

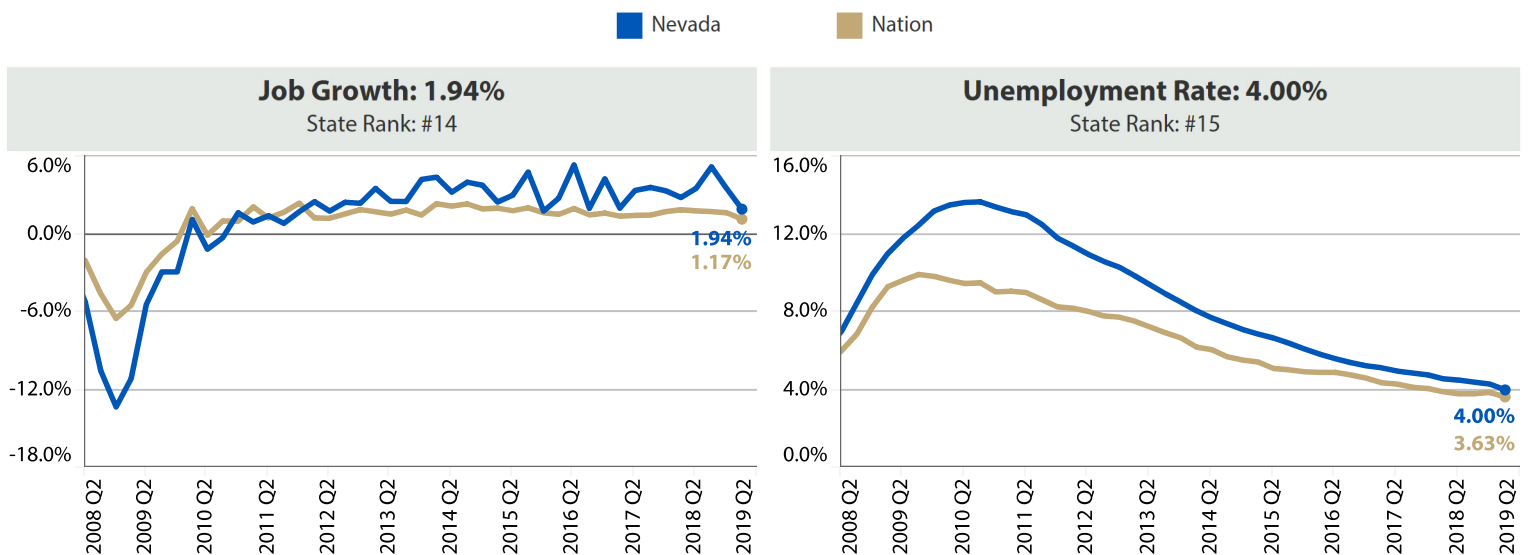
Economy

Nevada's economy cooled in the first half of 2019, following several quarters of nation-leading performance. Job growth slowed as construction, manufacturing, and professional/business services hiring leveled off and retail employment contracted. Employment growth in the important, but low-paying leisure/hospitality sector was relatively strong through mid-2019 as visitor volume and hotel occupancy in Las Vegas edged up. Rapid job formation allowed the state unemployment rate to nearly close the gap with the national rate. Despite easing home-price growth, housing affordability deteriorated rapidly in recent years and was only better than California and Hawaii among 12th District states as of 2Q19.

Banks

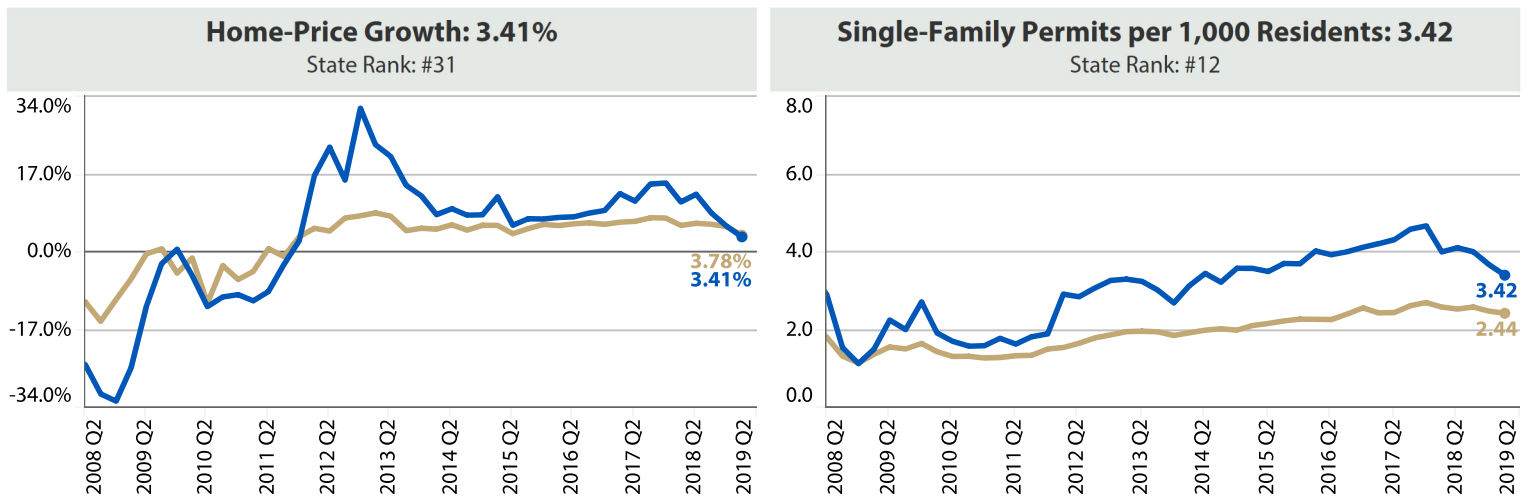
Nevada-based banks posted strong results, on average, in 2Q19, with loan growth and profitability among the highest in the nation. Profit expansion was driven by wider net interest margins and lower overhead expenses. Average loan growth state reaccelerated sharply starting in late-2018, led by 1-4 family and nonfarm-nonresidential real estate. Average nonperforming asset metrics remained very low, which is unsurprising given rapid loan growth. Nevada's average total risk-based capital ratio moderated in 2019 as dividend activity picked up. Average CRE loan concentration remained close to post-crisis lows. Balance sheet liquidity tightened as banks reduced holdings of liquid instruments in favor of margin-boosting loans.

