ANNUAL REPORT 2020

Midland States Bancorp, Inc.

It has now been one year since COVID struck our nation, wreaking havoc on many families, businesses and our economy. Although we are not completely out of the storm, there is light at the end of the tunnel. It would be hard to overstate the appreciation I have for our employees, who rose to the occasion to continue serving our customers without missing a beat, whether that meant working in masks and gloves in our drive-through facilities or working from home while trying to care for their families; rotating staff members to ensure availability across our locations or sanitizing offices late at night and on weekends; or being one of the first banks in the country to design and open a portal for commercial customers to apply and receive funding under the Paycheck Protection Program, our employees came through.

Similarly, we saw the generosity and compassion of our customers, many of whom sent heartwarming letters of encouragement, small but meaningful gifts or office decorations, and other gestures of kindness and support for our team members. 2020 was a tough year for everyone, but I salute all those who rose to the occasion while also feeling sorrow for those who lost loved ones or whose lives were otherwise upended during this terrible pandemic.

Jeff Ludwig

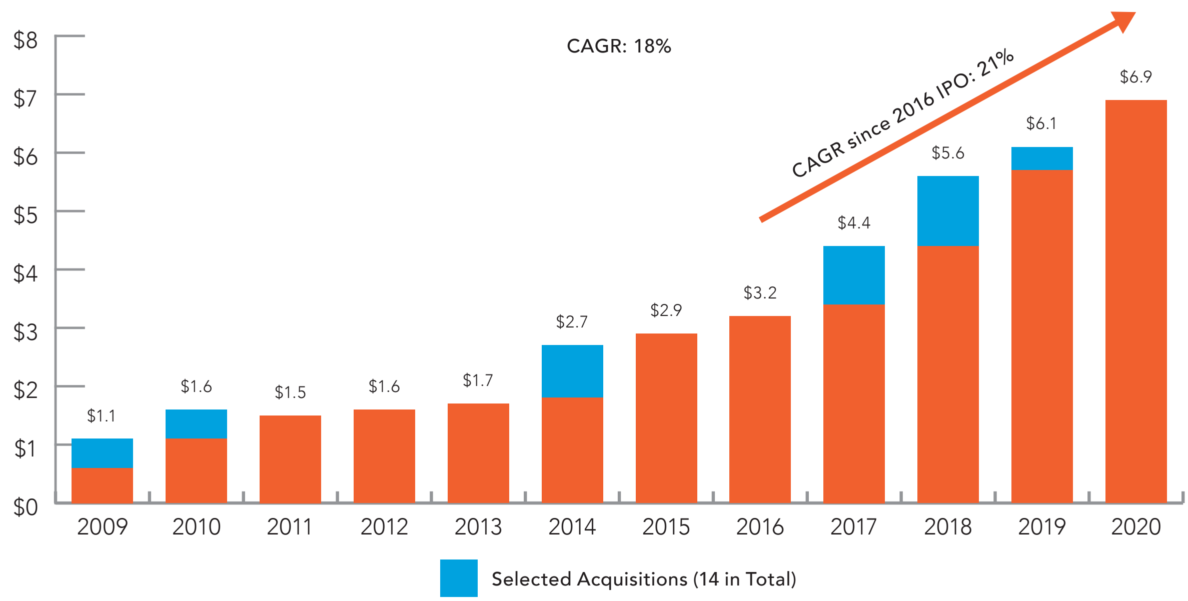
The Company's 2020 Annual Report to Shareholders is available on the Company's website, and printed copies are available by request. Please contact Ms. Dacia Albin, Assistant Secretary of the Company, at 217-342-7321 or dalbin@midlandsb.com for access/delivery information.

Our Strategic Plan

We continue to focus on these five initiatives:

- Customer Centric Culture
- Operational Excellence
- Accretive Acquisitions
- Revenue Diversification
- Enterprise-Wide Risk Management

Total Assets
($ in Billions)



Selected Acquisitions: Total Assets at Time of Acquisition (in millions)

2009: Strategic Capital Bank ($540)
2014: Love Savings/Heartland Bank ($889)
2018: Alpine Bancorp. ($1,243)
2010: AMCORE Bank ($500)
2017: Centrue Financial ($990)
2019: HomeStar Financial Group ($366)

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Letter to Shareholders

Jeffrey G. Ludwig
President and
Chief Executive Officer
Midland States Bancorp, Inc.

Dear Shareholders:

In a year where the primary focus of every business was the safety of employees and customers, it would be understandable if a company's original goals for the year fell by the wayside. I am pleased to say that this is not the case at Midland. Through hard work, a positive business culture, execution of our Business Continuity Plan (BCP) and the quality of our customer relationships, we achieved our three principal goals for the year:

- Solid financial performance (adjusted for COVID);
- Continued improvement in our operating efficiency; and
- Leverage technology to provide a better customer experience.

While the pandemic presented challenges, the crisis also presented opportunities for us to increase tangible book value (TBV) and position us for greater earnings per share (EPS) going forward. We took advantage of these opportunities in several ways:

- Repurchasing $40 million of our shares below TBV;
- Simplifying our business by selling our FHA origination platform;
- Substantially increasing our reserve for credit losses; and
- Consolidating a number of branches and other facilities.

I believe that the combination of these actions will help us increase EPS and TBV in the coming years, which are the primary factors in driving shareholder value.

Financial Results

Our operating performance for 2020 was fundamentally sound. Total loans increased by $702 million, or 15.9%, to $5.1 billion, resulting from strong growth across our commercial (including Paycheck Protection Program, or PPP, loans), equipment finance, FHA warehouse lines and in our consumer portfolio. Total deposits increased by $557 million, or 12.3%, with 86% of that increase coming from retail and commercial deposits in our community banking business.

