Midland States Bancorp, Inc.
NASDAQ: MSBI

Investor Presentation

August 2022

Midland
States Bancorp, Inc.

Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements expressing management's current expectations, forecasts of future events or long-term goals may be based upon beliefs, expectations and assumptions of Midland's management, and 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 including the effects of the Coronavirus Disease 2019 ("COVID-19") pandemic and its potential effects on the economic environment, changes in interest rates and other general economic, business and political conditions, and the impact of inflation. 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 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," "Adjusted Pre-Tax, Pre-Provision Income," "Adjusted Pre-Tax, Pre-Provision Return on Average Assets," "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.

Company Snapshot

- $7.4 billion asset community bank established in 1881 and headquartered in Effingham, Illinois
  - Largest Illinois-based community bank[1]
- $3.6 billion Wealth Management business
- Commercial bank focused on in-market relationships with national diversification in equipment finance
- 53 branches in Illinois and Missouri
- 16 successful acquisitions since 2008

Notes:
1) Community bank defined as banks with less than $10 billion in assets; Source: S&P Capital IQ
2) All financial data as of June 30, 2022

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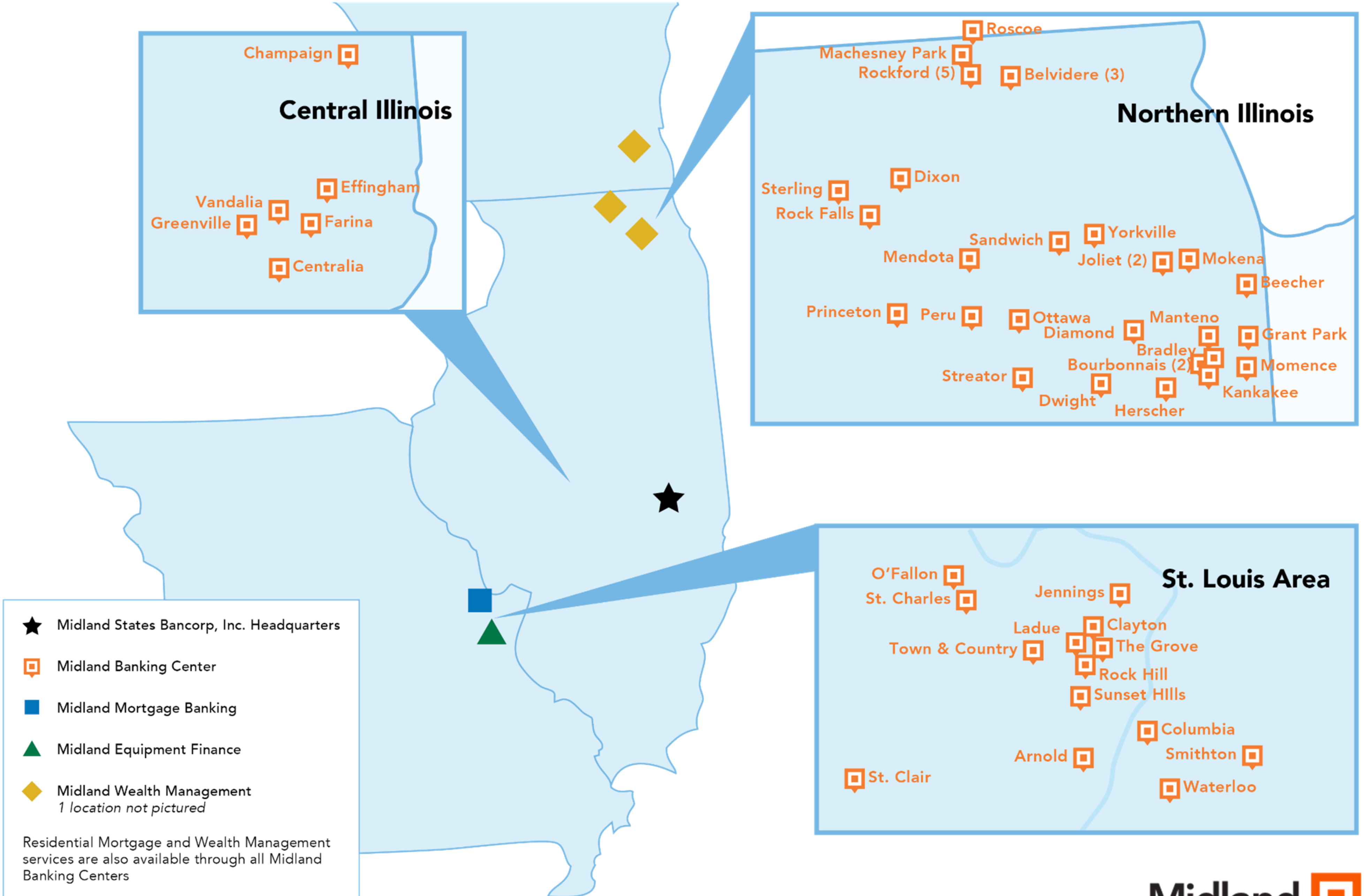
Financial Services & Banking Center Footprint



Midland States Bancorp, Inc.

Investment Summary

Consistent track record of driving compelling shareholder returns through disciplined strategic expansion and earnings growth

Organization-wide focus on expense management driving improvement in operating efficiencies

32%

Attractive, stable core deposit franchise with 32% non-interest bearing accounts[1]

Leveraging technology to drive revenue growth, increase market share, and enhance the customer experience

Proven track record of successful acquisitions with a focus on enhancing shareholder value while building a platform for scalability

Illinois and contiguous states provide ample opportunities for future acquisitions

Well diversified loan portfolio across asset classes, industries and property types

Notes:
1. As of June 30, 2022

Business and Corporate Strategy

Customer-Centric Culture

Drive organic growth by focusing on customer service and accountability to our clients and colleagues; seek to develop bankers who create dynamic relationships; pursue continual investment in people; maintain a core set of institutional values, and build a robust technology platform that provides customers with a superior banking experience

Operational Excellence

A corporate-wide focus on driving improvements in people, processes and technology in order to generate further improvement in Midland's operating efficiency and financial performance

Enterprise-Wide Risk Management

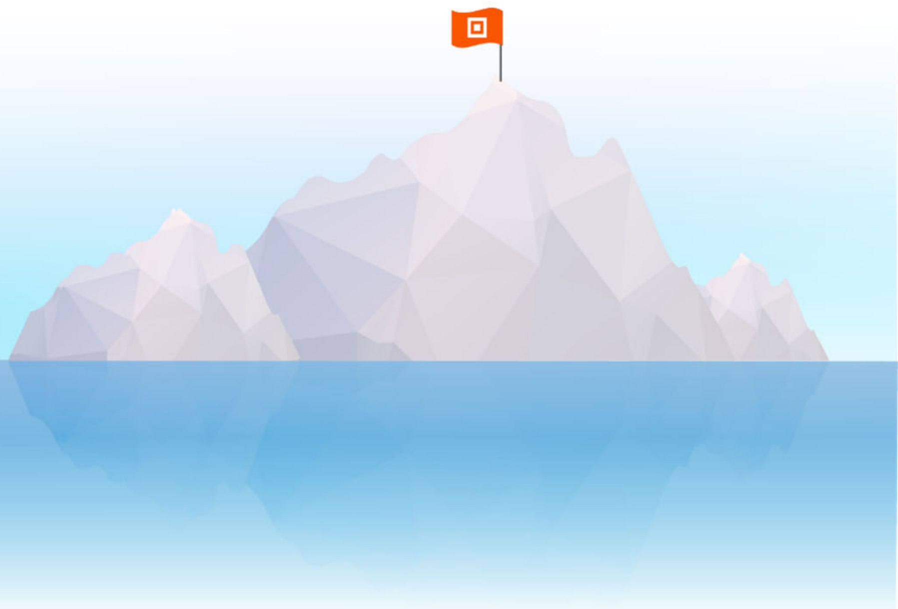
Maintain a program designed to integrate controls, monitoring and risk-assessment at all key levels and stages of our operations and growth; ensure that all employees are fully engaged

Accretive Acquisitions

Maintain experienced acquisition team capable of identifying and executing transactions that build shareholder value through a disciplined approach to pricing; take advantage of relative strength in periods of market disruption

Revenue Diversification

Generate a diversified revenue mix and focus on growing businesses that generate strong recurring revenues such as wealth management



Experienced Senior Management Team

Jeffrey G. Ludwig | President and CEO of Midland States Bancorp

- Assumed Company CEO role in Jan. 2019 after serving as Bank CEO
- More than 10 years serving as CFO
- Joined Midland in 2006; 16+ years in banking industry

Jeffrey S. Mefford | President of Midland States Bank and EVP of Midland States Bancorp

- Joined Midland in 2003
- Appointed Bank President in March 2018
- Oversees all sales activities for commercial, retail, mortgage, wealth management, equipment finance, and treasury management

Douglas J. Tucker | SVP, Corporate Counsel and Director of IR

- 20+ years experience advising banks and bank holding companies
- Significant IPO, SEC reporting and M&A experience
- Joined Midland in 2010

Eric T. Lemke | Chief Financial Officer

- Promoted to Chief Financial Officer in November 2019
- Joined Midland in 2018 as Director of Assurance and Audit
- 25+ years of financial accounting and reporting experience in financial services

Jeffrey A. Brunoehler | Chief Credit Officer

- 30+ years in banking, lending and credit
- Leads the credit underwriting, approval and loan portfolio management functions
- Joined Midland in 2010

Midland States Bancorp, Inc.

Successful Acquisition History

- Midland States has completed 16 transactions since 2008, including FDIC-assisted, branch, whole bank, asset purchase and business line acquisitions, and a New York trust asset acquisition
- Demonstrated history of earnings expansion
- Deliberate diversification of geographies and revenue channels
- Successful post-closing integration of systems and businesses
- Most recent acquisition: FNBC branch acquisition (closed in Q2 2022)

Selected Acquisitions

	2009	2010	2014	2016	2017	2018	2019
	Strategic Capital Bank	AMCORE Bank, N.A.	Love Savings / Heartland Bank	Sterling Bancorp	Centrue Financial	Alpine Bancorp.	HomeStar Financial
Acquisition Type	FDIC-Assisted	12 Branches	Whole Bank	Trust Administration	Whole Bank	Whole Bank and Wealth Mgmt	Whole Bank
Assets Acquired ($mm)	$540.4	$499.5	$889.0	-	$990.2	$1,243.3	$366.0
Location	Champaign, IL	Northern Illinois	St. Louis, MO	Yonkers, NY	Northern Illinois	Rockford, IL	Kankakee, IL
	Financially Transformative	Operationally Transformative	Revenue Diversification	Expansion of Trust Business	Enhanced Scale and Market Presence	Expanded Core Bank and Wealth Management	Low-cost Deposit Franchise and Market Presence

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Overview of FNBC Branch Acquisition

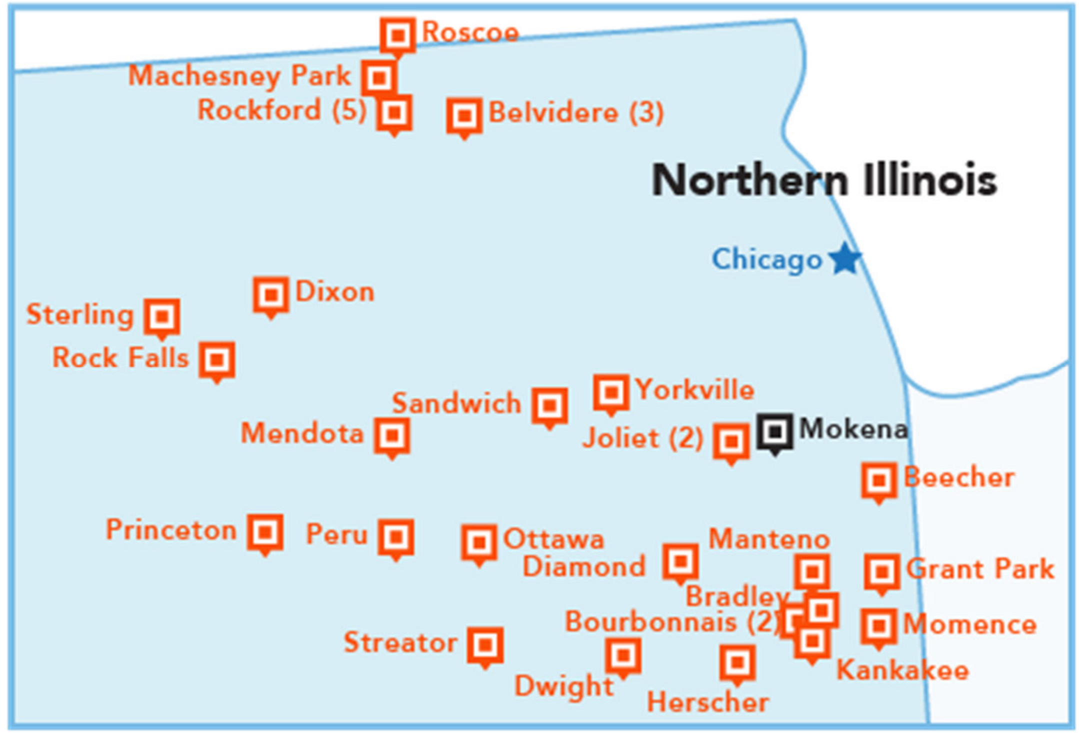
Key Highlights

- Completed in Q2 2022
- Acquired one branch and the deposits and certain loans from two FNBC Bank & Trust locations
- Added branch in Mokena, IL
- Increases Midland's exposure to faster growing markets in Northern Illinois
- Improves ability to capitalize on new client and talent acquisition opportunities created by bank merger activity in Chicago MSA

