

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): **July 29, 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

Exhibit No	Description
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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: July 29, 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
July 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



Financial Highlights as of June 30, 2024

\$7.8 Billion
Total Assets

\$5.9 Billion
Total Loans

\$6.1 Billion
Total Deposits

\$4.0 Billion
Assets Under Administration

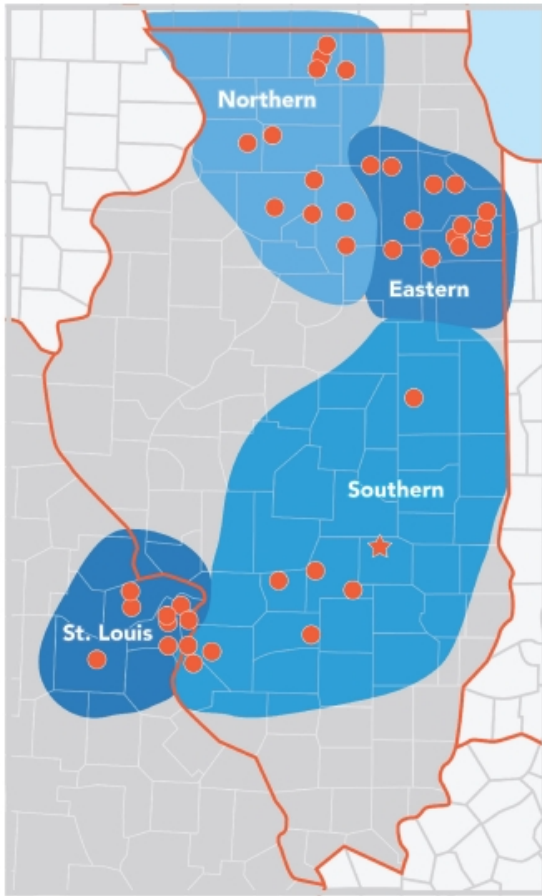
YTD Adjusted ROAA ⁽¹⁾ :	0.53%
YTD Adjusted Return on TCE ⁽¹⁾ :	6.51%
TCE/TA:	6.59%
YTD PTPP ⁽¹⁾ ROAA:	1.48%
Dividend Yield:	5.47 %
Price/Tangible Book:	0.97x
Price/LTM EPS:	11.4x

Notes:

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



Financial Services & Banking Center Footprint



Headquartered in Effingham, Illinois

**43 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.

2023

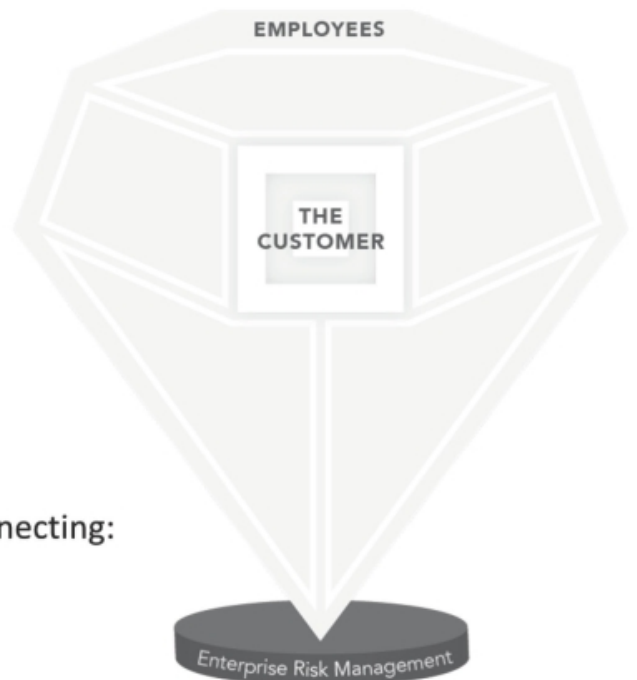
We re-evaluated our strategic plan to ensure we are:

- continuing to meet the future expectations of our customers and communities and
- meeting the changing expectations of financial service providers.

THE RESULT

The creation of five key strategic elements, connecting:

- our central focus on our **customer's needs**
- our **employees' contributions**, and
- our foundation of strong **risk management.**





Business and Corporate Strategy

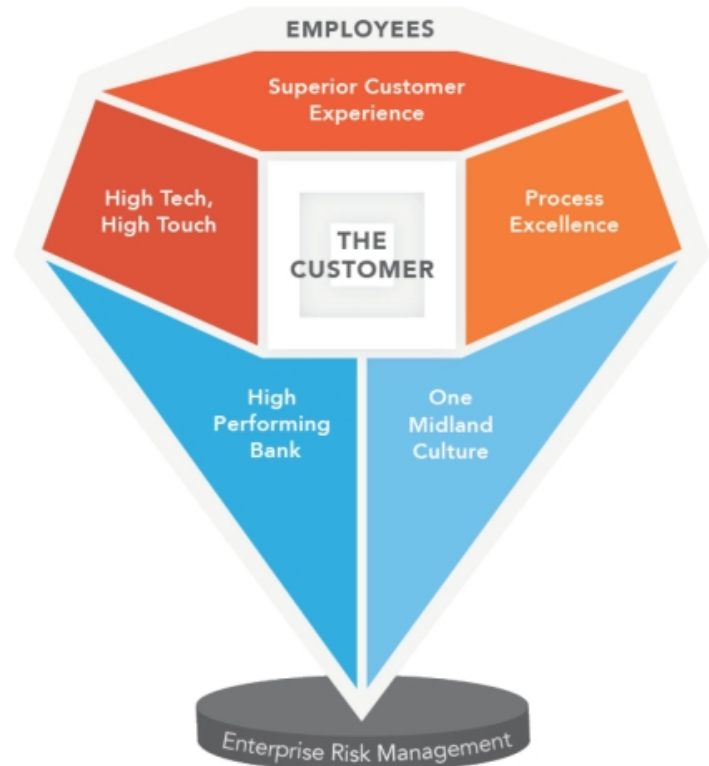
We are a community bank focused on developing deep customer relationships and building strong communities.

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.





Business and Corporate Strategy

MSBI's Five Strategic Elements

Superior Customer Experience

We value the customer in everything we do, and we find satisfaction in knowing our contributions make a difference.

High-Tech, High-Touch

We blend cutting-edge technology with genuine personal connections, ensuring a seamless experience across all channels for all our customers.

Process Excellence

We are continuously improving our processes to enhance efficiency, accuracy, and speed. By streamlining workflows and leveraging best practices, we aim to deliver services more effectively and increase customer satisfaction.

High Performing Bank

We set bold goals, measure our progress, and adapt our strategies to ensure long-term success and stability. Our efforts to achieve superior financial performance are centered on driving revenue, managing costs, and maximizing shareholder value.

One Midland Culture

One company. One culture. One team. One Midland represents our cohesive team that thinks first in terms of team results rather than individual gain. Our employees are empowered with fulfilling careers and continuous growth.





