



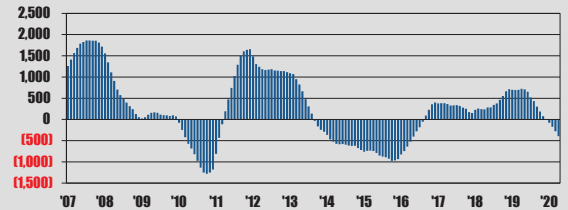
# ECONOMIC UPDATE

The second quarter of 2020 has been one of historical significance for the global and U.S. economies. As the COVID-19 pandemic has halted the longest uninterrupted stretch of economic growth in the country's history, Nevada has been particularly hard hit, and is experiencing the highest unemployment rate in the country. While Elko County has reported significant job losses of 24.9 percent year over year through April, the region has fared better than the state as a whole. This is partly due to the area's relative lack of dependence on the tourism industry, the state's biggest economic sector, which is heavily concentrated in Nevada's two main population centers in the Las Vegas and Reno areas. Elko County's unemployment rate rose to 15.7 percent in April, well below the 28.2 percent recorded statewide and the 33.5 percent rate recorded in Clark County.

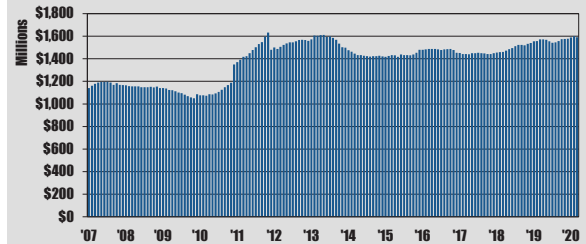
Elko County may not be as reliant on tourism and gaming as much of the state, but the impact of casino closures has still been significant. In February 2020, Elko County recorded \$27.5 million in gaming revenue, and the trailing 12-month total reached a record-high of \$318.4 million. In March, with casinos being shut down mid-month, Elko recorded just \$14.9 million in gaming revenue. April saw gaming revenue all but disappear in Elko County as gaming revenue totaled \$6,104.

Most data currently lag behind the effects of the COVID-19 pandemic and economic shutdown, which has turned into the fastest-onset recession in American history. Taxable retail sales through March showed only a minor year-over-year decline in Elko County, as some stockpiling and panic-buying of goods offset the closure of many stores. When data for April and May become available, it is expected that both months will show more significant declines. However, as the economy begins to open up further through the beginning of summer, these declines could reverse and support a rebound in employment and consumer spending.

### 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	Apr-20	20,054	25,942	26,702	-22.7% ▼	-24.9% ▼
Elko County Labor Force	Apr-20	23,788	27,343	27,536	-13.0% ▼	-13.6% ▼
Elko County Unemployment Rate	Apr-20	15.7%	5.1%	3.0%	10.6% ▲	12.7% ▲
Nevada Initial Unemployment Insurance Claims	Apr-20	207,147	208,869	10,080	-0.8% ▼	1,955.0% ▲
Nevada Private Average Weekly Hours Worked	Apr-20	33.8	34.2	34.7	-1.2% ▼	-2.6% ▼
Elko County Number of Private Business Establishments	Q4 '19	1,276	1,263	1,287	1.0% ▲	-0.9% ▼
Elko County Private Sector Total Wages	Q4 '19	\$264,586,510	\$247,291,065	\$250,909,547	7.0% ▲	5.5% ▲
Elko County Taxable Retail Sales	Mar-20	\$134,867,996	\$121,416,193	\$143,896,352	11.1% ▲	-6.3% ▼
Elko County Gross Gaming Revenues	Apr-20	\$6,104	\$14,947,290	\$25,363,177	-100.0% ▼	-100.0% ▼
Nevada Housing Price Index (Q1 1991 = 100)	Q1 '20	281.6	274.9	270.7	2.5% ▲	4.1% ▲

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.





