

BRUNING STATE BANK

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A Branch of Bruning State Bank • Broken Bow, NE

FDIC

**YOUR
COUNTRY
BANK**



Some People Just Can't Stand Prosperity...

I've been asked where I get my ideas for newsletters. Probably, some think I don't have what it takes upstairs to come up with my own material. I suppose that's true enough. Usually, I remember a comment someone made years ago that seems to fit in with today's situation. This month I remember the comment "Some people can't stand prosperity."

This is really evident when the Federal Reserve Board lowered interest rates to encourage consumer spending. The second mortgages that followed encouraged people to borrow on their equity in their homes. Some paid off credit card debt then loaded them up again, yielding a false prosperity.

Agriculture is always in an awkward position – it's either "Feast" or Famine"! I asked an old-timer about the 30's, and if he had more bad years than good years. His answer, "I don't remember ever having a good year!"

Well, the grain market went through the ceiling, and we are finally getting the just rewards in agriculture. WHOA!!! Not everyone got in on the high prices, and it's not over until this year's crop is sold. Many had their corn sold at what was probably about the cost of production, and at that, corn was about 80-cents higher than the year before.

Don't make management decisions on potential prices, or spend the money prematurely.

The people who play the futures market have run it up on potential ethanol consumption. Some experts expect increased corn acres will expand anticipated production from 11 billion up to 14 billion bushels.

Landlords, don't raise the rent on expectation. We don't have next year's crop in the bin. A good tenant needs some breathing room. Yes, prices are high and have stayed up for the moment, but remember the old German saying: Trees don't grow to the sky.

Banker Frank

Frank L. Bruning – Chairman of the Board

The FISH Story...

I recently signed up our farming operation at the Farm Service Agency office in Hebron and was working with one of the ladies when I noticed a fish with a FSA label on it. I asked her what that meant and she replied that at one of their continued education classes for USDA, the speaker told them about the FISH Philosophy. She then showed me on her desk what that stood for: 1) Play/Have Fun 2) Make your customer's day 3) Be there when needed 4) Choose your attitude.

This hit home immediately because my Granddad and Dad both have been using this philosophy for years. Dad always has said we look for staff with good personality and we teach them banking later. We feel the staff in Bruning, Hebron and Broken Bow all have warm, caring, sincere and professional attitudes to help our customers whether it is a banking issue or even a family or health concern. We pride ourselves in being a good FISH.

Our staff has an abundance of knowledge in many fields: Banking, Insurance, Trusts, Investments along with helping our customers with marketing ideas and family transaction planning. We will work closely with you, accountants, attorneys and insurance people to do what is the best for you.

So, the next time you are in any of our locations, at a soup supper, ball game, etc., we are there for you with a caring attitude and even to have a little fun. Thank you to all of our customers for letting us be a FISH in your life and remember you are probably a FISH in our lives too!

Have a great New Year!

*Fred D. Bruning–
President*

"Be kinder than necessary, for everyone you meet is fighting some kind of battle." – Unknown

Capital Purchases...

With corn at over \$3.00 per bushel, beans at over \$6.00 per bushel, and wheat at over \$4.00 per bushel, life is good for the farmer. These kinds of prices should allow everyone to make some profit, pay down debt and update some machinery.

The only caution would be not getting too out of hand with the capital purchase so you make sure you have debt coverage should the prices weaken a bit, right? For the most part this thought process is correct. There are, however, some other considerations you should ponder when updating your machinery.

While I would like to take credit for these considerations, I can't, as they come from agriculture financial consultant Roy Ferguson. He says there are three questions you should ask yourself every time you are considering purchasing farm machinery, or any capital for that matter. They are as follows:

- Will this piece of equipment increase my net income?
- Will this piece of equipment decrease my expenses?
- Do I have to have this piece of equipment to be able to run my farming operation?

Mr. Ferguson says if the answer to all three of these questions is no, then you should not purchase the piece of equipment. This may seem a little extreme, but he is truly correct if you look at it from a purely business standpoint.

I know some people can afford to buy the equipment whether or not they answer yes to any of the questions above. The rest of us do need to ask ourselves these questions.

Don't forget you are running a "for profit" business.

