Midland States Bancorp, Inc.
NASDAQ: MSBI

Investor Presentation

November 2021

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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 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.

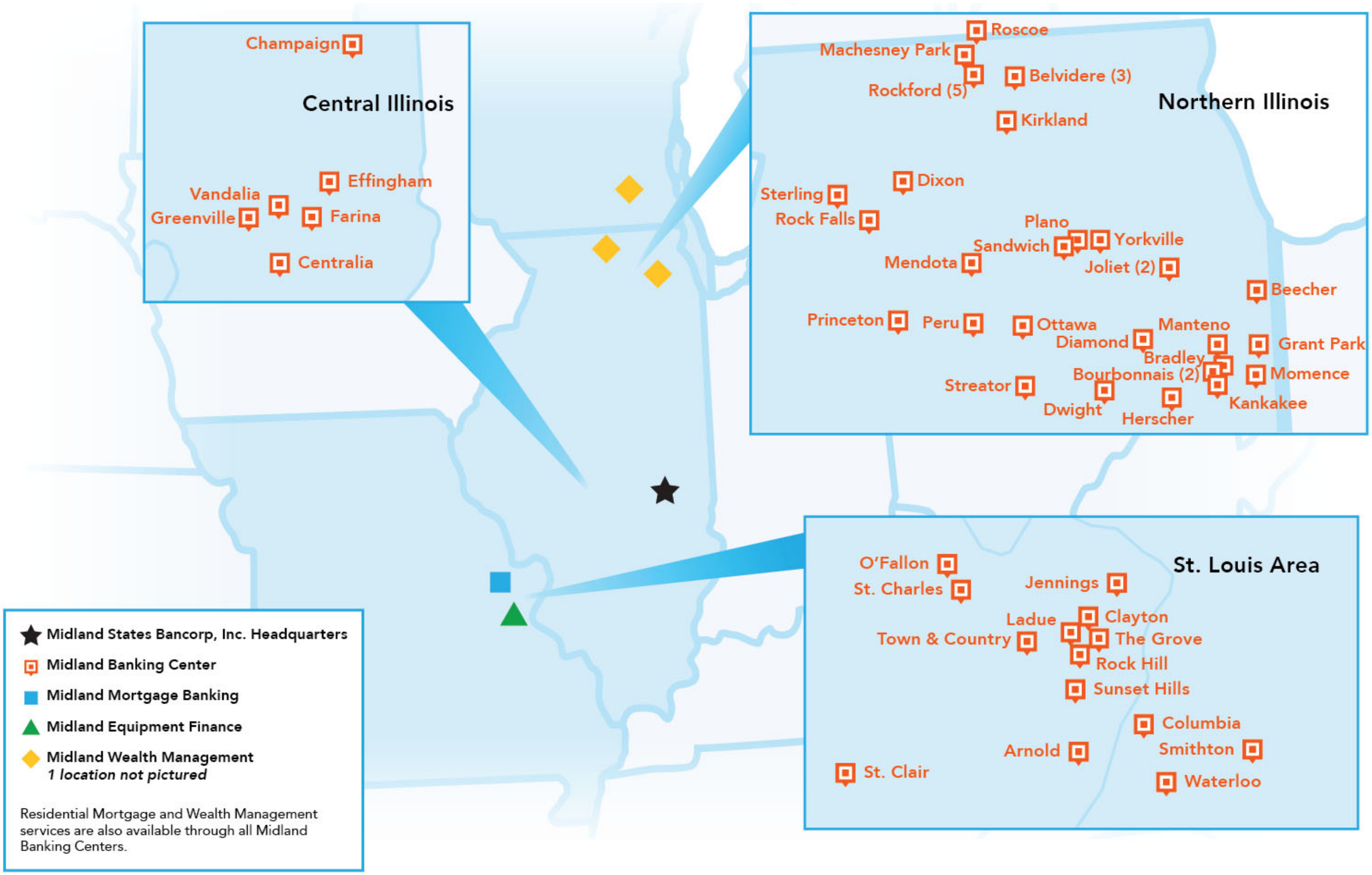
Company Snapshot

- **$7.09 billion asset community bank established in 1881 and headquartered in Effingham, Illinois**
  - **2nd largest Illinois-based community bank[1]**
- **$4.1 billion Wealth Management business**
- **Commercial bank focused on in-market relationships with national diversification in equipment finance**
- **52 branches in Illinois and Missouri**
- **15 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 September 30, 2021

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

30%

Attractive, stable core deposit franchise with 30% 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 September 30, 2021

Business and Corporate Strategy

Customer-Centric Culture

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

Operational Excellence

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

Enterprise-Wide Risk Management

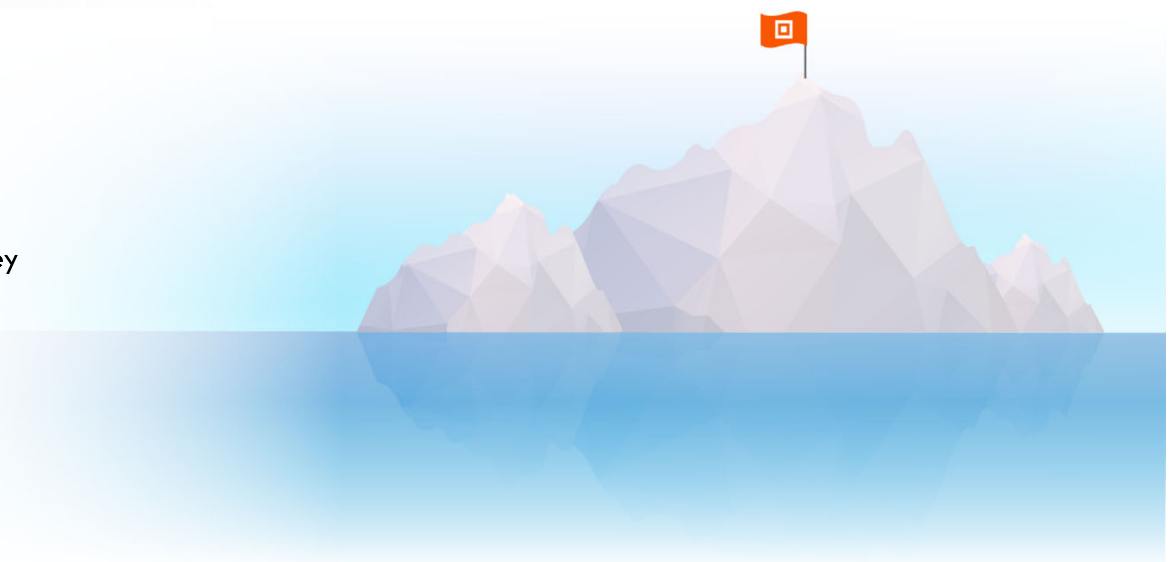
Maintain a program designed to integrate controls, monitoring and risk-assessment at all key levels and stages of our operations and growth; ensure that all employees are fully engaged

Accretive Acquisitions

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

Revenue Diversification

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



Experienced Senior Management Team

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

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

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

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

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

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

Eric T. Lemke | Chief Financial Officer

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

Jeffrey A. Brunoehler | Chief Credit Officer

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

Midland States Bancorp, Inc.