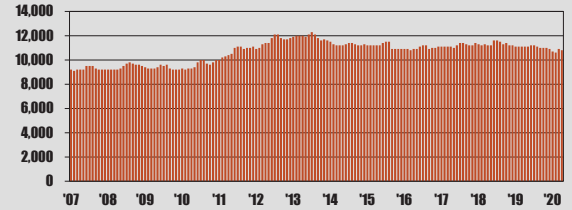
# MINING AND AGRICULTURE UPDATE

Mining has been less affected by the COVID-19 pandemic than many of Nevada's industries, as it was not among the "non-essential" businesses that were shut down starting in mid-March. Mining employment in Nevada remained steady through April 2020, measuring 10,800. The mining industry's latest available wage data released in the fourth quarter of 2019 showed the average weekly wage rise 14.5 percent over the year. Total mining wages for the quarter reached \$309.8 million, a 16.0 percent rise from the prior quarter and 13.4 percent higher than one year earlier. Due to mining's lack of interruption, any declines in average or overall wages during the first two quarters of 2020 are expected to be lower than those experienced in other industries.

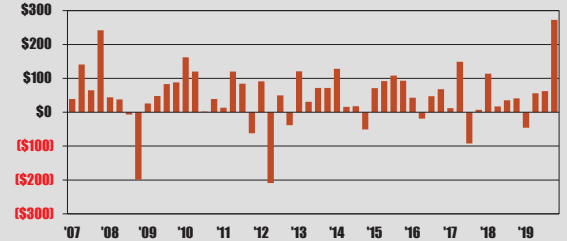
The mining industry has also been aided by some of the financial market volatility brought on by the COVID-19 pandemic, as investors have sought out more stable stores of wealth. Between February and May, the price of gold increased 7.4 percent and eclipsed \$1,700 for the first time since 2012. The increased price of gold has helped major mining stocks avoid the declines of the broader markets, as both Barrick Gold Corporation and Newmont Corporation have recorded increases since the major stock indices peaked in February. If metals prices continue to increase as the economy begins to rebound, it could bode well for Nevada's mining industry in the coming months.

The agricultural sector in Elko County is holding relatively steady, although most available data does not yet cover the period when the effects COVID-19 might be noticeable. The price of hay increased from \$179 per ton to \$183 in April 2020, and is up from \$180 year-over-year. The latest available employment data for the ranching and farming industry from the fourth quarter of 2019 shows a 12.1 percent decline year-over-year, but wages in the industry have remained strong. Through the fourth quarter of 2019 the trailing 12-month total of ranching and farming wages in Elko County increased by 17.2 percent.

### 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-20	\$1,717	\$1,680	\$1,284	2.2% ▲	33.7% ▲
Nevada Metal Ore Mining Employment	Apr-20	10,800	10,900	11,100	-0.9% ▼	-2.7% ▼
Nevada Gold Production (Metric Tons)	2018	173.59	175.47	175.47	-1.1% ▼	-1.1% ▼
Elko County Metal Ore Mining Employment	Q4 '19	1,005	1,014	1,135	-0.9% ▼	-11.5% ▼
Nevada Metal Ore Mining Average Weekly Wages	Q4 '19	\$2,151	\$1,856	\$1,878	15.9% ▲	14.5% ▲
Nevada Metal Ore Mining Total Wages	Q4 '19	\$309,797,225	\$267,048,568	\$273,243,461	16.0% ▲	13.4% ▲
Nevada Mining and Support Taxable Retail Sales (TTM)	Mar-20	\$274,482,904	\$283,173,491	\$289,176,017	-3.1% ▼	-5.1% ▼
Elko County Cattle Ranching and Farming Total Wages	Q4 '19	\$1,453,766	\$1,370,567	\$1,647,734	6.1% ▲	-11.8% ▼
Nevada Cattle Inventory (Including Calves)	2020	480,000	470,000	470,000	2.1% ▲	2.1% ▲
Nevada Price of Hay (Per Ton)	Apr-20	\$183.00	\$179.00	\$180.00	2.2% ▲	1.7% ▲

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