

BRUNING STATE BANK

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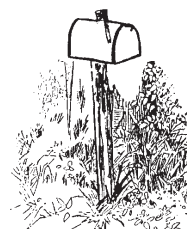
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Bank of Broken Bow 308-872-2757 or 1-877-872-2757

A Branch of Bruning State Bank • Broken Bow, NE

FDIC



**YOUR
COUNTRY
BANK**



GAS . . .

The environmentalists have discovered another threat to our lives (they really had to be creative to think this up): Cows and hogs pass methane gas.

Now, being from the farm, this is something I have noticed. I don't find it offensive, though; to me it smells like money.

The Clean Air Act proposed a tax of \$175 for dairy cows, \$87.50 for beef cows. I don't think that it will stop them from passing gas any more than it will stop the politicians.

Imagine a crowded community room in Washington D.C., or Times Square last New Year's Eve at midnight. I bet it would smell better back at the old farmstead....

It has been said that global warming is a religion dreamed up by the White House as another excuse to take away personal property rights. Our legislators had better wake up and realize what all these restrictions can do to the food chain.

The environmentalists have taken over land by Eminent Domain, restricted forestry, oil drilling, and shut down many industries in the name of clean air. Restrictions on water use will be the next big push.

Property rights are challenged. Rural America had better stand up and get involved in every public meeting that affects their livelihood.

California voted to get rid of caged chickens and gestation stalls for sows. It will ruin an industry there and send it to Mexico. Imported eggs could get a little green by the time they are shipped and arrive here.

Some urban people in politics are very jealous of our lifestyle, and seem to never give up on trying to suppress our freedoms. Be pro-active to keep from losing personal property rights.

These problems we have had with the giants of industry and the Senate and Legislature are not political; it is simply an attitude of going down the wrong road. Problem solving must come from the bottom up (grass roots), not from the top down.

*Banker Frank – Frank L. Bruning
Chairman of the Board*

A busload of people from New York pulled into Nebraska and stopped. The first man off took a deep breath of fresh Nebraska air and passed out. They had to put his nose behind the exhaust pipe of the bus to revive him.

Too Hot - Too Cold - Just Right...

As the story of the Three Bears goes, so goes banking. Several analysts believe that U.S. bank regulators are gearing themselves to monitor the disappearance of approximately 1000 banks from today's total of nearly 8400. Some will result from individual bank failures (too cold) while some others will occur by acquisitions and mergers (too hot) whether voluntary or by regulators.

According to FDIC, Nebraska banks remain some of the strongest in the nation (just right). Average capital is over 9% and liquidity (core deposits to liabilities) is almost 75% compared to 47% nationally.

Regulatory agencies are responding to inadequate supervision of the nation's "too big to fail, too big to regulate" financial groups. Lenders should have followed the common sense underwriting and common sense practices of community banks. When you are a community family-owned bank, you have a lot of "skin" in the game and are more cautious and responsible for your actions. Local decision-making and true caring about our customers and our communities is something that can't be taught. It is something that is deep inside called "conscience."

What worries me and other community bankers is that the four largest banking companies in the United States control more than 40% of our nation's deposits and more than 50% of its financial assets. Over-concentration on this causes the "too big to fail" mentality and results in where we are today in the financial crisis (too hot, too cold).

Family-owned community banks (just right) are, in my opinion, the safest, most secure, responsible place to leave your money, borrow your money and invest your portfolio. We have the utmost responsibility and fiduciary duty to take care of our customers and our capital. Having our "skin" in the game can help our customers build and maintain wealth, along with peace of mind.

*Fred D. Bruning –
President*

Quote: Senator Everett Dirksen – "A billion here, a billion there, pretty soon you're talking about real money!"

Want a Free Annual Credit Report?

The Only Official Website is annualcreditreport.com*

The Fair Credit Reporting Act requires each of the nationwide consumer reporting companies – Equifax, Experian, and TransUnion – to provide you with a free copy of your credit report, at your request, once every 12 months. The three companies have set up one central website, toll-free telephone number, and mailing address through which you can order your free credit report. The Federal Trade Commission (FTC), the nation's consumer protection agency, wants you to know that, if you want to order your free annual credit report online, there is only one authorized website: annualcreditreport.com.

