



BRUNING BANK

SPRING 2022

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Don't Let the Old Man In

One day on a golf course, singer/songwriter Toby Keith and Actor Clint Eastwood were golfing together. Eastwood shares that he was working on a new movie at the age of 88 in a few days. Keith was struck by Eastwood's relentless energy at an age when many are content to sit and just reflect instead of taking action. Keith asked, "How do you keep going?"

Eastwood said, "I just get up every morning and go out, and I don't let the old man in." So, Keith wrote a song with that title. Parts of the song refer to your body as weathered and worn. People always knocking at our doors and how old would you be if you didn't know the day you were born? Many good things to think about.

Many people 60-90 years old still want to work, be busy, and socialize with others. With COVID, many changes occurred. People quitting work due to mandates and the baby boomer's generation nearing retirement age with less people filling those positions. The unemployment rate is less than 2% for Nebraska, the lowest in the nation.

I am one of those, along with many of you in the business world, farmers or ranchers that haven't retired and don't plan to any time soon. We can't let the old man in our thoughts. If you feel good and can contribute to the workforce, why not keep going? We have great work ethic, knowledge, and energy to share.

Part of our upbringing was to show up and work until the work was done. We can still mentor young people and if you have to get up in the morning to worry about something, you will live longer, as my father Frank would say.

Sometimes debt at a later age gives you reason to get up and be involved in your business, farm, or ranch operation. Stay away from negative thinkers and talk to those your age or older to learn from each other. As the song ends, "Toast each sundown with wine and don't let the old man in!"

-Fred D. Bruning, Chief Executive Officer



FRED D. BRUNING

"Stay away from negative people. They have a problem for every solution."

Albert Einstein

Jerry's Journal



JERRY CATLETT

Each of our location presidents were recently asked to update a quote to be displayed on the Bruning Bank website. You'll see some inspirational and informative words that were written by my very thoughtful co-workers.

I was searching for a little inspiration for a quote of my own and I came across this famous one:

“ The great thing in this world is not so much where you stand, as in what direction you are moving. ”
-Oliver Wendell Holmes-

I felt that quote fit with some past articles that I have written to let you know what direction Bruning Bank is going. We've discussed how we manage the bank using a strategic planning process and how we are evaluated by the state and federal regulators. We have policies and procedures in place within our various bank departments. We monitor our loan portfolio for declines in credit quality and what effect that that might have on earnings, liquidity, and capital. Bruning Bank has been moving in the right direction for 130+ years.

In short, Bruning Bank continues to grow, gaining more business from current customers and attaching new customers via referrals and recommendations. Thanks to all of you that have sent a family member, neighbor or business associate our way.

With growth comes challenges, as you know Nebraska keeps setting records for the lowest unemployment rates in the history of the United States. Just as with all you that are farm, business or other employers we are facing labor shortages. Not a fun challenge, however, we and most other banks and businesses have been forced to move toward more online and mobile technology-based solutions.

Innovation can come from many sources and many forces, such as the labor shortage. We are looking to become efficient and still provide great service and great products, and have great people supporting you face to face or in the background. For example, in the last newsletter we had a piece on Card Hub a new online and mobile tool to help you and help us protect your VISA Check Card transactions and help you track your spending.

We are continuing to look at our technology and just as with most banks and businesses, and as individuals that for example have a smart phone, there are many more things we can be doing with the technology we already have!

I hope this helps everyone understand the direction we are moving! It is not easy, it feels good to see where Bruning Bank financial strength and resources are standing currently, we just know we have to keep moving in the right direction!

- Jerry Catlett, President, COO

Positivity, Even on Mondays



I'm sure you've all heard the complaints about Mondays...

"Yay, Monday!" – said no one, ever

"If each day is a gift, I'd like to know where I can return Mondays"

"My favorite swear word is Monday"

"Looks like someone has a case of the Mondays"

Mondays really do get a bad rap.

Having a negative attitude about 1/7th of your week can steal so much joy from your life. We all have bad days. Even just watching the news or scrolling through social media can make a person feel defeated. Unfortunately, negativity can spread quickly to all areas of our lives, including the workplace. There are so many things in this world that we don't have control over, like how fast the weekends always seem to fly right by. However, areas we do have control over are our thoughts and reactions. Luckily, positivity is

also contagious.