Operating Model

Key Business Units

(dollars in millions, as of quarter-end)

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	\$884	\$725	\$700	\$825		\$890	\$2,712	\$5,852
Deposits	\$1,368	\$1,994	\$661	\$444	\$299		\$1,352	\$6,118
Assets Under Management					\$3,996			\$3,996
Head Count	121	158	57	56	81	36	386	895



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



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



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

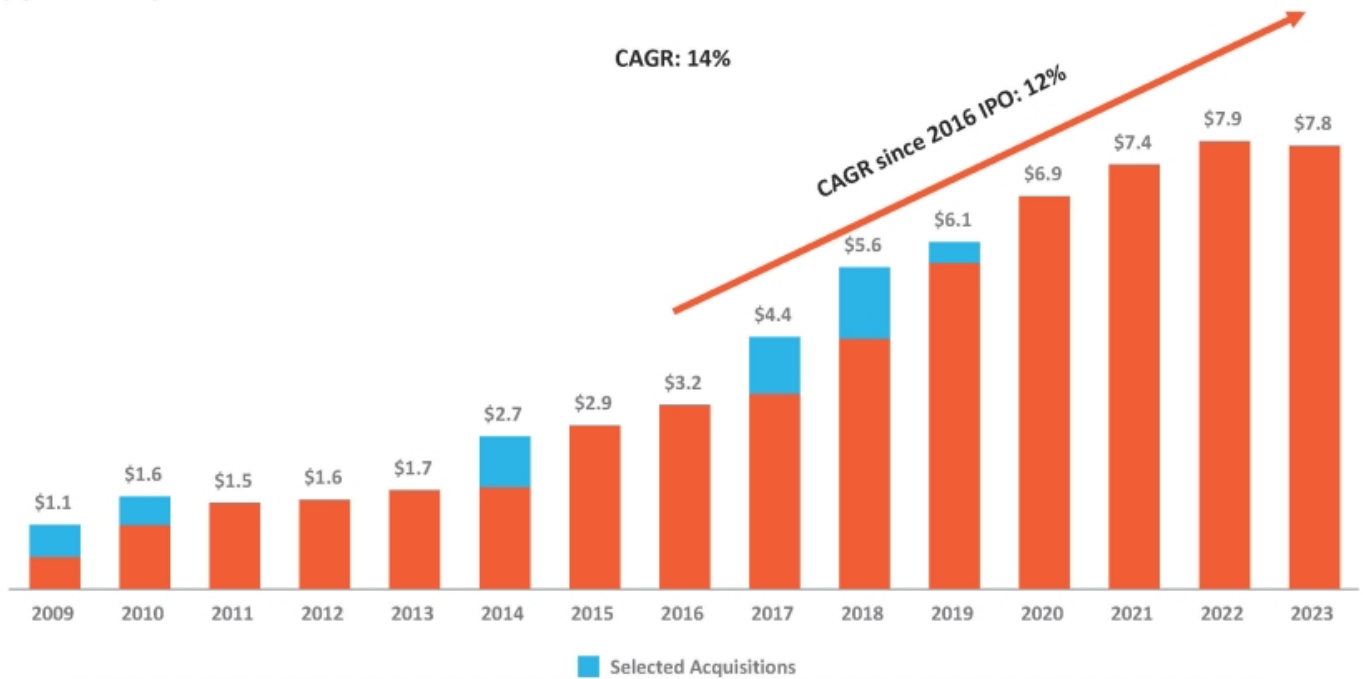
- **Profitable growth and improved efficiencies resulting in higher EPS and increased returns over the past few years**
- **Strengthened commercial banking team and increased presence in faster growing markets driving high quality in-market loan production and consistent inflows of new commercial deposits**
- **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 2024**



Successful Execution of Strategic Plan...

Total Assets

(at period-end in billions)



Selected Acquisitions

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

2009: Strategic Capital Bank (\$540)

2014: Love Savings/Heartland Bank (\$889)

2018: Alpine Bancorp (\$1,243)

2010: AMCORE Bank (\$500)

2017: Centru Financial (\$990)

2019: HomeStar Financial Group (\$366)



...Leads to Creation of Shareholder Value

23 Consecutive Years of Dividend Increases

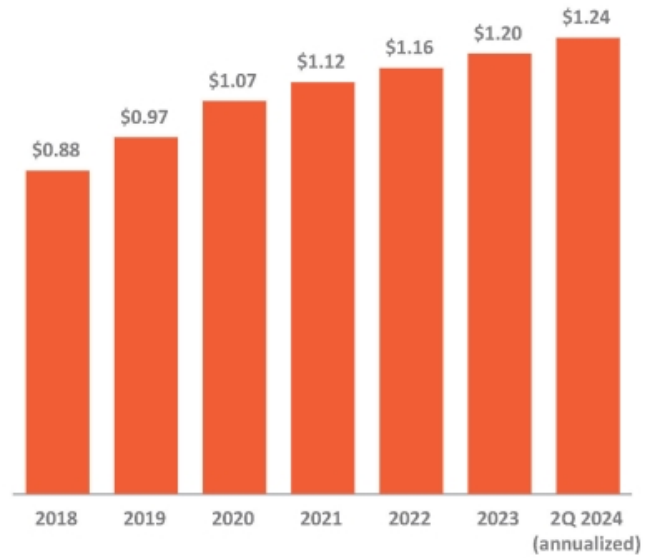
Tangible Book Value Per Share⁽¹⁾

TBV/Share ex. AOCI CAGR: 7.4%



Dividends Declared Per Share

CAGR: 5.0%



Notes:

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

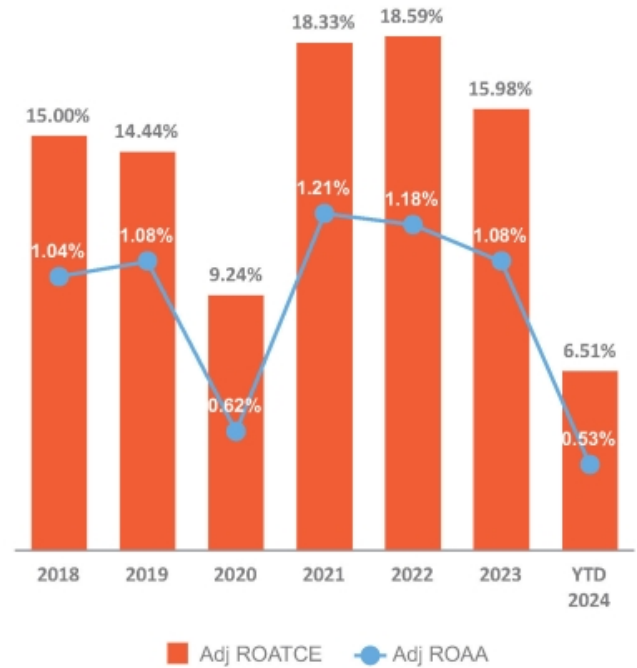


...And Increased Profitability

Adjusted Diluted EPS⁽¹⁾



Adjusted ROATCE⁽¹⁾ & ROAA⁽¹⁾



■ Adj ROATCE ● Adj ROAA

Notes:

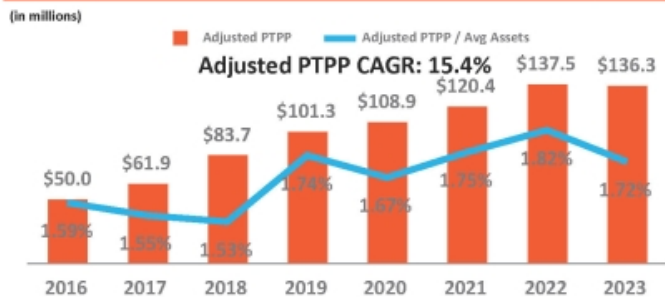
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Strategic Initiatives Strengthening Franchise

...Have Produced Improved Growth and Profitability

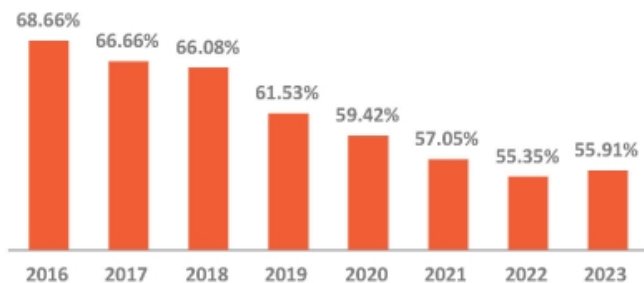
Adjusted Pre-Tax Pre-Provision Earnings⁽¹⁾



