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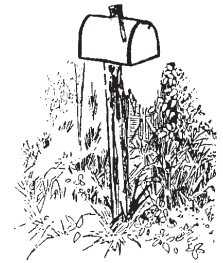
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"YOUR COUNTRY BANK"

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The Rear View Mirror...

Check the rear view mirror, but if you do all your driving that way, you could have a wreck! Once in a while I hear that our newsletter has a "gloom and doom" outlook. In response, maybe I should share a lot of positive things that have happened in agriculture over the years, and suggest some good things the future could bring. I can safely predict future happenings, because at 88 years of age, who knows if I will be around to have to account for them.

From '39 to '43, I was fortunate to work for my uncle on the farm every summer, which gave me a chance to learn to drive tractors, horses, be on the threshing crew – "pretend to grow up"...

Back then, help from the neighbors was a necessity; there was a sense of belonging that kept everyone together. Jealousy was not present, and helping a neighbor was looked at as an opportunity.

There didn't seem to be a distinction between the "Haves" and "Have-nots" – probably because EVERYONE was a "Have-not"; everyone's bib overalls and feed sack dresses looked alike!

People in agriculture that survived and worked hard were positioned for better years. After World War II, the whole world changed. Income increased, and a sense of prosperity may have changed people. It seemed everyone became very self-reliant; expansion continued through the late '70s when high interest rates and low prices eliminated a lot of good people from the farm scene. Times were hard, even cruel!

In 2000, another expansion phase began; successes similar to post-WWII were seen, and continue until very recently. That's my "Objects in the Rear View Mirror" story – We can't keep driving in the past, but what is possible or necessary in the Windshield view?

- Landlord / tenant relations: education for both sectors with leases geared to income
- Tougher times may bring neighbors "together" again with joint ownership of expensive machinery
- Estate and financial planning: plans to retain ownerships of farms with LLCs, etc.
- Innovation: especially as sons and daughters return home to the farm with new ideas
- Stable prices
- Survival mode
- Government restrictions on all aspects of agricultural products, water, and environment
- Education that passing down an intact farm leaves an income stream, not just an inheritance of cash that disappears.

And, who knows? Maybe the Lamb WILL lie down with the Lion...

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

Lifelong Learning...

When I say or use the term "lifelong learning", its interpretation can vary by age group:

0-18: In preschool, grade school, and high school, lessons are taught not only by teachers, but also by parents and grandparents. The teacher from whom I learned the most was my 5th and 6th grade teacher who taught us the periodic table and all the bones in the human body. I still use those terms today.

18-24: Whether working right after high school or attending tech school or college, this age group is growing up, moving out, and seeing more of the world. God bless those brave people who join the military and learn so much from that experience too. For many in this age group, learning is influenced by college instructors and new classmates, as well as girlfriends and boyfriends. Parents and grandparents still influence the learning process too.

24-40: This is usually when people consider marriage, a new job, or coming back to the family business or community where they were raised. Others pursue careers in other states or countries. With increasing responsibilities, learning is more strongly influenced by employers and spouses. You're probably encouraged to attend continued education to sharpen your job skills, and you may be learning parenting skills as well. If you are having children, Mom and Dad are starting to look pretty smart and helpful. In the ag sector, your learning may involve using GPS for crop production and irrigation; or using mobile phones, computers, and iPads as financial tools; or even applying new technology like drones that have future potential in ag.

40-65: We learn how to help mentor young people and how to communicate with each generation. We may have more time for continued education through job-related seminars, conventions, and programs. We are starting to grow into the grandparent stage to pass on lifelong learning to our grandchildren, and probably spend more quality time with them than we did with our own children.

65-110: Lifelong learning continues! As an example, our family accountant has retired but continues to take career-related classes and seminars. My dad, Frank, still reads a lot and goes to bank and cattle seminars and conventions. These learning opportunities keep them active, sharp, motivated, and connected.

