

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event Reported): July 25, 2019

**Midland States Bancorp, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Illinois**  
(State or Other Jurisdiction of Incorporation)

**001-35272**  
(Commission File Number)

**37-1233196**  
(I.R.S. Employer Identification Number)

**1201 Network Centre Drive, Effingham, Illinois 62401**  
(Address of Principal Executive Offices) (Zip Code)

**(217) 342-7321**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	MSBI	Nasdaq Global Select Market

**Item 2.02. Results of Operations and Financial Condition.**

On July 25, 2019, Midland States Bancorp, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter of 2019. The press release is attached as Exhibit 99.1.

**Item 7.01. Regulation FD Disclosure.**

On July 25, 2019, the Company made available on its website a slide presentation regarding the Company’s second quarter 2019 financial results, which will be used as part of a publicly accessible conference call on July 26, 2019. The slide presentation is attached as Exhibit 99.2

The information in this Form 8-K and the attached exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits.****Exhibit No.   Description**

<a href="#">99.1</a>	<a href="#">Press Release of Midland States Bancorp, Inc., dated July 25, 2019</a>
<a href="#">99.2</a>	<a href="#">Slide Presentation of Midland States Bancorp, Inc. regarding second quarter 2019 financial results</a>

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Midland States Bancorp, Inc.**

Date: July 25, 2019

By: /s/ Douglas J. Tucker  
Douglas J. Tucker  
Senior Vice President and Corporate Counsel

## Midland States Bancorp, Inc. Announces 2019 Second Quarter Results

### Highlights

- **Net income of \$16.4 million, or \$0.67 diluted earnings per share**
- **Book value per share increased 2.2% to \$26.66**
- **Tangible book value per share increased 3.8% to \$18.36**
- **Acquisition of HomeStar Financial Group, Inc. completed on July 17, 2019**

EFFINGHAM, Ill., July 25, 2019 (GLOBE NEWSWIRE) -- Midland States Bancorp, Inc. (Nasdaq: MSBI) (the "Company") today reported net income of \$16.4 million, or \$0.67 diluted earnings per share, for the second quarter of 2019. This compares to net income of \$14.0 million, or \$0.57 diluted earnings per share, for the first quarter of 2019, and net income of \$12.8 million, or \$0.52 diluted earnings per share, for the second quarter of 2018, which included \$2.0 million in integration and acquisition expenses.

Jeffrey G. Ludwig, President and Chief Executive Officer of the Company, said, "We continue to execute well on our strategic priorities and deliver solid financial results for our shareholders. We had another strong quarter of production in our equipment finance business, generated significant non-interest income from a diverse range of business lines, and continued to drive improved efficiencies throughout our organization. We were very pleased to complete our acquisition of HomeStar Financial Group, Inc. in just over three months after announcing the transaction. With its leading market position in Kankakee, Illinois, attractive deposit base, excess liquidity, and strong team of community bankers, we believe that HomeStar adds significant value to our franchise."

### **Net Interest Income**

Net interest income for the second quarter of 2019 was \$46.1 million, an increase of 1.0% from \$45.6 million for the first quarter of 2019. Excluding accretion income, net interest income decreased \$0.4 million from the prior quarter. Accretion income associated with purchased loan portfolios totaled \$3.4 million for the second quarter of 2019, compared with \$2.5 million for the first quarter of 2019.

Relative to the second quarter of 2018, net interest income decreased \$2.2 million, or 4.6%. Accretion income for the second quarter of 2018 was \$5.5 million. Excluding the impact of accretion income, net interest income was relatively unchanged compared to the second quarter of 2018.

### **Net Interest Margin**

Net interest margin for the second quarter of 2019 was 3.76%, compared to 3.73% for the first quarter of 2019. The Company's net interest margin benefits from accretion income on purchased loan portfolios, which contributed 25 and 17 basis points to net interest margin in the second quarter of 2019 and first quarter of 2019, respectively. Excluding the impact of accretion income, net interest margin decreased five basis points from the first quarter of 2019, primarily due to the impact of higher average deposit costs.

Relative to the second quarter of 2018, net interest margin decreased from 3.91%. Accretion income on purchased loan portfolios contributed 40 basis points to net interest margin in the second quarter of 2018. Excluding the impact of accretion income, net interest margin was unchanged compared to the second quarter of 2018.

### **Noninterest Income**

Noninterest income for the second quarter of 2019 was \$19.6 million, an increase of 14.7% from \$17.1 million for the first quarter of 2019. The increase was attributable to increases in most major noninterest income items.

Relative to the second quarter of 2018, noninterest income increased 23.6% from \$15.8 million. The increase was primarily attributable to higher commercial FHA revenue, partially offset by a decline in residential mortgage banking revenue.

Wealth management revenue for the second quarter of 2019 was \$5.5 million, an increase of 11.1% from \$5.0 million in the first quarter of 2019, primarily due to an increase in trust fees. Compared to the second quarter of 2018, wealth management revenue increased 3.5%.

Commercial FHA revenue for the second quarter of 2019 was \$4.9 million, compared to \$3.3 million in the first quarter of 2019. Commercial FHA revenue in the second quarter of 2019 included a \$0.6 million recapture of mortgage servicing rights impairment, lower loan costs and an increase in gain premiums. The Company originated \$42.2 million in rate lock commitments during the second quarter of 2019, compared to \$64.5 million in the prior quarter. Compared to the second quarter of 2018, commercial FHA revenue increased \$4.6 million.

### **Noninterest Expense**

Noninterest expense for the second quarter of 2019 was \$40.2 million, which included \$0.3 million in integration and acquisition expenses and a \$0.5 million gain on mortgage servicing rights held for sale, compared with \$41.1 million for the first quarter of 2019, which included \$0.2 million in integration and acquisition expenses. The decrease was primarily attributable to lower salaries and employee benefits expense, partially offset by higher professional fees.

Relative to the second quarter of 2018, noninterest expense decreased 13.5% from \$46.5 million, which included \$2.0 million in integration and acquisition expenses and a \$0.2 million loss on mortgage servicing rights held for sale. Excluding these items, noninterest expense decreased 8.6% from \$44.2 million. The decrease was primarily due to lower salaries and employee benefits expense and certain non-recurring items that impacted expense levels in the second quarter of 2018.

### **Loan Portfolio**

Total loans outstanding were \$4.07 billion at June 30, 2019, compared with \$4.09 billion at March 31, 2019 and \$4.10 billion at June 30, 2018. The decrease in total loans from March 31, 2019 was primarily attributable to declines in the commercial real estate and residential real estate portfolios, which was partially offset by organic growth in commercial loans and leases and construction and land development loans. Equipment finance balances increased \$74.0 million from March 31, 2019, which are booked within the commercial loans and leases portfolio, reflecting

management’s efforts to grow the equipment finance business. The decrease in total loans from June 30, 2018 was primarily attributable to a decline in commercial real estate and residential real estate loans, partially offset by organic growth in commercial loans and leases and consumer loans.