Financial Impact

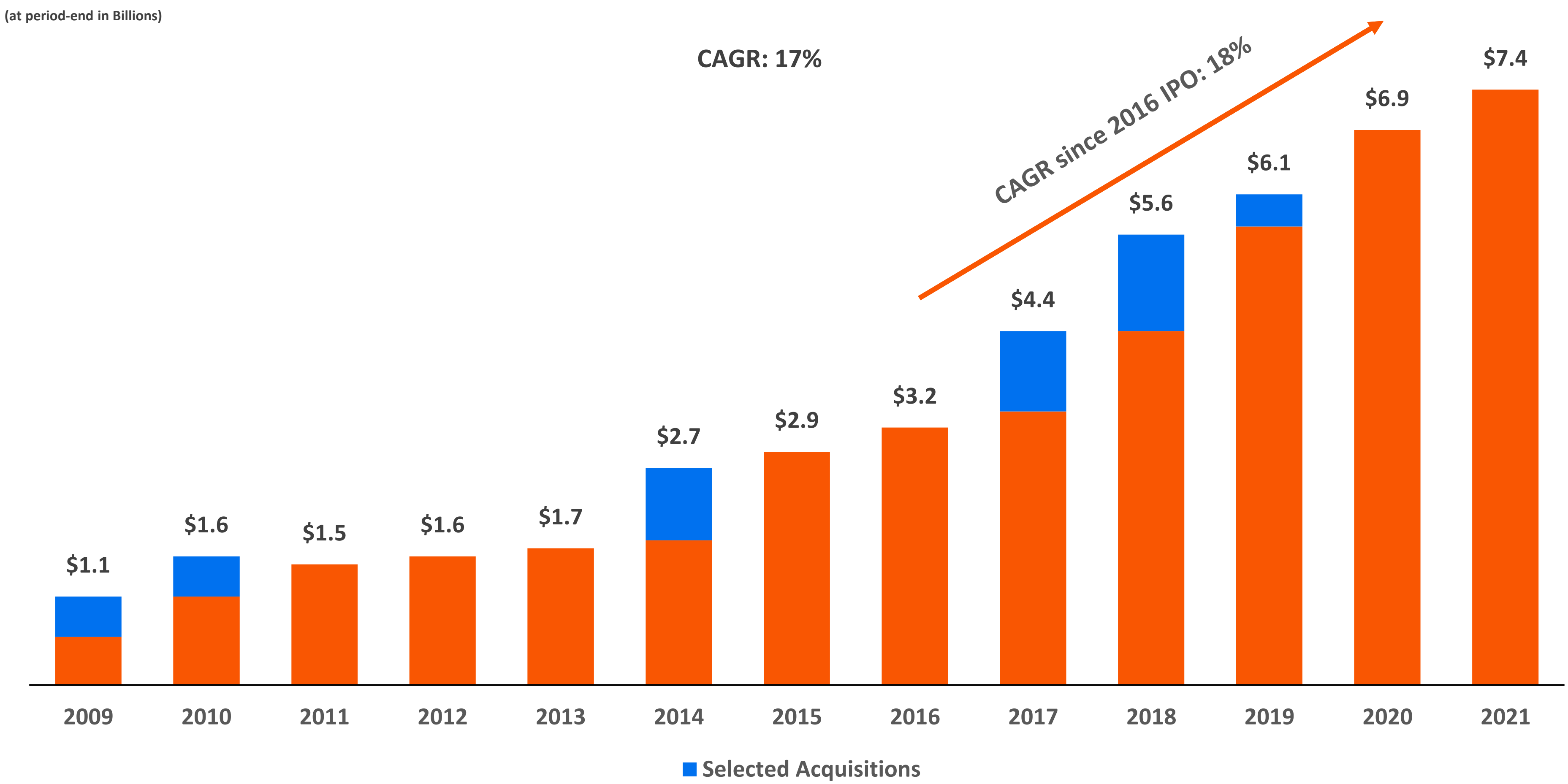
- Added attractively priced core deposits
  - $80 million of deposits
  - More than 35% of deposits are noninterest-bearing accounts
  - Cost of deposits of less than 0.10%
- Added ~$17 million in loans
- Slightly accretive to earnings on an immediate basis

Extends Footprint Closer to Chicago



Successful Execution of Strategic Plan…

Total Assets



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

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

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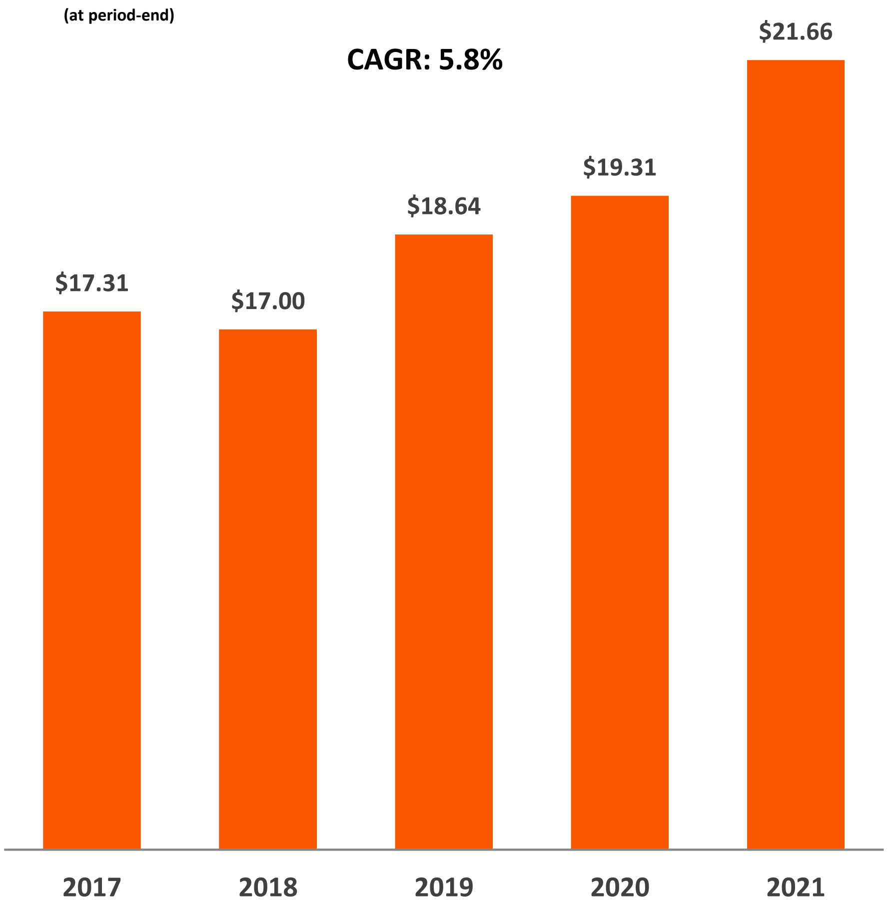
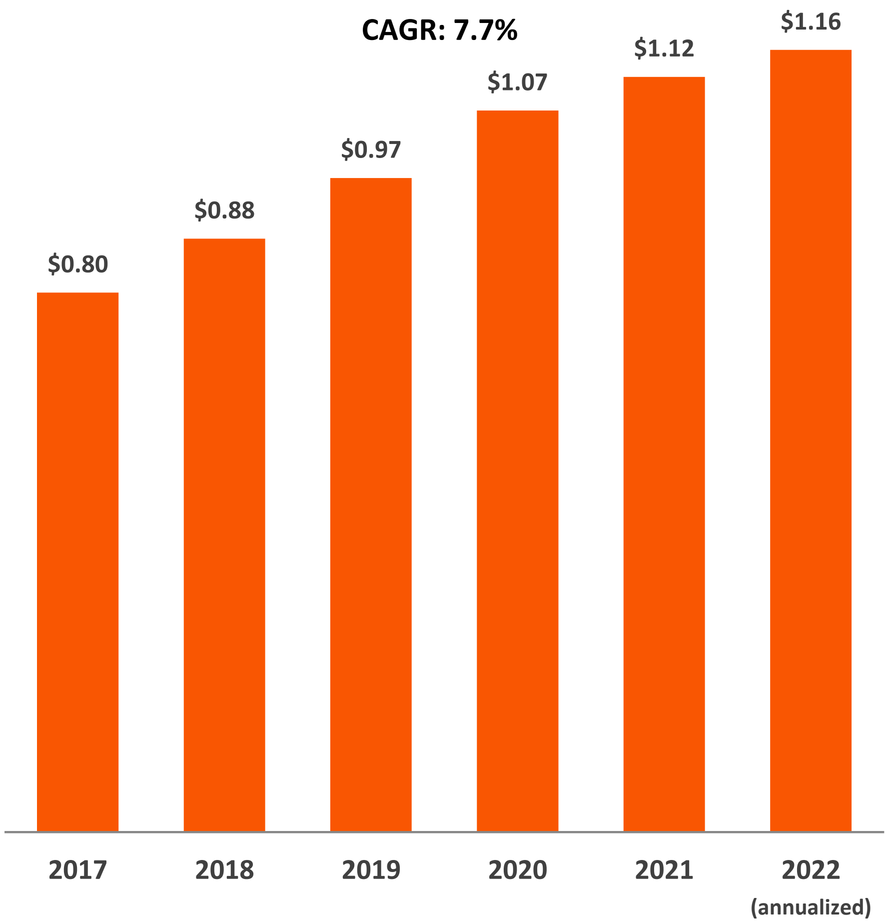
…Leads to Creation of Shareholder Value

22 Consecutive Years of Dividend Increases

Tangible Book Value Per Share(1)



Dividends Declared Per Share



Note:
(1) Tangible book value per share is a non-GAAP financial measure; tangible book value per share is defined as tangible common equity divided by shares of common stock outstanding; please refer to the reconciliation in the Appendix

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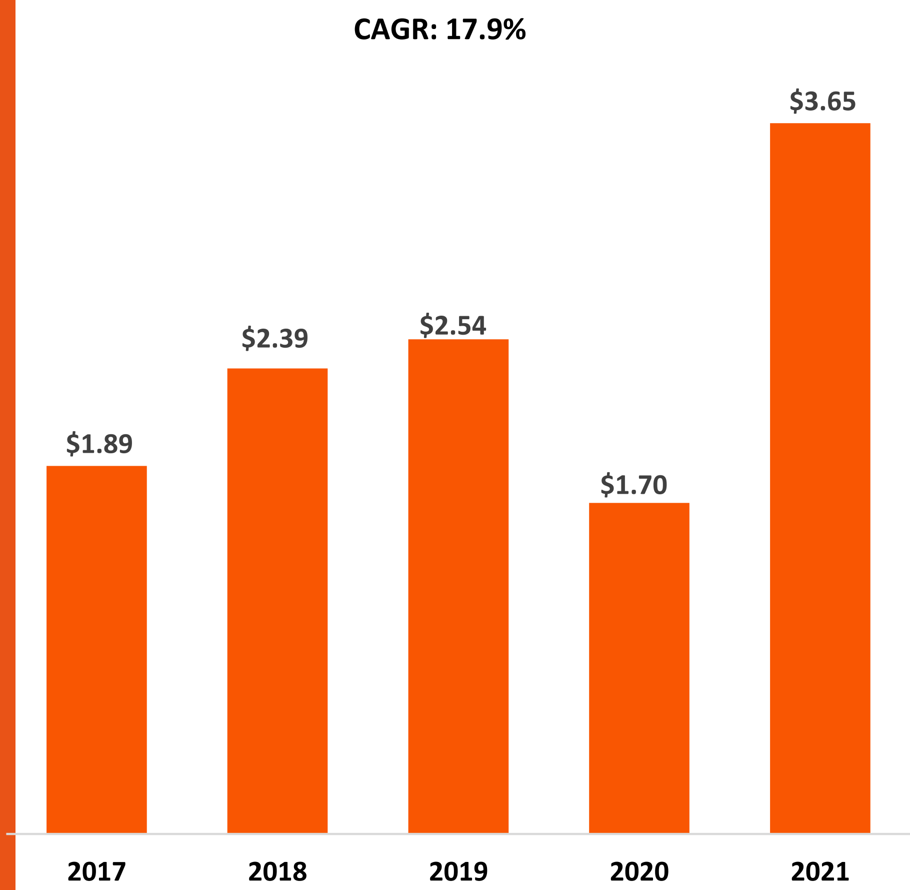
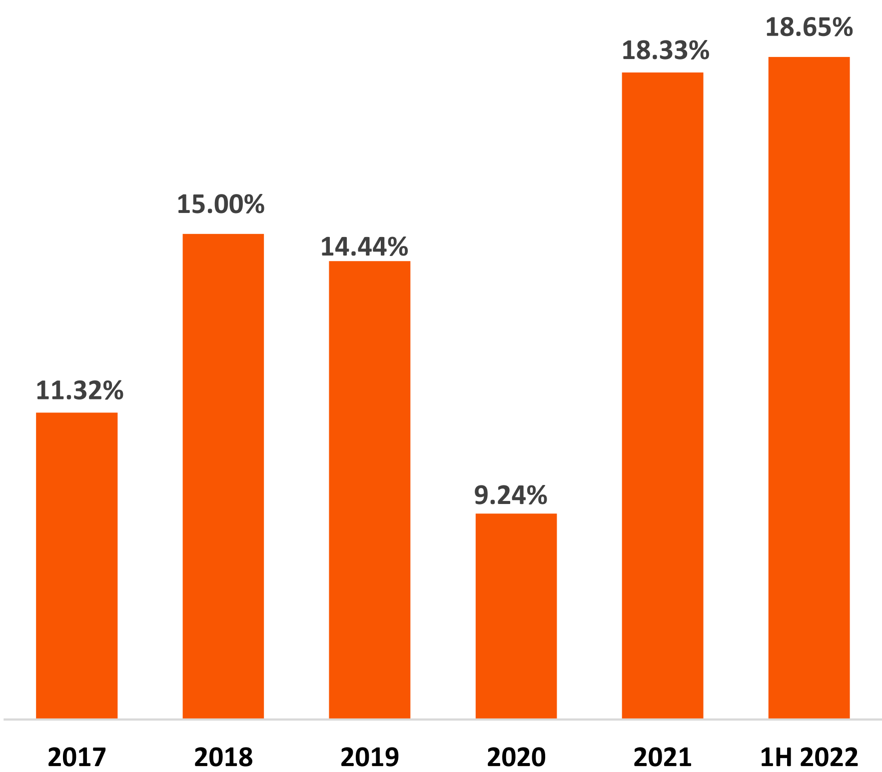
…And Increased Profitability