Most of us spend more time with our coworkers than we do our families. Our workplace atmosphere can end up having a huge impact on our lives. As a coworker, you have the ability to encourage positivity. Compliment, praise, and show gratitude. The saying that a person who is appreciated will always do more than what is expected is true. Plus, making those around you feel valued will not only increase their productivity, but also your own.

Speaking of you, it's not only important how we treat others, but also how we treat ourselves. Pay attention to your thoughts and change any that are negative to positive. Quit criticizing and complaining by reframing how you look at every problem. Even the big problems, like Mondays. Try to find the bright side, the solution, the silver lining.

Life really is too short, so if you ever find yourself in a workplace where you absolutely can't find any positive aspects, find a new one. By the way, Bruning Bank is hiring.

- Lindsey Viesselmeier, Human Resources Manager

New Employee Spotlight



TAMMY SCHULTZ

Tamalia Schultz was born and raised in Lexington, NE and joins Bruning Bank in Kearney as a Relationship Associate. She has been in banking for 15+ years. Tammy and her husband moved to Kearney 3 1/2 years ago, to be closer to their children and grandchildren.

Her number one past time is spending time with her husband, children, and especially her grandchildren!



CHERYL FERNALD

Cheryl joins Bruning Bank in Bruning as a Relationship Associate. She and her husband moved to Nebraska from Wyoming a year ago and now call Bruning home.

Cheryl grew up in Texas and New Mexico. When she married her husband 29 years ago, she became a Husker fan. She and her husband have four children; two live in Denver, CO and two attend University of Wyoming in Laramie. It is a well-known fact the first words of each were "Go big red".



MACKENZIE CROWDER

Mackenzie grew up on a small family farm near Waco, NE. She attended UNK for Advertising and Public Relations and was a thrower on the Women's Track and Field team. She joins Bruning Bank as the new Assistant Marketing Director at our Bruning location. After graduation, she moved to Cambridge where she worked at the local hospital and is now excited to get started learning the world of banking. For fun, she enjoys spending time with her fiancé, pets, and friends, playing cards, trying new recipes, watching movies, and visiting her family. Mackenzie is excited for this new adventure!



ABIGAIL REINSCH

Abi grew up in Milligan and now lives by Geneva with her husband and two sons. She has spent the past nine plus years on the Clerical/Guest/Public Relations side in the medical field. She is excited to be at the Bruning Bank front desk and is eager to learn more about the banking world.

In her spare time, she enjoys spending time with family, golfing, cooking/baking from scratch, and volunteering.



TORI FORRESTER

Tori joins Bruning Bank in Kearney as an Operations Associate. She was previously in insurance but is excited to start a career in the banking industry. Tori is originally from Ansley and attended CCC-Hastings and Peru State and majored in business administration. She recently moved to Kearney with her husband. She enjoys being outdoors, spending time with her niece and nephew, and going home to help on the family ranch.



HILLARY CAMPBELL

Hillary joins Bruning Bank as the new Relationship Associate at the Hebron location. She is originally from Odell, NE and moved to Hebron in 2018 after marrying her husband, Curtis. They have one daughter, Kendyll. Hillary enjoys being outdoors, playing and watching sports, and spending time with family and friends. She is excited for this new adventure being a part of Bruning Bank.

Holdrege Updates and Happenings



As you may have noticed over the years, the designated writing of newsletter articles here in Holdrege is rotated between a group of employees. When my time arrives and I begin to gather my thoughts on what subject matter to share with you all, I will be honest, at times it is a challenge to narrow down the scope of topics. When I get to this point, I always

find it best to go back to the basics and I have always found it is easy to talk about what is happening at the Holdrege branch and within the community. Below is a brief list of projects and accomplishments that have or are presently taking place.

- Bruning Bank-Holdrege location addition project. As many of you probably know or have seen, we are adding on to the Holdrege facility. Plans began on this project this past summer and work earnestly started in early November. The new addition will add another 1,700 square feet to the existing facility. This new area will provide six new offices with us netting five as we will lose one of our present offices to become the corridor to the new addition. Full completion of the project is estimated to be sometime in June 2022. We have certainly been blessed with continued growth of the bank and this project would not be possible without the great support of you, our customers, and the community.