## Deposits

Total deposits were \$4.01 billion at June 30, 2019, compared with \$4.04 billion at March 31, 2019, and \$4.16 billion at June 30, 2018. The decrease in total deposits from March 31, 2019 was primarily related to the intentional reduction of \$111.7 million in brokered money market deposits and brokered time deposits.

## Asset Quality

Nonperforming loans totaled \$50.7 million, or 1.24% of total loans, at June 30, 2019, compared with \$49.3 million, or 1.20% of total loans, at March 31, 2019, and \$28.3 million, or 0.69% of total loans, at June 30, 2018.

Net charge-offs for the second quarter of 2019 were \$1.2 million, or 0.12% of average loans on an annualized basis.

The Company recorded a provision for loan losses of \$4.1 million for the second quarter of 2019, which included a specific reserve for one credit placed on non-accrual during the prior quarter. The Company’s allowance for loan losses was 0.64% of total loans and 51.2% of nonperforming loans at June 30, 2019, compared with 0.56% of total loans and 46.9% of nonperforming loans at March 31, 2019. Fair market value discounts recorded in connection with acquired loan portfolios represented 0.39% of total loans at June 30, 2019, compared with 0.47% of total loans at March 31, 2019.

## Capital

At June 30, 2019, the Company exceeded all regulatory capital requirements under Basel III and was considered to be a “well-capitalized” financial institution, as summarized in the following table:

	June 30, 2019	Well Capitalized Regulatory Requirements
Total capital to risk-weighted assets	13.49%	10.00%
Tier 1 capital to risk-weighted assets	10.85%	8.00%
Tier 1 leverage ratio	9.27%	5.00%
Common equity Tier 1 capital	9.38%	6.50%
Tangible common equity to tangible assets <sup>(1)</sup>	8.20%	NA

(1) A non-GAAP financial measure. Refer to page 14 for a reconciliation to the comparable GAAP financial measure.

## Acquisition of HomeStar Financial Group, Inc.

On July 17, 2019, the Company completed its acquisition of HomeStar Financial Group, Inc. and its banking subsidiary, HomeStar Bank and Financial Services, which operates 5 locations in the Kankakee, Illinois area, and which the Company intends to merge into the Bank. The Company acquired HomeStar for consideration of approximately \$1.0 million in cash and the issuance of 405,000 shares of the Company’s common stock. At closing, HomeStar had approximately \$374.4 million in assets, \$219.5 million in loans, and \$321.8 million in deposits.

## Conference Call, Webcast and Slide Presentation

The Company will host a conference call and webcast at 7:30 a.m. Central Time on Friday, July 26, 2019 to discuss its financial results. The call can be accessed via telephone at (877) 516-3531; conference ID: 8484268. A recorded replay can be accessed through August 2, 2019 by dialing (855) 859-2056; conference ID: 8484268.

A slide presentation relating to the second quarter 2019 results will be accessible prior to the scheduled conference call. The slide presentation and webcast of the conference call can be accessed on the Webcasts and Presentations page of the Company’s investor relations website.

## 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. As of June 30, 2019, the Company had total assets of approximately \$5.55 billion and its Wealth Management Group had assets under administration of approximately \$3.13 billion. Midland provides a full range of commercial and consumer banking products and services, business equipment financing, merchant credit card services, trust and investment management, and insurance and financial planning services. In addition, multi-family and healthcare facility FHA financing is provided through Love Funding, Midland’s non-bank subsidiary. For additional information, visit <https://www.midlandsb.com/> or follow Midland on LinkedIn at <https://www.linkedin.com/company/midland-states-bank>.

## Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with GAAP.

These non-GAAP financial measures include “Adjusted Earnings,” “Adjusted Diluted Earnings Per Common Share,” “Adjusted Return on Average Assets,” “Adjusted Return on Average Shareholders’ Equity,” “Adjusted Return on Average Tangible Common Equity,” “Efficiency Ratio,” “Tangible Common Equity to Tangible Assets,” “Tangible Book Value Per Share” and “Return on Average Tangible Common Equity.”

The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company’s funding profile and profitability. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

## Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including but not limited to statements about the Company's plans, objectives, future performance, goals and future earnings levels. These statements are subject to many risks and uncertainties, including changes in interest rates and other general economic, business and political conditions, including changes in the financial markets; changes in business plans as circumstances warrant; risks relating to acquisitions; and other risks detailed from time to time in filings made by the Company with the Securities and Exchange Commission. Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe" or "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and the Company does not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

**CONTACTS:**

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 Stephen A. Erickson, Chief Financial Officer, at [serickson@midlandsb.com](mailto:serickson@midlandsb.com) or (217) 540-1712  
 Douglas J. Tucker, SVP and Corporate Counsel, at [dtucker@midlandsb.com](mailto:dtucker@midlandsb.com) or (217) 342-7321

**MIDLAND STATES BANCORP, INC.  
 CONSOLIDATED FINANCIAL SUMMARY (unaudited)**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
<b>Earnings Summary</b>					
Net interest income	\$ 46,077	\$ 45,601	\$ 48,535	\$ 45,081	\$ 48,286
Provision for loan losses	4,076	3,243	3,467	2,103	1,854
Noninterest income	19,587	17,075	21,170	18,272	15,847
Noninterest expense	40,194	41,097	45,375	50,317	46,452
Income before income taxes	21,394	18,336	20,863	10,933	15,827
Income taxes	5,039	4,354	4,527	2,436	3,045
Net income	16,355	13,982	16,336	8,497	12,782
Preferred stock dividends, net	34	34	34	35	36
Net income available to common shareholders	<u>\$ 16,321</u>	<u>\$ 13,948</u>	<u>\$ 16,302</u>	<u>\$ 8,462</u>	<u>\$ 12,746</u>
Diluted earnings per common share	\$ 0.67	\$ 0.57	\$ 0.67	\$ 0.35	\$ 0.52
Weighted average shares outstanding - diluted	24,303,211	24,204,661	24,200,346	24,325,743	24,268,111
Return on average assets	1.17%	1.01%	1.14%	0.59%	0.91%
Return on average shareholders' equity	10.43%	9.23%	10.81%	5.68%	8.77%
Return on average tangible common equity <sup>(1)</sup>	15.34%	13.79%	16.40%	8.69%	13.48%
Net interest margin	3.76%	3.73%	3.85%	3.59%	3.91%
Efficiency ratio <sup>(1)</sup>	61.58%	64.73%	65.50%	63.02%	67.76%
<b>Adjusted Earnings Performance Summary</b>					
Adjusted earnings <sup>(1)</sup>	\$ 16,196	\$ 14,098	\$ 16,397	\$ 15,632	\$ 14,469
Adjusted diluted earnings per common share <sup>(1)</sup>	\$ 0.66	\$ 0.58	\$ 0.67	\$ 0.64	\$ 0.59
Adjusted return on average assets <sup>(1)</sup>	1.16%	1.02%	1.14%	1.09%	1.03%
Adjusted return on average shareholders' equity <sup>(1)</sup>	10.33%	9.31%	10.85%	10.45%	9.93%
Adjusted return on average tangible common equity <sup>(1)</sup>	15.19%	13.90%	16.46%	16.02%	15.27%

(1) Non-GAAP financial measures. Refer to pages 12 - 14 for a reconciliation to the comparable GAAP financial measures.