Adjusted Diluted EPS[1]



Adjusted ROATCE[1]



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

Strategic Initiatives Strengthening Franchise

Significant Corporate Actions Since Coming Public in 2016…

Scale

Action	Strategic Rationale	Financial Impact		
			2016	**2021**
Three whole bank acquisitions	• Low-cost deposits	Total Assets	$3.2B	$7.4B
Four Wealth Management acquisitions	• Recurring revenue	AUA	$1.7B	$4.2B
Expanded equipment finance group	• Diversify revenue with attractive risk-adjusted yields	Equipment Finance	$191M	$945M

Efficiency

Action	Strategic Rationale	Financial Impact		
Branch network and facility reductions	• Increasing adoption of digital		**2016**	**2021**
Sale of Commercial FHA Loan Origination platform	• Remove inconsistent revenue and profit contributor • Retain low-cost servicing deposits	Efficiency Ratio[(1)]	68.66%	57.05%
Accelerate technology investments	• Harnessing data to drive efficiencies for increased wallet share	Deposits/Branch	$53M	$118M

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

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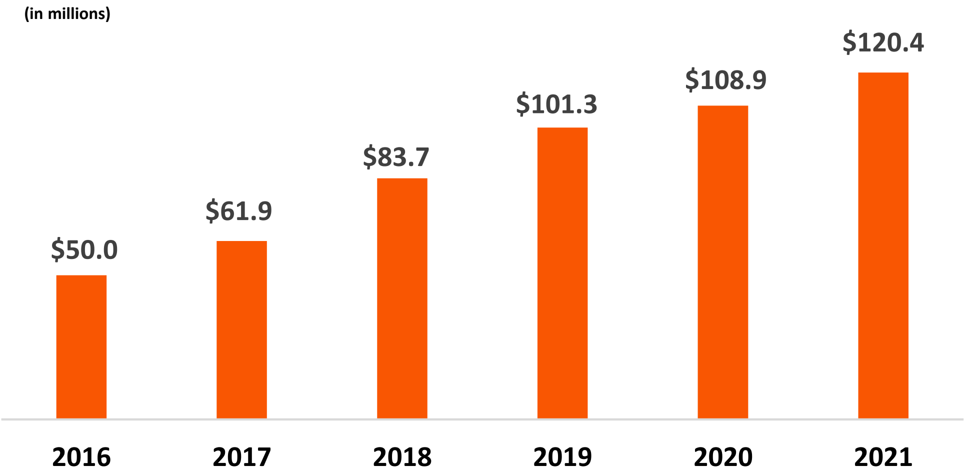
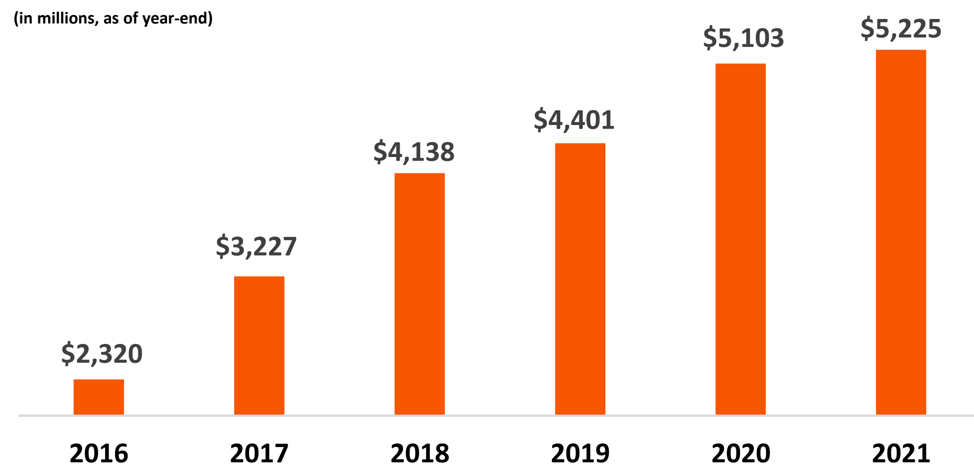
Strategic Initiatives Strengthening Franchise

…Have Produced Improved Growth and Profitability

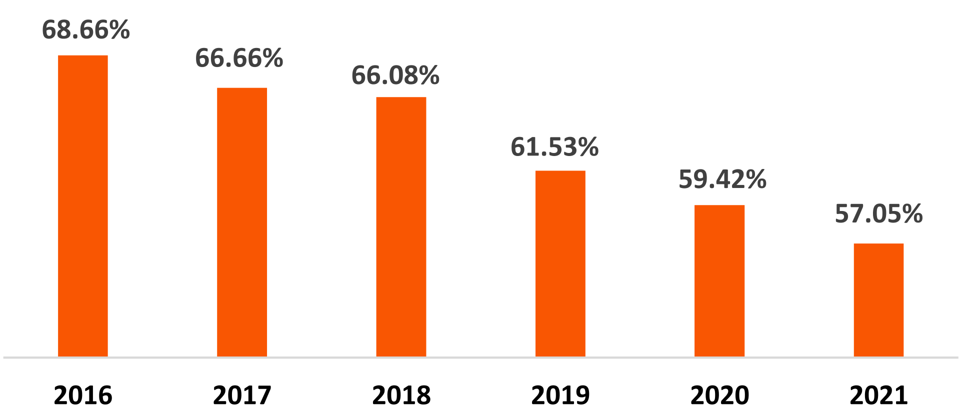
Adjusted Pre-Tax Pre-Provision Earnings[1]



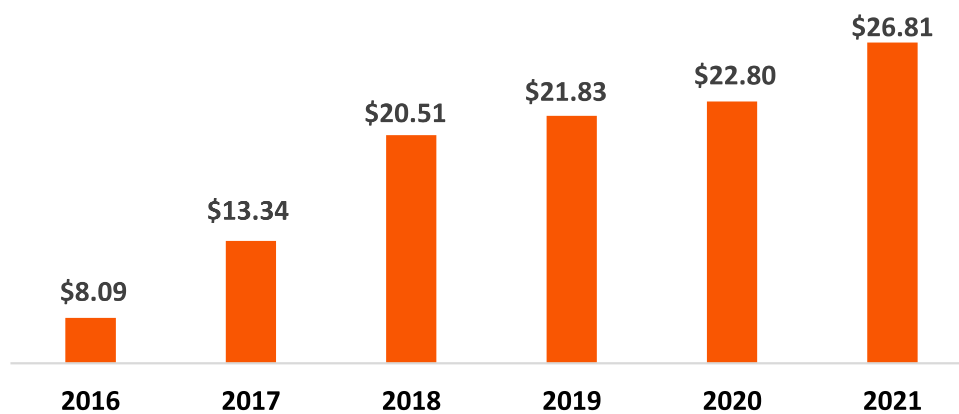
Total Loans



Efficiency Ratio[1]



Wealth Management Revenue



Notes:
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Technology Roadmap

Midland's technology investments are enhancing efficiencies, improving client experience, and positively impacting retail deposit gathering and commercial/consumer loan production

	Consumer	Small Business	Commercial	Wealth
Customer Facing	**Flexible Overdrafts** (Q1 2022) – Velocity Solutions	**Commercial Online Account Opening** (Q4 2021) – nCino	**Commercial Online Account Opening** (Q4 2021) – nCino	
	Near real time payments (Q1 2021) – Zelle		**Integrated Payables – Payments** (Q4 2021) – FIS	
	Online loan Origination (Q1 2021) – blend	**Commercial Relationship pricing optimization engine** (Q1 2022) – precisionlender	**Commercial Relationship pricing optimization engine** (Q1 2022) – precisionlender	**Online Access and Portal** (Q4 2021) – FIS
	Consumer online account opening (2020) – nCino	**SBA Loan Portal** (Opening Dec 2021)		
	Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020 and on-going) – salesforce marketing cloud			
	CRM deployed to 600+ front office employees with rich view of the customer, automated leads, and single view of pipelines for executive team (2020) – salesforce			
	Retail Banking Needs Navigator & Customer Incentive Programs (2020) – salesforce	**Self service loan portal and treasury on-boarding** (2021) – salesforce	**Self service loan portal and treasury on-boarding** (2021) – salesforce	

Foundational

Fintech Partnerships Established
Canapi Fund, Alloy, Blend, Plaid, GreenSky, JAM/FINTOP Fund, Informatica
JAM FINTOP CAPITAL Informatica GreenSky CANAPI alloy PLAID

CX Platform Customer Feedback (2020, 2021) NICE

Artificial Intelligence (2020, 2021) 200+ RPA "bots" deployed in the last 18 months, AI based solutions applied in Risk Management, Mortgage Operations (Q2 2021), and Cyber Security (UEBA)
UiPath nintex

Silo-elimination and 360 view of customer (2020)
All sales teams on single sales platform using same 360 view of customer
SAS Viya Power BI

Centralized Data Analytics – Informatica, PowerBI, SAS Viya (2018, 2019, 2020)
Oracle data warehouse with 98% of data accessible for analytics across all products, services and channels.

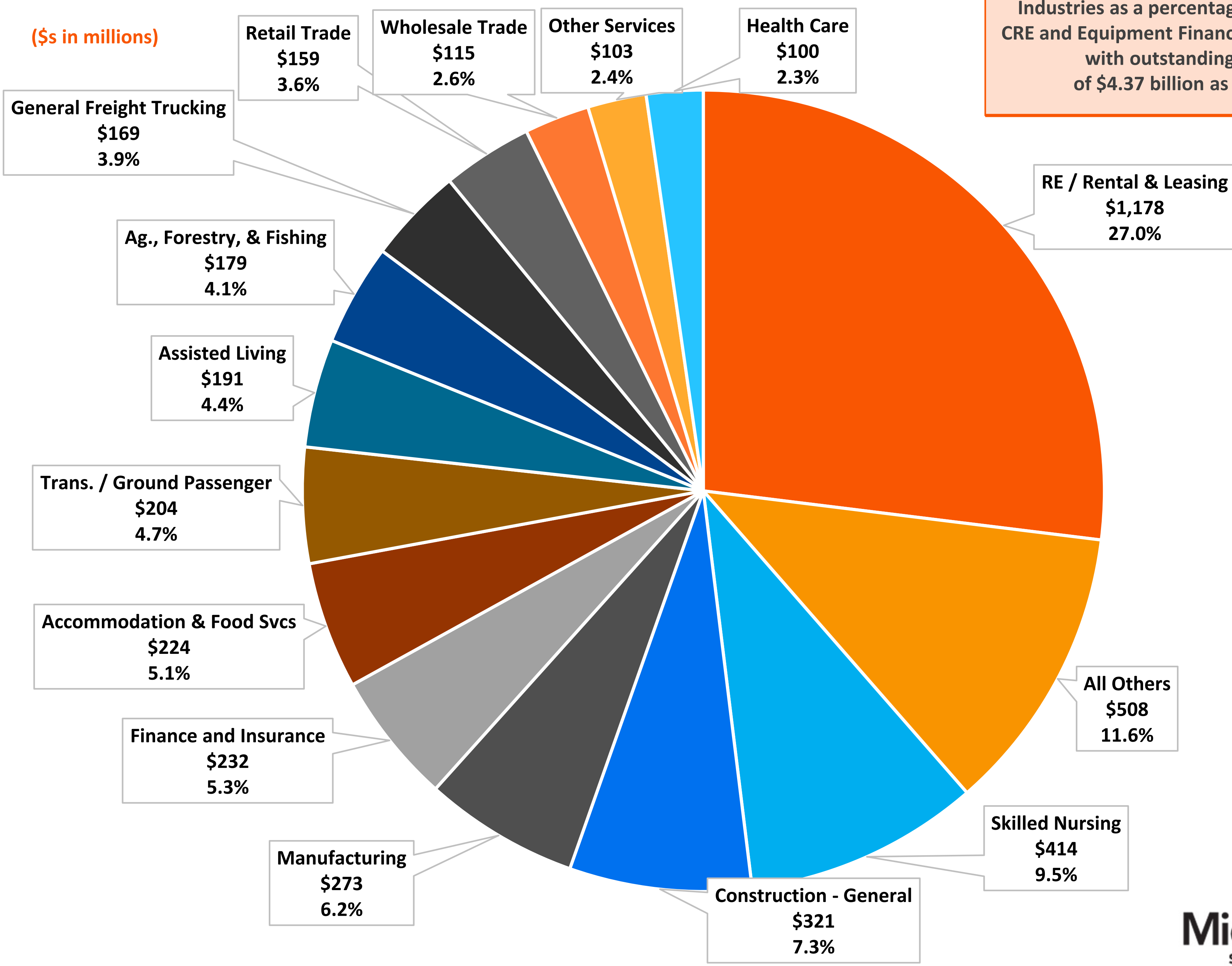
Digital Talent (39 FTE) Chief Digital Officer, Director – Digital Customer Experience, Director – Enterprise Data Services, Director – Digital Solution Delivery, Lead Engineer API Development, Senior Manager – Digital Marketing, Manager – Customer Experience, Board Member – Digital Expertise, Web Development