Lifelong learning helps your career and can extend your life by keeping you active. Let's all keep learning!

Fred Bruning – President

Farm Management...

Did you know we offer Farm Management services? About 20 years ago, we began managing several farms and continue to grow. Our farm management service is provided through our Trust Department and can be utilized even if you don't have a trust.

According to the 2012 USDA census, nearly 40 percent of Nebraska's agricultural land is farmed by someone other than the owner, with more than a quarter of that land managed by professional farm managers. Whether the land has been inherited by a relative who has no farming background or it was purchased as an investment, many landowners simply don't have the time, interest, or experience to run a farm and keep up with technological advances, new marketing strategies, and governmental requirements.

Our farm management staff strives to know our clients and learn what their objectives and goals are for their farm. Our clients decide how involved they would like to be in management decisions.

As your farm manager, Bruning State Bank can:

- Negotiate rents on your behalf and prepare farm lease documents.
- Collect rents (grain proceeds or cash rents).
- Market grain and pay input expenses on your behalf in a crop share rental arrangement.
- Monitor soil fertility.
- Pay real estate taxes.
- Assist in getting income tax data together.
- Acquire crop insurance as applicable.
- Pay insurance premiums.
- Sign farm(s) up for government farm programs with Farm Service Agency (FSA).
- Arrange irrigation equipment replacement as appropriate.
- Oversee maintenance needs on irrigation equipment as applicable.
- Oversee irrigation development (converting dry land to irrigated) and acquire irrigation equipment as necessary.
- Work with Natural Resource District (NRD) regarding water meter readings and certifying irrigated acres.
- Work with Natural Resource District (NRD) pertaining to water well abandonment as relevant.
- Work with Nebraska Department of Water Resources regarding proper well registration.

We would be happy to visit with you to answer your questions or discuss in more detail how we could help you manage your farm. Please contact the Bruning State Bank Trust Department for further information.

Trust Department

Broken Bow's Newest Addition...

By the time you get this newsletter in the mail, the newest housing division will have been completed and there will be 12 new homeowners in Broken Bow.

This past spring, the new homes were pre-sold and dirt work began on the new development in the old Indian Hills ballpark area. The first board was nailed up in August, and now in February, we have 12 new homeowners living in the homes.

This was a project put together by a local investor along with the help of the City of Broken Bow and Nebraska Economic Development. Broken Bow qualified for a housing grant through the Nebraska Economic Development Corporation based on a needs test. It is my understanding that Broken Bow was the first city to ever score a 100% on the needs test. The grant helped with the construction costs so that in the end, it brought down the purchase price of the homes to make them more affordable for the potential homebuyers.

There were three models built, of which two models have unfinished basements and the other model is a slab on grade. These homes have 1,300 to 1,400 square feet of space. The homebuyers include lawyers, teachers, and engineers.

Bruning State Bank is appreciative of the opportunity to help in this project. We hope it spurs more interest in additional housing development, as there was a waiting list of homebuyers for this most recent housing division.

*Jim Scott –
Broken Bow Branch Vice President*

We invite you to join us for our
**Annual Crop Insurance
Meeting & Luncheon**

to learn more about crop insurance
and the many changes coming soon.

Friday, February 20 - 11:00 a.m.
Belvidere Community Center,
Belvidere, NE

EVERYONE IS WELCOME TO ATTEND!

Lunch will be served.

RSVP appreciated: 402-353-2085

Crop Insurance 2015...

Did your crop insurance policy provide sufficient protection in 2014? Will your policy provide the protection you need for 2015? Crop insurance is constantly changing and the coverage should be reviewed this year! The new farm bill includes several crop insurance provisions that may be good options for your farming operation.

March 15th is the deadline to make ANY changes to your crop insurance coverage. Some of the new provisions to review include:

1) APH Yield Exclusion (YE) – Allows the producer to exclude actual yields from their 10-year yield history. Years eligible for exclusion are years where the county average fell below 50% of the 10-year simple average county yield – as determined by RMA. Talk to your Bruning State Bank Insurance Agent to see if the YE option would benefit your operation.

