

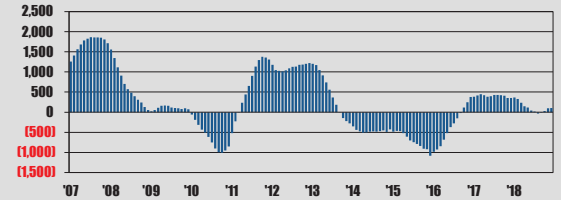
ECONOMIC UPDATE

Elko County's economy remains strong, benefitting from broader trends that have led to increased economic growth throughout the country and across the state of Nevada. Employment in Elko County continues to fluctuate from month to month, but the long-term trend remains positive. Through December 2018, overall employment increased by 1.0 percent year over year in Elko. The labor force in Elko County increased by an equal 1.0 percent over the same timeframe, keeping the unemployment rate consistent at 3.3 percent from the prior year. Elko County's 3.3 percent unemployment rate remains one of the lowest in Nevada, and it is significantly lower than Nevada's overall unemployment rate (4.4 percent) as well as those of similarly sized counties such as Carson City (4.5 percent), Douglas County (4.4 percent), Lyon County (5.4 percent) and Nye County (5.7 percent).

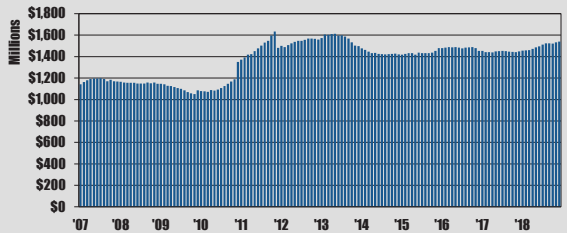
While employment in Elko County has remained relatively consistent, the total wages earned by Elko workers have increased significantly over the past year. In the third quarter of 2018, private industry workers in Elko County collectively earned \$235.7 million in wages and salaries, 9.5 percent more than during the third quarter of 2017. Over the past four quarters, total private wages earned are up 6.3 percent in Elko County.

This increase in income throughout the county has contributed to large increases in consumer spending. Taxable retail sales in Elko County for December 2018 grew by 6.2 percent year over year, and the trailing 12-month total increased 6.3 percent from the prior year. By comparison, statewide taxable retail sales have increased by 5.4 percent over the past 12 months. Gross gaming revenue in Elko County has shown similar growth, also outpacing statewide growth by a significant margin. Over the 12 months through January 2019, Elko gaming revenue totaled \$300.0 million, an increase of 4.9 percent from the prior 12-month period. Throughout Nevada, the trailing 12-month total of gaming revenue has increased by just 2.9 percent. As wages rise and disposable income increases, measures like these should continue to show positive growth.

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-18	26,340	26,911	26,071	-2.1% ▼	1.0% ▲
Elko County Labor Force	Dec-18	27,237	27,777	26,967	-1.9% ▼	1.0% ▲
Elko County Unemployment Rate	Dec-18	3.3%	3.1%	3.3%	0.2% ▲	0.0% ●
Nevada Initial Unemployment Insurance Claims	Jan-19	11,390	11,948	12,939	-4.7% ▼	-12.0% ▼
Nevada Private Average Weekly Hours Worked	Dec-18	34.8	34.3	33.9	1.5% ▲	2.7% ▲
Elko County Private Business Establishments	Q3 '18	1,267	1,256	1,296	0.9% ▲	-2.2% ▼
Elko County Private Sector Total Wages	Q3 '18	\$235,689,842	\$237,366,328	\$215,276,229	-0.7% ▼	9.5% ▲
Elko County Taxable Retail Sales	Dec-18	\$142,661,706	\$127,836,167	\$134,308,611	11.6% ▲	6.2% ▲
Elko County Gross Gaming Revenues	Jan-19	\$23,508,543	\$24,673,357	\$22,029,370	-4.7% ▼	6.7% ▲
Nevada Housing Price Index (Q1 1991 = 100)	Q3 '18	2679	266.4	240.8	0.6% ▲	11.2% ▲

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

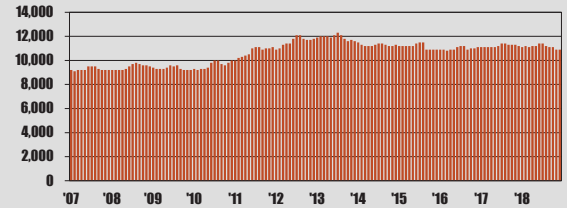
Mining industry employment and wages in Elko County have grown faster than in other sectors of the economy over the past year. As of the third quarter of 2018, mining employment in Elko County had increased 3.3 percent from the prior year, and the trailing four-quarter average mining employment was 7.7 percent higher than the prior four-quarter period. Total wages earned within the mining sector over the past four quarters rose 8.9 percent within Elko County, more than double the statewide increase of 4.0 percent over the same period.

The first quarter of the year has been marked by major corporate moves among the state's mining companies.

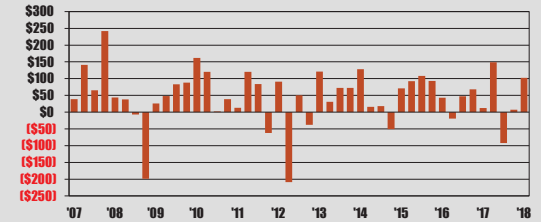
After Barrick Gold Corporation officially merged with Randgold Resources Limited in January 2019 to create the world's largest gold mining company, Newmont Mining Corporation agreed to acquire Goldcorp to create a new global gold mining leader. More recently, Barrick and Newmont agreed to merge their operations in Nevada to cut costs and improve efficiency. The agreement followed news that Barrick might acquire Newmont in another merger, even attempting a hostile takeover with an \$18 billion buyout offer. Newmont's board of directors rejected the attempted takeover before the two companies agreed to the joint venture.

Barrick will be the majority owner of the joint venture, with a 61.5 percent stake to Newmont's 38.5 percent. The new joint venture will hold a dominant position in the Nevada mining industry; in 2017, Barrick and Newmont were responsible for 75.8 percent of all gold production and 19.5 percent of silver production in Nevada.

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	Feb-19	\$1,319	\$1,323	\$1,318	-0.3% ▼	0.1% ▲
Nevada Metal Ore Mining Employment	Dec-18	10,900	10,900	11,200	0.0% ▼	-2.7% ▼
Elko County Metal Ore Mining Employment	Q3 '18	1,270	1,284	1,230	-1.1% ▲	3.3% ▲
Nevada Metal Ore Mining Average Weekly Wages	Q3 '18	\$1,794	\$1,879	\$1,759	-4.5% ▼	2.0% ▲
Nevada Metal Ore Mining Total Wages	Q3 '18	\$266,761,272	\$276,482,856	\$258,970,111	-3.5% ▲	3.0% ▲
Nevada Mining and Support Taxable Retail Sales	Dec-18	\$274,055,211	\$257,781,097	\$256,330,993	6.3% ▲	6.9% ▲
Elko County Cattle Ranching and Farming Total Wages	Q3 '18	\$1,543,196	\$1,549,192	\$1,503,334	-0.4% ▼	2.7% ▲
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)	Dec-18	\$170.00	\$166.00	\$170.00	2.4% ▲	0.0% ●

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