Successful Acquisition History

- Midland States has completed 15 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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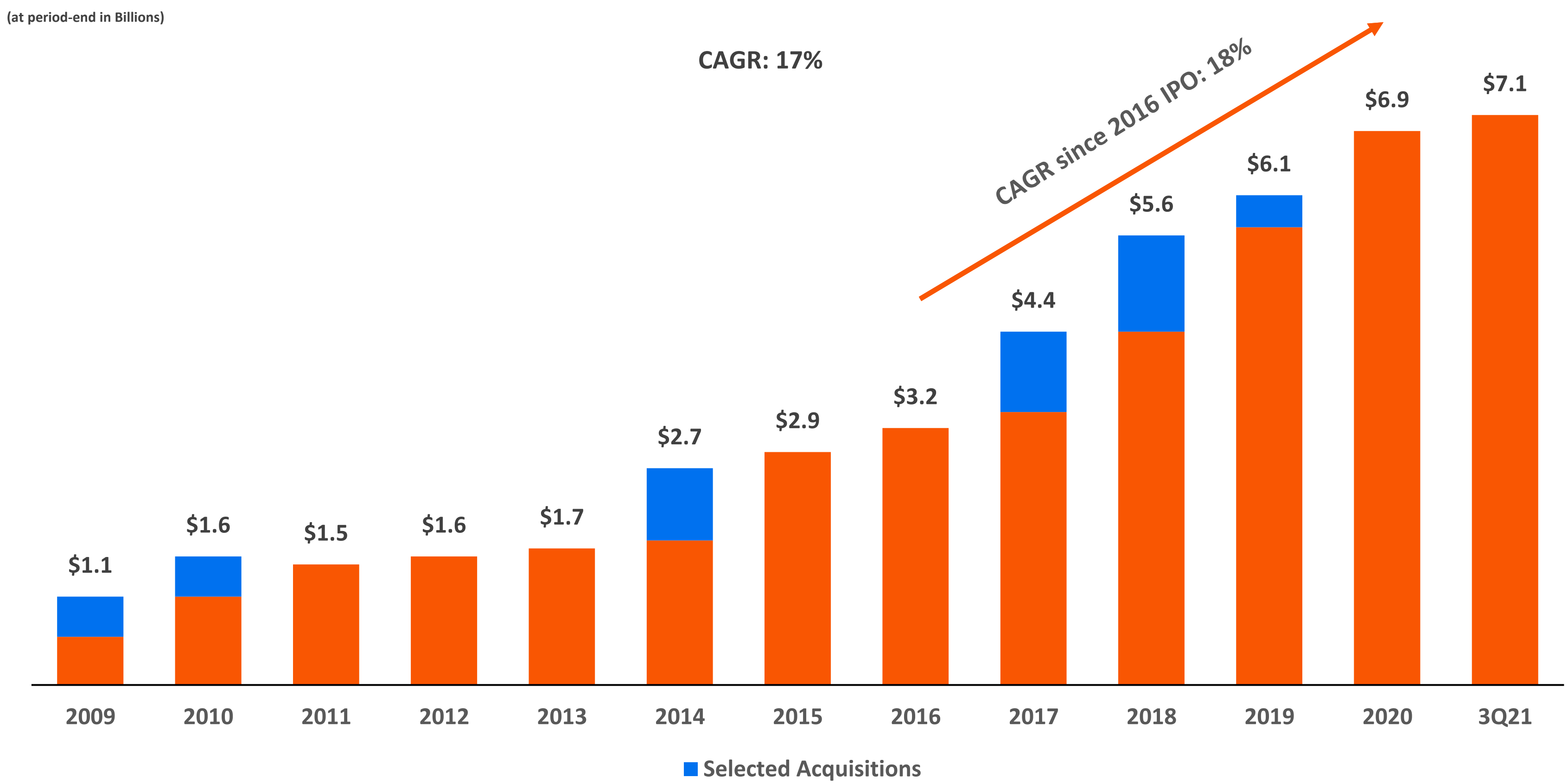
Successful Execution of Strategic Plan…

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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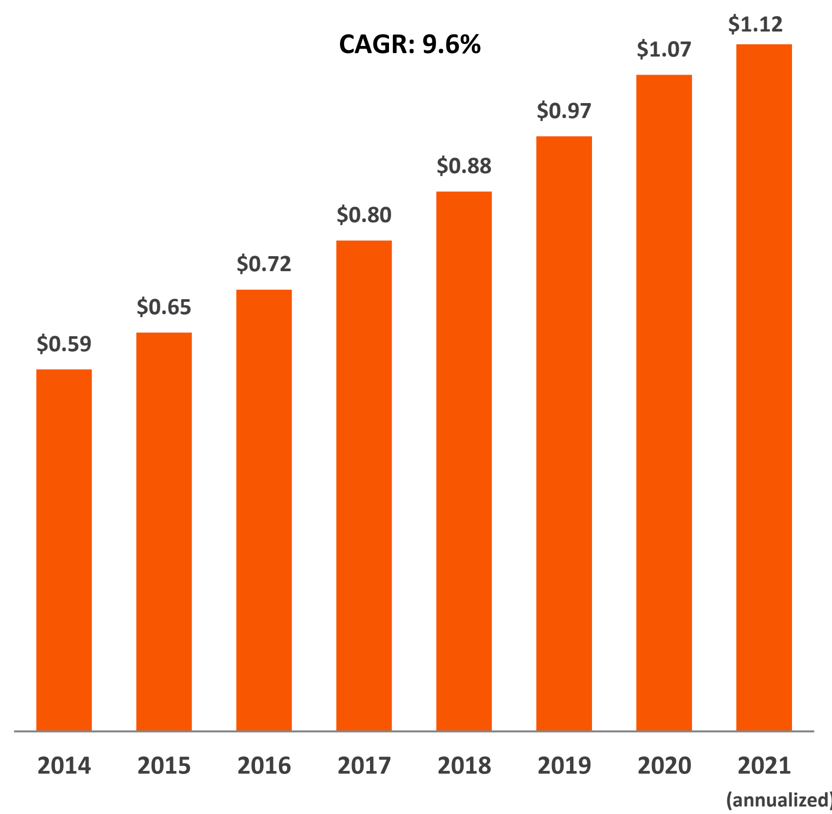
…Leads to Creation of Shareholder Value

21 Consecutive Years of Dividend Increases

Tangible Book Value Per Share(1)

Dividends Declared Per Share



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

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Strategic Initiatives Strengthening Franchise

Significant Corporate Actions Since Coming Public in 2016…

Scale

Action	Strategic Rationale	Financial Impact	2016	3Q21
Three whole bank acquisitions	• Low-cost deposits	Total Assets	$3.2B	$7.1B
Four Wealth Management acquisitions	• Recurring revenue	AUA	$1.7B	$4.1B
Expanded equipment finance group	• Diversify revenue with attractive risk-adjusted yields	Equipment Finance	$191M	$899M

Efficiency

Action	Strategic Rationale	Financial Impact	2016	YTD 2021
Branch network and facility reductions	• Increasing adoption of digital	Efficiency Ratio[1]	68.66%	58.62%
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) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

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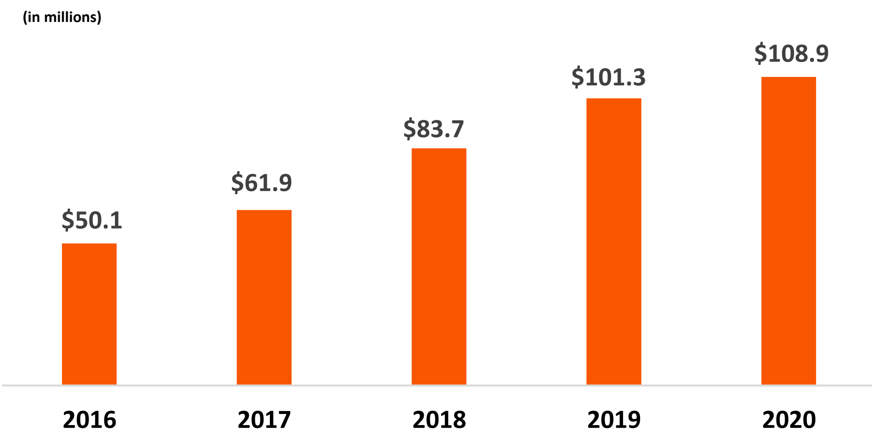
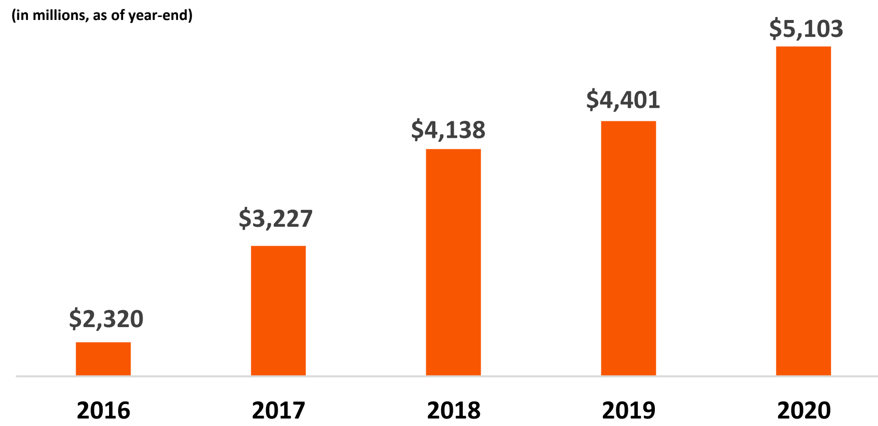
Strategic Initiatives Strengthening Franchise

…Have Produced Improved Growth and Profitability

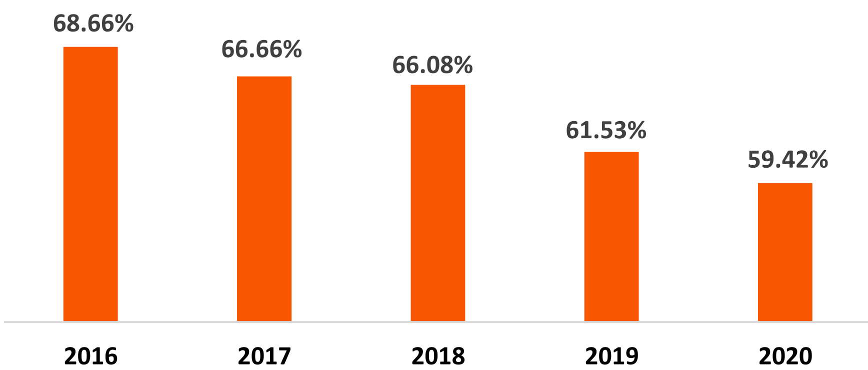
Adjusted Pre-Tax Pre-Provision Earnings[(1)]



