

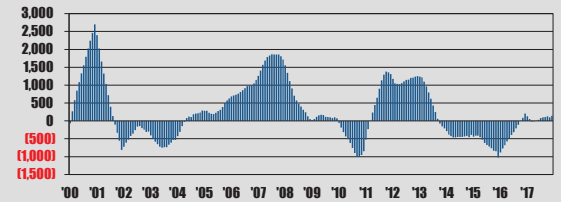
ECONOMIC UPDATE

Total employment in Elko County rebounded in December 2017, ending five consecutive months of decline. Despite that trend, year-over-year employment increased for seven straight months to close the year at 26,031, a 3.1 percent increase over the prior year. The county's annual job growth was in line with statewide employment trends, as Nevada's employment total grew 3.3 percent over the year. The mining and natural resources and construction industries have been leading Elko County job growth, with year-over-year increases of 5.0 percent and 11.7 percent, respectively, through the second quarter of 2017 (latest data available). Overall job growth helped lower the county's unemployment rate to 3.3 percent in December, the lowest level since November 2007. Nevada's unemployment rate stood at 4.7 percent, and within the state only Eureka County's 2.6 percent unemployment rate beat Elko County's mark.

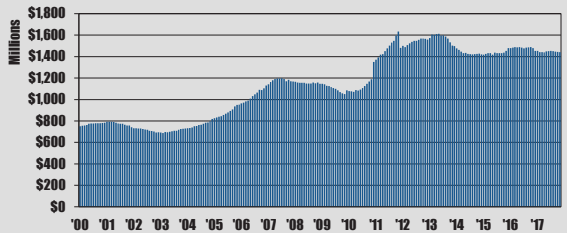
Gross gaming revenue in Elko County totaled \$282.6 million in 2017, a 5.2 percent annual increase that was the highest year-end growth rate since 2007. By comparison, statewide gaming revenue grew by 2.8 percent in 2017. Trailing 12-month totals for taxable retail sales in Elko County declined on a year-over-year basis for 13 consecutive months through December 2017. However, that month reported a single-month total of \$134.3 million, the highest level in two years, resulting in a slight decline in annual taxable sales of 0.2 percent.

In the fourth quarter of 2017, Nevada continued to rank among the top performing states for home price appreciation. The federal purchase-only House Price Index for the state increased 11.5 percent compared to the prior year, ranking third in the nation. The states that outperformed Nevada were also all in the West: Washington and Idaho.

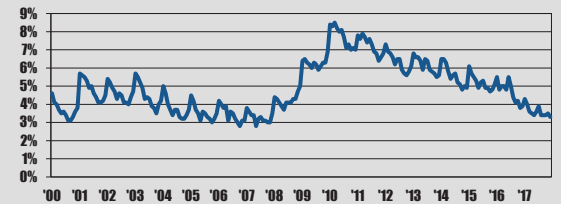
Elko County Employment Growth
Trailing 12 Months



Elko County Taxable Retail Sales
Trailing 12 Months



Elko County Unemployment Rate



	Most Recent Data Available	Indicator Values			Growth Rate	
		Current Period	Prior Period	Prior Year	vs. Prior Period	vs. Prior Year
Elko County Employment	Dec-17	26,031	25,958	25,250	0.3% ▲	3.1% ▲
Elko County Labor Force	Dec-17	26,933	26,894	26,279	0.1% ▲	2.5% ▼
Elko County Unemployment Rate	Dec-17	3.3%	3.5%	3.9%	-0.2% ▼	-0.6% ▼
Nevada Initial Unemployment Insurance Claims	Dec-17	13,006	13,507	13,061	-3.7% ▼	-0.4% ▼
Nevada Private Average Weekly Hours Worked	Dec-17	33.9	34.0	34.1	-0.3% ▼	-0.6% ▼
Elko County Number of Private Business Establishments	Q2 '17	1,288	1,294	1,346	-0.5% ▼	-4.3% ▼
Elko County Private Sector Total Wages	Q2 '17	\$216,225,374	\$233,736,929	\$206,599,889	-7.5% ▼	4.7% ▲
Elko County Taxable Retail Sales	Dec-17	\$134,308,611	\$115,260,882	\$127,008,482	16.5% ▲	5.7% ▲
Elko County Gross Gaming Revenues	Dec-17	\$24,567,633	\$23,371,473	\$19,969,730	5.1% ▲	23.0% ▲
Nevada Housing Price Index (Q1 1991 = 100)	Q4 '17	239.0	228.5	214.5	4.6% ▲	11.5% ▲

