




Midland States Bancorp, Inc.

NASDAQ: MSBI

First Quarter 2024 Earnings Presentation



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, continuing effects of the failures of Silicon Valley Bank and Signature Bank, 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 March 31, 2024

\$7.8 Billion
<i>Total Assets</i>
\$6.0 Billion
<i>Total Loans</i>
\$6.3 Billion
<i>Total Deposits</i>
\$3.9 Billion
<i>Assets Under Administration</i>

YTD Adjusted ROAA ⁽¹⁾ :	0.72%
YTD Adjusted Return on TCE ⁽¹⁾ :	9.34%
TCE/TA:	6.58%
YTD PTPP ⁽¹⁾ ROAA:	1.67%
Dividend Yield:	4.93 %
Price/Tangible Book:	1.07x
Price/LTM EPS:	9.5x

Notes:

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

Overview of 1Q24

Solid Financial Performance

- Net income available to common shareholders of \$11.7 million, or \$0.53 diluted EPS
- Pre-tax, pre-provision earnings⁽¹⁾ of \$32.2 million
- Steady net interest margin of 3.18%
- Strong noninterest income of \$21.2 million
- Disciplined expense control kept noninterest expense consistent with prior quarter

Continued Success in Balance Sheet Management Strategies

- Improvement in loan-to-deposit ratio
- Growth in tangible book value per share
- Increases in all capital ratios with CET1 ratio increasing 20bps to 8.60%

Positive Trends Across Key Metrics

- Growth in wealth management business driving higher levels of noninterest income
- Continued growth in noninterest-bearing deposits resulting from new and expanded commercial relationships
- Loan portfolio continues to shift towards core in-market C&I and CRE loans

Prudent Increase in ACL and Decline in Net Charge-Offs

- ACL/Total Loans increased to 1.31% from 1.12%
- NCOs declined from prior quarter
- Increase due to specific reserve of \$8.0 million on one multi-family construction project

Notes:

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

Loan Portfolio

- Total loans decreased \$172.6 million from prior quarter to \$5.96 billion
- Decrease primarily driven by decline in equipment finance portfolio of \$54.5 million, continued runoff of GreenSky portfolio of \$77.7 million, and lower C&I line utilization
- Decrease in non-core portfolios partially offset by new loan production from high quality commercial clients that provide full banking relationships
- Runoff from GreenSky portfolio rotated into investment portfolio

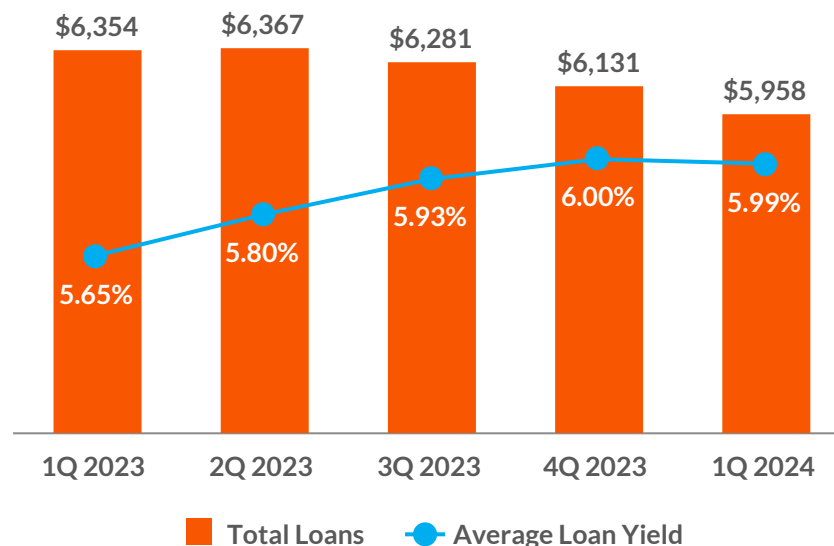
Loan Portfolio Mix

(in millions, as of quarter-end)

	1Q 2024	4Q 2023	1Q 2023
Commercial loans and leases	\$ 1,872	\$ 1,956	\$ 2,090
Commercial real estate	2,397	2,407	2,448
Construction and land development	474	453	327
Residential real estate	378	380	370
Consumer	837	935	1,119
Total Loans	\$ 5,958	\$ 6,131	\$ 6,354
Total Loans ex. Commercial FHA Lines	\$ 5,950	\$ 6,131	\$ 6,344

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



Total Deposits

- Total deposits increased \$14.5 million from end of prior quarter, primarily due to increases in noninterest-bearing demand and brokered time, partially offset by seasonal outflows of servicing and public funds deposits
- Noninterest-bearing deposits increased due to new and expanded commercial and small business relationships and a shift from interest-bearing checking
- Short-term brokered deposits added to offset seasonal outflows and reduce other borrowings

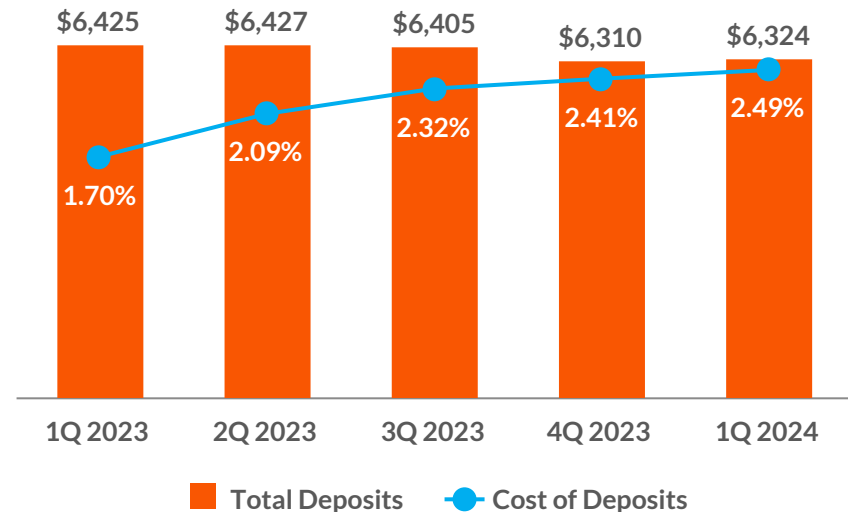
Deposit Mix

(in millions, as of quarter-end)

	1Q 2024	4Q 2023	1Q 2023
Noninterest-bearing demand	\$ 1,212	\$ 1,145	\$ 1,216
Interest-bearing:			
Checking	\$ 2,394	\$ 2,512	\$ 2,503
Money market	\$ 1,128	\$ 1,136	\$ 1,264
Savings	\$ 556	\$ 559	\$ 637
Time	\$ 845	\$ 863	\$ 767
Brokered time	\$ 188	\$ 95	\$ 39
Total Deposits	\$ 6,324	\$ 6,310	\$ 6,425