2) Separate coverage levels can be elected for irrigated and non-irrigated practice. Non-irrigated acres that have not been kept separate from the irrigated acres will not be eligible for separate levels of coverage. Separate irrigated and non-irrigated units can be established after a full year of keeping the records separate – including planting, maintaining a discernible break, and harvesting separately.

3) Enterprise Unit option: If all requirements are met - Separate enterprise units for irrigated and non-irrigated can be elected.

Bushel prices have not been set for spring row crops, so rates are not currently available. We will be sending reminders as we get closer to the March 15th deadline. We will also be having an informational meeting in Belvidere, so be watching for more details.

Please contact our office if you have any questions about multi-peril crop insurance coverage, crop hail insurance, livestock protection coverage, Supplemental Coverage Option on multi-peril, or pasture/range land coverage.

Don't forget to report your 2014 Row Crop yields!

We appreciate your business and look forward to working with you in 2015!

*Jeff, Kathy, Craig,
Shari, Brian, Janet,
Ryne & Zach –
Crop Insurance Agents*

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Not insured by any federal government agency. May go down in value.

Welcome...



Bruning State Bank is pleased to announce that Zach Messman has joined our staff at the Bruning location. Zach grew up in the Bruning area and attended the University of Nebraska-Lincoln, earning an Agribusiness degree. For the last seven years, he has worked for a bank in the Pickrell, NE area helping customers with their lending and crop insurance needs. Zach, his wife Lindsey, and son Grayson currently live in the Beatrice area but are eager to move closer and become a part of the Bruning community. He is enjoying getting reacquainted with old friends and neighbors, and looks forward to meeting new people as well. We invite you to stop in and say hello!

Card Developments

We are excited to announce a change regarding our bank debit and ATM cards. As of February 23, we will have a new card issuer – Fiserv, Inc. Most of this conversion will involve “behind-the-scenes” changes, but here are a few things to be aware of:

As your current cards expire, you will receive new replacement cards in the mail as usual.

– The new cards will have an updated look but will still be similar in color – ATM cards will be gray, Visa Debit Cards will be blue, and HSA cards will have an American flag on them.

– When you receive a new card, you will need to activate it by calling the 800 number included on the mailer. (Previously our cards were sent already activated.)

– You will select your new PIN during the activation call after answering security questions. (Previously you selected your PIN in the bank at account opening time.)

– We will offer a new phone number for reporting lost or stolen cards after hours: 800-472-3272 (During regular business hours, you may still call any branch location with your card questions.)

– For forgotten PINs, you will now have a direct line to call to reset it: 800-992-3808.

– Most importantly – for suspected fraud, you will now receive a call directly from Fiserv instead of the bank. The person will state they are calling from Fiserv “on behalf of Bruning State Bank.” If you have any concerns about the identity of the caller, you may hang up and call us to verify the situation.



Revised One-Rollover-Per-Year Limit Applies in 2015--IRS Clarifies Rules...

Background.

The Internal Revenue Code says that if you receive a distribution from an IRA, you can't make a tax-free (60-day) rollover into another IRA if you've already completed a tax-free rollover within the previous one-year (12-month) period. The long-standing position of the IRS was that this rule applied separately to each IRA someone owns. Earlier this year, however, the Tax Court, in the case of *Bobrow v. Commissioner*, held that, regardless of how many IRAs he or she maintains, a taxpayer may make only one nontaxable 60-day rollover within each 12-month period.

IRS responds to Bobrow.

The IRS, in Announcement 2014-15, indicated that it would follow the Tax Court's *Bobrow* decision and apply the one-rollover-per-year limit on an aggregate basis, instead of separately to each IRA you own. However, in order to give IRA trustees and custodians time to make changes in their IRA rollover procedures and disclosure documents, the IRS indicated that the revised rule would not apply to any rollover that involved an IRA distribution that occurred before January 1, 2015.

