

ZIONS BANK

Press Release

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

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SUSTAINED STRONG HOUSING MARKET LIFTS WASATCH FRONT CONSUMER PRICE INDEX

SALT LAKE CITY, Utah; March 15, 2017 — The Zions Bank Wasatch Front Consumer Price Index (CPI) ticked upward for the second month in a row after a slight dip in December. The Wasatch Front CPI rose 0.2 percent in February and has increased 3.2 percent since this same time last year. The annual increase has been driven by steadily increasing housing prices over the past twelve months, as well as rising clothing prices. The national Consumer Price Index rose 0.3 percent from January to February and has grown 2.7 percent over the last year.

The prices of other goods and services in Utah jumped the most from last month, increasing by 2.4 percent, while housing prices also rose 1.6 percent. Housing alone accounts for nearly 38 percent of the average Utah consumer's expenditures, so rising housing prices have a significant impact on overall prices in Utah.

"A strong housing market translates to a stronger overall economy throughout the state," said Scott Anderson, Zions Bank President and CEO. "As housing prices rise, residents are more confident in the value of their homes. They then become more confident in their purchasing power, which has positive repercussions across the economy."

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

- Prices for food at home increased 0.7 percent this month as apples, citrus fruits, lettuce, and seafood increased in price
- Education and communication prices increased 0.6 percent as fees for some elementary and high schools increased
- Clothing prices increased 0.4 percent as prices for men's and women's apparel rose

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

- Medical care prices decreased 3.4 percent as some medical care services and hospital services became less expensive
- Food away from home dropped 1.6 percent as prices for both full service meals and fast food and snacks fell
- Transportation prices decreased 1.5 percent despite rising gasoline prices as airfare, vehicle rentals, and car insurance prices declined
- Utilities prices decreased 0.2 percent as sewer rates went down

“We’re seeing price increases in the right places, like housing and clothing,” said Randy Shumway, Chairman and Partner at Cicero Group. “Prices are increasing at a relatively slow pace, which gives consumers time to adjust, but the pace is also steady, which gives businesses time to ramp up and plan for the coming months. Overall, things are looking good for Utah’s economy.”

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 March 28, 2017.

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.