**MIDLAND STATES BANCORP, INC.  
 CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(in thousands, except per share data)</i>					

Net interest income:					
Total interest income	\$ 60,636	\$ 59,432	\$ 61,592	\$ 56,987	\$ 58,283
Total interest expense	14,559	13,831	13,057	11,906	9,997
Net interest income	46,077	45,601	48,535	45,081	48,286
Provision for loan losses	4,076	3,243	3,467	2,103	1,854
Net interest income after provision for loan losses	42,001	42,358	45,068	42,978	46,432
Noninterest income:					
Wealth management revenue	5,504	4,953	5,651	5,467	5,316
Commercial FHA revenue	4,917	3,270	4,194	3,130	326
Residential mortgage banking revenue	611	834	1,041	1,154	2,116
Service charges on deposit accounts	2,639	2,520	2,976	2,804	2,693
Interchange revenue	3,010	2,680	2,941	2,759	2,929
Gain (loss) on sales of investment securities, net	14	-	469	-	(70)
Other income	2,892	2,818	3,898	2,958	2,537
Total noninterest income	19,587	17,075	21,170	18,272	15,847
Noninterest expense:					
Salaries and employee benefits	21,134	22,039	23,020	22,528	23,467
Occupancy and equipment	4,500	4,832	4,914	5,040	4,708
Data processing	4,987	4,891	5,660	10,817	5,106
Professional	2,410	2,073	2,752	3,087	3,185
Amortization of intangible assets	1,673	1,810	1,852	1,853	1,576
(Gain) loss on mortgage servicing rights held for sale	(515)	-	-	270	188
Other expense	6,005	5,452	7,177	6,722	8,222
Total noninterest expense	40,194	41,097	45,375	50,317	46,452
Income before income taxes	21,394	18,336	20,863	10,933	15,827
Income taxes	5,039	4,354	4,527	2,436	3,045
Net income	16,355	13,982	16,336	8,497	12,782
Preferred stock dividends, net	34	34	34	35	36
Net income available to common shareholders	\$ 16,321	\$ 13,948	\$ 16,302	\$ 8,462	\$ 12,746
Basic earnings per common share					
	\$ 0.67	\$ 0.58	\$ 0.68	\$ 0.35	\$ 0.53
Diluted earnings per common share					
	\$ 0.67	\$ 0.57	\$ 0.67	\$ 0.35	\$ 0.52

**MIDLAND STATES BANCORP, INC.**  
**CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)**

	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(in thousands)</i>					
<b>Assets</b>					
Cash and cash equivalents	\$ 245,415	\$ 276,480	\$ 213,700	\$ 242,433	\$ 276,331
Investment securities	613,026	656,152	660,785	685,753	708,001
Loans	4,073,527	4,092,106	4,137,551	4,156,282	4,095,811
Allowance for loan losses	(25,925)	(23,091)	(20,903)	(19,631)	(18,246)
Total loans, net	4,047,602	4,069,015	4,116,648	4,136,651	4,077,565
Loans held for sale, at fair value	22,143	16,851	30,401	35,246	41,449
Premises and equipment, net	94,824	94,514	94,840	95,062	94,783
Other real estate owned	3,797	2,020	3,483	3,684	3,911
Mortgage servicing rights, at lower of cost or fair value	54,191	52,957	53,447	51,626	52,381
Mortgage servicing rights held for sale	159	257	3,545	4,419	4,806
Intangible assets	33,893	35,566	37,376	39,228	41,081
Goodwill	164,673	164,673	164,673	164,044	164,044
Cash surrender value of life insurance policies	140,593	139,686	138,783	138,600	137,681
Other assets	125,739	133,609	119,992	127,866	128,567
Total assets	\$ 5,546,055	\$ 5,641,780	\$ 5,637,673	\$ 5,724,612	\$ 5,730,600
<b>Liabilities and Shareholders' Equity</b>					
Noninterest-bearing deposits	\$ 902,286	\$ 941,344	\$ 972,164	\$ 991,311	\$ 1,001,802
Interest-bearing deposits	3,108,921	3,094,944	3,102,006	3,151,895	3,158,055
Total deposits	4,011,207	4,036,288	4,074,170	4,143,206	4,159,857
Short-term borrowings	113,844	115,832	124,235	145,450	114,536
FHLB advances and other borrowings	582,387	669,009	640,631	652,253	678,873
Subordinated debt	94,215	94,174	94,134	94,093	94,053

Trust preferred debentures	48,041	47,918	47,794	47,676	47,559
Other liabilities	56,473	54,391	48,184	47,788	43,187
Total liabilities	4,906,167	5,017,612	5,029,148	5,130,466	5,138,065
Total shareholders' equity	639,888	624,168	608,525	594,146	592,535
Total liabilities and shareholders' equity	<u>\$ 5,546,055</u>	<u>\$ 5,641,780</u>	<u>\$ 5,637,673</u>	<u>\$ 5,724,612</u>	<u>\$ 5,730,600</u>

**MIDLAND STATES BANCORP, INC.**  
**CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)**

<i>(in thousands)</i>	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<b>Loan Portfolio</b>					
Commercial loans and leases	\$ 1,149,370	\$ 1,122,621	\$ 1,074,935	\$ 1,034,546	\$ 991,164
Commercial real estate loans	1,524,369	1,560,427	1,639,155	1,711,926	1,711,296
Construction and land development loans	250,414	239,376	232,229	239,480	247,889
Residential real estate loans	552,406	569,051	578,048	586,134	601,808
Consumer loans	596,968	600,631	613,184	584,196	543,654
Total loans	<u>\$ 4,073,527</u>	<u>\$ 4,092,106</u>	<u>\$ 4,137,551</u>	<u>\$ 4,156,282</u>	<u>\$ 4,095,811</u>
<b>Deposit Portfolio</b>					
Noninterest-bearing demand deposits	\$ 902,286	\$ 941,344	\$ 972,164	\$ 991,311	\$ 1,001,802
Interest-bearing:					
Checking accounts	1,009,023	968,844	1,002,275	1,047,914	1,024,506
Money market accounts	732,573	802,036	862,171	836,151	843,984
Savings accounts	442,017	457,176	442,132	445,640	460,560
Time deposits	785,337	685,700	633,787	633,654	638,215
Brokered time deposits	139,971	181,188	161,641	188,536	190,790
Total deposits	<u>\$ 4,011,207</u>	<u>\$ 4,036,288</u>	<u>\$ 4,074,170</u>	<u>\$ 4,143,206</u>	<u>\$ 4,159,857</u>