- The Crew Subdivision, located on the east side of Holdrege, began construction on 20 new duplexes, six townhouses and 19 lots for single family homes. All 20 duplexes and two townhouses are occupied at the end of 2021. Construction is planned to begin on single family homes in the spring of 2022.

- Phelps County Development Corporation (PCDC) assisted Janssen Auto Group to establish a new Dual Credit Auto Tech program in partnership with Central Community College. The program had 17 students in 2021 with PCDC paying for tuition and fees for all students.

- In its 10th year, Phelps County Community Foundation's annual giving day, give2GROW raised a record-breaking total of \$1,116,026 with 79 participating organizations. The first give2GROW event in 2012 raised \$441,585 with 41 participating organizations.

- Site Selection Magazine selected Phelps County as #2 Most Robust Rural County in the nation in its annual market vitality rankings for 2021.

- 2020 US Census: Holdrege Population: 5,515 (+20) reversal of a negative trend; first growth since 1970.

Bruning Bank is certainly proud and excited to be a part of this vibrant community, and we look forward to our continued service to Holdrege and Phelps County.

- Kyle Anderson, Senior Executive Commercial Lender

A Good Practice When Buying Privately



All of us over time buy personal property privately from other individuals. Have you ever thought whether there is risk to you in buying personal property from a private individual or even an entity such as a corporation or limited liability company? Many of our consumer customers are buying vehicles privately and our farmers and ranchers

are buying cattle, equipment, and hay privately. What is the risk to you, as the buyer of an item from an individual? The risk is if there is a lien on that item and the individual seller doesn't go pay off or pay down on that debt owed to his or her bank on what you just bought. For example, for the farmer and rancher, the elevator, or the livestock barn is putting the bank's name on the check when you sell crops or cattle, so it makes you the seller come to the bank to

pay down on your debt. It takes the liability off the elevator or livestock barn by putting the bank's name on the check and by law, they should because the bank has collateral on those items. Now when you are the buyer of a vehicle, equipment, crops, and hay from an individual, you really are no different than the elevator or livestock barn and you should be putting that seller's bank's name on the check to limit your liability. There will be cases where the consumer individual can provide you the title showing there isn't a lien on the vehicle you are buying, then you would be okay to not list the seller's bank on the check.

Over the years, I have had customers call me to help them through situations as explained above. Don't be afraid to give us a call. We would be happy to help you through these types of transactions.

-Jim Scott, President- Broken Bow

How Secure is Your Password?



Sometimes I feel like a broken record when talking about security. Unfortunately, in this age of technology, there will always be people out there trying to gain access to your information. Sometimes they don't even have to gain access directly through you, they can get your information via data breaches of companies that you have shared

your information with. There are several ways you can protect yourself from either being hacked or if your data has already been compromised, to be aware of it and protect yourself going forward.

The first way you can protect yourself is by not using the same set of credentials for multiple sites and services. If you have problems remembering all those passwords, there are several free password managers out there that you can use such as **KeepPass**, **LastPass**, or **1Password**. If you want to take it one step further, use a passphrase as opposed to a password when available. A passphrase generally contains spaces between words, which makes it significantly more difficult to guess with cracking software.

A recent article from one of our vendors provides this example:

Notagreatpassw0rd! – This password can be guessed in **15 seconds** using cracking software.

Now, what if we add spaces?

Not a great pass w0rd! -- This password can be guessed in **56,000 years** using cracking software.

The second way to protect yourself is by knowing if your information has been compromised. To do this you can visit the site for **Have I Been Pwned** (<https://haveibeenpwned.com>). Here you have the ability to check your email addresses and phone numbers to see if they have been involved in any data breaches. This is an entirely free service and is a government trusted resource for anyone to use. This site also gives you the ability to setup alerts to notify you if your email address is included in a data breach. If, or probably more accurately when you find out your data has been compromised, make sure you change your password immediately. This is a great time to switch to a passphrase if you can.

- Andy Hill, Chief Information Officer



Seven new parking stalls



Preparing for addition



Framing of new offices



Ground work on building



Front view of new offices



KATHY ROBERTS



KRISTEN MONTEFORTE



ALLISA WALLER-SWANSON

How Much is Enough?