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



Deposit Summary as of March 31, 2024

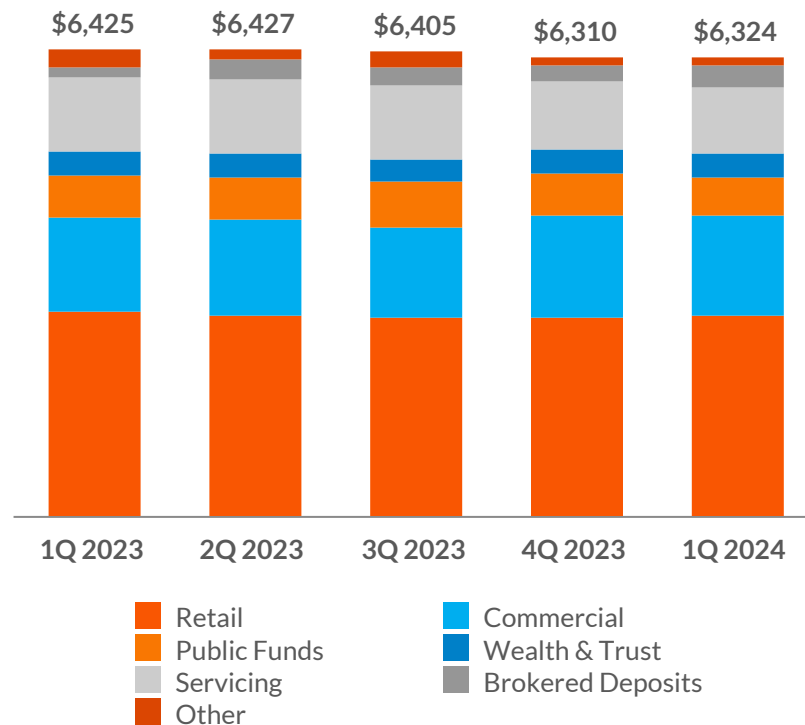
Deposits by Channel

(in millions, as of quarter-end)

	1Q 2024	4Q 2023	1Q 2023
Retail	\$ 2,768	\$ 2,758	\$ 2,829
Commercial	1,388	1,392	1,286
Public Funds	516	569	578
Wealth & Trust	324	322	327
Servicing	901	952	1,009
Brokered Deposits	309	210	141
Other	118	107	255
Total Deposits	\$ 6,324	\$ 6,310	\$ 6,425

Trend of Deposit Channel Mix

(in millions, as of quarter-end)

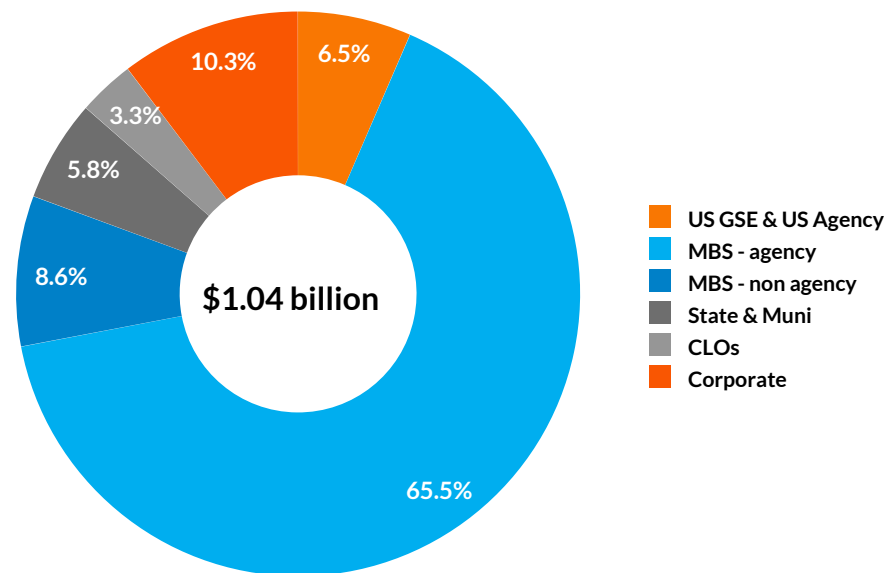


Investment Portfolio

As of March 31, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.36% for 1Q24
- Average Duration is 4.83 years
- Purchased \$167 million with T/E Yield of 5.92% and no sales in 1Q24

Fair Value of Investments by Type

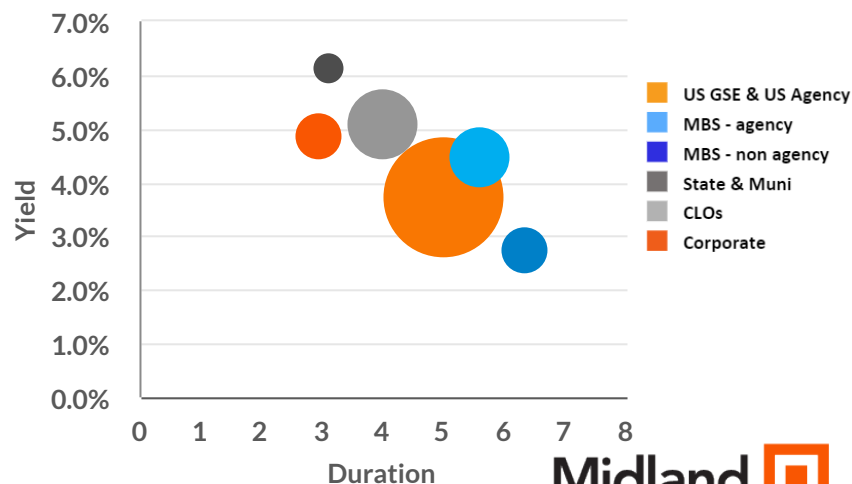


Investment Mix & Unrealized Gain (Loss)

(in millions)

	Fair Value	Book Value	Unrealized Gain (Loss)
US GSE & US Agency	\$ 68	\$ 69	\$ (1)
MBS - agency	682	764	(82)
MBS - non agency	90	93	(3)
State & Municipal	61	67	(6)
CLOs	34	34	—
Corporate	107	117	(10)
Total Investments	\$ 1,040	\$ 1,144	\$ (104)