IRS further clarifies the new one-rollover-per-year limit.

In November, the IRS issued Announcement 2014-32, providing further guidance on how the revised one-rollover-per-year limit is to be applied. Most importantly, the IRS has now clarified that:

1. All IRAs, including traditional, Roth, SEP, and SIMPLE IRAs, are aggregated and treated as one IRA when applying the new rule. For example, if you make a 60-day rollover from a Roth IRA to the same or another Roth IRA, you will be precluded from making a 60-day rollover from any other IRA--including traditional IRAs--within 12 months. The converse is also true--a 60-day rollover from a traditional IRA to the same or another traditional IRA will preclude you from making a 60-day rollover from one Roth IRA to another Roth IRA.

2. The exclusion for 2014 distributions is not absolute. While generally you can ignore rollovers of 2014 distributions when determining whether a 2015 rollover violates the new one-rollover-per-year limit, this special transition rule will NOT apply if the 2015 rollover is from the same IRA that either made, or received, the 2014 rollover.

The one-rollover-per-year limit does not apply to direct transfers between IRA trustees and custodians, rollovers from qualified plans to IRAs, or conversions of traditional IRAs to Roth IRAs.

What this means to you.

In general, it's best to avoid 60-day rollovers whenever possible.

Use direct transfers (as opposed to 60-day rollovers) between IRAs, as these direct transfers aren't subject to the one-rollover-per-year limit. The tax consequences of making a mistake can be significant--a failed rollover will be treated as a taxable distribution (with potential early-distribution penalties if you're not yet 59½) and a potential excess contribution to the receiving IRA.

If you ever have questions about rollovers, we're here to help!

*David Froom –
Financial Planner*

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David Froom, Investment Advisor Representative

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For All HSA and IRA Owners...

As we begin the New Year, we want to remind everyone that you have until your tax filing due date to make contributions to your Health Savings Account (HSA) and your Individual Retirement Account (IRA) for the 2014 tax year. You also need to be aware that there are limits on the contributions you can make to each of these accounts. Please note the following limits:

Contribution Limits		2014	2015
Health Savings Accounts	Individual HSA	\$3,300	\$3,350
	Family HSA	\$6,550	\$6,650
	<i>Exception: If you are over the age of 55 but under the age of 65, there is a "catch-up provision". You may contribute an additional \$1,000 per year for 2014 and 2015.</i>		
Individual Retirement Accounts	Traditional IRA	\$5,500	\$5,500
	Roth IRA	\$5,500	\$5,500
	<i>Exception for Traditional & Roth IRAs: If you are age 50 or over, there is a "catch-up provision". You may contribute an additional \$1,000 per year for 2014 and 2015.</i>		
	SEP IRA	The lesser of: 25% of the first \$260,000 of each eligible employee's compensation - OR - \$52,000	The lesser of: 25% of the first \$265,000 of each eligible employee's compensation - OR - \$53,000
Education Savings Accounts	Coverdell ESA	\$2,000	\$2,000

It is up to you, as the account owner, to monitor these account contribution limits. If you are not certain how much you have contributed for the tax year, any of our customer service representatives would be happy to help you!

*Cheryl Houser –
Customer Service (Bruning)*

Horizon Changing For Grain Farmers?

Dr. Kohl, a world-renowned agricultural economist, was in Holdrege on December 12, 2014 at the Sun Theatre for an event sponsored by Bruning State Bank. Over 100 were in attendance as Dr. Kohl updated us on his Ag Outlook. With the ten year super-cycle completed, management strategies and decision making will need to change. Here are some of the points that I took from my notes:

1. Working capital is “king.” Protect what you have by making proper risk management decisions. Don’t let working capital drop below 33% of annual revenues; below this, decision-making becomes critical. If your working capital to revenue ratio is over 40%, this shows your lender that you can plan ahead and will be able to execute a plan through diversity. Make sure your short term operating debt is paid in full before paying off term debt. Did your working capital go up this past year?