To Order Your Free Annual Credit Report

- Visit annualcreditreport.com
- Call toll-free: 1-877-322-8228
- Mail your completed

[Annual Credit Report Request Form](#) to:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

Many other websites claim to offer "free credit reports," "free credit scores," or "free credit monitoring." But, be careful. These sites are not part of the official annual free credit report program. And in some cases, the "free" product comes with strings attached. For example, some sites sign you up for a supposedly "free" service that converts to one you have to pay for after a trial period ends. If you don't cancel during the trial period, you may be agreeing to let the company start charging fees to your credit card.

These sites often look like the official site at annualcreditreport.com. Some use terms like "free report" in their names; others have website names that purposely misspell annualcreditreport.com in the hope that you will mistype the name of the official site. Some of these "imposter" sites direct you to other sites that try to sell you something or collect your personal information.

If you want to order your free annual credit report online, carefully type in the name: annualcreditreport.com, or go to the FTC's website which has a link to it. Once you have filled out certain information at annualcreditreport.com, you will be directed to individual websites operated by the three nationwide consumer reporting companies. You may get offers to buy additional products or services while on the companies' websites, such as credit scores or credit monitoring products, but you are not required to make a purchase to receive your free annual credit report.

If you get an email or see a pop-up ad claiming it's from annualcreditreport.com or any of the three nationwide consumer reporting companies, do not reply or click on any link in the message – it's probably a scam. annualcreditreport.com will NEVER send you an email solicitation for your free annual credit report, use pop-up ads, or call you to ask for personal information. Forward any email that claims to be from annualcreditreport.com or any of three consumer reporting companies to the FTC's database of deceptive spam at spam@uce.gov.

To order your report at annualcreditreport.com, you must provide your name, address, Social Security number, and date of birth. If you have moved in the last two years, you may have to give your previous address. To maintain the security of your file, each nationwide consumer reporting company also may ask you for

information that only you would know, like the amount of your monthly mortgage payment. Each company may ask you for different information. That's because the information each company has in your file may come from different sources.

You also can order your free report by calling toll-free, 1-877-322-8228, or by mailing a completed [Annual Credit Report Request Form](#) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Do not contact the three nationwide consumer reporting companies directly. They only provide free annual credit reports through the website, phone number, and address above.

For more information about your rights to free credit reports, see the FTC publication, [Your Access to Free Credit Reports](#).

*Craig Pope –
Hebron Branch President*

* Taken from Federal Trade Commission web site.

Travel Update...

**September 25-October 1, 2009 Yellowstone,
Grand Tetons, & The Black Hills**

This seven-day motorcoach tour will surely thrill you with beautiful fall foliage opportunities. Pickups will be offered along Interstate 80 to include York, Grand Island, Kearney, and Lexington. Yellowstone National Park is one of our country's national treasures with so many interesting geological features accompanied with fall scenery that will make your tour a very special one. Add to that a scenic float trip on the Snake River, travel through the Grand Tetons National Park, view Devils Tower, experience a coal strip mine tour, enjoy the Buffalo Bill Center, Mt. Rushmore Illumination, and more. Space is limited so please contact your local Branch to make a \$100.00 deposit to secure your traveling spot. Prices for this tour are \$1,299.00 per person double occupancy and \$1,666.00 single occupancy. Tour brochures are now available at the local Bank Branches for the full itinerary. We hope you will join us on this breathtaking scenic tour!

*Renee Ferguson – Bank of Broken Bow
Sarah Miller & Mabel Hogeland
Bruning/Hebron*

Farmers & Ranchers College Schedule...

The mission of the Farmers & Ranchers College is to provide high-quality continuing education to farmers and ranchers in a rapidly changing global agricultural environment.

The final program this year is:

**March 17, 2009– "Staying Alive" featuring
Juli and Joan Burney at the
Sutton Community Building.
Meal at 6:00 p.m. with program to follow.**

This program is geared toward couples and families

Tax Deductions, Goals & Resolutions...

It's time once again to make preparations for filing your income tax returns. There is still time to make a contribution to an Individual Retirement Account! The funds you contribute to your retirement fund can be either tax-deductible or non tax-deductible, whichever you choose.

For traditional and Roth IRA's, the contribution limit for tax year 2008 is \$5,000 (\$6,000 for ages 50 and over). This contribution may be made for the previous year until your tax filing due date. For anyone wishing to make contributions for year 2009, the limit is the same.