Loan Portfolio and Asset Quality

Commercial Loans and Leases by Industry

($s in millions)

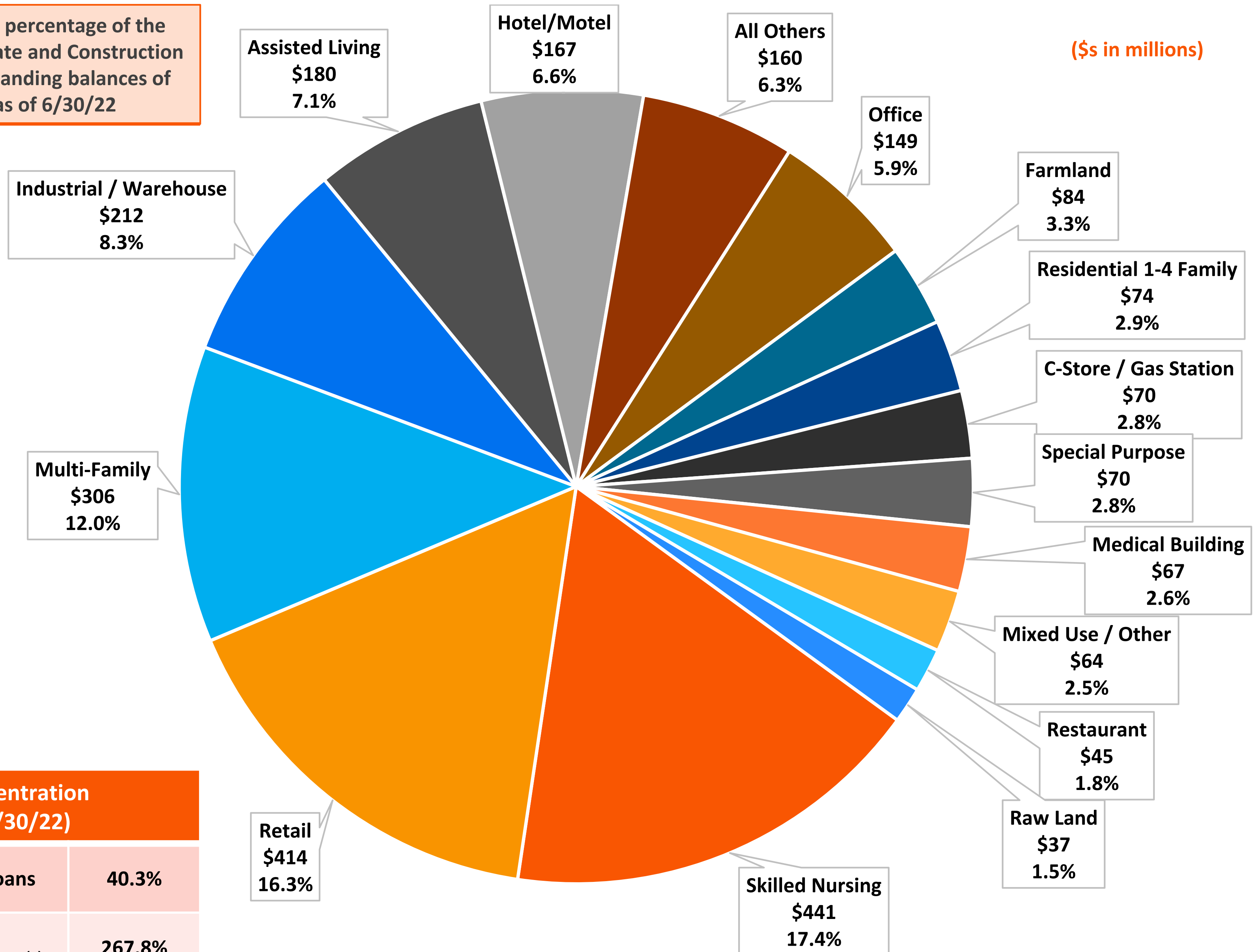
Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of $4.37 billion as of 6/30/22



Commercial Real Estate Portfolio by Collateral Type

Collateral type as a percentage of the Commercial Real Estate and Construction Portfolio with outstanding balances of $2.54 billion as of 6/30/22

($s in millions)



CRE Concentration (as of 6/30/22)	
CRE as a % of Total Loans	40.3%
CRE as a % of Total Risk-Based Capital[(1)]	267.8%

Notes:
(1) Represents non-owner occupied CRE loans only

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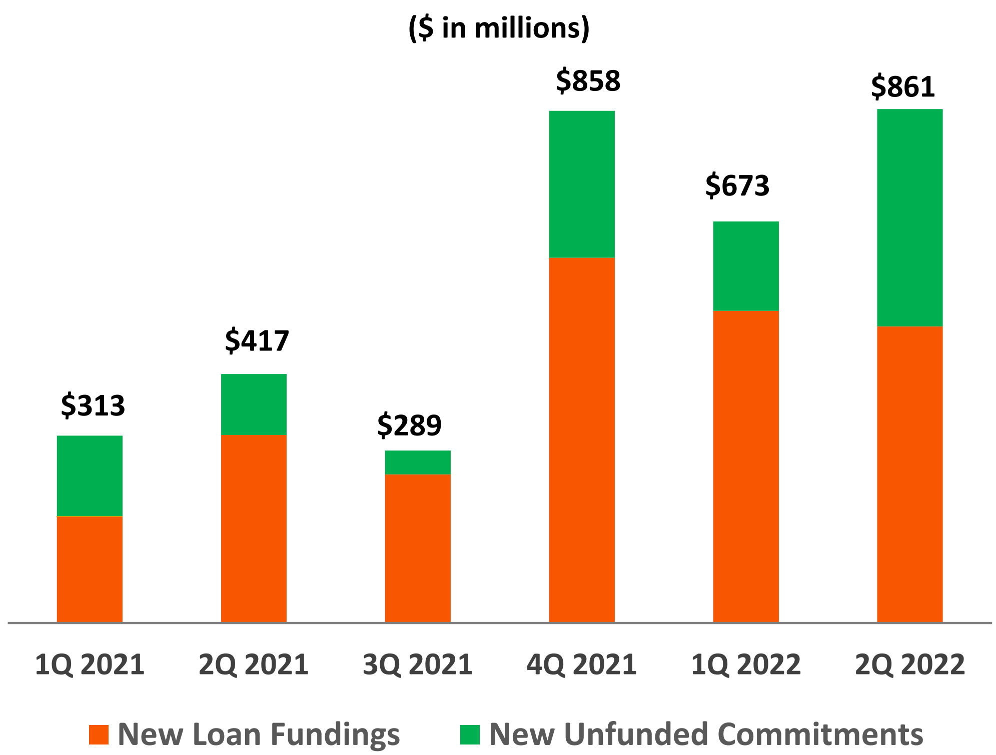
Accelerating Commercial Loan Growth

26% Annualized Loan Growth Over Trailing 12 Months[1]

- New hires and an increase in productivity of the commercial banking group without increasing the size of the business development team
- Addition of expertise in specialty finance and SBA lending
- Increased exposure to higher growth markets in Northern Illinois and St. Louis
- Successfully moving up market and working with larger clients that have greater financing needs
- Effectively leveraging technology investments, including the Salesforce platform, to improve win rate and expand relationships with clients

Commercial and CRE Loan Production



Notes:
1) As of June 30, 2022, excluding PPP loans and commercial FHA warehouse lines of credit

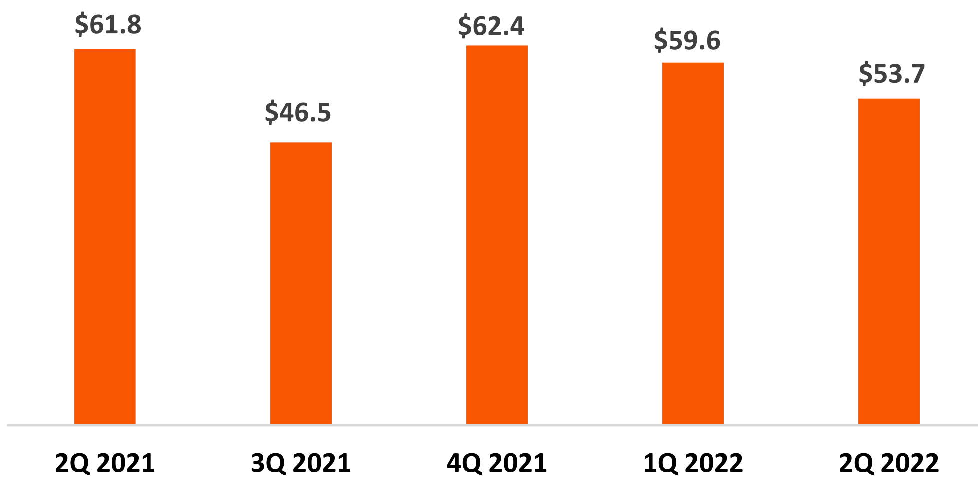
Deposit Base Shifting More Toward Commercial Deposits

New Business Development Efforts Producing
Consistent Inflows of Low-Cost Commercial Deposits

- Commercial banking team more focused on developing full banking relationships
- Treasury Management successfully targeting larger commercial clients
- Larger banking team in St. Louis effectively taking market share
- Effectively leveraging technology investments, including the Salesforce platform, to improve win rate with commercial clients

New Commercial Deposit Accounts

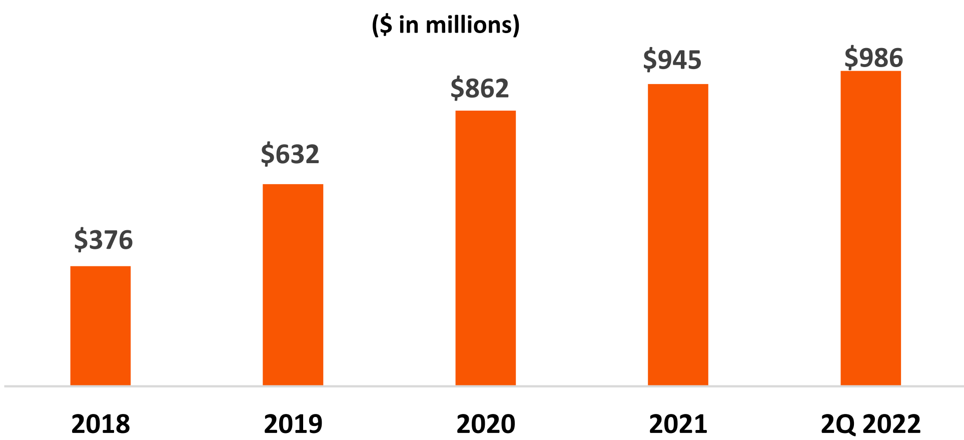
($ in millions)



Midland Equipment Finance Portfolio Overview

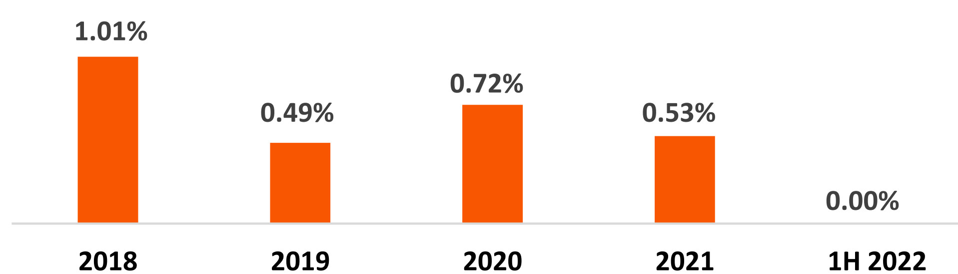
Portfolio Characteristics (as of 6/30/22)	
Nationwide portfolio providing financing solutions to equipment vendors and end-users	
Total Outstanding Loans and Leases	$985.5 million (17.0% of total loans)
Number of Loans and Leases	8,378
Average Loan/Lease Size	$117,626
Largest Loan/Lease	$1.2 million
Weighted Average Rate	4.83%
Representative Industries Served	Manufacturing, General Freight Trucking, Construction, Transit and Ground Passenger