You probably noticed that insurance companies automatically increase the coverage on your home and buildings (and some other items) due to inflation. Unfortunately, these inflation adjustments may not be adequate due to the substantial increases in the cost of building materials, steel, and labor etc.

The amount of coverage on your home, out-buildings, and ALL items on your policy, needs to be reviewed regularly to avoid inadequate coverage and possible coinsurance penalties at loss time. You work hard and take pride in keeping your property in good condition. The last thing you need is to have a loss and not have adequate coverage.

SO - HOW MUCH IS ENOUGH?

Each company has a replacement cost estimator that allows us to input the details and features in your home. These estimators help us determine what it would cost to rebuild your home and/or other structures. The purchase price, selling price, and assessed value is NOT used in determining the replacement value of your home.

The coverage required on your home and out-buildings is based on the "type" of coverage you have. Keep in mind that the full replacement value is used to determine the required coverage amount.

Replacement Cost Coverage	Increased Replacement Cost Coverage	Actual Cash Value Coverage
<p>Property MUST be insured for full (100%) replacement cost. Some companies allow 80% of full replacement value.</p> <ul style="list-style-type: none"> Allows you to either repair or replace damaged property, whichever is lower, with like kind & quality, without depreciation - minus your deductible. The maximum paid on a loss is the coverage amount stated on your declarations page. 	<p>Property MUST be insured at 100% of replacement cost.</p> <ul style="list-style-type: none"> Replacement cost coverage with the exception of the maximum paid out. Increased replacement coverage will provide some additional coverage, if it ends up costing more to totally rebuild a home with like kind & quality materials. The additional amount is a percentage of your dwelling coverage and differs between companies and coverage options. 	<p>Coverage can be written at 50%-80% of full replacement value.</p> <ul style="list-style-type: none"> Damaged property is repaired or replaced with materials of like kind & quality - minus applicable depreciation - and your deductible. The amount of depreciation taken is determined by the age of the damaged item.

NOTE: For Replacement Cost Coverage and Increased Replacement Cost Coverage, if damaged items are not repaired or replaced, then the company will only pay for the actual cash value. Items must be replaced to get the full replacement cost payment.

How does coinsurance affect you at loss time?

A coinsurance penalty can be applied if you don't maintain the required minimum coverage amounts. This penalty is applied at loss time and will be deducted from your claim payment. The amount of the penalty is calculated by dividing the insured amount by the minimum coverage amount that "should" have been purchased.

Regular reviews are VERY important for ALL insurance coverages, including...home, farm, out-buildings, scheduled personal property, farm (blanketed) personal property, farm equipment, irrigation pivots, cattle, hay, and stored grain. Minimum coverage requirements and coinsurance penalties can apply to all coverages. No one knows your home/property better than you, so it's best to review the features and estimate with us.

Don't suffer heartache and financial loss at loss time...Contact us **TODAY** for a full coverage review!

- Kathy, Kristen, Allisa, Sara Jo & Ashli
Bruning Insurance Agency

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.



Crop Insurance- Are You Ready?

Is your multi-peril crop and/or crop hail coverage ready for the 2022 crop year? Did you have the protection you needed in 2021 and will your policy provide the protection you need in 2022?

Multi-peril policies provide continuous coverage, but only for the crops, counties, and coverages that were in place the prior year.

Do you have any changes?

- New to farming in 2022 and need coverage?
- Are you adding a new county or State to your operation?
- Are you planting any crops that aren't currently listed on your policy?
- Do you need different coverage on your crops?
- Any changes in marital status, changes in owners or did you form a new LLC or Corporation?
- No longer farming?

Remember to review ALL information on your policy as all information & coverage MUST be correct to avoid any penalties later.

March 15th is the deadline to sign up, make changes, or cancel multi-peril crop insurance coverage for the 2022 spring crop year.

We can help you get 24/7 access to your crop insurance information and assist in signing up for electronic claim payments. These electronic payments can help avoid mailing delays or lost checks. Contact the Bruning Insurance Agency for your 2022 crop insurance needs.