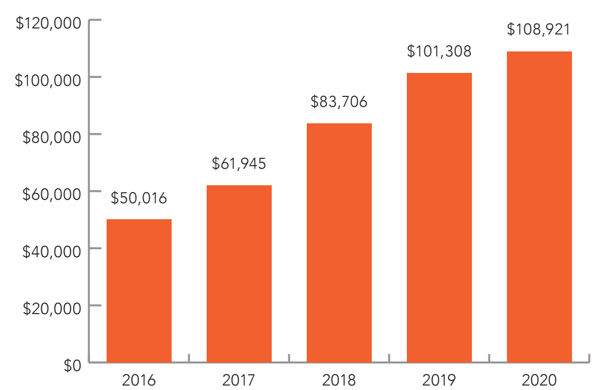
Tangible book value grew by 3.6% to $19.31, and we took advantage of the significant COVID related decline in our share price to repurchase $39.6 million of our common stock (approximately 2.3 million shares) at prices well below TBV. From a financial perspective these repurchases are tantamount to us doing another accretive bank acquisition at below TBV, although in this case we acquired our own stock. The reduction in shares outstanding will also be accretive to our EPS going forward.

Net income, on a GAAP basis, decreased by $33.2 million, to $22.5 million in 2020, while fully diluted earnings declined 58%, to $0.95 per share in 2020. However, our adjusted pre-tax, pre-provision earnings increased by 7.5% on a year-over-year basis, to $108.9 million as compared to $101.3 million for 2019.

Adjusted pre-tax, pre-provision earnings has become a more commonly used measure of true financial performance for banks in 2020 as a result of an accounting change first implemented in 2020, the impact of which was greatly magnified by the economic shutdowns related to COVID. This new accounting standard, known as Current Expected Credit Loss (CECL), led to many banks being required to significantly increase their loan loss provision, which heavily skewed 2020 GAAP earnings, making it very difficult for financial analysts to compare a bank's 2020 performance to expectations, and for comparing one bank against another.

Under CECL, banks must set their provision for expected credit losses based on a number of factors including economic forecasts, whereas under the prior accounting standard banks set their loan loss provision based on prior credit losses. As a result, CECL magnified the deterioration in macroeconomic factors from COVID shutdowns, which resulted in approximately $44.4 million in provisions for credit losses in 2020, compared to approximately $17.0 million in 2019.

Adjusted Pre-Tax Pre-Provision Earnings
($ in Thousands)



Adjusted Pre-Tax Pre-Provision Earnings is a non-GAAP financial measure. See pages 41-42 of the Company's March 2021 Investor Presentation filed on Form 8-K on March 12, 2021 for a reconciliation of this measure to its most comparable GAAP measure.

2020 also represented the 20th consecutive year we increased our common dividend. When taking the share repurchases and common share dividends paid in 2020 together, we distributed $64.6 million to our shareholders.

I believe that our financial results, when measured by adjusted pre-tax, pre-provision earnings, TBV and dividends, have helped our share price increase significantly in the second half of 2020 and the first quarter of 2021. Another factor is our significant improvement in efficiency.

Operating Efficiency

As I said in last year's letter, improving operating efficiency is one of the main ways we can drive shareholder value. Completing 14 acquisitions in roughly 10 years gave us tremendous growth, but also left us with redundancies and inefficiencies in our products, systems and locations.

Our focus on improving efficiency has yielded strong results. In 2020, our efficiency ratio declined from 61.5% at the end of 2019, to 59.4% at the end of 2020, representing very strong year-over-year improvement. Given that our efficiency ratio was 66.1% at the end of 2018, this represents a two-year improvement of 670 basis points.

Our 2020 improvement in operating efficiency was driven by several actions taken during the year. The first was the sale of Love Funding's FHA loan origination business. We made the decision to sell this portion of our FHA business partly because the revenue and profitability of this business is highly volatile. The sale not only simplified our overall business but also reduced our fixed expenses. We retained the loan servicing portion of Love Funding's business, which generates relatively predictable fee income and steady, low-cost deposits.

We also closed or consolidated 13 branch locations and two administrative offices (in addition to the Love Funding facilities closed or transfered as part of the sale) in 2020. These cost reductions will save us roughly $3.5 million per year in occupancy costs, not including reduced staff and administrative costs, on an ongoing basis.

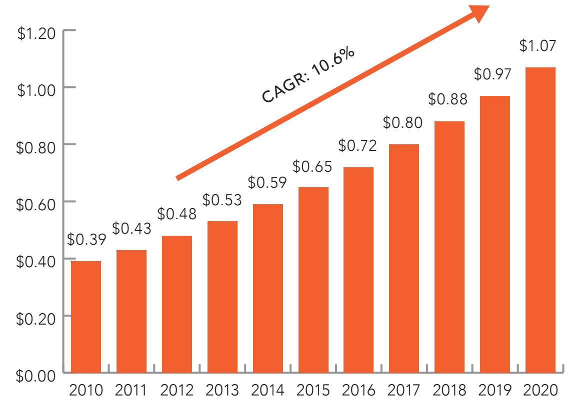
Going forward we will continue seeking to reduce costs through better use of our locations and leveraging technology, with the goal of reducing our efficiency ratio below 55%, which I believe we can get to in the next 2 years.

