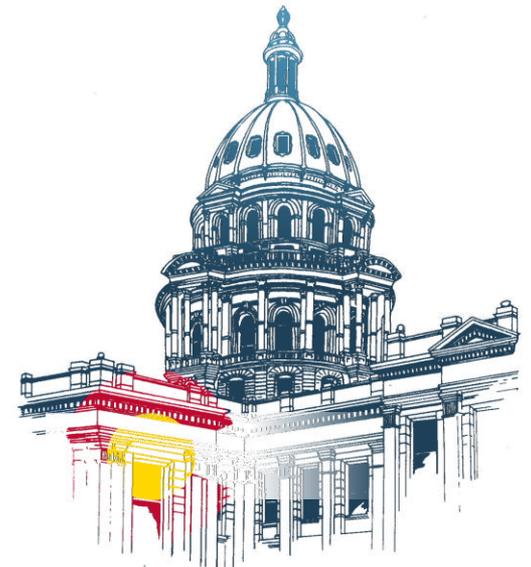
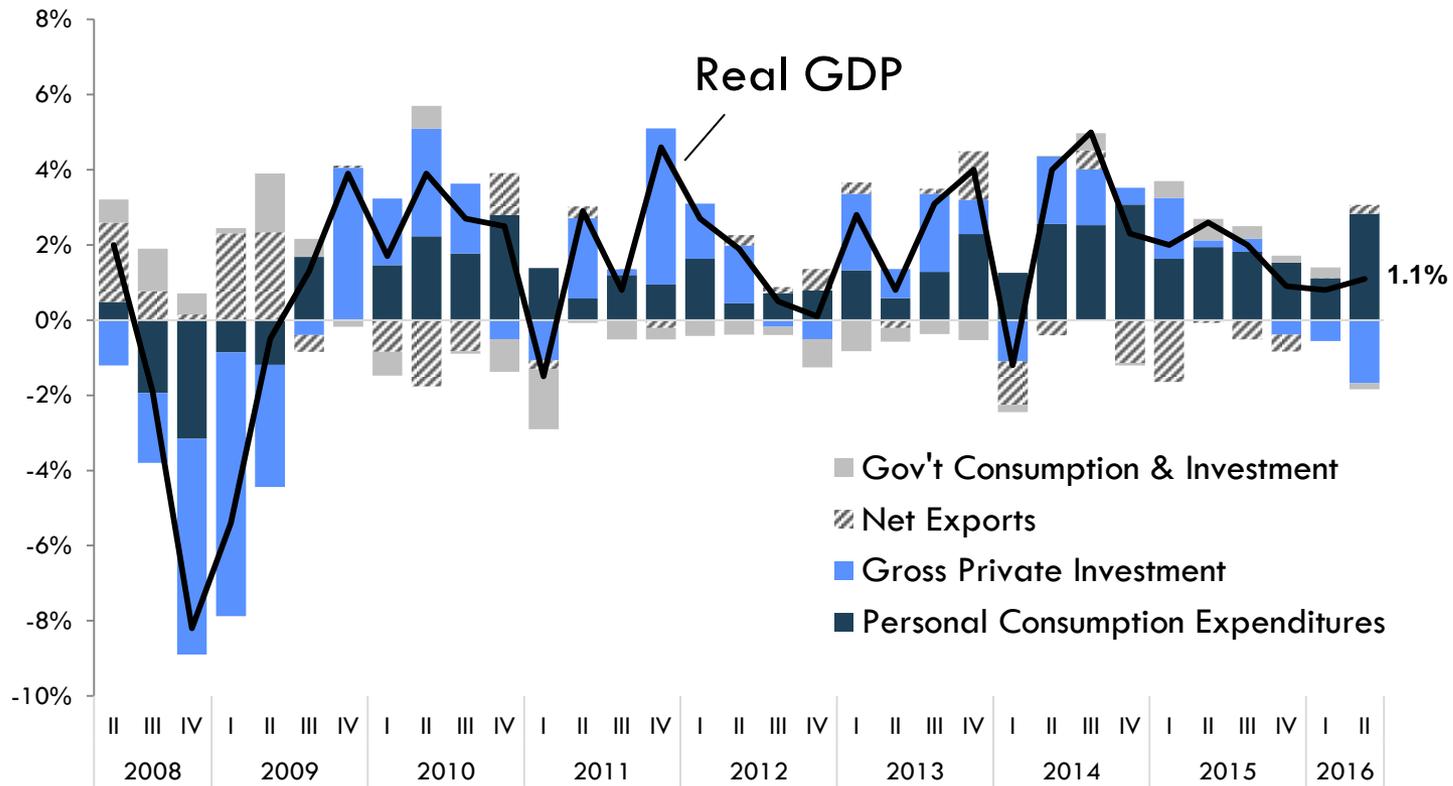


