Midland States Bancorp, Inc.
NASDAQ: MSBI

Investor Presentation

March 2021

Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements expressing management's current expectations, forecasts of future events or long-term goals may be based upon beliefs, expectations and assumptions of Midland's management, and are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. All statements in this presentation speak only as of the date they are made, and Midland undertakes no obligation to update any statement. A number of factors, many of which are beyond the ability of Midland to control or predict, could cause actual results to differ materially from those in its forward-looking statements including the effects of the Coronavirus Disease 2019 (COVID-19) pandemic, including its potential effects on the economic environment, our customers and our operations, as well as any changes to federal, state or local government laws, regulations or orders in connection with the pandemic. These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements. Additional information concerning Midland and its businesses, including additional factors that could materially affect Midland's financial results, are included in Midland's filings with the Securities and Exchange Commission.

Use of Non-GAAP Financial Measures. This presentation may contain certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures include "Adjusted Earnings," "Pre-Tax, Pre-Provision Income," "Adjusted Diluted Earnings Per Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," "Adjusted Return on Average Tangible Common Equity," "Adjusted Pre-Tax, Provision Return on Average Assets," "Efficiency Ratio," "Tangible Common Equity to Tangible Assets," "Tangible Book Value Per Share," and "Return on Average Tangible Common Equity." The Company believes that these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's funding profile and profitability. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore this presentation may not be comparable to other similarly titled measures as presented by other companies. Reconciliations of these non-GAAP measures are provided in the Appendix section of this presentation.

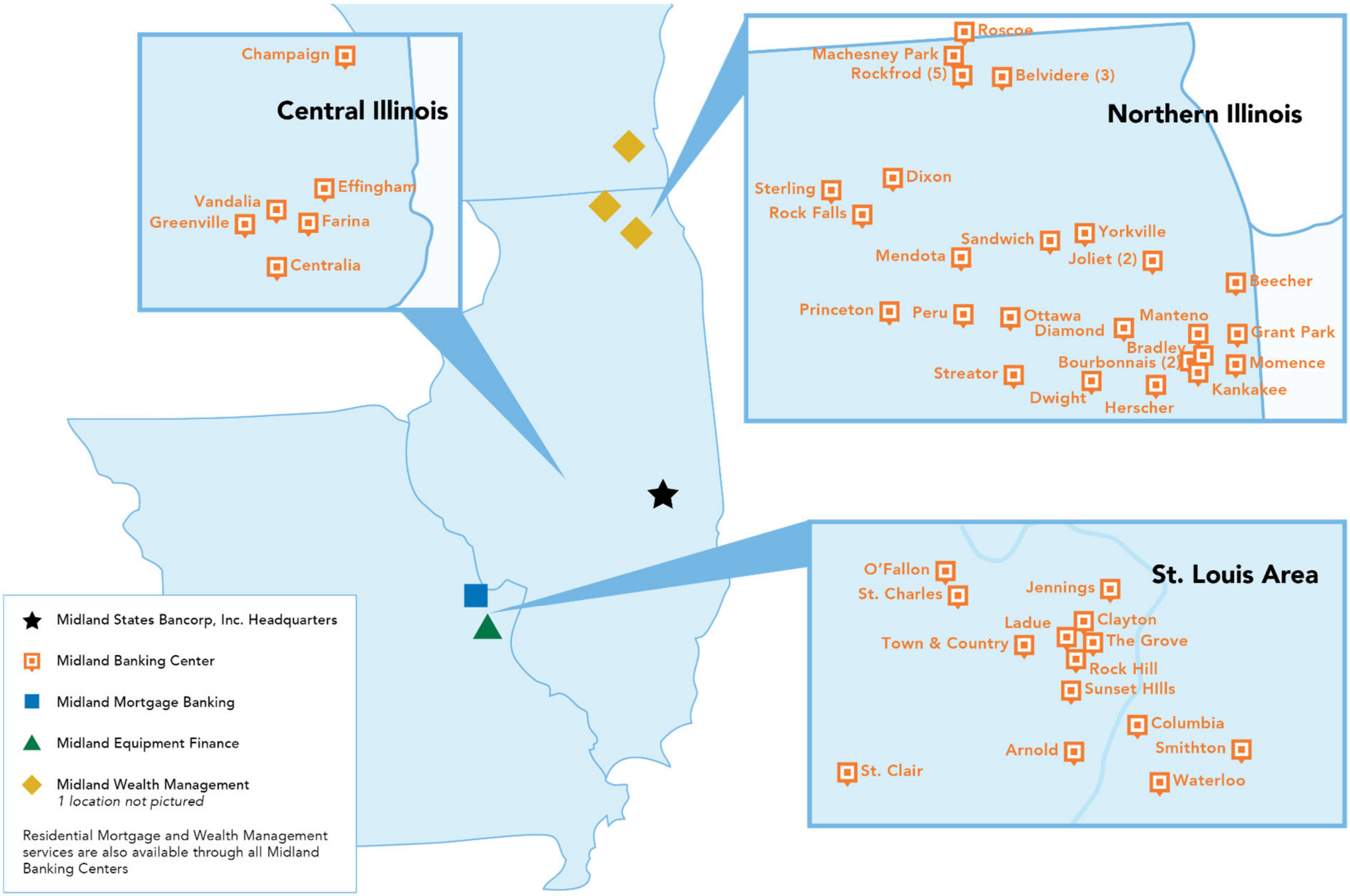
Company Snapshot

- **$6.86 billion asset community bank established in 1881 and headquartered in Effingham, Illinois**
  - **2nd largest Illinois-based community bank[1]**
- **$3.48 billion Wealth Management business**
- **Diversified lender with national equipment financing and consumer loan origination platforms complementing in-market commercial relationship banking**
- **52 branches in Illinois and Missouri**
- **14 successful acquisitions since 2008**

Notes:
1) Community bank defined as banks with less than $10 billion in assets; Source: S&P Global Market Intelligence
2) All financial data as of December 31, 2020

Midland States Bancorp, Inc.

Financial Services & Banking Center Footprint



Midland States Bancorp, Inc.

Investment Summary

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

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

29%

Attractive, stable core deposit franchise with 29% non-interest bearing accounts[1]

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

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

Illinois and contiguous states provide ample opportunities for future acquisitions

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

Notes:
1. As of December 31, 2020

Midland States Bancorp, Inc.

Business and Corporate Strategy

Customer-Centric Culture

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

Operational Excellence

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

Enterprise-Wide Risk Management

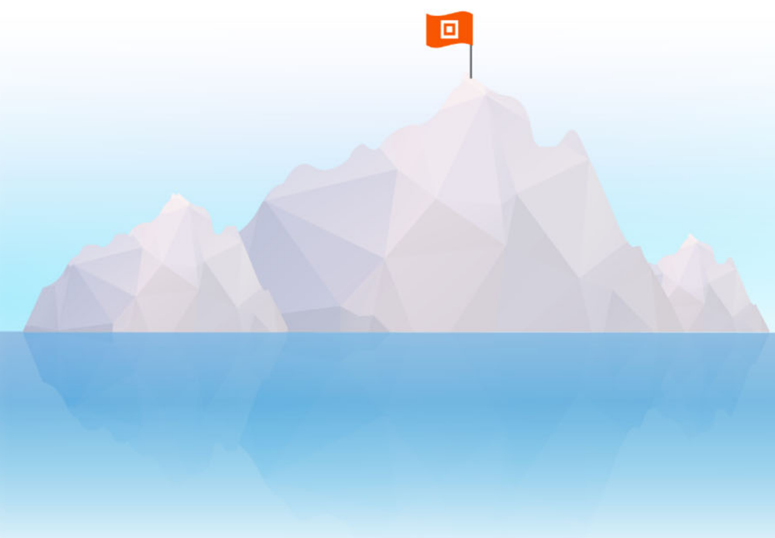
Maintain a program designed to integrate controls, monitoring and risk-assessment at all key levels and stages of our operations and growth; ensure that all employees are fully engaged

Accretive Acquisitions

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

Revenue Diversification

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



Experienced Senior Management Team

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

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

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

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

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

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

Eric T. Lemke | Chief Financial Officer

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

Jeffrey A. Brunoehler | Chief Credit Officer

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

Midland States Bancorp, Inc.

Successful Acquisition History

- **Midland States has completed 14 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**

Selected Acquisitions

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

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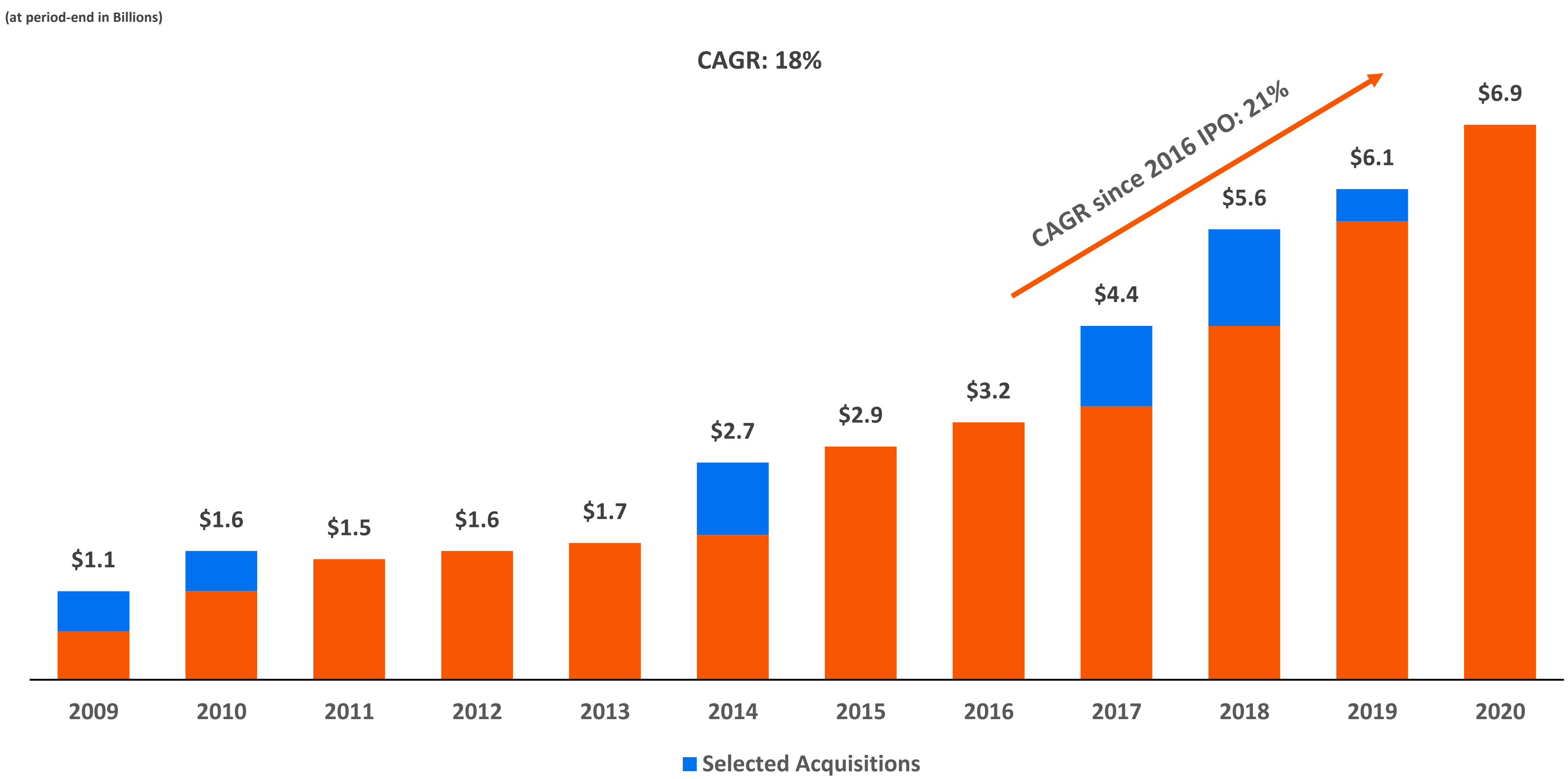
Successful Execution of Strategic Plan…