If you are self-employed, you may want to consider a SEP (Simplified Employee Pension) IRA. These accounts allow you to make a tax-deductible contribution for a larger amount than allowed for traditional IRAs. This plan can be good for farmers!

Not only is an IRA a great deduction, but it is also a great asset to you for your retirement years! If you would like to contribute to a new or existing IRA, see one of our customer service representatives at any of our locations. The time to invest in your future is now!

The 1099 Tax Forms for 2008 have been prepared, mailed out and should be at your home address by now. Check them over carefully. If you think you should have received them, but haven't, please call now to be prepared for your tax filing deadline.

2008 is over, past, and has left us worried about our finances and future economy. Say good-bye to the "I could have, but," "I should have, but" and "I would have, but" for 2008. They are history, and we need to plan and look ahead. 2009 is here for the next 12 months. Many of us will have to tighten our budgets, and do without "stuff". This is our chance to prove that we are survivors. Make the positive choices to say "I will," "I can" and "I'll not be afraid to ask for help and suggestions."

Our qualified Customer Service Department is here to help you with setting up new accounts, answer questions or find someone who has experience in the product you need and sign you up for On-line Banking & Bill Pay, plus much more. We will do our best to serve your needs. We hope your Goals and Resolutions for 2009 will be strong from the first day to the last day of the year.

*Cheryl Houser, Deb Schultz, Joan Durham,
Nancy Lahners & Ambur Hinrichs –
Customer Service*

18th Annual Teddy Bear Drawing...

Thanks to all who participated!
Winners were chosen in the Bruning, Hebron
and Broken Bow areas:

Bruning/Hebron:
Shelby Behmerwohld & Nolan Weber
Danessa Buckles & Jayden Hissong
Broken Bow:
Gunnar Ducker & Jaycee Staples

Coverage Increases for Non-Interest Bearing Accounts...

Import notice regarding the Federal Deposit Insurance Corporation (FDIC) Temporary Liquidity Guarantee Program (TLGP) Transaction Account Guarantee Component:

Bruning State Bank is participating in the FDIC's Transaction Account Guarantee Program. Under this program, through December 31, 2009, all non interest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

Bruning State Bank will be paying the FDIC insurance premiums that will give unlimited deposit insurance guarantee to all funds in all your non-interest bearing accounts until December 31, 2009. Money deposited in a money market, savings or certificate of deposit would still be limited to \$250,000.00 per ownership category. In other words, all other types of interest bearing account balances would be added together by ownership category to determine the amount of FDIC insurance coverage.

The FDIC, during this critical economic time, offered this program to insured depository institutions on a temporary basis. The coverage was implemented effective October 14, 2008 and BSB had to opt in or opt out by December 5, 2008. We notified the FDIC on November 25, 2008 that we would participate in the program. The stated maturity date of this program is December 31, 2009.

If you have any questions, please don't hesitate to contact me.

*Jerry Catlett –
C F O*

BANKING HOURS

BRUNING

402-353-2555 or 800-403-5889

Lobby 8:30 a.m.-3:30 p.m. Monday-Friday;
Wednesday 8:30 a.m.-5:00 p.m.;
Saturday 8:30 a.m.-11:00 a.m.

Drive-up 8:00 a.m.-4:30 p.m., Monday-Friday;
Saturday 8:00 a.m.-11:00 a.m.

HEBRON

402-768-7473 or 800-405-6167

Lobby 8:30 a.m.-3:30 p.m. Monday-Friday;
Saturday 8:30 a.m.-11:00 a.m.

Drive-up 7:30 a.m.-4:30 p.m., Monday-Friday;
Saturday 7:30 a.m.-11:00 a.m.

BROKEN BOW

308-872-2757 or 877-872-2757

Lobby 8:00 a.m.-4:30 p.m., Monday-Friday;
Drive-up 8:00 a.m.-5:00 p.m., Monday-Friday

Volatility and the Farming Community...

In reflecting upon 2008, the word that comes frequently to my mind is volatility. Volatility refers to abrupt changes or swings in prices of commodities caused by factors that move prices. For example, when the news of the sub-prime housing disaster was first announced, I don't think anyone realized the profound effect this would have on the banking industry. This disaster has spilled over into other parts of our economy, such as commodity prices. I now realize that speculators were the driving factor in moving most all commodity prices. This did give windows for marketing opportunities. I enjoyed looking up prices today and comparing them to prices a year ago. How quickly we forget.