2. Form a really good working coalition with your banker, accountant, marketing personnel, insurance agent, and others. It will be very important that all stay informed and on the same page. Providing timely and proper information to your banker helps him process requests faster and assures the banker you are managing your risks. Meet early with your banker and provide a detailed plan for the upcoming year.

3. Be careful of overspending for personal living and non-farm expenditures. Trimming some fat from your living expenses and tightening your belt will be a requirement rather than an option for some in 2015. Don’t wait to make these decisions. Begin now. Kohl recommends having four years of living expenses in cash.

4. Make wise decisions using available cash to make capital purchases. Capital purchases should yield a return on your investment. Remember, capital purchase payments may go on for some years, and based on what we know today, we could see negative margins in the future.

5. There is likely to be a higher level of farm ground being sold in the near future. There may be some softening in land prices in the future. Don’t get caught up in the hoopla that there is no more land to be made, being cautious of using excess available cash for land investments at the current prices.

6. Know your cost of production in order to make risk management decisions. A cash flow is always important. Break-evens are essential for marketing your grain. Market grain when you can make a profit and stay in business. Don’t bid up cash rent prices to an excessive level if they won’t cash flow. Take time to study the new farm program and your options for crop insurance.

7. Keep up on training and education. You should attend a minimum of five educational events each year to stay informed. If not, you are not keeping up with what’s going on and making risk management decisions becomes very difficult. Educate yourself as to what’s going on globally. Grains are in a global market and exports are critical for sustaining higher grain prices. Globally right now, Russia is in a recession, China’s prosperity could lead to social unrest, Brazil’s leader is anti-agriculture, and there is a 38% tax on beans in Argentina.

In my opinion, it is difficult to top a learning experience like listening to Dr. Kohl. He is the best I have seen at knowing what is going on and communicates it in a way that we can understand. Mark your calendar for next December for when Dr. Kohl will be in Bruning and Holdrege again.

*John Boehler –
Holdrege Branch President*

Technology Update...

I hope everyone had a Happy New Year! January is going by quickly and that means it is time to get ready to do my income taxes. As you are preparing to do yours, I would like to remind you that you can easily download your account activity to Quicken, QuickBooks, or Microsoft Money.

This convenience is available through your Online Banking access. Once logged in, click on the account you wish to download. Run your mouse over the Transactions option, and then click All Transactions. The Transaction Activity screen will appear, click on the link that says Export Transactions. On the next screen, you will be able to fill out all of your information including date range, what type of activity you want to download, and the format. Then click on the account you would like to export and click the Export button below. Once the file has been exported, click on Download Export. You can then take the file and load it into your software program. If you have any questions about this process, please give us a call.

Also if any of you made a New Year’s Resolution to become more paperless, this is a great time to sign up for e-statements. There are many advantages of e-statements, including quicker access because you will not have to wait for postal delivery. In some ways, e-statements are actually more secure than paper because they are not sitting in your mailbox where someone could easily take them. Since you have to log into Online Banking to retrieve your documents, they are protected by your password and our authentication process. You will also have less clutter waiting on your desk to be filed! To sign up for e-statements, please log in to your Online Banking and click on Options; then scroll down to the E-Statements Enrollment section.

This New Year is already off to a great start and we look forward to serving all your banking needs in 2015.

Tech Term of the Month: Wearables. A “wearable” is any clothing or accessory item that incorporates electronic devices for purposes like communication, fitness tracking, action video, etc. Google Glass, FitBit, and Sony Smartwatch are just a few early examples of the growing trend in wearable technology.

*KaDene Deke –
Assistant Network Administrator*

Insurance Premiums and All That "Stuff"

You may have received an insurance renewal notice and wondered WHY the premium is higher every year. You probably called your agent to find out what was going on, maybe discussed the coverage and made a few changes to lower your cost, and possibly even shopped around for lower insurance premiums with other companies.