Economic Outlook for the U.S. and Colorado



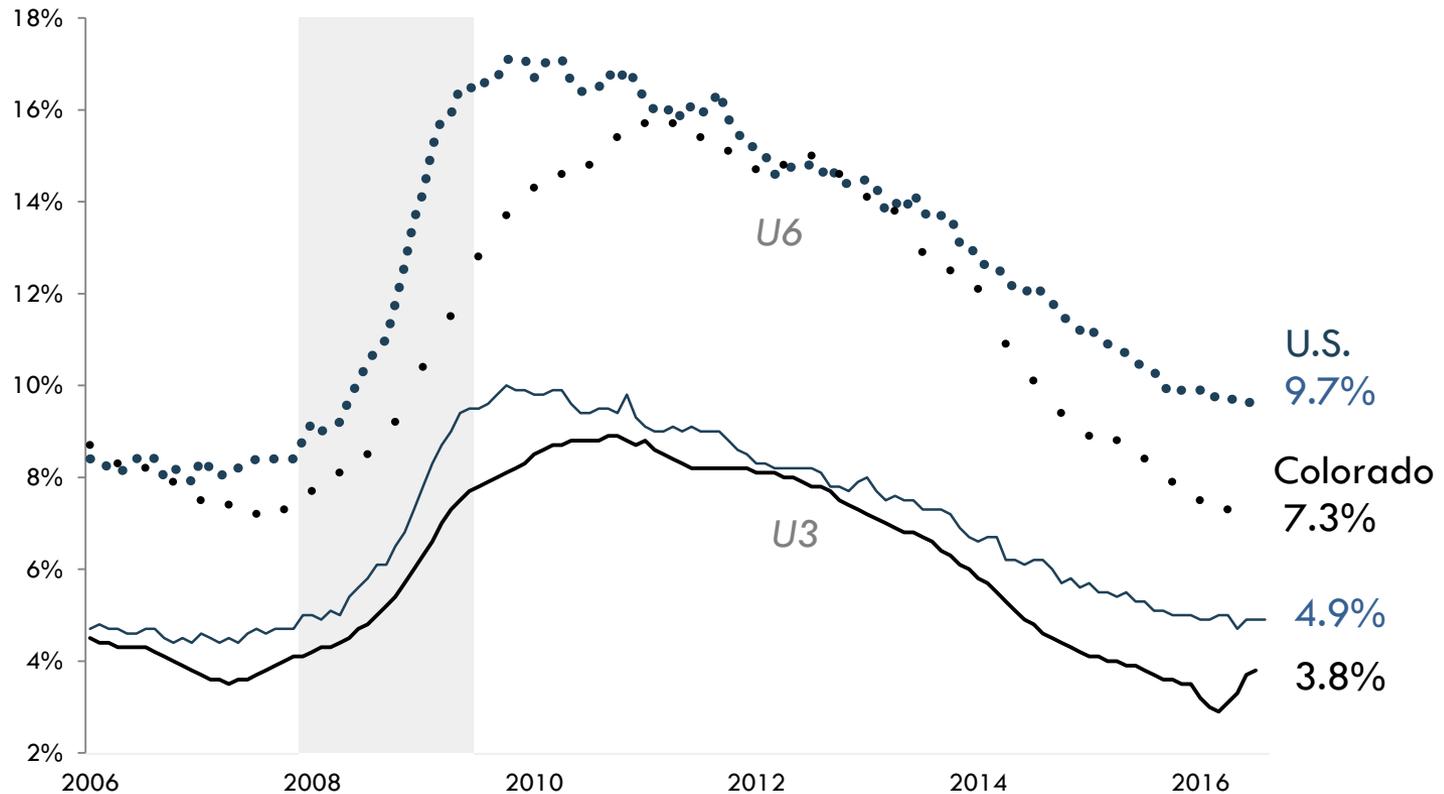
The ongoing expansion in the U.S. economy is fueled by consumer contributions

