



ECONOMIC UPDATE

While Nevada has been particularly hard hit by the current recession resulting from the COVID-19 pandemic, the Elko area has weathered the storm far better than the major population centers like Las Vegas and Reno. Elko County's unemployment rate peaked at 14.0 percent in April 2020, while the statewide unemployment rate reached 30.1 percent for the month and Clark County's rose as high as 34.0 percent. Since that peak, Elko County has seen a steep decline in unemployment, with the rate measuring just 5.0 percent for July 2020. While still well higher than the 3.1 percent unemployment rate recorded in July of 2019, it is a much more stable number than seen throughout much of the state.

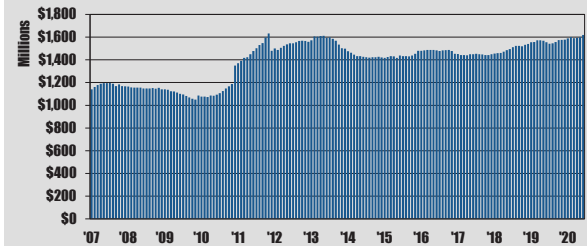
Employment figures have rebounded significantly across the state as the economy has begun to reopen following the initial shutdown of many businesses in the wake of COVID-19, and Elko County employment grew by 3.3 percent just from June to July. However, there are indications that the recovery may be slowing down statewide. After three straight months of declining initial unemployment insurance claims, claims increased by 39.4 percent in July. With recent announcements from companies such as MGM Resorts International (the state's largest employer) that they will be laying off many previously furloughed employees, additional spikes may occur.

One particular bright spot in Elko County has been consumer spending, which has remained strong despite the pandemic and subsequent shutdowns of many businesses. In June, taxable retail sales in Elko County totaled \$151 million, 6.9 percent higher than May's total and 16.4 percent greater than in June of 2019. In fact, taxable retail sales in Elko County have shown year-over-year growth in every month during the current recession with the exception of March when shutdowns were first ordered. Gross gaming revenues also recovered quickly once casinos and other gaming operations were allowed to restart business in June. Elko County gaming revenue in June was only 2.3 percent below revenue from June 2019, and July gaming revenues were only down 5.3 percent year over year. This compares to year-over-year declines of 45.5 percent and 26.2 percent statewide in June and July, respectively.

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-20	24,135	23,354	26,422	3.3% ▲	-8.7% ▼
Elko County Labor Force	Jul-20	25,410	25,724	27,279	-1.2% ▼	-6.9% ▼
Elko County Unemployment Rate	Jul-20	5.0%	5.3%	3.1%	-0.3% ▼	1.9% ▲
Nevada Initial Unemployment Insurance Claims	Jul-20	66,698	47,859	9,872	39.4% ▲	575.6% ▲
Nevada Private Average Weekly Hours Worked	Jul-20	34.5	34.6	34.4	-0.3% ▼	0.3% ▲
Elko County Number of Private Business Establishments	Q1 '20	1,285	1,276	1,267	0.7% ▲	1.4% ▲
Elko County Private Sector Total Wages	Q1 '20	\$257,127,526	\$264,586,510	\$254,979,268	-2.8% ▼	0.8% ▲
Elko County Taxable Retail Sales	Jun-20	\$151,016,374	\$141,300,127	\$129,685,636	6.9% ▲	16.4% ▲
Elko County Gross Gaming Revenues	Jul-20	\$24,616,191	\$24,745,871	\$25,992,497	-0.5% ▼	-5.3% ▼
Nevada Housing Price Index (Q1 1991 = 100)	Q2 '20	283.0	281.8	272.7	0.4% ▲	3.8% ▲

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.



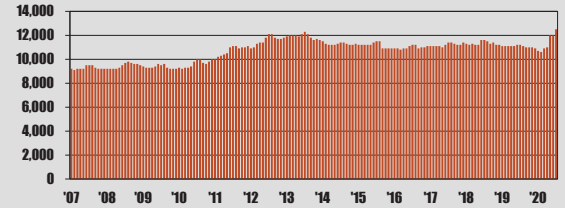


MINING AND AGRICULTURE UPDATE

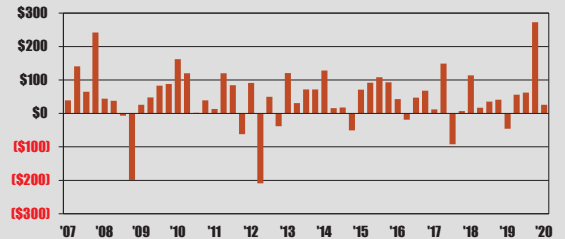
The mining sector of Nevada's economy has been a standout success story so far during the pandemic, defying the trends that seem to be dragging almost every other industry down. Statewide mining employment reached 12,500 in July, the highest number on record, and 17.9 percent above the recorded level in February, the last month before the recession began. This has been aided by record increases in the price of gold, one of the Nevada mining industry's most important and precious minerals. Gold traded at above \$2,000 an ounce for several days during August, and ended the month with an average price of \$1,969 per ounce, 23.7 percent higher than the March average. Much of this run-up has been fueled by investors seeking less volatile sources of wealth as many remain unsure about the future of the broader economy and how long the recovery from the current recession may take.

Ranching and farming employment declined in Elko County for the third straight quarter in the first quarter of 2020, prior to the effects of the COVID-19 pandemic. Despite the declining employment, total wages in the sector remain high, as the trailing 12-month total through the first quarter remains 10.8 percent higher than the same period one year ago. This marks the fourth straight quarter of double-digit percentage gains in total wages for the sector.

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-20	\$1,969	\$1,843	\$1,499	6.8% ▲	31.3% ▲
Nevada Metal Ore Mining Employment	Jul-20	12,500	12,000	11,200	4.2% ▲	11.6% ▲
Nevada Gold Production (Metric Tons)	2019	151.41	173.59	173.59	-12.8% ▼	-12.8% ▼
Elko County Metal Ore Mining Employment	Q1 '20	996	1,005	1,093	-0.9% ▼	-8.9% ▼
Nevada Metal Ore Mining Average Weekly Wages	Q1 '20	\$2,285	\$2,151	\$2,259	6.2% ▲	1.2% ▲
Nevada Metal Ore Mining Total Wages	Q1 '20	\$332,023,386	\$309,797,225	\$328,472,708	7.2% ▲	1.1% ▲
Nevada Mining and Support Taxable Retail Sales (TTM)	Jun-20	\$258,003,360	\$261,336,312	\$297,210,853	-1.3% ▼	-13.2% ▼
Elko County Cattle Ranching and Farming Total Wages	Q1 '20	\$1,184,166	\$1,453,766	\$1,495,602	-18.5% ▼	-20.8% ▼
Nevada Cattle Inventory (Including Calves)	2020	480,000	470,000	470,000	2.1% ▲	2.1% ▲
Nevada Price of Hay (Per Ton)	Jul-20	\$180.00	\$185.00	\$170.00	-2.7% ▼	5.9% ▲

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