## Key Economic Metrics (ranking #1 = highest among 50 states)



Quarterly average nonfarm payrolls, seasonally adjusted annual rate. Source: Bureau of Labor Statistics (Establishment Survey) via Haver Analytics.

Quarterly average, seasonally adjusted. Source: Bureau of Labor Statistics (Household Employment Survey) via Haver Analytics.

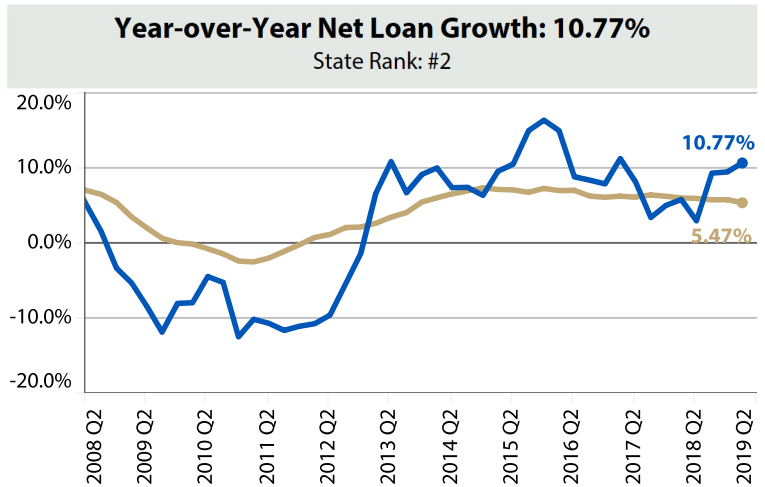
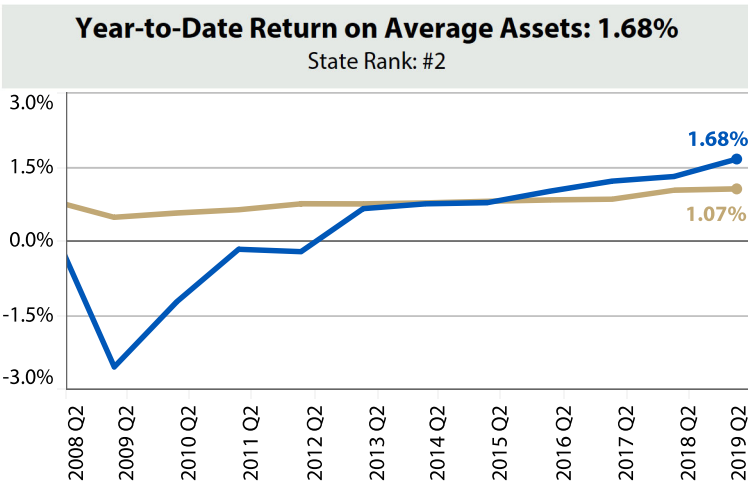


Expanded House Price Index, seasonally adjusted annual rate. Source: Federal Housing Finance Agency via Haver Analytics.