Total Assets



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

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

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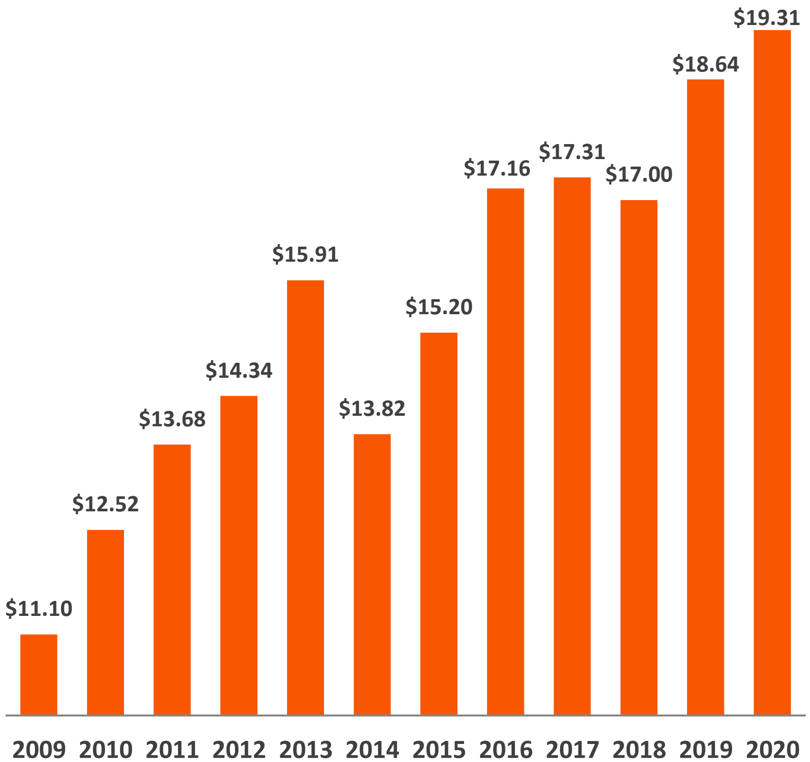
…Leads to Creation of Shareholder Value

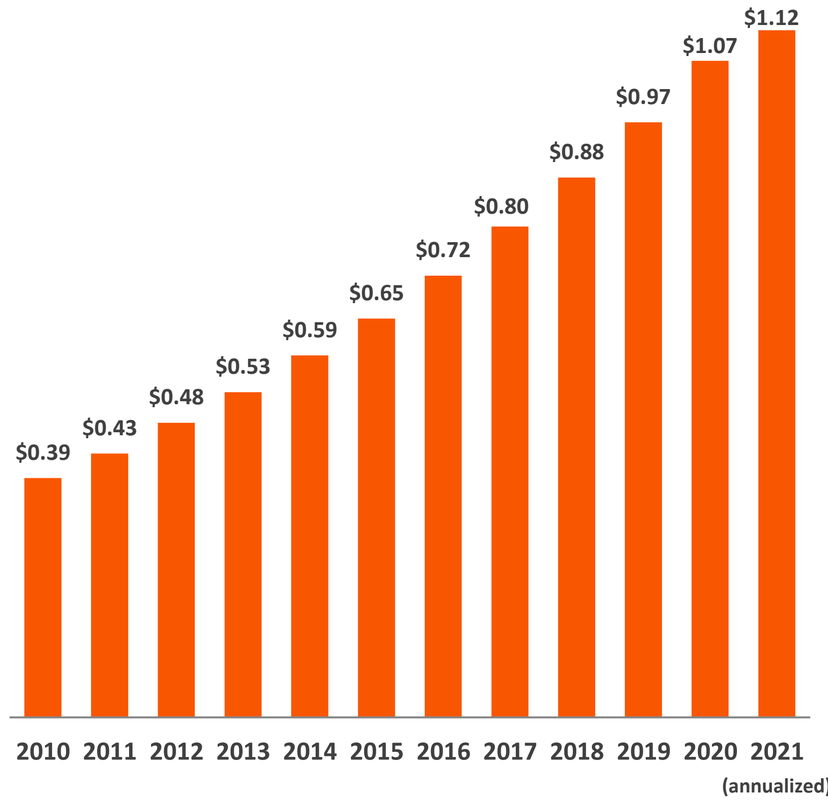
21 Consecutive Years of Dividend Increases

Tangible Book Value Per Share(1)

(at period-end)



Dividends Declared Per Share



Note:
(1) Tangible book value per share is a non-GAAP financial measure; tangible book value per share is defined as tangible common equity divided by shares of common stock outstanding (in the case of the ''as converted'' measure, assuming the conversion of all preferred shares that were outstanding prior to December 31, 2014); please refer to the reconciliation in the Appendix

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Strategic Initiatives Strengthening Franchise

Significant Corporate Actions Since Coming Public in 2016…

Scale

Action	Strategic Rationale	Financial Impact	2016	2020
Three whole bank acquisitions	• Low-cost deposits	Total Assets	$3.2B	$6.8B
Four Wealth Management acquisitions[1]	• Recurring revenue	AUA	$1.7B	$3.9B
Expanded equipment finance group	• Diversify revenue with attractive risk-adjusted yields	Equipment Finance	$191M	$861M

Efficiency

Action	Strategic Rationale	Financial Impact	2016	2020
Branch network and facility reductions	• Increasing adoption of digital	Efficiency Ratio	68.66%	59.42%
Sale of Commercial FHA Loan Origination platform	• Remove inconsistent revenue and profit contributor • Retain low-cost servicing deposits			
Accelerate technology investments	• Digital adoption is increasing			

Notes:
(1) Includes the pending acquisition of ATG Trust Company, which is expected to close during the second quarter of 2021

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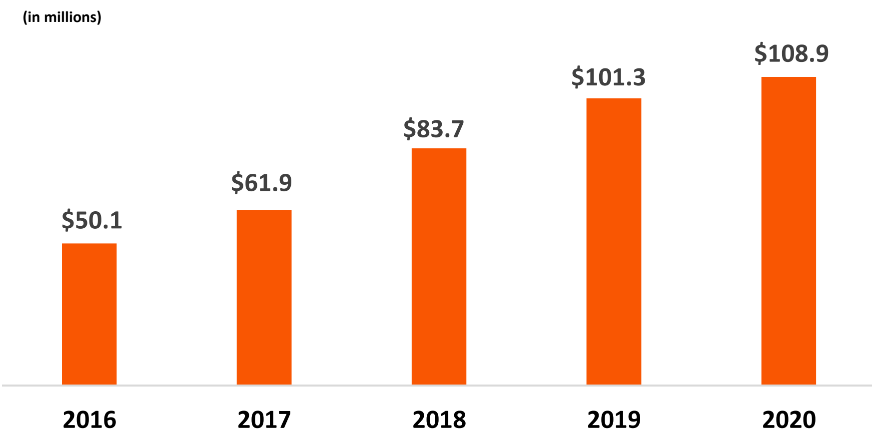
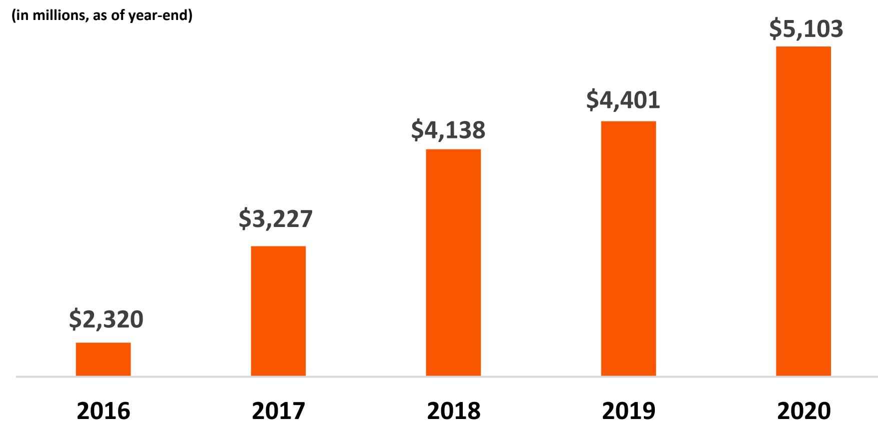
Strategic Initiatives Strengthening Franchise

…Have Produced Improved Growth and Profitability

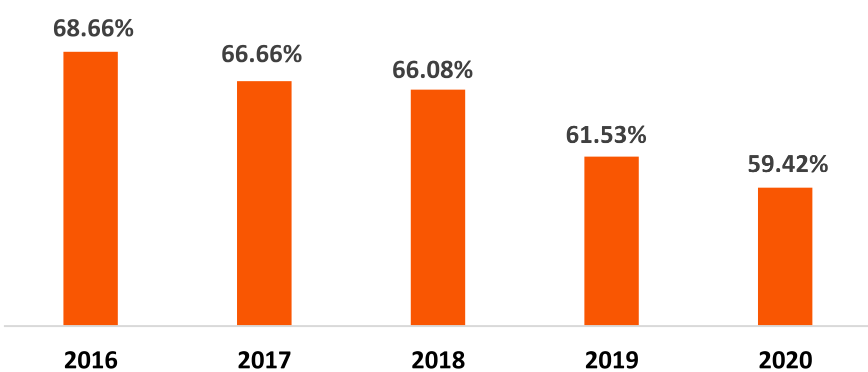
Adjusted Pre-Tax Pre-Provision Earnings(1)



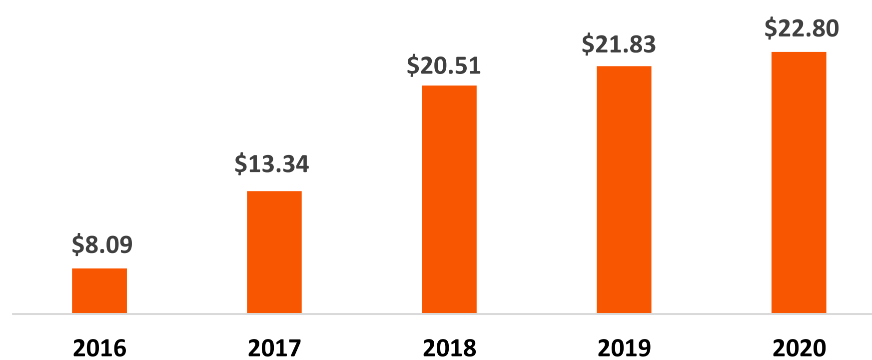
Total Loans



Efficiency Ratio(1)



Wealth Management Revenue



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

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2020 Optimization and Efficiency Initiatives