*Darrell Raum— Senior Vice President
Credit Supervisor*

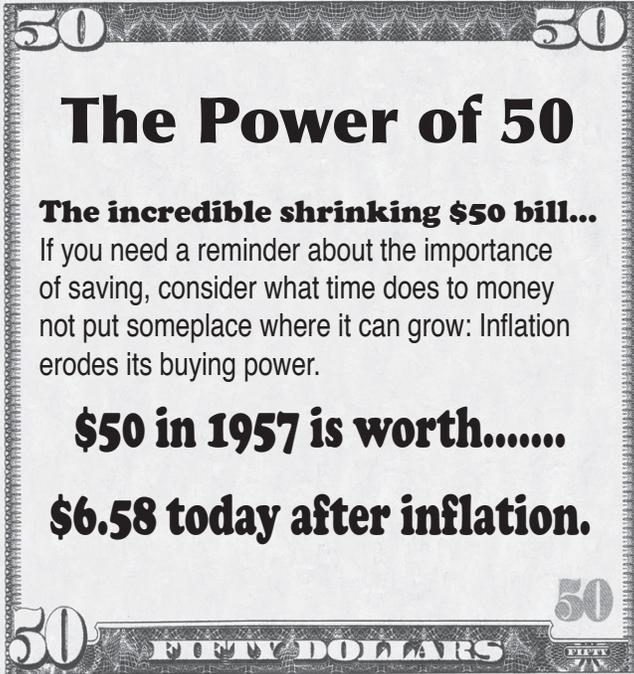
Protect Your Family A.S.A.P....

Many households would be inadequately prepared if the primary wage earner died. People feel buying life insurance is an important and complex financial decision and tend to put it off. Others don't purchase life insurance because they think they can't afford it.

Make this important financial decision a top priority in 2007. Fred Kobza, Jeff Hammer and Stephen Hoff at Bruning State Bank are your Life Insurance professionals, and they are ready to help. They offer a vast array of products from a multitude of companies. There is an insurance plan to fit almost every situation and income level. If you are currently insured, just remember, it's a good idea to do a life insurance "check-up" every year to make sure you are getting the most for your money. Contact our life insurance agents today.

*Fred Kobza, Jeff Hammer, & Stephen Hoff—
Life Insurance Agents**

*Not FDIC Insured *Not a guarantee of the bank *Not a deposit of the bank
*Not insured by any federal government agency *May go down in value



The Power of 50

The incredible shrinking \$50 bill...
If you need a reminder about the importance of saving, consider what time does to money not put someplace where it can grow: Inflation erodes its buying power.

**\$50 in 1957 is worth.....
\$6.58 today after inflation.**



**That means you
have to pay more
for the same goods.**

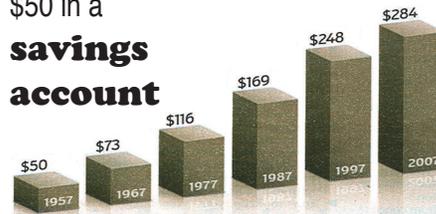
Prices in 1957... and today

Gas, a gallon	\$.23	\$2.24
Coffee, a pound	.69	3.14
Milk, a gallon	.97	3.20
Eggs, a dozen	.45	1.26
Sugar, a pound	.11	.51
Harvard tuition	800	31,665
New home	14,200	241,400*
Median income	4,966	46,326

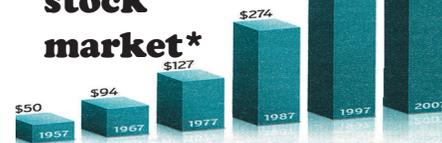
*National Association of Realtors median projection for 2007

The Solution is... Smart Money Management

If you'd invested
\$50 in a
**savings
account**



If you'd invested
\$50 in the
**stock
market***



*Dow Jones Industrial Average. Not every investor will experience positive returns.

Article from AARP Bulletin January 2007

Shoulda-Coulda-Woulda...

Wow, I **shoulda** not been so hasty in marketing grain. If I hadn't listened to my marketing advisory service, I **coulda** made a heck of a lot more money this year. I **woulda** done things differently if I had known that the grain market was going to explode upward. The thing about this is that basically no one saw this coming. Those who normally practice smart conservative marketing plans were the ones who got stung. Those who normally sit on their hands and do nothing are the ones who could have gained the most, if they had sold their crops. Those still sitting on their hands have the potential of making greater profits or sitting idly by and watching their profits slip away.