Total Loans



Efficiency Ratio⁽¹⁾



Wealth Management Revenue



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

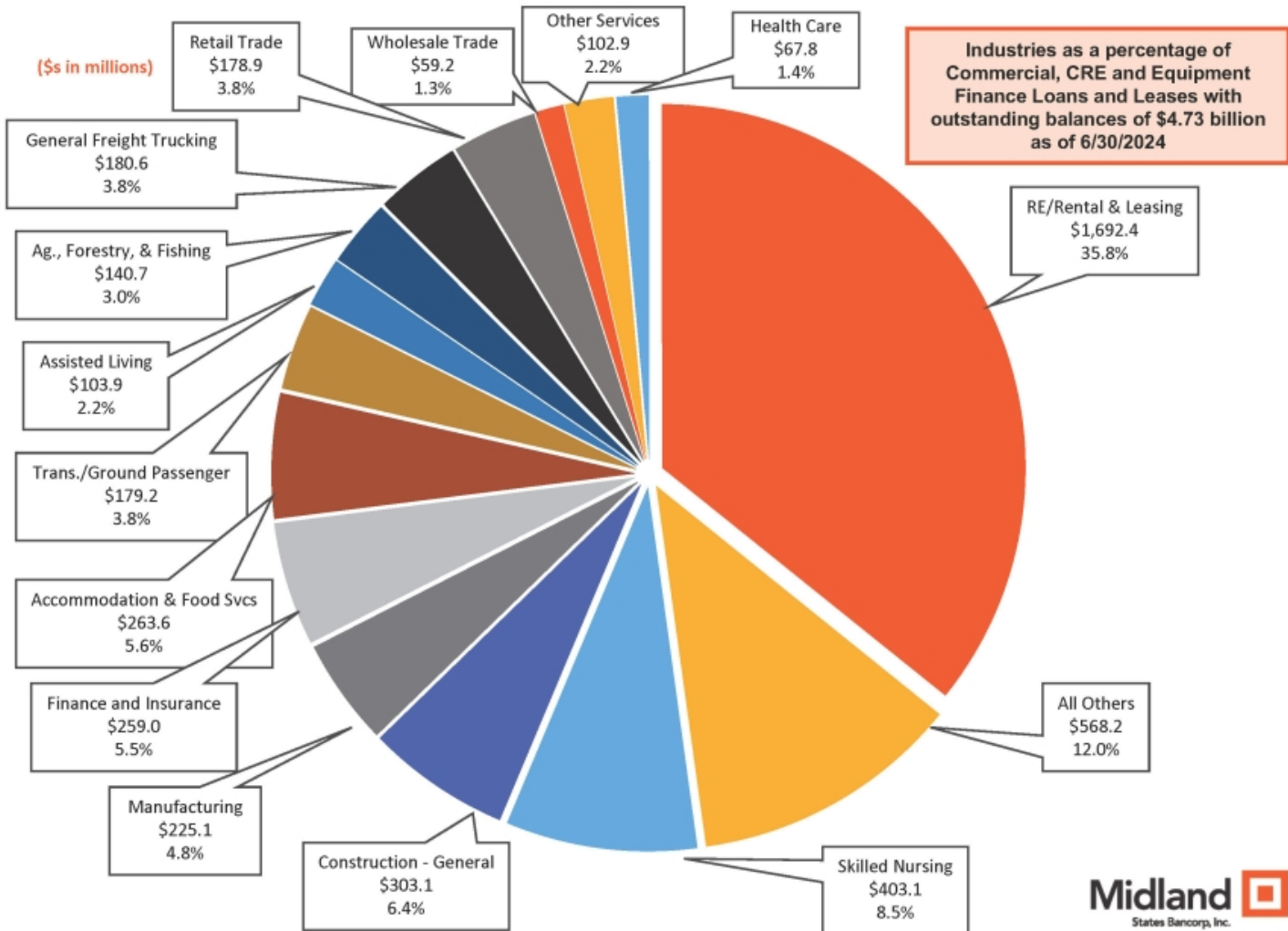


Loan Portfolio and Asset Quality



Commercial Loans and Leases by Industry

(\$s in millions)



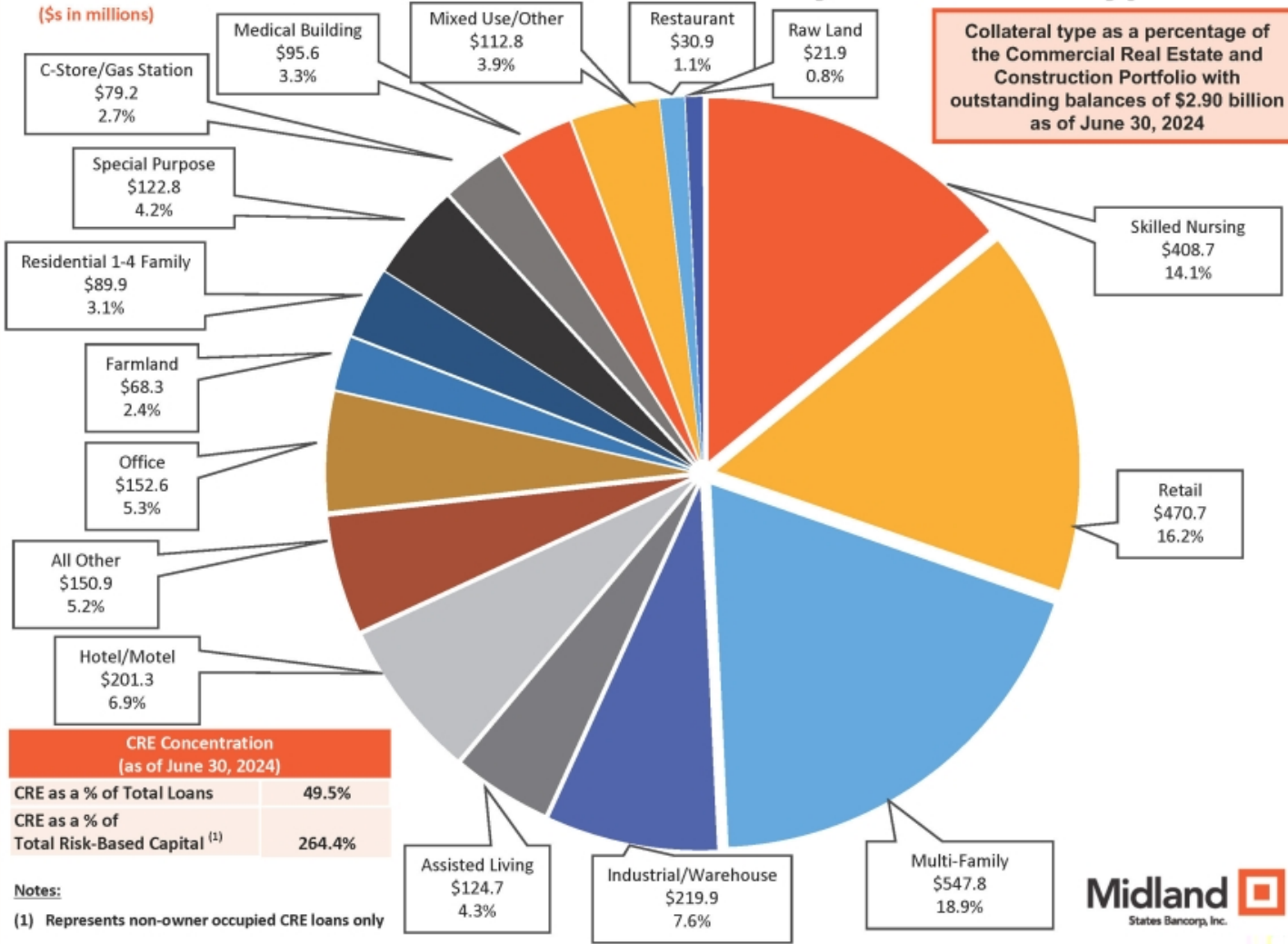
Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of \$4.73 billion as of 6/30/2024