	December 2008	December 2007
Prime Interest Rate	3.25%	7.25%
30-year Mortgage Rates	5.19%	6.17%
5-year Treasury Rate	1.30%	3.58%
10-year Treasury Rate	2.08%	4.17%
Dow Jones Industrial Avg.	8,604	12,463
NASDAQ	1,552	2,652
Corn Futures	\$3.81/bu	\$4.17/bu
Soybean Futures	\$8.86/bu-Mar09	\$11.76/bu-Mar08
Live Cattle	\$86.00/cwt	\$92.10/cwt
Hogs	\$60.90-Feb09	\$59.72-Feb08
Feeder Cattle	\$93.37-Jan09	\$103.89-Jan08
Crude Oil	\$39.76/barrel	\$93.31/barrel

The most dramatic numbers, from above, are prime interest rate, DJIA, NASDAQ, and crude oil. The numbers on commodities would be more dramatic if we looked at the mid-summer numbers. December corn hit \$7.91/bushel in June and crude oil was almost \$150/barrel.

It was interesting to look back at the numbers a year ago. For example, corn prices looked pretty high back then. Many of us sold corn in the \$4.00/bushel range because we hadn't seen prices like this for a long time. Because of volatility, farmers are beating themselves up for not doing a better job of marketing corn and soybeans. Rather than being too hard on our marketing abilities, we need to remember that no one knows which way the markets are headed week to week or year to year. We subscribe to professional marketing magazines and/or attend marketing seminars to look for the right answers. One difference between you and me and professional marketers is the access of information. I have found that seminars are filled when the markets are quite optimistic. When things don't look so rosy and the markets are down, the marketing meetings are only half-filled! I guess we all like to hear good news because it makes us feel so much better. The professional marketers can help us identify market trends, but still the final responsibility to sell our crops falls upon our shoulders.

In retrospect, 2008 was a very challenging year. Already 2009 looks to be as challenging. When I look back over the years of my banking experience, I've said to many customers that agriculture has been good to you. It has always been a challenge and farmers have few guarantees. But with good farm and financial management, there will be success.

*Dan Jelinek –
Bank of Broken Bow
Branch President*

“Daddy What is the Comony, and Why has it Been Bad?”

The translation for comony above is economy!! My six year old daughter asked me this question over Christmas vacation. After five minutes of trying to figure out what she was talking about, of course my response was, “Where did you hear that from?” She said that she heard it on CNBC, which I watch as I am getting ready for work, along with some talk about job losses and she has heard me talk about it with other people. I was floored; she actually listens to me! This question led to a very good conversation about what I do for a living, what is the economy, why people are talking about it and why people are losing jobs. It is amazing what little kids pick up and what they can comprehend, which led me to this article.

One of the greatest disservices we do to kids is not prepare them for their financial life after their education ends. We, and especially our teachers, do a great job of preparing students for a career but we, as a society, don't place much of a premium on preparing our youth for their adult life as consumers. Just read the headlines from December 2008: **Foreclosures at an all-time high, Credit Card defaults at an all-time high.** I think we could have prevented some of those headlines if we spent a little more time teaching our kids the ins and outs of personal finance. So, you are not a finance teacher, banker or accountant. You don't need to be to teach your kids. Here at the Bank we have an award winning Teach Children to Save program that we take to the elementary schools. Most high schools have a class that teaches personal finance and, if you have kids in college, urge them to take a business class or two even if their degree is pre-med or structural engineering; they will need it someday. There are some great books out there to help us as parents as well, *Money Doesn't Grow on Trees: A Parent's Guide to Raising Financially Responsible Children* by Neale S. Godfrey, and *Raising Financially Fit Kids* by Joline Godfrey, are just two of hundreds of books on the subject. Also, utilize us as a resource. Bring your kids in when you come in to talk with us so they can begin to understand the issues and stresses you are dealing with. We can assist you in explaining some of the things that they hear on TV or even talk about in class.

So, I guess what I am trying to get across is, talk to your kids about what is going on whether they are six or twenty six. Most of us have only seen a time like this once before in our lives and that was late 70s-early 80s so anyone under the age of thirty would have only read about it in a text book for school, that is if they took any business classes. Talk to them about your opinions of what is going on and urge them to talk to others. Inform them of what stresses you out because, even though we all make financial mistakes, the best lessons are learned from people we know and trust that have been through these same issues before. Why do you think I talk to my grandpa, Banker Frank, every day?