I remember what happened back in the early 70's when grain prices exploded. I saw a situation where grain in the bin became a big disappointment. The individual gained over the previous year's price, but gave up a small fortune, even by today's standards. Every day the price went up, the individual came in and said "If it gets to (such and such a level), I'm sold out." When it reached that level, he was convinced that there was another dime in the market. This went on for about two weeks. The final move was up seven cents instead of ten cents. The market started back down as fast as it went up. He kept hoping that it would rebound, but it never did. The individual ended up taking over a dollar less on a very large number of bushels. These things can happen again. When a good profit is available, take some; when a large profit is available, sell it all.

There is a feeling today that because of the potential huge demand for Ethanol, grain prices will advance to a new plateau and that somewhere around \$3.00 corn will be a base price and that it will never be under that point again. Dr. Kohl, in his November 2006 presentation, made one statement that stuck with me. He said, "The only thing you can count on is that never always happens." There have been about four times since 1972 that corn has been over \$3.00, with a lot of years in between when the prices were closer to loan rate. I would not be afraid to sell some 07-08-09 crop.

I'm probably going to receive some flack about the next section, but this has been a pet peeve of mine for years. Many farmers themselves have been to blame for the escalating cash rent prices. Either through ignorance of production costs or greed to farm the whole county, they have continually bumped the offering for cash rents or accepted the increase without objection.

Landlords who have been receiving cash rent for the past few years have been making good incomes. The ratio between landlord and tenant incomes is, in most cases, definitely in the landlord's favor if cash rent is involved. Tenants are making it up on farming more acres and gambling that yields and proper marketing skills will make up the slack in the net incomes received per acre.

Remember that all ground is not the same quality. Excellent ground with a complete circle pivot should rent for more than a multi-set flood-irrigated farm. My concept of rents is that both the tenant and landlord should end up with about the same net income before taxes after the crop has been sold. The past few years under cash rents have definitely been in the landlord's favor.

I wouldn't jump the gun on establishing new rental rates; if you do, please realize that grain prices can go down much faster than up. I would suggest that you put some type of adjustment clause in the rental agreement that would allow the rent to go back down if harvest price is under a certain level. If it goes back to the \$2.25 or lower price, then cash rent rates should be reduced to what you were receiving before.

The University of Nebraska has a very good computer spreadsheet called "The Farm Lease Calculator". There is no fair rent, only equitable rent. This program can help you figure what an equitable rent either share or cash could be. I'm sure that your local extension agent would be glad to help you work through this to make a reasonable decision for both landlords and tenants.

Larry Olson –
Vice President
Loan Officer



**HELOC Loans
& Home Loans
Available**

Rates are still low with
competitive terms!!!

HELOC
(Home Equity Line of Credit)

This loan is a revolving line of credit
secured by a principal residence,
rental home or second home.

A **HELOC** loan is a convenient tool
when it comes to making purchases,
whether it be a new vehicle, a
flat-screen TV or a vacation.

**For more details contact
Jeff Hammer at Bruning or Hebron
and Jim Scott in Broken Bow.**

FDIC 

ATM Deposit Information...

We have had questions about when an ATM deposit will be credited to your account.

When you make a deposit at the ATM, it will automatically be credited to your Nets balance at that time. So if you do a balance inquiry at the ATM on that account, your deposit should be added into your balance total. This transaction will not reach the Bank until the next business day. Nets cut off time is from 6:00 p.m. to 6:00 p.m. (Except for weekends, cut off times would be Friday at 6:00 p.m. to Monday at 6:00 p.m.)

Just a reminder that your Visa Check Card On-Line Daily Limit is \$250.00 and your POS Daily Limit is \$1000.00.

Any over the counter deposits made at the Bank on Saturday will not be credited to your account until our next business day, which would be Monday.

If you have any questions please feel free to call.

*Carm Hinrichs, Pam Lemke
& Janice Fintel—
Bookkeeping Department*

To EFT -or- Not to EFT?

Do you struggle to pay your automobile and home insurance premiums every 3 months, 6 months or every year? We have good news!