Important Crop Dates

Initial planting dates for multi-peril crop insurance:

	Nebraska	Kansas
Corn	April 10th	April 5th
Grain Sorghum	April 16th	April 26th
Soybeans	April 25th	April 26th

We appreciate your business and look forward to working with you in 2022!

- Kathy & Jeff
Crop Insurance Agents

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There's Still Time to Refinance



The past 22 months have seemed like the ideal time to refinance a mortgage. But if you didn't have a chance to take advantage of those historically low rates, would it still be beneficial to refinance?

There are several ways to look at this answer, but first decide on the reason you would want to refinance. If you are looking solely for a lower rate,

a refinance may still be beneficial, depending upon your current rate, the remaining amount, and the length of your existing mortgage. Do you want to extend the length of your mortgage to help with your monthly cash flow? If so, a refinance can help achieve that. Or do you want to tap into some of the equity you have in your home to pay-off higher interest rate debt or other expenses? A cash-out refinance may allow you to borrow money at a lower interest rate than a traditional consumer loan. Rates are

still very good, so don't assume that you have completely missed a refinance opportunity.

If you have already refinanced to a great rate but now you'd like to make improvements to your home, we can help you with this scenario, as well. Our Home Equity and Home Equity Line of Credit (HELOC) loans are favorably priced to help you with those home improvement projects or unexpected expenses that come up.

Are you thinking about purchasing or building a house this spring? Please come talk to us first! We will help you determine the amount of mortgage that will be comfortable for you and, once qualified, we will provide you with a pre-qualification letter. Realtors and builders are now requesting pre-qualification letters prior to executing a purchase agreement or contract.

We offer a variety of mortgage products to fit most situations and we would welcome the opportunity to work with you. Whatever stage of homeownership you are in, we are here to help!

- Shari Fischer, Mortgage Loan Officer (NMLS #474130)

Refocusing



It is that time of year when we do an annual assessment to determine the order of our priorities in our lives.

We tend to place and spend more time on the things we enjoy doing the most. That is not always a bad thing, but it can be eye opening when we really look at where our time is truly spent. Our priorities can change as we age, from high school graduation,

to higher education, from our first job to our current job, from being single to being married, from having no children to having children, becoming empty nesters to being grandparents. This is what I would call the progression of change in our lives, which influences our priorities.

When I was in my mid 30's I was attending a seminar and was presented with a question by the guest speaker, who simply said, "list your top 5 priorities and put them in the order you are living them today (in other words, where did I spend my time and money?)."

"Wow" what a revelation this was for me. This is something I had to be 100% honest with myself about. If my memory serves me right, my first list was something like this:

- 1) Health
- 2) Wealth
- 3) Job

- 4) Family
- 5) Faith

As you can see my priorities were upside down. I then rewrote them in the order my heart told me they should be in.

- 1) Faith
- 2) Family
- 3) Health
- 4) Job
- 5) Wealth

I made several observations. These priorities are all interconnected, yet stand independently on their own. The order can change throughout the year by choice and sometimes not by choice. I personally believe my life becomes more fulfilling when I keep my priorities in the order best suited for and true to me.

I challenge you to sit down and list your priorities out honestly, and then ask yourself, "are they in the order you know they should be?" They do not have to be the ones I listed for my assessment.

Once your list is completed, observe how making a change can influence the fulfillment of your life.

In this fast-paced world, with our blue screens, the pandemic, and our busy schedules, we can let our priorities get upside-down. Now, as we begin a new year and set new goals, it is a good time to evaluate what our priorities really are and, if need be, refocus.

- Sonny Manley, President- Hebron

Home Loan Experts by Location

BRUNING & HEBRON



SHARI FISCHER
NMLS#474130
402.768.7473
sfischer@bruningbank.com



TRACI FANGMEIER
NMLS#948013
402.768.7473
tfangmeier@bruningbank.com

BROKEN BOW



JANICE NOZICKA
NMLS#474132
308.872.2757
jnozicka@bruningbank.com



CECE KILLINGER
NMLS#1529848
308.872.2757
ckillinger@bruningbank.com

HOLDREGE



MICHAELA NIELSEN
NMLS#894658
308.995.3880
mnielsen@bruningbank.com



JILL SUTTON
NMLS#1631544
308.995.3880
jsutton@bruningbank.com

KEARNEY



ANNEMARIE O'CONNOR
NMLS#416351
308.455.3072
aoconnor@bruningbank.com

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New Year's Resolution



Did you pledge to get more exercise, take up a hobby, lose weight, maybe you even said you would try to travel more? All of these are great New Year's resolutions, but did you realize that your financial health is also important?