Have a wonderful and prosperous New Year and as I said before, use us as a resource to assist you in teaching your kids the financial values you want them to know, so they don't become one of those headlines.

*Chris Tonniges –
Assistant Vice President*

How Much Is Enough?

What will you get paid if your property is completely destroyed by wind, hail, or etc? Do you have sufficient coverage on your property so you can replace what has been lost? Will you be satisfied with the loss payment made by the insurance company after a loss? Do you have replacement cost coverage on your property?

Replacement cost means the insurance company will pay the lesser of the cost to repair the damaged item -or- the current cost to replace the damaged item with like kind and quality...up to the limit of coverage on the policy. In some cases, the current cost to replace the property is LESS than the original purchase price.

Please take the time to review ALL the coverage on your insurance policies. The price of steel and other building materials continues to increase, so you may not have sufficient coverage to allow for replacement. Don't just review the coverage on your dwelling and personal property, but look at the coverage on your buildings, grain bins, farm machinery, irrigation pivot systems, and other items.

Most insurance companies have minimum insurance requirements to qualify for replacement cost coverage. Coverage must be written close to today's actual replacement cost in order to avoid penalties at loss time. You may save a few dollars in premium now, but may end up spending a whole lot more money trying to replace items that have been destroyed.

The insurance companies provide our agency with some minimum coverage requirements, but a phone call to your equipment dealer, irrigation pivot dealer, local contractor, or building dealer would give you a better idea of the current replacement cost values.

- Replacement cost on an irrigation pivot system needs to include the actual pivot system, all wiring, all upgrades, and also includes the cost of the motor.
- Replacement cost on buildings needs to include the cost of the building materials, labor, insulation, electrical, and any items permanently attached to the building itself.

Be sure to contact us prior to erecting a new building, making any improvements/ additions to existing dwelling or buildings, or when trading or purchasing new equipment and other items.

*Fred Kobza, Kathy Roberts,
& Kristen Monteforte –
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

To All Bruning Bank IRA Customers...

This is to inform you that in December, 2008, President Bush signed into effect the Worker, Retiree, and Employer Recovery Act of 2008. What this means to you is that your required minimum distribution for 2009 does not have to be taken. Each one of you will be receiving a letter from us indicating your required minimum distribution, and you need to let us know if you want to waive your 2009 required minimum distribution.

Economic Realities We All Must Face...

The economic melt-down we are experiencing is having a devastating impact on many individuals and businesses in the United States. For those in agriculture, the melt-down has had little effect on us at this time. However, the future impact could be significant. Only time will tell what repercussions there will be.

Some say the crash is going to be so broad and deep that there will be a new era for America that is more sober and will diminish the nation from what it has been in the recent past.

What got us into the mess is spending beyond our means. Both the federal and many state governments have spent more than they have taken in for a number of years. Individuals have run their credit card debt up, they have more consumer debt, auto debt, and mortgage debt than they have ever had. On a national basis people not only spend more than their net income, they also spend more than they are putting away in their employment pension fund.

People used to cherish prudence and fiscal responsibility; we expected this of ourselves and we expected it from the government as well. Now we live in a society that seems to be more concerned about getting everything they want immediately. Individuals are looking to the government to be their problem solver rather than being self-reliant. We have leaders who are more concerned about their political party, and their political career, than they are about doing what's right for the country.

It's my observation that many of the people who live in rural Nebraska have tended to hold on to their parents' values of being prudent, fiscally responsible and self-reliant. I only hope these values continue, as they are at the root of individual financial success.

Whether you own a commercial business, farm, or manage your personal financial affairs, you are responsible for your employees, your family and yourself. It is up to you to do your best to build wealth, save for the future, and minimize financial risk. Even during hard times you can still be very successful and prosper, if you are willing to work, be prudent, and patient.

Even if the government gives you some money, I am afraid, down the road, you will be very disappointed if you think the government is going to come to save you from harm's way without you first working at it yourself.

*Darrell Raum –
Senior Vice President
Credit Supervisor*

**Attention Broken Bow
Customers:
Please stop by our booth at the
Farm and Home Show on
February 18, 2009.**

Number Fun?