Some of our insurance companies are now waiving the service charge for the monthly Electronic Funds Transfer (EFT) premium payment option. You can now have your home and automobile insurance premiums deducted directly from your checking account every month – at no additional charge! Now you can save yourself the hassle (and postage) from writing a check every month and no longer struggle to come up with the premium payment every 3 months, 6 months or every year!

A down payment is usually required to get the EFT option started unless the EFT request is submitted at least 30 days prior to the renewal term. Signing up is easy...a voided check, your signature on the EFT request form from our office, and the applicable down payment is all you need to get started.

Be sure to contact us if you are interested in signing up for the monthly EFT payment option!

*Fred Kobza, Kathy Roberts,
& Kristen Monteforte –
Insurance Agency**

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There's Still Time...

As everyone is preparing to file their 2006 income taxes, we want to remind you that there is still time to make a contribution to an Individual Retirement Account (IRA), Coverdell Education Savings Account (CESA) or a Health Savings Account (HSA).

An IRA is a type of retirement plan based on your earned income. The contribution limit for those under the age of 50 is \$4,000. For those 50 and over, the limit is \$5000. You have until your tax filing due date to make a contribution. If you don't feel you can make this large of a contribution, you may make a contribution in any amount you wish up to the limit. Now is the time to start thinking about your future retirement years!

A CESA is a type of savings plan for children designed to help save funds for the time they attend college. The annual contribution limit is \$2000 per designated beneficiary. A contributor may contribute on behalf of multiple designated beneficiaries. In order to contribute to a CESA, you do not need to be the beneficiary's parent. Grandparents or other individuals may make a contribution. There are some restrictions that may apply.

An HSA is a plan to pay for qualified medical expenses of the owner of the account and his/her family. HSAs offer tax-deductible contributions and nontaxable distributions for qualified medical expenses. Funds deposited into an HSA do not have to be used each year. It may accumulate over time. Not everyone is eligible for an HSA. Some restrictions may apply.

If you would like to contribute to one of these interest-bearing plans, see one of our customer service representatives. Now is the time to save for the future!

*Cheryl Houser, Jan Bentley,
Deb Schultz & Nancy Lahners—
Customer Service*

Trip Destinations for 2007...

Niagara Falls & Toronto – Motorcoach

June 24 through July 1

Some Highlights: *Guided Tours of Toronto and Niagara Falls • Cruise on the Maid of the Mist • A Visit to Casa Loma – Canada's Most Magnificent Castle • Visit Niagara-on-the-Lake and Queen Victoria Park & Much More*

55 + Discount Rate: \$865 Per Person, Double Occupancy (\$1065 Per Person, Single Occupancy)

Las Vegas & Canyon Country – Air Tour

Sept. 12 through Sept. 17

Some Highlights: *Two-Night Stay in Las Vegas at the Golden Nugget • Las Vegas Sightseeing • North Rim of Grand Canyon • Zion National Park • Coral Pink Dunes State Park • Bryce Canyon National Park & Much More*

65 + Discount Rate: \$1230(*Including Airfare) Per Person, Double Occupancy (\$1435 Per Person, Single Occupancy)

Under Age 65 Rate: \$1365 double, \$1570 single

*Airfare subject to change until confirmed by Southwest Airlines

NOTICE OF YOUR FINANCIAL PRIVACY RIGHTS

We, our, and us, when used in this notice, mean Bruning State Bank.

This is our privacy notice for our customers. When we use the words “you” and “your” we mean the following types of customers:

- Our consumer customers who have a continuing relationship by purchasing or holding financial products or services such as a(n):
 - Deposit account
 - Loan account
 - Credit card account
 - Safe deposit box
 - Insurance policies issued by or through us
 - Financial, investment, or economic advisory services
 - All persons who use our trust department
 - Former customers

We will tell you the sources of the information we collect about you. We will tell you what measures we take to secure that information.

We will tell you what information we share about you with other entities. We will explain what your rights are, and how you can exercise them. If you share an account relationship with someone else, such as a joint account holder or co-borrower, we suggest that you share this information with such persons to ensure that each of you is aware of our policy and your options.

We first define some terms.

Nonpublic personal information means information about you that we collect in connection with providing a financial product or service to you. Nonpublic personal information does not include information that is available from public sources, such as telephone directories or government records. Hereafter, we will use the term “information” to mean nonpublic personal information as defined in this section.