**MIDLAND STATES BANCORP, INC.**  
**CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)**

<i>(dollars in thousands)</i>	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<b>Average Balance Sheets</b>					
Cash and cash equivalents	\$ 162,110	\$ 152,078	\$ 155,280	\$ 154,526	\$ 227,499
Investment securities	636,946	654,764	676,483	700,018	731,017
Loans	4,086,720	4,128,893	4,139,831	4,106,367	3,982,958
Loans held for sale	40,177	30,793	51,981	48,715	31,220
Nonmarketable equity securities	44,217	44,279	42,708	42,770	38,872
Total interest-earning assets	4,970,170	5,010,807	5,066,283	5,052,396	5,011,566
Non-earning assets	618,023	618,996	624,378	639,323	639,864
Total assets	<u>\$ 5,588,193</u>	<u>\$ 5,629,803</u>	<u>\$ 5,690,661</u>	<u>\$ 5,691,719</u>	<u>\$ 5,651,430</u>
Interest-bearing deposits	\$ 3,107,660	\$ 3,093,979	\$ 3,123,134	\$ 3,172,422	\$ 3,158,816
Short-term borrowings	120,859	135,337	143,869	139,215	120,794
FHLB advances and other borrowings	607,288	673,250	645,642	608,153	573,107
Subordinated debt	94,196	94,156	94,115	94,075	94,035
Trust preferred debentures	47,982	47,848	47,737	47,601	47,488
Total interest-bearing liabilities	3,977,985	4,044,570	4,054,497	4,061,466	3,994,240
Noninterest-bearing deposits	921,115	919,185	989,954	989,142	1,025,308
Other noninterest-bearing liabilities	60,363	51,838	46,487	47,654	47,229
Shareholders' equity	628,730	614,210	599,723	593,457	584,653
Total liabilities and shareholders' equity	<u>\$ 5,588,193</u>	<u>\$ 5,629,803</u>	<u>\$ 5,690,661</u>	<u>\$ 5,691,719</u>	<u>\$ 5,651,430</u>

<b>Yields</b>					
Cash and cash equivalents	2.43%	2.42%	2.24%	1.96%	1.79%



Investment securities	3.11%	3.07%	3.04%	3.01%	2.91%
Loans	5.32%	5.22%	5.28%	4.88%	5.21%
Loans held for sale	4.50%	3.94%	3.92%	4.17%	3.79%
Nonmarketable equity securities	5.42%	5.69%	5.20%	5.01%	4.97%
Total interest-earning assets	4.94%	4.85%	4.87%	4.52%	4.71%
Interest-bearing deposits	1.09%	0.97%	0.86%	0.77%	0.64%
Short-term borrowings	0.70%	0.71%	0.67%	0.61%	0.38%
FHLB advances and other borrowings	2.34%	2.32%	2.26%	2.09%	1.81%
Subordinated debt	6.43%	6.43%	6.43%	6.44%	6.44%
Trust preferred debentures	7.17%	7.38%	6.93%	6.81%	6.59%
Total interest-bearing liabilities	1.47%	1.39%	1.28%	1.16%	1.00%
Net interest margin	3.76%	3.73%	3.85%	3.59%	3.91%

**MIDLAND STATES BANCORP, INC.**  
**CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)**

	As of and for the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
<b>Asset Quality</b>					
Loans 30-89 days past due	\$ 21,554	\$ 23,999	\$ 25,213	\$ 22,678	\$ 19,362
Nonperforming loans	50,676	49,262	42,899	38,561	28,342
Nonperforming assets	54,473	51,282	45,899	41,638	31,542
Net charge-offs	1,242	1,055	2,195	718	1,312
Loans 30-89 days past due to total loans	0.53%	0.59%	0.61%	0.55%	0.47%
Nonperforming loans to total loans	1.24%	1.20%	1.04%	0.93%	0.69%
Nonperforming assets to total assets	0.98%	0.91%	0.81%	0.73%	0.55%
Allowance for loan losses to total loans	0.64%	0.56%	0.51%	0.47%	0.45%
Allowance for loan losses to nonperforming loans	51.16%	46.87%	48.73%	50.91%	64.38%
Net charge-offs to average loans	0.12%	0.10%	0.21%	0.07%	0.13%
<b>Wealth Management</b>					
Trust assets under administration	\$ 3,125,869	\$ 3,097,091	\$ 2,945,084	\$ 3,218,013	\$ 3,188,909
<b>Market Data</b>					
Book value per share at period end	\$ 26.66	\$ 26.08	\$ 25.50	\$ 24.96	\$ 24.92
Tangible book value per share at period end <sup>(1)</sup>	\$ 18.36	\$ 17.68	\$ 17.00	\$ 16.38	\$ 16.25
Market price at period end	\$ 26.72	\$ 24.06	\$ 22.34	\$ 32.10	\$ 34.26
Shares outstanding at period end	23,897,038	23,827,438	23,751,798	23,694,637	23,664,596
<b>Capital</b>					
Total capital to risk-weighted assets	13.49%	13.25%	12.79%	12.35%	12.27%
Tier 1 capital to risk-weighted assets	10.85%	10.65%	10.25%	9.85%	9.78%
Tier 1 leverage ratio	9.27%	8.92%	8.53%	8.24%	8.16%
Tier 1 common capital to risk-weighted assets	9.38%	9.16%	8.76%	8.37%	8.28%
Tangible common equity to tangible assets <sup>(1)</sup>	8.20%	7.74%	7.43%	7.03%	6.96%

(1) Non-GAAP financial measures. Refer to pages 12 - 14 for a reconciliation to the comparable GAAP financial measures.

**MIDLAND STATES BANCORP, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**

**Adjusted Earnings Reconciliation**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
Income before income taxes - GAAP	\$ 21,394	\$ 18,336	\$ 20,863	\$ 10,933	\$ 15,827
Adjustments to noninterest income:					

Gain (loss) on sales of investment securities, net	14	-	469	-	(70)
Other	(23)	-	(1)	(12)	(48)
Total adjustments to noninterest income	(9)	-	468	(12)	(118)
Adjustments to noninterest expense:					
(Gain) loss on mortgage servicing rights held for sale	(515)	-	-	270	188
Integration and acquisition expenses	286	160	553	9,559	2,019
Total adjustments to noninterest expense	(229)	160	553	9,829	2,207
Adjusted earnings pre tax	21,174	18,496	20,948	20,774	18,152
Adjusted earnings tax	4,978	4,398	4,551	5,142	3,683
<b>Adjusted earnings - non-GAAP</b>	16,196	14,098	16,397	15,632	14,469
Preferred stock dividends, net	34	34	34	35	36
<b>Adjusted earnings available to common shareholders - non-GAAP</b>	<u>\$ 16,162</u>	<u>\$ 14,064</u>	<u>\$ 16,363</u>	<u>\$ 15,597</u>	<u>\$ 14,433</u>
Adjusted diluted earnings per common share	\$ 0.66	\$ 0.58	\$ 0.67	\$ 0.64	\$ 0.59
Adjusted return on average assets	1.16 %	1.02 %	1.14 %	1.09 %	1.03 %
Adjusted return on average shareholders' equity	10.33 %	9.31 %	10.85 %	10.45 %	9.93 %
Adjusted return on average tangible common equity	15.19 %	13.90 %	16.46 %	16.02 %	15.27 %