Investments by Yield and Duration



Liquidity Overview

Liquidity Sources

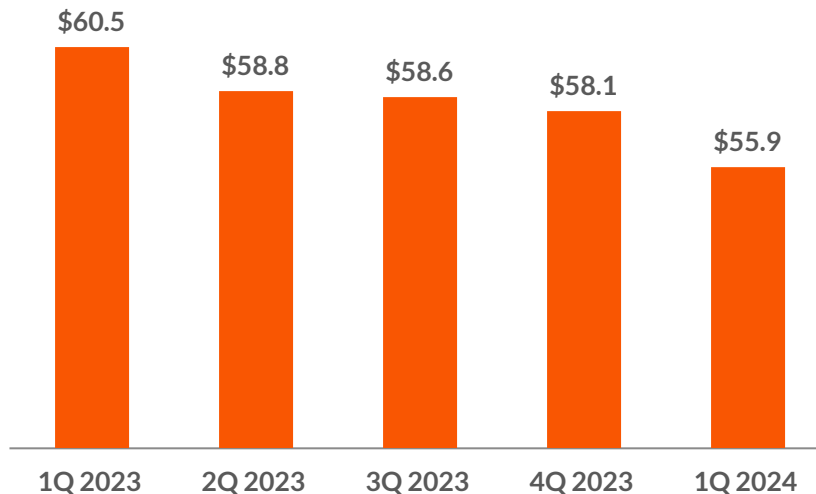
(in millions)	March 31, 2024	December 31, 2023
Cash and Cash Equivalents	\$ 167.3	\$ 135.1
Unpledged Securities	506.2	346.8
FHLB Committed Liquidity	1,167.4	936.0
FRB Discount Window Availability	613.3	699.9
Total Estimated Liquidity	\$ 2,454.1	\$ 2,117.8
Conditional Funding Based on Market Conditions		
Additional Credit Facility	\$ 431.0	\$ 419.0
Brokered CDs (additional capacity)	\$ 400.0	\$ 500.0

Net Interest Income/Margin

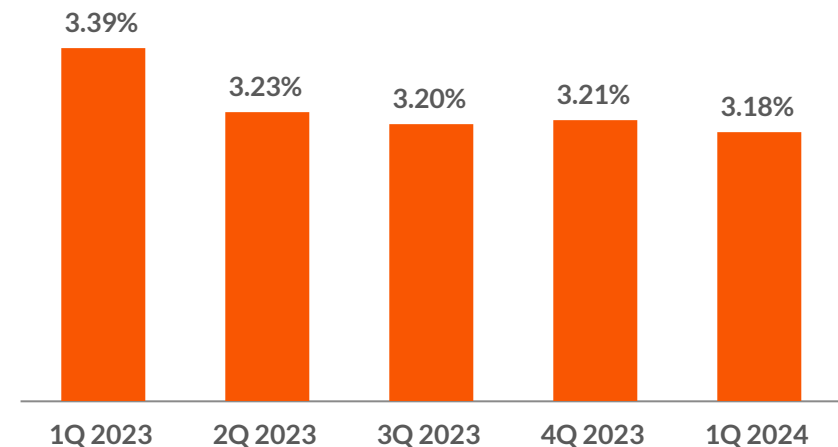
- Net interest income down slightly from prior quarter due to lower average earning assets
- Net interest margin decreased 3bp to 3.18% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets, as well as the impact of interest reversals on loans placed on non-accrual
- Average rate on new and renewed loan originations decreased 34bps to 7.88% in 1Q24 from 8.22% in 4Q23
- Net interest margin expected to continue to be relatively stable as loan portfolio continues to reprice and the impact of continued repositioning in the investment portfolio is realized

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 March 31, 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	\$ 710	\$ 290	\$ 539	\$ 264	\$ 38	\$ 4	\$ 27	\$1,872	\$ 565	\$ 80	\$ 1,227
Commercial real estate	707	345	679	427	186	19	34	2,397	517	233	1,647
Construction and land	296	41	38	71	1	—	27	474	264	39	171
Residential real estate	72	54	77	64	85	20	7	379	52	119	208
Consumer	196	203	418	14	6	—	—	837	113	—	724
Total	\$1,981	\$ 933	\$1,751	\$ 839	\$ 316	\$ 43	\$ 95	\$5,958	\$ 1,510	\$ 471	\$ 3,977
% of Total	33 %	16 %	29 %	14 %	5 %	1 %	2 %	100 %	25 %	8 %	67 %
Weighted Average Rate	7.59 %	5.59 %	5.24 %	5.35 %	4.59 %	3.75 %	0.22 % ⁽²⁾	5.97 %	8.16 %	4.78 %	5.27 %

Investment Securities Available for Sale⁽³⁾

(in millions)

As of March 31, 2024

Maturity & Projected Cash Flow Distribution

	1 year or less	1-3 years	3-5 years	5-10 years	Over 10 years	Total
Amortized Cost	\$ 180	\$ 160	\$ 181	\$ 330	\$ 293	\$ 1,144
% of Total	16 %	14 %	16 %	29 %	26 %	100 %

Notes:

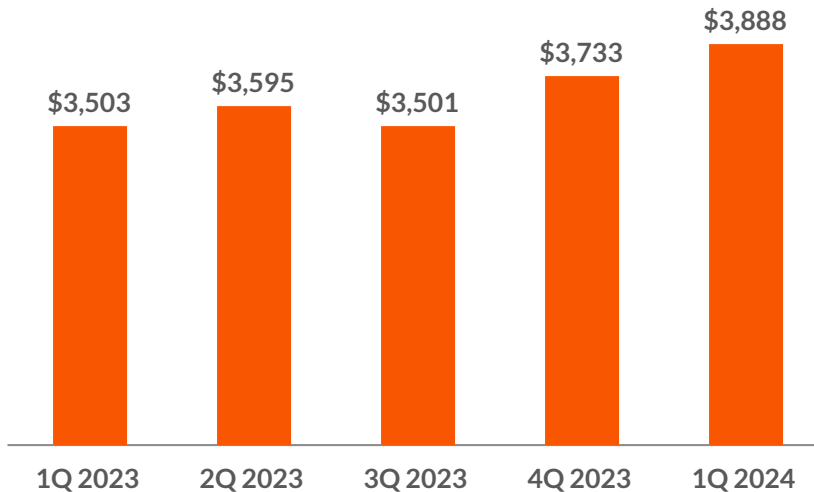
- (1) Based on projected principal payments for all loans plus the next reset for floating and adjustable rate loans and the maturity date of fixed rate loans.
- (2) Over 15 years category includes all nonaccrual loans and leases.
- (3) Projected principal cash flows for securities. Differences between amortized cost and total principal are included in Over 10 years.