Customer Experience and Technology

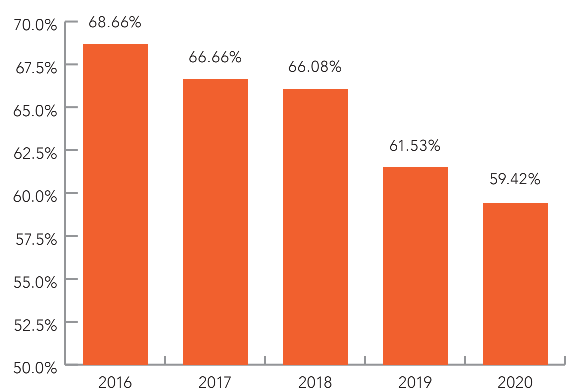
To remain competitive in our markets and relevant to our customers, it is vital that we continuously improve our customer experience, both in terms of products and services as well as knowing our customers' needs and providing convenient, bank anywhere/anytime availability. During 2020 we rolled out, or completed the rollout, of several important systems and process improvements, including a stronger ability to mine and use data to deepen wallet share. As an example, through our customer data, our marketing department has been able to create fully automated customer journeys, through which certain activities of our customers will automatically trigger certain marketing prompts, such as text messages, emails or online pop-ups reminding the customer that certain related products and services are available at Midland, including with special pricing or other promotional terms. These automated customer journeys significantly reduce the cost of touching our customers in timely ways, while also furthering our third key goal of driving revenue by improving customer experience.

Driving increased revenue through improved products and services represents an important challenge to community banks, which in recent years have seen growing competition not only from the larger regional and money center banks but also from PayPal, Square, Walmart, Amazon and other traditionally non-bank entities. To meet this competition, it is imperative that we continue to improve on accessibility, convenience and maximizing wallet share with our existing and potential customers.

Common Dividends Per Share



Efficiency Ratio



Efficiency ratio is a non-GAAP financial measure. See "Item 6 - Selected Financial Data - Non-GAAP Financial Measures" in the Company's Form 10-K for the fiscal year ended December 31, 2020 for a reconciliation of this measure to its most comparable GAAP measure.

Another significant initiative we completed in 2020 was the enterprise-wide rollout of Salesforce. The total customer view Salesforce provides not only furthers our goal of cross-selling products and services, but also adds an important basis for our bankers to provide the high-touch type of service that we believe helps distinguish Midland from many of its competitors.

Three other important initiatives completed in 2020 were online account opening, e-signing of documents and a fully digital residential mortgage application process. While implementing data and process improvements such as these sound fairly routine, they present significant challenges when being layered on top of the large number of other software programs used by Midland and every longstanding bank, as well as compliance, accounting and logistical challenges. Every change to our systems requires thorough testing across all of our products and services to ensure no customer or operational disruptions occur. Our IT, Customer Experience teams and branch personnel have done a tremendous job implementing these new services and educating our customers on how to use them effectively.

Our Business Units

Community Banking. While our banking group had a strong year in many ways, one of its biggest accomplishments in 2020 was being one of the first banks in the nation to be ready to accept PPP loans to help businesses remain in business. This effort, which required almost around-the-clock work by many of our team members in the days before SBA opened its PPP loan portal, resulted in our processing and distributing $315 million of PPP loans in 2020 to approximately 2,380 business, which we estimate employ an aggregate of almost 50,000 people. Of this amount, $184.4 million was outstanding as of December 31, 2020, and we expect most of these loans to be forgiven pursuant to SBA rules. This forgiveness will have a positive effect on revenue in 2021.

Loans in our Community Banking business grew to approximately $3.4 billion, an increase of 9.9% over 2019, while deposits grew to $4.3 billion, an increase of 12.7% year-over-year. Of that amount, deposits through our ICS product, which permits commercial deposits of any size to qualify for FDIC insurance (instead of being subject to the normal $250,000 per account limit), grew by $152.7 million.

Our FHA warehouse lending activity, and our GreenSky consumer loan portfolio (which we break out separately from our core Community Banking business), also saw meaningful growth in 2020. Total warehouse lines available for draw increased to $550 million at the end of 2020, compared to $100 million at the end of 2019, while total drawn amounts increased to $276.7 million, an increase over 2019's year end total of $57.4 million.

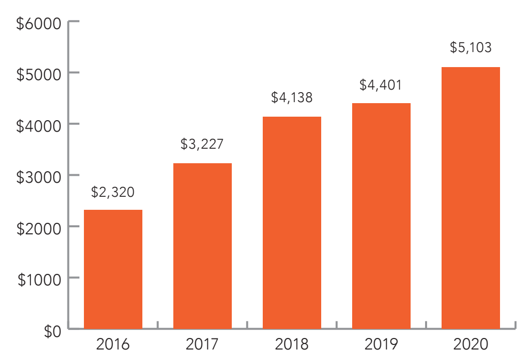
Our GreenSky consumer lending program, which continued to perform on a very steady basis throughout the pandemic, with no losses of principal or interest to us, also saw nice growth, with total loans outstanding at the end of 2020 of approximately $767 million, a year-over-year increase of 28%.

Wealth Management. Our Wealth Management group had another successful year. Wealth Management's assets under administration grew to $3.48 billion by the end of 2020, resulting in a 2.1% increase over year-end 2019. Wealth Management revenue grew to $22.8 million, up from $21.8 million in 2019.

