

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **November 12, 2024**

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
(IRS Employer Identification No.)

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

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

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 (see General Instruction A.2. below):

- 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))

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	The NASDAQ Market LLC
Depository Shares (each representing a 1/40th interest in a share of 7.750% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A, \$2.00 par value)	MSBIP	The NASDAQ Market LLC

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

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.

Item 7.01. Regulation FD Disclosure.

Midland States Bancorp, Inc. (the “Company”) is filing an investor presentation (the “Presentation”) that will be used by the Company in meetings with investors and analysts. A copy of the Presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 7.01 and the attached exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Midland States Bancorp, Inc. Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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.

Date: November 12, 2024

MIDLAND STATES BANCORP, INC.

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



Midland States Bancorp, Inc.

NASDAQ: MSBI

Investor Presentation
November 2024





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 the Company'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 the Company undertakes no obligation to update any statement. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements including changes in interest rates and other general economic, business and political conditions, the impact of inflation, increased deposit volatility and potential regulatory developments. 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 the Company and its businesses, including additional factors that could materially affect the Company's financial results, are included in the Company'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 Earnings Available to Common Shareholders," "Adjusted Diluted Earnings Per Common Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," "Adjusted Return on Average Tangible Common Equity," "Adjusted Pre-Tax, Pre-Provision Earnings," "Adjusted Pre-Tax, Pre-Provision Return on Average Assets," "Efficiency Ratio," "Tangible Common Equity to Tangible Assets," "Tangible Book Value Per Share," "Tangible Book Value Per Share excluding Accumulated Other Comprehensive Income," 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

Founded in 1881, this Illinois state-chartered community bank **focuses on in-market relationships** while having **national diversification through equipment finance**.

- 53 Branches in Illinois and Missouri
- 16 successful acquisitions since 2008



Midland States Bank is a 2024 Top Workplace!
3 Years Running

Financial Highlights as of September 30, 2024

\$7.8 Billion
Total Assets

\$5.7 Billion
Total Loans

\$6.3 Billion
Total Deposits

\$4.3 Billion
Assets Under Administration

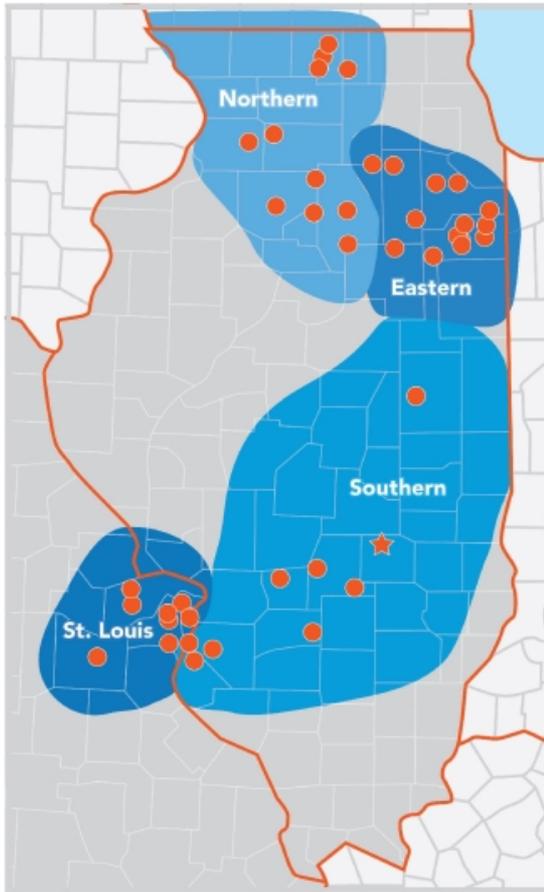
YTD Adjusted ROAA ⁽¹⁾ :	0.67%
YTD Adjusted Return on TCE ⁽¹⁾ :	8.61%
TCE/TA:	7.03%
YTD PTPP ⁽¹⁾ ROAA:	1.46%
Dividend Yield:	5.54%
Price/Tangible Book:	0.9x
Price/LTM EPS:	9.7x

Notes:

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



Financial Services & Banking Center Footprint



Headquartered in Effingham, Illinois

**42 Illinois Banking Centers
11 Missouri Banking Centers**

Our Community Bank is organized into four regions:

- Northern
- Eastern
- Southern
- St. Louis

Services Include:

- Wealth Management
- Residential Mortgage
- Commercial and Small Business Banking
- Retail Services

Additional Locations:

Equipment Finance - St. Louis, MO

Trust Company - Chicago, IL & Tarrytown, NY





Business and Corporate Strategy

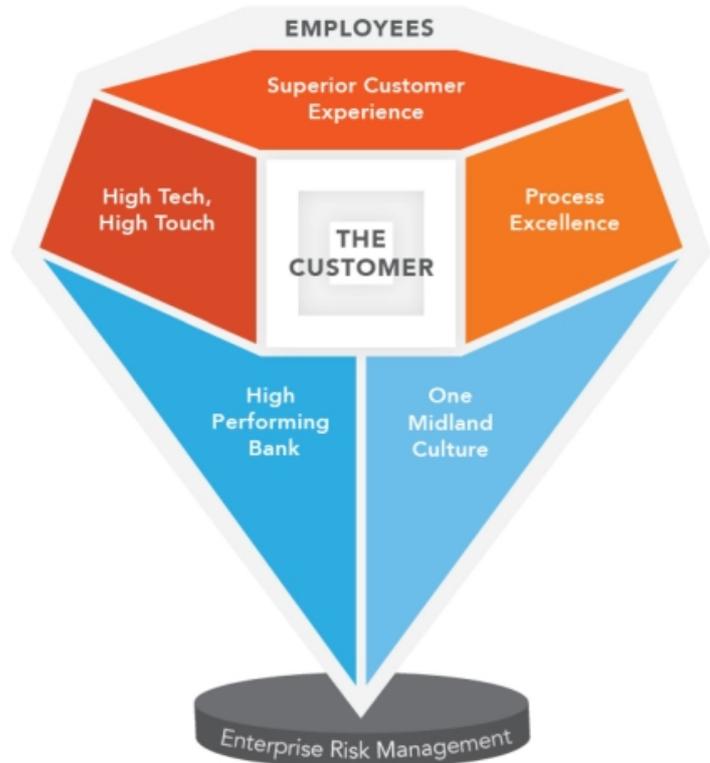
We are a community bank focused on developing deep customer relationships and building strong communities.

OUR MISSION

Providing a superior experience to enrich our customer's financial journey

OUR VISION

We are one bank, committed to cohesive teamwork that prioritizes team success over individual gains.





Operating Model

Key Business Units

(dollars in millions, as of 9/30/24)

Business Unit	Community Bank					Midland Equipment Finance	Other	Total
	Eastern Region	Northern Region	Southern Region	St. Louis Region	Wealth Management			
Branches	16	17	9	11				53
Loans & Leases	\$903	\$731	\$695	\$850		\$860	\$2,613	\$5,749
Deposits	\$1,346	\$2,003	\$635	\$446	\$332		\$1,495	\$6,257
Assets Under Management					\$4,269			\$4,269
Head Count	109	150	57	56	84	35	416	907



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



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



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



Jeremy A. Jameson

Chief Credit Officer

- 20+ years in banking and credit with a track record of managing clients up to \$100MM and designing comprehensive credit and lending strategies
- Administers credit policy, credit risk management, and loan origination systems
- Joined Midland in 2024



Daniel E. Casey

Chief Risk Officer

- 30+ years in risk and investment management
- Administers enterprise risk management functions including compliance management, loan review, internal audit and other fiduciary safeguards
- Joined Midland in 2023



Investment Summary and Strategic Initiatives

- **Profitable growth and improved efficiencies resulting in higher EPS and increased returns over the past few years**
- **Strengthened commercial banking team and increased presence in faster growing markets driving high quality in-market loan production and consistent inflows of new commercial deposits**
- **Wealth Management business focused on more effectively capitalizing on cross-selling opportunities and increasing organic growth rate**
- **More conservative approach to new loan production adopted in light of current environment until economic conditions improve**
- **Well positioned to capitalize on the current environment to add new commercial and retail deposit relationships**
- **Banking-as-a-Service foundation being developed and expected to start making a contribution in 2025**



Successful Execution of Strategic Plan...