Wealth Management

- Assets under administration increased mainly due to \$97 million of new accounts and positive market performance
- Wealth Management fees increased from prior quarter due to increases in estate and tax planning fees from new business development efforts
- New technology planned to launch in 2Q24
- Continual hiring of wealth advisors positively impacting new business development

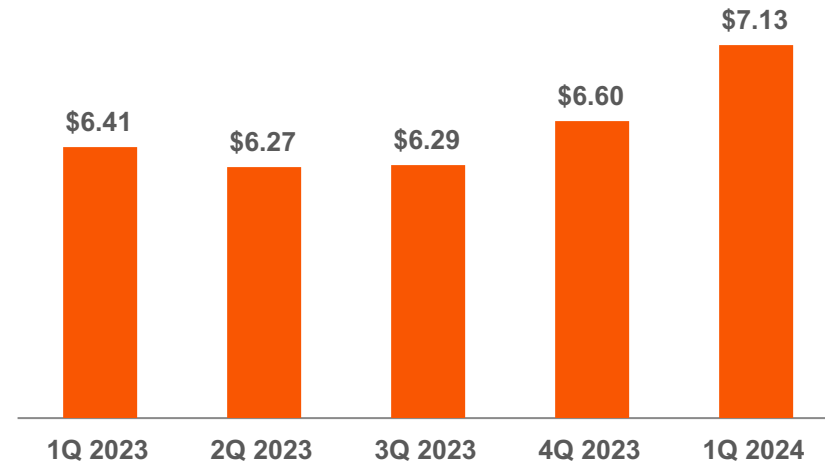
Assets Under Administration

(in millions)



Wealth Management Revenue

(in millions)

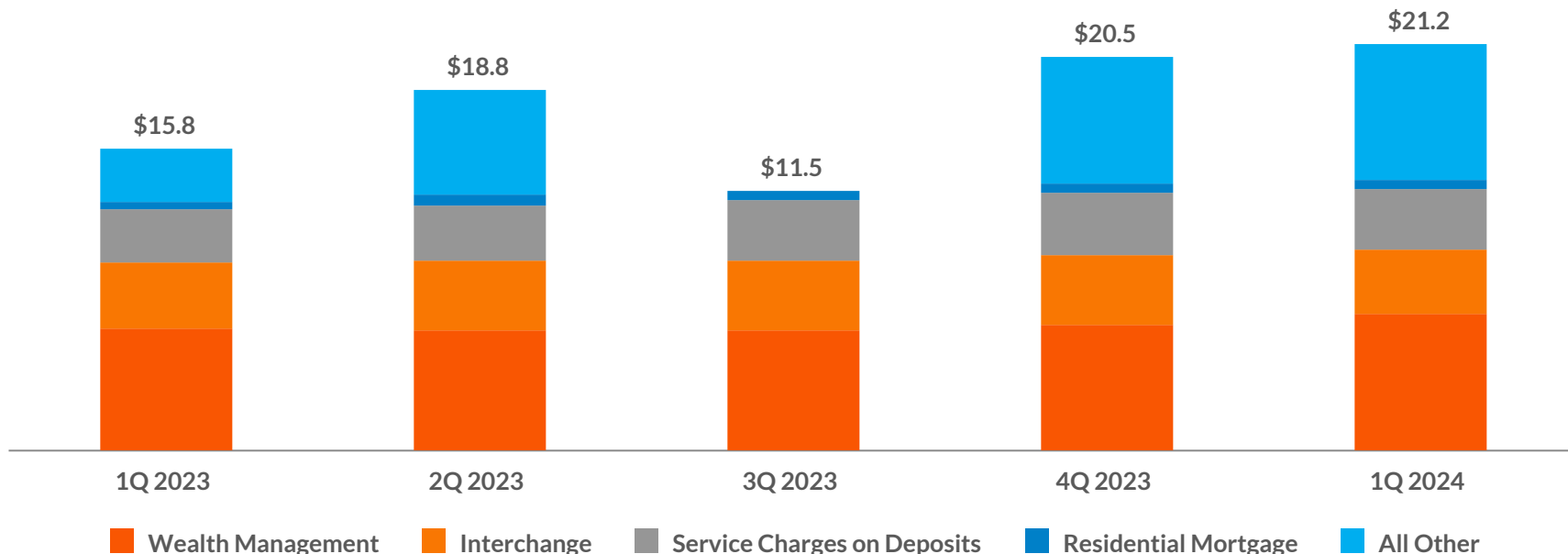


Noninterest Income

- Noninterest income increased from prior quarter primarily due to higher wealth management revenue
- 1Q24 noninterest income included incremental servicing revenues of \$3.7 million related to the Greensky portfolio
- 4Q23 noninterest income included incremental servicing revenues of \$3.8 million and \$1.1 million gain from the sale of Visa B stock offset by \$2.9 million of losses on the sale of investment securities
- Fee income expected to be \$18.0 - \$18.5 million in the near-term quarters

Noninterest Income

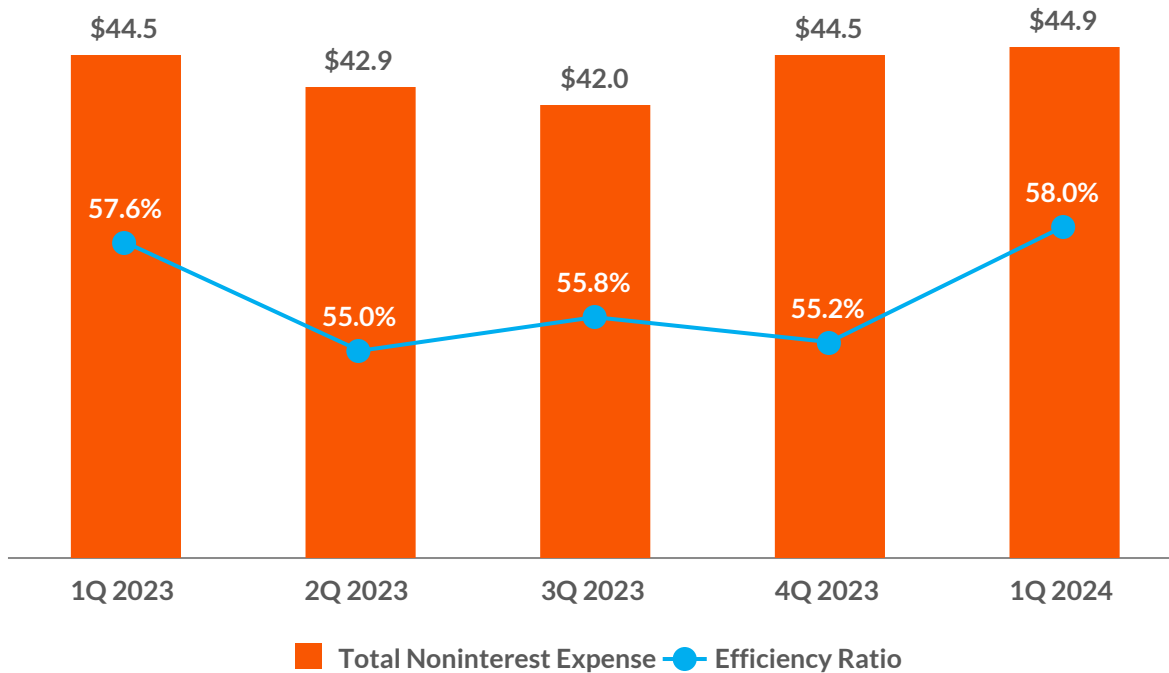
(in millions)



Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio ⁽¹⁾

(Noninterest expense in millions)



- Efficiency Ratio ⁽¹⁾ was 58.0% in 1Q 2024 vs. 55.2% in 4Q 2023
- Slight increase in noninterest expense from prior quarter primarily attributable to seasonal impact of higher payroll taxes and higher FDIC insurance expense offset by lower health insurance costs in the first quarter
- Near-term operating expense run-rate expected to be approximately \$45.5 - \$46.5 million

Notes:

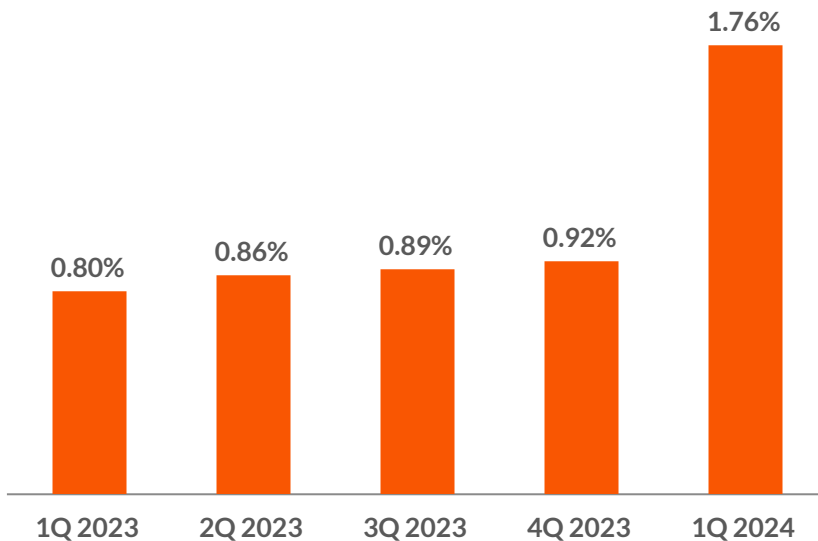
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

Asset Quality

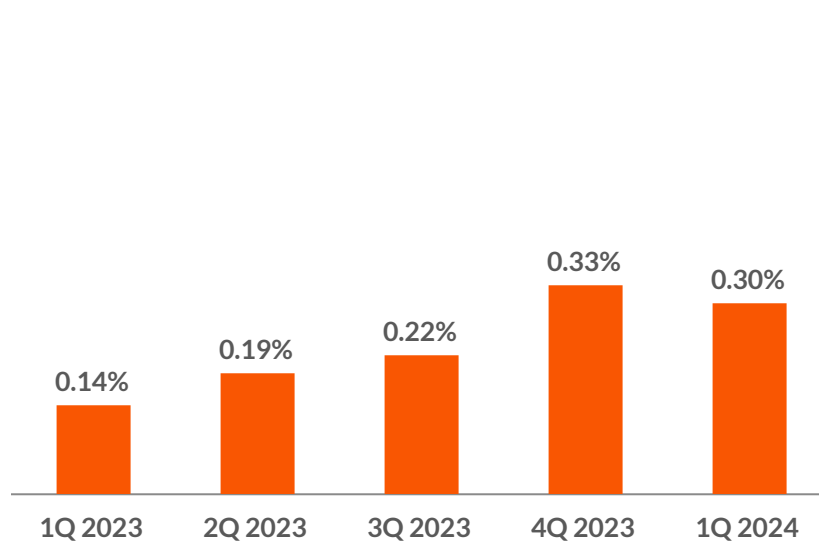
- Nonperforming loans increased due to placement of 4 loans on non-accrual, totaling \$47.4 million, 3 of which were multi-family construction or multi-family projects
- Past due loans and substandard loans declined during the first quarter
- Net charge-offs to average loans was 0.30% primarily driven by equipment finance with provision for credit losses on loans of \$14.0 million, primarily related to increases to specific reserves, charge offs in the equipment finance portfolio and changes in forecasts and other Q factors

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)

