare, car insurance, and public transit prices
- Clothing prices increased 0.3 percent as prices for men's and women's apparel rose
- Recreation prices increased 0.3 percent as prices for pets and pet products rose

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- Food at home prices increased 0.2 percent, driven by higher prices for tomatoes, pears, and meats

Utah's price increases were slightly offset by lower prices in the following sectors:

- Education and communication prices declined 3.0 percent as rates for telephone services dipped slightly
- Prices for other goods and services fell 1.2 percent as prices for personal care and hygiene products decreased
- Utilities prices declined 0.1 percent as lower winter water rates more than offset higher gas rates

“Annual inflation both nationally and in Utah is again hovering around the Federal Reserve’s target of 2 percent,” said Randy Shumway, CEO of Cicero Group. “This signals strong economic conditions as growing demand for goods and services continues to sustainably fuel business expansion.”

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 December 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 23 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](http://www.zionsbank.com).