Total Assets

(at period-end in billions)



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: Centru Financial (\$990)
2018: Alpine Bancorp (\$1,243)	2019: HomeStar Financial Group (\$366)





...Leads to Creation of Shareholder Value

23 Consecutive Years of Dividend Increases

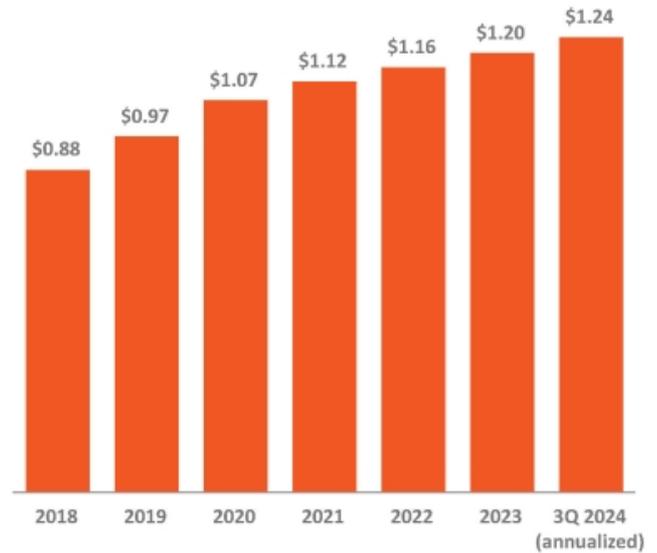
Tangible Book Value Per Share⁽¹⁾

TBV/Share ex. AOCI CAGR: 7.4%



Dividends Declared Per Share

CAGR: 5.0%



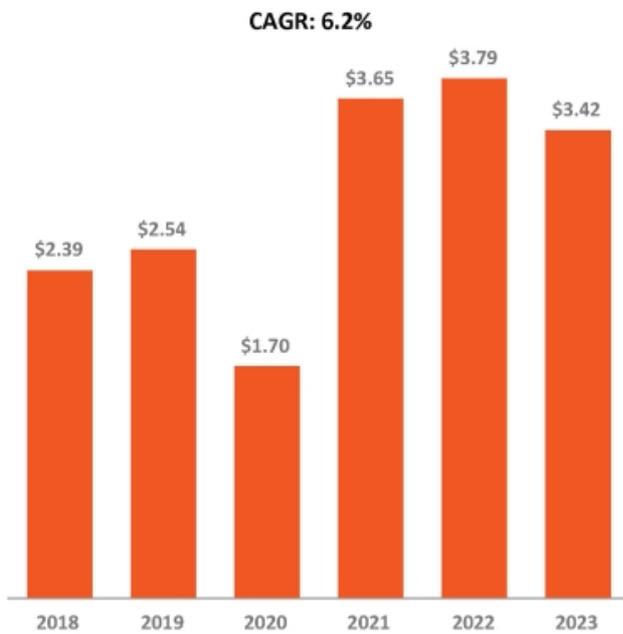
Notes:

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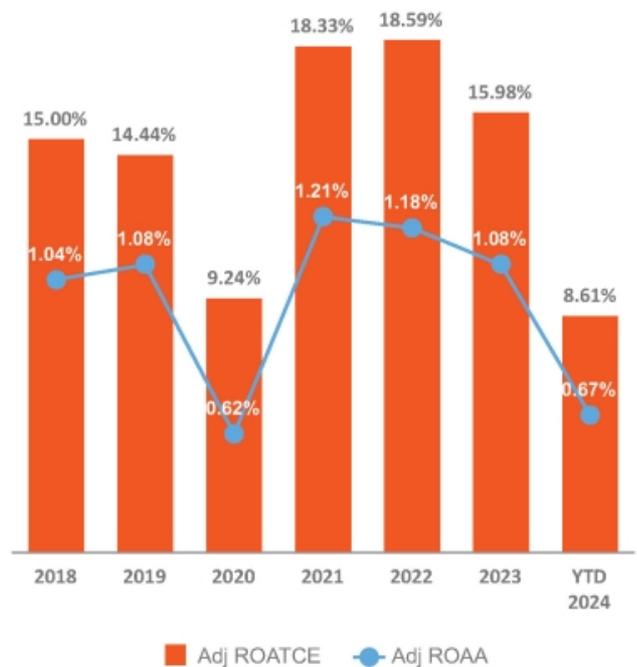


...And Increased Profitability

Adjusted Diluted EPS⁽¹⁾



Adjusted ROATCE⁽¹⁾ & ROAA⁽¹⁾



■ Adj ROATCE ● Adj ROAA

Notes:

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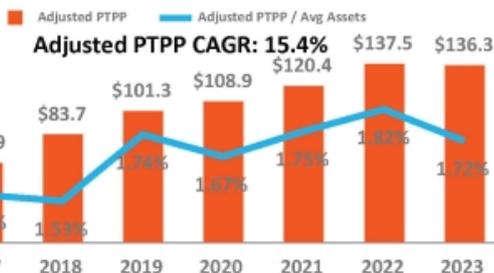


Strategic Initiatives Strengthening Franchise

...Have Produced Improved Growth and Profitability

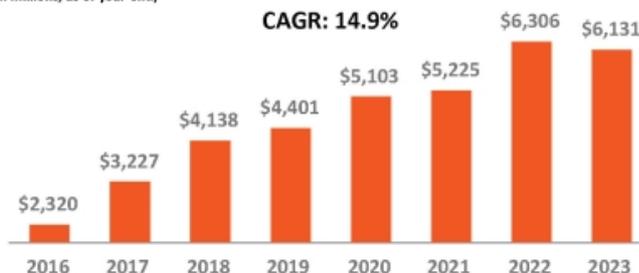
Adjusted Pre-Tax Pre-Provision Earnings⁽¹⁾

(in millions)

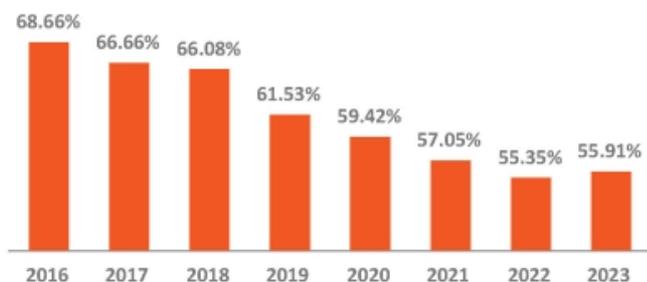


Total Loans

(in millions, as of year-end)



Efficiency Ratio⁽¹⁾



Wealth Management Revenue

(in millions)



Notes:

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



High Tech High Touch - 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 (2022) 	Commercial Online Account Opening (2021) 		
	Near real time payments (2021) 		Integrated Payables – Payments (2021) 	
	Online loan Origination (2021) 	Commercial Relationship pricing optimization engine (2022) 		Online Access and Portal (2023)
	Consumer online account opening (2020) 	SBA Loan Portal (2021) 	SBB Loan Portal (2023) 	
	Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020)			
	CRM deployed to employees with rich view of the customer, automated leads, and single view of pipelines for executive team (2020)			
	Retail Banking Needs Navigator & Customer Incentive Programs (2020) 	Self service loan portal and treasury on-boarding (2021) 		Trust Platform (2024)
	Five9 Customer Care (2023) 		Mozaik(MSB Salesforce) Omnichannel Account Opening (2024)	RIA Platform (2023)
	Mozaik(MSB Salesforce) Omnichannel Account Opening (2024)			Wealth Access (2024)
	Extole Customer Referral Program (2024)			Unified Wealth & Consumer Online/Mobile Platform (2024)
Foundational	Fintech Partnerships Established Canapi Fund, Alloy, Blend, Plaid, GreenSky, JAM/FINTOP Fund, Informatica 			
	CX Platform Customer Feedback (2020, 2021) 			
	Artificial Intelligence (2020, 2021) 200+ RPA "bots" deployed in the last 18 months, AI based solutions applied in Risk Management, Mortgage Operations (2021), and Cyber Security (UEBA), Add Microsoft Co-Pilot & OpenAI Partnerships (2024)			
	Silo-elimination and 360 view of customer (2020) All sales teams on single sales platform using same 360 view of customer, Five 9 & Salesforce Customer Service Platform (2023), Self Service IVR (2024), Salesforce Integrated Customer Service and Operations Case Management (2024)			
	Website Relaunch (2024)			
	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 (53 FTE) Chief Digital Officer, Director – Strategic Transformation, Director – Strategic Engineering & Development, Director – Banking as a Service, Lead Engineer API Development, Senior Manager – Digital Marketing, Manager – Customer Experience, Board Member – Digital Expertise, Web Development, Fintech Onboarding & Oversight				