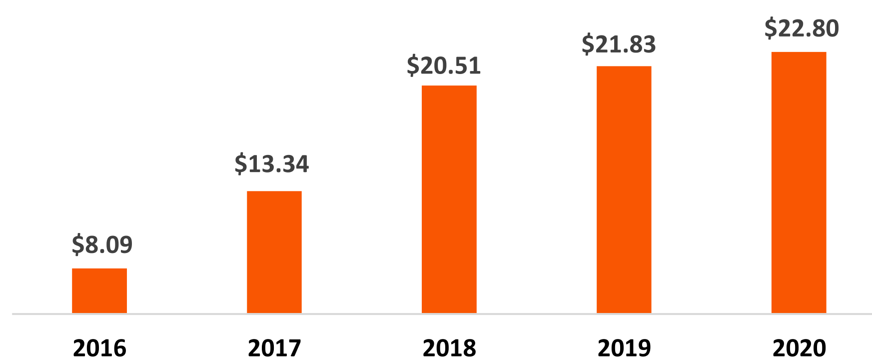
Total Loans



Efficiency Ratio[(1)]



Wealth Management Revenue



Notes:
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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) (UiPath, nintex)

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

Centralized Data Analytics - 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 3Q21

3Q21 Earnings	• Net income of $19.5 million, or $0.86 diluted EPS • 3Q21 results included a $3.0 million commercial MSR impairment • Adjusted pre-tax, pre-provision earnings[(1)] of $28.4 million, up from $27.0 million in prior quarter
Strong Balance Sheet Growth	• Total loans increased 8.2% annualized, excluding commercial FHA warehouse and PPP loans • Well balanced loan growth with increases in commercial, CRE and consumer loans offsetting declines in PPP loans and residential real estate loans • Total deposits increased 7.8% from end of prior quarter, primarily driven by higher servicing deposits and other commercial deposits
Reduced Cost of Funds Drives NIM Expansion	• Elimination of higher cost funding sources in 2Q21 resulted in 11 bp decline in cost of average interest-bearing liabilities • Lower cost of funds resulted in 5 bp increase in net interest margin
Improving Operating Leverage	• Net interest income and recurring fee income increasing while operating expenses remain relatively stable • Efficiency ratio[(1)] improved to 58.78% from 60.19% in prior quarter
Positive Trends in Asset Quality	• Nonperforming loans declined 11.0% from the end of the prior quarter • Net charge-offs declined 25.7% from the prior quarter

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

Loan Portfolio

- **Total loans increased $79.7 million from prior quarter to $4.92 billion**
- **Increased commercial and CRE loan production, higher end of period balances on commercial FHA warehouse credit lines, and growth in consumer portfolio offset lower PPP loans and continued runoff in residential real estate portfolio driven by refinancing activity**
- **Equipment finance balances increased $27.6 million, or 3.2% from end of prior quarter**
- **Excluding PPP loans, commercial FHA warehouse credit lines, and GreenSky loans, total loans increased at an annualized rate of 6.0% during 3Q21**
- **PPP loans were $82.4 million at Sep. 30, 2021, a decrease of $64.3 million from June 30, 2021**

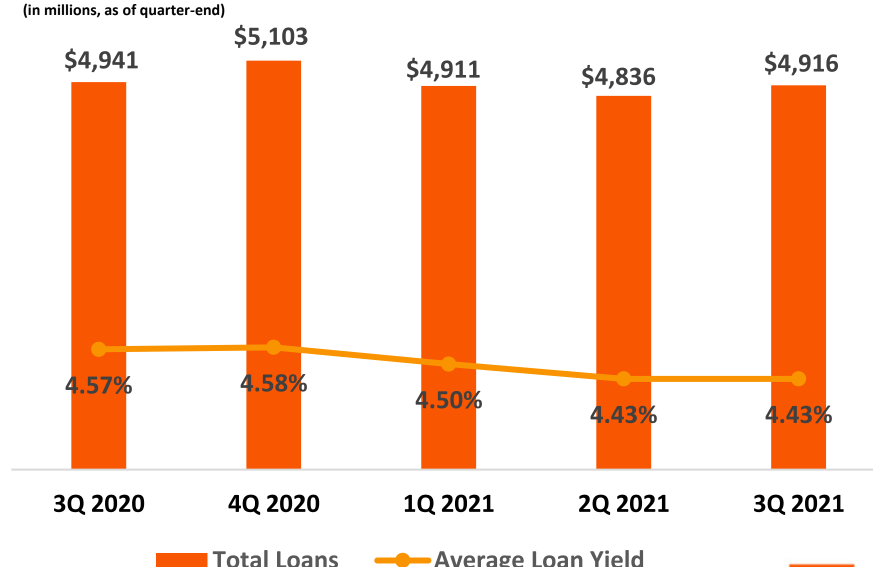
Loan Portfolio Mix

(in millions, as of quarter-end)

	3Q 2021	2Q 2021	3Q 2020
Commercial loans and leases	$ 1,880	$ 1,831	$ 1,939
Commercial real estate	1,562	1,540	1,497
Construction and land development	201	213	178
Residential real estate	344	367	471
Consumer	929	885	857
Total Loans	**$4,916**	**$4,836**	**$4,941**
Total Loans ex. Commercial FHA Lines and PPP	**$4,653**	**$4,560**	**$4,527**

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



Total Deposits

- **Total deposits increased $405.0 million, or 7.8% from prior quarter, to $5.60 billion**
- **Increase in deposits largely attributable to increase in commercial FHA servicing deposits and other commercial deposits**
- **$184 million of CDs maturing in 4Q21 with a weighted average rate of 1.66%**

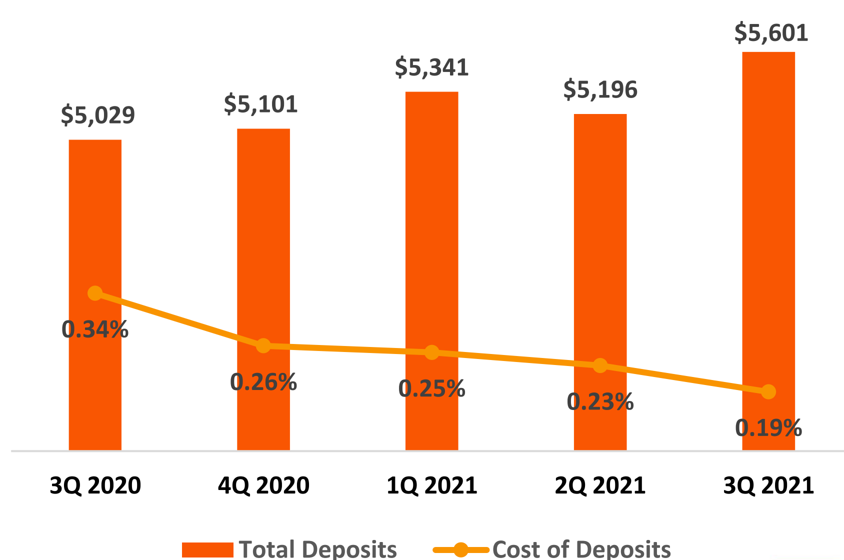
Deposit Mix

(in millions, as of quarter-end)

	3Q 2021	2Q 2021	3Q 2020
Noninterest-bearing demand	$ 1,673	$ 1,366	$ 1,355
Interest-bearing:			
Checking	1,697	1,619	1,581
Money market	853	788	826
Savings	666	669	581
Time	689	722	662
Brokered time	24	32	23
Total Deposits	**$5,601**	**$5,196**	**$5,029**

