

## ECONOMIC UPDATE

After the unemployment rate in Elko County briefly jumped to 4.2 percent in January 2018, it has declined for three straight months to 3.4 percent in April. That ranks as the second-lowest unemployment level among all Nevada counties. The lower unemployment rate is not the result of increasing employment but rather a smaller labor force, which reported year-over-year declines in three straight months and in five of the past seven months. In April 2018, the labor force decreased by 2.3 percent from the year prior, while total employment declined by 2.0 percent to 25,788.

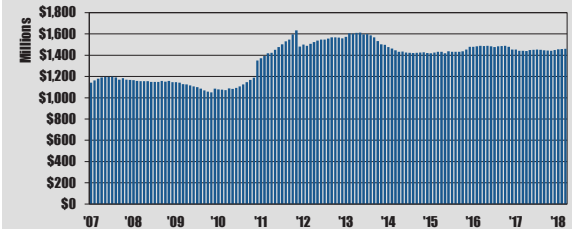
Total private sector wages earned in 2017 grew by 5.2 percent from 2016, fueled by the two best quarters for total wages in Elko County since 2012. Consumer spending indicators also reported positive trends. The trailing 12-month total of taxable retail sales grew year-over-year for three straight months through March 2018 following a 13-month streak of decline. Elko County gross gaming revenue in the 12 months through April 2018 climbed 6.9 percent year over year to \$288.0 million, marking 14 consecutive months of year-over-year increases.

Housing prices in Nevada continue to rise at a rapid pace, increasing 13.7 percent year-over-year through the first quarter of 2018, which was the fastest housing appreciation in the country according to the Federal Housing Finance Agency House Price Index. While the rapid increase in prices has been challenging for homebuyers, it has been a boon to both homeowners and home builders, who have steadily increased construction activity to meet growing demand.

**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
<b>Elko County Employment</b>	Apr-18	25,788	26,330	26,306	-2.1% ▼	-2.0% ▼
<b>Elko County Labor Force</b>	Apr-18	26,692	27,322	27,318	-2.3% ▼	-2.3% ▼
<b>Elko County Unemployment Rate</b>	Apr-18	3.4%	3.6%	3.5%	-0.2% ▼	-0.1% ▼
<b>Nevada Initial Unemployment Insurance Claims</b>	Mar-18	9,339	9,827	9,545	-5.0% ▼	-2.2% ▼
<b>Nevada Private Average Weekly Hours Worked</b>	Apr-18	34.1	33.9	34.2	0.6% ▲	-0.3% ▼
<b>Elko County Number of Private Business Establishments</b>	Q4 '17	1,297	1,296	1,343	0.1% ▲	-3.4% ▼
<b>Elko County Private Sector Total Wages</b>	Q4 '17	\$235,736,812	\$215,276,229	\$225,398,424	9.5% ▲	4.6% ▲
<b>Elko County Taxable Retail Sales</b>	Mar-18	\$129,601,533	\$105,287,998	\$127,452,315	23.1% ▲	1.7% ▲
<b>Elko County Gross Gaming Revenues</b>	Apr-18	\$25,386,722	\$27,130,599	\$24,823,565	-6.4% ▼	2.3% ▲
<b>Nevada Housing Price Index (Q1 1991 = 100)</b>	Q1 '18	248.0	239.4	218.1	3.6% ▲	13.7% ▲

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.

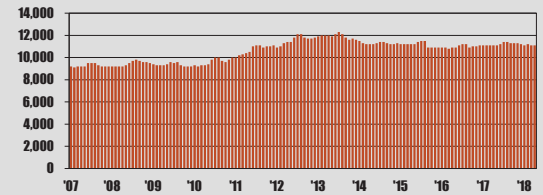
## MINING AND AGRICULTURE UPDATE

Elko County employment in the mining and agriculture sectors reported positive trends to close 2017. In the fourth quarter of 2017, mining employment in Elko County grew 10.3 percent year over year, and average employment in the sector for 2017 was 13.2 percent higher than 2016. Wages paid in the mining industry also grew significantly in 2017 as employees in Elko County earned 11.9 percent more than in 2016, nearly four times the statewide growth of 3.0 percent for the year.

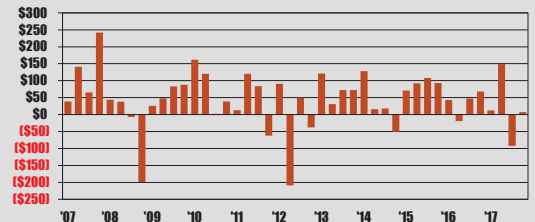
Total gold production in Nevada grew to 5.64 million ounces in 2017, a 3.2 percent increase from 2016. Nevada accounted for 72 percent of total U.S. gold production and would rank fifth among the largest gold-producing countries, behind China, Australia, Russia and Canada. The average price of gold rose slightly during 2017, averaging \$1,257 per ounce on the year. For the first five months of 2018, gold has averaged a price of \$1,325. As mineral prices have risen and both the Nevada and national economies have improved, mining companies have begun to expand operations throughout the state. This includes Elko County, where Premier Gold Mines plans to construct or expand its South Arturo and El Nino mines near Carlin.

Cattle ranching and farming in Elko County also performed positively in 2017. Employment in the fourth quarter of 2017 was up 4.4 percent year over year in Elko County. Wages paid in the sector grew similarly, increasing 3.9 percent in Elko County during the year.

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	May-18	\$1,303	\$1,335	\$1,245	-2.4% ▼	4.7% ▲
Nevada Metal Ore Mining Employment	Apr-18	11,100	11,100	11,100	0.0% ●	0.0% ●
Elko County Metal Ore Mining Employment	Q4 '17	1,236	1,230	1,121	0.5% ▲	10.3% ▲
Nevada Metal Ore Mining Average Weekly Wages	Q4 '17	\$1,837	\$1,759	\$1,830	4.4% ▲	0.4% ▲
Nevada Metal Ore Mining Total Wages	Q4 '17	\$268,934,792	\$258,970,111	\$261,325,261	3.8% ▲	2.9% ▲
Nevada Mining and Support Taxable Retail Sales	Mar-18	\$250,534,475	\$255,727,311	\$252,259,168	-2.0% ▼	-0.7% ▼
Elko County Cattle Ranching and Farming Total Wages	Q4 '17	\$1,742,637	\$1,503,334	\$1,715,436	15.9% ▲	1.6% ▲
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)	Mar-18	\$182.00	\$179.00	\$153.00	1.7% ▲	19.0% ▲

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