Some questions to ask and things to consider when thinking about insurance premiums and insurance coverage:

Auto Insurance:

- * Did you have any tickets, accidents, or claims?
- * Are you under 25 or turning 50 or older?
- * Have you changed vehicles, added coverage, or added another driver?
- * Have you moved into a higher risk area?

An auto insurance policy may get you another car or repair yours if it is totaled in accident, damaged by hail, or maybe a deer decided to collide with your vehicle. Your auto insurance policy also provides both bodily injury and property damage liability coverage if you have an accident that is deemed your fault.

The price of automobile parts, auto repair labor, doctor bills, and hospital fees are increasing regularly. Claims handling costs and legal fees are also increasing. The insurance companies have to raise premiums to help offset the increased risk and increased costs.

Home Insurance:

- * Did you have any claims? Fire, Hail, Wind, Theft, etc.
- * Did you increase coverage on the dwelling for recent improvements?
- * Did you add coverage for jewelry, cell phones, or other electronic items?
- * Most policies have an automatic inflation adjustment every year to keep the home insured to value with increasing materials and labor costs.

A home insurance policy should pay to rebuild your home or repair your home after a tornado, fire, hail storm, vandalism, theft, or other covered incident. Building materials and labor costs increase regularly, therefore, the cost to repair or rebuild your home increases. Your home insurance policy also pays to replace all your clothing, dishes, furniture, TVs, electronics, and other personal property if lost in a tornado, fire, or other covered incident. The cost of all these items also increases on a regular basis.

These same types of questions and answers can be used when thinking about your motorcycle, ATV, watercraft, business, farm, health, and long-term care insurance.

The benefit of insurance tends to get overlooked if you haven't had a claim recently. Think about it this way... Look around you – see all your stuff??? Can you afford to replace all your stuff without the help of insurance? Are you willing to risk losing all your "stuff" by not having adequate coverage or by not carrying adequate liability coverage on your home, farm and/or auto insurance? If it's insured properly, your "stuff" will be replaced by your insurance policy (less your deductible). No need to dip into your life's savings to pay as long as you have adequate insurance coverage.

And...what about life insurance? Do you have a life insurance policy to provide financial protection for your family if you are gone? Will they be able to afford to keep and maintain all your "stuff" without you? Don't take insurance coverage for granted. Gather your information and go talk to your agent –and- tell them all about all that "stuff"!

*Kathy Roberts, Brian Hulse
& Kristen Monteforte –
Insurance Agency*

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Not insured by any federal government agency. May go down in value.

De-cluttering Your Life...

Was one of your New Year's Resolutions to de-clutter your life? I personally know how it feels to be overwhelmed with papers, envelopes, junk mail, and everything that accumulates in your office. That's why I absolutely love Online Banking and E-Statements. It has helped my husband and me really cut down on the amount of papers that we have cluttering up our office at home.

Whenever we need our statement, we can just go online, print it off, save it to an electronic file, or look at it. We don't have to wade through piles of statements to find the statement we need. Also, if I am traveling, I have access to my statements on any computer or my phone.

Another advantage about having your statements online is you don't have to wait for "snail mail" to get to your mailbox when you needed your statement yesterday. When is the last time you got your neighbors' mail? Or they brought your mail to you because it was in their mailbox? With E-Statements you don't have to worry about your neighbor getting your statement any more. It comes right to your email address.

If you are interested in getting yourself de-cluttered or would like our online services to streamline your office this year, we are here to help you. We would love to walk you through Online Banking, E-Statements, Mobile Banking, where to find your older statements, and answer any of your questions.

Get yourself de-cluttered this year with E-Statements, Online Banking, and Mobile Banking.

*Joslyn Nelson –
Customer Service (Holdrege)*

Avoid surprises on your statements - set up Alerts!

