

Heartland Bank, a subsidiary of Love Savings Holding Company (Saint Louis, MO), has agreed to merge with Midland States Bancorp, Inc. (Effingham, IL)

Deal Value: Undisclosed

Sandler O'Neill served as financial advisor to Love Savings Holding Company and rendered a fairness opinion in connection with the transaction. This transaction is Sandler O'Neill's 99th bank or thrift transaction nationwide since January 1, 2011. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Effingham, Illinois, September 12, 2013 – Midland States Bancorp, Inc., parent of Midland States Bank, headquartered in Effingham, Illinois, today announced it has entered into a definitive agreement to acquire Heartland Bank and its subsidiaries from Love Savings Holding Company, parent company of Heartland Bank. Terms of the acquisition were not disclosed.

Jack Schultz, Chairman of Midland States Bancorp, Inc., said, "We expect this transaction to be very powerful for our shareholders as well as for our ability to serve the St. Louis market. We entered the St. Louis market approximately 10 years ago and have experienced steady growth. The addition of the Heartland Bank locations and personnel will expedite this growth in a significant way.

"We have watched Midland's growth for some time, as well as their commitment to the St. Louis area through such projects as the Peabody Opera House and the St. Louis Equity Fund, of which Heartland Bank is also a member," said Andrew S. Love, Chairman and co-CEO of Love Savings Holding Company. "Heartland Bank has several strong businesses that we have carefully built over the past twenty years or so, including its residential mortgage origination, business leasing and FHA multifamily and healthcare financing businesses. Bringing these together under a larger organization is something we have been looking at for some time, and are pleased to have found what we believe to be the right partner in Midland," added Laurence A. Schiffer, President and co-CEO of Love Savings Holding Company.

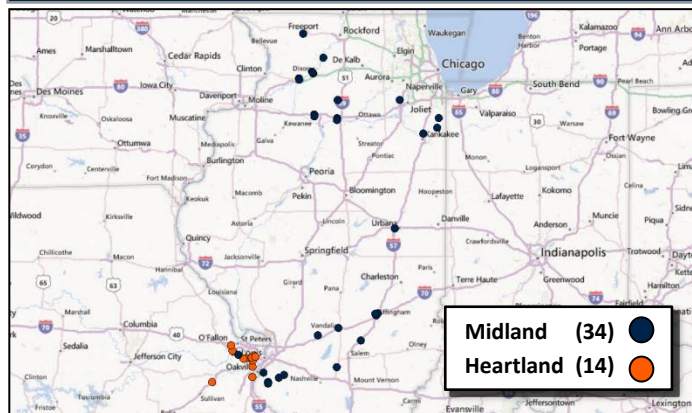
This will be Midland's ninth acquisition, and its seventh bank acquisition, since 2007. The agreement provides for Midland to merge Heartland Bank into Midland States Bank and operate the acquired branches under the Midland brand. The acquisition will increase the total number of Midland States Bank locations to 48, including 31 locations in Illinois, 15 in Missouri and one each in Wisconsin and Colorado. Following the acquisition, Midland will also operate Heartland Business Credit, which is headquartered in Denver, Colorado, and Love Funding Corporation, which is headquartered in Washington, DC and has offices in 11 other states across the U.S.

Financial Highlights

<i>(Dollars in millions)</i>	Midland	Heartland
Total Assets	\$1,670	\$793
Net Loans	1,083	548
Total Deposits	1,355	670
Total Common Equity	82	85
Tang. Comm. Equity / Tang. Assets	3.93%	10.69%

(1) Includes bank or thrift transactions since 2011; excludes terminated transactions and self-advisory roles
 Note: Financial data as of June 30, 2013
 Source: SNL Financial

Pro Forma Branch Map



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