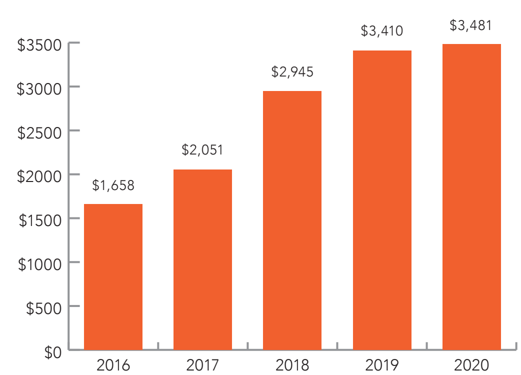
Our trust business, including our specialized settlement trust business, remains an important part of our growth. We recently announced the planned acquisition of approximately $387 million in trust assets from ATG Trust Company, located in Chicago, Illinois. We expect this acquisition to provide us with greater exposure in the trust business and in the greater Chicago metropolitan area. The transaction is expected to close in the second quarter of 2021.

Equipment Finance. Our equipment finance business has continued to grow markedly in 2020, even as the pandemic caused great stress to many of its customers. Our equipment finance portfolio stood at $861.5 million at the end of 2020, as compared to $631.5 million at year-end 2019, representing an increase of 36%.

Total Gross Loans
($ in Millions)



Trust Assets Under Administration
($ in Millions)



Outlook

The events of 2020 served to strengthen my view that Midland has a bright future. Our teams rose to every challenge created by the pandemic and demonstrated the value of the investment we have made in building a strong and entrepreneurial culture that encourages individual initiative while rewarding teamwork. In a year when most of our employees worked from home, we made better use of technology, and our strong cross-departmental communication allowed for smooth operations in all areas of our business, from customer-facing branch employees and loan officers to back-office administration, risk management and compliance.

The year also demonstrated that community banks remain an important and vibrant part of our economy. In everything from helping a significant number of businesses stay afloat through PPP loans and short-term loan forbearances, to meeting customers in parking lots and signing documents on car hoods, it is clear that our customers turn to their local bankers for innovative solutions and prompt service.

While we do not know with certainty whether the economy and interest rates have bottomed, for the moment it looks like that is the case, which should result in better financial results for us going forward. Similarly, while we do not know what long-term affect the pandemic will have on the families, businesses and communities we serve, I do know that our organization is operating at far better efficiency than it has in recent years, and I expect we will see further improvements in the short-to-medium term. We are making better use of technology, as are our customers, which is making for a better customer experience and allowing us to increase our relevancy to our customers.

While it seems safe to say that most everyone is glad to see 2020 be over, the year proved what can be accomplished, in families, businesses and communities when we set positive goals and pull together to meet them. I am confident the future bodes well.

Very truly yours,

Jeffrey G. Ludwig
President and
Chief Executive Officer

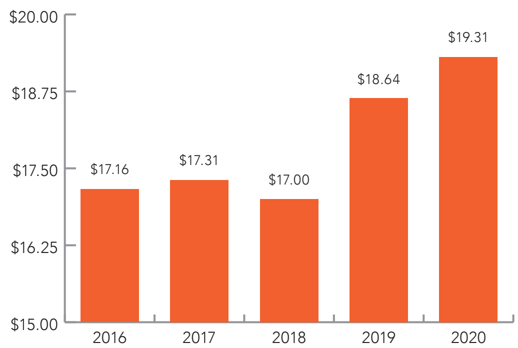
March 22, 2021

Additional Information

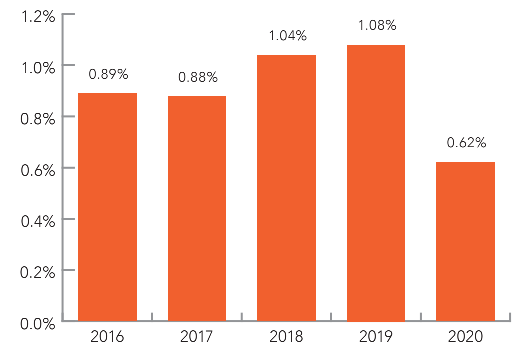
This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of Midland. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of Midland's management and on information currently available to 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. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made. Midland undertakes no obligation to update any statement in light of new information or future events. 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 business, including additional factors that could materially affect Midland's financial results, are included in Midland's filings with the Securities and Exchange Commission (the "SEC").

Financial Highlights

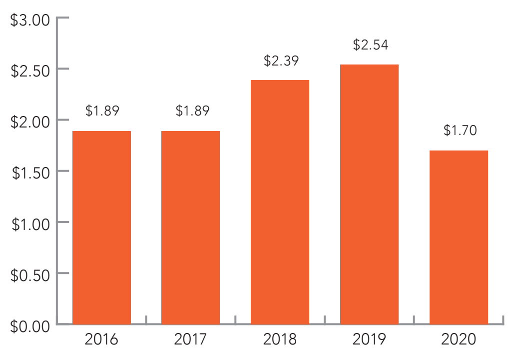
Tangible Book Value Per Share[(1)]



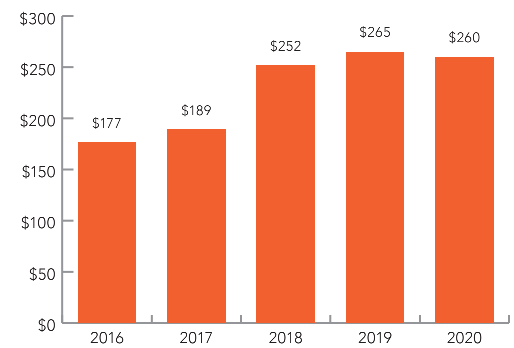
Adjusted Return on Average Assets[(2)]