Contributions to Real U.S. Gross Domestic Product (GDP)



The labor market has achieved full employment

Unemployment (U3) & Underemployment (U6) Rates

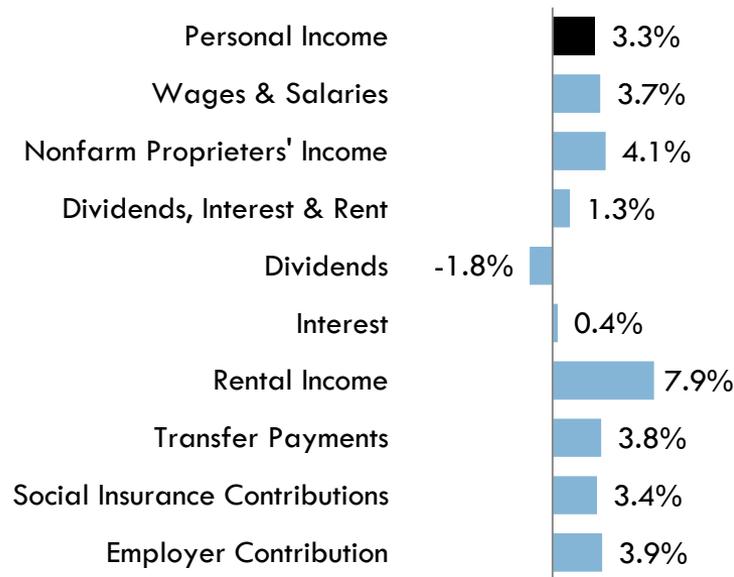


Source: U.S. Bureau of Labor Statistics. Unemployment rates for Colorado are shown as four quarter moving averages, while data for the U.S. are monthly. Data are seasonally adjusted.

Wages and salaries are among the fastest growing components of personal income...