Do you ever feel like you are overwhelmed with numbers you have to use and/or remember? There are your bank account numbers, social security numbers (your own and other family members), credit card numbers, driver's license number, land-line phone number, your cell phone number, your spouse's cell phone number, your kids' cell phone numbers, speed limits (which differ depending on what road you're on and where you are at), military dog tag numbers, shoe sizes, clothing sizes, birthdays, anniversaries (those last two are really important to you husbands out there), famous dates in history (example 9/11 & Pearl Harbor), dates and times of meetings, your age (when you have to figure it out in your head, you know you're getting up there...), the age of your children and what grade they are in, what year you graduated, your height, your weight (seems like the doctor's office scale always weighs more than mine) your license plate number (handy to know when that announcement "A car with license plate #### has left their lights on" is made) and even the time, date, and temperature.

Here at the Bank we use lots of numbers everyday and when you call, numbers usually come up in the conversation. Working with and remembering all kinds of numbers can get stressing at times, but I have something for you to try that is just plain fun. I learned this at a church meeting, so I know a few of you have already tried this.

Choose a number between 1 and 10, other than 1 or 10. Multiply that number by 2, then add 5, and multiply that number by 50. Add the number 1759 if you have already "celebrated" your birthday this year or 1758 if you have not yet had your birthday this year. From that number, subtract the year you were born. The first digit of your answer should be the number you started with, and the last two digits of your age. Go ahead. Try it. You know you want to, even though you're thinking it will never work. You're intrigued, aren't you? I'm betting you are going to try it!

Now, wasn't that fun? You, our customers, are not just a number to us. You are real people, and when you call us during business hours, you talk to a real person. You don't have to push a lot of numbers first. So, whenever you have a question, dial our number; we'll be glad to talk to you!

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

HELOC Loans & Home Loans Available

Rates are still low with competitive terms for home loans & re-finances!!! Check with us to learn about building,

buying or refinancing your home!

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.



Important Upcoming Meeting...

We are sponsoring an informational meeting with the Farm Services Agency. A presentation will be given by Mike Bantam from the Thayer County FSA regarding the ACRE Program, sign up and payment eligibility.

Wednesday, February 25

10:00 AM

**Bruning Opera House
Bruning, NE**

Refreshments will be provided
and
EVERYONE WELCOME!

**FREE INTERNET BANKING
on ALL ACCOUNTS
&
FREE BILL PAYING on
personal accounts**



With Internet banking you have access
to your account activity
24 hours a day, 7 days a week!

For bill paying you simply complete
the details of the payment
you wish to make and we will do the rest!

Check us out at: www.bruningbank.com

Time To Review. . .

Did your crop insurance policy provide sufficient protection for you in 2008? Does your policy provide the protection you will need in 2009? Do all the choices available for crop insurance have you scratching your head and wondering, "What should I do"?

The sales closing deadline for the 2009 spring crop season is March 15, 2009. This will be the final date to sign up for coverage or make changes to your existing coverage. If you do have existing coverage, then your coverage will automatically continue into 2009. However, you will only have coverage for the crops and counties currently listed on the policy. So be sure to contact us if you would like to change the type of coverage or if you have added or removed farm ground from your operation.

ALL information on the policy MUST be correct to insure no penalty at loss time.

It is very important that your name, address, phone number, and Social Security number are listed correctly on the policy. Any change in marital status, and all changes to beneficiaries of corporations, trusts, or partnerships must also be reported by March 15, 2009. Please review both the counties and crops insured on the policy and any changes in landlord/tenants must also be accurate.

Please contact our office if you have any questions about all types of crop insurance coverage, livestock protection coverage, hail insurance, or pasture/range land coverage.

We appreciate your business and look forward to working with you in 2009!

*Jeff Hammer, Kathy Roberts, Craig Pope,
Shari Fischer, Janet Germer,
Fred Kobza, & Ryne Philippi -
Crop 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

ATM Changes...

Beginning the first part of March, Casey locations are no longer offering the convenience of Bank owned ATMs to Bruning State Bank customers. We will be looking into alternative sites in the future.

Until that time, for your convenience, we will continue to have ATMs available at the Bank in Bruning, the Hebron Branch and the Bank of Broken Bow. We also have an ATM at the Corner Stop in Geneva.

Where's the Opportunity?

During calendar years 2007 and 2008, I devoted about half my newsletter articles to the subject of Bruning State Bank's Mission Statement of assisting our clients to "Build and Maintain Wealth". As you are well aware, it has been a very uncertain time. The subprime crisis begot the credit crisis and the credit crisis begot the financial meltdown of financial institutions that begot the collapse of the auto manufacturing industry. What's next? That is a very good question. One that I'm not qualified or smart enough to answer.