One of the top financial New

Year resolutions should be to save more money. One of the best ways to do this is to "pay yourself" first. Determine an amount every month that you will set aside by contributing to a 401K if available, an IRA or just a simple savings account and place that amount in those areas first before any other expenses are paid. Pay yourself first!

- Todd Clabaugh, President- Kearney

Mark Your Calendar

MARCH:

- 15 - Sales closing for 2022 Multi-Peril (Row Crop) Insurance
- 22 - National Ag Day

APRIL:

- 18 - National Tax Day
- 22 - National Teach Children to Save Day

MAY:

- 2-6 - Teacher Appreciation Week
- 6-12 - National Nurses Week
- 8 - Mothers' Day flowers available in the lobby or drive-up
- 30 - CLOSED - Memorial Day

2022 Economic and Markets Update

Last spring, I relayed the economics conventional wisdom was inflation would increase over 2% in 2021. Well, that was an understatement! Consumer prices rose 7.00%, the largest increase for any calendar year since 1981.



DAVE FROOM
VICE PRESIDENT &
LPL FINANCIAL PLANNER

My opinion is we will see a lot of volatility in 2022! Why more this year than normal? To begin with, it's an election year, and you can bet on increased market swings (it happens every election cycle). Further, we are still struggling with COVID and the variants that have created a supply chain train wreck.

Most of the economists and analysts I'm listening to believe that supply chain disruptions should smooth out over the course of 2022 but probably not be completely resolved until 2023 or longer. If we see significant improvements this year, that will bode well for stocks. Since we are largely a consumer-driven economy, that will help our GDP continue moving in the right direction. When the numbers all come in from businesses, we expect our 2021 U.S. GDP to be around 5.7%. That's very good. I'm not expecting 2022 to end up quite that good, but we should still be in decent positive territory.

One of the big stories for 2022 is how the Federal Reserve fights inflation. The Fed has been overly dovish for years, and now they are behind the proverbial eight-ball. They have to walk a fine line between tightening money policy and not strangling the bull market economy. The first step is to end Quantitative Easing (Fed's buying government bonds to increase money supply, lowering interest rates). We expect the Fed to end QE in March, then follow up with the first of potentially 2 - 4 rate hikes (most likely 0.25% each).

I think Quantitative Tightening and the subsequent rate hikes are long overdue and will end up being a good thing for our economy, but it will not be without convulsions along the way. The markets don't like QT and rate hikes because it increases borrowing costs and may shrink both individual discretionary spending as well as business capital expenditures. If it costs a consumer more to borrow then they have less to spend on discretionary goods and services. However, in my opinion, runaway inflation has already squeezed consumers' discretionary spending. If we can slow down inflation and reduce it to a normalized 3%, then that will help the consumer more than low interest rates. If that theory holds, we should see the bull market continue. That said, we're not expecting as high returns as 2021.

Bonds will be a big challenge. Bond prices are inversely related to interest rates. If I buy a par bond (\$1,000) with a 3% coupon, and rates increase so my neighbor can buy the exact bond later paying 3.25% then my bond goes down in value in the market. If I hold my bond to maturity I'm not hurt, but if I must sell it early, I can incur a loss.

But we don't want to scrap bonds altogether because they still serve an important role in an investment portfolio. Bonds tend to be non-correlated to stocks. When stocks go down, bonds often go up. It's not a perfect balance, but it can help reduce the overall volatility in your investment. Bonds have volatility too, but historically it is a fraction of what we see in the stock market.

So, between COVID, supply chain disruptions, an election year, and a hawkish change to Fed money policy, I think we can expect increased market volatility this year. But does that mean we should sit on the sidelines? No way! It is a time for real planning and tactical asset management. And don't forget that volatility can also mean opportunity. Don't panic. Don't pull out of the markets wholesale. Don't sell low. Let's talk about how to best plan for your financial future. If you have already engaged us for retirement income planning, you know we position a portion of your assets to be out of stock market and a portion to capitalize on market volatility in a very well-thought-out methodology.