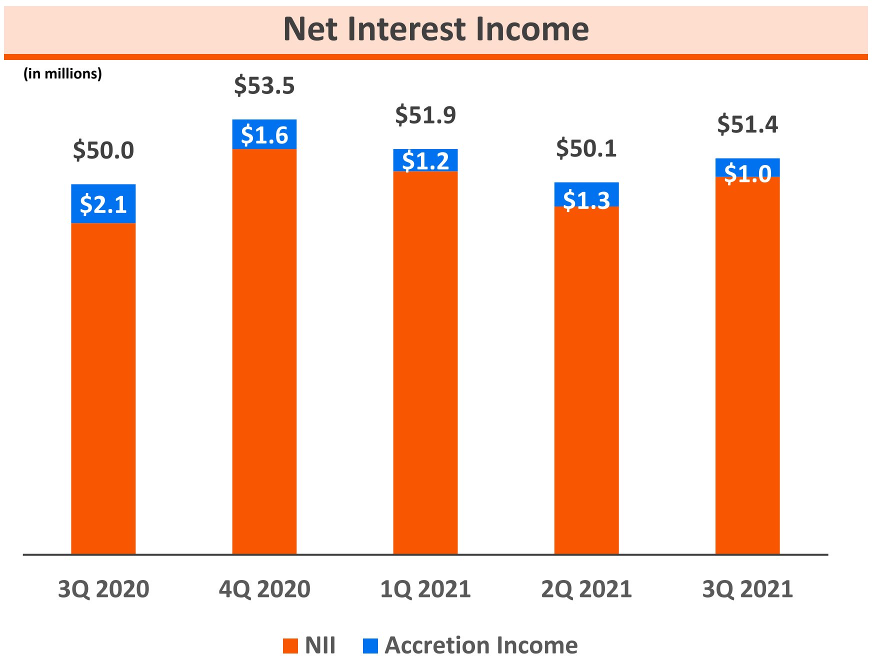
Total Deposits and Cost of Deposits

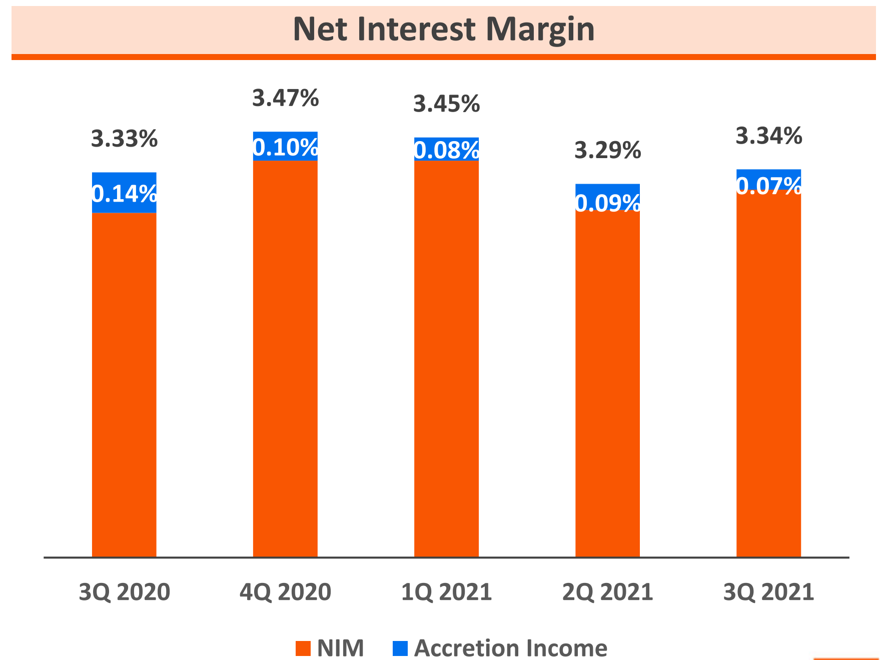
(in millions, as of quarter-end)



Net Interest Income/Margin

- **Net interest income increased 2.6% from the prior quarter due primarily to an increase in net interest margin**
- **Net interest margin, excluding accretion income, increased 7 bps from prior quarter due primarily to a reduction in the cost of funds**
- **Excess liquidity expected to result in a lower net interest margin in 4Q21**





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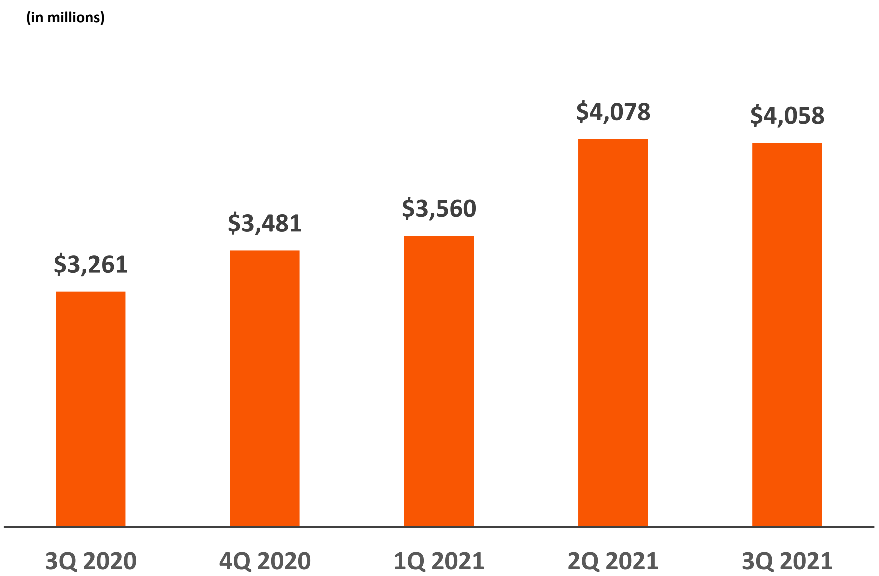
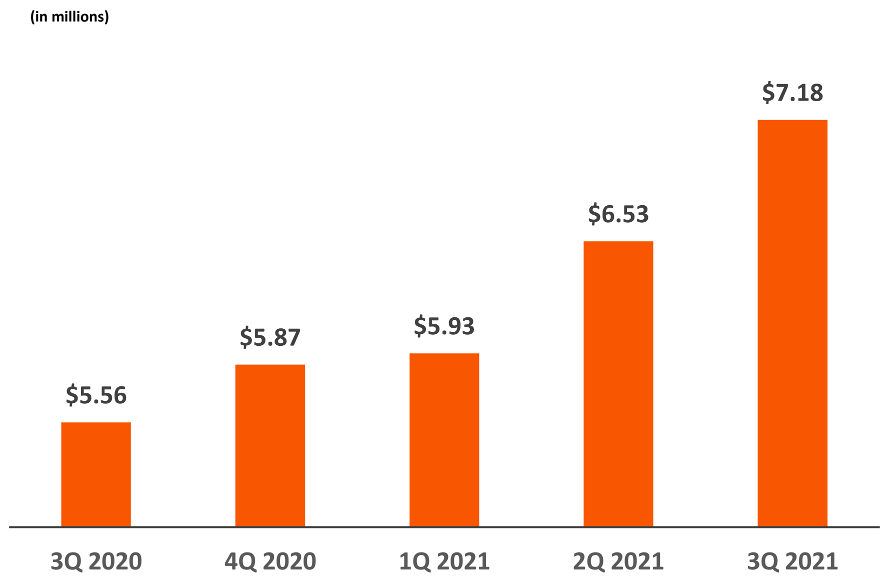
Wealth Management

- **During 3Q21, assets under administration decreased $19.4 million, primarily due to market performance**
- **Wealth Management revenue increased 9.9% from prior quarter, primarily due to full quarter contribution of ATG Trust Company**

Assets Under Administration



Wealth Management Revenue



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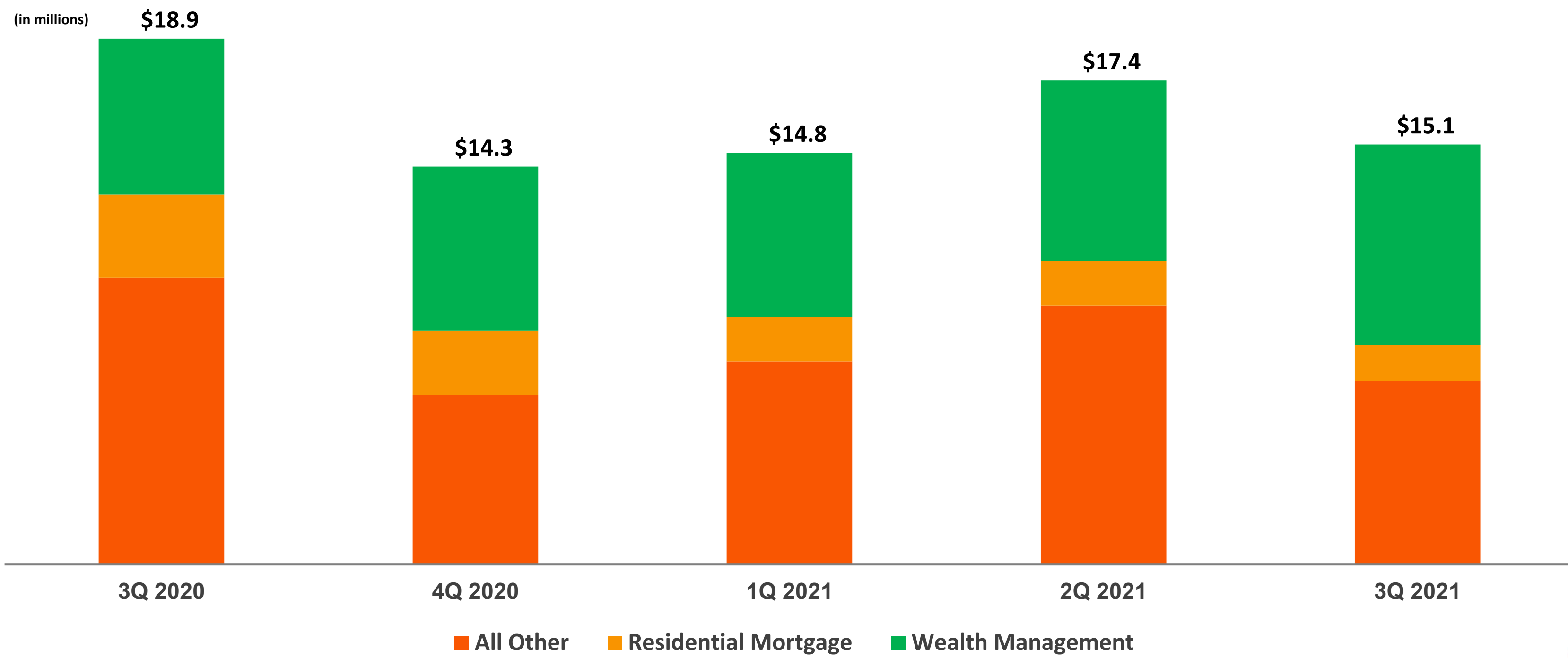
Noninterest Income