	Initiative Details	FY 2021 Expected Financial Impact
Sale of Commercial FHA Loan Origination Platform	• Sale of origination platform to Dwight Capital • No significant gain on sale (reduced goodwill by $10.9 million) • $3.0 million tax charge on sale • Retain servicing and low-cost deposits • Ongoing warehouse and servicing deposit relationship with Dwight Capital	• Ongoing commercial FHA revenue of $1.2 million for servicing • $8-$9 million expense reduction
Branch Network and Facilities Optimization	• Consolidation of 13 branches (20% of network and ~30 FTEs) • Most affected branches located within 3 miles of another Midland branch • 4 of the branches had been closed since March due to pandemic • Expected to retain 70% to 80% of deposits from consolidated branches • Exited three corporate locations including St. Louis and Denver	• Restructuring charge in 3Q20 of $13.6 million • Other branch renovation and upgrading projects beginning in 4Q20 and continuing in 2021 at a cost of $4 million • $6 million expense reduction in 2021

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	**Near real time payments** (Q1 2021) – Zelle			
	Consumer online loan Origination (Q1 2021) – blend		**Loan pricing optimization engine** (2021) – precisionlender	
	Consumer online account opening (2020) – ncino	**Digital Paycheck Protection Program Portal** (2020) – salesforce		
	Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020 and on-going) – salesforce marketing cloud			
	CRM deployed to 600+ front office employees with rich view of the customer, automated leads, and single view of pipelines for executive team (2020) – salesforce			
	Digital mortgage application (2020) – blend	**Self service loan portal and treasury on-boarding** (2021) – salesforce		

Foundational

Fintech Partnerships Established
Canapi Fund, Alloy, Blend, Plaid, GreenSky
GreenSky · CANAPI · alloy · PLAID

CX Platform Customer Feedback (2020, 2021) – NICE

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

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

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

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

Recent Financial Trends

Overview of 4Q20

4Q20 Earnings

- Net income of $8.3 million, or $0.36 diluted EPS, includes $4.9 million in charges related to prepayment of FHLB advances
- Adjusted earnings[1] of $12.5 million, or $0.54 diluted EPS, excluding charges primarily related to prepayments of FHLB advances
- Adjusted Pre-Tax, Pre-Provision (PTPP) Income[1] of $28.9 million; PTPP ROAA[1] of 1.69%, excluding impairment of commercial MSRs of $2.3 million

Restructuring of FHLB Advances

- Prepaid $114.2 million of FHLB advances with weighted average rate of 2.10%
- One-time prepayment charge of $4.9 million with expected payback of ~3 years
- Expected to reduce interest expense by $2.3 million in 2021 and positively impact NIM by 2-3 bps
- Added $200 million in short-term FHLB advances to fund expansion of commercial FHA warehouse credit lines

Strong Balance Sheet Growth

- Annualized loan growth of 13.2%, driven by growth in equipment finance, commercial, commercial real estate, and warehouse lines to commercial FHA lenders
- Annualized deposit growth of 5.6%, driven by continued increases in core deposits

Stable Net Interest Margin

- NIM, excluding PPP income, was unchanged from 3Q20
- Excess liquidity redeployed into higher earning assets and continued decline in cost of deposits supported the margin in 4Q20

Improved Asset Quality

- NPLs declined 19.8% from 3Q20 due to resolution of longer-term problem loans and minimal new inflow
- More borrowers with deferred loans resuming full or partial scheduled payments
- Allowance for credit losses strengthened to 1.18% of total loans and 112% of NPLs

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

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Loan Portfolio

- **Total loans increased $161.9 million, or 3.3% from prior quarter, to $5.10 billion**
- **Increase primarily attributable to growth in commercial and commercial real estate portfolios, partially offset by decrease in residential real estate loans**
- **Commercial loans increased due to an expansion of two existing relationships totaling approximately $59.0 million**
- **PPP loans were $184.4 million at Dec. 31, 2020, a decrease of $93.2 million from Sep. 30, 2020**
- **Equipment finance balances increased $46.0 million, or 5.6%, from Sep. 30, 2020**
- **$136.5 million increase in warehouse credit line utilization by commercial FHA loan originators**

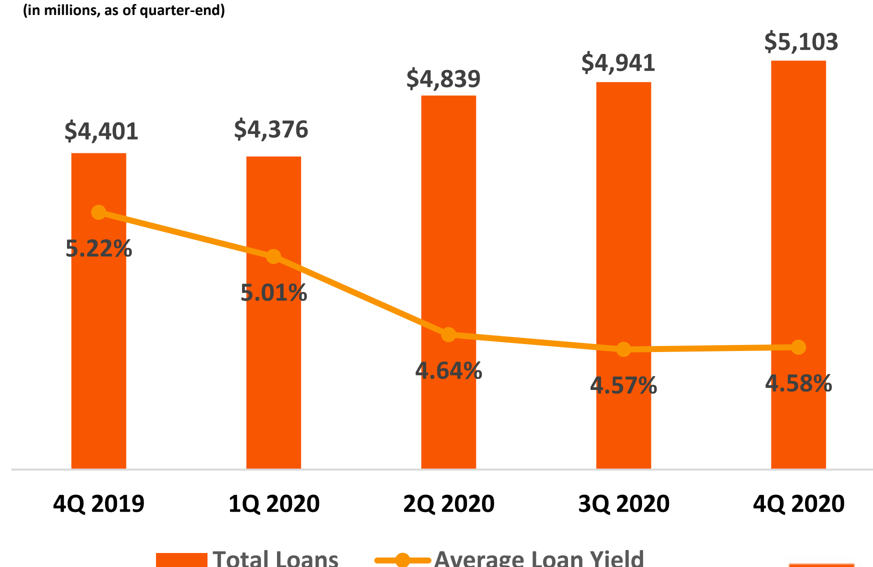
Loan Portfolio Mix

(in millions, as of quarter-end)

	4Q 2020	3Q 2020	4Q 2019
Commercial loans and leases	$ 2,096	$ 1,938	$ 1,388
Commercial real estate	1,526	1,497	1,527
Construction and land development	173	178	209
Residential real estate	443	471	568
Consumer	866	857	710
Total Loans	**$5,103**	**$4,941**	**$4,401**

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



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Total Deposits

- **Total deposits increased $72.3 million, or 1.4% from prior quarter, to $5.10 billion**
- **Growth in deposits attributable to increase in retail and commercial FHA servicing deposits, offset by declines in commercial customer and money market accounts**
- **Noninterest-bearing demand deposits increased to 28.8% of total deposits from 26.9% at end of prior quarter**
- **$100.6 million of CDs maturing in 1Q21 with a weighted average rate of 1.19%**

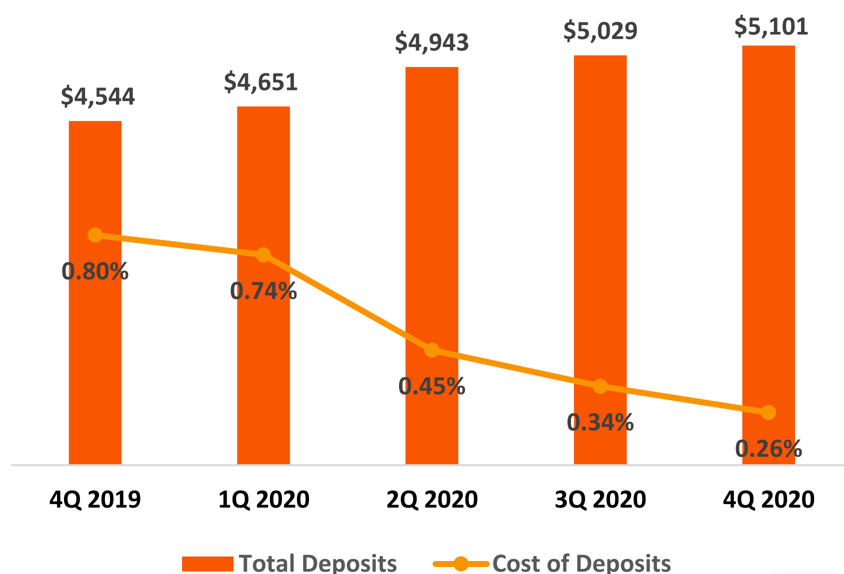
Deposit Mix

(in millions, as of quarter-end)

	4Q 2020	3Q 2020	4Q 2019
Noninterest-bearing demand	$ 1,470	$ 1,355	$ 1,019
Interest-bearing:			
Checking	1,569	1,581	1,343
Money market	786	827	788
Savings	598	581	522
Time	656	662	822
Brokered time	23	23	50
Total Deposits	**$5,101**	**$5,029**	**$4,544**

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



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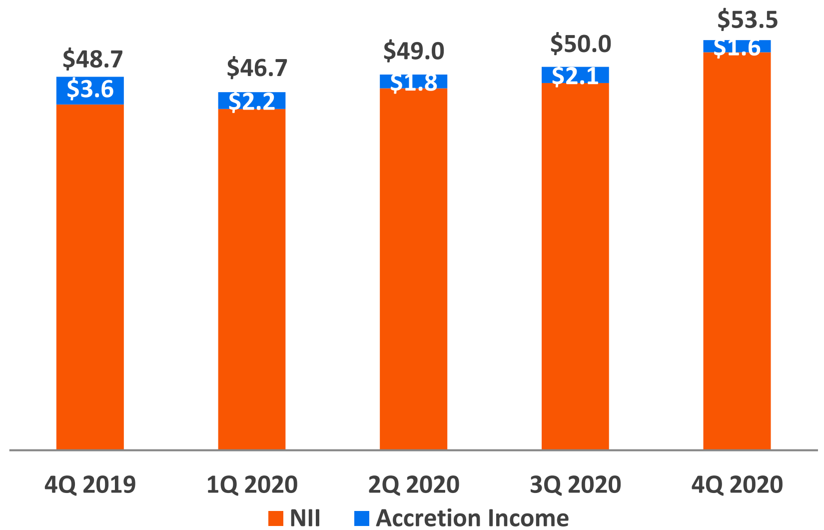
Net Interest Income/Margin

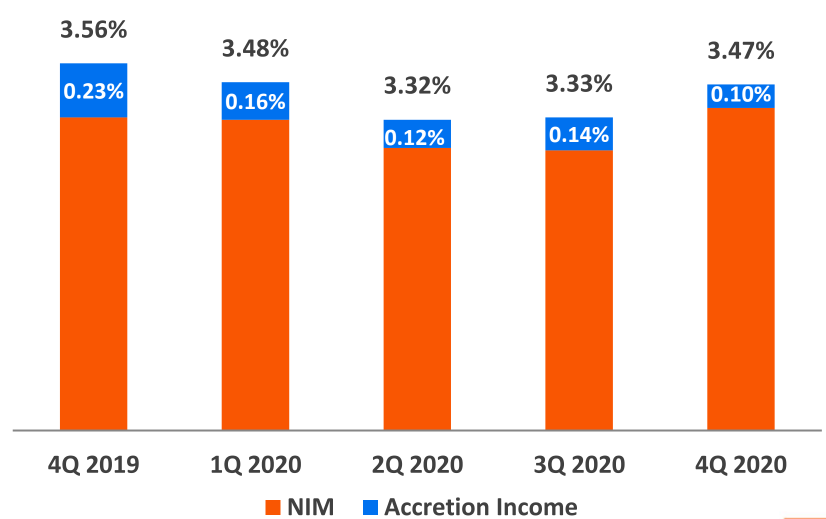
- Net interest income increased 7.1% from the prior quarter due to higher average loan balances and increased net interest margin
- Net interest margin, excluding PPP income, was unchanged from prior quarter as lower earning asset yields were offset by favorable shift in mix of earning assets and decline in cost of deposits
- 8 basis point decline in cost of deposits
- Full quarter impact of lower FHLB advances expense expected to positively impact NIM in 1Q21