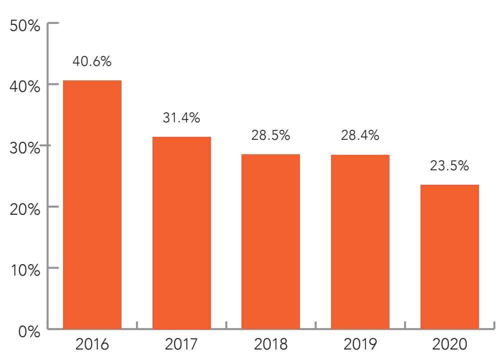
Adjusted Diluted Earnings Per Share[(2)]



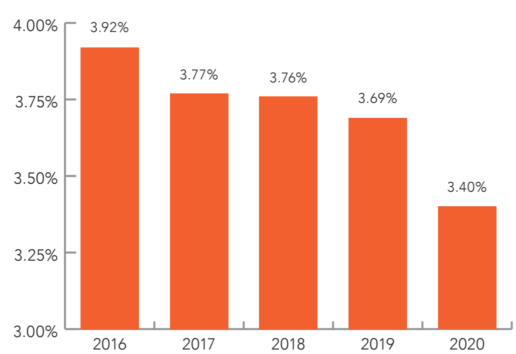
Revenue
($ in Millions)



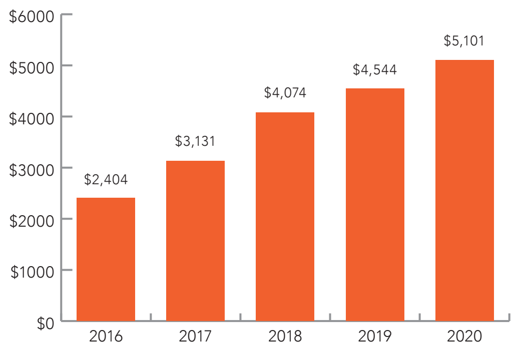
Noninterest Income / Revenue



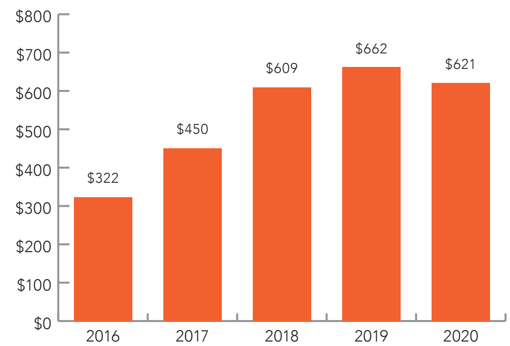
Net Interest Margin



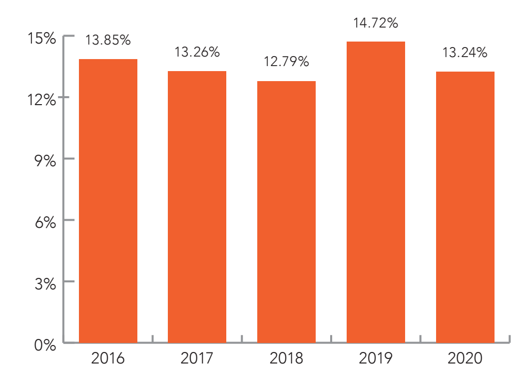
Total Deposits
($ in Millions)



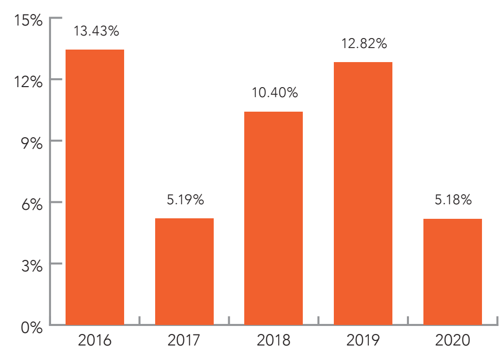
Total Shareholders' Equity
($ in Millions)



Total Capital to Risk-Weighted Assets



Return on Average Tangible Common Shareholders' Equity(3)



(1) Tangible book value per share is a non-GAAP financial measure. See "Item 6 - Selected Financial Data - Non-GAAP Financial Measures" in the Company's Form 10-K for the fiscal year ended December 31, 2020 for a reconciliation of tangible book value per share to its most comparable GAAP measure.
(2) Adjusted return on average assets and adjusted diluted earnings per share are non-GAAP financial measures. See "Non-GAAP Financial Measures" on page 10 for a reconciliation of these measures to their most comparable GAAP measures.
(3) Return on average tangible common shareholders' equity is a non-GAAP financial measure. See "Item 6 – Selected Financial Data – Non-GAAP Financial Measures" in the Company's Form 10-K for the fiscal year ended December 31, 2020 for a reconciliation of return on average tangible common equity to its most comparable GAAP measure.

Summary Financial Information

The following consolidated selected financial data is derived from the Company's audited consolidated financial statements as of and for the five years ended December 31, 2020. This information should be read in connection with our audited consolidated financial statements, related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in our Form 10-K for the fiscal year ended December 31, 2020.

