



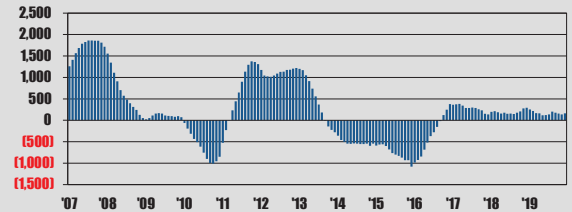
ECONOMIC UPDATE

Nevada's economy has maintained its growth trend in recent months and continues to exceed national averages in numerous metrics even as some growth rates have begun to slow. Through December 2019, Nevada employment grew 1.9 percent year-over-year, ranking 10th among all states and outpacing the national employment growth rate of 1.4 percent. Employment growth in Elko County has lagged the rest of the state, however, reporting 0.9 percent annual growth through December 2019. Despite slower employment growth, Elko County's unemployment rate has continued to decline and remained one of the lowest in the state at 2.6 percent in December 2019.

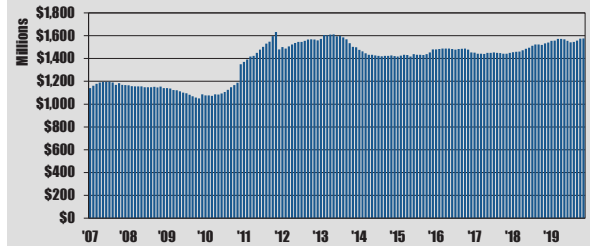
The state's prolonged period of job growth combined with the declining unemployment rate has created a tight labor market that has impacted both the pace of job creation and wage growth. As of the third quarter of 2019, the average weekly wage in Nevada was \$973, 4.1 percent higher than the prior year. In Elko County, average weekly wages have grown 5.8 percent over the year to \$1,011. The overall strength of the economy and tightening labor market have also meant less turnover in employment. The trailing 12-month total of initial unemployment claims declined to just over 118,000 in January 2020, the lowest level since 1996 despite Nevada employment growing by nearly 600,000 during that time.

Through November 2019, the trailing 12-month total of taxable retail sales in Elko County had increased 2.9 percent to \$1.58 billion, a rate less than the statewide 6.1 percent growth rate and well below the county's recent peak of 7.6 percent earlier in 2019. Gaming revenue growth performed stronger in Elko County than Nevada as a whole, as year-over-year growth in the county's trailing 12-month total through December 2019 measured 5.1 percent compared to 1.7 percent across Nevada.

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-19	26,120	26,366	25,898	-0.9% ▼	0.9% ▲
Elko County Labor Force	Dec-19	26,813	27,094	26,772	-1.0% ▼	0.2% ▲
Elko County Unemployment Rate	Dec-19	2.6%	2.7%	3.3%	-0.1% ▼	-0.7% ▼
Nevada Initial Unemployment Insurance Claims	Jan-20	10,527	12,006	11,390	-12.3% ▼	-7.6% ▼
Nevada Private Average Weekly Hours Worked	Dec-19	34.4	34.1	34.5	0.9% ▲	-0.3% ▼
Elko County Number of Private Business Establishments	Q3 '19	1,265	1,268	1,268	-0.2% ▼	-0.2% ▼
Elko County Private Sector Total Wages	Q3 '19	\$248,973,149	\$253,461,333	\$235,890,416	-1.8% ▼	5.5% ▲
Elko County Taxable Retail Sales	Nov-19	\$130,479,030	\$138,486,736	\$127,836,167	-5.8% ▼	2.1% ▲
Elko County Gross Gaming Revenues	Dec-19	\$25,226,929	\$26,036,404	\$24,658,069	-3.1% ▼	2.3% ▲
Nevada Housing Price Index (Q1 1991 = 100)	Q4 '19	274.2	274.9	264.3	-0.3% ▼	3.7% ▲

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.





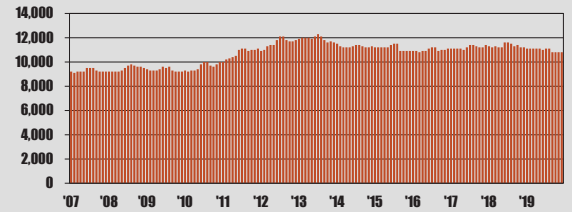
MINING AND AGRICULTURE UPDATE

The price of gold has rallied significantly in recent months, rising to an average of nearly \$1,600 per ounce in February 2020, the first time since 2013 that gold prices have reached such a level. The recent rise is fueled in part by increased volatility in the broader financial markets, compelling many investors to seek more stable stores of value. While the increasing price of gold has been a boon to Nevada's many mining operations, preliminary reports from Barrick Gold Corporation, Newmont Corporation and Kinross Gold Corporation, the state's three largest gold producers in 2018, indicate that total Nevada gold production for 2019 may have declined slightly for the second year in a row.

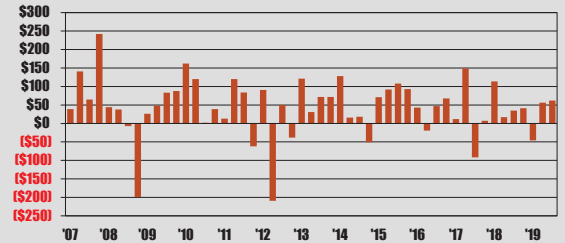
Several ongoing mine expansions and explorations point to increased expansion and stability for the industry going forward, however. The Nevada Gold Mines joint venture intends to continue exploration around its Carlin mine project, and multi-million-ounce deposits have been found at the Goldrush and Fourmile locations near the Cortez mine. Goldrush is expected to begin producing by the end of 2021, and Fourmile should follow a few years later.

Workers in Elko County's agriculture and ranching industry had a strong year in 2019, apparently benefitting from the tight labor market. Through the third quarter of 2019, the trailing four-quarter total of wages in the sector reached \$9.1 million, a 45.8 percent increase from one year prior. Overall employment has remained steady, leading the average weekly wage in the sector to nearly double from \$542 during the third quarter of 2018 to \$1,049 in 2019.

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-20	\$1,597	\$1,561	\$1,320	2.3% ▲	21.0% ▲
Nevada Metal Ore Mining Employment	Dec-19	10,800	10,800	11,200	0.0% ●	-3.6% ▼
Nevada Gold Production (Metric Tons)	2018	173.59	175.47	175.47	-1.1% ▼	-1.1% ▼
Elko County Metal Ore Mining Employment	Q3 '19	1,014	1,063	1,270	-4.6% ▼	-20.2% ▼
Nevada Metal Ore Mining Average Weekly Wages	Q3 '19	\$1,856	\$1,935	\$1,794	-4.1% ▼	3.5% ▲
Nevada Metal Ore Mining Total Wages	Q3 '19	\$267,048,568	\$278,914,894	\$266,761,272	-4.3% ▼	0.1% ▲
Nevada Mining and Support Taxable Retail Sales (TTM)	Nov-19	\$286,635,596	\$285,078,521	\$257,781,097	0.5% ▲	11.2% ▲
Elko County Cattle Ranching and Farming Total Wages	Q3 '19	\$3,078,569	\$2,908,688	\$1,548,471	5.8% ▲	98.8% ▲
Nevada Cattle Inventory (Including Calves)	2020	480,000	470,000	470,000	2.1% ▲	2.1% ▲
Nevada Price of Hay (Per Ton)	Dec-19	\$180.00	\$174.00	\$170.00	3.4% ▲	5.9% ▲

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.