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 \$2.90 billion as of June 30, 2024



CRE Concentration (as of June 30, 2024)	
CRE as a % of Total Loans	49.5%
CRE as a % of Total Risk-Based Capital ⁽¹⁾	264.4%

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





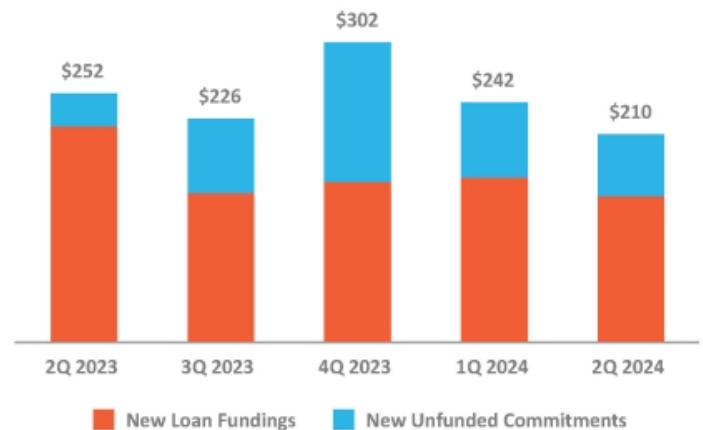
Commercial Loan Growth

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 June 30, 2024)

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

Total Outstanding Loans and Leases	\$890.1 million (15.2% of total loans)
Number of Loans and Leases	8,204
Average Loan/Lease Size	\$115,791
Largest Loan/Lease	\$3.1 million
Weighted Average Rate	6.35%
Representative Industries Served	Manufacturing, General Freight Trucking, Construction, Transit and Ground Passenger

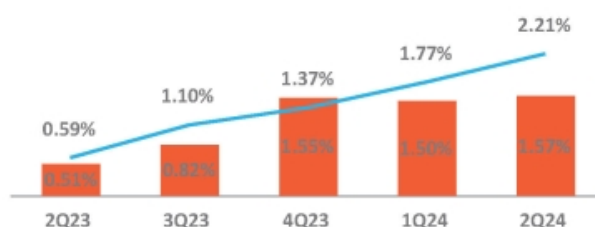
Equipment Finance Outstanding Balances

(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



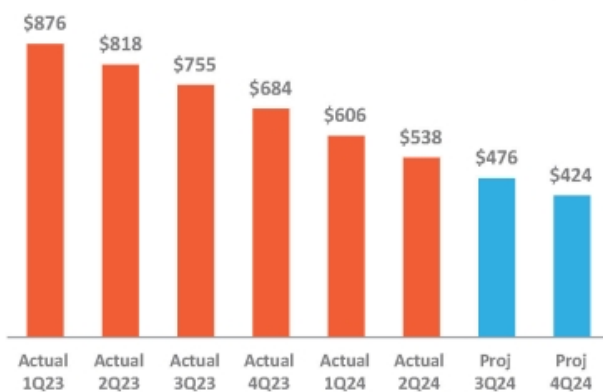
GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of June 30, 2024)

Total Outstanding	\$538.3 million (9.2% of total loans)
Weighted Average Rate	5.48%
Number of Active Loans	40,128
Average Loan Size	\$13,415
Average FICO Score	769

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 \$21.9 million at 6/30/24 or 4.1% of the portfolio

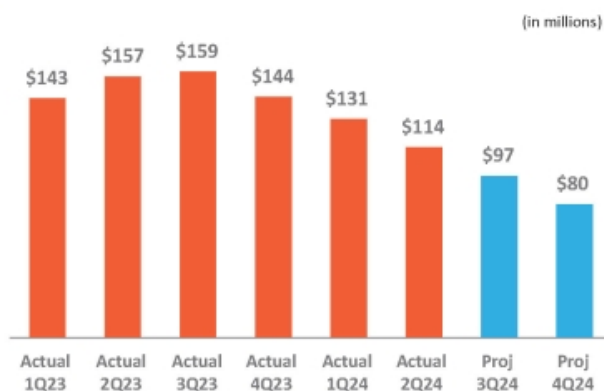


LendingPoint Loan Portfolio Overview

Portfolio Characteristics (as of June 30, 2024)

Total Outstanding	\$114.2 million (2.0% of total loans)
Weighted Average Rate	5.45%
Number of Active Loans	8,988
Average Loan Size	\$12,703
Average FICO Score	739
Reserves in ACL	\$14.6 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 \$14.6 million as of June 30, 2024
- Expected charge-off's in coming quarters with this portfolio

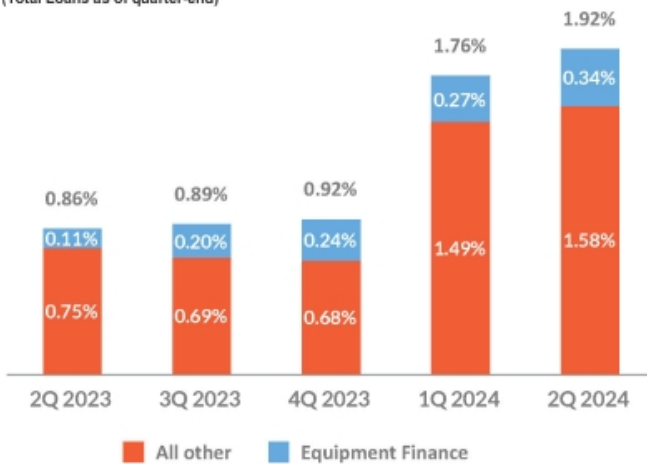


Asset Quality

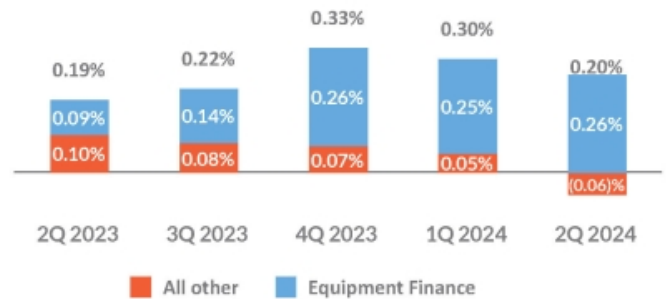
- Nonperforming loans increased due to equipment financing loans and one \$3.5 million commercial loan placed on non-accrual
- Past due loans and substandard loans declined during the second quarter
- Net charge-offs to average loans was 0.20% primarily driven by equipment finance with provision for credit losses on loans of \$17.0 million, primarily related to reserves added to the LendingPoint portfolio resulting from credit deterioration and servicing issues
- Net charge offs include \$2.2 million recovery on previously charged off CRE loan

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)