An **affiliate** is a company we own or control, a company that owns or controls us, or a company that is owned or controlled by the same company that owns or controls us. Ownership does not mean complete ownership, but means owning enough to have control.

A **nonaffiliated third party** is a person we do not employ or a company that is not an affiliate of ours. This is also known as nonaffiliated third party, or simply, an “other party.”

Opt out means a choice you can make to prevent certain sharing of information. We will explain how you can exercise this choice.

THE INFORMATION WE COLLECT

We collect information about you from the following sources:

- Information you give us on applications or other forms
- Information about your transactions with us
- Information about your transactions with our affiliates
- Information about your transactions with other parties
- Information from a consumer reporting agency

THE CONFIDENTIALITY, SECURITY, AND INTEGRITY OF YOUR INFORMATION

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect this information.

YOUR INFORMATION AND OUR AFFILIATES

We may disclose information about you to our affiliates. Here are the kinds of information and the source of that information Transaction and experience information from our account records:

- Information about your transactions and experience with us, such as:
 - Name
 - Address
 - Account balances
 - Account activity
 - Types of accounts
 - Parties to the transaction
 - Credit card usage
 - Payment history
 - Deposit history

Federal law allows us to disclose the information listed above with our affiliates. However, we will allow you to opt out of the disclosure of this information to our affiliates.

Other information not taken from transactions and experience:

- Information you give us on an application or other forms, such as:
 - Social Security Number
 - Assets
 - Income
- Information we receive from a credit reporting agency, such as:
 - Creditworthiness
 - Credit history

You may opt out of the disclosure of the information listed above.

Types Of Affiliates

We may disclose information about you to the following types of affiliates:

- Financial service providers, such as:
 - Bankers
 - Mortgage bankers
 - Securities brokers-dealers
 - Insurance agents

Reasons For Disclosure

We may disclose information about you to our affiliates to provide you with information about additional products and services.

YOUR INFORMATION AND OTHER PARTIES

We will not disclose information about you to anyone except as disclosed in this policy or as permitted by law. Examples of this might include disclosures necessary to service your account or prevent unauthorized transactions.

INFORMATION ABOUT FORMER CUSTOMERS

We have the same policy about disclosing information about former customers as we do about current customers.

YOUR RIGHT TO BLOCK THE DISCLOSURE OF YOUR INFORMATION

Affiliates We may disclose your information with our affiliates. If you do not want us to disclose your information with our affiliates, you can block the disclosure of this information. This is known as your right to "opt out."

Your decision to block the disclosure of your information will apply to information collected from all products and services you receive from us.

If you have obtained one or more products or services jointly, an opt out instruction by any party will be effective for all of that party's information we have collected and for all information collected in conjunction with the product or service for all other joint parties. If one of you chooses to opt out, no information we have collected about you will be shared, nor will we share information about any other joint party collected in conjunction with the product or service.

If you previously sent us an opt out, then we will apply your instruction to all the information you can now opt out of as described in this disclosure. If you have joint accounts, your previous opt out will also apply to information about other parties to your accounts as described in this disclosure.

If you wish to opt out of the disclosure of your information, you may do so by using any of the following methods:

- Write us at: Bruning State Bank, P.O. Box 100, Bruning, Nebraska 68322-0100
- or
- Call this toll free number: 1-800-403-5889

INSURANCE Property/Casual Crop Disability Life Automobile Long Term Care Health <small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank</small>	PRODUCTS AND SERVICES	AG REAL ESTATE Real Estate Sales Escrows 1031 Land Exchange
TRUSTS Power of Attorney Farm Management Estate Management Conservatorships Living Trust Irrevocable Trust Testamentary Trust <small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank</small>	INVESTMENT Retirement Planning Service Full-Service Brokerage (including Stocks, Bonds & Mutual Funds) College Savings Account IRAs Health Savings Account <small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank</small>	LOANS Revolving Line of Credit Machinery Livestock Commercial Home Mortgages Consumer Leasing Ag Real Estate Commercial Real Estate Home Equity Lines of Credit
		CUSTOMER SERVICE Money Market Credit/Debit Cards ATM Card Checking/Savings Account Certificate of Deposit IRA Overdraft Protection Internet Banking/Bill Paying

Come See Us For All Your Banking, Insurance And Investment Needs!



LOOK OUT... My Teenager is driving!