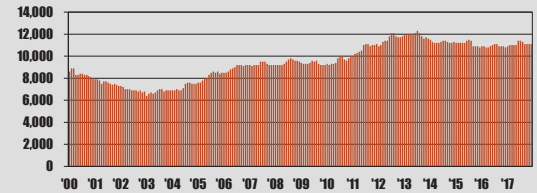
Applied Analysis ("AA") was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA's internal databases as well as national, regional and local data providers, including, without limitation, state and local governments. While we have no reason to doubt the accuracy of any of the data reported, we have not performed an audit or assurance procedures on these data, and as such, we cannot attest to their completeness.

MINING AND AGRICULTURE UPDATE

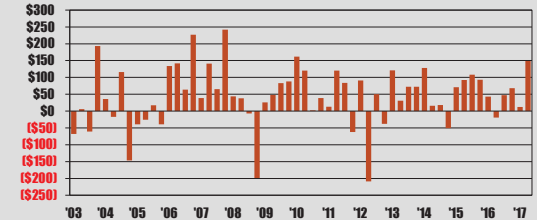
Gold prices remained steady through the end of the year, and December 2017 marked the 17th straight month of year-over-year increase in the trailing 12-month average price of gold. Taxable retail sales attributed to the mining industry in Nevada also improved late in 2017, with October ending a seven-month streak of year-over-year declines in the trailing 12-month total. The year closed with \$256.3 million in total mining-related taxable retail sales, a 0.7 percent increase over 2016. Through the second quarter of 2017, Elko County mining employment increased 14.5 percent year over year, and total wages paid to mining workers in the county rose 16.0 percent. The mining industry was one of the fastest growing sectors of the U.S. economy during 2017, and the same was true within Nevada. Statewide mining gross domestic product was up 16.1 percent year-over-year as of the third quarter of 2017.

Nevada's cattle inventory grew from 445,000 head at the start of 2017 to 465,000 head at the start of 2018, an increase of 4.5 percent. Beef prices also increased throughout 2017 after declining in 2016. The January 2018 average price of beef per pound rose by 4.5 percent year over year to \$7.42 per pound. Employment in cattle ranching and farming within Elko County has also posted year-over-year gains in four straight quarters through the second quarter of 2017, rising to 216 in that timeframe. Total wages paid in the ranching and farming industry in Elko County grew significantly during those four quarters as well, rising by 9.8 percent over the prior four quarters to reach over \$6.1 million. Hay prices in December 2017 were \$170 per ton, 18.1 percent higher than the same period in 2016 despite falling slightly from their peak in June and July.

Nevada Metal Ore Mining Employment



Growth in Nevada Metal Ore Mining Average Weekly Wages



US Price of Gold



	Most Recent Data Available	Indicator Values			Growth Rate	
		Current Period	Prior Period	Prior Year	Vs. Prior Period	Vs. Prior Year
United States Price of Gold	Dec-17	\$1,291	\$1,286	\$1,146	0.4% ▲	12.7% ▲
Nevada Metal Ore Mining Employment	Dec-17	11,100	11,100	10,800	0.0% ●	2.8% ▲
Elko County Metal Ore Mining Employment	Q2 '17	1,195	1,170	1,044	2.1% ▲	14.5% ▲
Nevada Metal Ore Mining Average Weekly Wages	Q2 '17	\$1,862	\$2,191	\$1,713	-15.0% ▼	8.7% ▲
Nevada Metal Ore Mining Total Wages	Q2 '17	\$268,590,631	\$315,786,096	\$243,779,835	-14.9% ▼	10.2% ▲
Nevada Mining and Support Taxable Retail Sales	Dec-17	\$256,330,993	\$262,818,716	\$254,591,759	-2.5% ▼	0.7% ▲
Elko County Cattle Ranching and Farming Total Wages	Q2 '17	\$1,521,227	\$1,320,365	\$1,382,661	15.2% ▲	10.0% ▲
Nevada Cattle Inventory (Including Calves)	2018	465,000	445,000	445,000	4.5% ▲	4.5% ▲
Nevada Cattle Total Value (Including Calves)	2017	\$511,750,000	\$635,100,000	\$635,100,000	-19.4% ▼	-19.4% ▼
Nevada Price of Hay (Per Ton)	Dec-17	\$170.00	\$169.00	\$144.00	0.6% ▲	18.1% ▲

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