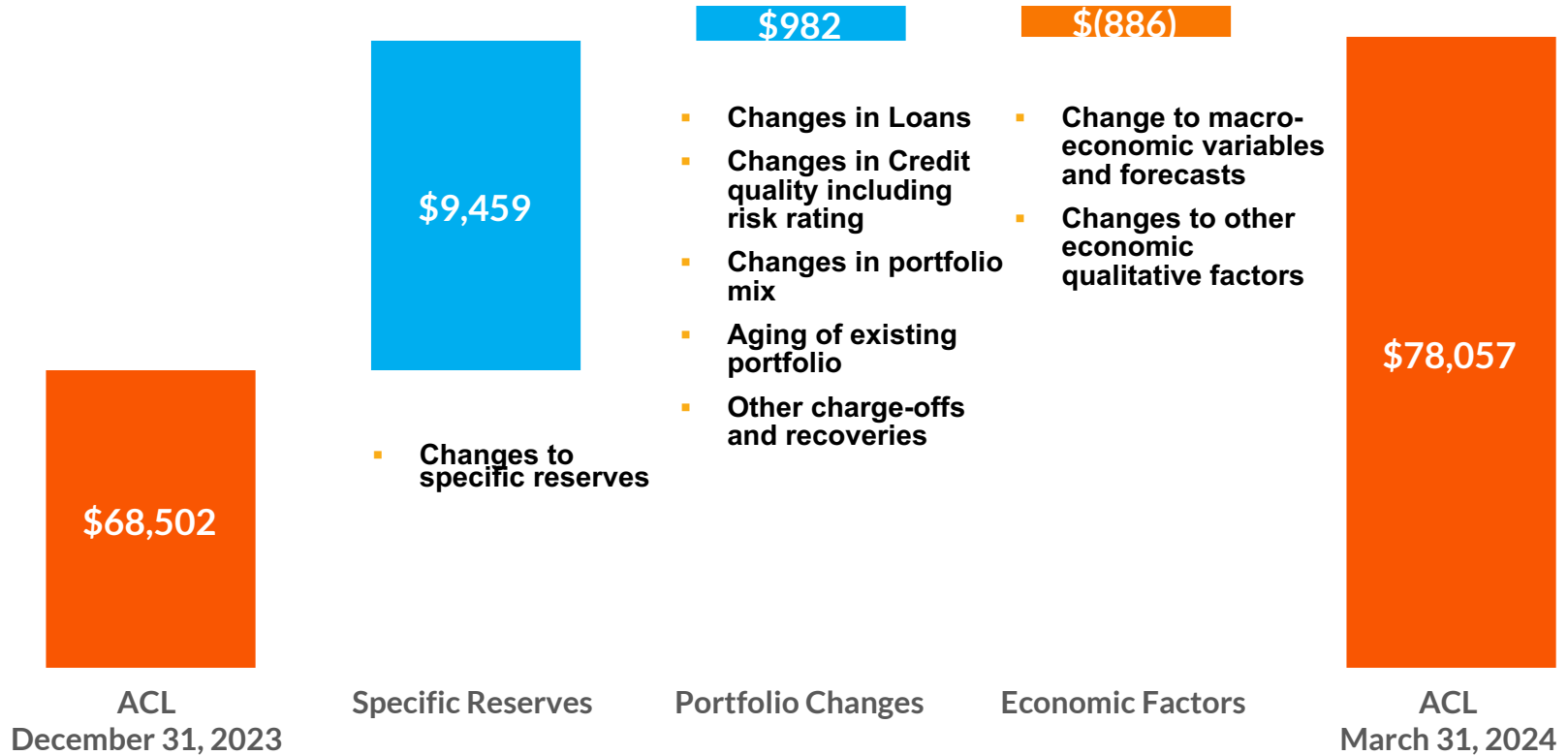


NCO / Average Loans



Changes in Allowance for Credit Losses

(\$ in thousands)



ACL by Portfolio

(\$ in thousands)

March 31, 2024

December 31, 2023

Portfolio	Loans	ACL	% of Total Loans	Loans	ACL	% of Total Loans
Commercial	\$ 813,963	\$ 9,135	1.12 %	\$ 825,938	\$ 8,897	1.08 %
Commercial Other	601,704	12,194	2.03 %	656,592	12,950	1.97 %
Equipment Finance Loans	494,068	11,806	2.39 %	531,143	12,496	2.35 %
Equipment Finance Leases	455,879	13,466	2.95 %	473,350	12,940	2.73 %
CRE non-owner occupied	1,591,455	13,353	0.84 %	1,622,668	12,716	0.78 %
CRE owner occupied	450,149	4,858	1.08 %	436,857	4,742	1.09 %
Multi-family	287,586	2,871	1.00 %	279,904	2,398	0.86 %
Farmland	67,923	285	0.42 %	67,416	373	0.55 %
Construction and Land Development	474,128	12,629	2.66 %	452,593	4,163	0.92 %
Residential RE First Lien	316,310	4,986	1.58 %	317,388	4,906	1.55 %
Other Residential	62,273	669	1.07 %	63,195	647	1.02 %
Consumer	99,157	520	0.52 %	107,743	711	0.66 %
Consumer Other ⁽¹⁾	737,935	3,091	0.42 %	827,435	3,059	0.37 %
Total Loans	5,958,462	78,057	1.31 %	6,131,079	68,502	1.12 %
Loans (excluding BaaS portfolio ⁽¹⁾ and warehouse lines)	5,136,557	74,587	1.45 %	5,215,645	65,003	1.25 %

Notes:

(1) Primarily consists of loans originated through GreenSky relationship



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 meaningful contribution to deposit gathering and fee income during 2024**