- **Noninterest income decreased 13.1% from prior quarter**
- **Impairment on commercial MSRs impacted noninterest income by $3.0 million and $1.1 million in 3Q21 and 2Q21, respectively**
- **Excluding the impact of the impairment of commercial MSRs, noninterest income decreased 2.1% primarily due to the sale of other real estate owned recognized in 2Q21, partially offset by higher wealth management revenue**

Noninterest Income



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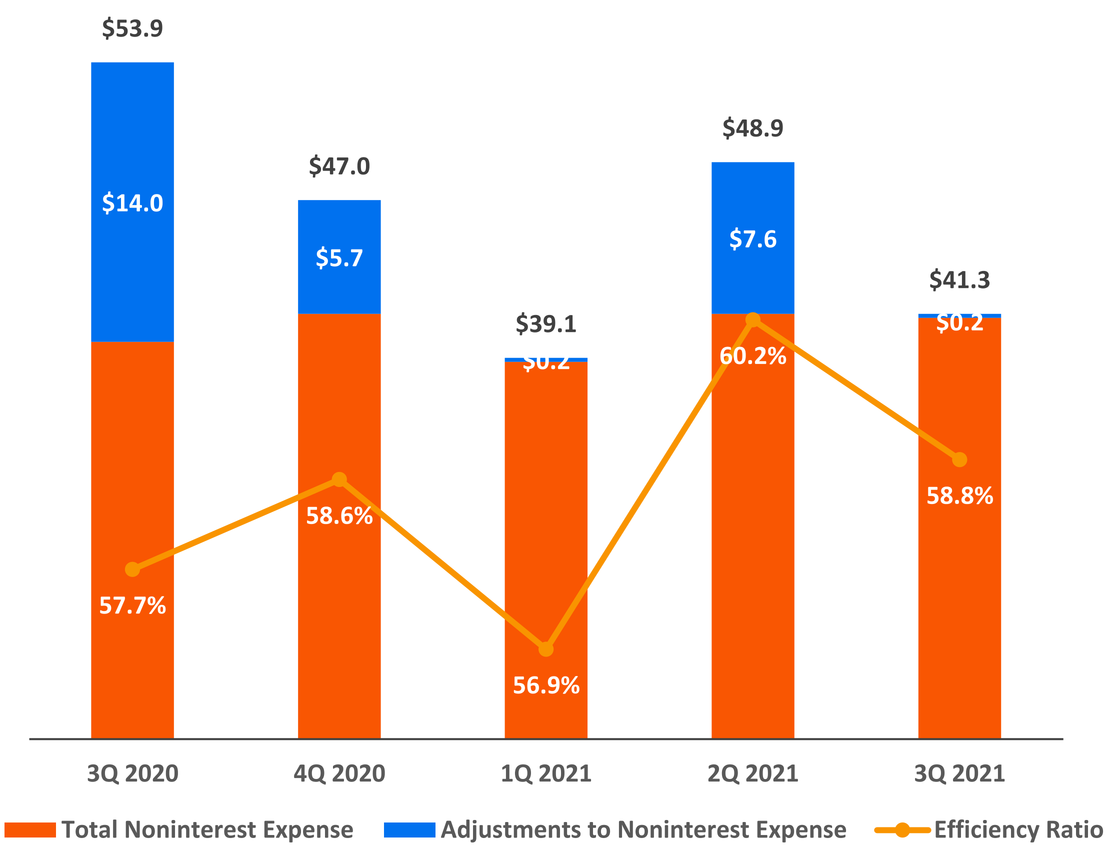
Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio [1]

(Noninterest expense in millions)



- **Efficiency Ratio [1] was 58.8% in 3Q21 vs. 60.2% in 2Q21**
- **Adjustments to non-interest expense:**

($ in millions)	3Q21	2Q21
Integration and acquisition related expenses	($0.1)	($3.8)
➢ Professional fees related to tax settlement	--	($3.6)
➢ Other expenses	($0.1)	($0.2)
FHLB advance prepayment fee	--	($3.7)
Loss on MSRs held for sale	($0.1)	($0.1)

- **Excluding these adjustments, noninterest expense decreased $0.2 million**
- **Operating expense run-rate expected to be $40.0 - $42.0 million in 4Q21**

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

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COVID-19
Response and Impact

Paycheck Protection Program Overview

Paycheck Protection Program (as of 9/30/21)	
Loans Outstanding	$82.4 million
Round 1	$12.4 million
Round 2	$70.0 million
Total Fees Earned	$15.3 million
Fees Recognized in 3Q21	$2.2 million
Remaining Fees to be Recognized	$3.5 million

Paycheck Protection Program Loan Forgiveness

	As of 6/30/21	As of 9/30/21
Loans Submitted to SBA	$263.8 million	$313.9 million
Loans Forgiven by SBA	$238.3 million	$300.8 million
Percentage of Total Round 1 PPP Loans Forgiven	83.7%	95.8%
Percentage of Total Round 1 and 2 PPP Loans Forgiven	62.9%	79.1%

Impact on 3Q21 Financials

	At or for the Three Months Ended 9/30/21	Metrics Excluding PPP Impact
Total Loans	$4.92 billion	$4.84 billion
Average Loans	$4.80 billion	$4.69 billion
Net Interest Income FTE[(1)]	$51.8 million	$49.3 million
Net Interest Margin[(1)]	3.34%	3.24%
ACL/Total Loans	1.13%	1.15%