Equipment Finance Outstanding Balances



NCOs/Average Loans

Losses consistently below industry averages



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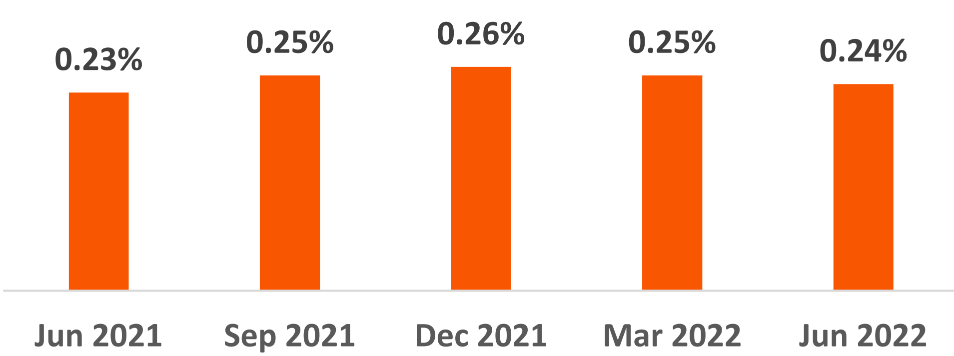
GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of 6/30/22)	
Total Outstanding	$916.8 million (15.8% of total loans)
Number of Loans	404,301
Average Loan Size	$2,268
Average FICO Score	772

Delinquency Rate (greater than 60 days)



Prime Credit

- Average FICO score of 772
- No losses to MSBI in 10 year history of portfolio

Credit Enhancement

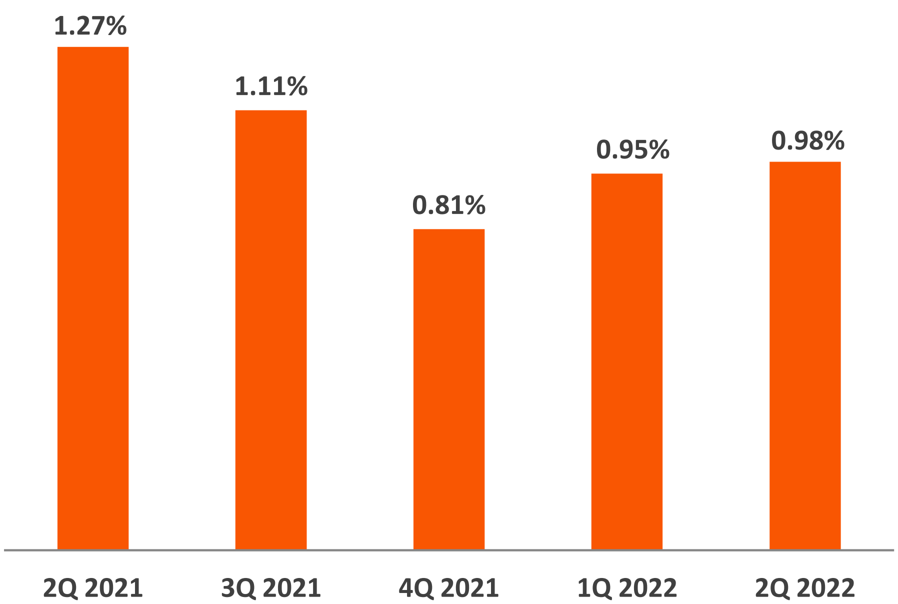
- Cash flow waterfall structure
  - Cash flow from portfolio covers servicing fee, credit losses and our target margin
  - Excess cash flow is an incentive fee to GreenSky that is available to cover additional losses
  - GreenSky received incentive fees in 41 of past 42 months including every month in 2020, 2021 and 2022
- Escrow deposits
  - Escrow deposits absorb losses in excess of cash flow waterfall
  - Escrow account totaled $39.2 million at 6/30/22 or 4.3% of the portfolio

Asset Quality

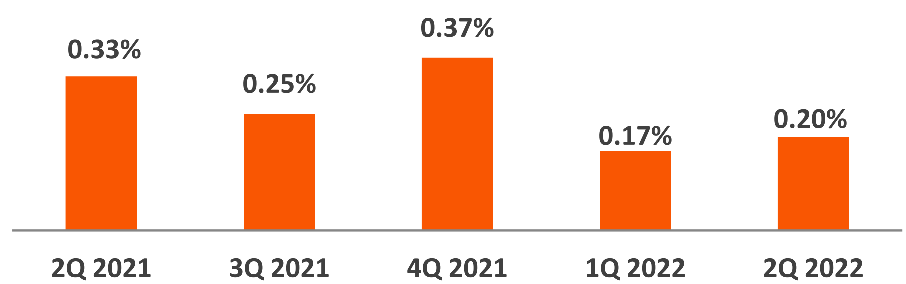
- Nonperforming loans increased $4.0 million due to one CRE loan where no loss is expected
- Generally positive trends in the loan portfolio with continued upgrades of watch list loans
- Delinquencies in consumer portfolio remain exceptionally low
- Net charge-offs of $2.8 million, or 0.20% of average loans
- Provision for credit losses on loans of $4.7 million primarily related to the growth in total loans and weakening economic conditions

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



NCO / Average Loans



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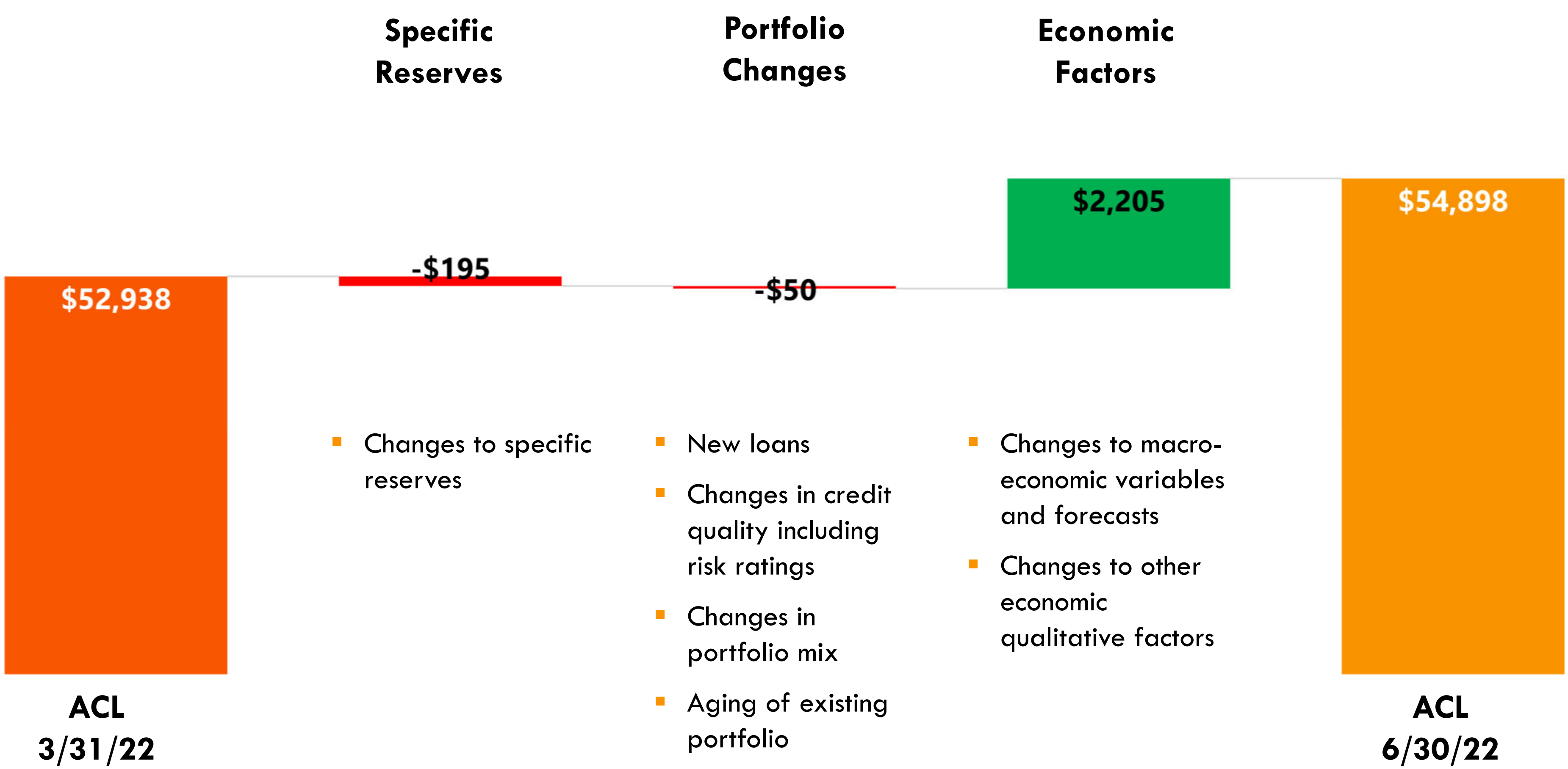
Changes in Allowance for Credit Losses

($ in thousands)



Specific Reserves

- Changes to specific reserves

Portfolio Changes

- New loans
- Changes in credit quality including risk ratings
- Changes in portfolio mix
- Aging of existing portfolio
- Other charge-offs and recoveries

Economic Factors

- Changes to macro-economic variables and forecasts
- Changes to other economic qualitative factors

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ACL by Portfolio

($ in thousands)

Portfolio	June 30, 2022 Loans	June 30, 2022 ACL	June 30, 2022 % of Total Loans		March 31, 2022 Loans	March 31, 2022 ACL	March 31, 2022 % of Total Loans
Commercial	$ 747,782	$ 5,412	0.72%		$ 796,498	$ 5,078	0.64%
Warehouse Lines	23,872	-	0.00%		83,999	-	0.00%
Commercial Other	643,477	7,336	1.14%		641,628	7,543	1.18%
Equipment Finance	546,267	7,068	1.29%		528,572	7,288	1.38%
Paycheck Protection Program	6,409	10	0.15%		22,862	34	0.15%
Lease Financing	439,202	6,765	1.54%		429,000	7,264	1.69%
CRE non-owner occupied	1,480,031	18,861	1.27%		1,291,239	18,132	1.40%
CRE owner occupied	524,587	6,037	1.15%		499,871	5,646	1.13%
Multi-family	265,749	2,610	0.98%		252,507	2,163	0.86%
Farmland	65,288	366	0.56%		70,424	336	0.48%
Construction and Land Development	203,955	1,101	0.54%		188,668	816	0.43%
Residential RE First Lien	279,628	3,025	1.08%		268,787	2,924	1.09%
Other Residential	60,474	391	0.65%		60,544	364	0.60%
Consumer	98,558	379	0.38%		101,692	310	0.30%
Consumer Other[1]	986,813	2,615	0.26%		939,104	2,362	0.25%
Total Loans	**5,795,544**	**54,898**	**0.95%**		**5,539,961**	**52,938**	**0.96%**
Loans (excluding GreenSky, PPP and warehouse lines)	**4,716,721**	**52,080**	**1.10%**		**4,452,413**	**50,401**	**1.13%**

Notes:
(1) Primarily consists of loans originated through GreenSky relationship

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Recent Financial Trends

Overview of 2Q22

Higher Earnings and Improved Returns

- Net income of $21.9 million, or $0.97 diluted EPS, up from $0.92 in prior quarter
- Pre-tax, pre-provision earnings[1] of $35.9 million, up from $32.0 million in prior quarter
- ROAA of 1.19%, ROATCE[1] of 19.14%, and Adjusted PTPP ROAA[1] of 1.95% all increased from prior quarter

Continued Strong Loan Production

- Strong growth in community banking markets including St. Louis
- Total loans increased 18.5% annualized
- CRE loans, including multifamily, increased $222 million from the end of the prior quarter

Positive Trends Across Key Metrics

- NIM increased 15 basis points from prior quarter to 3.65%
- Growing balances of noninterest-bearing and lower-cost interest-bearing deposits
- Efficiency Ratio[1] improved to 53.1% from 55.7% in prior quarter

Completion of FNBC Branch Purchase

- Low-risk, easily digestible, immediately earnings accretive transaction
- Added $80 million of low-cost deposits
- New Mokena branch will support increased business development efforts in greater Chicagoland area

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

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Loan Portfolio

- **Total loans increased $255.6 million from prior quarter to $5.80 billion**
- **Growth in CRE loans, equipment finance, conventional commercial loans, and consumer loans offset lower end-of-period balances on commercial FHA warehouse credit lines and lower PPP loans**
- **Equipment finance balances increased $27.9 million, or 2.9% from end of prior quarter**
- **Excluding PPP loans and commercial FHA warehouse credit lines, total loans increased at an annualized rate of 24.5% during 2Q22**
- **PPP loans were $6.4 million at June 30, 2022, a decrease of $16.5 million from Mar. 31, 2022**

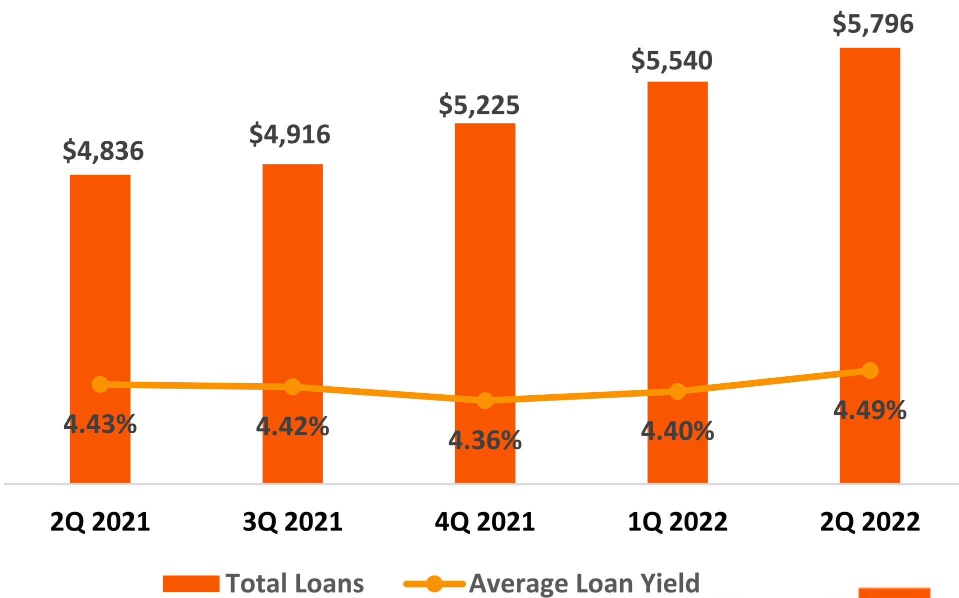
Loan Portfolio Mix

(in millions, as of quarter-end)

	2Q 2022	1Q 2022	2Q 2021
Commercial loans and leases	$ 1,830	$ 1,867	$ 1,831
Commercial real estate	2,336	2,114	1,540
Construction and land development	204	189	213
Residential real estate	340	329	367
Consumer	1,085	1,041	885
Total Loans	**$5,796**	**$5,540**	**$4,836**
Total Loans ex. Commercial FHA Lines and PPP	**$5,765**	**$5,433**	**$4,560**

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



Midland States Bancorp, Inc.

