

LETTER FROM OUR CEO

MICHAEL F. BENDER



We started out as a single-branch bank in Otterville, Missouri in 1894. In 2006, a group of investors recognized that the community-

focused, personalized service offered at that bank could really fill a void in the space created by the oversized banks in the eastern part of the state. We set out to bring that quality of banking to the St. Louis area, and within a few years moved the headquarters to Festus and opened our first branch under the name "Midwest Regional Bank". After quickly reaching our financial benchmarks, we opened our second Jefferson County bank in Arnold. Last year, we expanded our retail presence to St. Louis County with our Kirkwood branch and are extending our reach into Chesterfield this June. We're excited to announce that the Sunset Hills branch is projected to open in October of this year. Additionally, we're looking at Clayton for a 4th St. Louis County location in 2018, and potentially expanding into Creve Coeur shortly after that. We're happy to share this success with you and look forward to the exciting times ahead.

Congratulations to our Employees of the Month:

Kristin Cline - January

Robin Turner - February

Brandon Schmiedeke - March

The Easter Bunny in Festus!

It's true! The Easter Bunny once again made his way through Festus, stopping at Midwest Regional Bank. On Good Friday, April 14, he bounced in to meet and greet kids and parents alike. He spent hours posing with the little ones, and gave each visitor a photo in a keepsake frame and a chocolate bunny. It's a great tradition we are happy to share with our community.



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SBA LENDING NEWS

With the leadership change in the U.S. Government comes a new SBA Administrator, Linda McMahon. Many believe McMahon's leadership is critical for the economy as the SBA Lending program is one key to creating new American jobs. Last year (fiscal year 2016), approximately \$22.9 billion in loans were originated through the 7(a) program nationwide. Midwest Regional Bank, and other creditors nationwide aim to build upon last year's success for the remainder of this fiscal year.

As the 1st half of the SBA fiscal year comes to a close, Midwest Regional Bank continues to be a leader in the SBA Lending Industry. Currently, the Bank ranks approximately 50th nationwide in gross loan approvals. This is accomplished by way of diligent and hard work performed by the Bank's SBA lending teams in Missouri, Illinois, Colorado, Florida and Arizona. In addition, a dedicated SBA back room personnel group with the sole purpose of originating, closing and servicing SBA loans separates the Bank from its competitors. Our Bank's overall SBA agenda can be summed up by a one simple rule: customers first.

The SBA Lending program is designed to assist a multitude of loan borrowers with varying financial need, so don't hesitate to contact us for your SBA lending needs. For additional information or to get put paired up with an SBA lending office, please contact the Bank's SBA Department Manager, Tim Davis at 636-725-1290 or at tdavis@mwregionalbank.com.

MORTGAGE RATES

As we moved into the New Year, expectations were that the Federal Reserve would move to increase interest rates and mortgage lenders would follow. On March 15th, the Fed raised its key interest rate by 0.25%, marking just the third time that rates have increased since December 2008, when the rate was placed at 0%. Although the Fed doesn't directly set mortgage rates, their actions frequently affect the housing market. Fed officials project they will raise rates two more times this year as long as the economy continues to show signs of growth. Even with the projected rate increases, mortgage rates will remain low, with expectations that the average 30 year fixed mortgage won't increase above 5% this year.

Current rates on 30 year fixed have been fluctuating between 4.0% and 4.3% since the rate hike, compared to an average of 3.68% last year at this time. Expectations are that mortgage rates will remain relatively flat through the peak summer buying season.

Despite low mortgage rates, the housing market remains tough for many homebuyers due to a low supply of homes on the market and a steady increase in home prices.



SUNSET HILLS ON THE WAY

We have broken ground on our new retail branch in Sunset Hills. Our newest banking center will be located at 11860 Gravois Road near Sunset Ford. This part of South County is growing quickly and we're excited to be a part of it. We anticipate being open for business by the end of the year.

PHOENIX IS THRIVING

The Phoenix office continues to thrive, maintaining its top 5 position in the market. One loan we were very excited to make was for the acquisition of a very well-known restaurant in Cave Creek, Arizona: Big Earl's Greasy Eats! We were able to provide an SBA loan for the 26 year-old manager to acquire the business when other banks had passed on the opportunity. MWRBank was impressed with the borrower's experience, enthusiasm, and the strong reputation of the restaurant in its market. This loan was another example of our bank's unique, common-sense approach to small business lending.

The readers of the St. Louis Small Business Monthly have named Midwest Regional Bank as one of St. Louis' Best Banks. The magazine also named Kirkwood's Traci Dodson as one of the "Top St. Louisans to Know to Succeed in Business"; and in Illinois, John Vitale and Rob Pickerell were both recognized as "Top Southern Illinois People to Know".



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CAMPING ANYONE?

Spring greetings from Otterville! Spring unofficially starts the camping season -- campers are dewinterized, gear is packed, maps are studied, and new adventures begin. Having caught the "itch" to travel and camp myself, my head turns and studies each unit I pass. Coincidentally, I've also financed the purchase of each type of these campers over the years. There's something exciting about working with someone purchasing a camper and discussing all the possible trips they might take and places they might go. From sharing past experiences and mistakes to somebody just starting out, or comparing notes with a seasoned pro, I enjoy all of it. So, if you find yourself in the market for your first camper, or are looking to make an upgrade, we can help with that. Feel free to drop in or give us a call. We'd be glad to sit down and talk about all the possibilities. Safe travels!

COUNTERFEIT CASH

As reported by KTVI in St. Louis, counterfeiters have been busy in the St. Louis area. Several stores have been hit by accepting fake \$100 bills.



These bills have been tied to Hollywood and are designated as, 'MOTION PICTURE USE ONLY'. However, during busy times, this notation is easily overlooked by cashiers. Please remain aware and check your currency.

CREVE COEUR LENDING

Partnering with a local CPA, Midwest Regional Bank was pleased to be able to provide the financing for the new ownership and real estate of Linek Plumbing Company.

A husband and wife who have been in the plumbing industry for many years had the opportunity to purchase Linek Plumbing from current owners. The clients were introduced to Dennis Vitt at Midwest Regional Bank. After promptly arranging a meeting with the clients and their CPA, Midwest Regional Bank earned the business. The financing was secured through the SBA 7a program to fund the business acquisition, real estate purchase and accounts receivable needs.

Linek Plumbing is a St. Louis County company that has been operating since 1916. Over the years, the company has grown from a two-man shop to a thriving, full-service business with 19 plumbers, laborers and office staff.

If you have financing needs or questions, contact Dennis Vitt at (314) 952-1205 in the Creve Coeur office.

CLAYTON IN THE COMMUNITY

Midwest Regional Bank's Brad McLaury has taken a community-first approach by joining the Clayton Chamber of Commerce Board of Directors. In this roll, he has assisted in planning and implementing various events conducted by the chamber including Parties in the Park and the new Young Friends of the Chamber group of which Midwest Regional Bank has been a proud presenting sponsor for several events. If you own a business or conduct business in and around the Clayton area, please consider attending an upcoming event and encourage your younger personnel to join the Young Friends networking group. The Bank proudly supports Clayton and the Chamber as we continue to grow our roots in the community.