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

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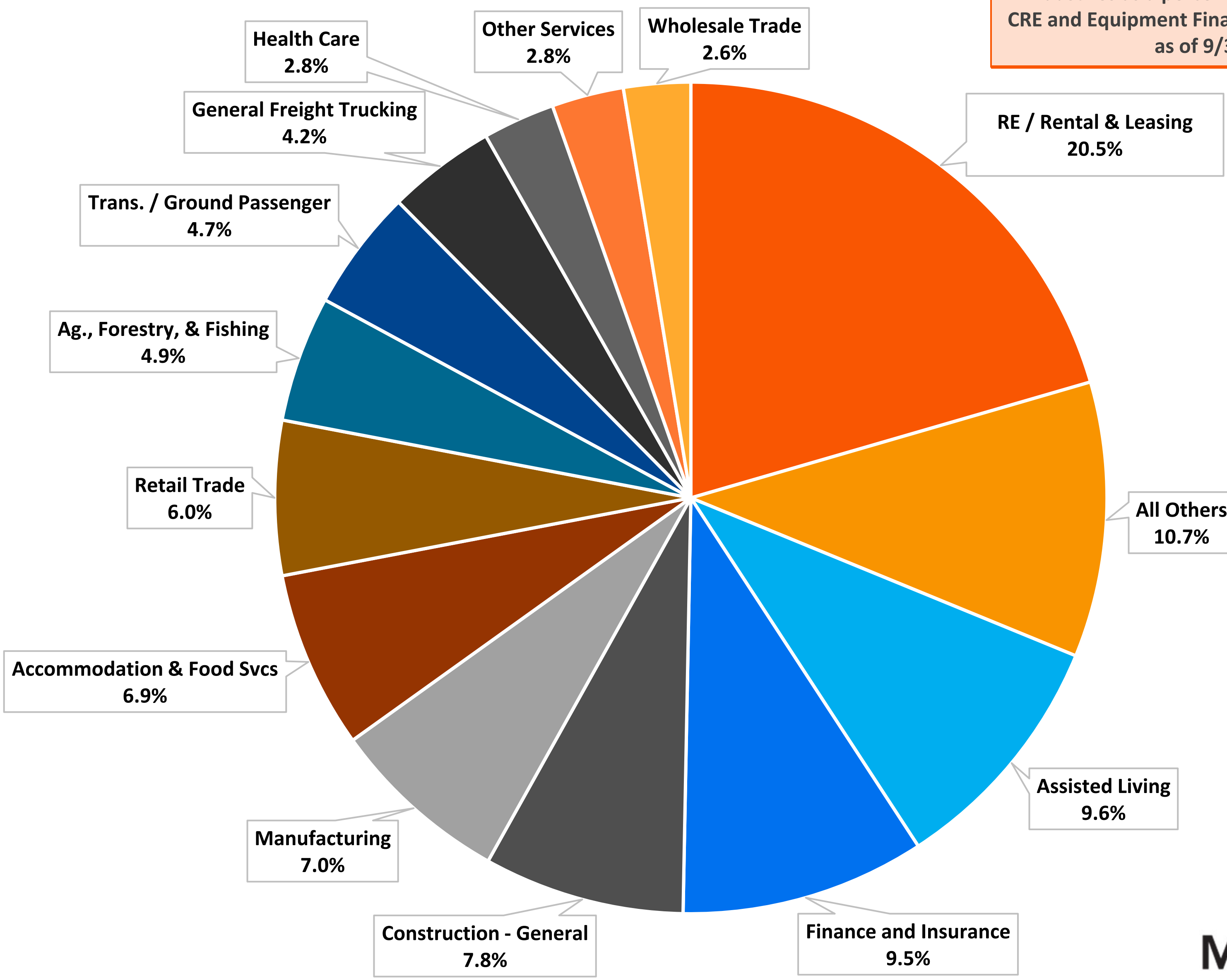
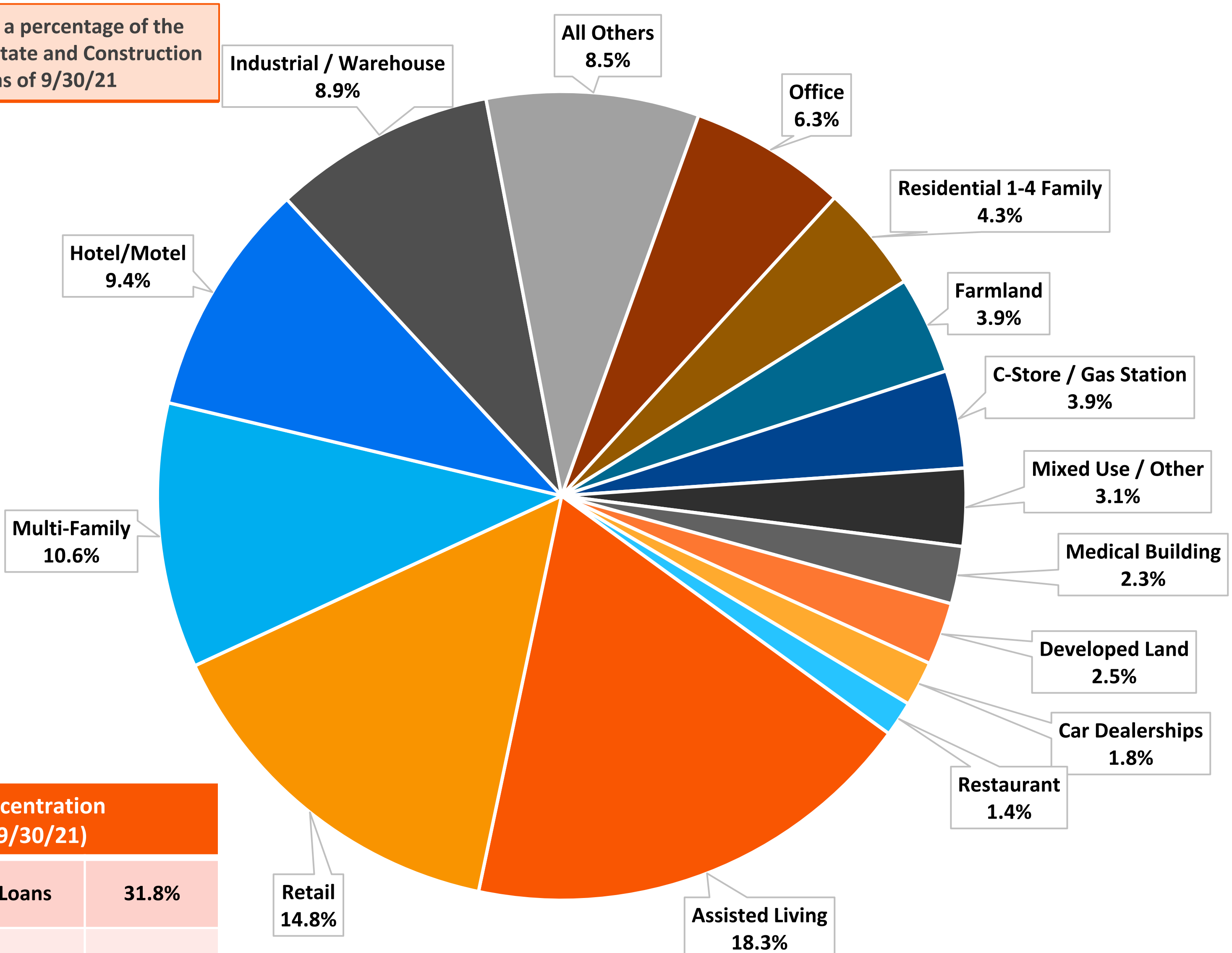
Commercial Loans and Leases by Industry

Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases as of 9/30/21



Commercial Real Estate Portfolio by Collateral Type

Collateral type as a percentage of the Commercial Real Estate and Construction Portfolio as of 9/30/21



CRE Concentration (as of 9/30/21)	
CRE as a % of Total Loans	31.8%
CRE as a % of Total Risk-Based Capital[(1)]	185.3%

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

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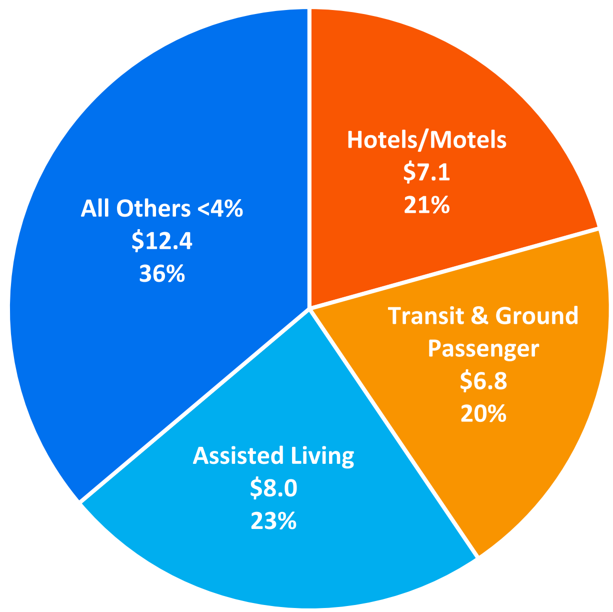
Loan Deferral Overview

Total Loan Deferrals			
	As of Mar. 31, 2021	**As of Jun. 30, 2021**	**As of Sep. 30, 2021**
Total Loans Deferred	$219.1 million	$107.3 million	$34.3 million
% of Total Loans	4.5%	2.2%	0.7%

Deferral Type (as of September 30, 2021)	
Full Payment Deferral	$3.2 million
Deferred Loans Making I/O or Other Payments	$31.1 million

Deferrals by Industry
(as of September 30, 2021)

($ in millions)



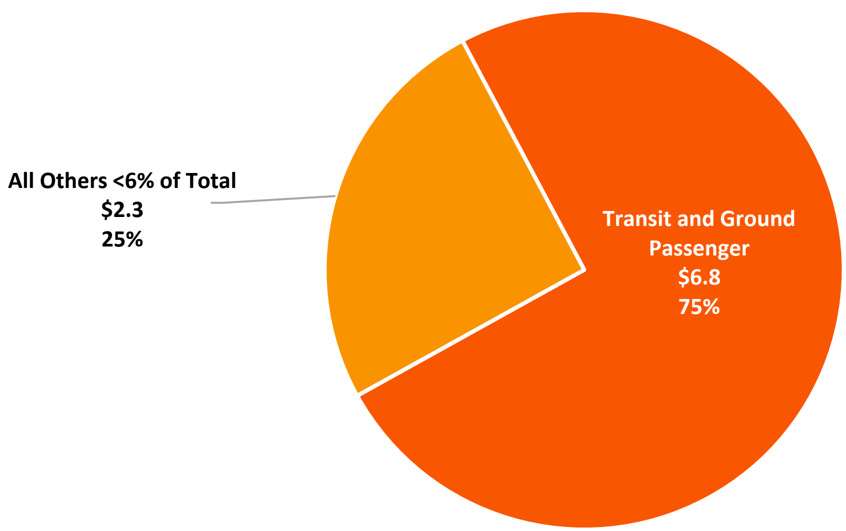
Midland Equipment Finance Portfolio Overview

Portfolio Characteristics (as of 9/30/21)	
Nationwide portfolio providing financing solutions to equipment vendors and end-users	
Total Outstanding Loans and Leases	$899.1 million (18.3% of total loans)
Number of Loans and Leases	7,471
Average Loan/Lease Size	$120,339
Largest Loan/Lease	$1.3 million
Weighted Average Rate	4.69%

Total Deferred Loans and Leases			
	As of 3/31/21	As of 6/30/21	As of 9/30/21
Total Deferrals	$46.1 million	$35.6 million	$9.1 million
Percentage of Portfolio	5.4%	4.1%	1.0%
Deferred Loans Making I/O or Other Payments	$35.8 million	$32.6 million	$8.0 million

Equipment Finance Deferrals by Industry
(as of September 30, 2021)

($ in millions)