Total Deposits

- **Total deposits increased $126.9 million from prior quarter to $6.18 billion**
- **Increase driven by higher balances of noninterest-bearing and lower-cost interest-bearing deposits**
- **Strengthened commercial banking and treasury management teams consistently generating new relationships that provide steady inflow of low-cost commercial deposits**

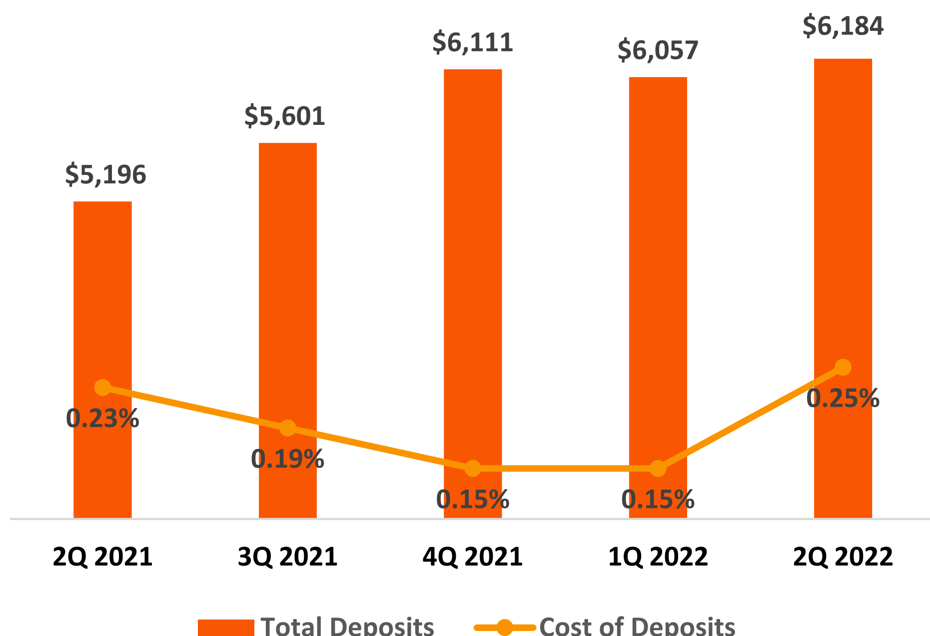
Deposit Mix

(in millions, as of quarter-end)

	2Q 2022	1Q 2022	2Q 2021
Noninterest-bearing demand	$ 1,972	$ 1,965	$ 1,366
Interest-bearing:			
Checking	1,809	1,779	1,619
Money market	1,028	964	788
Savings	740	711	669
Time	620	619	722
Brokered time	15	19	32
Total Deposits	**$6,184**	**$6,057**	**$5,196**

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)

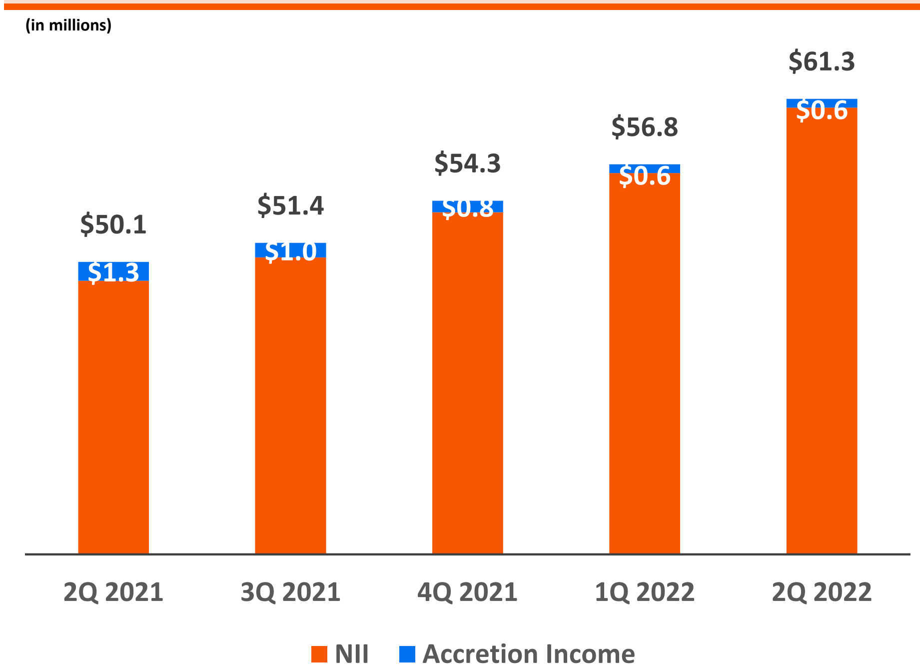


Midland States Bancorp, Inc.

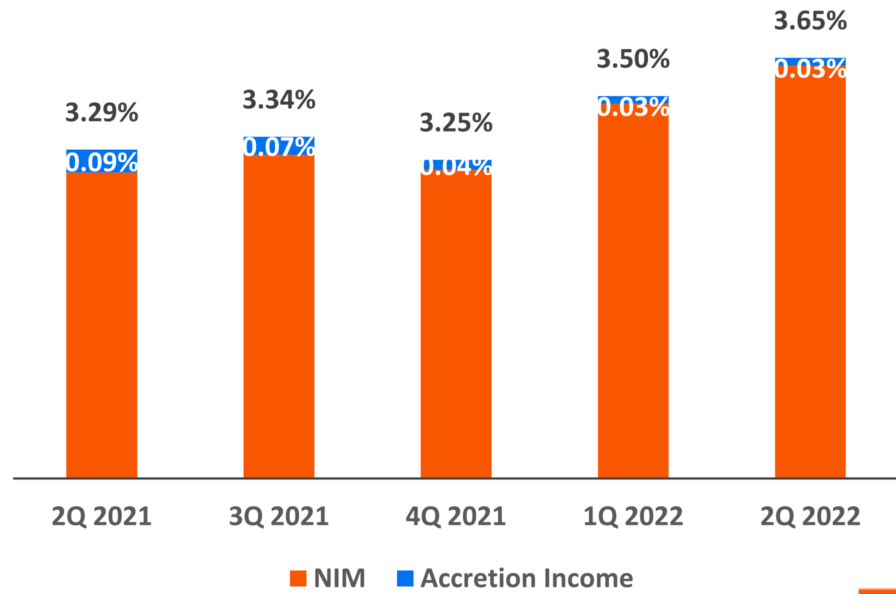
Net Interest Income/Margin

- Net interest income increased 7.9% from the prior quarter due primarily to higher average loan balances and an increase in net interest margin
- Net interest margin increased 15 bps from prior quarter due to the redeployment of excess liquidity into the loan portfolio and higher average yield on earning assets
- Average cash and cash equivalents declined by $157.7 million compared to prior quarter
- Average rate on new and renewed loan originations increased 69 bps to 4.79% in June 2022 from 4.10% in March 2022
  - ➢ Midland Equipment Finance yields increased 84 bps; other commercial loan yields increased 69 bps

Net Interest Income



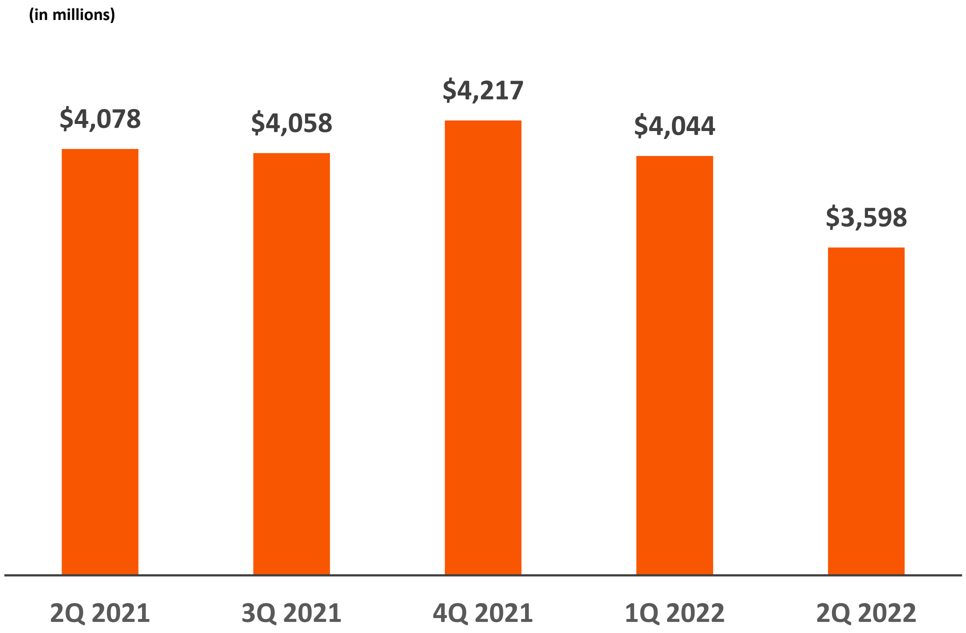
Net Interest Margin



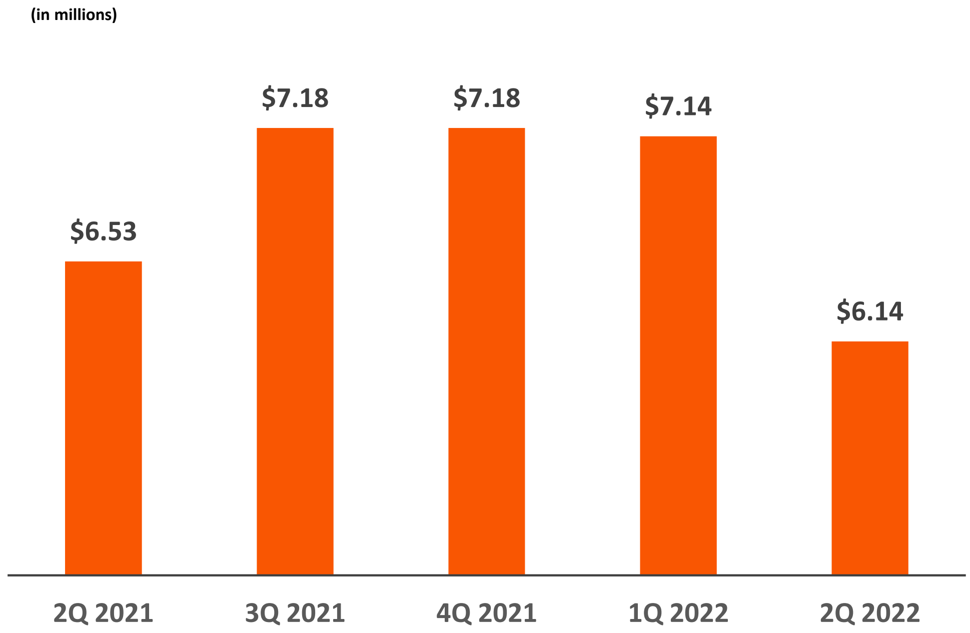
Wealth Management

- **During 2Q22, assets under administration decreased $446.2 million, primarily due to market performance**
- **Wealth Management revenue declined due to lower AUA**