June 30, 2024

March 31, 2024

Portfolio	Loans	ACL	% of Total Loans	Loans	ACL	% of Total Loans
Commercial	\$ 829,888	\$ 8,821	1.06 %	\$ 813,963	\$ 9,135	1.12 %
Commercial Other	570,979	15,426	2.70 %	601,704	12,194	2.03 %
Equipment Finance Loans	461,409	11,839	2.57 %	494,068	11,806	2.39 %
Equipment Finance Leases	428,659	13,288	3.10 %	455,879	13,466	2.95 %
CRE non-owner occupied	1,621,102	13,949	0.86 %	1,591,455	13,353	0.84 %
CRE owner occupied	438,117	5,286	1.21 %	450,149	4,858	1.08 %
Multi-family	293,863	2,636	0.90 %	287,586	2,871	1.00 %
Farmland	68,423	326	0.48 %	67,923	285	0.42 %
Construction and Land Development	476,528	12,966	2.72 %	474,128	12,629	2.66 %
Residential RE First Lien	315,039	4,616	1.47 %	316,310	4,986	1.58 %
Other Residential	63,354	577	0.91 %	62,273	669	1.07 %
Consumer	94,763	499	0.53 %	99,157	520	0.52 %
Consumer Other ⁽¹⁾	651,279	13,793	2.12 %	737,935	3,091	0.42 %
Total Loans	5,851,994	92,183	1.58 %	5,958,462	78,057	1.31 %
Loans (excluding BaaS portfolio ⁽¹⁾ and warehouse lines)	5,125,723	74,815	1.46 %	5,136,557	74,587	1.45 %

Notes:

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



Recent Financial Trends



Overview of 2Q24

Financial Performance

- Net income available to common shareholders of \$4.5 million, or \$0.20 diluted EPS
- Pre-tax, pre-provision earnings⁽¹⁾ of \$25.2 million
- Strong noninterest income of \$17.7 million
- Strengthened ACL to 1.58% of total loans

Continued Success in Balance Sheet Management Strategies

- Increases in capital ratios
- CET1 ratio increased 3 bps to 8.63%
- Runoff in non-core loan portfolios being used to fund 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 by \$91 million during 2Q24, 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 including new market president for Northern Illinois region and new Chief Deposit Officer
- 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

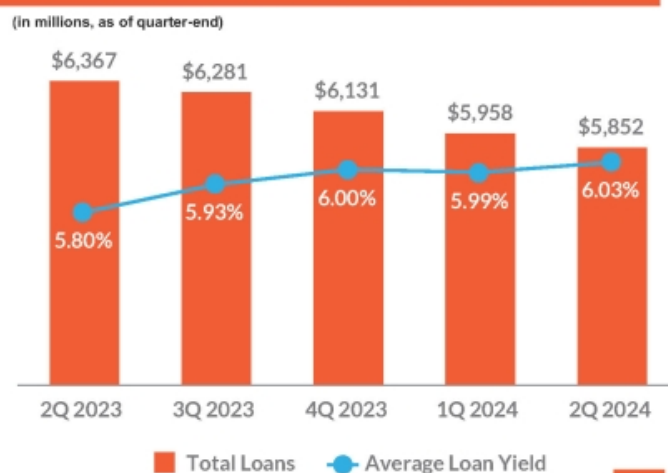
- Total loans decreased \$106.5 million from prior quarter to \$5.85 billion
- Decrease primarily driven by decline in equipment finance portfolio of \$59.9 million and continued runoff of GreenSky portfolio of \$67.7 million
- Decrease in non-core portfolios partially offset by new loan production from 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 31% during 2Q24 in this market
- Runoff from GreenSky portfolio rotated into investment portfolio

Loan Portfolio Mix

(in millions, as of quarter-end)

	2Q 2024	1Q 2024	2Q 2023
Commercial loans and leases	\$ 1,829	\$ 1,872	\$ 2,108
Commercial real estate	2,422	2,397	2,444
Construction and land development	477	474	367
Residential real estate	378	378	371
Consumer	746	837	1,077
Total Loans	\$ 5,852	\$ 5,958	\$ 6,367
Total Loans ex. Commercial FHA Lines	\$ 5,852	\$ 5,950	\$ 6,337

Total Loans and Average Loan Yield





Loan Segments

- Total loans in our Community Bank increased \$91 million from prior quarter to \$3.13 billion
- Loans in St. Louis region increased \$59 million or 31% annualized in 2Q24
- 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

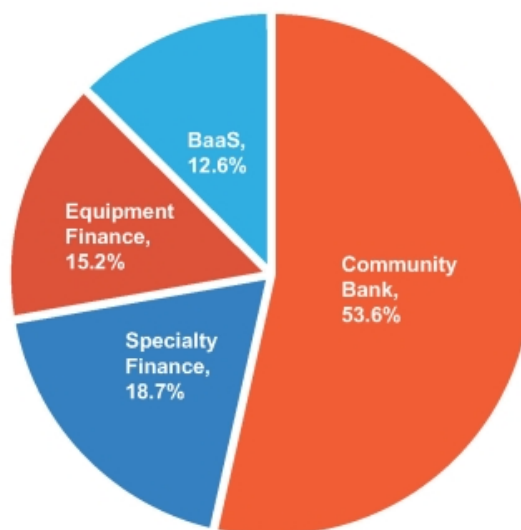
(in millions, as of quarter-end)

	2Q 2024	1Q 2024	2Q 2023
Regions:			
Eastern	\$ 884	\$ 897	\$ 860
Northern	725	692	721
Southern	700	688	696
St. Louis	825	766	687
Community Bank	\$ 3,134	\$ 3,043	\$ 2,964
Other:			
Specialty Finance	\$ 1,093	\$ 1,142	\$ 1,216
Equipment Finance	890	950	1,115
BaaS ⁽¹⁾	735	823	1,072
Total Loans	\$ 5,852	\$ 5,958	\$ 6,367

Notes:

(1) Includes loans originated through Greensky and LendingPoint relationships

Loan Segment Mix





Total Deposits

- Total deposits decreased \$206.0 million from end of prior quarter, primarily due to decreases in noninterest-bearing demand and brokered time
- Deposit outflows primarily related to some larger commercial depositors moving funds into higher interest account including Midland's Wealth Management business and declines in brokered time
- Average balances of non-interest bearing demand deposits declined \$19 million compared to prior quarter
- Brokered time deposits decreased \$57 million from prior quarter as maturities were not replaced

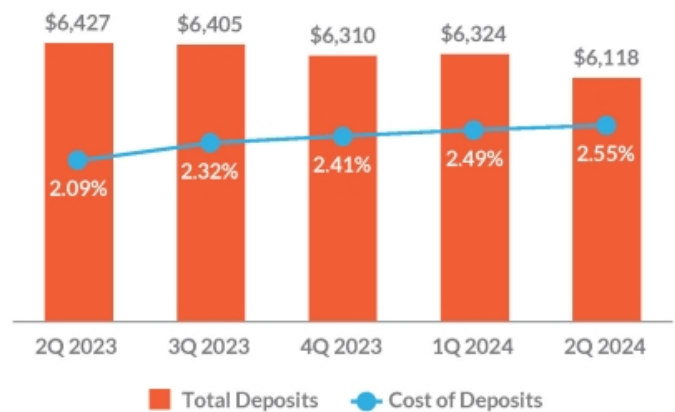
Deposit Mix

(in millions, as of quarter-end)

	2Q 2024	1Q 2024	2Q 2023
Noninterest-bearing demand	\$ 1,109	\$ 1,212	\$ 1,163
Interest-bearing:			
Checking	2,344	2,394	2,500
Money market	1,144	1,128	1,226
Savings	538	556	624
Time	852	845	841
Brokered time	131	188	73
Total Deposits	\$ 6,118	\$ 6,324	\$ 6,427