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

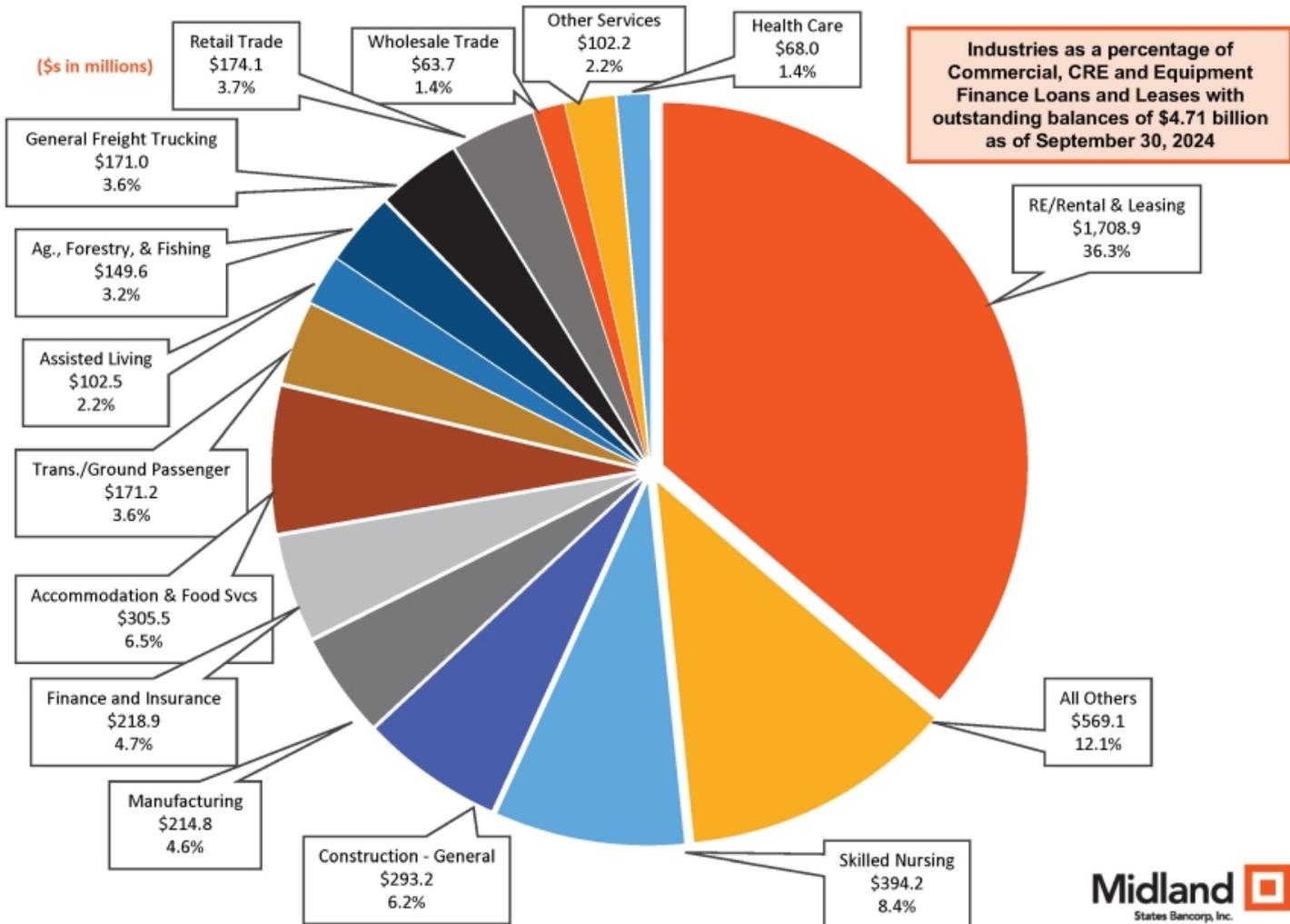


Loan Portfolio and Asset Quality



Commercial Loans and Leases by Industry

(\$s in millions)



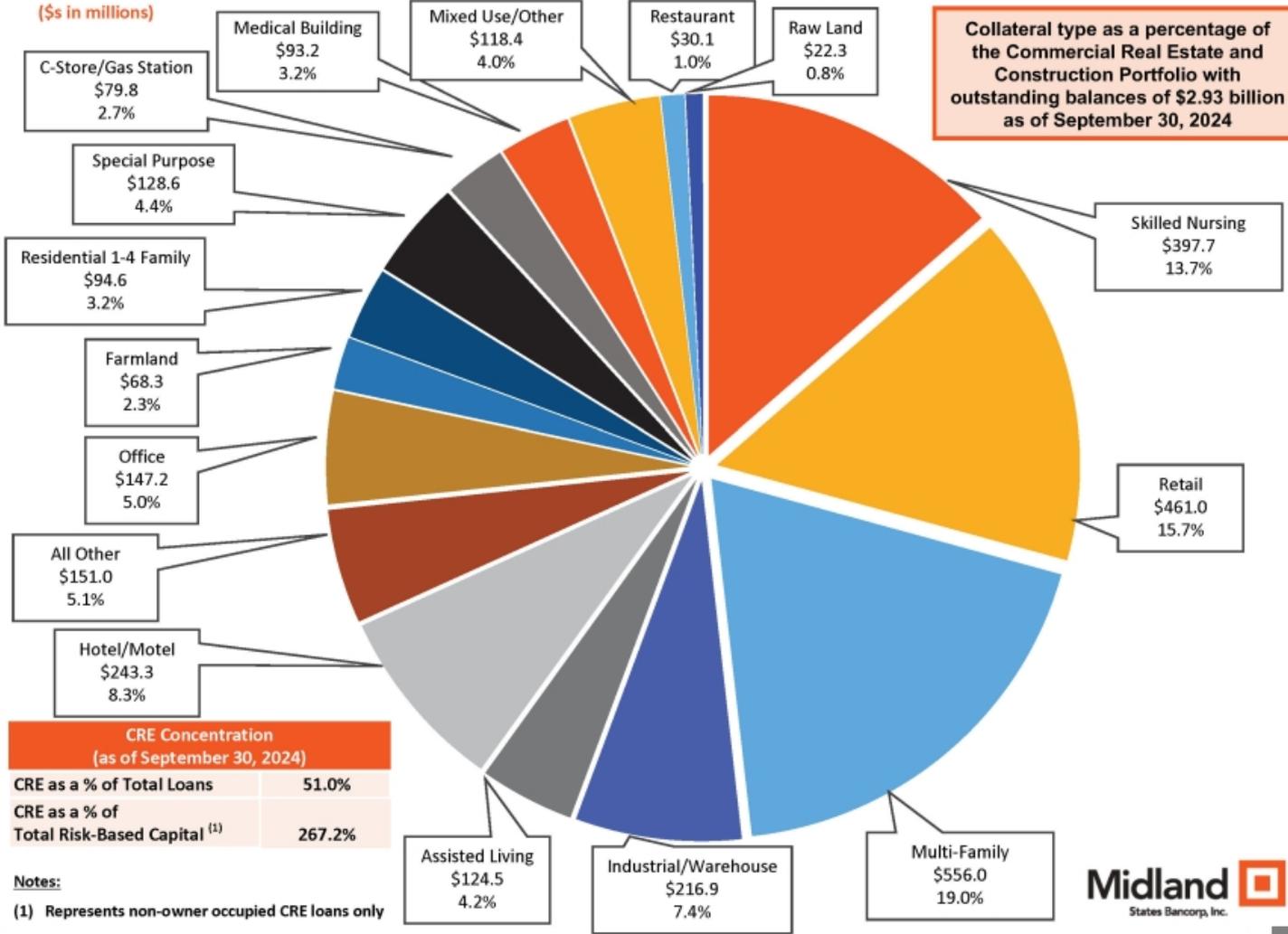
Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of \$4.71 billion as of September 30, 2024



Commercial Real Estate Portfolio by Collateral Type

(\$s in millions)

Collateral type as a percentage of the Commercial Real Estate and Construction Portfolio with outstanding balances of \$2.93 billion as of September 30, 2024



CRE Concentration (as of September 30, 2024)	
CRE as a % of Total Loans	51.0%
CRE as a % of Total Risk-Based Capital ⁽¹⁾	267.2%

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





Commercial Loan Growth

More conservative approach to new loan production in light of economic uncertainty has impacted production levels since mid-2022

- 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
- New commercial loan production to be funded by planned reduction in consumer portfolio

Commercial and CRE Loan Production

(in millions)





Midland Equipment Finance Portfolio Overview

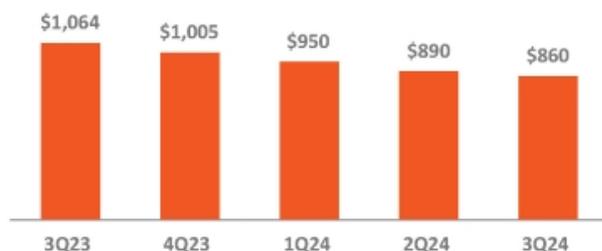
Portfolio Characteristics (as of September 30, 2024)

Nationwide portfolio providing financing solutions to equipment vendors and end-users

Total Outstanding Loans and Leases	\$860.1 million (15.0% of total loans)
Number of Loans and Leases	8,161
Average Loan/Lease Size	\$116,401
Largest Loan/Lease	\$2.9 million
Weighted Average Rate	6.47%
Representative Industries Served	Manufacturing, General Freight Trucking, Construction, Transit and Ground Passenger

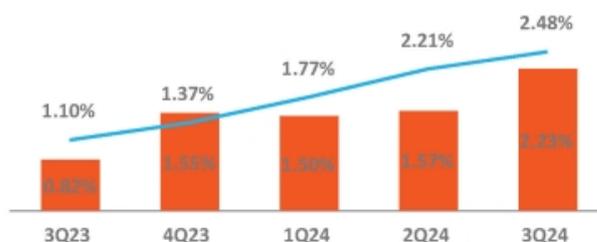
Equipment Finance Outstanding Balances

(in millions)