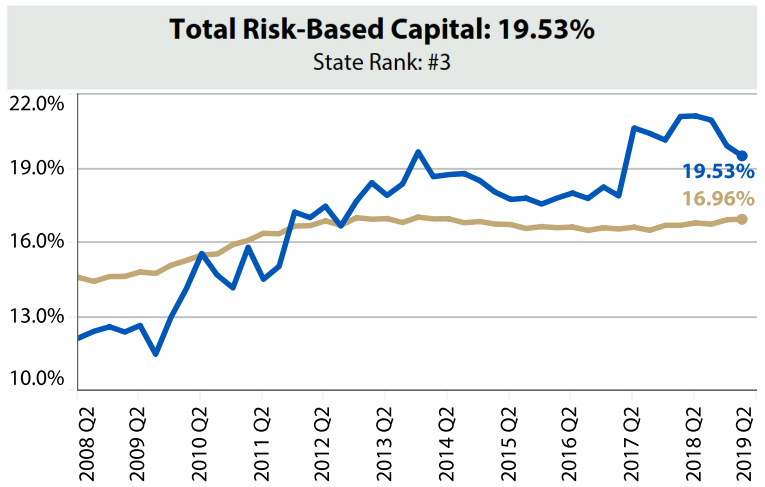
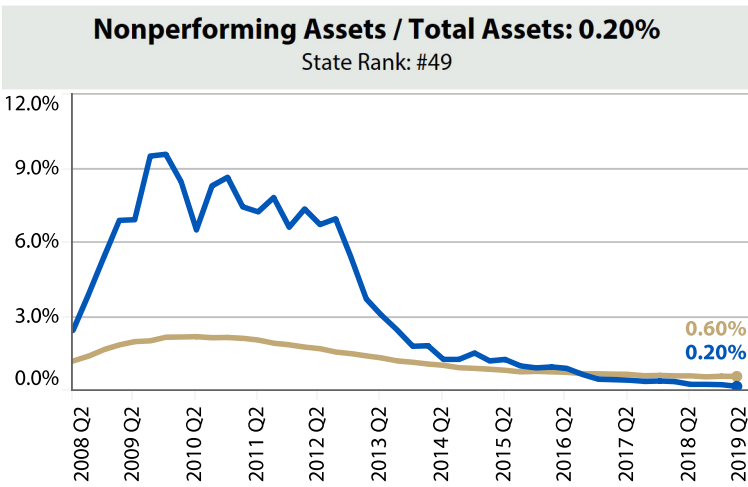
Quarterly average single-family permits (seasonally adjusted annual rate) / quarterly population in thousands. Source: Census Bureau via Haver Analytics.

## Key Banking Metrics (averages across banks; ranking #1 = highest among 50 states)

■ Nevada ■ Nation

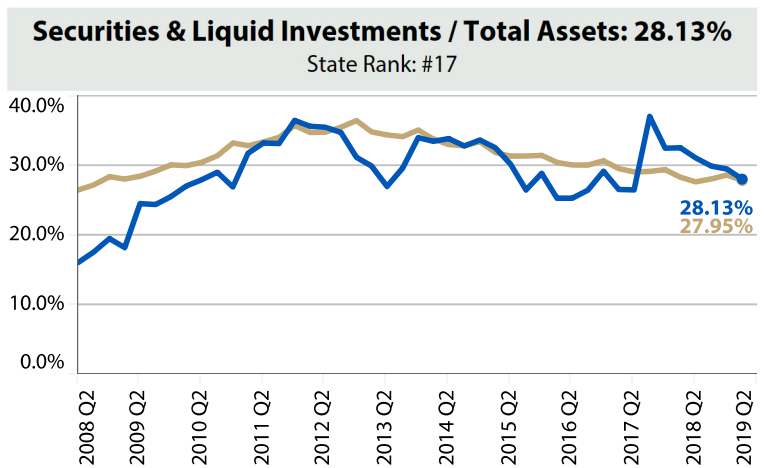
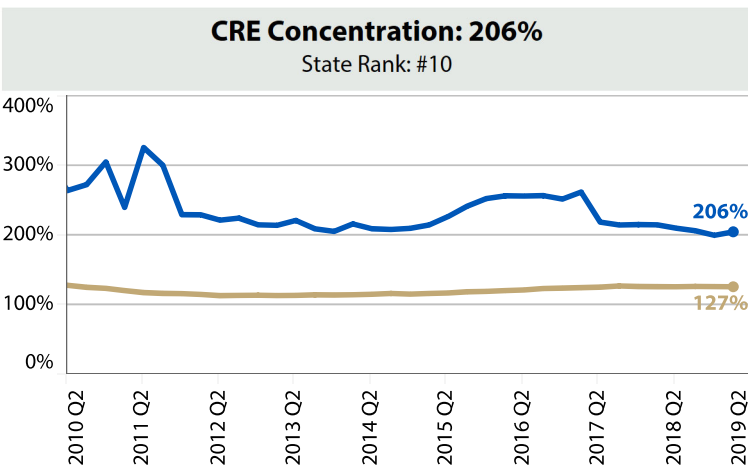


Net income / average assets, adjusted for S-Corps, annualized.



90+ days past due + nonaccruals + other real estate owned / total assets.

Total capital / risk-weighted assets.



Total non-owner-occupied commercial real estate / total capital.

Liquid investments = cash, due-from balances, interest-bearing bank balances, and fed funds sold and securities purchased under agreement to resell.

Source: Call Report data for commercial banks based upon headquarters location. Averages are "trimmed" by removing the highest and lowest 10% of values prior to averaging to prevent distortion by outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "de novo" banks (less than five years old), zero-loan banks, and banks where credit card lending is more than 80% of total lending. As of the latest period, the count of banks included in these statistics were 11 for the state and 4,605 for the nation.