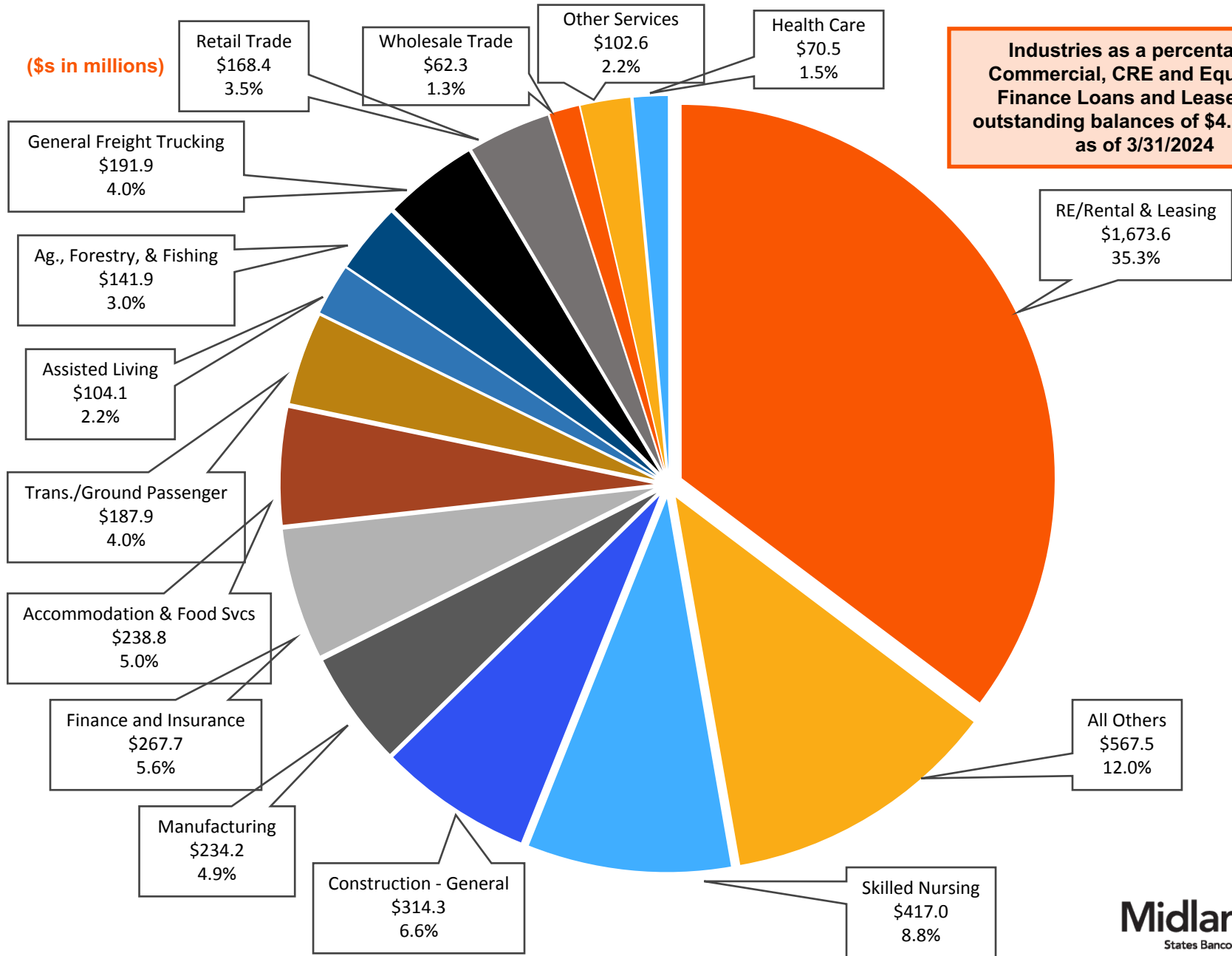


APPENDIX

Commercial Loans and Leases by Industry

(\$s in millions)

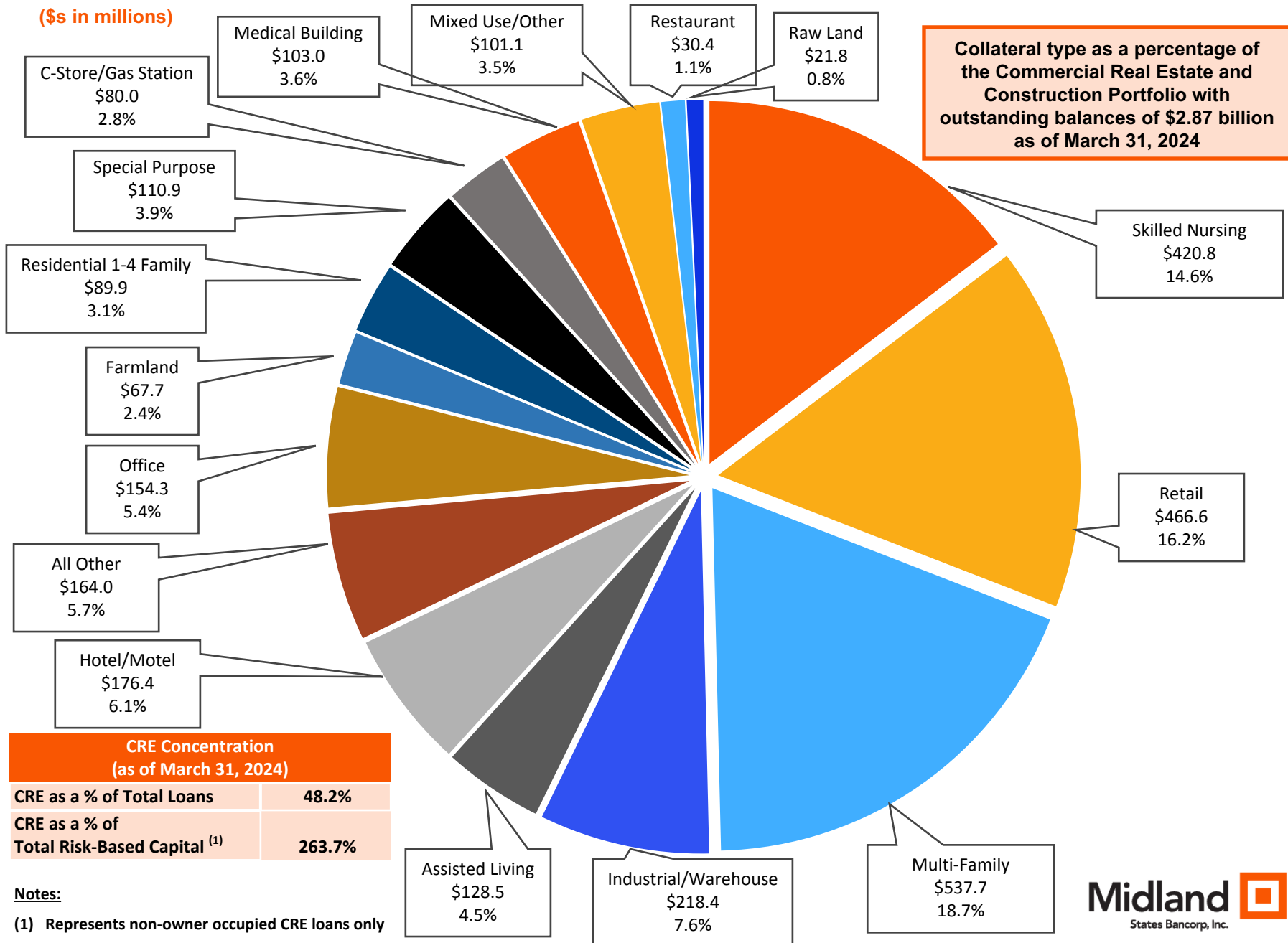
Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of \$4.74 billion as of 3/31/2024



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 \$2.87 billion as of March 31, 2024



CRE Concentration (as of March 31, 2024)

CRE as a % of Total Loans	48.2%
CRE as a % of Total Risk-Based Capital ⁽¹⁾	263.7%

Notes:

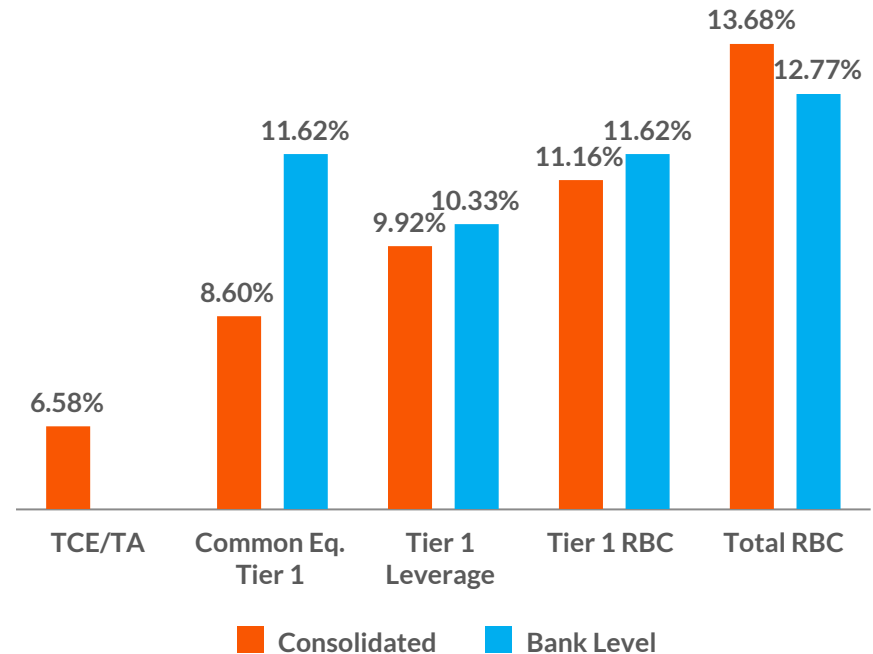
(1) Represents non-owner occupied CRE loans only

Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 8.60% from 7.77% at 12/31/22 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 March 31, 2024)



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

Tangible Book Value Per Share

	For the Year Ended					
	2018	2019	2020	2021	2022	2023
<i>(dollars in thousands, except per share data)</i>						
Shareholders' Equity to Tangible Common Equity						
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	<u>403,695</u>	<u>455,267</u>	<u>431,105</u>	<u>477,559</u>	<u>465,256</u>	<u>503,293</u>
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) 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 %

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

Adjusted Earnings Reconciliation

	For The Quarter Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>					
Income before income taxes - GAAP	\$ 18,240	\$ 27,152	\$ 22,935	\$ 28,820	\$ 28,666
Adjustments to noninterest income:					
Loss on sales of investment securities, net	—	2,894	4,961	869	648
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—
(Gain) on sale of Visa B shares	(1,098)	—	—	—	—
(Gain) on repurchase of subordinated debt	—	—	—	(676)	—
Total adjustments to noninterest income	—	1,796	4,961	193	648
Adjusted earnings pre tax - non-GAAP	18,240	28,948	27,896	29,013	29,314
Adjusted earnings tax	4,355	6,927	8,389	7,297	7,069
Adjusted earnings - non-GAAP	13,885	22,021	19,507	21,716	22,245
Preferred stock dividends	2,228	2,228	2,229	2,228	2,228
Adjusted earnings available to common shareholders	\$ 11,657	\$ 19,793	\$ 17,278	\$ 19,488	\$ 20,017
<i>Adjusted diluted earnings per common share</i>	\$ 0.53	\$ 0.89	\$ 0.78	\$ 0.87	\$ 0.88
Adjusted return on average assets	0.72 %	1.11 %	0.98 %	1.10 %	1.15 %
Adjusted return on average shareholders' equity	7.07 %	11.42 %	10.03 %	11.21 %	11.76 %
Adjusted return on average tangible common equity	9.34 %	16.51 %	14.24 %	16.10 %	17.11 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands)</i>					
Adjusted earnings pre tax - non-GAAP	\$ 18,240	\$ 28,948	\$ 27,896	\$ 29,013	\$ 29,314
Provision for credit losses	14,000	6,950	5,168	5,879	3,135
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 32,240	\$ 35,898	\$ 33,064	\$ 34,892	\$ 32,449
Adjusted pre-tax, pre-provision return on average assets	1.67 %	1.80 %	1.66 %	1.76 %	1.67 %

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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands)</i>					
Noninterest expense - GAAP	\$ 44,867	\$ 44,488	\$ 42,038	\$ 42,894	\$ 44,482
Loss on mortgage servicing rights held for sale	—	—	—	—	—
Adjusted noninterest expense	<u>\$ 44,867</u>	<u>\$ 44,488</u>	<u>\$ 42,038</u>	<u>\$ 42,894</u>	<u>\$ 44,482</u>
Net interest income - GAAP	\$ 55,920	\$ 58,077	\$ 58,596	\$ 58,840	\$ 60,504
Effect of tax-exempt income	215	183	205	195	244
Adjusted net interest income	<u>56,135</u>	<u>58,260</u>	<u>58,801</u>	<u>59,035</u>	<u>60,748</u>
Noninterest income - GAAP	21,187	20,513	11,545	18,753	15,779
Loss on sales of investment securities, net	—	2,894	4,961	869	648
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—
(Gain) on sale of Visa B shares	—	(1,098)	—	—	—
(Gain) on repurchase of subordinated debt	—	—	—	(676)	—
Adjusted noninterest income	<u>21,187</u>	<u>22,309</u>	<u>16,506</u>	<u>18,946</u>	<u>16,427</u>
Adjusted total revenue	<u>\$ 77,322</u>	<u>\$ 80,569</u>	<u>\$ 75,307</u>	<u>\$ 77,981</u>	<u>\$ 77,175</u>
Efficiency ratio	58.03 %	55.22 %	55.82 %	55.01 %	57.64 %

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				
	March 31, 2024	December 31, 2023 ⁽¹⁾	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 791,006	\$ 791,853	\$ 757,610	\$ 776,821	\$ 775,643
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	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible common equity	<u>\$ 503,535</u>	<u>\$ 503,293</u>	<u>\$ 467,920</u>	<u>\$ 486,002</u>	<u>\$ 483,616</u>
Less: Accumulated other comprehensive income (AOCI)	(81,419)	(76,753)	(101,181)	(84,719)	(77,797)
Tangible common equity excluding AOCI	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>	<u>\$ 570,721</u>	<u>\$ 561,413</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721	\$ 7,930,174
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible assets	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>	<u>\$ 7,854,450</u>	<u>\$ 7,748,695</u>
Common Shares Outstanding	21,485,231	21,551,402	21,594,546	21,854,800	22,111,454
Tangible Common Equity to Tangible Assets	6.58 %	6.55 %	6.01 %	6.19 %	6.24 %
Tangible Book Value Per Share	\$ 23.44	\$ 23.35	\$ 21.67	\$ 22.24	\$ 21.87
Tangible Book Value Per Share, excluding AOCI	\$ 27.23	\$ 26.91	\$ 26.35	\$ 26.11	\$ 25.39

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
	March 31, 2024	December 31, 2023 ⁽¹⁾	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands)</i>					
Net income available to common shareholders	<u>\$ 11,657</u>	<u>\$ 18,483</u>	<u>\$ 9,173</u>	<u>\$ 19,347</u>	<u>\$ 19,544</u>
Average total shareholders' equity—GAAP	\$ 789,906	\$ 764,790	\$ 771,625	\$ 776,791	\$ 767,186
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	(15,525)	(16,644)	(17,782)	(18,937)	(20,184)
Average tangible common equity	<u>\$ 501,929</u>	<u>\$ 475,694</u>	<u>\$ 481,391</u>	<u>\$ 485,402</u>	<u>\$ 474,550</u>
ROATCE	9.34 %	15.41 %	7.56 %	15.99 %	16.70 %