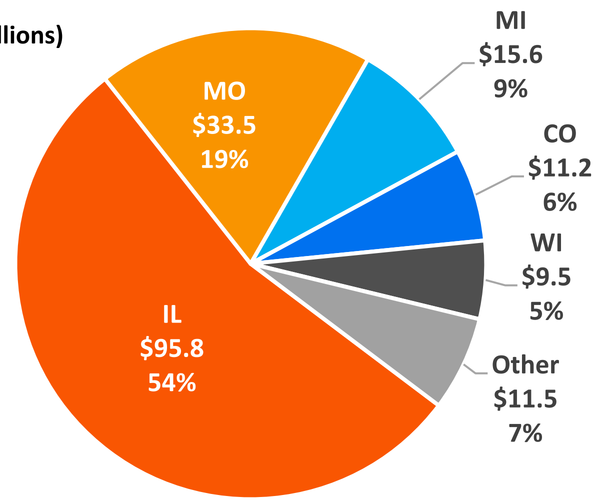


Hotel/Motel Portfolio Overview

Portfolio Characteristics (CRE & C&I) (as of 9/30/21)	
Total Outstanding	$177.1 million (3.6% of total loans)
Number of Loans	69
Average Loan Size	$2.6 million
Largest Loan	$11.2 million
Average LTV	56%
Total Deferred Loans as of 6/30/21	$39.4 million (21.8% of portfolio)
Total Deferred Loans as of 9/30/21	$7.1 million (4.0% of portfolio)*
Average LTV of Deferred Loans as of 9/30/21	53%
Deferred Loans Making I/O or Other Payments	$7.1 million (100% of deferrals)

Portfolio by State

($ in millions)



* All remaining loan deferrals are Upper Midscale chains

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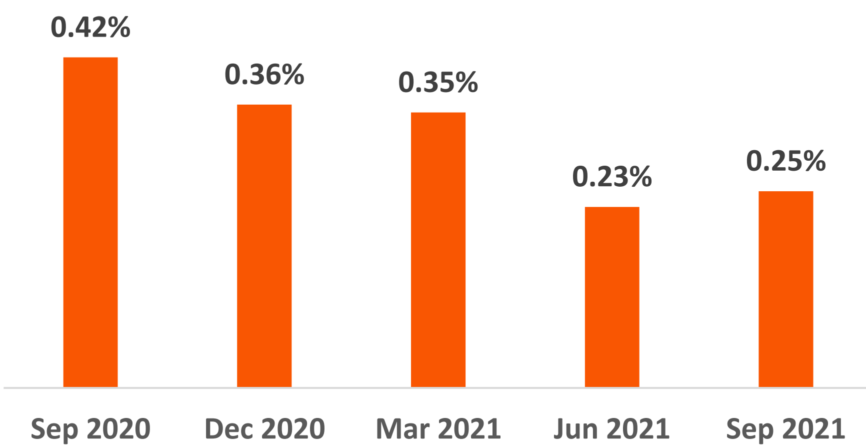
GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of 9/30/21)	
Total Outstanding	$834.3 million (17.0% of total loans)
Number of Loans	389,705
Average Loan Size	$2,141
Average FICO Score	772
Total Deferred Loans (as of June 30, 2021)	$0.6 million (0.1% of portfolio)
Total Deferred Loans (as of September 30, 2021)	$0.7 million (0.1% of portfolio)

Delinquency Rate (greater than 60 days)



Prime Credit

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

Credit Enhancement

- Cash flow waterfall structure
  - Cash flow from portfolio covers servicing fee, credit losses and our target margin
  - Excess cash flow is an incentive fee to GreenSky that is available to cover additional losses
  - GreenSky received incentive fees in 32 of past 33 months including every month in 2020 and 2021
- Escrow deposits
  - Escrow deposits absorb losses in excess of cash flow waterfall
  - Escrow account totaled $34.6 million at 9/30/21 or 4.1% of the portfolio

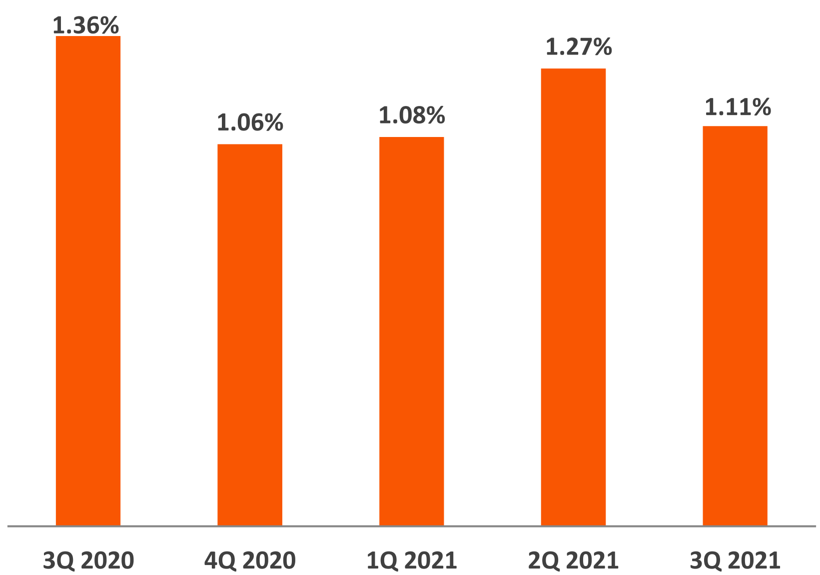
Midland States Bancorp, Inc.

Asset Quality

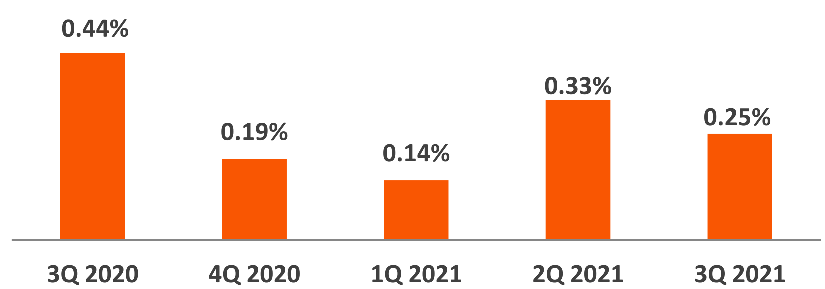
- Nonperforming loans decreased $6.7 million due to upgrades, disposition of certain loans, and minimal new inflow into nonperforming category
- Net charge-offs of $3.0 million, or 0.25% of average loans
- $1.5 million specific reserve charged-off on one of the three hotel loans put into NPL in 2Q21 prior to expected note sale in 4Q21; no additional deterioration in other two loans
- No provision for credit losses on loans due to improving asset quality; Negative provision for credit losses of $0.2 million on available-for-sale securities

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



NCO / Average Loans



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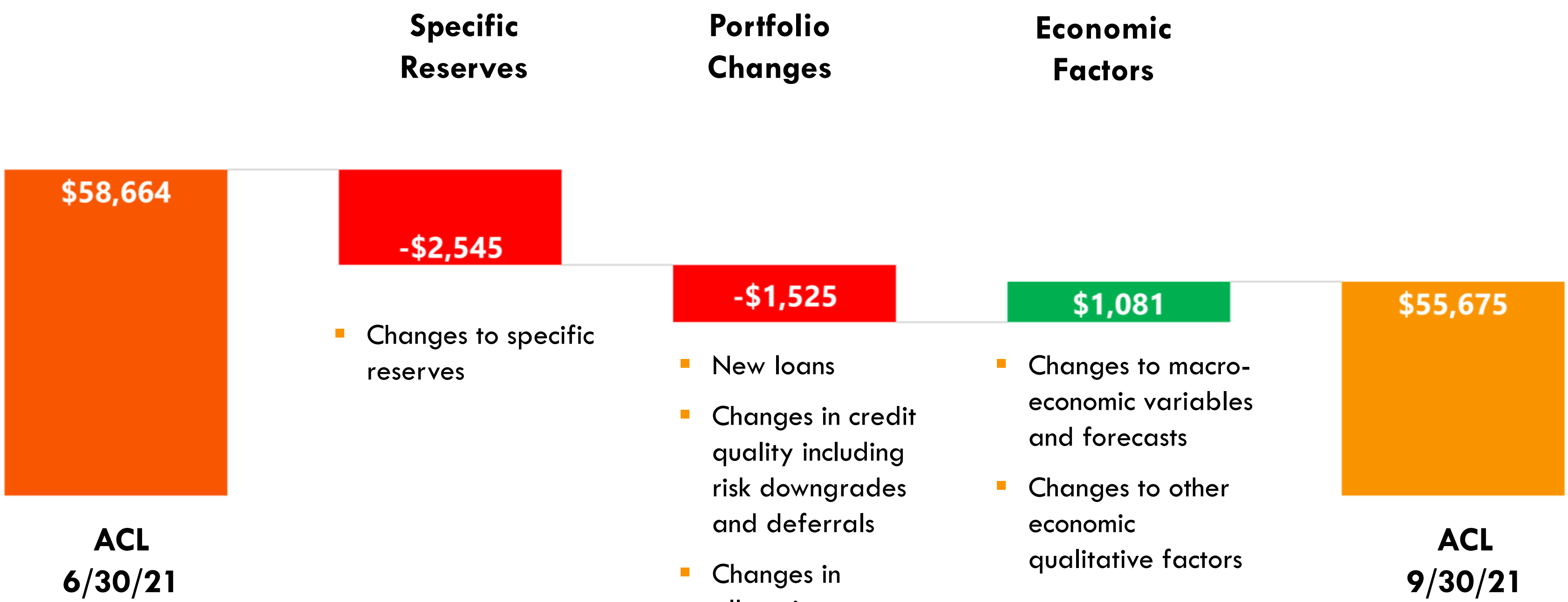
Changes in Allowance for Credit Losses