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



■ Total Deposits ● Cost of Deposits





Deposit Summary as of June 30, 2024

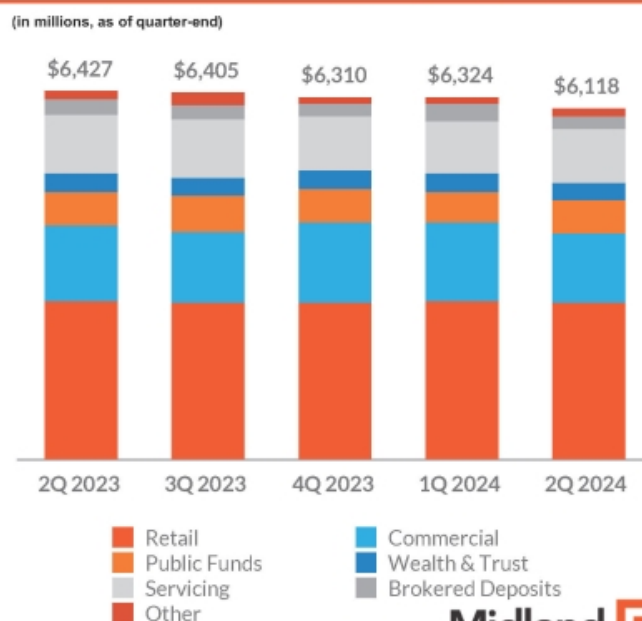
- Commercial deposits decreased \$171 million over prior quarter
- Four large commercial customers decreased deposit balances by \$120 million in 2Q24 with approximately \$88 million moving to our Wealth business line
- Retail deposit balances decreased \$26 million in 2Q24 primarily due to decreased in average balances in interest bearing checking accounts
- Total brokered deposits including money market accounts and time decreased \$70 million in 2Q24

Deposits by Channel

(in millions, as of quarter-end)

	2Q 2024	1Q 2024	2Q 2023
Retail	\$ 2,742	\$ 2,768	\$ 2,780
Commercial	1,217	1,388	1,298
Public Funds	569	516	578
Wealth & Trust	299	324	329
Servicing	932	901	1,018
Brokered Deposits	239	309	270
Other	120	118	154
Total Deposits	\$ 6,118	\$ 6,324	\$ 6,427

Trend of Deposit Channel Mix



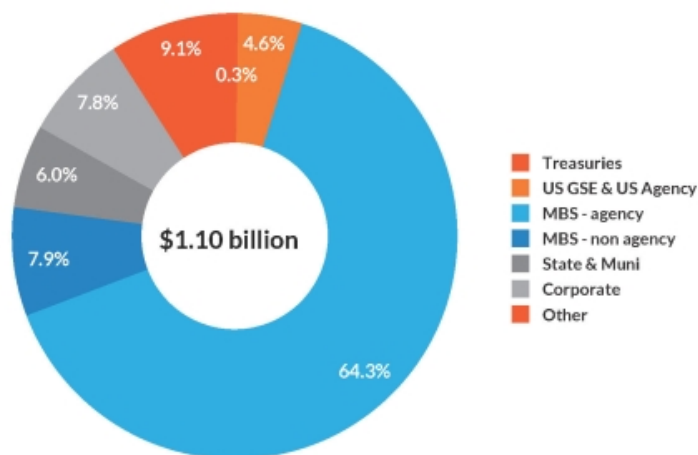


Investment Portfolio

As of June 30, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.69% for 2Q24
- Average Duration is 4.76 years
- Purchased \$151 million with T/E Yield of 5.96% and sold \$48 million with T/E Yield of 4.50% in 2Q24

Fair Value of Investments by Type

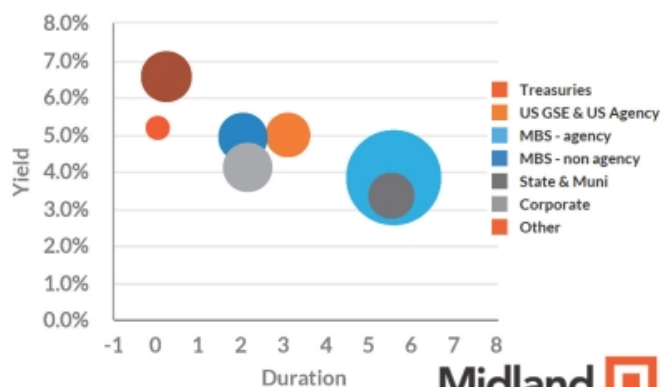


Investment Mix & Unrealized Gain (Loss)

(in millions)

	Fair Value	Book Value	Unrealized Gain (Loss)
Treasuries	\$ 3	\$ 3	\$ —
US GSE & US Agency	51	52	(1)
MBS - agency	704	790	(86)
MBS - non agency	86	89	(3)
State & Municipal	66	73	(7)
Corporate	85	93	(8)
Other	100	100	—
Total Investments	\$ 1,095	\$ 1,202	\$ (107)

Investments by Yield and Duration





Liquidity Overview

Liquidity Sources

(in millions)	June 30, 2024	March 31, 2024
Cash and Cash Equivalents	\$ 124.6	\$ 167.3
Unpledged Securities	527.3	506.2
FHLB Committed Liquidity	797.1	1,167.4
FRB Discount Window Availability	610.3	613.3
Total Estimated Liquidity	\$ 2,059.4	\$ 2,454.1
Conditional Funding Based on Market Conditions		
Additional Credit Facility	\$ 409.0	\$ 431.0
Brokered CDs (additional capacity)	\$ 450.0	\$ 400.0



Net Interest Income/Margin

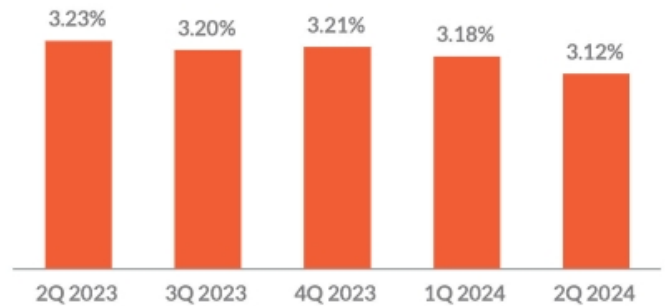
- Net interest income down slightly from prior quarter due to higher average FHLB borrowings
- Net interest margin decreased 6bp to 3.12% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets, as well as the impact of interest reversals on loans placed on non-accrual
- Average rate on new and renewed loan originations was 7.67% in 2Q24 and higher than average rates on loan payoffs making them accretive to net interest margin

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 June 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	\$ 725	\$ 272	\$ 542	\$ 217	\$ 39	\$ 4	\$ 30	\$1,829	\$ 585	\$ 74	\$ 1,170
Commercial real estate	733	371	686	409	156	18	49	2,422	542	232	1,648
Construction and land	237	94	101	18	—	—	27	477	272	29	176
Residential real estate	73	54	78	63	83	20	7	378	54	114	210
Consumer	167	168	393	12	6	—	—	746	97	—	649
Total	\$1,935	\$ 959	\$1,800	\$ 719	\$ 284	\$ 42	\$ 113	\$5,852	\$ 1,550	\$ 449	\$ 3,853
% of Total	33 %	16 %	31 %	12 %	5 %	1 %	2 %	100 %	26 %	8 %	66 %
Weighted Average Rate	7.69 %	5.75 %	5.24 %	5.61 %	4.63 %	3.83 %	0.19 % ⁽²⁾	6.04 %	8.17 %	4.82 %	5.33 %

Investment Securities Available for Sale⁽³⁾

(in millions)

As of June 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	\$ 182	\$ 170	\$ 188	\$ 337	\$ 325	\$ 1,202
% of Total	15 %	14 %	16 %	28 %	27 %	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) Over 15 years category includes all nonaccrual loans and leases.
- (3) 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 \$212 million mainly due to new accounts
- New accounts include commercial customers moving funds of approximately \$88 million to Wealth for higher rate and other options
- Wealth Management fees decreased from prior quarter due to seasonal impact of tax planning fees in 1Q24
- New technology launched in 2Q24 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)



