

**Centrue Financial Corporation (NASDAQ: CFCB; Ottawa, IL) has agreed to merge with Midland States Bancorp, Inc. (NASDAQ: MSBI; Effingham, IL)**

**Deal Value: \$175.1 Million**

Sandler O'Neill acted as exclusive financial advisor to Centrue Financial Corporation and rendered a fairness opinion in connection with this transaction. This transaction represents Sandler O'Neill's 108<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015 representing \$32.6 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 20 bank or thrift transactions in the Midwest Region for an aggregate transaction value of \$10.3 billion, more than any other investment bank during that time period.<sup>1</sup>

Midland States Bancorp, Inc. and Centrue Financial Corporation today announced that they have entered into a definitive agreement under which Midland will acquire Centrue for total consideration valued at \$175.1 million, or \$26.75 per share of Centrue common stock. Midland expects the transaction to be 8-9% accretive to earnings per share in 2018, the first full year of combined operations.

Leon J. Holschbach, President and Chief Executive Officer of Midland, commented, "Centrue has built a highly attractive franchise through a commitment to superior customer service and being deeply invested in the success of the communities it serves. Having competed against Centrue in our northern Illinois markets for many years, we are very familiar with their franchise and believe they will be an excellent cultural fit with Midland. Indeed, Kurt Stevenson and I have known each other going way back and he has done an excellent job at Centrue. With \$978 million in assets, Centrue will add significant scale to our operations, provide meaningful opportunities to enhance our overall efficiencies, and increase our earnings power. We look forward to welcoming the customers, employees and shareholders of Centrue to the Midland family."

Kurt R. Stevenson, President and CEO of Centrue, said, "Midland is an excellent merger partner for Centrue and the combination of our two companies will create an exceptionally strong community banking franchise with more than \$4.0 billion in total assets. As part of a larger financial institution with deeper resources, this transaction will significantly improve our ability to serve the needs of our customers, who will benefit from having access to a wider selection of financial products and services. Moreover, we will have an improved ability to accommodate the growth of our commercial banking relationships by offering increased borrowing capacity."

The earnings per share accretion estimates for this transaction are based on estimated cost savings of approximately 40% of Centrue's non-interest expense, with all cost savings expected to be phased in by 2018. The earnings per share accretion estimates do not include any assumption of revenue synergies. Midland expects \$18.2 million in one-time transaction-related charges. Midland also expects to incur tangible book value per share dilution of less than 1.5% upon the closing of the transaction, with an expected earn-back period of approximately two years.

The transaction is expected to close in mid-2017, subject to regulatory approvals, the approval of Centrue's and Midland's shareholders, and the satisfaction of customary closing conditions.

## Financial Highlights

(Dollars in millions)

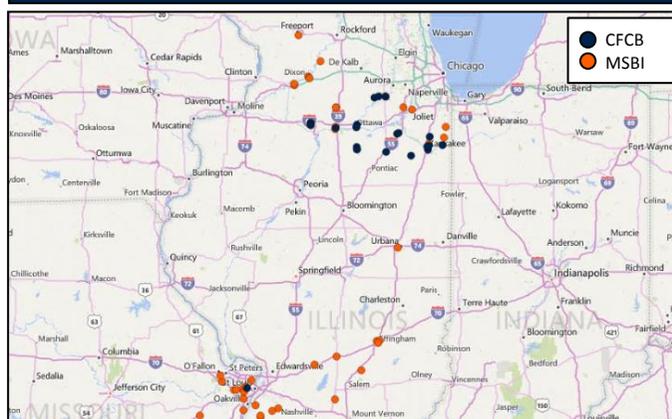
	Midland States	Centrue
Total Assets	\$3,234	\$978
Total Net Loans	\$2,376	\$677
Total Deposits	\$2,404	\$740
Total Equity	\$322	\$127
TCE / TA	8.36%	12.72%

Financial data as of December 31, 2016

<sup>1</sup> Excludes terminated transactions and self-advisory roles

Source: SNL Financial, Company Documents, Press Release

## Pro Forma Map



Note: Map does not depict MSBI's Colorado branch

## Sandler O'Neill Contacts:

Brian Sterling  
Principal, Co-Head of  
Investment Banking  
(212) 466-7770

Eric Ferdinand  
Director  
(312) 281-3447

Matthew Proven  
Associate  
(312) 281-3413

Scott Matthews  
Analyst  
(312) 281-3441