If your teenager has just obtained a driver's license, it may be hard to imagine handing over the keys to your car. The first years that teenagers spend as drivers are very risky. Teen drivers are inexperienced and this inexperience may cause them to make some bad decisions at times, which leads to more accidents.

It is VERY important that you add your new teen driver to your auto insurance policy so you have coverage in the event of an accident. Not every insurance company will go ahead and pay a claim if the driver is a member of the household and hasn't been added to the policy. So...be sure you contact your agent as soon as your young driver gets a farm permit, school permit or their regular driver's license.

Most new drivers learn by example so be sure you are a good role model for your teen. Be sure they know the importance of safe driving! Driving under the influence of alcohol, driving while tired, and driving with distractions (including talking on cell phones, chatting with friends, eating, etc.) all tend to increase the risk of accidents.

Unfortunately, along with the increased risk of accidents due to an inexperienced operator, your auto insurance premiums will be higher also. However, most insurance companies will give a discount if the young driver maintains at least a "B" average in school or if they take a driver training course. Speeding and other driving violations affect insurance premiums so remind your new driver to be conscious of their driving. Also, as they get older, their insurance premiums will drop—providing they maintain a good driving record.

Let us at the Bruning State Bank Agency help you with all your insurance needs. We are always here to help you with any questions and we can provide insurance coverage for all your needs. Stop by our office or give us a call!

*Fred Kobza, Kathy Roberts,
& Kristen Monteforte –
Insurance Agency**

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Crop Insurance News & Notes...

Wow...another year has come and gone! Do you remember when you were a kid and time just seemed to drag by? Now we stay so busy with our everyday activities that it seems like time just flies by and we just can't seem to

get everything done! To help insure that you don't miss a deadline with your busy schedule, we have a few crop insurance reminders that you need to make note of:

Multi-peril Crop Insurance: The 2007 sales closing deadline will be here before you know it! March 15, 2007 is the final date to sign up for or make any changes to your crop insurance (row crop) policy. If you have an existing policy, then the type of coverage you had in 2006 will automatically "carry-over" to 2007 unless you make changes by the deadline. Remember to contact us if you have added land to your operation so we can be sure you have the coverage you need on all your acres. Crop insurance is written by crop and by county, so be sure to let us know if you have started farming ground in a different county or if you decide to plant a new crop in 2007!

All 2006 insurance premiums **MUST** be paid by March 15, 2007, or ALL your crop insurance coverage for 2007 will be cancelled and you will not be eligible for crop insurance until 2008.

2006 Row Crop yields need to be reported to your agent at your earliest convenience.

Remember: Contact us right away if you think you might have a loss on your 2007 wheat crop. It is important that all losses be reported timely! Be sure to contact our office **BEFORE** you decide to destroy any wheat crop. Row crop planted on existing 2007 wheat ground is considered double-cropped and could be uninsurable if the wheat has reached head stage.

Hail Insurance: Did you sign up for continuous coverage on all crops that you want hail insurance coverage on? We had an early hail storm in March of 2006, so be sure to check your coverage now so you have the protection you need! There is "NO CHARGE" for a continuous policy and the premium is the same if you obtain coverage now versus waiting until spring...so don't wait!

We are always available to answer any questions you might have, so please be sure to stop by and talk to us regarding your multi-peril crop insurance, hail insurance, and livestock insurance needs!

We appreciate your business and look forward to working with you in 2007!

*Jeff Hammer, Kathy Roberts,
Craig Pope, Shari Fischer,
Fred Kobza, Janet Germer,
& Larry Olson—
Crop Insurance Agents**

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Teddy Bear Winners...

We want to thank all of our young savers who participated in our 15th annual Teddy Bear Drawing. We had six winners—two drawn at Bruning Bank, two from the Hebron Branch, and two from the Bank of Broken Bow. They were:



**Isaac Else
Brandon Reinsch
Lydia Kirchhoff
Matthew Anguiano
Rebecca Clark
Madison Meston**

Are You Ready To Be Frozen?

With all the concern about identity theft in news articles and mail inserts, don't you wish you could lock up your personal information so no one else could get to it? Well, Nancy Hicks, Lincoln Journal Star, recently reported State Senator Mick Mines of Blair introduced Legislative Bill (LB) 190 that would allow you to put a "security freeze" on your credit information. LB 190 would allow Nebraskans to stop the release of any information connected with opening a new account for the extension of credit. This ability to "freeze" your credit information makes sense, particularly for those whose identity has been stolen.