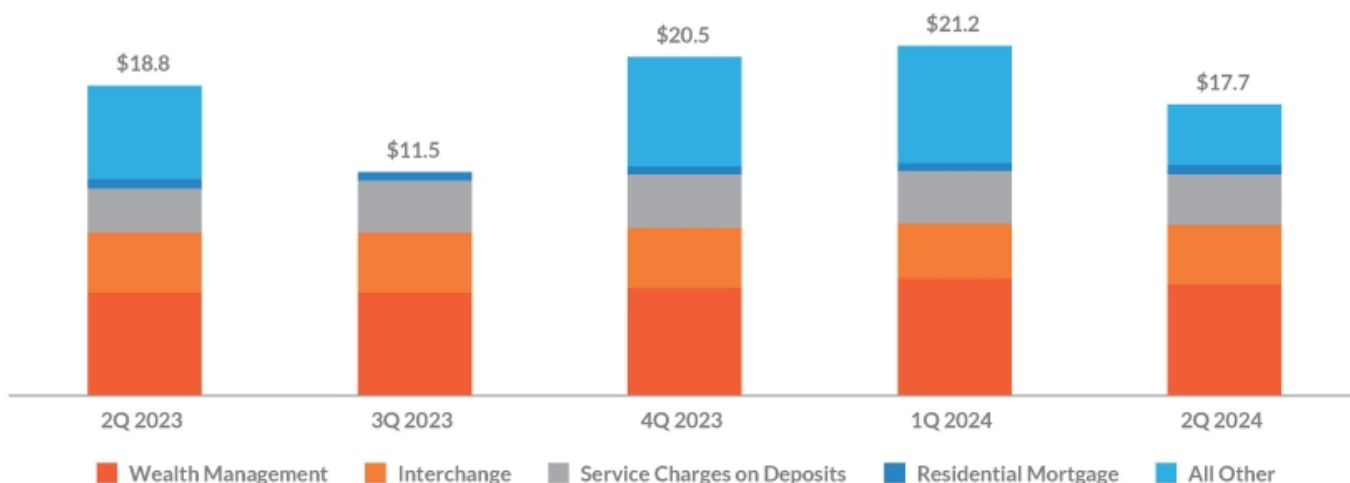


Noninterest Income

- Noninterest income decreased from prior quarter primarily due to 1Q24 incremental servicing revenues of \$3.7 million related to the Greensky portfolio
- 2Q24 noninterest income included a \$0.2 million gain on the repurchase of subordinated debt, offset by \$0.2 million of losses on the sale of investment securities
- Other income negatively impacted by losses on sale of repossessed and other equipment of \$0.6 million in the current quarter
- Fee income expected to be \$18.0 - \$18.5 million in the near-term quarters

Noninterest Income

(in millions)

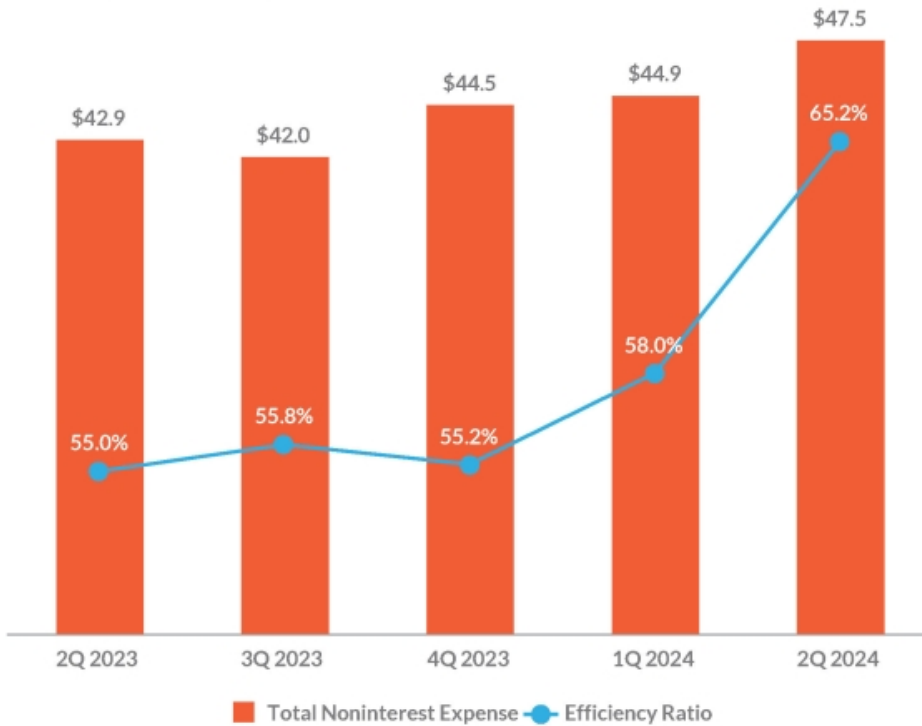




Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio ⁽¹⁾

(Noninterest expense in millions)



- Efficiency Ratio ⁽¹⁾ was 65.2% in 2Q 2024 vs. 58.0% in 1Q 2024
- Increase in noninterest expense from prior quarter primarily attributable to \$4.1 million related to OREO expense and various legal actions
- Compensation and benefits decreased \$1.2 million compared to prior quarter due to reduced incentive compensation accruals
- 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.

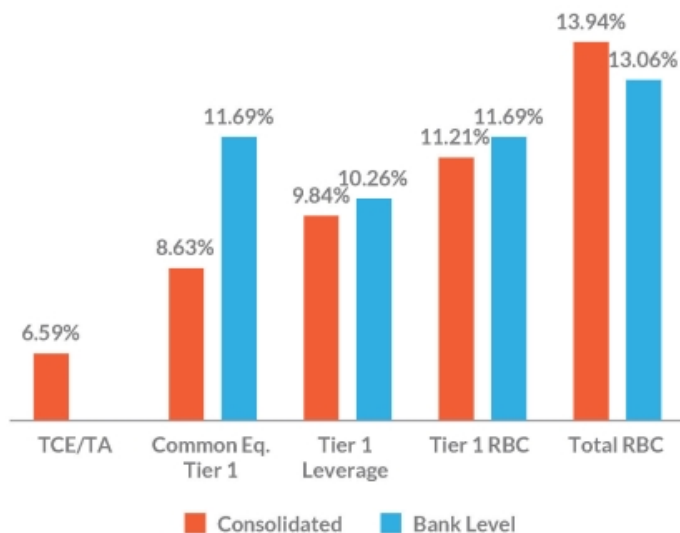


Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 8.63% 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 June 30, 2024)

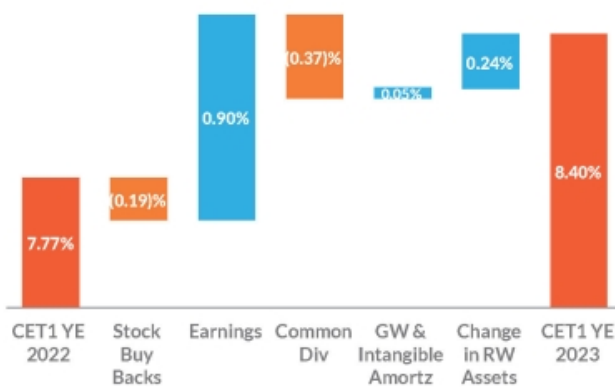




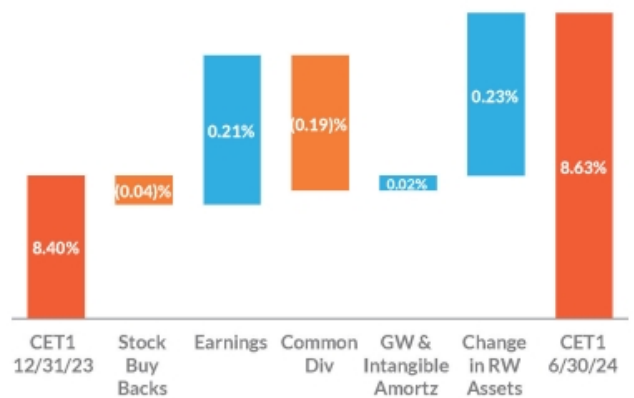
Building Capital

- CET1 Increased 23 bps to 8.63% from 4Q23 despite credit headwinds
- Balance sheet and capital strategy reduced risk weighted assets \$204 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 9.00% to 9.25% by end of 2024

