



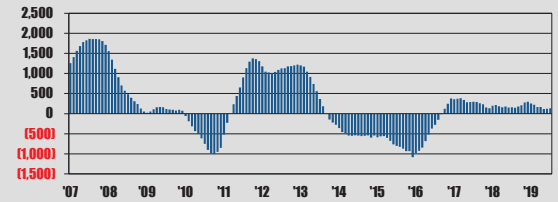
ECONOMIC UPDATE

Long-term economic trends in Elko County remain largely positive, following the trajectory of the rest of the state in most respects. As of July 2019, employment in Elko County had increased by 1.6 percent year-over-year. While this is roughly half of Nevada's nation-leading 3.1 percent employment growth rate, it is nearly identical to the national average of 1.5 percent. Despite the increase in employment, Elko County's unemployment rate increased from 3.3 percent to 3.4 percent over the year as a result of a growing summer labor force. Even with this slight increase, the county's unemployment rate remains one of the lowest in Nevada, tied for second behind Esmeralda County's 3.1 percent rate and sitting well below the statewide rate of 4.5 percent.

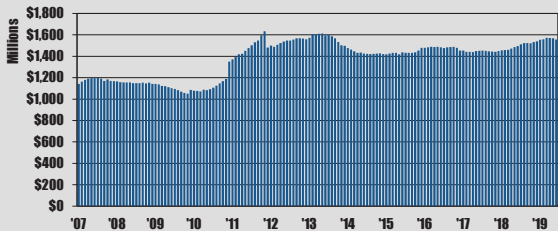
The trailing 12-month total of taxable retail sales in Elko County has now shown positive growth for 18 straight months, reaching a total of nearly \$1.6 billion in the 12 months through June 2019. The 4.0 percent growth for Elko County in the past 12 months trails statewide taxable sales growth of 6.0 percent, however, Elko County has not been aided by the same level of population growth experienced in other parts of the state.

Gross gaming revenue, another measure of consumer confidence and spending levels, has grown far faster in Elko County than the rest of the state. For the 12 months through July 2019, gross gaming revenue in Elko County measured \$307.1 million, an increase of 5.7 percent from the prior year. Statewide, gross gaming revenue increased just 1.1 percent. Growth in both gross gaming revenue and taxable sales are due in part to greater earnings in Elko County, where total wages earned have increased by 8.0 percent over the past four quarters, a function of both employment growth and a 4.8 percent increase in average weekly wages over the same period. The combination of a steady job market and rising incomes should support continued growth in these key consumer spending measures.

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	Jul-19	27,129	27,144	26,696	-0.1% ▼	1.6% ▲
Elko County Labor Force	Jul-19	28,086	28,055	27,610	0.1% ▲	1.7% ▲
Elko County Unemployment Rate	Jul-19	3.4%	3.2%	3.3%	0.2% ▲	0.1% ▲
Nevada Initial Unemployment Insurance Claims	Jul-19	9,872	9,456	10,554	4.4% ▲	-6.5% ▼
Nevada Private Average Weekly Hours Worked	Jul-19	34.4	35.0	34.5	-1.7% ▼	-0.3% ▼
Elko County Private Business Establishments	Q1 '19	1,267	1,287	1,252	-1.6% ▼	1.2% ▲
Elko County Private Sector Total Wages	Q1 '19	\$254,798,347	\$250,909,547	\$238,569,314	1.5% ▲	6.8% ▲
Elko County Taxable Retail Sales	Jun-19	\$129,685,636	\$136,750,815	\$142,741,444	-5.2% ▼	-9.1% ▼
Elko County Gross Gaming Revenues	Jul-19	\$25,992,038	\$25,296,828	\$24,941,948	2.7% ▲	4.2% ▲
Nevada Housing Price Index (Q1 1991 = 100)	Q1 '19	272.9	267.9	247.5	1.9% ▲	10.3% ▲

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.





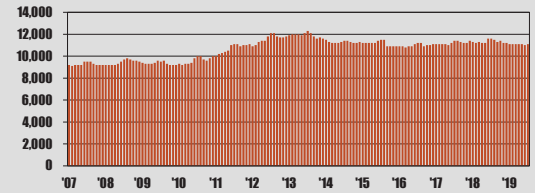
MINING AND AGRICULTURE UPDATE

Gold prices have increased sharply over the past couple of months, in part as a reaction to volatility in global stock markets and uncertainty associated with other investments. During May 2019, the average price of an ounce of gold was \$1,284. In August that average increased to \$1,499, growth of 16.8 percent in just three months. By the end of August gold was selling for more than \$1,500 an ounce, the first time since 2013 that gold prices have reached such a level.

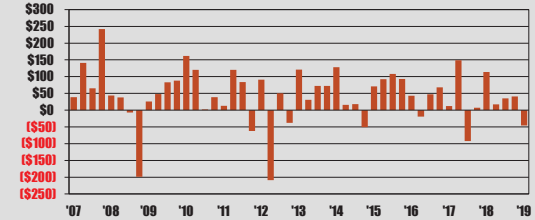
Nevada's gold production remained relatively flat in 2018, declining by 1.1 percent from 2017 for a total of 173.6 metric tons. Production of other major minerals also declined slightly during the year, with silver production falling by 5.5 percent and copper off 0.8 percent from 2017 totals. Similarly, mining employment across Nevada has declined 4.3 percent over the past year, with roughly 11,100 people employed in the industry as of July 2019.

In September 2019 the Bureau of Land Management is holding an auction of leases for geothermal exploration on 50,000 acres of land northwest of Wells in Elko County. Nevada is one of the few states with geothermal power plants, and in 2017 produced 20.7 percent of the United States' total geothermal power output, second only to California. Should these leases lead to the discovery of viable geothermal sites, the development of new power plants could help to further diversify Nevada's energy portfolio and help the state take advantage of a unique natural resource.

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	Aug-19	\$1,499	\$1,415	\$1,202	5.9% ▲	24.7% ▲
Nevada Metal Ore Mining Employment	Jul-19	11,100	11,000	11,600	0.9% ▲	-4.3% ▼
Nevada Gold Production (Metric Tons)	2018	173.59	175.47	175.47	-1.1% ▼	-1.1% ▼
Elko County Metal Ore Mining Employment	Q1 '19	1,093	1,135	1,290	-3.7% ▼	-15.3% ▼
Nevada Metal Ore Mining Average Weekly Wages	Q1 '19	\$2,259	\$1,878	\$2,305	20.3% ▲	-2.0% ▼
Nevada Metal Ore Mining Total Wages	Q1 '19	\$273,243,461	\$266,761,272	\$268,907,099	2.4% ▲	1.6% ▲
Nevada Mining and Support Taxable Retail Sales (TTM)	Jun-19	\$297,086,413	\$297,411,583	\$237,960,103	-0.1% ▼	24.8% ▲
Elko County Cattle Ranching and Farming Total Wages	Q1 '19	\$1,495,602	\$1,647,734	\$1,422,000	-9.2% ▼	5.2% ▲
Nevada Cattle Inventory (Including Calves)	2018	465,000	445,000	445,000	4.5% ▲	4.5% ▲
Nevada Price of Hay (Per Ton)	Jun-19	\$170.00	\$165.00	\$180.00	3.0% ▲	-5.6% ▼

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