**MIDLAND STATES BANCORP, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (continued)**

**Efficiency Ratio Reconciliation**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands)</i>					
Noninterest expense - GAAP	\$ 40,194	\$ 41,097	\$ 45,375	\$ 50,317	\$ 46,452
Gain (loss) on mortgage servicing rights held for sale	515	-	-	(270)	(188)
Integration and acquisition expenses	(286)	(160)	(553)	(9,559)	(2,019)
Adjusted noninterest expense	<u>\$ 40,423</u>	<u>\$ 40,937</u>	<u>\$ 44,822</u>	<u>\$ 40,488</u>	<u>\$ 44,245</u>
Net interest income - GAAP	\$ 46,077	\$ 45,601	\$ 48,535	\$ 45,081	\$ 48,286
Effect of tax-exempt income	526	543	574	585	541
Adjusted net interest income	<u>46,603</u>	<u>46,144</u>	<u>49,109</u>	<u>45,666</u>	<u>48,827</u>
Noninterest income - GAAP	\$ 19,587	\$ 17,075	\$ 21,170	\$ 18,272	\$ 15,847
Mortgage servicing rights (recapture) impairment	(559)	25	(1,380)	297	500
(Gain) loss on sales of investment securities, net	(14)	-	(469)	-	70
Other	23	-	1	12	48
Adjusted noninterest income	<u>19,037</u>	<u>17,100</u>	<u>19,322</u>	<u>18,581</u>	<u>16,465</u>
Adjusted total revenue	<u>\$ 65,640</u>	<u>\$ 63,244</u>	<u>\$ 68,431</u>	<u>\$ 64,247</u>	<u>\$ 65,292</u>
<b>Efficiency ratio</b>	61.58 %	64.73 %	65.50 %	63.02 %	67.76 %

**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (continued)**

**Tangible Common Equity to Tangible Assets Ratio and Tangible Book Value Per Share**

	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
<b>Shareholders' Equity to Tangible Common Equity</b>					
Total shareholders' equity—GAAP	\$ 639,888	\$ 624,168	\$ 608,525	\$ 594,146	\$ 592,535
Adjustments:					
Preferred stock	(2,684)	(2,733)	(2,781)	(2,829)	(2,876)
Goodwill	(164,673)	(164,673)	(164,673)	(164,044)	(164,044)
Other intangibles	(33,893)	(35,566)	(37,376)	(39,228)	(41,081)
Tangible common equity	<u>\$ 438,638</u>	<u>\$ 421,196</u>	<u>\$ 403,695</u>	<u>\$ 388,045</u>	<u>\$ 384,534</u>
<b>Total Assets to Tangible Assets:</b>					
Total assets—GAAP	\$ 5,546,055	\$ 5,641,780	\$ 5,637,673	\$ 5,724,612	\$ 5,730,600
Adjustments:					
Goodwill	(164,673)	(164,673)	(164,673)	(164,044)	(164,044)
Other intangibles	(33,893)	(35,566)	(37,376)	(39,228)	(41,081)
Tangible assets	<u>\$ 5,347,489</u>	<u>\$ 5,441,541</u>	<u>\$ 5,435,624</u>	<u>\$ 5,521,340</u>	<u>\$ 5,525,475</u>
 Common Shares Outstanding	 23,897,038	 23,827,438	 23,751,798	 23,694,637	 23,664,596
 <b>Tangible Common Equity to Tangible Assets</b>	 8.20 %	 7.74 %	 7.43 %	 7.03 %	 6.96 %
<b>Tangible Book Value Per Share</b>	\$ 18.36	\$ 17.68	\$ 17.00	\$ 16.38	\$ 16.25

**Return on Average Tangible Common Equity (ROATCE)**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands)</i>					
Net income available to common shareholders	\$ 16,321	\$ 13,948	\$ 16,302	\$ 8,462	\$ 12,746
Average total shareholders' equity—GAAP	\$ 628,730	\$ 614,210	\$ 599,723	\$ 593,457	\$ 584,653
Adjustments:					
Preferred stock	(2,708)	(2,759)	(2,812)	(2,859)	(2,905)
Goodwill	(164,673)	(164,673)	(164,051)	(164,044)	(158,461)
Other intangibles	(34,689)	(36,438)	(38,394)	(40,228)	(44,098)
Average tangible common equity	<u>\$ 426,660</u>	<u>\$ 410,340</u>	<u>\$ 394,466</u>	<u>\$ 386,326</u>	<u>\$ 379,189</u>
<b>ROATCE</b>	15.34 %	13.79 %	16.40 %	8.69 %	13.48 %



# Midland States Bancorp, Inc. NASDAQ: MSBI

Second Quarter 2019 Earnings Call



**Forward-Looking Statements.** This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements express management's current expectations, forecasts of future events or long-term goals, including with respect to pending acquisitions, and may be based upon beliefs, expectations and assumptions of Midland's management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. All statements in this presentation speak only as of the date they are made, and Midland undertakes no obligation to update any statement. A number of factors, many of which are beyond the ability of Midland to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning Midland and its respective businesses, including additional factors that could materially affect Midland's financial results, are included in Midland's filings with the Securities and Exchange Commission.

**Use of Non-GAAP Financial Measures.** This presentation may contain certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures include "Adjusted Earnings," "Adjusted Diluted Earnings Per Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," "Adjusted Return on Average Tangible Common Equity," "Efficiency Ratio," "Tangible Common Equity to Tangible Assets," "Tangible Book Value Per Share" and "Return on Average Tangible Common Equity." The Company believes that these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's funding profile and profitability. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore this presentation may not be comparable to other similarly titled measures as presented by other companies. Reconciliations of these non-GAAP measures are provided in the Appendix section of this presentation.



## Overview of 2Q19

### 2Q19 Earnings

- Net income of \$16.4 million
- Diluted EPS of \$0.67

### Strong Capital Generation

- Book value per share increased 2.2% to \$26.66
- Tangible book value per share <sup>(1)</sup> increased 3.8% to \$18.36
- Continued increases in all capital ratios

### Solid Execution on Strategic Priorities

- Continued strong production in equipment financing
- Diverse business lines generating strong contributions of noninterest income
- Efficiency ratio <sup>(1)</sup> improves to 61.6% from 64.7% in prior quarter

### HomeStar Acquisition

- Closed on July 17, 2019
- Adds attractive low-cost deposit base with excess liquidity
- Expected to be ~9% accretive to EPS in 2020

**Notes:**

(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.