NCOs/Avg Loans & Non Accruals/Qtr end Loans

■ NCOs/Avg Loans — NA/Qtr end Loans



Note: New production being limited in order to reduce portfolio as a percentage of total loans





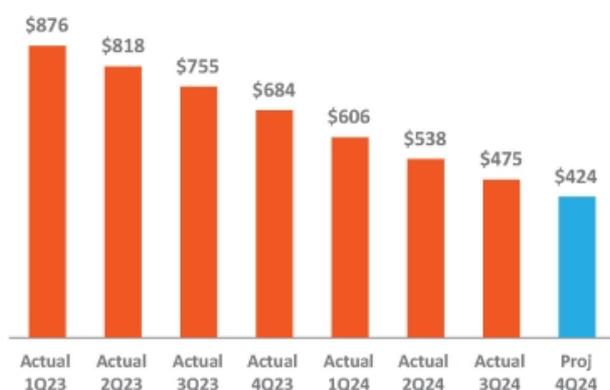
GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of September 30, 2024)

Total Outstanding	\$475.3 million (8.3% of total loans)
Weighted Average Rate	5.70%
Number of Active Loans	36,347
Average Loan Size	\$14,811
Average FICO Score	773

Projected GreenSky Balances

(in millions)



Plan with GreenSky to Wind Down Portfolio

- Notice provided to officially terminate the GreenSky program in October 2023
- Reduced loan originations
- Projected portfolio reduction to \$424 million by EOY 2024
- Decrease in portfolio to improve liquidity and capital
- Escrow deposits
 - Escrow deposits absorb losses in excess of cash flow waterfall
 - Escrow account totaled \$17.2 million at 9/30/24 or 3.6% of the portfolio



LendingPoint Loan Portfolio Overview

Portfolio Characteristics (as of September 30, 2024)

Total Outstanding	\$96.5 million (1.8% of total loans)
Weighted Average Rate	5.45%
Number of Active Loans	8,088
Average Loan Size	\$11,931
Average FICO Score	739
Reserves in ACL	\$8.3 million

Projected LendingPoint Balances



Plan with LendingPoint to Wind Down Portfolio

- Notice provided to stop new originations in the LendingPoint program in Oct. 2023
- Projected portfolio reduction to \$80 million by EOY 2024
- Declining credit quality and servicing issues creating shortage in cash flow waterfall and escrows
- Reserves in ACL for \$8.3 million as of September 30, 2024
- Recognized a \$6.2 million charge-off in the current quarter



Asset Quality

- Nonperforming loans increased from prior quarter
- Net charge-offs to average loans was 0.78% driven by equipment finance and \$6.2 million of charge offs in the Lending Point portfolio
- General stability in asset quality resulted in lower provision for credit losses than prior quarter with ACL/Total Loans of 1.49%
- Taking steps to improve asset quality through focus on relationship lending and tighter credit standards

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



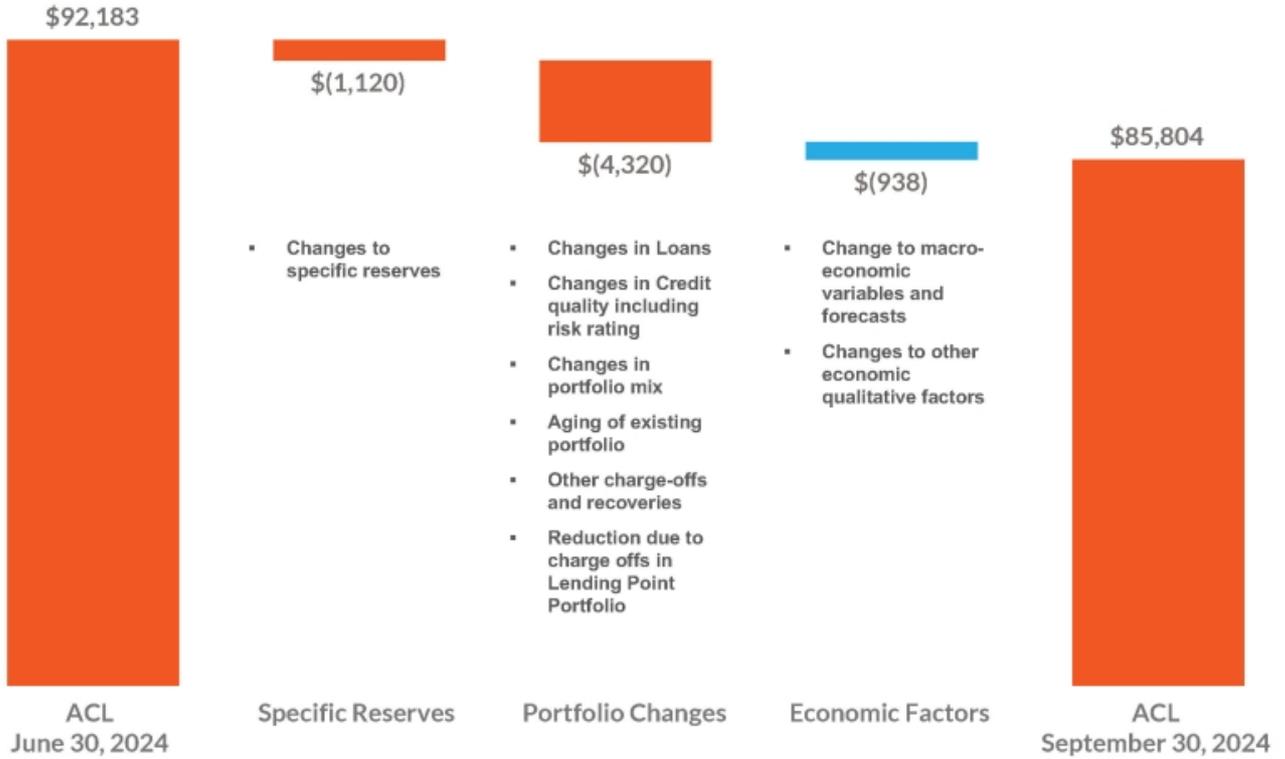
NCO / Average Loans





Changes in Allowance for Credit Losses

(\$ in thousands)





ACL by Portfolio

(\$ in thousands)

September 30, 2024

June 30, 2024

Portfolio	Loans	ACL	% of Total Loans	Loans	ACL	% of Total Loans
Commercial	\$ 797,318	\$ 9,263	1.16 %	\$ 829,888	\$ 8,821	1.06 %
Commercial Other	559,354	14,844	2.65 %	570,979	15,426	2.70 %
Equipment Finance Loans	442,552	11,236	2.54 %	461,409	11,839	2.57 %
Equipment Finance Leases	417,531	13,724	3.29 %	428,659	13,288	3.10 %
CRE non-owner occupied	1,630,930	13,623	0.84 %	1,621,102	13,949	0.86 %
CRE owner occupied	455,101	5,017	1.10 %	438,117	5,286	1.21 %
Multi-family	355,988	3,619	1.02 %	293,863	2,636	0.90 %
Farmland	68,453	269	0.39 %	68,423	326	0.48 %
Construction and Land Development	422,253	12,061	2.86 %	476,528	12,966	2.72 %
Residential RE First Lien	315,634	4,738	1.50 %	315,039	4,616	1.47 %
Other Residential	63,023	614	0.97 %	63,354	577	0.91 %
Consumer	90,626	531	0.59 %	94,763	499	0.53 %
Consumer Other ⁽¹⁾	572,608	7,501	1.31 %	651,279	13,793	2.12 %
Total Loans	5,748,819	85,804	1.49 %	5,851,994	92,183	1.58 %
Loans (excluding BaaS portfolio ⁽¹⁾ and warehouse lines)	5,048,243	74,715	1.48 %	5,125,723	74,815	1.46 %

Notes:

(1) Primarily consists of loans originated through GreenSky and LendingPoint relationships



Recent Financial Trends



Overview of 3Q24

Financial Performance

- Net income available to common shareholders of \$16.2 million, or \$0.74 diluted EPS
- Pre-tax, pre-provision earnings⁽¹⁾ of \$27.5 million
- Strong noninterest income of \$19.3 million
- Net interest margin stable at 3.10%

Continued Success in Balance Sheet Management Strategies

- Tangible book value per share increased 6.6% to \$24.90 from prior quarter.
- Increase in capital ratios with CET1 increasing 36 bps to 9.00%
- Increased liquidity with reduction in loan-to-deposit ratio
- Runoff in non-core loan portfolios funding new loan production and purchase of higher-yielding investment securities

Successfully Growing Community Bank

- Another good quarter of business development in community bank with full banking relationships added with high quality in-market clients
- Community bank loans increased \$45 million during 3Q24, offset by intentional reduction of equipment finance and consumer portfolios
- Loan portfolio continues to shift towards core in-market C&I and CRE loans resulting in higher quality loan portfolio