In Online Banking, request **Alerts** by text message or email to notify you about account activity - withdrawals, deposits, large transactions, low balances, and more!

New Year's Resolutions...

If you are anything like me, by the time February hits your New Year's Resolutions have become a distant memory. You have either completely given up, forgotten what your goals were to begin with, or decided maybe next year will be a better time to start those resolutions. I have heard that by June, over half of New Year's Resolutions are unsuccessful. I have also heard that it only takes 21 days to make a behavior a habit. Whether you start January 1st or today, you can still accomplish your resolutions this year!

A few tips to help you with your resolutions are to set realistic goals, let other people in your life know about your goals, and develop some type of detailed plan, as well as a way to track your progress. Also, taking baby steps will help your goals feel more manageable. For example, if saving money is your goal, instead of saying, "I'm going to save money this year," maybe start with just trying to save a certain amount each month. Even a little every month will add up to be a good amount by the end of the year.

If saving money is one of your goals this year, let us at Bruning State Bank help you. Signing up for Online Banking will allow you to see exactly what you tend to spend (or overspend) money on so you can make a budget. It will also allow you to track your progress throughout the year to make sure you stay on track with your goals. Remember, today is a new day and a new opportunity to start your resolutions for the year.

*Lindsey Vieselmeyer –
Director of Loan Administration
Young Bankers of BSB*

Online Bill Pay Upgrade

In late March, our Online Bill Pay website will receive a makeover! You may notice some refreshing updates:

- Better calendar feature.
- Additional sorting and filtering options.
- More informative "bubbles" to help explain entries.
- Clearer functionality in general.

If you've never tried Bill Pay and want to check it out, log in to Online Banking, click on your checking account, and then click on "Bill Pay" – a separate window will open for you to get started!



Escrow Explanation...

Attention home loan customers... escrow analysis is right around the corner! For those of you who have recently purchased a new home or refinanced your existing mortgage with Bruning State Bank – THANK YOU!

I want to give you a little insight as to how and why an escrow analysis is performed on your mortgage loan. This article may not apply to everyone, even if you do have your mortgage loan through Bruning State Bank.

An escrow account is an account that you, as the borrower, ask the Bank to control. This account is typically voluntary; however, in certain circumstances it may be required. An escrow account holds enough money for whatever payouts will occur in the next 12 months from the date your loan closed, plus a two-month cushion. The payouts from this account usually include real estate taxes and homeowners insurance premiums. In some cases, flood insurance premiums may be included in those payouts if the property you bought or reside in is located in a flood plain. The cushion the Bank is allowed to hold helps soften the blow from increases in these payouts, but doesn't always cover the true rise of these costs.

Once your escrow account has been established, an escrow analysis is performed annually in March. Any adjustment to your payment then takes effect in April. The purpose of the analysis is to look at all payouts for the next 12 months, known and/or estimated. Payouts that are known for the upcoming year are real estate taxes. Payout amounts that are usually estimated are the homeowner's insurance premium and flood insurance premium, if applicable. The Bank does not know these amounts until they are billed for them.

The analysis process also takes into consideration the balance of funds being carried forward, if any, from the previous year's escrow account. All the new payout amounts are run through the analysis program to come up with the new escrow payment portion of your home loan payment. If, from this analysis, there are more funds held in the account than necessary, a surplus check will be sent to the borrower.

If the escrow analysis shows there are not enough funds to make all necessary payments, a statement of funds due will be mailed. You, as the borrower, have the choice to make a lump sum payment into the account or spread the difference over the next 12 payments. Making a lump sum payment to your escrow account will generally leave your home loan payment the same as the previous year. Allowing the escrow portion of your home loan payment to adjust to cover the shortage will increase your monthly home loan payment. The choice is ultimately yours.

If you ever have any questions or concerns about your escrow account or payouts, we'd be glad to visit with you more!