¹ "Who Gets the Blame for Inflation" by Brian Wesbury and Robert Stein

² "The 2021 Finish: Fast Growth, High Inflation" by Brian Wesbury and Robert Stein

Disclosures: The information provided here is for general information only and should not be considered an individualized recommendation or personalized investment advice. Any economic forecasts set forth in this material may not develop as predicted.

All investing involves risk including loss of principal. No strategy assures success or protects against loss. Past performance is not indicative of future results. Bonds sold or redeemed prior to maturity may be subject to a substantial gain or loss. An issuer may default on payment of the principal or interest of a bond. Bonds are also subject to other types of risks such as calls, credit, liquidity, interest rate, and general market risks.

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Mobile Banking Has Your Back



Would you like to get a better grip on your finances this year? Bruning Bank's online and mobile banking have many features that can make getting organized a little easier.

The newest feature, **My Card**, allows you to:

- Easily turn your debit card off and on. This can be helpful if you've misplaced your card and need some time to search for it.
- Manage your travel plans. This allows you to add states or countries to enable purchases in destinations you plan to visit. Add up to 15 destinations per trip.
- View your monthly spending summary. This is a great budgeting tool.

Always make sure your bills are paid on time with **Bill Pay**.

- Set up all your monthly bills in one place.
- Recurring payments that are fixed amounts, such as rent, can be set on AutoPay. Bill Pay can automatically send a payment to your billers on the day you choose.
- Payments that are only occasional or variable amounts, such as your utility bill, can easily be paid by just entering the amount. The biller's information will already be saved on your Bill Pay account.

This feature is free of charge for our customers. **Zelle** is a person-to-person platform that allows you to easily reimburse your friend for concert tickets, pay for your new hairdo, or split the dinner ticket.

My Card, Bill Pay, and Zelle can all be viewed by logging into your online or mobile banking. Give your local Bruning Bank location a call or stop in to learn more about these products and how they can help you organize your finances.

-Jaeden Jensen, Relationship Specialist

Profitability and Maintaining



Our expectations are coming true! Most farm operations experienced strong profitability in 2021, which is wonderful to see. It is always rewarding to see our customers be successful in Building and Maintaining Wealth!

How can profits be used by a farm operation or business? First, profits can be used to build working capital.

Working capital is the first defense against weak commodity prices, lower yields, or a lack in demand for your product or service. Second, profits can be used to pay down debt, which builds equity. Equity is the second line of defense in years that are not profitable. Third, profits can be used to buy fixed assets, which in turn increases equity. Fixed assets purchased at historically high prices can have a negative impact on equity over time, if the value of the assets decrease over time. I have experienced several purchasing mistakes made in the past during good times. Long-term assets purchased during short-term economic booms can be devastating to a farm operation or a business, when the economic booms turn into busts. As lenders, we try to focus on trends, not just one year of performance.

We try to make longer-term decisions based on longer-term performance.

Profitability is the first source of repayment on term loans. We focus on profitability, as the value of an asset can increase or decrease over time, but if a business or operation is profitable and can service the term debt payments, the value of the asset becomes less important. The typical tertiary source of repayment on a loan is the sale of the asset. This is the time when the value of the asset is important. Is the asset worth enough to pay the debt in full? Hopefully, we never get to this point.

Profitability in the agricultural world is based on Earned Net Worth (ENW) changes. ENW change is the change in equity without any valuation adjustment on fixed assets. Was the equity change "earned" or was equity gained by increasing the value of fixed assets? We want to make sure we are focused on true or earned equity gains, not gains made by increasing assets on paper only.

If you have any questions about the calculation of Earned Net Worth changes from year to year, please let our lenders know, and we would be happy to visit with you!

- Ken Mehlin, COO



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Bruning Bank is committed to Agriculture. We help farmers and ranchers with anything from crop insurance to attaining a loan for equipment. Agriculture has and always will be important to us.

- Real Estate Loans
- Machinery/Equipment Loans
- Operating Loans
- Crop Input Loans
- And more!

**National Ag Day:
March 22, 2022**