Net Interest Income

(in millions)



Net Interest Margin



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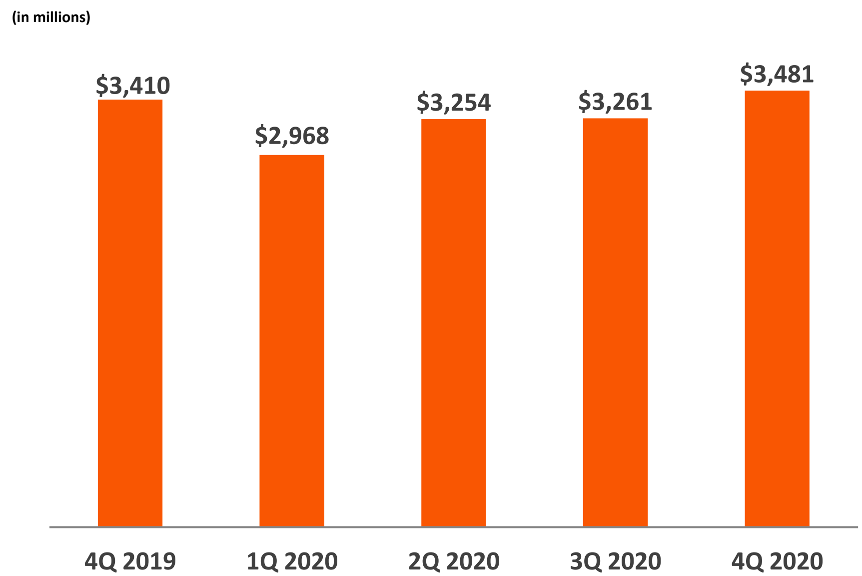
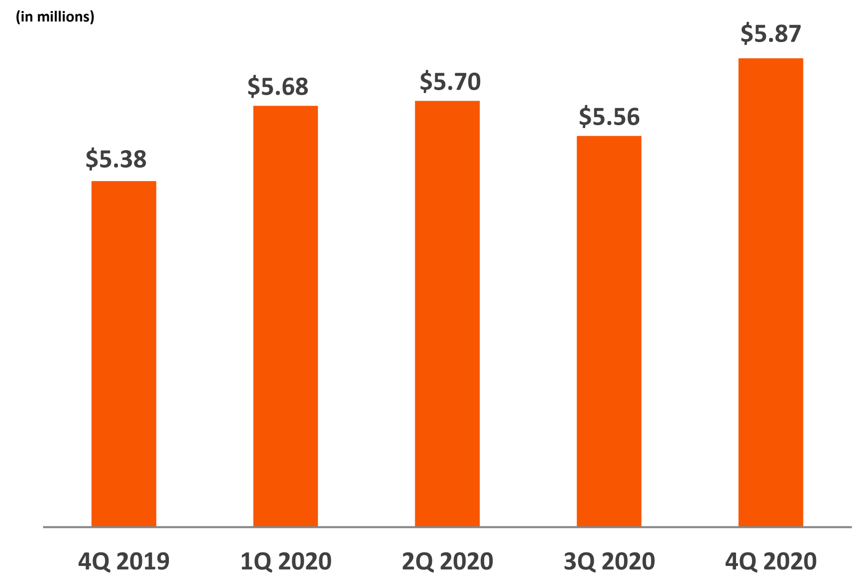
Wealth Management

- **During 4Q20, assets under administration increased $219.9 million, primarily due to market performance**
- **Wealth Management revenue increased 5.6% from prior quarter, primarily due to higher assets under administration**

Assets Under Administration



Wealth Management Revenue



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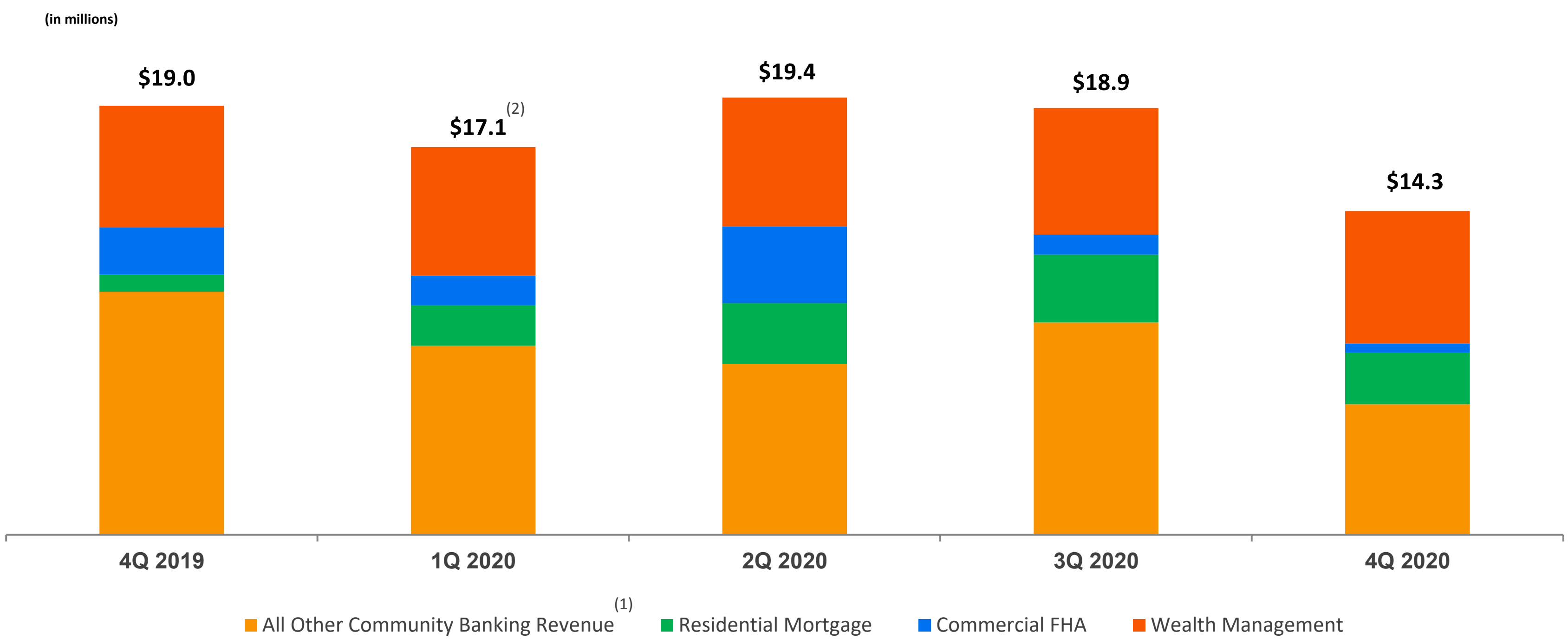
Noninterest Income

- **Noninterest income reduced 24.2% from prior quarter, partially due to a $2.3 million impairment of commercial mortgage servicing rights ("MSRs") and gains on sales of securities recorded in the prior quarter**
- **Excluding the impact of the impairment of commercial MSRs and gains on sales of securities, noninterest income decreased due to lower levels of residential mortgage banking revenue, commercial FHA revenue, and other income**

Noninterest Income



Notes:
(1) Represents service charges, interchange revenue, net gain (loss) on sale of investment securities, and other income
(2) Excludes $8.5 million impairment of commercial mortgage servicing rights

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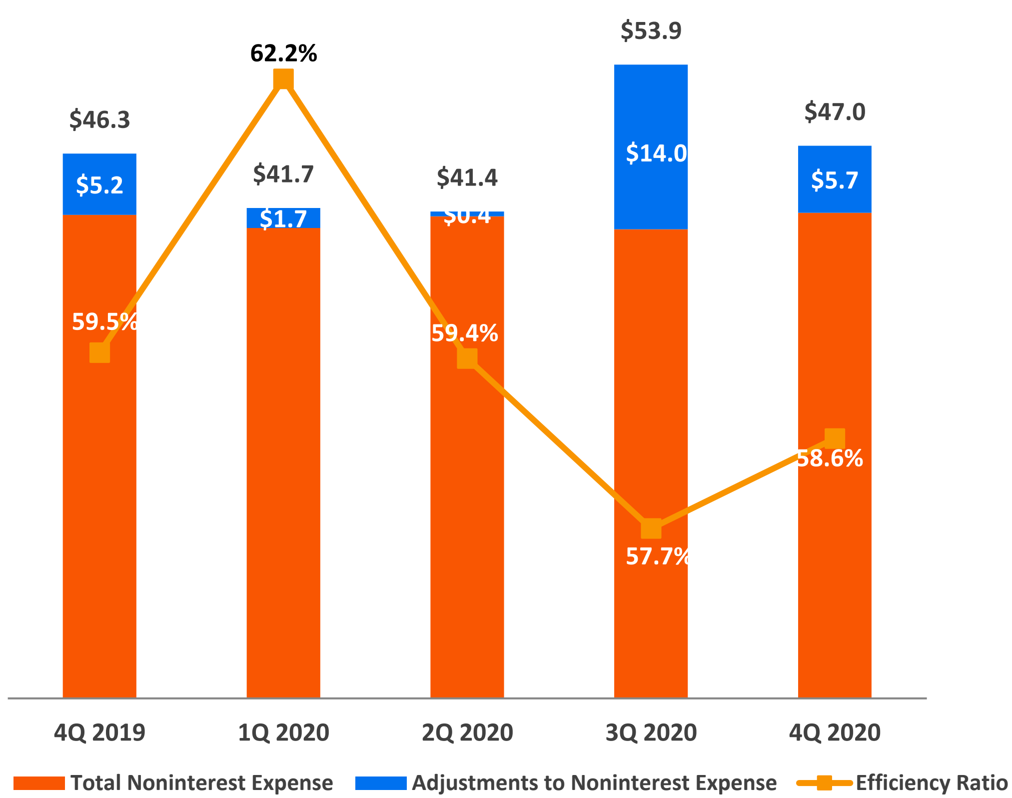
Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio [1]

(Noninterest expense in millions)



- **Efficiency Ratio [1] was 58.6% in 4Q20 vs. 57.7% in 3Q20**
- **Adjustments to non-interest expense:**

($ in millions)	4Q20	3Q20
Integration and acquisition related expenses	($0.2)	($13.9)
Loss on MSRs held for sale	($0.6)	($0.2)
FHLB advances prepayment fees	($4.9)	-

- **Excluding these adjustments, noninterest expense increased primarily due to:**
  - **Accrual for one-time rollover of vacation time due to COVID-19**
  - **Higher incentive compensation**
  - **Increase in charitable contributions**
- **Noninterest expense expected to range from $39 million to $40 million per quarter to start 2021**

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

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COVID-19
Response and Impact

Midland
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Paycheck Protection Program Overview

Paycheck Protection Program (as of 2/28/21)	
Loans Outstanding	$191.1 million
Round 1	$146.4 million
Round 2	$44.7 million
Total Fees Earned	$11.9 million
Fees Recognized in 4Q20	$3.1 million
Remaining Fees to be Recognized	$4.8 million