	As of and for the Years Ended December 31,				
(dollars in thousands, except per share data)	2020	2019	2018	2017	2016
Per Share Data (Common Stock)					
Earnings					
Basic	$ 0.95	$ 2.28	$ 1.69	$ 0.89	$ 2.22
Diluted	0.95	2.26	1.66	0.87	2.17
Dividends declared	1.07	0.97	0.88	0.80	0.72
Book value	27.83	27.10	25.50	23.35	20.78
Tangible book value(1)	19.31	18.64	17.00	17.31	17.16
Market price	17.87	28.96	22.34	32.48	36.18
Weighted average shares outstanding					
Basic	23,336,881	24,288,793	23,130,475	17,781,631	14,130,552
Diluted	23,346,126	24,493,431	23,549,025	18,283,214	14,428,839
Shares outstanding at period end	22,325,471	24,420,345	23,751,798	19,122,049	15,483,499
Performance Metrics					
Return on average assets	0.35%	0.96%	0.72%	0.41%	1.03%
Return on average shareholders' equity	3.55%	8.74%	6.92%	4.02%	10.95%
Return on average tangible common shareholders' equity(1)	5.18%	12.82%	10.40%	5.19%	13.43%
Yield on earning assets	4.17%	4.83%	4.65%	4.43%	4.51%
Cost of average interest bearing liabilities	1.00%	1.43%	1.11%	0.82%	0.72%
Net interest margin(2)	3.40%	3.69%	3.76%	3.77%	3.92%
Efficiency ratio(1)	59.42%	61.53%	66.08%	66.66%	68.66%
Common stock dividend payout ratio(3)	112.63%	42.54%	52.07%	89.89%	32.43%
Loan to deposit ratio	100.05%	96.86%	101.56%	103.05%	96.49%
Core deposits/total deposits(4)	97.72%	96.09%	92.35%	91.69%	88.70%
Net non-core funding dependence ratio(1)	11.20%	7.77%	17.89%	19.95%	15.23%
Adjusted Earnings Metrics					
Adjusted earnings(5)	$ 40,183	$ 62,826	$ 56,763	$ 34,895	$ 27,443
Adjusted diluted earnings per share(5)	1.70	2.54	2.39	1.89	1.89
Adjusted return on average assets(5)	0.62%	1.08%	1.04%	0.88%	0.89%
Adjusted return on average tangible common equity(5)	9.24%	14.44%	15.00%	11.32%	11.68%
Regulatory Capital Ratios					
Total risk-based capital ratio	13.24%	14.72%	12.79%	13.26%	13.85%
Tier 1 risk-based capital ratio	9.20%	10.52%	10.25%	10.19%	11.27%
Common equity tier 1 risk-based capital ratio	7.99%	9.20%	8.76%	8.45%	9.35%
Tier 1 leverage ratio	7.50%	8.74%	8.53%	8.63%	9.76%
Tangible common equity to tangible assets(1)	6.46%	7.74%	7.43%	7.70%	8.36%
Credit Quality Data					
Loans 30-89 days past due	$ 31,460	$ 29,876	$ 25,213	$ 15,405	$ 10,767
Loans 30-89 days past due to total loans	0.62%	0.68%	0.61%	0.48%	0.46%
Nonperforming loans	$ 54,070	$ 42,082	$ 42,899	$ 26,760	$ 31,603
Nonperforming loans to total loans	1.06%	0.96%	1.04%	0.83%	1.36%
Nonperforming assets	$ 75,432	$ 50,027	$ 45,899	$ 30,894	$ 34,550
Nonperforming assets to total assets	1.10%	0.82%	0.81%	0.70%	1.07%
Allowance for credit losses on loans to total loans	1.18%	0.64%	0.51%	0.51%	0.64%
Allowance for credit losses on loans to nonperforming loans	111.79%	66.60%	48.73%	61.40%	47.03%
Net charge-offs to average loans	0.50%	0.23%	0.13%	0.28%	0.31%

(1) Tangible book value per share, return on average tangible common shareholders' equity, efficiency ratio, net non-core funding dependence ratio and tangible common equity to tangible assets are non-GAAP financial measures. See "Item 6 - Selected Financial Data - Non-GAAP Financial Measures" in the Company's Form 10-K for the fiscal year ended December 31, 2020 for a reconciliation of these measures to their most comparable GAAP measures.

(2) Net interest margin is presented on a fully taxable equivalent basis.

(3) Common stock dividend payout ratio represents dividends per share divided by basic earnings per share.

(4) Core deposits are defined as total deposits less certificate of deposits greater than $250,000 and brokered certificates of deposits.

(5) Adjusted earnings, adjusted diluted earnings per share, adjusted return on average assets and adjusted return on average tangible common equity are non-GAAP financial measures. See "Non-GAAP Financial Measures" on page 10 for a reconciliation of these measuers to their most comparable GAAP measures.

2020 Actual Cash Dividend Data

Quarter	Record Date	Payment Date	Share Amount
1	February 14, 2020	February 21, 2020	$0.2675
2	May 15, 2020	May 22, 2020	$0.2675
3	August 14, 2020	August 21, 2020	$0.2675
4	November 20, 2020	November 30, 2020	$0.2675

Ten-year Dividend History and Book Value Per Share

	Cash Dividends for the Year		Book Value Per Share - at End of Year	
Year	Amount	% Increase	Amount [(a)]	% Increase
2011	$0.43	10.3%	$15.99	5.6%
2012	$0.48	11.6%	$16.37	2.4%
2013	$0.53	10.4%	$17.81	8.8%
2014	$0.59	11.3%	$18.72	5.1%
2015	$0.65	10.2%	$19.74	5.4%
2016	$0.72	10.8%	$20.78	5.3%
2017	$0.80	11.1%	$23.35	12.4%
2018	$0.88	10.0%	$25.50	9.2%
2019	$0.97	10.2%	$27.10	6.3%
2020	$1.07	10.3%	$27.83	2.7%

(a) Book value per share gives effect to the conversion of all of the issued and outstanding shares of preferred stock into shares of the Company's common stock in 2011, 2012 and 2013

Two-year Stock Price

Our common stock began trading on the NASDAQ Global Select Market ("NASDAQ") under the symbol "MSBI" on May 24, 2016. The following table sets forth the high and low sales prices of our common stock for the years ended December 31, 2020 and 2019 as reported by NASDAQ.