# Loan Portfolio

- Total loans declined \$18.6 million, or 0.5%, to \$4.07 billion
- Decline in commercial real estate and residential real estate partially offset by continued growth in commercial loans and leases
- Equipment finance balances increased \$74.0 million, or 17.1%, from March 31, 2019

## Loan Portfolio Mix

(in millions, as of quarter-end)

	2Q 2019	1Q 2019	2Q 2018
Commercial loans and leases	\$ 1,149	\$ 1,123	\$ 991
Commercial real estate	1,524	1,560	1,711
Construction and land development	250	239	248
Residential real estate	552	569	602
Consumer	597	601	544
<b>Total Loans</b>	<b>\$ 4,074</b>	<b>\$ 4,092</b>	<b>\$ 4,096</b>

## Total Loans

(in millions, as of quarter-end)





# Total Deposits

- Total deposits decreased \$25.1 million, or 0.6%, to \$4.01 billion
- Decline in deposits primarily attributable to intentional reduction of brokered money market deposits of \$70.5 million and brokered time deposits of \$41.2 million
- Core funding deposit campaigns replaced the majority of the decrease in brokered deposits

## Deposit Mix

(in millions, as of quarter-end)

	2Q 2019	1Q 2019	2Q 2018
Noninterest-bearing demand	\$ 902	\$ 941	\$ 1,002
Interest-bearing:			
Checking	1,009	969	1,025
Money market	733	802	844
Savings	442	457	461
Time	785	686	638
Brokered time	140	181	191
<b>Total Deposits</b>	<b>\$ 4,011</b>	<b>\$ 4,036</b>	<b>\$ 4,160</b>

## Total Deposits

(in millions, as of quarter-end)

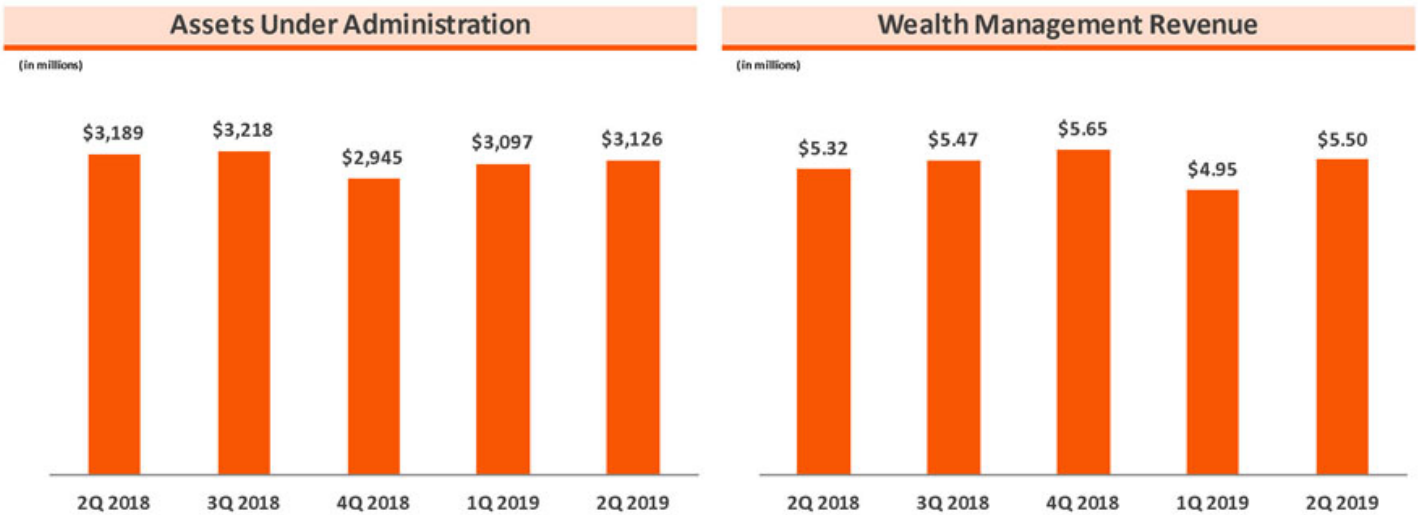






# Wealth Management

- Total Wealth Management revenue increased 11.1% from the prior quarter
- Increase attributable to an increase in trust fees
- During 2Q19, assets under administration increased \$28.8 million, primarily due to market performance



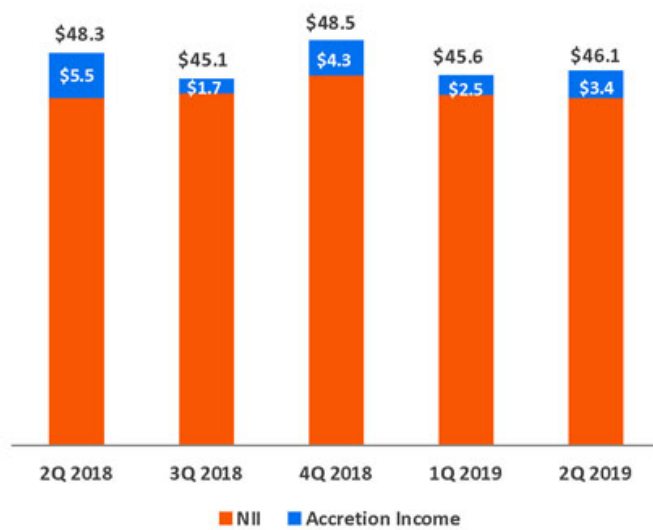


# Net Interest Income/Margin

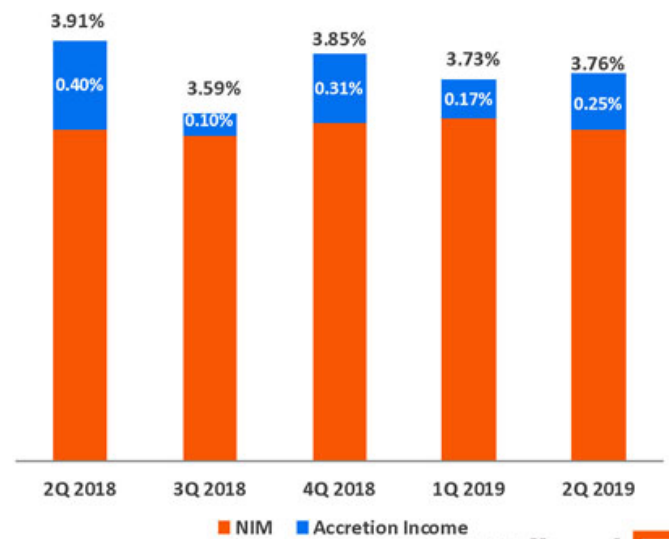
- Net interest income and margin increased due to higher accretion income
- Excluding the impact of accretion income, net interest margin decreased 5 bps, primarily due to higher average deposit costs
- Average rate on new and renewed loans was 5.61%
- Expected scheduled accretion income: \$1.9 million in 3Q19; \$9.5 million in FY 2019 (excluding impact of HomeStar acquisition)