Assets Under Administration



Wealth Management Revenue

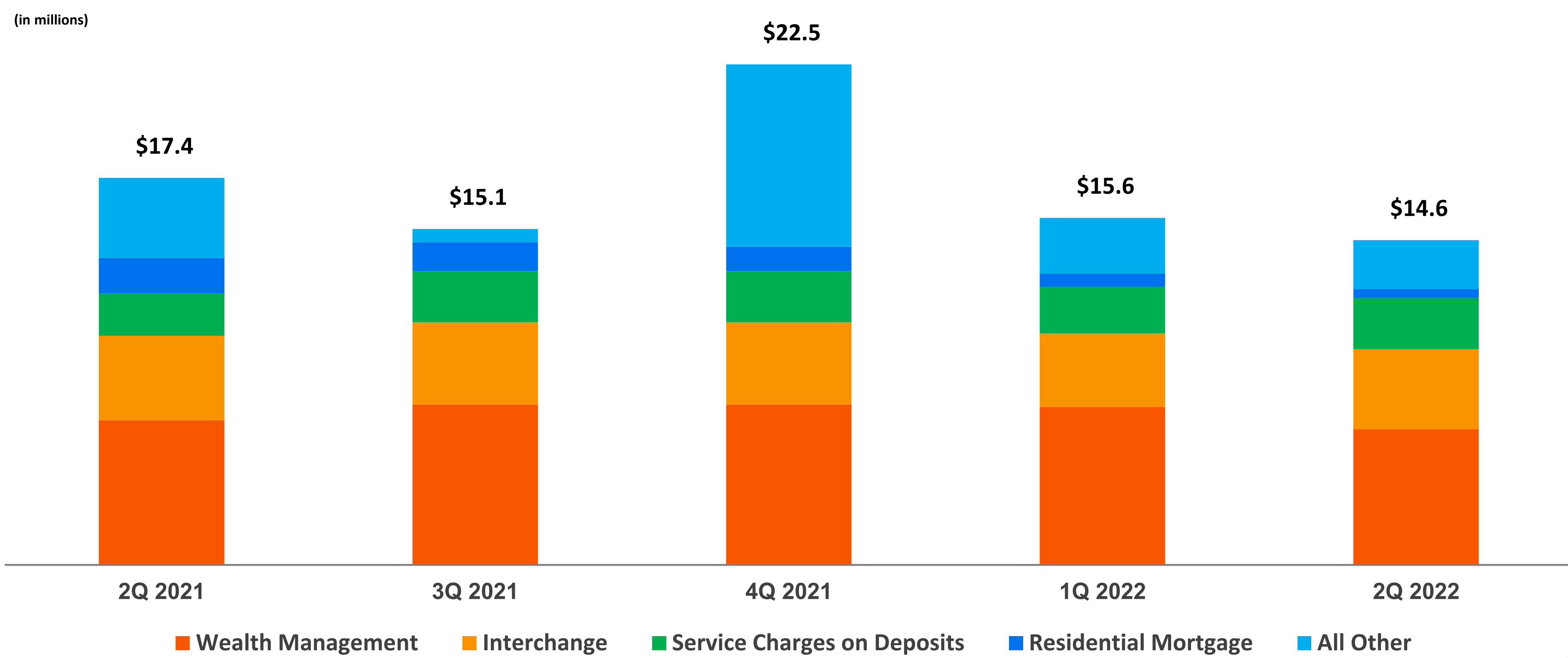


Midland States Bancorp, Inc.

Noninterest Income

- **Noninterest income decreased 6.4% from prior quarter, primarily due to lower wealth management revenue**
- **Impairment on commercial MSRs impacted noninterest income by $0.9 million and $0.4 million in 2Q22 and 1Q22, respectively**
- **Decline in wealth management and larger commercial MSRs impairment partially offset by higher deposit service charges and interchange revenue resulting from growth in client base**

Noninterest Income

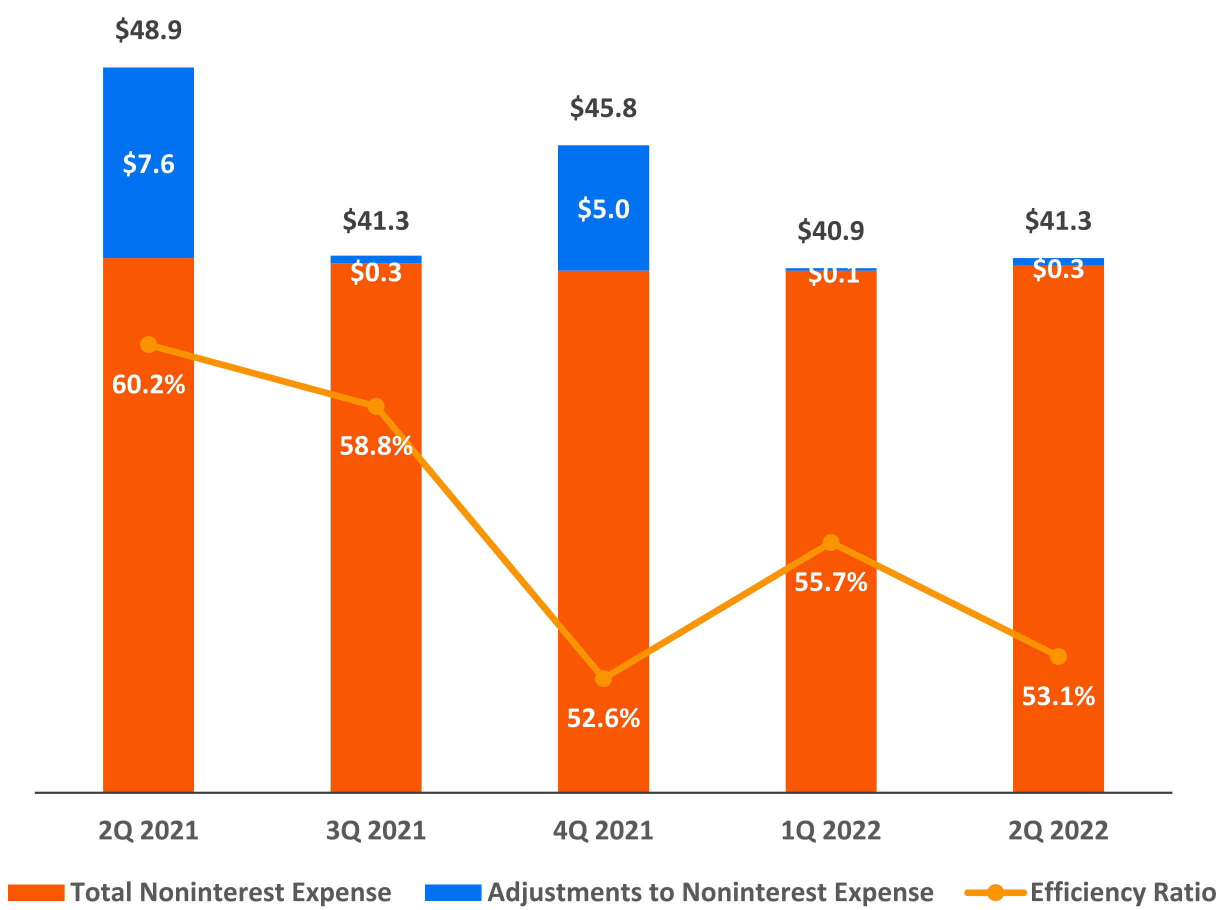


Midland States Bancorp, Inc.

Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio [1]

(Noninterest expense in millions)



- **Efficiency Ratio [1] was 53.1% in 2Q22 vs. 55.7% in 1Q22**
- **Adjustments to non-interest expense:**

($ in millions)	2Q22	1Q22
Integration and acquisition related expenses	($0.3)	($0.1)

- **Excluding these adjustments, noninterest expense was up slightly from the prior quarter primarily due to a modest increase in staffing levels and higher incentive compensation**
- **Operating expense run-rate expected to be $41.0 - $42.0 million in 2022**

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

Outlook

Outlook

- Loan pipeline remains strong, but loan growth expected to moderate in second half of 2022 as higher rates and uncertain economic conditions are likely to have a greater impact on loan demand
- Continued loan growth, NIM expansion, and expense control should drive further increases in earnings and returns during second half of 2022
- Strong financial performance should lead to increase in capital ratios as balance sheet growth slows during second half of 2022, while additional options for further strengthening capital are evaluated
- New leadership in Wealth Management focused on increasing cross-selling across client base and improving business development efforts to generate higher rate of organic growth
- Well positioned with more diversified CRE loan portfolio and C&I portfolio focused on larger, stronger commercial enterprises

Long-Term Formula for Enhancing Shareholder Value

Disciplined Balance Sheet Growth

+

Improving Operating Efficiencies

+

Stable Sources of Recurring Income

+

Accretive M&A Transactions

=

Earnings Growth, Improving Returns and Enhanced Franchise Value

APPENDIX

ESG: A Framework for Sustainability

Environmental

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 completed more than $540 million of financing for 18 “green” (LEED, Energy Star, etc.) multi-family/health care facilities through our Love Funding subsidiary since 2017.

Paper Reduction

- More than 40% of our customers use paperless statements and Midland has had a digitization/paper elimination program in place since 2010.

Social

Community Outreach

- Midland States Bank has been serving families and businesses in our communities for more than 140 years, 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 development groups in our banking markets to help insure our community development programs address the needs of each of our markets.
- The Midland Institute CEO Program, a unique program designed to teach and create entrepreneurial opportunities to teens, was first created by our Bank in 2008 for the local Effingham, Illinois high schools and has now grown to be offered by 229 high schools in six states.

Culture and People

- Since 2008 Midland has provided all employees personal and professional development through an acclaimed third-party training company.
- 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.
- Midland launched its Diversity & Inclusion Council in April 2020 to focus on diversity in the workplace and workforce.

Philanthropy

- $30 million of investment towards community development goals targeted for the 2019-2021 period.

Financial Education

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

CRA, Community Development and Financial Inclusion

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

Governance

Reputation

- Midland States Bank was one of the first 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.

Oversight of Strategy and Risk

- The Company’s Chair and CEO roles been separate since the Company’s inception (1988).
- Our Board of Directors has established a Risk and Compliance Committee to oversee all aspects of risk and compliance management.
- Our ERM program evaluates risk in each of our businesses and operational departments, including asset and liability management, and our Chief Risk Officer reports directly to the Audit and Risk and Compliance Committees of the Company’s Board of Directors.

Data Security

- Robust data security programs and a Privacy Policy under which we do not sell or share customer information with non-affiliated entities.

Management of Legal and Regulatory Environment

- All continuing directors except our CEO are “independent” pursuant to applicable SEC/NASDAQ rules.
- Our Executive Compensation, including all performance related compensation, is also evaluated under our ERM to ensure compliance with the FDIC’s Interagency Guidelines Establishing Standards for Safety and Soundness and the Sound Incentive Compensation Policies issued jointly by the federal financial institutions regulatory agencies.
- All cash and equity incentive programs for executive officers include operating metrics and/or four-year vesting periods.

Paycheck Protection Program Overview

Paycheck Protection Program (as of 6/30/22)	
Loans Outstanding	$6.4 million
Total Fees Earned	$15.1 million
Fees Recognized in 2Q22	$0.7 million
Remaining Fees to be Recognized	$0.2 million

Paycheck Protection Program Loan Forgiveness		
	As of 3/31/22	**As of 6/30/22**
Loans Submitted to SBA	$362.7 million	$378.2 million
Loans Forgiven by SBA	$357.2 million	$374.0 million
Percentage of PPP Loans Forgiven	93.9%	98.3%

Impact on 2Q22 Financials

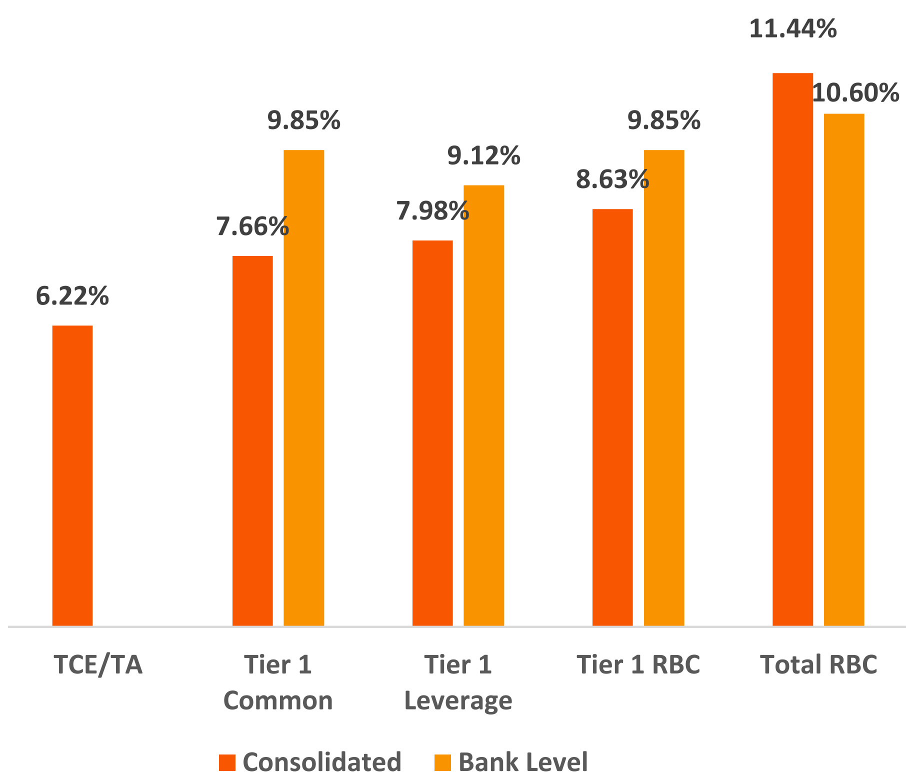
	At or for the Three Months Ended 6/30/22	Metrics Excluding PPP Impact
Total Loans	$5.80 billion	$5.79 billion
Average Loans	$5.68 billion	$5.66 billion
Net Interest Income FTE(1)	$61.3 million	$60.9 million
Net Interest Margin(1)	3.65%	3.62%
ACL/Total Loans	0.96%	0.96%

1. Loan fees and deferred loan origination costs being amortized over an estimated 24 to 60 month life of PPP loans

Midland States Bancorp, Inc.