Annual - 2023



Year to Date - 2Q24





Outlook



2024 Outlook and Priorities

- Well positioned with increased levels of capital, liquidity, and reserves
- 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
- Strong financial performance and prudent balance sheet management 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
- Neutral interest rate sensitivity positions Midland well for managing future changes in interest rates
- Maintain disciplined expense management while also investing in areas that will enhance the long-term value of the franchise
 - * Improvements in technology platform and additional advisors positively impacting business development in Wealth Management
 - * Expanded presence in higher growth St. Louis market including the addition of a new market president resulting in new commercial, retail and wealth management clients
 - * Banking-as-a-Service initiative expected to start making a contribution to deposit gathering and fee income during 2024



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 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 Six Months Ended
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024
<i>(dollars in thousands, except per share data)</i>						
Income before income taxes - GAAP	\$ 8,429	\$ 18,240	\$ 27,152	\$ 22,935	\$ 28,820	\$ 26,669
Adjustments to noninterest income:						
Loss on sales of investment securities, net	152	—	2,894	4,961	869	152
(Gain) on repurchase of subordinated debt	(167)	—	—	—	(676)	(167)
(Gain) on sale of Visa B shares	—	—	(1,098)	—	—	—
Total adjustments to noninterest income	(15)	—	1,796	4,961	193	(15)
Adjusted earnings pre tax - non-GAAP	8,414	18,240	28,948	27,896	29,013	26,654
Adjusted earnings tax	1,675	4,355	6,927	8,389	7,297	6,030
Adjusted earnings - non-GAAP	6,739	13,885	22,021	19,507	21,716	20,624
Preferred stock dividends	2,228	2,228	2,228	2,229	2,228	4,456
Adjusted earnings available to common shareholders	\$ 4,511	\$ 11,657	\$ 19,793	\$ 17,278	\$ 19,488	\$ 16,168
Adjusted diluted earnings per common share	\$ 0.20	\$ 0.53	\$ 0.89	\$ 0.78	\$ 0.87	\$ 0.73
Adjusted return on average assets	0.35 %	0.72 %	1.11 %	0.98 %	1.10 %	0.53 %
Adjusted return on average shareholders' equity	3.46 %	7.07 %	11.42 %	10.03 %	11.21 %	5.27 %
Adjusted return on average tangible common equity	3.65 %	9.34 %	16.51 %	14.24 %	16.10 %	6.51 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended					For the Six Months Ended
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024
<i>(dollars in thousands)</i>						
Adjusted earnings pre tax - non-GAAP	\$ 8,414	\$ 18,240	\$ 28,948	\$ 27,896	\$ 29,013	\$ 26,654
Provision for credit losses	16,800	14,000	6,950	5,168	5,879	30,800
Impairment on commercial mortgage servicing rights	—	—	—	—	—	—
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 25,214	\$ 32,240	\$ 35,898	\$ 33,064	\$ 34,892	\$ 57,454
Adjusted pre-tax, pre-provision return on average assets	1.30 %	1.67 %	1.80 %	1.66 %	1.76 %	1.48 %



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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<i>(dollars in thousands)</i>					
Noninterest expense - GAAP	\$ 47,479	\$ 44,867	\$ 44,488	\$ 42,038	\$ 42,894
Loss on mortgage servicing rights held for sale	—	—	—	—	—
Integration and acquisition expenses	—	—	—	—	—
Adjusted noninterest expense	<u>\$ 47,479</u>	<u>\$ 44,867</u>	<u>\$ 44,488</u>	<u>\$ 42,038</u>	<u>\$ 42,894</u>
Net interest income - GAAP	\$ 55,052	\$ 55,920	\$ 58,077	\$ 58,596	\$ 58,840
Effect of tax-exempt income	170	215	183	205	195
Adjusted net interest income	<u>55,222</u>	<u>56,135</u>	<u>58,260</u>	<u>58,801</u>	<u>59,035</u>
Noninterest income - GAAP	17,656	21,187	20,513	11,545	18,753
Impairment on commercial mortgage servicing rights	—	—	—	—	—
Loss on sales of investment securities, net	152	—	2,894	4,961	869
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—
(Gain) on repurchase of subordinated debt	(167)	—	—	—	(676)
Company-owned life insurance enhancement fee	—	—	—	—	—
Adjusted noninterest income	<u>17,641</u>	<u>21,187</u>	<u>22,309</u>	<u>16,506</u>	<u>18,946</u>
Adjusted total revenue	<u>\$ 72,863</u>	<u>\$ 77,322</u>	<u>\$ 80,569</u>	<u>\$ 75,307</u>	<u>\$ 77,981</u>
Efficiency ratio	65.16 %	58.03 %	55.22 %	55.82 %	55.01 %

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				
	June 30, 2024	March 31, 2023 ⁽¹⁾	December 31, 2023	September 30, 2023	June 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 785,772	\$ 791,006	\$ 791,853	\$ 757,610	\$ 776,821
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	(14,003)	(15,019)	(16,108)	(17,238)	(18,367)
Tangible common equity	\$ 499,317	\$ 503,535	\$ 503,293	\$ 467,920	\$ 486,002
Less: Accumulated other comprehensive income (AOCI)	(82,581)	(81,419)	(76,753)	(101,181)	(84,719)
Tangible common equity excluding AOCI	\$ 581,898	\$ 584,954	\$ 580,046	\$ 569,101	\$ 570,721
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(14,003)	(15,019)	(16,108)	(17,238)	(18,367)
Tangible assets	\$ 7,581,367	\$ 7,654,886	\$ 7,688,856	\$ 7,790,143	\$ 7,854,450
Common Shares Outstanding	21,377,215	21,485,231	21,551,402	21,594,546	21,854,800
<i>Tangible Common Equity to Tangible Assets</i>	6.59 %	6.58 %	6.55 %	6.01 %	6.19 %
<i>Tangible Book Value Per Share</i>	\$ 23.36	\$ 23.44	\$ 23.35	\$ 21.67	\$ 22.24
<i>Tangible Book Value Per Share, excluding AOCI</i>	\$ 27.22	\$ 27.23	\$ 26.91	\$ 26.35	\$ 26.11

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
	June 30, 2024	March 31, 2023 ⁽¹⁾	December 31, 2023	September 30, 2023	June 30, 2023
<i>(dollars in thousands)</i>					
Net income available to common shareholders	\$ 4,522	\$ 11,657	\$ 18,483	\$ 9,173	\$ 19,347
Average total shareholders' equity—GAAP	\$ 783,846	\$ 789,906	\$ 764,790	\$ 771,625	\$ 776,791
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	(14,483)	(15,525)	(16,644)	(17,782)	(18,937)
Average tangible common equity	\$ 496,911	\$ 501,929	\$ 475,694	\$ 481,391	\$ 485,402
ROATCE	3.66 %	9.34 %	15.41 %	7.56 %	15.99 %

Notes:

(1) September 30, 2023 amounts include the impact of the revision stated in the Fourth Quarter 2023 Earnings Release