Paycheck Protection Program Loan Forgiveness		
	As of 12/31/20	**As of 2/28/21**
Loans Submitted to SBA	$155.6 million	$183.0 million
Loans Forgiven by SBA	$93.2 million	$131.6 million
Percentage of Total Round 1 PPP Loans Forgiven	33.6%	47.4%

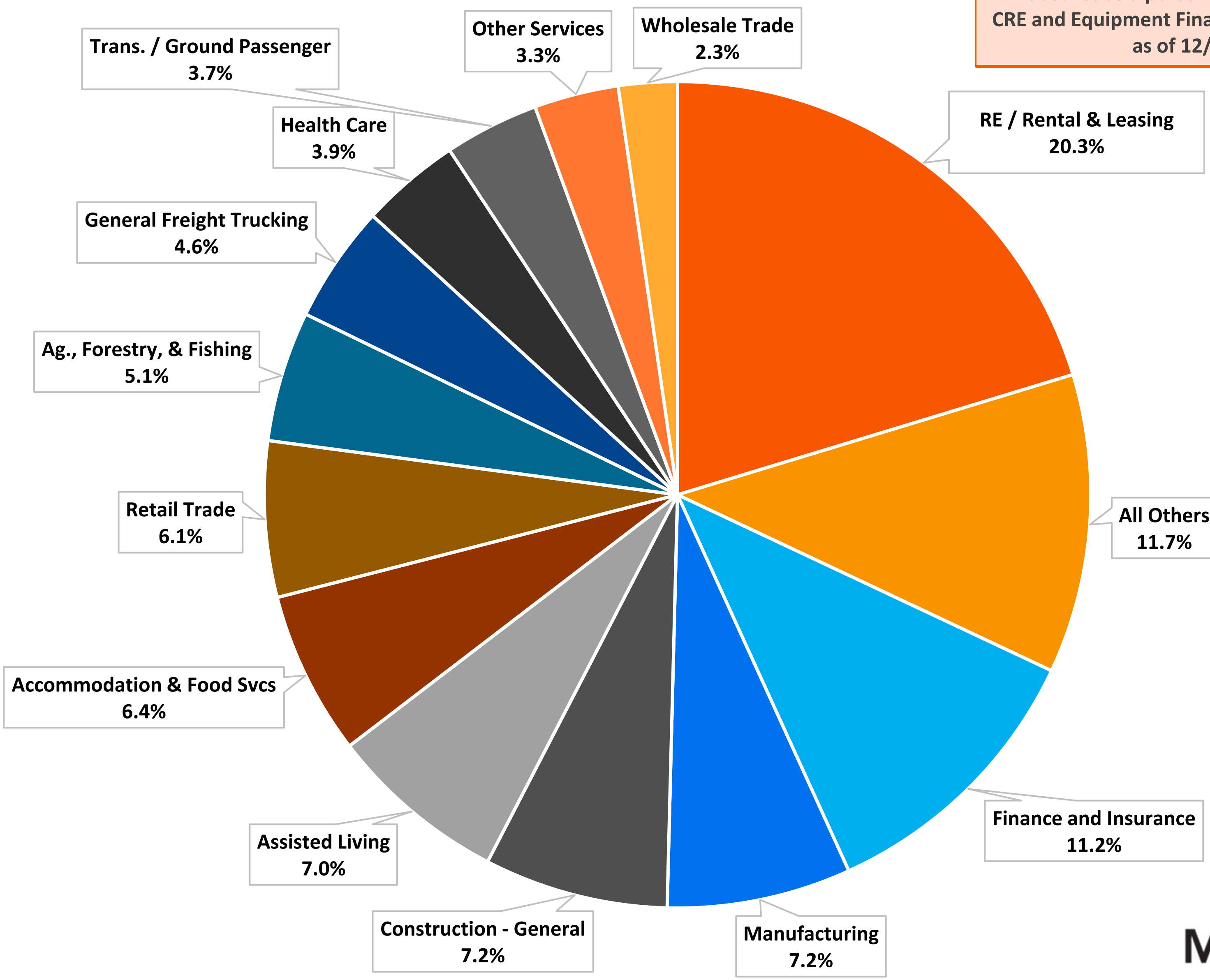
Impact on 4Q20 Financials

	At or for the Three Months Ended 12/31/20	Metrics Excluding PPP Impact
Total Loans	$5.10 billion	$4.92 billion
Average Loans	$5.00 billion	$4.76 billion
Net Interest Income FTE(1)	$53.9 million	$50.2 million
Net Interest Margin(1)	3.47%	3.36%
ACL/Total Loans	1.18%	1.22%

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

Commercial Loans and Leases by Industry

Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases as of 12/31/20



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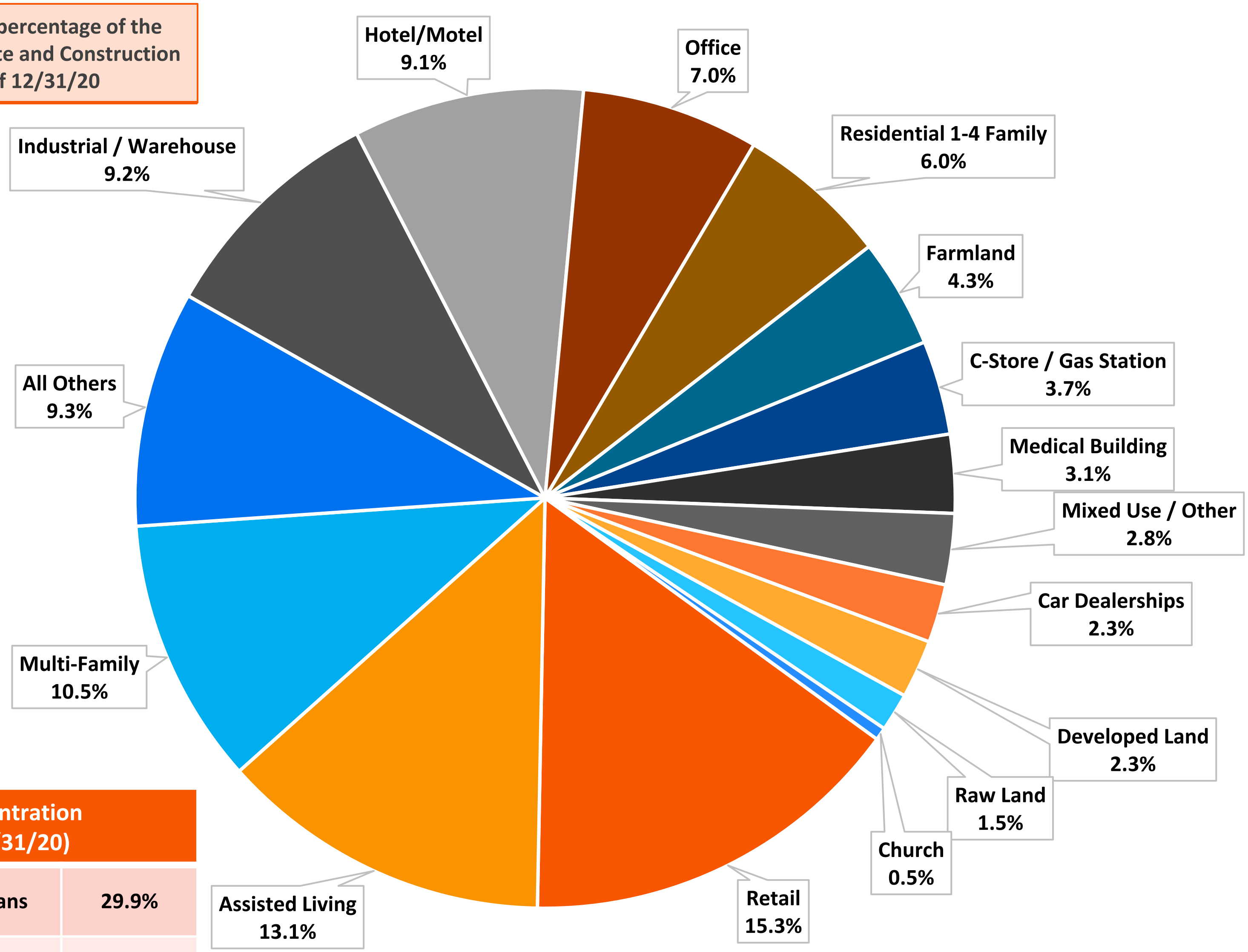
Commercial Real Estate Portfolio by Collateral Type

Collateral type as a percentage of the Commercial Real Estate and Construction Portfolio as of 12/31/20



CRE Concentration (as of 12/31/20)	
CRE as a % of Total Loans	29.9%
CRE as a % of Total Risk-Based Capital[(1)]	198.3%

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

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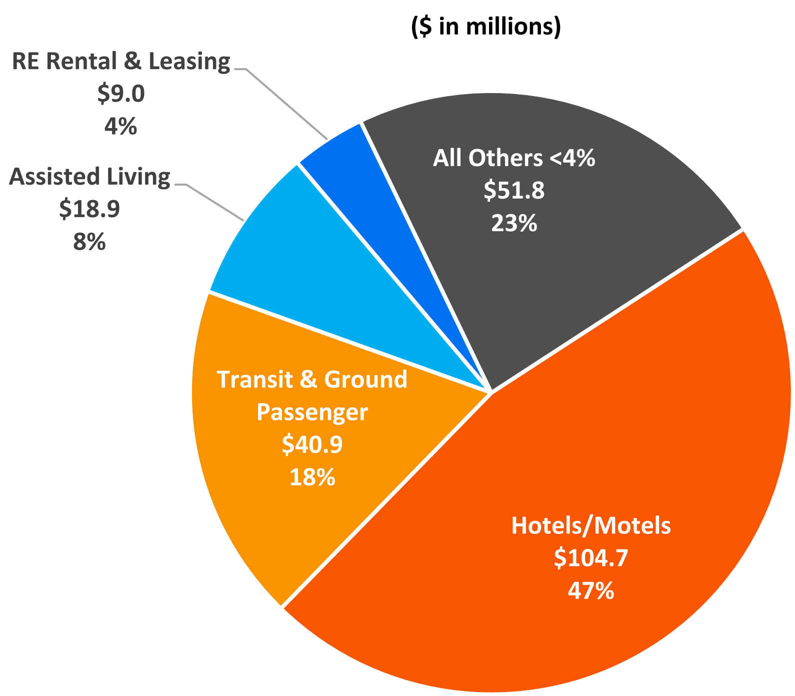
Loan Deferral Overview

Total Loan Deferrals			
	As of Sept. 30, 2020	As of Dec. 31, 2020	As of Feb. 28, 2021
Total Loans Deferred	$279.3 million	$209.1 million	$225.3 million
% of Total Loans	5.7%	4.1%	4.5%

Deferral Type (as of February 28, 2021)	
Full Payment Deferral	$129.8 million
Deferred Loans Making I/O or Other Payments	$95.5 million

Deferrals by Industry
(as of February 28, 2021)



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Midland Equipment Finance Portfolio Overview