Capital and Liquidity Overview

Capital Ratios
(as of 6/30/22)



Liquidity Sources
(as of 6/30/22)

($ in millions)	
Cash and Cash Equivalents	$ 270.1
Unpledged Securities	261.5
FHLB Committed Liquidity	1,159.5
FRB Discount Window Availability	22.7
Total Estimated Liquidity	**$ 1,713.8**

Conditional Funding Based on Market Conditions	
Additional Credit Facility	$ 250.0
Brokered CDs (additional capacity)	$ 500.0

Other Liquidity

Holding Company Cash Position of $35.6 Million

Holding Company Line of Credit of $15.0 Million

Midland States Bancorp, Inc.

Appendix: Reconciliation of TBV Per Share

(dollars in thousands, except per share data)	2021	2020	2019	2018	2017
			As of December 31,		
Shareholders' Equity to Tangible Common Equity:					
Total shareholders' equity—GAAP	$ 663,837	$ 621,391	$ 661,911	$ 608,525	$ 449,545
Adjustments:					
Preferred stock	-	-	-	(2,781)	(2,970)
Goodwill	(161,904)	(161,904)	(171,758)	(164,673)	(98,624)
Other intangibles	(24,374)	(28,382)	(34,886)	(37,376)	(16,932)
Tangible Common Equity	$ 477,559	$ 431,105	$ 455,267	$ 403,695	$ 331,019
Total Assets to Tangible Assets:					
Total assets—GAAP	$ 7,443,805	$ 6,868,540	$ 6,087,017	$ 5,637,673	$ 4,412,701
Adjustments:					
Goodwill	(161,904)	(161,904)	(171,758)	(164,673)	(98,624)
Other intangibles	(24,374)	(28,382)	(34,886)	(37,376)	(16,932)
Tangible Assets	$ 7,257,527	$ 6,678,254	$ 5,880,373	$ 5,435,624	$ 4,297,145
Common Shares Outstanding	22,050,537	22,325,471	24,420,345	23,751,798	19,122,049
Tangible Common Equity to Tangible Assets	6.58 %	6.46 %	7.74 %	7.43 %	7.70 %
Tangible Book Value Per Share	$ 21.66	$ 19.31	$ 18.64	$ 17.00	$ 17.31

Midland States Bancorp, Inc.

MIDLAND STATES BANCORP, INC.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (unaudited)

Adjusted Earnings Reconciliation

	For the Years Ended December 31,					
(dollars in thousands, except per share data)	2021	2020	2019	2018	2017	2016
Income before income taxes - GAAP	$ 99,112	$ 32,014	$ 72,471	$ 50,805	$ 26,471	$ 50,431
Adjustments to noninterest income:						
Gain on sales of investment securities, net	537	1,721	674	464	222	14,702
Gain on termination of hedged interest rate swap	2,159	-	-	-	-	-
Other income	48	(17)	(29)	89	(67)	(608)
Total adjustments to noninterest income	2,744	1,704	645	553	155	14,094
Adjustments to noninterest expense:						
Impairment related to facilities optimization	-	12,847	3,577	-	1,952	2,099
Loss (gain) on mortgage servicing rights held for sale	222	1,692	(490)	458	4,059	-
FHLB advances prepayment fees	8,536	4,872	-	-	-	-
Loss on repurchase of subordinated debt	-	193	1,778	-	-	511
Integration and acquisition expenses	4,356	2,309	5,493	24,015	17,738	2,343
Total adjustments to noninterest expense	13,114	21,913	10,358	24,473	23,749	4,953
Adjusted earnings pre tax	109,482	52,223	82,184	74,725	50,065	41,290
Adjusted earnings tax	26,261	12,040	19,358	17,962	15,170	14,064
Adjusted earnings - non-GAAP	$ 83,221	$ 40,183	$ 62,826	$ 56,763	$ 34,895	$ 27,226
Preferred stock dividends, net	-	-	46	141	83	-
Adjusted earnings available to common shareholders - non-GAAP	$ 83,221	$ 40,183	$ 62,780	$ 56,622	$ 34,812	$ 27,226

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Years Ended December 31,					
(dollars in thousands)	2021	2020	2019	2018	2017	2016
Adjusted earnings pre tax - non- GAAP	$ 109,482	$ 52,223	$ 82,184	$ 74,725	$ 50,065	$ 41,290
Provision for credit losses	3,393	44,361	16,985	9,430	9,556	5,591
Impairment on commercial mortgage servicing rights	7,532	12,337	2,139	(449)	2,324	3,135
Adjusted pre-tax, pre-provision earnings - non-GAAP	$ 120,407	$ 108,921	$ 101,308	$ 83,706	$ 61,945	$ 50,016
Adjusted pre-tax, pre-provision return on average assets	1.75 %	1.67 %	1.74 %	1.53 %	1.57 %	1.63 %

Midland States Bancorp, Inc.

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

Efficiency Ratio Reconciliation

	For the Years Ended December 31,					
(dollars in thousands)	2021	2020	2019	2018	2017	2016
Noninterest expense - GAAP	$ 175,069	$ 184,010	$ 175,641	$ 191,643	$ 152,997	$ 121,289
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	(222)	(1,692)	490	(458)	(4,059)	-
FHLB advances prepayment fees	(8,536)	(4,872)	-	-	-	-
Loss on repurchase of subordinated debt	-	(193)	(1,778)	-	-	(511)
Integration and acquisition expenses	(4,356)	(2,309)	(5,493)	(24,015)	(17,738)	(2,343)
Adjusted noninterest expense	$ 161,955	$ 162,097	$ 165,283	$ 167,170	$ 129,248	$ 115,985
Net interest income - GAAP	$ 207,675	$ 199,136	$ 189,815	$ 180,087	$ 129,662	$ 105,254
Effect of tax-exempt income	1,543	1,766	2,045	2,095	2,691	2,579
Adjusted net interest income	209,218	200,902	191,860	182,182	132,353	107,833
Noninterest income - GAAP	69,899	61,249	75,282	71,791	59,362	72,057
Adjustments to noninterest income:						
Impairment (recapture) on commercial mortgage servicing rights	7,532	12,337	2,139	(449)	2,324	3,135
Gain on sales of investment securities, net	(537)	(1,721)	(674)	(464)	(222)	(14,702)
Gain on termination of hedged interest rate swap	(2,159)	-	-	-	-	-
Other income	(48)	17	29	(89)	67	608
Adjusted noninterest income	74,687	71,882	76,776	70,789	61,531	61,098
Adjusted total revenue	$ 283,905	$ 272,784	$ 268,636	$ 252,971	$ 193,884	$ 168,931
Efficiency ratio	57.05 %	59.42 %	61.53 %	66.08 %	66.66 %	68.66 %

MIDLAND STATES BANCORP, INC.

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

Adjusted Return on Average Tangible Common Equity (ROATCE)

(dollars in thousands)	For the Six Months Ended June 30, 2022	For the Years Ended December 31, 2021	2020	2019	2018	2017
Adjusted earnings	$ 43,006	$ 83,221	$ 40,183	$ 62,780	$ 56,622	$ 34,812
Average total shareholders' equity—GAAP	$ 650,126	$ 642,698	$ 634,995	$ 638,307	$ 569,537	$ 399,061
Adjustments:						
Preferred stock	-	-	-	(1,561)	(2,882)	(1,707)
Goodwill	(161,904)	(161,904)	(168,821)	(166,721)	(151,546)	(76,394)
Other intangible assets, net	(23,101)	(26,733)	(31,501)	(35,344)	(37,507)	(13,437)
Average tangible common equity	$ 465,121	$ 454,061	$ 434,673	$ 434,681	$ 377,602	$ 307,523
ROATCE	18.65 %	18.33 %	9.24 %	14.44 %	15.00 %	11.32 %

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

Adjusted Earnings Reconciliation

(dollars in thousands, except per share data)	For the Quarter Ended June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Income before income taxes - GAAP	$ 29,167	$ 27,389	$ 30,600	$ 25,431	$ 19,041
Adjustments to noninterest income:					
Loss (gain) on sales of investment securities, net	101	-	-	(160)	(377)
(Gain) on termination of hedged interest rate swap	-	-	(1,845)	-	-
Other income	-	-	-	-	27
Total adjustments to noninterest income	101	-	(1,845)	(160)	(350)
Adjustments to noninterest expense:					
(Loss) on mortgage servicing rights held for sale	-	-	-	(79)	(143)
FHLB advances prepayment fees	-	-	(4,859)	-	(3,669)
Integration and acquisition expenses	(324)	(91)	(171)	(176)	(3,771)
Total adjustments to noninterest expense	(324)	(91)	(5,030)	(255)	(7,583)
Adjusted earnings pre tax	29,592	27,480	33,785	25,526	26,274
Adjusted earnings tax	7,401	6,665	8,369	5,910	6,519
Adjusted earnings - non-GAAP	$ 22,191	$ 20,815	$ 25,416	$ 19,616	$ 19,755
Adjusted diluted earnings per common share	$ 0.98	$ 0.92	$ 1.12	$ 0.86	$ 0.86
Adjusted return on average assets	1.21 %	1.16 %	1.39 %	1.15 %	1.17 %
Adjusted return on average shareholders' equity	13.84 %	12.84 %	15.44 %	11.94 %	12.36 %
Adjusted return on average tangible common equity	19.41 %	17.89 %	21.65 %	16.82 %	17.52 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

(dollars in thousands)	For the Quarter Ended June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Adjusted earnings pre tax - non-GAAP	$ 29,592	$ 27,480	$ 33,785	$ 25,526	$ 26,274
Provision for credit losses	5,441	4,167	467	(184)	(455)
Impairment on commercial mortgage servicing rights	869	394	2,072	3,037	1,148
Adjusted pre-tax, pre-provision earnings - non-GAAP	$ 35,902	$ 32,041	$ 36,324	$ 28,379	$ 26,967
Adjusted pre-tax, pre-provision return on average assets	1.95 %	1.79 %	1.98 %	1.67 %	1.60 %

Midland States Bancorp, Inc.

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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
(dollars in thousands)	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Noninterest expense - GAAP	$ 41,339	$ 40,884	$ 45,757	$ 41,292	$ 48,941
(Loss) on mortgage servicing rights held for sale	-	-	-	(79)	(143)
FHLB advances prepayment fees	-	-	(4,859)	-	(3,669)
Integration and acquisition expenses	(324)	(91)	(171)	(176)	(3,771)
Adjusted noninterest expense	$ 41,015	$ 40,793	$ 40,727	$ 41,037	$ 41,358
Net interest income - GAAP	$ 61,334	$ 56,827	$ 54,301	$ 51,396	$ 50,110
Effect of tax-exempt income	321	369	372	402	383
Adjusted net interest income	61,655	57,196	54,673	51,798	50,493
Noninterest income - GAAP	14,613	15,613	22,523	15,143	17,417
Impairment on commercial mortgage servicing rights	869	394	2,072	3,037	1,148
Loss (gain) on sales of investment securities, net	101	-	-	(160)	(377)
(Gain) on termination of hedged interest rate swap	-	-	(1,845)	-	-
Other	-	-	-	-	27
Adjusted noninterest income	15,583	16,007	22,750	18,020	18,215
Adjusted total revenue	$ 77,238	$ 73,203	$ 77,423	$ 69,818	$ 68,708
Efficiency ratio	53.10 %	55.73 %	52.61 %	58.78 %	60.19 %

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

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

	As of				
(dollars in thousands, except per share data)	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	$ 636,188	$ 644,986	$ 663,837	$ 657,844	$ 648,186
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(23,559)	(22,976)	(24,374)	(26,065)	(27,900)
Tangible common equity	$ 450,725	$ 460,106	$ 477,558	$ 469,875	$ 458,382
Total Assets to Tangible Assets:					
Total assets—GAAP	$ 7,435,812	$ 7,338,715	$ 7,443,805	$ 7,093,959	$ 6,630,010
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(23,559)	(22,976)	(24,374)	(26,065)	(27,900)
Tangible assets	$ 7,250,349	$ 7,153,835	$ 7,257,527	$ 6,905,990	$ 6,440,206
Common Shares Outstanding	22,060,255	22,044,626	22,050,537	22,193,141	22,380,492
Tangible Common Equity to Tangible Assets	6.22 %	6.43 %	6.58 %	6.80 %	7.12 %
Tangible Book Value Per Share	$ 20.43	$ 20.87	$ 21.66	$ 21.17	$ 20.48

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
(dollars in thousands)	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Net income	$ 21,883	$ 20,749	$ 23,107	$ 19,548	$ 20,124
Average total shareholders' equity—GAAP	$ 643,004	$ 657,327	$ 652,892	$ 651,751	$ 641,079
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(22,570)	(23,638)	(25,311)	(27,132)	(26,931)
Average tangible common equity	$ 458,530	$ 471,785	$ 465,677	$ 462,715	$ 452,244
ROATCE	19.14 %	17.84 %	19.69 %	16.76 %	17.85 %