

LETTER FROM OUR CEO MICHAEL F. BENDER



In October, we opened our new Kirkwood Banking Center and broke ground on our next branch in

Chesterfield, which is scheduled to open April 1st. This carefully planned growth extends our retail presence into St. Louis County and allows for an even greater visibility in the Commercial market. This expansion is made possible by the continued hard work and dedication of our exceptional employees. We're excited for the new year ahead and look forward to bringing you continued reports of our success.

Congratulations to this Quarter's Employees of the Month:

Brad Pitlyk (August)
Stephanie Viviano (Sept)
Kim Appel (Oct)

***Arnold 3rd Anniverary!** It's hard to believe that the Arnold location has reached the 3 year mark! When the branch first opened we started a great CD promotion. This promotion started many wonderful relationships with the bank. We are now seeing these CDs starting to come due. To reinforce these customer relationships, the staff here has gone the extra mile to show these customers how much they are valued. Our customers and staff know each other by name. Having Midwest Regional Bank as a local community bank has made customers feel confident in banking again.*



MIDWEST REGIONAL BANK

COLORADO GROWTH

The Colorado office in Denver continues to make rapid strides in the Colorado SBA lending market. Midwest Regional Bank first appeared in the dollar volume rankings on March 31, 2016 when the bank ranked in 32nd position in Colorado. In the rankings as of May 31, 2016, just two months later, the bank climbed to the 12th position. Through the first eleven months ended August 31, 2016, the bank climbed into the 9th position. Considering that the staff was hired in November and did not have a chance to be included in the SBA's first quarter ended December 31, 2015, the climb is sure to be noticed in the market!

The staff believes that it will have volume of \$10,000,000 plus in the SBA 1st fiscal quarter ended 12/31/16, based on loans already submitted to the SBA and loans that are approved by the bank and pending submission to the SBA. Based on this, the bank should be ranked 2nd in the market for the 1st quarter. That does not include any business that is in the pipeline that yet could be submitted to underwriting and approved by the SBA by December 31, 2016.



With a full year of production in the next SBA fiscal year ended September 30, 2017, the staff feels that the bank could move to 2nd in the market behind banking giant, Wells Fargo, which had volume of \$79,073,720 though the first 11 months of the SBA fiscal

year ended August 31, 2016, and ahead of US Bank which had volume of \$26,043,630 for the same period.

SMALL BUSINESS NEWS

The SBA's fiscal year ended on 9/30/16 and the results are in! Midwest Regional Bank finished at a personal record of 84 loans (SBA 7a) totaling \$83.7MM nationwide! That was an increase from 2015 when the Bank did 60 loans totaling \$52.1MM. Midwest Regional Bank has undoubtedly had a tremendous year in SBA growth. The key to the Bank's success in SBA Lending has been its staff. Each Business Development Officer has provided a key contribution to overall production during the year. In addition, the back room of the Bank's SBA Department worked together to achieve this outstanding goal. All in all, the Bank is poised to have a terrific 2017 and beat the records set this past year.

Highlights From Specific Markets:
STL/KC: The Bank closed the year again as one of the top SBA lenders in Missouri generating more than \$27MM in loan approvals.
Phoenix: The Loan Production Office in Phoenix Arizona amassed 26 loan approvals totaling \$31.4MM! This is an increase from \$18.5MM during the 2015 SBA fiscal year. MWRB is also ranked 4th in Arizona by dollar volume.

Denver: In its first nine months of production, the Denver market had an impressive year and is ranked 9th in the region for total productivity.

Coming Soon! Retail online banking upgrades planned this fall improve the functionality of our online banking system. The new digitally optimized format allows easy access and function from any electronic device (i.e. phone, tablet or computer).



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CREVE COEUR CASE STUDY

The Creve Coeur office continues to grow and meet the needs of the business community. Partnering with a local corporate attorney, Midwest Regional Bank was able to provide the financing for new ownership of the Strotheide Chiropractic Practice in Chesterfield, MO.

Strotheide Chiropractic is a leading provider of chiropractic medicine in the area. The company was founded in 1973 and has grown into one of the most respected providers in the industry.

A long time employee had the opportunity to purchase the company from its current owners. After being turned away by other banks in the St. Louis Metro market, he was referred by a bank officer at another bank to Tim Dudley in the Creve Coeur office. After meeting with the client and current owners and developing a through working knowledge of their business and future goals and needs, Midwest Regional Bank was able to put together a financing package that provided the necessary financing to finalize the business acquisition.

Thanks to the customer service focused approach by the bank and creative financing, a company employee was able to realize his dream of business ownership and transition from employee to owner. We are pleased that we were able to provide the needed financing and we look forward to a long, continued

and growing relationship as we assist Strotheide Chiropractic in their new phase of growth.

OTTERVILLE STREET FAIR

Greetings from Otterville! After an 11 year hiatus, the Otterville Street Fair returned this year on September 16 – 18. I think the length of the parade through downtown Otterville on Saturday morning was an indication of how well attended this year's fair was, lasting over 45 minutes to cover a few short blocks.

The theme for this year's event was "Tell me about the good 'ole days, it's an Otterville tradition". Carrying that theme, several events held at previous fairs were brought back. These included the parade, beer garden, turtle and frog races, kids games, American Legion penny pitch, Miss Otterville pageant, talent show, BBQ contest, pie contest and auction, and closing with an outdoor church service and community meal. Additionally, a vendor's fair was added this year along with multiple bounce houses for kids of all ages.

The Bank was proud to be a Platinum sponsor of this year's event. Additionally, the majority of the events took place around our building and our Community Center was utilized all weekend long.

We would like to congratulate the organizers of this year's event and look forward to supporting them again next year.