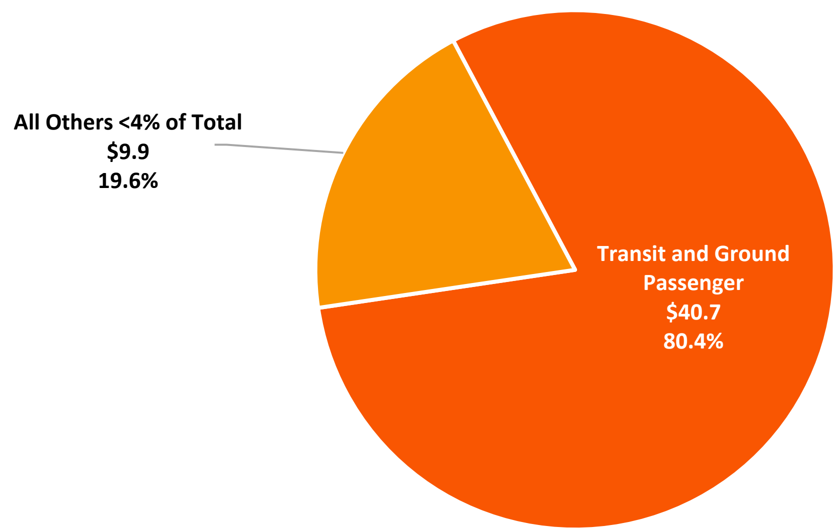
Portfolio Characteristics (as of 12/31/20)	
Nationwide portfolio providing financing solutions to equipment vendors and end-users	
Total Outstanding Loans and Leases	$861.5 million (16.9% of total loans)
Number of Loans and Leases	6,669
Average Loan/Lease Size	$129,180
Largest Loan/Lease	$1.5 million
Weighted Average Rate	4.89%

Total Deferred Loans and Leases

	As of 6/30/20	As of 12/31/20	As of 2/28/21
Total Deferrals	$233.0 million	$50.1 million	$50.6 million
Percentage of Portfolio	31.5%	5.8%	6.0%
Deferred Loans Making I/O or Other Payments	-	$28.2 million	$30.4 million

Equipment Finance Deferrals by Industry
(as of February 28, 2021)

($ in millions)

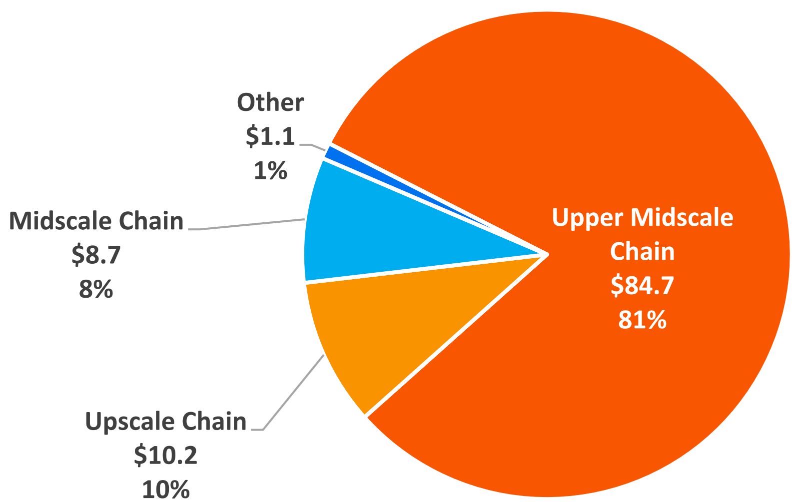


Hotel/Motel Portfolio Overview

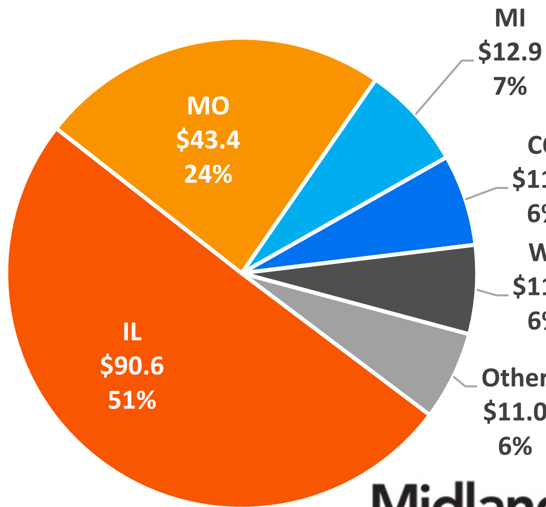
Portfolio Characteristics (CRE & C&I) (as of 12/31/20)	
Total Outstanding	$180.2 million (3.5% of total loans)
Number of Loans	53
Average Loan Size	$2.4 million
Largest Loan	$11.3 million
Average LTV	52%
Total Deferred Loans as of 12/31/20	$82.6 million (45.8% of portfolio)
Total Deferred Loans as of 2/28/21	$104.7 million (58.1% of portfolio)
Average LTV of Deferred Loans as of 2/28/21	57%
Deferred Loans Making I/O or Other Payments	$23.4 million (22.3% of deferrals)

Deferrals by Chain Scale

($ in millions)



Portfolio by State

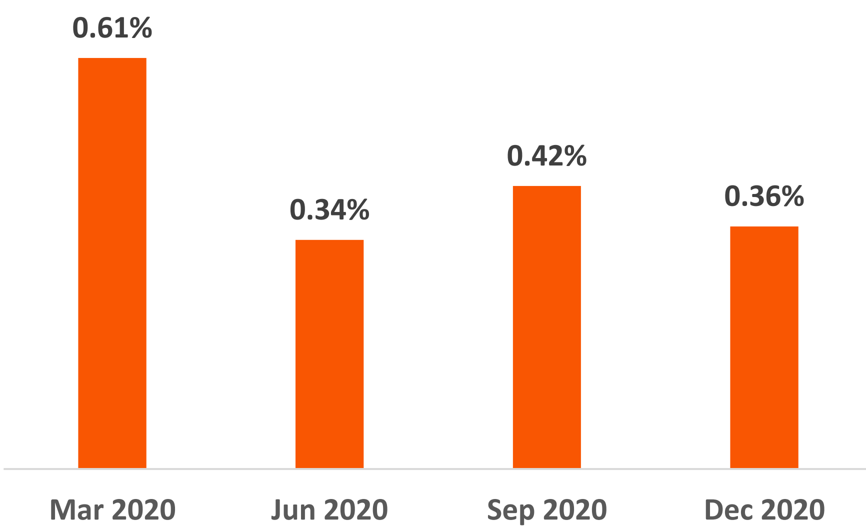


Midland States Bancorp, Inc.

GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of 12/31/20)	
Total Outstanding	$767.2 million (15.0% of total loans)
Number of Loans	335,449
Average Loan Size	$2,287
Average FICO Score	770
Total Deferred Loans (as of September 30, 2020)	$8.1 million (1.1% of portfolio)
Total Deferred Loans (as of December 31, 2020)	$3.1 million (0.4% of portfolio)

Delinquency Rate (greater than 60 days)



Prime Credit

- Average FICO score of 770
- No losses to MSBI in 9 year history of the portfolio
- Portfolio can be sold to provide liquidity; Loan sales were executed at par in Oct and Dec 2020

Credit Enhancement

- Cash flow waterfall structure
  - Cash flow from portfolio covers servicing fee, credit losses and our target margin
  - Excess cash flow is an incentive fee to GreenSky that is available to cover additional losses
  - GreenSky received incentive fees in 23 of past 24 months including every month in 2020
- Escrow deposits
  - Escrow deposits absorb losses in excess of cash flow waterfall
  - Escrow account totaled $29.8 million at 12/31/20 or 3.9% of the portfolio

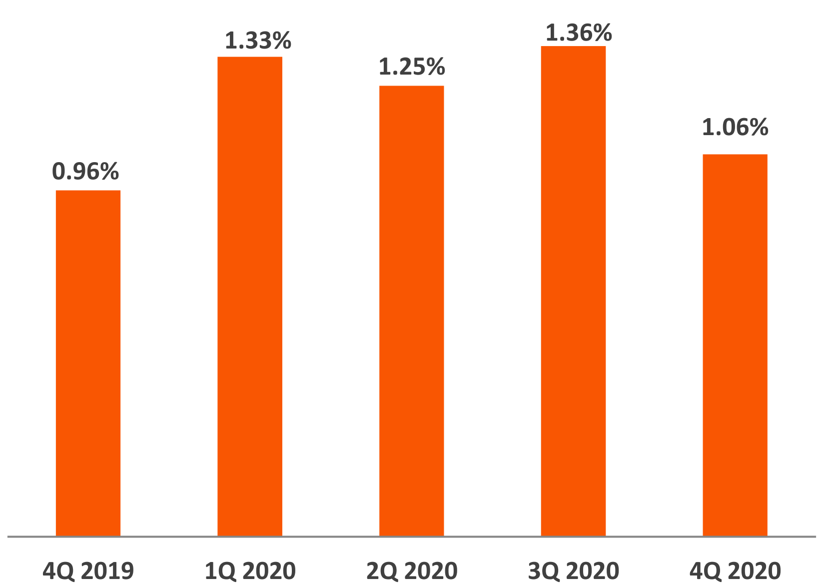
Midland States Bancorp, Inc.

Asset Quality

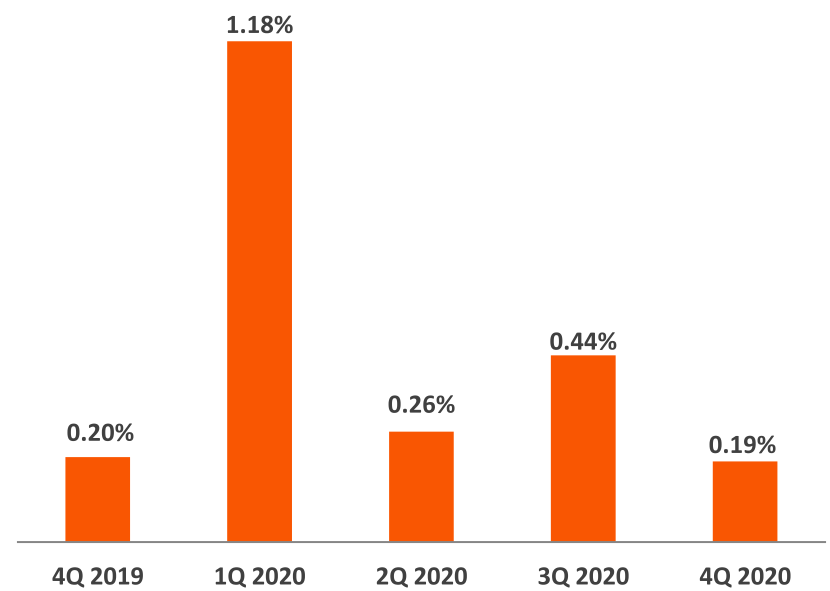
- Nonperforming loans/total loans decreased to 1.06% from 1.36% at the end of the prior quarter, due to the resolution of long-term problem loans, the transfer of loans to Other Real Estate Owned, and minimal new inflow
- Net charge-offs of $2.3 million, or 0.19% of average loans
- Provision for credit losses of $10.0 million in 4Q20 primarily driven by growth in total loans and additional reserves allocated to equipment finance and commercial real estate portfolios
- At 12/31/20, approximately 96% of ACL was allocated to general reserves