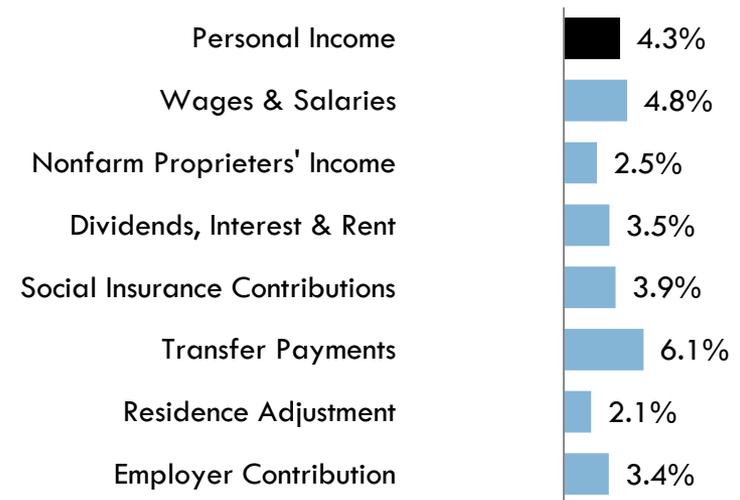
United States

2016 over 2015 Year-to-Date

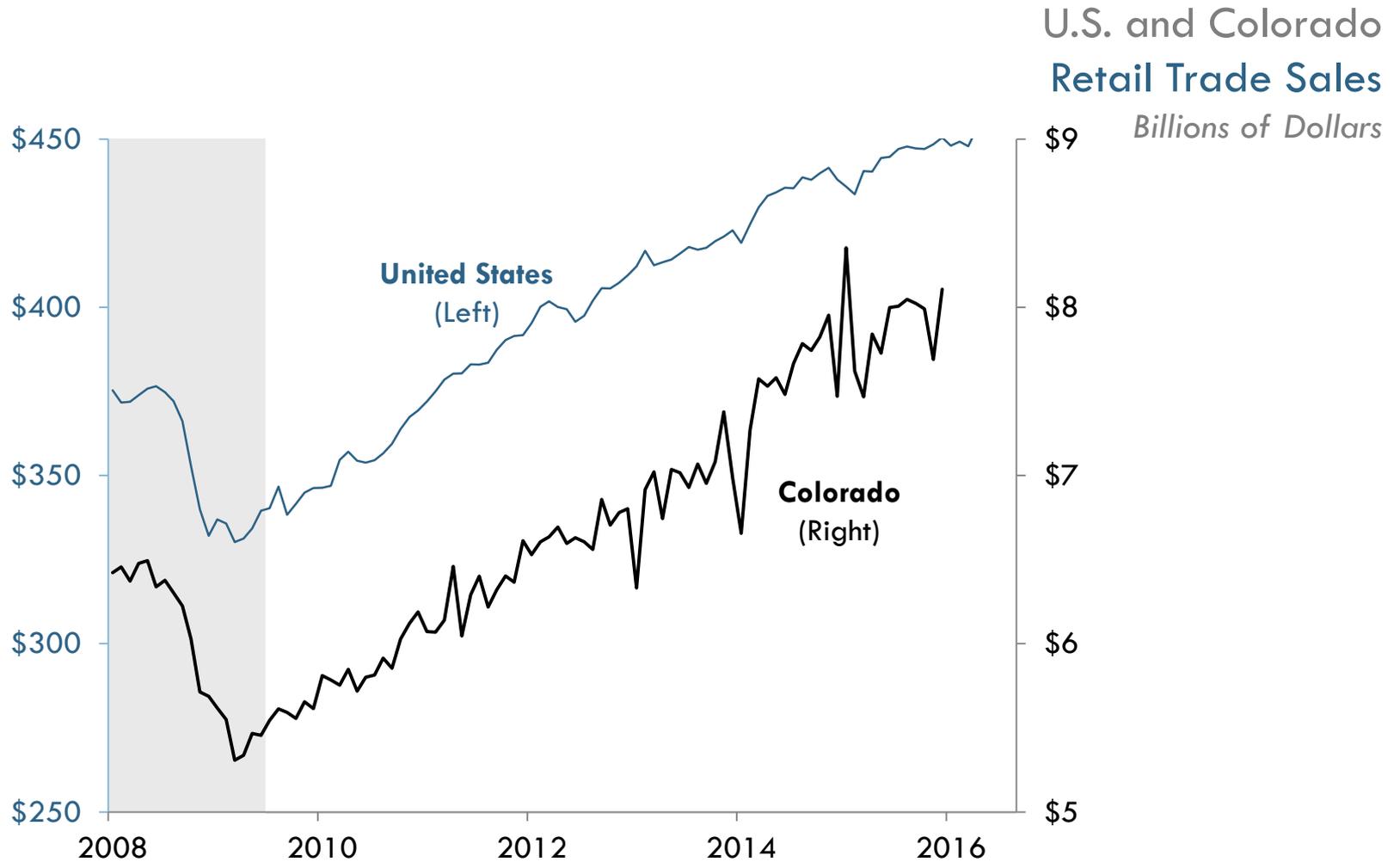


Colorado

2016 over 2015 Year-to-Date



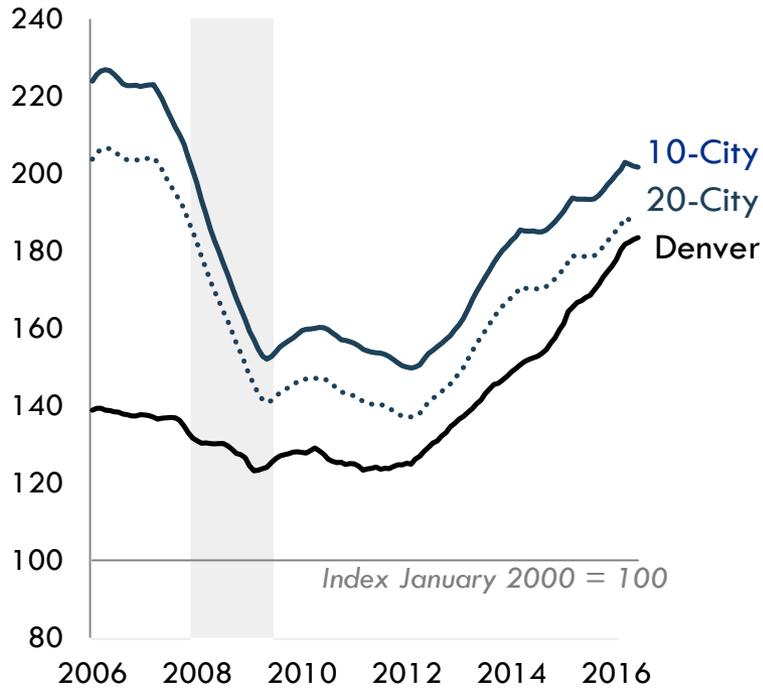
...but retail trade is sluggish.



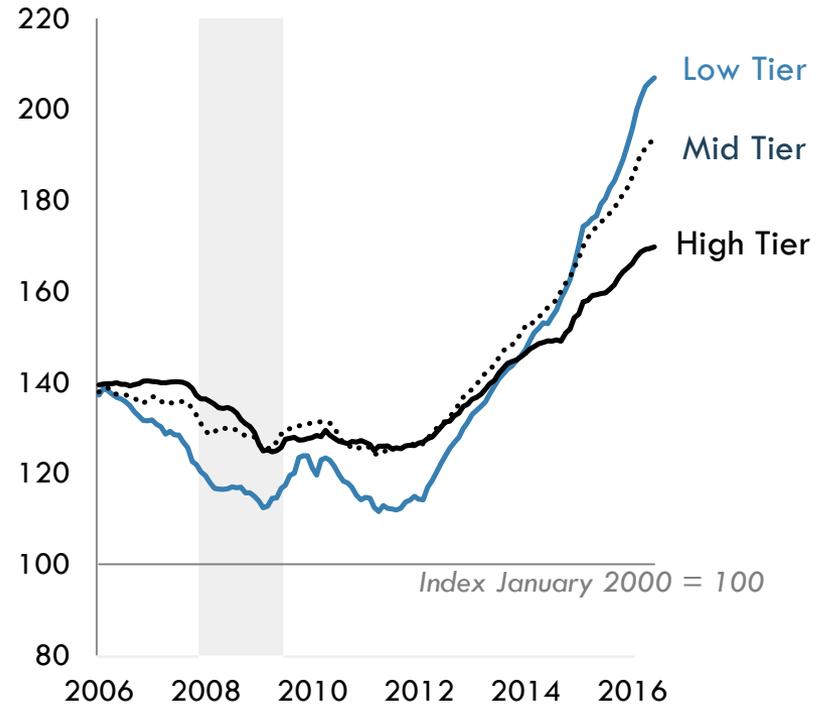
Source: U.S. Census Bureau and Colorado Department of Revenue. Data are seasonally adjusted but are not adjusted for inflation. U.S. data through June 2016; Colorado data through December 2015.

Colorado housing costs continue to soar, dampening the outlook for consumer spending.