Continued Investments in Talent and Technology

- Strength of franchise allowing Midland to continue attracting high quality banking talent
- New technology platform in Wealth Management will enhance ability to cross-sell to community bank clients
- New talent and technology investments expected to drive profitable growth and further enhance the value of Midland franchise

Notes:

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



Loan Portfolio

- Total loans decreased \$103.2 million from prior quarter to \$5.75 billion
- Decrease primarily driven by decline in equipment finance portfolio of \$30.0 million and continued runoff of GreenSky portfolio of \$63.0 million
- Decrease in non-core portfolios partially offset by new loan production from high quality commercial clients that provide full banking relationships
- Investments made to increase business development efforts in St. Louis resulted in total loans increasing at an annualized rate of 12% during 3Q24 in this market
- Runoff from GreenSky portfolio rotated into investment portfolio

Loan Portfolio Mix

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Commercial loans and leases	\$ 1,775	\$ 1,829	\$ 2,057
Commercial real estate	2,510	2,422	2,412
Construction and land development	422	477	417
Residential real estate	379	378	375
Consumer	663	746	1,020
Total Loans	\$ 5,749	\$ 5,852	\$ 6,281
Total Loans ex. Commercial FHA Lines	\$ 5,699	\$ 5,852	\$ 6,232

Total Loans and Average Loan Yield





Loan Segments

- Total loans in our Community Bank increased \$45 million from prior quarter to \$3.18 billion
- Loans in St. Louis region increased \$25 million or 12% annualized in 3Q24
- Focused on core, in-market loan relationships
- Continuing to add talent in faster growing markets to drive quality loan relationships and commercial deposits

Loan Portfolio Segments

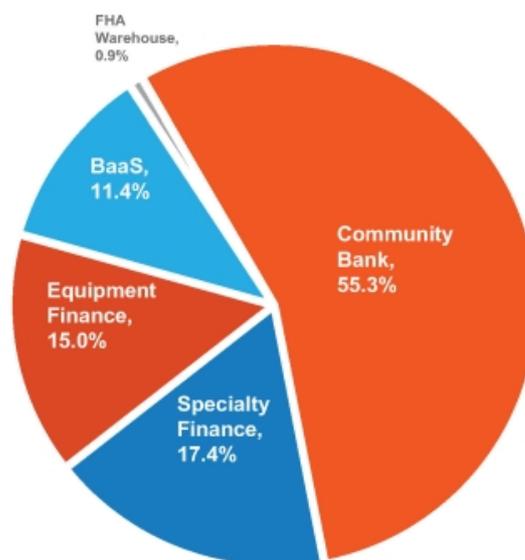
(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Regions:			
Eastern	\$ 903	\$ 884	\$ 853
Northern	731	725	708
Southern	695	700	702
St. Louis	850	825	704
Community Bank	\$ 3,179	\$ 3,134	\$ 2,967
Other:			
FHA Warehouse Line	\$ 50	\$ —	\$ 49
Specialty Finance	\$ 1,003	\$ 1,093	\$ 1,194
Equipment Finance	860	890	1,064
BaaS ⁽¹⁾	657	735	1,007
Total Loans	\$ 5,749	\$ 5,852	\$ 6,281

Notes:

(1) Includes loans originated through Greensky and LendingPoint relationships

Loan Segment Mix





Total Deposits

- Total deposits increased \$138.8 million from end of prior quarter, primarily due to increases in brokered time
- Average balances of non-interest bearing demand deposits declined \$57 million compared to prior quarter primarily due to seasonal outflows and lower average balances
- Brokered time deposits increased \$138.0 million from prior quarter as rates provided lower cost of funds than other wholesale borrowings, which were reduced following addition of brokered time deposits

Deposit Mix

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Noninterest-bearing demand	\$ 1,051	\$ 1,109	\$ 1,155
Interest-bearing:			
Checking	2,390	2,344	2,572
Money market	1,187	1,144	1,091
Savings	510	538	582
Time	849	852	886
Brokered time	270	131	119
Total Deposits	\$ 6,257	\$ 6,118	\$ 6,405

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



■ Total Deposits ● Cost of Deposits

Midland
States Bancorp, Inc.



Deposit Summary

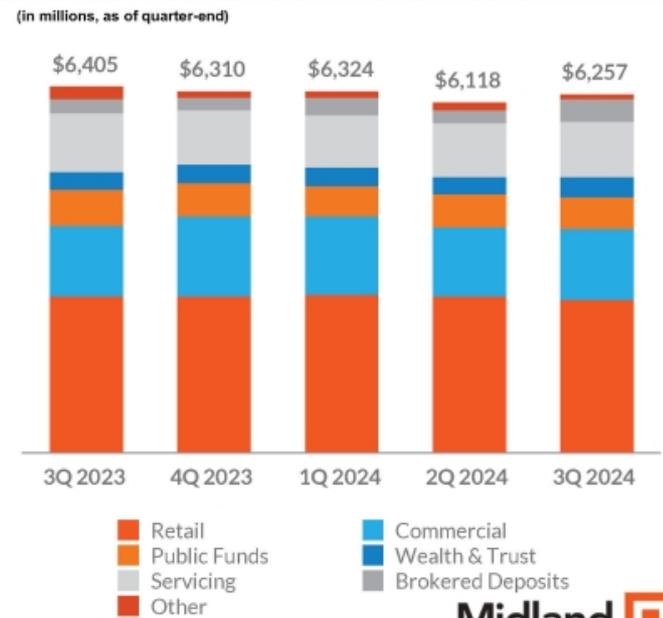
- Deposits excluding brokered remained relatively stable from prior quarter
- Total brokered deposits increased \$152 million in 3Q24
- Interest rates will decrease for servicing and brokered deposits reducing pressure on cost of funds

Deposits by Channel

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Retail	\$ 2,695	\$ 2,742	\$ 2,756
Commercial	1,219	1,217	1,231
Public Funds	574	569	615
Wealth & Trust	332	299	318
Servicing	959	932	1,020
Brokered Deposits	391	239	228
Other	87	120	237
Total Deposits	\$ 6,257	\$ 6,118	\$ 6,405

Trend of Deposit Channel Mix



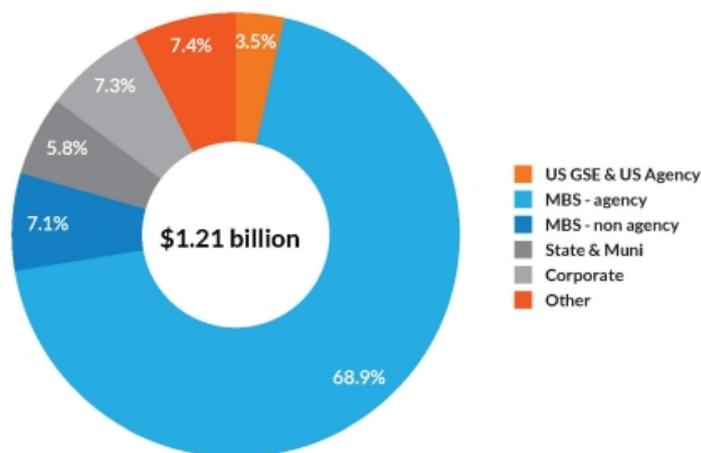


Investment Portfolio

As of September 30, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.71% for 3Q24
Average Duration is 4.87 years
- Purchased \$163 million with T/E Yield of 5.10% and sold \$11 million with T/E Yield of 3.85% in 3Q24

Fair Value of Investments by Type

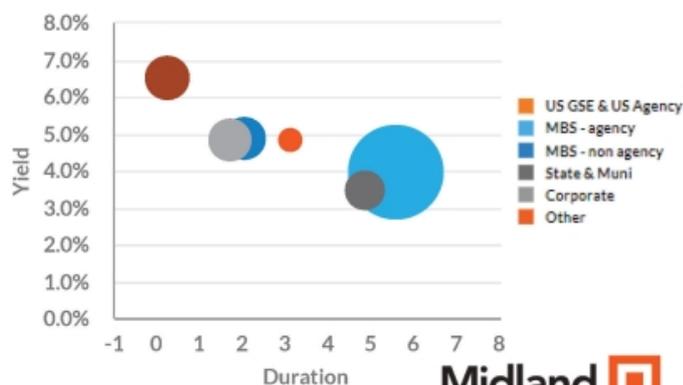


Investment Mix & Unrealized Gain (Loss)

(in millions)

	Fair Value	Book Value	Unrealized Gain (Loss)
US GSE & US Agency	\$ 43	\$ 44	\$ (1)
MBS - agency	835	897	(62)
MBS - non agency	86	87	(1)
State & Municipal	70	75	(5)
Corporate	88	95	(7)
Other	90	90	—
Total Investments	\$ 1,212	\$ 1,288	\$ (76)