A "security freeze" would prevent any new company that you don't already have a business relationship with from getting your credit history from credit bureaus. It would prevent a would-be crook from using your credit. A credit bureau gathers information about people's credit history and provides it to businesses for a fee. For example: If you apply for a credit card at a department store, the store checks out the credit bureau information before approving your credit card application.

Under a "freeze", the credit bureau cannot give credit history information out to any new company. So if the department store cannot obtain any credit history, they aren't likely to issue a card.

Twenty-five states have some kind of credit freeze laws. Some apply only to identity theft victims while others allow anyone to get a credit security freeze like the bill Mines is offering. His measure would allow any Nebraskan to freeze their credit report at each of the three reporting

agencies. Identity theft victims could get the freeze for free but everyone else would pay a \$5 fee to each credit bureau, under the original draft of the bill.

The consumer could remove the freeze permanently, or simply "thaw" it for a specific business. Say you wanted to obtain credit to buy a car, you could have your credit report "thawed" for the car loan only.

According to Jaimee Nap, executive director of the Identity Theft Action Council of Nebraska, "National reports indicate 100 million Americans have been victims of a security breach, where unauthorized people have access to personal information. That's 1/3 of the U.S. population. We don't have any control over how employers or government secure our information but obviously they aren't doing it well." Nap states that more information is available to consumers on a web site they sponsor, www.idtheft.org.

This legislative bill may be the first major step in allowing consumers the power to battle identity theft. I encourage everyone to discuss the pros and cons of this legislation with your state senator. I know I will be watching LB 190 closely.

*Craig Pope—
Hebron Branch President*

Introducing Multi-Factor Authentication...

In the coming months our website will undergo changes that will enhance each customer's Internet Banking experience with us. It will be more secure while still being easy to use. Bruning State Bank will introduce Multi-Factor Authentication to our login process. The new procedures will allow you to enter your usercode and password as you do now, but will then display a picture that you have pre-selected so that you know you are on our website. This system is also able to register your computer as a workstation that it recognizes. In the event that you are not at your usual computer, a security question will be asked.

These procedures are in place because of the rising risk of identity theft in the banking industry. In some cases, a user is deceived into entering their personal information through a fraudulent website. With the new login procedures, however, you can be assured that you are actually on Bruning State Bank's website. These procedures also insure that anyone that may obtain your usercode or password would not be able to log in and access your accounts. Internet Banking users will soon receive information in the mail about the new login process. Feel free to call the Bank with any questions.

*Corey Swartzendruber —
Assistant Network Administrator*

**Multi-Peril Crop Insurance
INFORMATIONAL MEETING
AND
CUSTOMER APPRECIATION DINNER**

Thursday, February 15
6:00 p.m.

Belvidere Community Center
Belvidere, NE

**All who would like to learn more about the crop
insurance program are invited to attend this
meeting and dinner, including non-customers!
Please RSVP for the Windsor Loin Dinner!
Please call 353-2085 or 768-7473**

*****QUICK REMINDER*****

Just a quick reminder for those of you with Health Savings Accounts. You have until your tax filing due date to make contributions to your HSA for 2006.

The contribution limits are as follows
(or your deductible, whichever is the lesser amount):

2006

\$2,700 – Individual \$5,450 – Family

2007

\$2,850 – Individual \$5,650 – Family

For those of you who have a high deductible health insurance plan, stop in to discuss our HSA and the benefits it may offer you. To qualify for an HSA, you must have a Health Insurance plan with a deductible of at least \$1,050 for individuals and at least \$2,100 for a family plan. These qualifying amounts increase to at least \$1,100 for individuals and at least \$2,200 for family plans in 2007.

Employers can also contribute to their employees' HSAs if they have a qualifying Health Insurance Plan.

We are also pleased to announce that we now have the ability to offer debit cards and/or checks for your Health Savings Account. That way you can pay your medical bills and have the money come directly out of your HSA.

Please give us a call or stop in to discuss the benefits of HSAs.