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



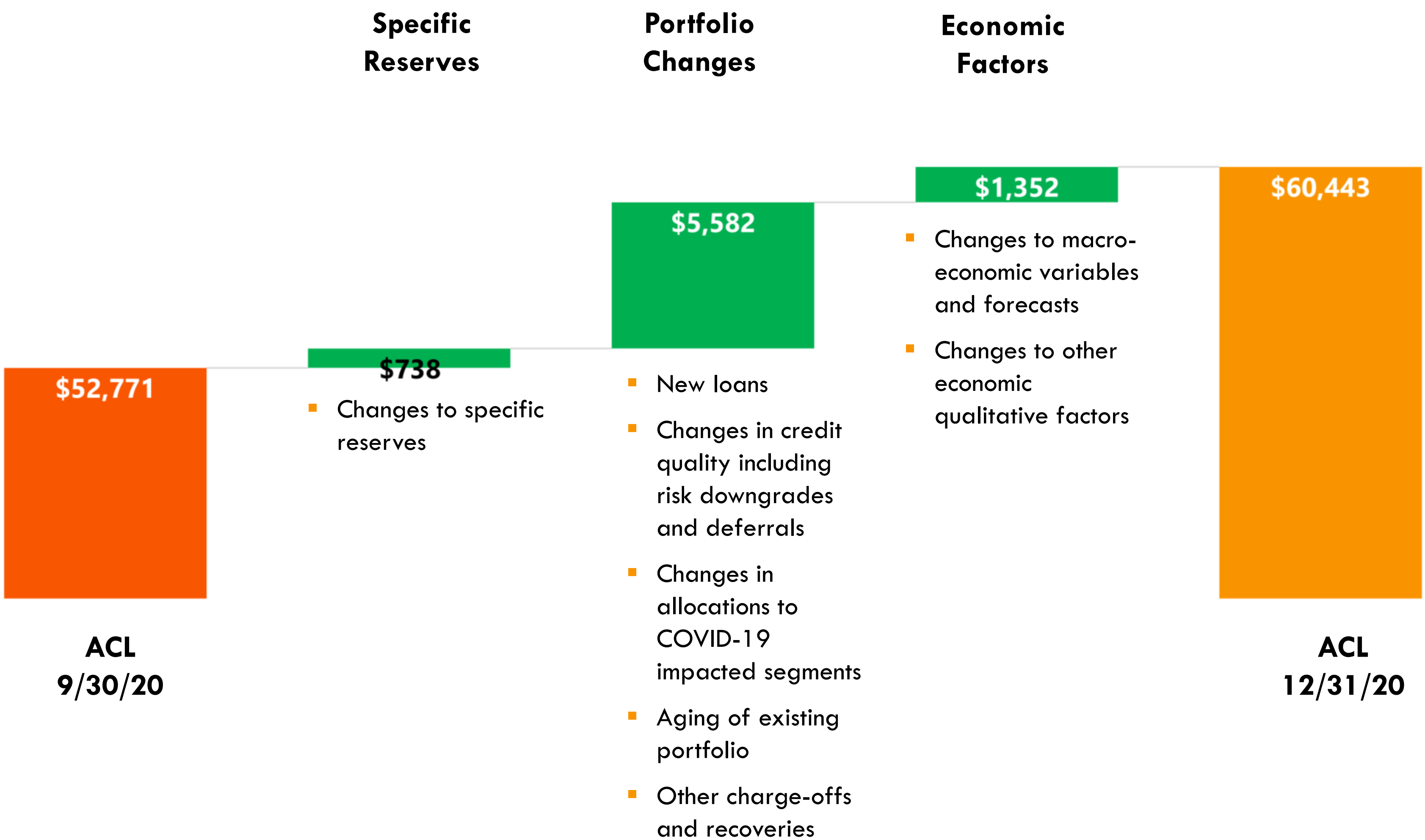
NCO / Average Loans



Midland States Bancorp, Inc.

Changes in Allowance for Credit Losses

($ in thousands)



ACL by Portfolio

($ in thousands)

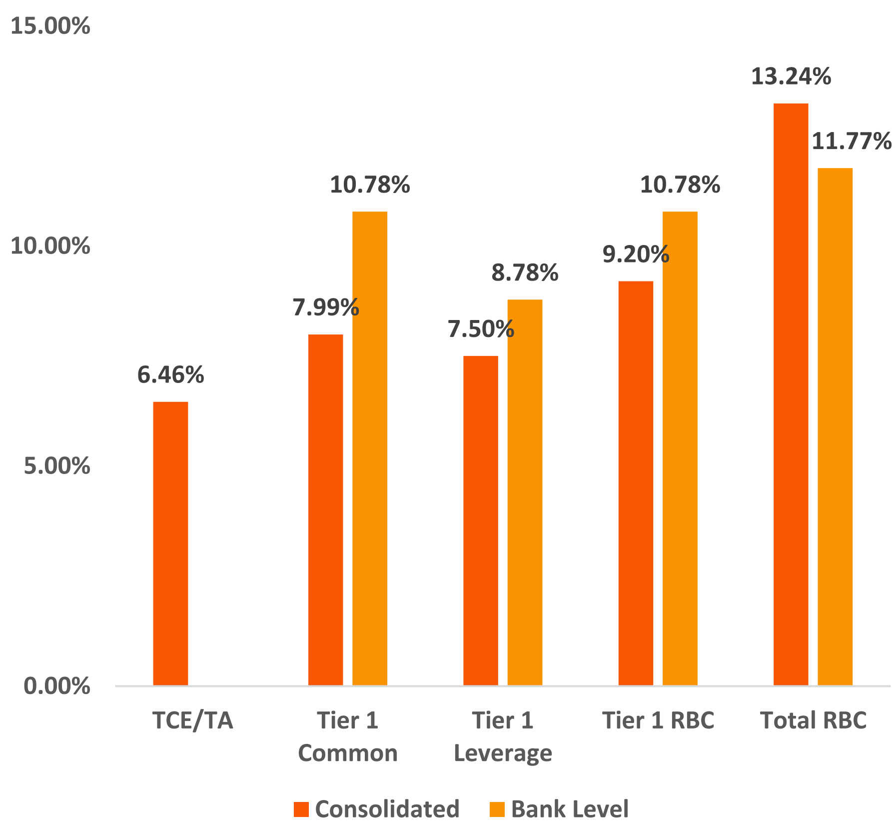
Portfolio	Total Loans at 12/31/20	ACL	% of Total Loans	Total Loans at 9/30/20	ACL	% of Total Loans
Commercial	$ 937,382	$ 8,537	0.90%	$ 729,745	$ 7,846	1.08%
Warehouse Lines	273,298	-	0.00%	136,761	-	0.00%
Commercial Other	748,193	11,314	1.51%	813,412	10,014	1.23%
Equipment Finance	451,437	10,727	2.38%	420,003	9,285	2.21%
Paycheck Protection Program	184,401	277	0.15%	277,553	416	0.15%
Lease Financing	410,064	7,427	1.81%	395,534	4,814	1.22%
CRE non-owner occupied	871,451	16,604	1.91%	824,311	12,533	1.52%
CRE owner occupied	423,257	4,936	1.17%	442,692	4,927	1.11%
Multi-family	151,534	3,413	2.25%	149,290	3,475	2.33%
Farmland	79,731	512	0.64%	80,465	454	0.56%
Construction and Land Development	172,737	1,433	0.83%	177,894	1,802	1.01%
Residential RE First Lien	358,329	3,212	0.90%	380,402	3,702	0.97%
Other Residential	84,551	717	0.85%	90,427	877	0.97%
Consumer	80,642	374	0.46%	82,912	388	0.47%
Consumer Other[1]	785,460	1,964	0.25%	774,382	1,939	0.25%
Total Loans	**5,103,331**	**60,443**	**1.18%**	**4,941,466**	**52,771**	**1.07%**
Loans (excluding GreenSky, PPP and warehouse lines)	**3,811,624**	**58,060**	**1.52%**	**3,698,097**	**50,299**	**1.36%**

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

Midland States Bancorp, Inc.

Capital and Liquidity Overview

Capital Ratios
(as of 12/31/20)



Liquidity Sources
(as of 12/31/20)

($ in millions)	
Cash and Cash Equivalents	$ 341.6
Unpledged Securities	261.7
FHLB Committed Liquidity	334.0
FRB Discount Window Availability	54.4
Primary Liquidity	**991.7**
FRB – PPP Liquidity Facility(1)	184.4
Secondary Liquidity	**184.4**
Total Estimated Liquidity	**$ 1,176.1**

Conditional Funding Based on Market Conditions

Additional Credit Facility	$ 250.0
Brokered CDs (additional capacity)	$ 500.0

(1) Enrolled in PPP facility – loans available to submit

Other Liquidity
Holding Company Cash Position of $58.9 Million

Midland States Bancorp, Inc.

Outlook

2021 Outlook and Priorities

- **Maintain strong capital and liquidity positions to continue supporting clients and communities through the duration of the COVID-19 pandemic**
- **Targeting low- to mid-single-digit loan growth (excluding PPP loans) resulting from continued growth in equipment finance, commercial FHA warehouse and commercial real estate portfolios**
- **Expand commercial banking team with expertise in SBA, agribusiness lending, and specialty finance**
- **Maintain lower cost structure following actions taken in 2020 to increase operating leverage as balance sheet grows**
- **Focus technology investments on opportunities to capture wallet share from existing clients and enhance revenue generation**
- **M&A focused primarily on expanding Wealth Management business**
- **Employ balanced approach to capital deployment that increases return of capital to shareholders while also building capital ratios**

Long-Term Formula for Enhancing Shareholder Value

Disciplined Balance Sheet Growth

+

Improving Operating Efficiencies

+

Stable Sources of Recurring Income

+

Accretive M&A Transactions

=

Earnings Growth, Improving Returns and Enhanced Franchise Value

APPENDIX

Midland States Bancorp, Inc.

ESG: A Framework for Sustainability

Environmental

Facilities

- Our Corporate HQ, built in 2011, is LEED (Silver) Certified.
- 10 of our other locations use solar panels.
- We have made more than $50+ million of credit available for residential solar projects since 2011.
- We have also completed more than $540 million of financing for 18 “green” (LEED, Energy Star, etc.) multi-family/health care facilities through our Love Funding subsidiary since 2017.

Paper Reduction

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

Social

Community Outreach

- Midland States Bank has been serving families and businesses in our communities for more than 140 years, offering products and services based on the needs of our customers.
- We work with more than 150 low-to-moderate income (“LMI”) and minority focused community development groups in our banking markets to help insure our community development programs address the needs of each of our markets.
- The Midland Institute CEO Program, a unique program designed to teach and create entrepreneurial opportunities to teens, was first created by our Bank in 2008 for the local
- Effingham, Illinois high schools and has now grown to be offered by 56 high schools in six states.

Culture and People

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

Philanthropy

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

Financial Education

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

CRA, Community Development and Financial Inclusion

- Through our Believable Banking® Residential Mortgage and Home Improvement Loan Programs we have made more than $20 million of loans to consumers underserved by traditional loan programs.
- Our banking products and services are offered through our personal bankers and online with materials designed to clearly describe the features, costs and alternatives available to our customers, including through dual-language materials and our ADA compliant website.
- Love Funding has provided $877 million of financing for 148 affordable multi-family and health care projects during 2015-2019 through Love Funding.

Governance

Reputation

- Midland States Bank was one of the first in the nation to have a woman on its board (1903).
- Our board composition includes 36% women and minorities, and our criteria for identifying directors includes seeking diverse individuals.