Investments by Yield and Duration





Net Interest Income/Margin

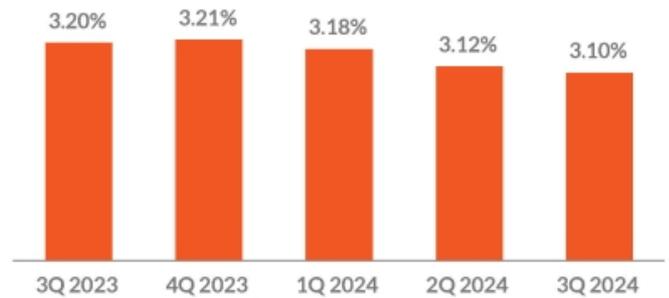
- Net interest income down slightly from prior quarter due to higher interest-bearing deposit rates and average short-term borrowings
- Net interest margin decreased 2 bp to 3.10% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets
- Average rate on new and renewed loan originations was 7.82% in 3Q24 and higher than average rates on loan payoffs making them accretive to net interest margin
- Deposit rates starting to decline following Fed rate cuts and expected to positively impact net interest margin in 2025

Net Interest Income

(In millions)



Net Interest Margin





Loans & Securities - Repricing and Maturity

Total Loans and Leases (net of unearned income)⁽¹⁾

(in millions)

As of September 30, 2024

	Repricing Term							Total	Rate Structure		
	3 mos or less	3-12 mos	1-3 years	3-5 years	5-10 years	10-15 years	Over 15 years		Floating Rate	Adjustable Rate	Fixed Rate
Commercial loans and leases	\$ 722	\$ 275	\$ 537	\$ 197	\$ 30	\$ 5	\$ 8	\$1,774	\$ 557	\$ 78	\$ 1,139
Commercial real estate	862	361	769	362	142	14	1	2,511	601	235	1,675
Construction and land	291	44	76	10	1	—	—	422	233	31	158
Residential real estate	74	56	85	67	74	19	4	379	54	109	216
Consumer	132	196	235	85	15	—	—	663	83	—	580
Total	\$2,081	\$ 932	\$1,702	\$ 721	\$ 262	\$ 38	\$ 13	\$5,749	\$ 1,528	\$ 453	\$ 3,768
% of Total	35 %	16 %	30 %	13 %	5 %	1 %	— %	100 %	27 %	8 %	65 %
Weighted Average Rate	7.14 %	5.63 %	5.19 %	5.73 %	4.62 %	4.10 %	3.84 %	6.00 %	7.83 %	4.96 %	5.40 %

Investment Securities Available for Sale⁽²⁾

(in millions)

As of September 30, 2024

	Maturity & Projected Cash Flow Distribution					Total
	1 year or less	1-3 years	3-5 years	5-10 years	Over 10 years	
Amortized Cost	\$ 189	\$ 187	\$ 214	\$ 331	\$ 367	\$ 1,288
% of Total	15 %	14 %	17 %	26 %	28 %	100 %

Notes:

- (1) Based on projected principal payments for all loans plus the next reset for floating and adjustable rate loans and the maturity date of fixed rate loans.
 (2) Projected principal cash flows for securities. Differences between amortized cost and total principal are included in Over 10 years.



Wealth Management

- Assets under administration increased \$273 million mainly due to \$178 million in new assets and market performance
- Wealth Management fees increased due to higher AUA and net new accounts
- New technology that integrates Wealth Management data into mobile banking app that is expected to positively impact cross-selling to community bank clients
- Continual hiring of wealth advisors positively impacting new business development

Assets Under Administration

(in millions)



Wealth Management Revenue

(in millions)



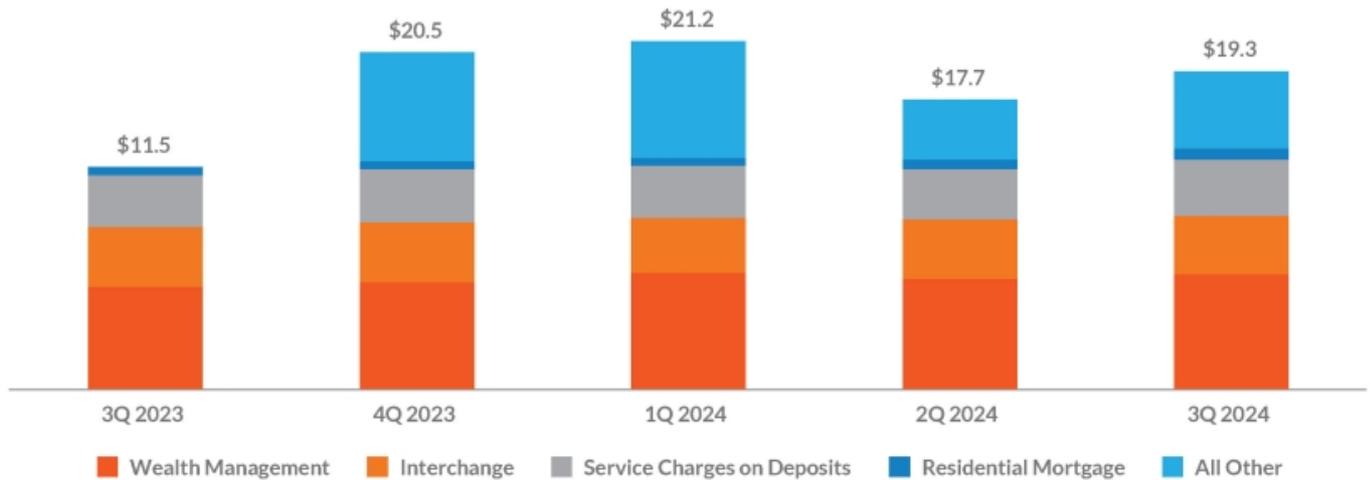


Noninterest Income

- Noninterest income increased from prior quarter primarily due to higher Wealth Management revenue resulting from increased AUA and higher deposit service charges
- 3Q24 noninterest income includes \$0.2 million gain on sale of SBA loans and \$0.4 million of earnings on limited partnership investments
- Other income negatively impacted by losses on sale of repossessed and other equipment of \$0.2 million in current quarter
- Fee income expected to be \$18.0 - \$18.5 million in the near-term quarters

Noninterest Income

(In millions)

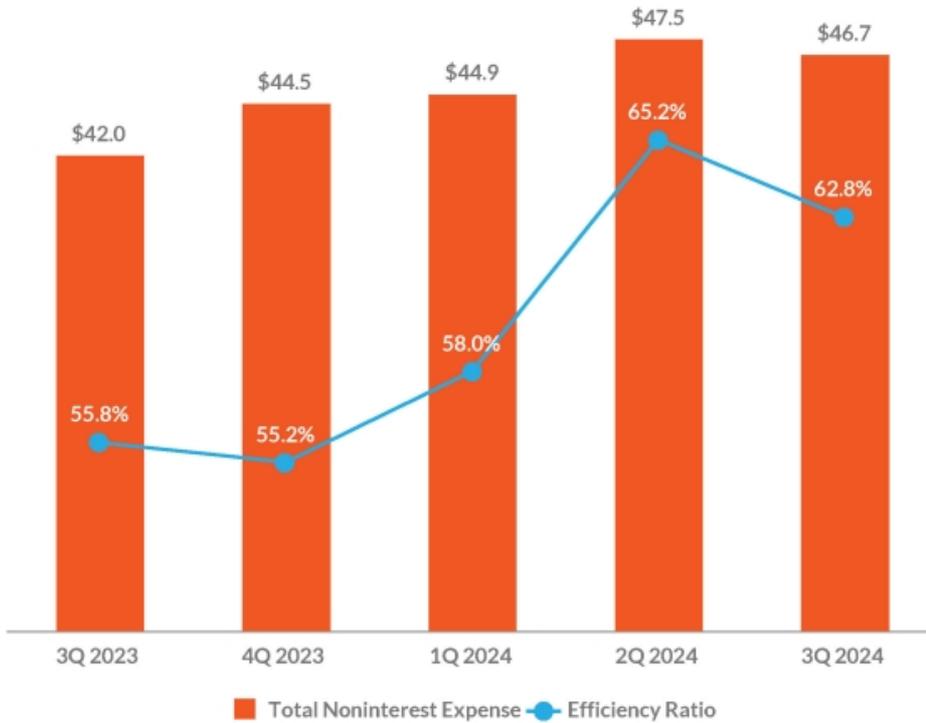




Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio ⁽¹⁾

(Noninterest expense in millions)



- Efficiency Ratio ⁽¹⁾ was 62.8% in 3Q 2024 vs. 65.2% in 2Q 2024
- Compensation and benefits increased \$1.5 million due to new staff additions and incentive compensation
- Other expenses decreased \$2.0 million as prior quarter included a \$3.0 million accrual for legal action offset by increases in loan collection and continued OREO expenses in the current quarter
- Near-term operating expense run-rate expected to be approximately \$45.5 - \$46.5 million

Notes:

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

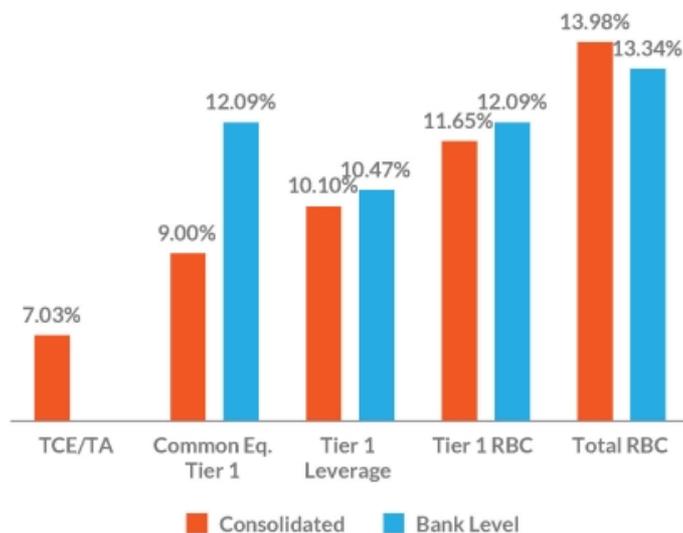


Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 9.00% from 7.77% at December 31, 2022 with limited buybacks below TBV
- Internal capital generated from strong profitability and slower balance sheet growth expected to raise TCE ratio to 7.00%-7.75% by the end of 2024
- Capital actions and strong profitability expected to enable MSBI to raise capital ratios while maintaining current dividend payout

Capital Ratios (as of September 30, 2024)





Building Capital

- CET1 Increased 60 bps to 9.00% from 4Q23 despite credit headwinds
- Balance sheet and capital strategy reduced risk weighted assets \$367 million from 4Q23
- Support organic growth needs of new and existing core relationships
- Opportunistic share repurchases at or below TBV and continuing 23-year track record of increasing the dividend on an annual basis while continuing to improve capital
- Targeted CET1 ratio of 10.00% by end of 2025

Annual - 2023



Year to Date - 3Q24





Outlook



2024 Outlook and Priorities

- Well positioned with increased levels of capital, liquidity, and reserves
- Continuing to focus on improving credit quality through core relationship lending and tightened credit
- Prudent risk management will remain top priority while economic uncertainty remains with business development efforts focused on adding new commercial and retail deposit relationships throughout our markets
- Capitalizing on market disruption resulting from M&A to add new clients and banking talent
- Prudent balance sheet management and earnings should lead to further increases in capital ratios
- Loan pipeline remains steady and new loan production within the community bank will continue to partially offset the runoff from the GreenSky portfolio and continued intentional reduction of the equipment finance portfolio
- Well positioned to benefit from lower interest rates with lower funding costs expected to lead to expanded net interest margin
- Positive trends in key areas should lead to consistent level of profitability
 - * Continued disciplined expense management while making investments in the business to increase market share, add clients, and generate profitable growth in the future
 - * Wealth Management revenue trending higher due to contributions of new advisors
 - * BaaS initiative continuing to seek high quality FinTech partners



Long-Term Formula for Enhancing Shareholder Value





APPENDIX





ESG: A Framework for Sustainability

Environmental

Facilities

- We have installed solar power in 22 Midland locations.
- Our corporate headquarters, built in 2011, is LEED (Silver) Certified.
- We have made more than \$50 million of credit available for residential and commercial solar projects since 2011.

Paper Reduction

- More than 50% of our customers use paperless statements and we have had a paper elimination program in place since 2010.

Social

Community Impact

- 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 200 community organizations to ensure we address the needs of each of our markets in the areas of lending, investments, philanthropy, products, community engagement, and inclusion.
- The Midland Institute CEO program, a unique year-long program designed to teach entrepreneurship to high school students, was created in 2010. As of 2023, 70 programs serving 330 schools 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 68% of participants have been women or minority employees.
- In April 2020, Midland established the Diversity & Inclusion Council. This council, now known as the Council of Belonging, continues to actively contribute to our Company culture, reinforcing our commitment to diversity, inclusion and belonging for all employees.
- Midland offers employees paid time off to contribute their time and talents to recognized charities, causes, or not-for-profit community organizations.

Philanthropy

- Since its creation in 2011, the Midland States Bank Foundation has contributed more than \$1.8 million to non-profit organizations throughout Midland's footprint. The Foundation seeks to align contributions with Midland's Community Impact focus: education, work force development, financial empowerment, housing, small business development and health & wellness. Priority is given to programs or organizations that focus on low- to moderate-income populations.

Financial Education

- In 2023, we provided over 600 volunteer hours specific to financial empowerment seminars in our communities.
- Since 2015 we have held more than 450 financial literacy seminars benefiting low to moderate income or minority neighborhoods in our footprint.

CRA, Community Development and Financial Inclusion

- Through our Believable Banking® Residential Mortgage and Home Improvement programs we have made \$123.5 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

Reputation and Ethics

- Midland States Bank was one of the first in the nation to have a woman on its board (1903).
- Our board includes female, Hispanic and African American representation and has since before becoming a publicly traded company in 2016.
- Our Code of Business Conduct and Ethics is available at investors.midlandsb.com.

Oversight of Strategy and Risk

- 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.

Data Security

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

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

Tangible Book Value Per Share

(dollars in thousands, except per share data)

Shareholders' Equity to Tangible Common Equity

	For the Year Ended					
	2018	2019	2020	2021	2022	2023
Total shareholders' equity—GAAP	\$ 608,525	\$ 661,911	\$ 621,391	\$ 663,837	\$ 758,574	\$ 791,853
Adjustments:						
Preferred Stock	(2,781)	—	—	—	(110,548)	(110,548)
Goodwill	(164,673)	(171,758)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(37,376)	(34,886)	(28,382)	(24,374)	(20,866)	(16,108)
Tangible common equity	403,695	455,267	431,105	477,559	465,256	503,293
Less: Accumulated other comprehensive income (AOCI)	(2,108)	7,442	11,431	5,237	(83,797)	(76,753)
Tangible common equity excluding AOCI	<u>\$ 405,803</u>	<u>\$ 447,825</u>	<u>\$ 419,674</u>	<u>\$ 472,322</u>	<u>\$ 549,053</u>	<u>\$ 580,046</u>
Common Shares Outstanding	23,751,798	24,420,345	22,325,471	22,050,537	22,214,913	21,551,402
Tangible Book Value Per Share	\$ 17.00	\$ 18.64	\$ 19.31	\$ 21.66	\$ 20.94	\$ 23.35
<i>Tangible Book Value Per Share excluding AOCI</i>	\$ 17.09	\$ 18.34	\$ 18.80	\$ 21.42	\$ 24.72	\$ 26.91

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

Adjusted Earnings Reconciliation

	For The Year Ended					
	2018	2019	2020	2021	2022	2023
<i>(dollars in thousands, except per share data)</i>						
Income before income taxes - GAAP	\$ 50,805	\$ 72,471	\$ 32,014	\$ 99,112	\$ 129,838	\$ 107,573
Adjustments to noninterest income:						
(Gain) loss on sales of investment securities, net	(464)	(674)	(1,721)	(537)	230	9,372
(Gain) on termination of hedged interest rate swaps	—	—	—	(2,159)	(17,531)	—
(Gain) on sale of Visa B shares	—	—	—	—	—	(1,098)
(Gain) on repurchase of subordinated debt	—	—	—	—	—	(676)
Other income	(89)	29	17	(48)	—	—
Total adjustments to noninterest income	(553)	(645)	(1,704)	(2,744)	(17,301)	7,598
Adjustments to noninterest expense:						
Impairment related to facilities optimization	—	(3,577)	(12,847)	—	—	—
(Loss) gain on mortgage servicing rights held for sale	(458)	490	(1,692)	(222)	(3,250)	—
FHLB advances prepayment fees	—	—	(4,872)	(8,536)	—	—
Loss on repurchase of subordinated debt	—	(1,778)	(193)	—	—	—
Integration and acquisition expenses	(24,015)	(5,493)	(2,309)	(4,356)	(347)	—
Total adjustments to noninterest expense	(24,473)	(10,358)	(21,913)	(13,114)	(3,597)	—
Adjusted earnings pre tax - non-GAAP	74,725	82,184	52,223	109,482	116,134	115,171
Adjusted earnings tax	17,962	19,358	12,040	26,261	27,113	29,682
Adjusted earnings - non-GAAP	56,763	62,826	40,183	83,221	89,021	85,489
Preferred stock dividends, net	141	46	—	—	3,169	8,913
Adjusted earnings available to common shareholders	\$ 56,622	\$ 62,780	\$ 40,183	\$ 83,221	\$ 85,852	\$ 76,576
Adjusted diluted earnings per common share	\$ 2.39	\$ 2.54	\$ 1.70	\$ 3.65	\$ 3.79	\$ 3.42
Adjusted return on average assets	1.04 %	1.08 %	0.62 %	1.21 %	1.18 %	1.08 %
Adjusted return on average tangible common equity	15.00 %	14.44 %	9.24 %	18.33 %	18.59 %	15.98 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For The Year Ended					
	2018	2019	2020	2021	2022	2023
<i>(dollars in thousands)</i>						
Adjusted earnings pre tax - non-GAAP	\$ 74,725	\$ 82,184	\$ 52,223	\$ 109,482	\$ 116,134	\$ 115,171
Provision for credit losses	9,430	16,985	44,361	3,393	20,126	21,132
Impairment on commercial mortgage servicing rights	(450)	2,139	12,337	7,532	1,263	—
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 83,705	\$ 101,308	\$ 108,921	\$ 120,407	\$ 137,523	\$ 136,303
Adjusted pre-tax, pre-provision return on average assets	1.53 %	1.74 %	1.67 %	1.75 %	1.82 %	1.72 %

