

ECONOMIC UPDATE

Elko County continues to see steady economic growth in a number of different indicators. Countywide employment has been trending upward over time, finishing 2.8 percent higher year over year in October 2018 following 2.1 percent year-over-year growth in September 2018. This employment growth has helped keep Elko County's unemployment rate among the lowest in the state at 3.0 percent in October 2018, which ranked second among Nevada counties behind only Eureka County's 2.5 percent rate.

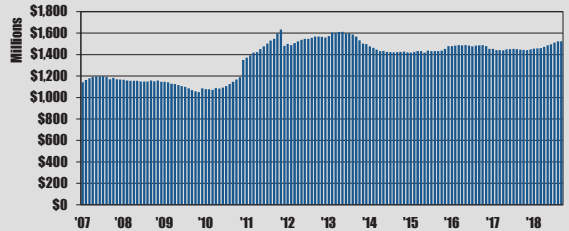
Elko County's unemployment rate was far below the statewide rate of 4.2 percent and compares even more favorably to the 4.4 percent rate recorded in Clark County. While Elko County has reported significant decreases in unemployment, the decrease has been a part of a broader statewide trend. Initial unemployment insurance claims in Nevada during September 2018 declined 8.6 percent year over year to 8,289, the lowest monthly number since 1998. The 20-year low comes despite an overall employment increase of 50 percent and population increase of 72 percent over that timeframe.

Taxable retail sales growth in Elko County has also outperformed the rest of the state over the past year. Through September 2018, the trailing 12-month total of taxable retail sales in Nevada grew by 4.5 percent, while Elko County experienced 5.2 percent growth in retail sales. Gaming revenue grew considerably in Elko County as well, another indicator of growing consumer confidence and disposable income. In the 12 months through October 2018, gross gaming revenue in the county grew by 7.4 percent to \$296.2 million, just \$7 million below the record for any 12-month period of \$303.5 million set in 2007.

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	Oct-18	26,772	26,898	26,048	-0.5% ▼	2.8% ▲
Elko County Labor Force	Oct-18	27,607	27,731	26,924	-0.4% ▼	2.5% ▲
Elko County Unemployment Rate	Oct-18	3.0%	3.0%	3.4%	0.0% ●	-0.4% ▼
Nevada Initial Unemployment Insurance Claims	Sep-18	8,289	9,580	9,068	-13.5% ▼	-8.6% ▼
Nevada Private Average Weekly Hours Worked	Oct-18	34.0	34.6	34.5	-1.7% ▼	-1.4% ▼
Elko County Private Business Establishments	Q1 '18	1,280	1,290	1,294	-0.8% ▼	-1.1% ▼
Elko County Private Sector Total Wages	Q1 '18	\$238,480,281	\$235,842,482	\$233,736,929	1.1% ▲	2.0% ▲
Elko County Taxable Retail Sales	Sep-18	\$123,878,426	\$137,573,315	\$123,622,070	-10.0% ▼	0.2% ▲
Elko County Gross Gaming Revenues	Oct-18	\$25,291,725	\$27,863,592	\$24,064,515	-9.2% ▼	5.1% ▲
Nevada Housing Price Index (Q1 1991 = 100)	Q3 '18	263.8	258.7	229.4	2.0% ▲	15.0% ▲

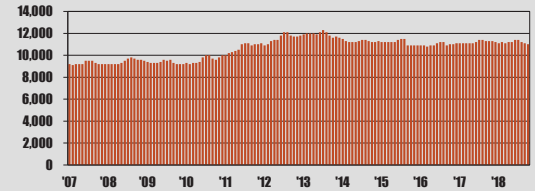
Applied Analysis ("AA") was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA's internal databases as well as national, regional and local data providers, including, without limitation, state and local 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

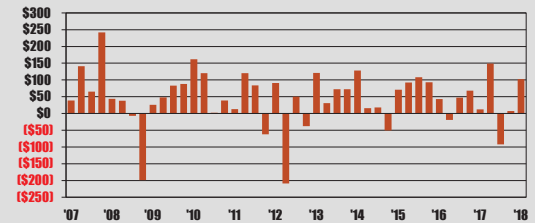
Newly released data from the Nevada Division of Minerals shows that Elko County led the way in statewide gold production growth in 2017, with output increasing by 50.4 percent year over year compared to a 3.2 percent increase for the state as a whole. In fact, outside of Elko County gold production declined around the rest of the state, as the 13 metric ton production increase in Elko County was greater in absolute terms than the roughly 5.4 metric ton increase statewide. Excluding Elko County, the state reported a production decrease of 7.7 metric tons of gold in 2017. A proposed expansion of Newmont Mining's Long Canyon Mine, which would double the size of the current open-pit mine and add an underground mining operation, will potentially extend the mine's productive life by roughly 25 years and could further increase Elko County's mineral production capacity in the years to come.

Throughout Nevada, new exploration and mineral discoveries have led to new mining operations and the expansion of existing mines. In October 2018, Itronics announced the discovery of gold and copper at an exploration site in the Yerington Mining District in Lyon County. According to the company, its measurements suggest the possibility of significant amounts of gold, silver, copper and zinc at the site. Coeur Rochester, Nevada's largest silver producer, is also planning an expansion of its mine near Lovelock in Pershing County, which is already one of the largest silver mines in the country. The company expects this expansion to extend the productive life of the mine into the 2030s as well as increase the mine's efficiency in recovering silver and gold from mined ore. The multi-faceted expansion is expected to cost roughly \$52 million.

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	Nov-18	\$1,218	\$1,215	\$1,280	0.2% ▲	-4.9% ▼
Nevada Metal Ore Mining Employment	Oct-18	11,000	11,100	11,300	-0.9% ▼	-2.7% ▼
Elko County Metal Ore Mining Employment	Q1 '18	1,290	1,236	1,170	4.4% ▲	10.3% ▲
Nevada Metal Ore Mining Average Weekly Wages	Q1 '18	\$2,293	\$1,837	\$2,191	24.8% ▲	4.7% ▲
Nevada Metal Ore Mining Total Wages	Q1 '18	\$334,776,289	\$268,907,099	\$315,786,096	24.5% ▲	6.0% ▲
Nevada Mining and Support Taxable Retail Sales	Sep-18	\$260,505,864	\$262,061,941	\$252,985,193	-0.6% ▼	3.0% ▲
Elko County Cattle Ranching and Farming Total Wages	Q1 '18	\$1,422,000	\$1,742,637	\$1,320,365	-18.4% ▼	7.7% ▲
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)	Aug-18	\$170.00	\$176.00	\$168.00	-3.4% ▼	1.2% ▲