*Stephen Hoff, Jan Bentley,
Michelle Goedeken, Shari Fischer,
Kim Schipporeit & Renee Ferguson*

Where's the Drive Up???

Here it is 2007! Where has the time gone? We are looking forward to our two-year anniversary coming up in April. Now that is hard to believe! We continue to be thankful for our loyal customers. If it weren't for you, we wouldn't be here.

Our drive up has been in operation for almost seven months now and has been a success. There are more and more customers taking the plunge and trying it out. As with anything new, it is always a little scary at first, but it seems like once people try it, they keep coming back. There are two exits at the drive up – straight ahead is the west exit and half way through you can turn to the right and exit down the short alley. Occasionally we have had someone block the alley and we apologize for any inconvenience that causes you. Emily's now has a drive up window in the alley, but if someone is at their window, there is room to go around or turn down the north alley before getting to them.

If you have used the drive up, you have found that we do not have someone sitting there at all times, but you will see us sprinting (well, maybe not sprinting, but "walking") back to help you. When you drive up, your vehicle's motion sets a sensor off and rings a bell in the Bank. We have shared this with many of you, but for those of you that don't know, this is our exercise plan! Anyway, don't be alarmed if no one is there when you pull up. We will be there in a second or two. If you walk up to the drive up, you may not set our bell off. Therefore, you will just need to push the button by the drawer. This will also ring a bell inside to let us know you are there.

Thanks to all you fearless people who use the drive up! We are always glad to see your smiling faces back there. If you haven't tried using the drive up, go ahead, be adventurous; come see us on the north side of the Bank!

Bank of Broken Bow



Farmers & Ranchers College Schedule...

February 5, 2007—"Risk Assessed Marketing"
workshop featuring Dr. Art Barnaby at the Fillmore
County Fairgrounds, Geneva from 9:00 a.m. - 3:30 p.m.

March 15, 2007—"Fence Post Talking to Each Other"
workshop featuring Dr. Ron Hanson at Tony's in
Grafton. Meal at 6:00 p.m. with program to follow.

**If you have any questions about the upcoming
programs please contact Fred Bruning,
Larry Olson or Sarah Miller in Bruning.**

BRUNING STATE BANK

Charter No. 618

"Since 1891"

Statement of Condition At Close Of Business On December 31, 2006

ASSETS

CASH	\$4,792,000.00
(Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	
U.S. BONDS	22,240,000.00
(This is the amount of government bonds owned by the bank, most of which are due in less than three years.)	
MUNICIPAL BONDS	9,786,000.00
(Investments in high-grade bonds issued by cities, school districts and other municipal government.)	
FEDERAL FUNDS SOLD	00.00
(Funds loaned to other banks for daily cash needs, payable on demand.)	
TOTAL CASH ASSETS	36,818,000.00
(Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	
LOANS AND DISCOUNTS	94,094,000.00
(Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	
BANKING HOUSE, FURNITURE AND FIXTURES	1,374,000.00
(The depreciated value of the bank, all furniture and equipment.)	
OTHER ASSETS	7,652,000.00
(Accrued interest earned but not collected and other receivables.)	
TOTAL ASSETS	139,938,000.00

LIABILITIES

DEPOSITS	\$111,604,000.00
(Amount of money on deposit by customers of the bank, in the form of checking accounts, savings accounts and certificates of deposit.)	
BORROWED FUNDS - FHLB & OTHERS	9,716,000.00
OTHER LIABILITIES	472,000.00
(Accrued interest payable on all interest bearing checking accounts, savings accounts and certificates of deposit, payable at a future date, and income taxes payable during the fiscal year.)	
TOTAL LIABILITIES	121,792,000.00

EQUITY CAPITAL

CAPITAL STOCK	\$600,000.00
(Par value of 6,000 shares of common stock of the bank, paid by the people who own the stock.)	
SURPLUS	13,800,000.00
(Amount taken from the profits of the bank to further strengthen the position of the bank.)	
UNDIVIDED PROFITS AND RESERVES	3,746,000.00
(Amount that has accumulated from earning of the bank for reserves.)	
TOTAL EQUITY CAPITAL	18,146,000.00

TOTAL LIABILITIES & EQUITY CAPITAL 139,938,000.00

**BRUNING
STATE
BANK**

P.O. Box 100
Bruning, Nebraska 68322

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YOUR COUNTRY BANK