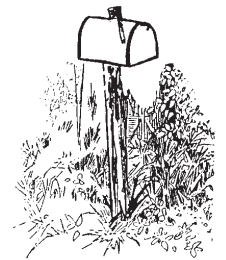
*Janice Nozicka –
Mortgage Loan Officer
NMLS #474132*

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BRUNING STATE BANK

"Your Country Bank" Since 1891, Charter No. 618
Statement of Condition at Close of Business December 31, 2014

ASSETS

CASH.....	\$16,050,000.00
(Cash in our vault, plus cash due on demand from other banks where funds are deposited.)	
U.S. BONDS.....	\$94,071,000.00
(This is the amount of government bonds owned by the Bank, most of which are due in less than three years.)	
MUNICIPAL BONDS.....	\$32,807,000.00
(Investments in high-grade bonds issued by cities, school districts and other municipal government.)	
FEDERAL FUNDS SOLD.....	\$0.00
(Funds loaned to other banks for daily cash needs, payable on demand.)	
TOTAL CASH ASSETS.....	\$142,928,000.00
(Total of liquid investments that could be quickly converted to cash or other immediately available funds.)	
LOANS AND DISCOUNTS.....	\$188,700,000.00
(Amount of money loaned to customers for all types of loans, such as real estate, agriculture, commercial and consumer.)	
BANKING HOUSE, FURNITURE AND FIXTURES.....	\$4,176,000.00
(The depreciated value of the Bank, all furniture and equipment.)	
OTHER ASSETS.....	\$12,407,000.00
(Accrued interest earned but not collected and other receivables.)	
TOTAL ASSETS.....	\$348,211,000.00

LIABILITIES

DEPOSITS.....	\$251,121,000.00
(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 AND OTHERS.....	\$65,244,000.00
OTHER LIABILITIES.....	\$361,000.00
(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.....	\$316,726,000.00

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.....	\$19,400,000.00
(Amount taken from the profits of the Bank to further strengthen the position of the Bank.)	
UNDIVIDED PROFITS AND RESERVES.....	\$11,485,000.00
(Amount that has accumulated from earnings of the Bank for reserves.)	
TOTAL EQUITY CAPITAL.....	\$31,485,000.00
TOTAL LIABILITIES & EQUITY CAPITAL.....	\$348,211,000.00

ANNUAL PRIVACY POLICY NOTICE

FACTS

What Does Bruning State Bank Do With Your Personal Information?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number and income • account balances and payment history • credit history and credit scores
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Bruning State Bank chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information:	Does Bruning State Bank share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes – to offer our products and services to you	YES	NO
For joint marketing with other financial companies	NO	NO
For our affiliates' everyday business purposes – information about your transactions and experiences	NO	NO
For our affiliates' everyday business purposes – information about your creditworthiness	NO	We do not share.
For our affiliates to market to you	NO	We do not share.
For non-affiliates to market to you	YES	YES

To limit our sharing	<p>If you want to limit our sharing of your personal information, please mail the form below or call us at 1-800-403-5889 to opt out.</p> <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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Questions?	Call us at 1-800-403-5889.
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Mail-In Form (if you choose to opt out)

Mark any/all you want to limit:

- Do not share my personal information with non-affiliates to market their products and services to me.

Name		Mail to: Bruning State Bank PO Box 100 Bruning, NE 68322-0100
Address		
City, State Zip		
Account Number(s)*		

*If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.

- Apply my choices only to me.

ANNUAL PRIVACY POLICY NOTICE

Who we are	
Who is providing this notice?	Bruning State Bank
What we do	
How does Bruning State Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Bruning State Bank collect my personal information?	<p>We collect your personal information for example, when you</p> <ul style="list-style-type: none"> • Open an account or deposit money • Pay your bills or apply for a loan • Use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>(Bruning State Bank's affiliates include: Bruning Real Estate Agency.)</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>(Non-affiliates we share with can include: life, health, and long-term care insurance companies.)</i>
Joint Marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. <i>(Bruning State Bank does not participate in joint marketing.)</i>