	Price Per Share	
	High	Low
2020		
Fourth Quarter	$19.33	$12.77
Third Quarter	$16.13	$12.48
Second Quarter	$18.15	$12.49
First Quarter	$29.08	$13.22
2019		
Fourth Quarter	$29.50	$25.15
Third Quarter	$27.89	$24.39
Second Quarter	$28.24	$23.85
First Quarter	$25.84	$21.81

Adjusted Earnings Metrics. We use the measure adjusted earnings to assess the performance of our core business and the strength of our capital position. We believe that this non-GAAP financial measure provides meaningful additional information about us to assist investors in evaluating our operating results. This non-GAAP financial measure should not be considered a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures used by other companies. The following table reconciles adjusted earnings, adjusted diluted earnings per share, adjusted return on average assets and adjusted return on average tangible common equity to their most comparable GAAP measures:

	For the years ended December 31,				
(dollars in thousands, except per share data)	**2020**	**2019**	**2018**	**2017**	**2016**
Adjusted Earnings:					
Income before income taxes - GAAP	$ 32,014	$ 72,471	$ 50,805	$ 26,471	$ 50,431
Adjustments to noninterest income:					
Gain on sales of investment securities, net	1,721	674	464	222	14,702
Other than-temporary-impairment on investment securities	-	-	-	-	(824)
Reversal of contingent consideration accrual	-	-	-	-	350
Other	(16)	(29)	89	(67)	-
Total adjustments to noninterest income	1,705	645	553	155	14,228
Adjustments to noninterest expense:					
Net expense from FDIC loss share termination agreement	-	-	-	-	351
Impairment related to facilities optimization	12,847	3,577	-	1,952	2,099
Loss (gain) on mortgage servicing rights held for sale	1,692	(490)	458	4,059	-
Loss on repurchase of subordinated debt	193	1,778	-	-	511
FHLB advances prepayment fees	4,872	-	-	-	-
Integration and acquisition expenses	2,309	5,493	24,015	17,738	2,343
Total adjustments to noninterest expense	21,912	10,358	24,473	23,749	5,304
Adjusted earnings pre tax	52,221	82,184	74,725	50,065	41,507
Adjusted earnings tax	12,039	19,358	17,962	19,710	14,064
Revaluation of net deferred tax assets	-	-	-	(4,540)	-
Adjusted earnings - non-GAAP	$ 40,183	$ 62,826	$ 56,763	$ 34,895	$ 27,443
Preferred stock dividends and premium amortization	-	46	141	83	-
Adjusted earnings available to common shareholders - non-GAAP	$ 40,183	$ 62,780	$ 56,622	$ 34,812	$ 27,443
Adjusted diluted earnings per common share	$ 1.70	$ 2.54	$ 2.39	$ 1.89	$ 1.89
Weighted average shares outstanding - diluted	23,346,126	24,493,431	23,549,025	18,283,214	14,428,839
Average assets	$ 6,529,226	$ 5,835,086	$ 5,455,823	$ 3,941,272	$ 3,075,134
Adjusted return on average assets	0.62%	1.08%	1.04%	0.88%	0.89%
Average tangible common equity	$ 434,673	$ 434,681	$ 377,602	$ 307,523	$ 234,898
Adjusted return on average tangible common equity	9.24%	14.44%	15.00%	11.32%	11.68%

Our Environmental, Social and Governance Program (ESG)

Environmental

Our environmental initiatives pertain to our internal business operations and our Bank's lending activities.

Facilities

- Our Corporate HQ, built in 2011, is LEED (Silver) Certified.
- We have installed Solar power in 10 Midland locations.
- We have made more than $50 million of credit available for residential solar projects since 2011.
- We have also provided $540 million of financing for 18 "green" (LEED, Energy Star, etc.) multi-family/health care facilities since 2017.

Paper Reduction

- More than 40% of our customers use paperless statements and we have had a paper elimination program in place since 2010.

Social

We strive to further the financial success of the families and small-medium sized/minority owned businesses in our markets by offering fair products and services supported by financial education and other measures.

Our Community Development Plan (CDP), which is available at www.midlandsb.com/community-development-plan, is designed to insure we serve as a catalyst for community development in our neighborhoods.

We strive to safekeep our customer's information, and help them reduce the chance of identity theft and online fraud.

Community Outreach

- We have been serving families and businesses since 1881, offering products and services based on the needs of our customers.
- We work with more than 150 low-to-moderate income (LMI) and minority focused community groups to insure we address the needs of each of our markets.
- The Midland Institute CEO program, a unique year-long program designed to teach entrepreneurship to high school students, was created in 2010. In 2020, more than 50 programs, serving 229 high schools in six states, now utilize this powerful program for energizing tomorrow's business leaders.

Culture and People

- Since 2008 Midland has provided all employees with personal and professional development training.
- Midland's Advanced Study for Talent Enrichment and Resource Training (MASTERS) program serves to develop future leaders of the Company. To date 59% of participants have been women or minority employees.

Philanthropy

- $30 million of investment towards community development goals targeted for the 2019-2021 period.
- Since its creation in 2011, the Midland States Bank Foundation has contributed more than $1.15 million to non-profit organizations throughout Midland's footprint.

Financial Education

- Since 2015 we have held more than 240 financial literacy seminars in LMI/minority neighborhoods in our footprint.