Oversight of Strategy and Risk

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

Data Security

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

Management of Legal and Regulatory Environment

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

Appendix: Reconciliation of TBV Per Share

(dollars in thousands, except per share data)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
					As of December 31,						
Shareholders' Equity to Tangible Common Equity—as converted:											
Total shareholders' equity—GAAP	$ 109,208	$ 126,953	$ 130,918	$ 149,440	$ 219,456	$ 232,880	$ 321,770	$ 449,545	$ 608,525	$ 661,911	$ 621,391
Adjustments:											
Preferred stock	(47,370)	(57,370)	(57,370)	(57,370)	-	-	-	(2,970)	(2,781)	-	-
Goodwill	(7,582)	(7,582)	(7,732)	(7,732)	(47,946)	(46,519)	(48,836)	(98,624)	(164,673)	(171,758)	(161,904)
Other intangibles	(13,234)	(10,740)	(8,485)	(8,189)	(9,464)	(7,004)	(7,187)	(16,932)	(37,376)	(34,886)	(28,382)
Tangible Common Equity	$ 41,022	$ 51,261	$ 57,331	$ 76,149	$ 162,046	$ 179,357	$ 265,747	$ 331,019	$ 403,695	$ 455,267	$ 431,105
Adjustments:											
Preferred stock	47,370	57,370	57,370	57,370	-	-	-	-	-	-	-
Warrants	11,300	-	-	-	-	-	-	-	-	-	-
Tangible Common Equity—as converted [1]	$ 99,692	$ 108,631	$ 114,701	$ 133,519	$ 162,046	$ 179,357	$ 265,747	$ 331,019	$ 403,695	$ 455,267	$ 431,105
Total Assets to Tangible Assets:											
Total assets—GAAP	$ 1,642,376	$ 1,520,762	$ 1,572,064	$ 1,739,548	$ 2,676,614	$ 2,884,824	$ 3,233,723	$ 4,412,701	$ 5,637,673	$ 6,087,017	$ 6,868,540
Adjustments:											
Goodwill	(7,582)	(7,582)	(7,732)	(7,732)	(47,946)	(46,519)	(48,836)	(98,624)	(164,673)	(171,758)	(161,904)
Other intangibles	(13,234)	(10,740)	(8,485)	(8,189)	(9,464)	(7,004)	(7,187)	(16,932)	(37,376)	(34,886)	(28,382)
Tangible Assets	$ 1,621,560	$ 1,502,440	$ 1,555,847	$ 1,723,627	$ 2,619,204	$ 2,831,301	$ 3,177,700	$ 4,297,145	$ 5,435,624	$ 5,880,373	$ 6,678,254
Common Shares Outstanding—as converted:											
Common shares outstanding	4,164,030	4,198,947	4,257,319	4,620,026	11,725,158	11,797,404	15,483,499	19,122,049	23,751,798	24,420,345	22,325,471
Adjustments:											
Upon conversion of preferred stock	3,795,549	3,739,028	3,739,028	3,772,664	-	-	-	-	-	-	-
Common Shares Outstanding—as converted [1]	7,959,579	7,937,975	7,996,347	8,392,690	11,725,158	11,797,404	15,483,499	19,122,049	23,751,798	24,420,345	22,325,471
Tangible Common Equity to Tangible Assets	2.53 %	3.41 %	3.68 %	4.42 %	6.19 %	6.33 %	8.36 %	7.70 %	7.43 %	7.74 %	6.46 %
Tangible Book Value Per Share—as converted [1]	$ 12.52	$ 13.68	$ 14.34	$ 15.91	$ 13.82	$ 15.20	$ 17.16	$ 17.31	$ 17.00	$ 18.64	$ 19.31

Notes:

(1) As converted represents amount per common share with all preferred shares that were outstanding prior to December 31, 2014 converted into common shares.

Midland States Bancorp, Inc.

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

Adjusted Earnings Reconciliation

(dollars in thousands, except per share data)	For the Quarter Ended December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Income before income taxes - GAAP	$ 10,746	$ 3,270	$ 15,993	$ 2,005	$ 16,071
Adjustments to noninterest income:					
Gain on sales of investment securities, net	-	1,721	-	-	635
Other	3	(17)	11	(13)	(6)
Total adjustments to noninterest income	3	1,704	11	(13)	629
Adjustments to noninterest expense:					
Loss on mortgage servicing rights held for sale	617	188	391	496	95
Loss on repurchase of subordinated debt	-	-	-	193	1,778
Impairment related to facilities optimization	(10)	12,651	60	146	-
FHLB advances prepayment fees	4,872	-	-	-	-
Integration and acquisition expenses	231	1,200	(6)	886	3,333
Total adjustments to noninterest expense	5,710	14,039	445	1,721	5,206
Adjusted earnings pre tax	16,453	15,605	16,427	3,739	20,648
Adjusted earnings tax	3,982	3,582	3,543	933	4,538
Adjusted earnings - non-GAAP	$ 12,471	$ 12,023	$ 12,884	$ 2,806	$ 16,110
Adjusted diluted earnings per common share	$ 0.54	$ 0.52	$ 0.55	$ 0.11	$ 0.64
Adjusted return on average assets	0.73 %	0.72 %	0.78 %	0.19 %	1.04 %
Adjusted return on average shareholders' equity	7.97 %	7.56 %	8.20 %	1.73 %	9.71 %
Adjusted return on average tangible common equity	11.50 %	11.04 %	12.14 %	2.53 %	14.15 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

(dollars in thousands)	For the Quarter Ended December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Adjusted earnings pre tax - non- GAAP	$ 16,453	$ 15,605	$ 16,427	$ 3,739	$ 20,648
Provision for credit losses	10,058	11,728	10,997	11,578	5,305
Impairment on commercial mortgage servicing rights	2,344	1,418	107	8,468	1,613
Adjusted pre-tax, pre-provision earnings - non-GAAP	$ 28,855	$ 28,751	$ 27,531	$ 23,785	$ 27,566
Adjusted pre-tax, pre-provision return on average assets	1.69 %	1.72 %	1.68 %	1.58 %	1.79 %

Midland States Bancorp, Inc.

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

Adjusted Earnings Reconciliation

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

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

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

Midland States Bancorp, Inc.

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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
(dollars in thousands)	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Noninterest expense - GAAP	$ 47,048	$ 53,901	$ 41,395	$ 41,666	$ 46,325
Loss on mortgage servicing rights held for sale	(617)	(188)	(391)	(496)	(95)
Loss on repurchase of subordinated debt	-	-	-	(193)	(1,778)
Impairment related to facilities optimization	10	(12,651)	(60)	(146)	-
FHLB advances prepayment fees	(4,872)	-	-	-	-
Integration and acquisition expenses	(231)	(1,199)	6	(885)	(3,332)
Adjusted noninterest expense	$ 41,338	$ 39,863	$ 40,950	$ 39,946	$ 41,120
Net interest income - GAAP	$ 53,516	$ 49,980	$ 48,989	$ 46,651	$ 48,687
Effect of tax-exempt income	413	430	438	485	474
Adjusted net interest income	53,929	50,410	49,427	47,136	49,161
Noninterest income - GAAP	14,336	18,919	19,396	8,598	19,014
Impairment on commercial mortgage servicing rights	2,344	1,418	107	8,468	1,613
Gain on sales of investment securities, net	-	(1,721)	-	-	(635)
Other	(3)	17	(11)	13	6
Adjusted noninterest income	16,677	18,633	19,492	17,079	19,998
Adjusted total revenue	$ 70,606	$ 69,043	$ 68,919	$ 64,215	$ 69,159
Efficiency ratio	58.55 %	57.74 %	59.42 %	62.21 %	59.46 %

Midland
States Bancorp, Inc.

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

Efficiency Ratio Reconcilation

(dollars in thousands)	For the Years Ended December 31, 2020	2019	2018	2017	2016
Noninterest expense	$ 184,010	$ 175,641	$ 191,643	$ 152,997	$ 121,289
Adjustments to noninterest expense:					
Net expense from FDIC loss share termination agreement	-	-	-	-	(351)
Impairment related to facilities optimization	(12,847)	(3,577)	-	(1,952)	(2,099)
(Loss) gain on mortgage servicing rights held for sale	(1,692)	490	(458)	(4,059)	-
FHLB advances prepayments fees	(4,872)	-	-	-	-
Loss on repurchase of subordinated debt	(193)	(1,778)	-	-	(511)
Integration and acquisition expenses	(2,309)	(5,493)	(24,015)	(17,738)	(2,343)
Adjusted noninterest expense	$ 162,097	$ 165,283	$ 167,170	$ 129,248	$ 115,985
Net interest income	$ 199,136	$ 189,815	$ 180,087	$ 129,662	$ 105,254
Effect of tax-exempt income	1,766	2,045	2,095	2,691	2,579
Adjusted net interest income	200,902	191,860	182,182	132,353	107,833
Noninterest income	61,249	75,282	71,791	59,362	72,057
Adjustments to noninterest income:					
Impairment (recapture) on commercial servicing rights	12,337	2,139	(450)	2,324	3,135
Gain on sales of investment securities, net	(1,721)	(674)	(464)	(222)	(14,702)
Other income	17	29	(89)	67	608
Adjusted noninterest income	71,882	76,776	70,788	61,531	61,098
Adjusted total revenue	$ 272,784	$ 268,636	$ 252,970	$ 193,884	$ 168,931
Efficiency Ratio	59.42 %	61.53 %	66.08 %	66.66 %	68.66 %

MIDLAND STATES BANCORP, INC.

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

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

	As of				
(dollars in thousands, except per share data)	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	$ 621,391	$ 621,880	$ 633,589	$ 631,160	$ 661,911
Adjustments:					
Goodwill	(161,904)	(161,904)	(172,796)	(172,796)	(171,758)
Other intangibles, net	(28,382)	(29,938)	(31,495)	(33,124)	(34,886)
Tangible common equity	$ 431,105	$ 430,038	$ 429,298	$ 425,240	$ 455,267
Total Assets to Tangible Assets:					
Total assets—GAAP	$ 6,868,540	$ 6,700,045	$ 6,644,498	$ 6,208,230	$ 6,087,017
Adjustments:					
Goodwill	(161,904)	(161,904)	(172,796)	(172,796)	(171,758)
Other intangibles, net	(28,382)	(29,938)	(31,495)	(33,124)	(34,886)
Tangible assets	$ 6,678,254	$ 6,508,203	$ 6,440,207	$ 6,002,310	$ 5,880,373
Common Shares Outstanding	22,325,471	22,602,844	22,937,296	23,381,496	24,420,345
Tangible Common Equity to Tangible Assets	6.46 %	6.61 %	6.67 %	7.08 %	7.74 %
Tangible Book Value Per Share	$ 19.31	$ 19.03	$ 18.72	$ 18.19	$ 18.64

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
(dollars in thousands)	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Net income available to common shareholders	$ 8,333	$ 86	$ 12,569	$ 1,549	$ 12,792
Average total shareholders' equity—GAAP	$ 622,594	$ 632,879	$ 631,964	$ 652,701	$ 658,497
Adjustments:					
Goodwill	(161,904)	(168,771)	(172,796)	(171,890)	(171,082)
Other intangibles, net	(29,123)	(30,690)	(32,275)	(33,951)	(35,745)
Average tangible common equity	$ 431,567	$ 433,418	$ 426,893	$ 446,860	$ 451,670
ROATCE	7.68 %	0.08 %	11.84 %	1.39 %	11.24 %

Midland States Bancorp, Inc.