

Midland States Bancorp, Inc. Completes Acquisition of Heartland Bank

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EFFINGHAM, ILLINOIS – December 31, 2014 – Midland States Bancorp, Inc., parent of Midland States Bank, announced that it has completed its acquisition of Heartland Bank. Midland also announced that Heartland Bank will be merged into Midland States Bank in the first quarter of 2015.

Prior to the acquisition, Heartland Bank had assets of approximately \$900 million and operated 13 locations in the St. Louis metropolitan area, 4 locations in Colorado, and single locations in Joplin, Missouri, and Raleigh/Durham, North Carolina. The acquisition increases Midland's banking assets to approximately \$2.7 billion, and brings its number of banking locations to 58, including 37 locations in Illinois, 15 in Missouri, 4 in Colorado, and one each in Wisconsin and North Carolina.

Midland also acquired Heartland Business Credit and Love Funding Corporation, which prior to the acquisition were subsidiaries of Heartland Bank. Heartland Business Credit provides commercial equipment leasing and operates from Denver, Colorado. Love Funding, one of the largest providers of FHA/HUD multifamily and senior/health care facility financing, is headquartered in Washington, D.C., and has 14 offices across the U.S.

Leon Holschbach, President and Chief Executive Officer of Midland, said, "This acquisition, our ninth since 2007, serves as an important milestone in our continued growth. The addition of Heartland's retail banking business, and especially its very substantial residential mortgage operations in St. Louis and Denver, make Midland one of the largest community banks in the Midwest. And the addition of Heartland's commercial leasing and FHA financing operations, taken together with our \$1 billion+ wealth management group, our settlement trust business and our merchant services operations, further establishes Midland as a diversified financial services company operating across the U.S. with 73 offices."

About Midland States Bancorp, Inc.

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 States Bank is rated "5 Stars" by Bauer Financial, a rating reserved for only the strongest financial institutions in the U.S. Midland States Bank has assets of approximately \$2.7 billion, and its Midland Wealth Management group has assets under administration of more than \$1.1 billion. Established in 1881, Midland States Bank remains a locally owned and operated community bank, providing 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 are provided through Love Funding, which are indirect subsidiaries of the Company. As a community banking institution, Midland States Bank prides itself on establishing and maintaining excellent relationships with its customers and is committed to serving the financial needs of the communities it serves. For additional information, visit <http://www.midlandsb.com>.

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