Community Development and Financial Inclusion

- We have provided $877 million of financing for 148 affordable multi-family and health care projects since 2015.
- Through our Believable Banking® Residential Mortgage and Home Improvement programs we have made more than $31 million of loans to families underserved by traditional loan programs.
- Our banking products and services are offered through our personal bankers, online with materials clearly describing the features, costs and alternatives available, and by dual-language materials in our branches and our ADA compliant website.

Governance

Midland has a long history of effective corporate governance, inclusiveness and providing opportunities for personal and professional development for all employees.

Our Enterprise-Wide Risk Management program has been one of the five initiatives under our Strategic Plan since its creation in 2008.

Our Executive Compensation program is designed to reward growth oriented results without exceeding proper credit and other risk tolerances for a community-focused banking organization.

Reputation and Ethics

- Midland States Bank was one of the first banks in the nation to have a woman on its board (1903).
- Our board composition includes 40% women and minorities, and our criteria for identifying directors includes seeking diverse individuals.
- Our Code of Business Conduct and Ethics is available at investors.midlandsb.com.

Oversight of Strategy and Risk Managment

- The Company's Chair and CEO roles have been separate since the Company's inception (1988).
- All directors, except our CEO, are "independent" pursuant to applicable SEC/NASDAQ rules.
- Our Board of Directors has established a Risk and Compliance Committee to oversee all aspects of risk and compliance management across our enterprise.
- Consistent with COSO's 2017 Enterprise-Wide Risk Management (ERM) Framework, our ERM program employs business process risk ownership and the "three lines of defense" model. The primary objectives of our ERM framework are to:
  - Maintain sufficient liquidity given our funding requirements;
  - Identify, measure, monitor and report market, credit and operational risks;
  - Promote awareness of emerging risks among all employees, managers, directors; and
  - Manage avoidable exposures through a robust framework of internal controls.

Data Security & Privacy

- We utilize data security programs and a privacy policy under which we do not sell or share customer information with non-affiliated entities.

Executive Compensation

- Our executive compensation, including all performance related compensation, is evaluated annually by Risk Management to ensure consistency with Federal Reserve Safety and Soundness requirements, and the Interagency Guidance on Sound Incentive Compensation Policies issued jointly by the federal regulatory agencies.
- All cash and equity incentive programs for executive officers include performance metrics and/or four-year vesting periods.

Board of Directors

Jeffrey C. Smith
Midland States Bancorp, Inc.
Chairman

Midland States Bank
Chairman

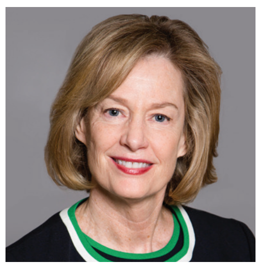
Walters Golf Management
Principal and Managing
Partner

Jeffrey G. Ludwig
Midland States Bancorp, Inc.
Vice Chairman, President
and Chief Executive Officer

Midland States Bank
Chief Executive Officer

R. Dean Bingham
Agracel, Inc.
President

Jennifer L. DiMotta
DiMotta Consulting LLC
President



Deborah A. Golden
Executive Vice President,
General Counsel and
Secretary of GATX

Jerry L. McDaniel
Superior Fuels, Inc.
Dirtbuster Carwash, LLC
President

Jeffrey M. McDonnell
J&J Management
Services, Inc.
Chief Executive Officer

Dwight A. Miller
Dash Management, Inc.
Chief Executive Officer

Richard T. Ramos
Maritz Holdings, Inc.
Executive Vice President
Chief Financial Officer
and Board Member

Robert F. Schultz
JM Schultz Investment
Company
Managing Partner

Management Team

Executive Management

Jeffrey G. Ludwig
Midland States Bancorp, Inc.
President and
Chief Executive Officer

Midland States Bank
Chief Executive Officer

Jeffrey S. Mefford
Midland States Bancorp, Inc.
Executive Vice President

Midland States Bank
President

Douglas J. Tucker
Midland States Bancorp, Inc.
Senior Vice President,
Corporate Counsel and Secretary

Midland States Bank
Senior Vice President,
Corporate Counsel

Eric T. Lemke
Midland States Bancorp, Inc.
Chief Financial Officer

Midland States Bank
Chief Financial Officer

Jeffrey A. Brunoehler
Midland States Bank
Senior Vice President,
Chief Credit Officer

James R. Stewart
Midland States Bank
Senior Vice President,
Chief Risk Officer

Senior Management

Corporate

Donald Spring
Chief Accounting Officer and
Corporate Controller

Michael Karibian
Corporate Treasurer

Kyle Mooney
Chief Information Officer

Matt Shelton
Director - Audit and Assurance

Willie Wierman
Director - Credit Underwriting

Cristina Ciorna
Director - Training

John Dietrich
Director - Marketing

Shonna Kracinski
Director - Human Resources

Banking

Timothy Spitz
Senior Vice President

Dan Stevenson
Senior Vice President

Frank Turza
Director - Retail Banking

Richard Kantor
Director - Commercial Banking

Matt Dunbar
Director - Residential Mortgage

Liz Schweger
Director - Commercial Services

David R. Noble
Director - Community Economic
Development

Wealth Management

Eric Chojnicki
President

Heath Sorenson
Chief Operating Officer

Midland Equipment Finance

Frederick Van Etten
President

Jourdan Saegusa
Chief Operating Officer

For press releases, financial information and more, visit midlandsb.com/investors.

Midland
States Bancorp, Inc.

1201 Network Centre Drive, Effingham, IL 62401 • midlandsb.com • 1-855-696-4352