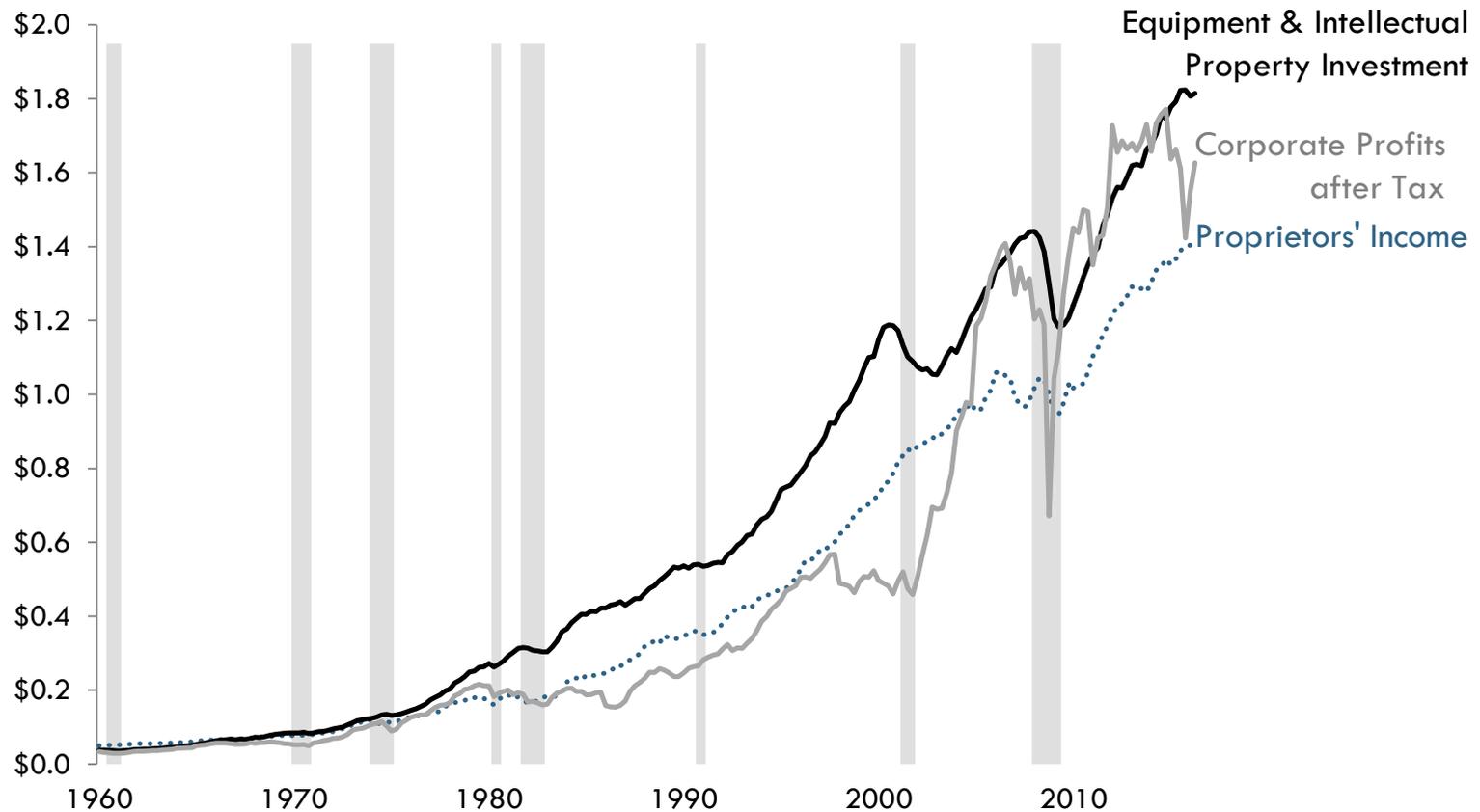
Case-Shiller Home Price Indices



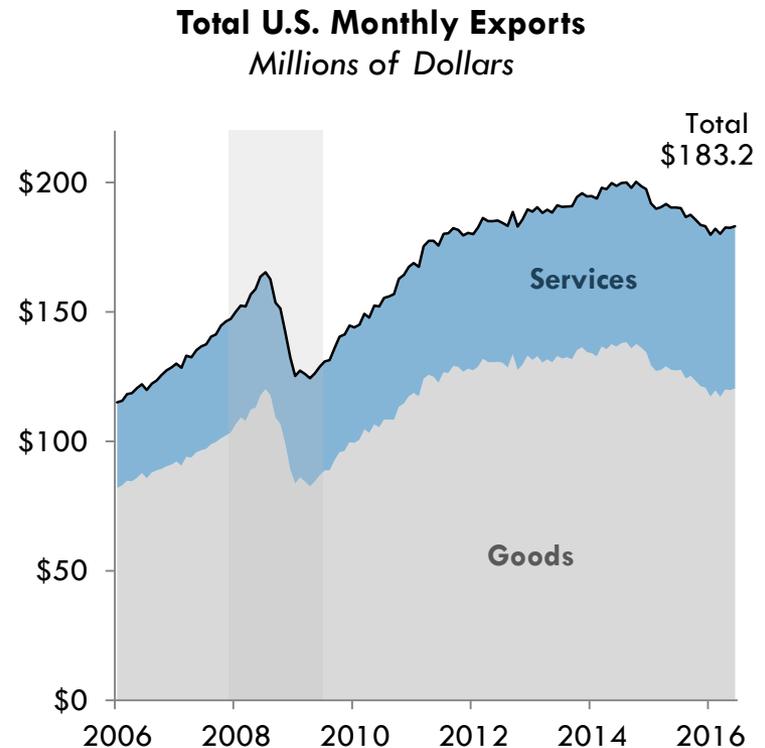
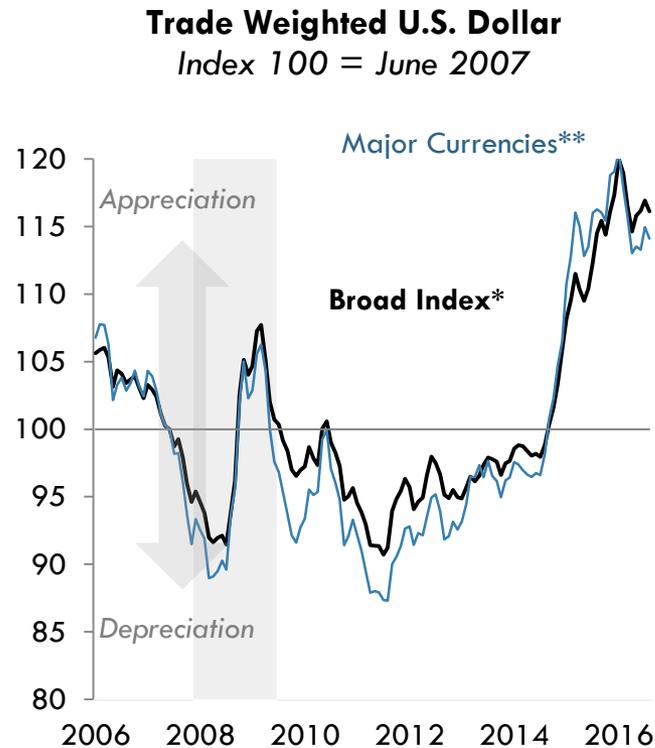
Denver Home Price Indices



Meanwhile, business indicators suggest reduced investment.



The international economy continues to flounder...



Source: Federal Reserve Board of Governors.

*A weighted average of the foreign exchange values of the U.S. dollar against currencies of major U.S. trading partners.

**Includes a subset of broad index currencies that circulate widely in global exchanges.

Source: U.S. Bureau of Economic Analysis (balance of payment basis). Data are seasonally adjusted but are not adjusted for inflation.

...while oil prices have ticked up in recent months but remain low.