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

Efficiency Ratio Reconciliation

	For the Year Ended							
	2016	2017	2018	2019	2020	2021	2022	2023
<i>(dollars in thousands)</i>								
Noninterest expense - GAAP	\$ 121,289	\$ 152,997	\$ 191,643	\$ 175,641	\$ 184,010	\$ 175,069	\$ 175,662	\$ 173,902
Adjustments to noninterest expense:								
Impairment related to facilities optimization	(2,099)	(1,952)	—	(3,577)	(12,847)	—	—	—
(Loss) gain on mortgage servicing rights held for sale	—	(4,059)	(458)	490	(1,692)	(222)	(3,250)	—
FHLB advances prepayment fees	—	—	—	—	(4,872)	(8,536)	—	—
Loss on repurchase of subordinated debt	(511)	—	—	(1,778)	(193)	—	—	—
Net expense from FDIC loss share termination agreement	(351)	—	—	—	—	—	—	—
Integration and acquisition expenses	(2,343)	(17,738)	(24,015)	(5,493)	(2,309)	(4,356)	(347)	—
Adjusted noninterest expense	<u>\$ 115,985</u>	<u>\$ 129,248</u>	<u>\$ 167,170</u>	<u>\$ 165,283</u>	<u>\$ 162,097</u>	<u>\$ 161,955</u>	<u>\$ 172,065</u>	<u>\$ 173,902</u>
Net interest income - GAAP	105,254	129,662	180,087	189,815	199,136	207,675	245,735	236,017
Effect of tax-exempt income	2,579	2,691	2,095	2,045	1,766	1,543	1,283	828
Adjusted net interest income	<u>107,833</u>	<u>132,353</u>	<u>182,182</u>	<u>191,860</u>	<u>200,902</u>	<u>209,218</u>	<u>247,018</u>	<u>236,845</u>
Noninterest income - GAAP	72,057	59,362	71,791	75,282	61,249	69,899	79,891	66,590
Adjustments to noninterest income:								
Impairment (recapture) on commercial mortgage servicing	3,135	2,324	(450)	2,139	12,337	7,532	1,263	—
(Gain) loss on sales of investment securities, net	(14,702)	(222)	(464)	(674)	(1,721)	(537)	230	9,372
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—	(2,159)	(17,531)	—
(Gain) on repurchase of subordinated debt	—	—	—	—	—	—	—	(676)
(Gain) on sale of Visa B shares	—	—	—	—	—	—	—	(1,098)
Other income	608	67	(89)	29	17	(48)	—	—
Adjusted noninterest income	<u>61,098</u>	<u>61,531</u>	<u>70,788</u>	<u>76,776</u>	<u>71,882</u>	<u>74,687</u>	<u>63,853</u>	<u>74,188</u>
Adjusted total revenue	<u>\$ 168,931</u>	<u>\$ 193,884</u>	<u>\$ 252,970</u>	<u>\$ 268,636</u>	<u>\$ 272,784</u>	<u>\$ 283,905</u>	<u>\$ 310,871</u>	<u>\$ 311,033</u>
Efficiency ratio	68.66 %	66.66 %	66.08 %	61.53 %	59.42 %	57.05 %	55.35 %	55.91 %

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

Adjusted Earnings Reconciliation

	For The Quarter Ended					For the Nine Months Ended
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	September 30, 2024
<i>(dollars in thousands, except per share data)</i>						
Income before income taxes - GAAP	\$ 22,556	\$ 8,429	\$ 18,240	\$ 27,152	\$ 22,935	\$ 49,225
Adjustments to noninterest income:						
Loss on sales of investment securities, net	44	152	—	2,894	4,961	196
(Gain) on repurchase of subordinated debt	(77)	(167)	—	—	—	(244)
(Gain) on sale of Visa B shares	—	—	—	(1,098)	—	—
Total adjustments to noninterest income	(33)	(15)	—	1,796	4,961	(48)
Adjusted earnings pre tax - non-GAAP	22,523	8,414	18,240	28,948	27,896	49,177
Adjusted earnings tax	4,071	1,675	4,355	6,927	8,389	10,101
Adjusted earnings - non-GAAP	18,452	6,739	13,885	22,021	19,507	39,076
Preferred stock dividends	2,229	2,228	2,228	2,228	2,229	6,685
Adjusted earnings available to common shareholders	\$ 16,223	\$ 4,511	\$ 11,657	\$ 19,793	\$ 17,278	\$ 32,391
<i>Adjusted diluted earnings per common share</i>	\$ 0.74	\$ 0.20	\$ 0.53	\$ 0.89	\$ 0.78	\$ 1.47
Adjusted return on average assets	0.95 %	0.35 %	0.72 %	1.11 %	0.98 %	0.67 %
Adjusted return on average shareholders' equity	9.23 %	3.46 %	7.07 %	11.42 %	10.03 %	6.61 %
Adjusted return on average tangible common equity	12.67 %	3.65 %	9.34 %	16.51 %	14.24 %	8.61 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended					For the Nine Months Ended
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	September 30, 2024
<i>(dollars in thousands)</i>						
Adjusted earnings pre tax - non-GAAP	\$ 22,523	\$ 8,414	\$ 18,240	\$ 28,948	\$ 27,896	\$ 49,177
Provision for credit losses	5,000	16,800	14,000	6,950	5,168	35,800
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 27,523	\$ 25,214	\$ 32,240	\$ 35,898	\$ 33,064	\$ 84,977
Adjusted pre-tax, pre-provision return on average assets	1.42 %	1.30 %	1.67 %	1.80 %	1.66 %	1.46 %



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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands)</i>					
Adjusted noninterest expense	\$ 46,733	\$ 47,479	\$ 44,867	\$ 44,488	\$ 42,038
Net interest income - GAAP	\$ 54,950	\$ 55,052	\$ 55,920	\$ 58,077	\$ 58,596
Effect of tax-exempt income	205	170	215	183	205
Adjusted net interest income	55,155	55,222	56,135	58,260	58,801
Noninterest income - GAAP	19,339	17,656	21,187	20,513	11,545
Loss on sales of investment securities, net	44	152	—	2,894	4,961
(Gain) on sale of Visa B shares	—	—	—	(1,098)	—
(Gain) on repurchase of subordinated debt	(77)	(167)	—	—	—
Adjusted noninterest income	19,306	17,641	21,187	22,309	16,506
Adjusted total revenue	\$ 74,461	\$ 72,863	\$ 77,322	\$ 80,569	\$ 75,307
Efficiency ratio	62.76 %	65.16 %	58.03 %	55.22 %	55.82 %

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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 818,259	\$ 785,772	\$ 791,006	\$ 791,853	\$ 757,610
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible common equity	<u>\$ 532,755</u>	<u>\$ 499,317</u>	<u>\$ 503,535</u>	<u>\$ 503,293</u>	<u>\$ 467,920</u>
Less: Accumulated other comprehensive income (AOCI)	(60,640)	(82,581)	(81,419)	(76,753)	(101,181)
Tangible common equity excluding AOCI	<u>\$ 593,395</u>	<u>\$ 581,898</u>	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,751,483	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible assets	<u>\$ 7,576,527</u>	<u>\$ 7,581,367</u>	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>
Common Shares Outstanding	21,393,905	21,377,215	21,485,231	21,551,402	21,594,546
<i>Tangible Common Equity to Tangible Assets</i>	7.03 %	6.59 %	6.58 %	6.55 %	6.01 %
<i>Tangible Book Value Per Share</i>	\$ 24.90	\$ 23.36	\$ 23.44	\$ 23.35	\$ 21.67
<i>Tangible Book Value Per Share, excluding AOCI</i>	\$ 27.74	\$ 27.22	\$ 27.23	\$ 26.91	\$ 26.35

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands)</i>					
Net income available to common shareholders	<u>\$ 16,247</u>	<u>\$ 4,522</u>	<u>\$ 11,657</u>	<u>\$ 18,483</u>	<u>\$ 9,173</u>
Average total shareholders' equity—GAAP	\$ 795,322	\$ 783,846	\$ 789,906	\$ 764,790	\$ 771,625
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(13,506)	(14,483)	(15,525)	(16,644)	(17,782)
Average tangible common equity	<u>\$ 509,364</u>	<u>\$ 496,911</u>	<u>\$ 501,929</u>	<u>\$ 475,694</u>	<u>\$ 481,391</u>
ROATCE	12.69 %	3.66 %	9.34 %	15.41 %	7.56 %