Getting back to "Build and Maintain Wealth", the economy has taken away a lot of wealth in the current down cycle. I'm sure most everyone has seen a drop in value of investments, retirement accounts and so on. So, where lies the opportunity? Well, it is not in a magic bullet of one action or the attempt to hit a home run in an investment vehicle; the opportunity lies within the times we are now living. We now need to build our off-balance sheet wealth.

You may remember from previous articles my comments about education and that generation X and Y had not suffered through an economic downturn or a prolonged recession like the generations before them. In the last six months they have caught up with everyone else. Unemployment is rising, Christmas sales were off and it appears that the general economy will continue its slow down.

The values and lessons that are being forcefully taught by the economy may in the end make our country stronger. We're all in this together and we'll need to pull together to get through it. We all need to use the brains God has blessed us with and get out there and keep swinging. The power of self-responsibility and self-reliance has never been needed more. Building your off-balance sheet wealth of knowledge and experience will be invaluable.

Remember, if you can reach your goals in these times and keep your head above water, imagine what you'll be able to do when things turn around. It is that simple thesis that assisted me in surviving the 1980s, and things did get better! It laid the foundation to "Build and Maintain Wealth."

*Jerry Catlett –
C F O*



All of us at Bruning State Bank-Bruning and Hebron-would like to say **THANK YOU** to the generous children in our communities who shared their gently used toys, games, puzzles, etc...this holiday season. You have made other children very happy with your willingness to share.

BRUNING STATE BANK

Charter No. 618

"Since 1891"

Statement of Condition At Close Of Business On December 31, 2008

ASSETS

CASH	\$7,013,000.00
(Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	
U.S. BONDS.....	14,886,000.00
(This is the amount of government bonds owned by the Bank, most of which are due in less than three years.)	
MUNICIPAL BONDS	11,558,000.00
(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	33,457,000.00
(Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	
LOANS AND DISCOUNTS.....	121,654,000.00
(Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	
BANKING HOUSE, FURNITURE AND FIXTURES.....	1,238,000.00
(The depreciated value of the Bank, all furniture and equipment.)	
OTHER ASSETS	8,444,000.00
(Accrued interest earned but not collected and other receivables.)	
TOTAL ASSETS.....	164,793,000.00

LIABILITIES

DEPOSITS	\$133,780,000.00
(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.....	10,352,000.00
OTHER LIABILITIES	476,000.00
(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	144,608,000.00

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	5,785,000.00
(Amount that has accumulated from earning of the Bank for reserves.)	
TOTAL EQUITY CAPITAL	20,185,000.00

TOTAL LIABILITIES & EQUITY CAPITAL 164,793,000.00

**BRUNING
STATE
BANK**

P.O. Box 100
Bruning, Nebraska 68322

Std
U.S. Postage
PAID
Permit No. 4
Bruning,
Nebraska

*Address Service
Requested*



YOUR COUNTRY BANK



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

<p>INSURANCE Property/Casual Crop Disability Life Automobile Long Term Care Health</p> <p><small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank May go down in value</small></p>	<h1>PRODUCTS AND SERVICES</h1>			<p>AG REAL ESTATE Real Estate Sales Escrows 1031 Land Exchange</p>
<p>TRUSTS Power of Attorney Farm Management Estate Management Conservatorships Living Trust Irrevocable Trust Testamentary Trust</p> <p><small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank May go down in value</small></p>	<p>INVESTMENT Retirement Planning Service Full-Service Brokerage (including Stocks, Bonds & Mutual Funds) College Savings Account IRAs Health Savings Account</p> <p><small>Not FDIC Insured Not a guarantee of the bank Not a deposit of the bank May go down in value</small></p>	<p>LOANS Revolving Line of Credit Machinery Livestock Commercial Home Mortgages Consumer Leasing Ag Real Estate Commercial Real Estate Home Equity Lines of Credit</p>	<p>CUSTOMER SERVICE Money Market Credit/Debit Cards ATM Card Checking/Savings Account Certificate of Deposit IRA Overdraft Protection Internet Banking/Bill Paying</p>	
<p><i>Come See Us For All Your Banking, Insurance And Investment Needs!</i></p>				