

CAPITAL MARKETS ANNOUNCEMENT

Midland States Bancorp, Inc. (NASDAQ: MSBI; Effingham, IL) Closes \$80.1 Million Initial Public Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as active joint book-running manager for this transaction.

Since January 1, 2014, Sandler O'Neill has acted as a book-runner or co-manager on 17 bank IPOs—more than any other investment bank during that time period. These transactions have raised approximately \$5.0 billion for our clients.¹

About the Offering:

Midland States Bancorp, Inc. completed an initial public offering of 3,638,755 shares of its common stock, including 3,044,252 shares sold by Midland and 594,503 shares sold by selling shareholders, at a public offering price of \$22.00 per share. The underwriters have an option to purchase up to an additional 545,813 shares for 30 days following the initial trading day. The common stock is listed on the NASDAQ Global Select Market under the symbol "MSBI" and began trading on May 24th, 2016. Midland intends to contribute \$25.0 million to its bank subsidiary, and use the remainder for general corporate purposes, which could include future acquisitions and other growth initiatives. Midland also intends to use approximately \$4.8 million to complete the pending acquisition of wealth management assets from Sterling National Bank.

About the Company:

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois. Midland has assets of approximately \$2.9 billion, and its Midland Wealth Management Group has assets under administration of approximately \$1.2 billion as of March 31, 2016. Midland provides a full range of commercial and consumer banking products and services, merchant credit card services, trust and investment management, and insurance and financial planning services. In addition, commercial equipment leasing services are provided through Heartland Business Credit, and multi-family and healthcare facility FHA financing is provided through Love Funding, Midland's non-bank subsidiaries. Midland has more than 80 locations across the United States.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

1) Source: SNL Financial

2) Adjusted ROAA and Adjusted ROATCE are non-GAAP financial measures

May 27, 2016

Initial Public Offering

\$80.1 Million



Active Joint Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 3/31/2016)

(Dollars in millions)

Total Assets	\$2,898
Gross Loans	2,016
Total Deposits	2,390
Total Equity	239
MRQ Adjusted ROAA ²	0.80%
MRQ Adjusted ROATCE ²	12.72%
NPAs/Assets	0.77%

Source: MSBI Prospectus

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