

CAPITAL MARKETS ANNOUNCEMENT

Midland States Bancorp, Inc. (Private; Effingham, IL) Closes \$50.325 Million Offering of Subordinated Notes due 2025

Sandler O'Neill + Partners, L.P. served as placement agent for this offering.

Sandler O'Neill has acted as a placement agent, sole underwriter, book-runner, co-manager or initial purchaser in 63% of reported senior or subordinated debt offerings by community banks since January 1, 2014, more than any other investment bank during that period.¹

About the Offering:

EFFINGHAM, ILLINOIS – Midland States Bancorp, Inc. ("Midland"), parent of Midland States Bank, closed a \$50.325 million private placement of subordinated notes on June 4, 2015.

The transaction was structured into two tranches:

- \$35.325 million with a maturity date of June 18, 2025 carries a fixed rate of interest of 6.00% for the first five years, floating thereafter
- \$15.0 million with a maturity date of June 18, 2025 and a fixed rate of interest of 6.50%

Midland plans to use the additional capital for general corporate purposes, including repayment of existing holding company secured debt.

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

About the Company:

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois, and is the sole shareholder of Midland States Bank. Midland has assets of approximately \$2.8 billion, and its Midland Wealth Management Group has assets under administration of more than \$1.2 billion. Midland remains locally owned and provides a full range of commercial and consumer banking products and services, merchant credit card services, trust and investment management, insurance and financial planning services. In addition, commercial leasing services are provided through Heartland Business Credit and commercial FHA financing is provided through Love Funding, its non-bank subsidiaries. Midland now has more than 70 locations across the U.S.

(1) Source: SNL Financial. Includes nationwide subordinate debt and senior note offerings since 1/1/2014 by banks with total assets between \$500 million and \$25.0 billion for book manager, non-lead book manager, co-manager, placement agent and initial purchaser roles; excludes deals that were not reported and deals where no underwriter was reported

(2) Financial data is not pro forma for the offering

June 4, 2015

Subordinated Notes
due 2025

\$50.325 Million



Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 3/31/2015)²

\$ in Millions

Total Assets	\$2,805
Gross Loans	\$1,882
Total Deposits	\$2,333
Total Equity	\$225
Tangible Common Equity / Tangible Assets	6.10%
Tier 1 Leverage Ratio	7.50%
Tier 1 Risk-Based Capital Ratio	8.51%
Total Risk-Based Capital Ratio	9.62%

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