West Texas Intermediate Crude Oil Price

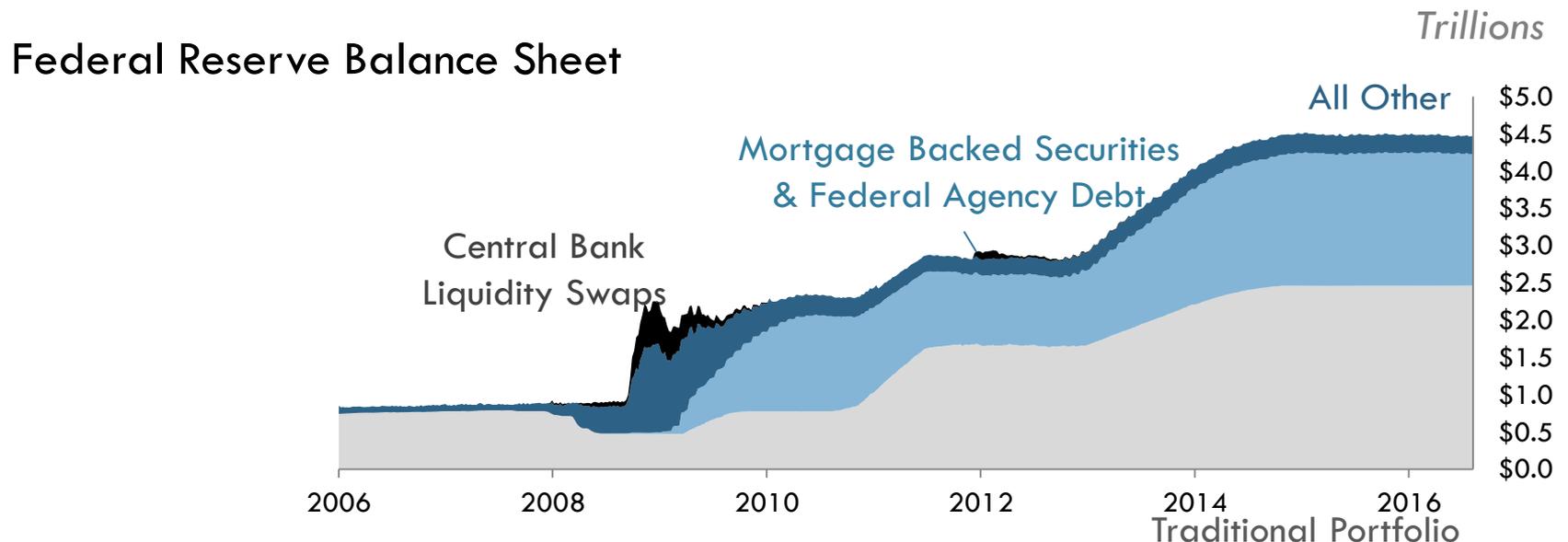
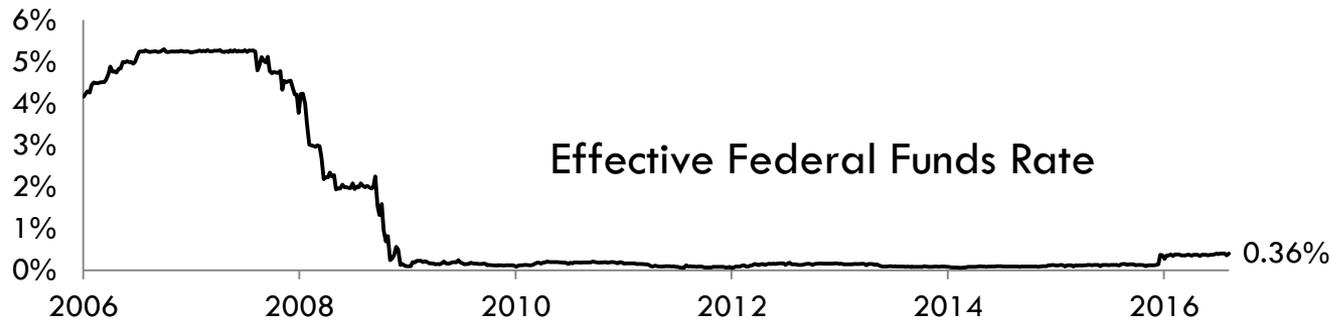
Dollars per Barrel



Colorado Active Drilling Rigs *Both Oil and Gas*



Monetary policy remains accommodative and is expected to tighten slowly.



Source: Federal Reserve Board of Governors.