### Net Interest Income

(In millions)



### Net Interest Margin



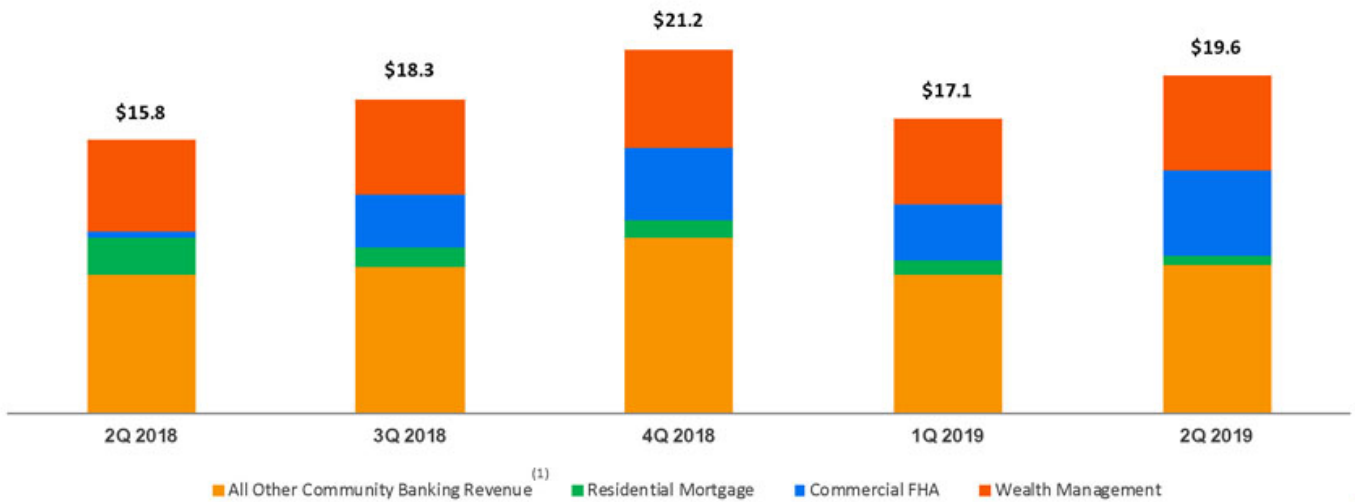


# Noninterest Income

- Noninterest income increased 14.7% from prior quarter
- Wealth management remains largest single contributor to noninterest income
- Commercial FHA revenue positively impacted by \$0.6 million recapture of MSR impairment, lower loan costs and an increase in gain premiums

## Noninterest Income

(in millions)



**Notes:**

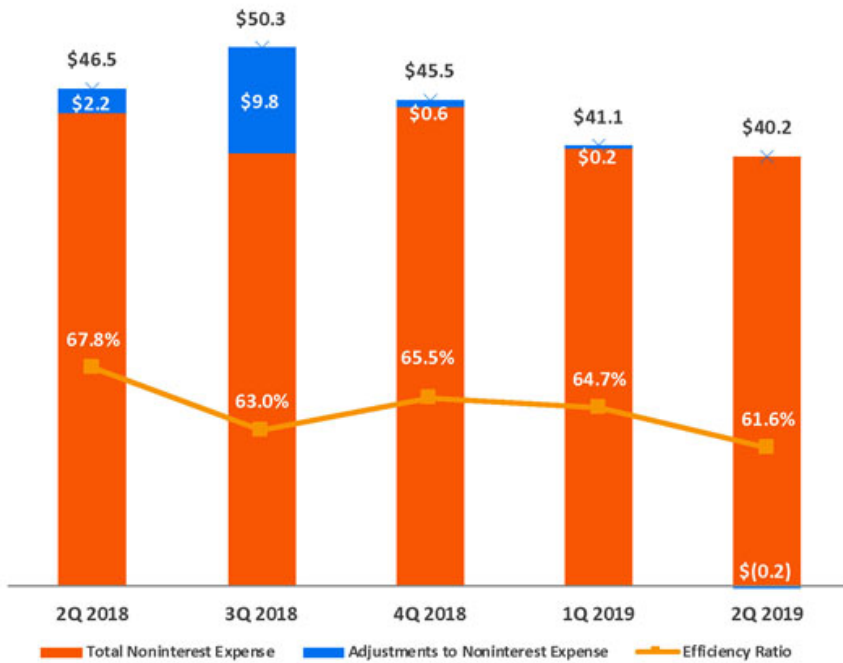
(1) Represents service charges, interchange revenue, net gain (loss) on sale of investment securities, and other income



# Noninterest Expense and Operating Efficiency

## Noninterest Expense and Efficiency Ratio <sup>(1)</sup>

(Noninterest expense in millions)



- Efficiency Ratio <sup>(1)</sup> was 61.6% in 2Q19 vs. 64.7% in 1Q19
- Adjustments to non-interest expense:

(\$ in millions)	2Q19	1Q19
Integration and acquisition related expenses	(\$0.3)	(\$0.2)
Gain on MSRs held for sale	\$0.5	

- Excluding these adjustments, noninterest expense decreased 1.3% on a linked-quarter basis
- Decrease in noninterest expense primarily attributable to lower salaries and benefits, partially offset by an increase in professional fees

**Notes:**

(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

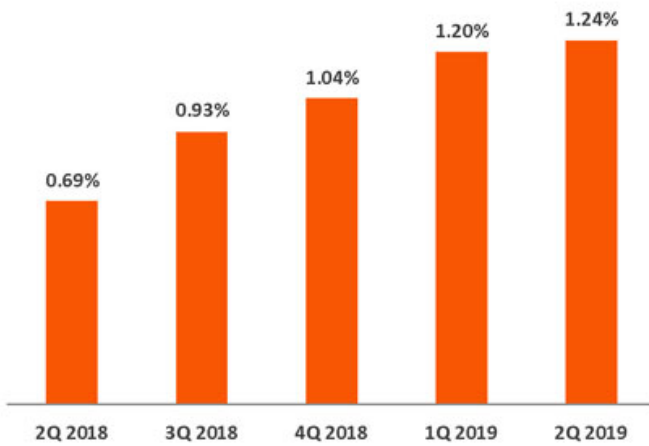


# Asset Quality

- Net charge-offs for 2Q19 was 0.12% of average loans on an annualized basis
- Provision for loan losses of \$4.1 million in 2Q19 includes a specific reserve related to one credit placed on non-accrual during the prior quarter
- ALLL/total loans of 0.64% and credit marks/total loans of 0.39% at June 30, 2019

## Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



## NCO / Average Loans





## Outlook

- **Continued execution on protecting margin and controlling expenses resulting in solid financial performance**
- **Low-single-digit organic loan growth expected in 2019**
- **HomeStar acquisition provides additional liquidity that will enhance our funding profile and increase flexibility in loan production going forward**
- **HomeStar acquisition to be ~9% accretive to EPS in 2020, which provides foundation for solid year of earnings growth**



# APPENDIX



MIDLAND STATES BANCORP, INC.  
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

**Adjusted Earnings Reconciliation**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
Income before income taxes - GAAP	\$ 21,394	\$ 18,336	\$ 20,863	\$ 10,933	\$ 15,827
Adjustments to noninterest income:					
Gain (loss) on sales of investment securities, net	14	-	469	-	(70)
Other	(23)	-	(1)	(12)	(48)
Total adjustments to noninterest income	(9)	-	468	(12)	(118)
Adjustments to noninterest expense:					
(Gain) loss on mortgage servicing rights held for sale	(515)	-	-	270	188
Integration and acquisition expenses	286	160	553	9,559	2,019
Total adjustments to noninterest expense	(229)	160	553	9,829	2,207
Adjusted earnings pre tax	21,174	18,496	20,948	20,774	18,152
Adjusted earnings tax	4,978	4,398	4,551	5,142	3,683
<b>Adjusted earnings - non-GAAP</b>	16,196	14,098	16,397	15,632	14,469
Preferred stock dividends, net	34	34	34	35	36
<b>Adjusted earnings available to common shareholders - non-GAAP</b>	\$ 16,162	\$ 14,064	\$ 16,363	\$ 15,597	\$ 14,433
Adjusted diluted earnings per common share	\$ 0.66	\$ 0.58	\$ 0.67	\$ 0.64	\$ 0.59
Adjusted return on average assets	1.16 %	1.02 %	1.14 %	1.09 %	1.03 %
Adjusted return on average shareholders' equity	10.33 %	9.31 %	10.85 %	10.45 %	9.93 %
Adjusted return on average tangible common equity	15.19 %	13.90 %	16.46 %	16.02 %	15.27 %





**MIDLAND STATES BANCORP, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (continued)**

**Efficiency Ratio Reconciliation**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands)</i>					
Noninterest expense - GAAP	\$ 40,194	\$ 41,097	\$ 45,375	\$ 50,317	\$ 46,452
Gain (loss) on mortgage servicing rights held for sale	515	-	-	(270)	(188)
Integration and acquisition expenses	(286)	(160)	(553)	(9,559)	(2,019)
Adjusted noninterest expense	<u>\$ 40,423</u>	<u>\$ 40,937</u>	<u>\$ 44,822</u>	<u>\$ 40,488</u>	<u>\$ 44,245</u>
Net interest income - GAAP	\$ 46,077	\$ 45,601	\$ 48,535	\$ 45,081	\$ 48,286
Effect of tax-exempt income	526	543	574	585	541
Adjusted net interest income	<u>46,603</u>	<u>46,144</u>	<u>49,109</u>	<u>45,666</u>	<u>48,827</u>
Noninterest income - GAAP	\$ 19,587	\$ 17,075	\$ 21,170	\$ 18,272	\$ 15,847
Mortgage servicing rights (recapture) impairment	(559)	25	(1,380)	297	500
(Gain) loss on sales of investment securities, net	(14)	-	(469)	-	70
Other	23	-	1	12	48
Adjusted noninterest income	<u>19,037</u>	<u>17,100</u>	<u>19,322</u>	<u>18,581</u>	<u>16,465</u>
Adjusted total revenue	<u>\$ 65,640</u>	<u>\$ 63,244</u>	<u>\$ 68,431</u>	<u>\$ 64,247</u>	<u>\$ 65,292</u>
<i>Efficiency ratio</i>	61.58 %	64.73 %	65.50 %	63.02 %	67.76 %

MIDLAND STATES BANCORP, INC.  
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (continued)

**Tangible Common Equity to Tangible Assets Ratio and Tangible Book Value Per Share**

	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands, except per share data)</i>					
<b>Shareholders' Equity to Tangible Common Equity</b>					
Total shareholders' equity—GAAP	\$ 639,888	\$ 624,168	\$ 608,525	\$ 594,146	\$ 592,535
Adjustments:					
Preferred stock	(2,684)	(2,733)	(2,781)	(2,829)	(2,876)
Goodwill	(164,673)	(164,673)	(164,673)	(164,044)	(164,044)
Other intangibles	(33,893)	(35,566)	(37,376)	(39,228)	(41,081)
Tangible common equity	<u>\$ 438,638</u>	<u>\$ 421,196</u>	<u>\$ 403,695</u>	<u>\$ 388,045</u>	<u>\$ 384,534</u>
<b>Total Assets to Tangible Assets:</b>					
Total assets—GAAP	\$ 5,546,055	\$ 5,641,780	\$ 5,637,673	\$ 5,724,612	\$ 5,730,600
Adjustments:					
Goodwill	(164,673)	(164,673)	(164,673)	(164,044)	(164,044)
Other intangibles	(33,893)	(35,566)	(37,376)	(39,228)	(41,081)
Tangible assets	<u>\$ 5,347,489</u>	<u>\$ 5,441,541</u>	<u>\$ 5,435,624</u>	<u>\$ 5,521,340</u>	<u>\$ 5,525,475</u>
Common Shares Outstanding	23,897,038	23,827,438	23,751,798	23,694,637	23,664,596
<b>Tangible Common Equity to Tangible Assets</b>	8.20 %	7.74 %	7.43 %	7.03 %	6.96 %
<b>Tangible Book Value Per Share</b>	\$ 18.36	\$ 17.68	\$ 17.00	\$ 16.38	\$ 16.25

**Return on Average Tangible Common Equity (ROATCE)**

	For the Quarter Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(dollars in thousands)</i>					
Net income available to common shareholders	\$ 16,321	\$ 13,948	\$ 16,302	\$ 8,462	\$ 12,746
Average total shareholders' equity—GAAP	\$ 628,730	\$ 614,210	\$ 599,723	\$ 593,457	\$ 584,653
Adjustments:					
Preferred stock	(2,708)	(2,759)	(2,812)	(2,859)	(2,905)
Goodwill	(164,673)	(164,673)	(164,051)	(164,044)	(158,461)
Other intangibles	(34,689)	(36,438)	(38,394)	(40,228)	(44,098)
Average tangible common equity	<u>\$ 426,660</u>	<u>\$ 410,340</u>	<u>\$ 394,466</u>	<u>\$ 386,326</u>	<u>\$ 379,189</u>
<b>ROATCE</b>	15.34 %	13.79 %	16.40 %	8.69 %	13.48 %