($ in thousands)



Specific Reserves

- Changes to specific reserves

Portfolio Changes

- New loans
- Changes in credit quality including risk downgrades and deferrals
- Changes in allocations to COVID-19 impacted segments
- Aging of existing portfolio
- Other charge-offs and recoveries

Economic Factors

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

ACL by Portfolio

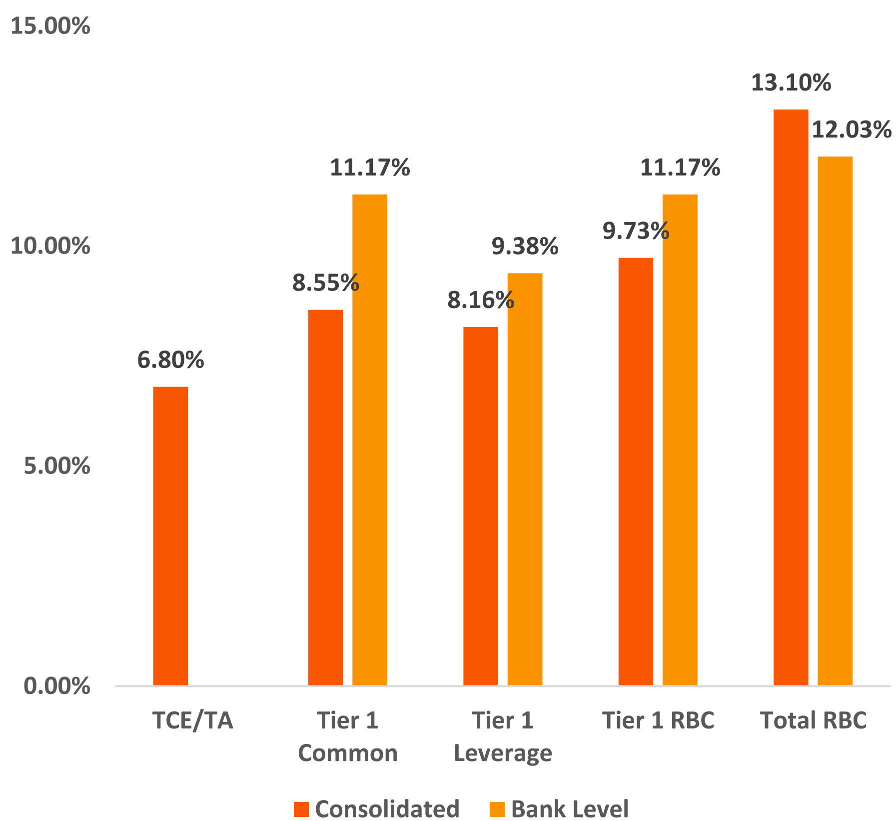
($ in thousands)

Portfolio	Total Loans at 9/30/21	ACL	% of Total Loans	Total Loans at 6/30/21	ACL	% of Total Loans
Commercial	$ 799,189	$ 6,360	0.80%	$ 719,642	$ 5,825	0.81%
Warehouse Lines	180,248	-	0.00%	129,607	-	0.00%
Commercial Other	668,146	8,231	1.23%	704,438	9,024	1.28%
Equipment Finance	486,623	7,856	1.61%	464,380	8,635	1.86%
Paycheck Protection Program	82,410	124	0.15%	146,728	220	0.15%
Lease Financing	412,430	7,586	1.84%	407,161	5,389	1.32%
CRE non-owner occupied	921,344	17,943	1.95%	908,787	21,168	2.33%
CRE owner occupied	437,140	6,855	1.57%	440,722	7,153	1.62%
Multi-family	128,961	1,591	1.23%	116,176	1,754	1.51%
Farmland	74,568	564	0.76%	74,804	643	0.86%
Construction and Land Development	200,792	1,131	0.56%	212,508	1,733	0.82%
Residential RE First Lien	277,819	2,551	0.92%	296,256	3,028	1.02%
Other Residential	66,595	466	0.70%	70,356	655	0.93%
Consumer	77,132	268	0.35%	74,627	266	0.36%
Consumer Other[(1)]	851,438	2,129	0.25%	810,389	2,026	0.25%
Total Loans	**4,915,554**	**55,675**	**1.13%**	**4,835,866**	**58,664**	**1.21%**
Loans (excluding GreenSky, PPP and warehouse lines)	**3,745,257**	**53,253**	**1.42%**	**3,695,247**	**56,259**	**1.52%**

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

Capital and Liquidity Overview

Capital Ratios
(as of 9/30/21)



Liquidity Sources
(as of 9/30/21)

($ in millions)	
Cash and Cash Equivalents	$ 662.6
Unpledged Securities	291.6
FHLB Committed Liquidity	730.0
FRB Discount Window Availability	53.5
Primary Liquidity	**1,737.7**
FRB – PPP Liquidity Facility[1]	82.4
Secondary Liquidity	**82.4**
Total Estimated Liquidity	**$ 1,820.1**
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 $35.3 Million

Midland States Bancorp, Inc.

Outlook

Midland States Bancorp, Inc.

Outlook

- GreenSky relationship to gradually wind down over next two years
  - Loan originations expected to continue through mid-2022 and keep balances relatively stable
  - After loan originations end, GreenSky portfolio expected to decline by $400-$450 million over the following year
  - Runoff expected to slow after the first year with remaining portfolio paying off over next several years
  - Well positioned to replace GreenSky portfolio through combination of larger commercial banking team, new direct consumer lending programs, and other Fintech partnership opportunities
- Healthy loan and deposit pipelines should drive quality balance sheet growth and a continuation of positive trends in 4Q21
- Dwight Capital relationship expanding in 4Q21 to include approximately $400 million of additional low-cost servicing deposits
- Continued focus on expanding presence and adding new banking talent in higher growth markets in Northern Illinois and St. Louis
- Growth in balance sheet and recurring fee income expected to continue resulting in higher levels of revenue, increasing operating leverage and improved profitability

Midland States Bancorp, Inc.

Long-Term Formula for Enhancing Shareholder Value

Disciplined Balance Sheet Growth

+

Improving Operating Efficiencies

+

Stable Sources of Recurring Income

+

Accretive M&A Transactions

=

Earnings Growth, Improving Returns and Enhanced Franchise Value

APPENDIX

ESG: A Framework for Sustainability

Environmental

Facilities

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

Paper Reduction

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

Social

Community Outreach

- Midland States Bank has been serving families and businesses in our communities for more than 140 years, offering products and services based on the needs of our customers.
- We work with more than 150 low-to-moderate income (“LMI”) and minority focused community development groups in our banking markets to help insure our community development programs address the needs of each of our markets.
- The Midland Institute CEO Program, a unique program designed to teach and create entrepreneurial opportunities to teens, was first created by our Bank in 2008 for the local Effingham, Illinois high schools and has now grown to be offered by 229 high schools in six states.

Culture and People

- Since 2008 Midland has provided all employees personal and professional development through an acclaimed third-party training company.
- Midland’s Advanced Study for Talent Enrichment and Resource Training (“MASTERS”) program serves to develop future leaders of the Company. To date 59% of participants have been women or minority employees.
- Midland launched its Diversity & Inclusion Council in April 2020 to focus on diversity in the workplace and workforce.

Philanthropy

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

Financial Education

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

CRA, Community Development and Financial Inclusion

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

Governance

Reputation

- Midland States Bank was one of the first in the nation to have a woman on its board (1903).
- Our board composition includes 40% women and minorities, and our criteria for identifying directors includes seeking diverse individuals.

Oversight of Strategy and Risk

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

Data Security

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

Management of Legal and Regulatory Environment

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

Appendix: Reconciliation of TBV Per Share

(dollars in thousands, except per share data)	As of Sep 30, 2021	2020	2019	2018	As of December 31, 2017	2016	2015	2014
Shareholders' Equity to Tangible Common Equity:								
Total shareholders' equity—GAAP	$ 657,844	$ 621,391	$ 661,911	$ 608,525	$ 449,545	$ 321,770	$ 232,880	$ 219,456
Adjustments:								
Preferred stock	-	-	-	(2,781)	(2,970)	-	-	-
Goodwill	(161,904)	(161,904)	(171,758)	(164,673)	(98,624)	(48,836)	(46,519)	(47,946)
Other intangibles	(26,065)	(28,382)	(34,886)	(37,376)	(16,932)	(7,187)	(7,004)	(9,464)
Tangible Common Equity	$ 469,875	$ 431,105	$ 455,267	$ 403,695	$ 331,019	$ 265,747	$ 179,357	$ 162,046
Total Assets to Tangible Assets:								
Total assets—GAAP	$ 7,093,959	$ 6,868,540	$ 6,087,017	$ 5,637,673	$ 4,412,701	$ 3,233,723	$ 2,884,824	$ 2,676,614
Adjustments:								
Goodwill	(161,904)	(161,904)	(171,758)	(164,673)	(98,624)	(48,836)	(46,519)	(47,946)
Other intangibles	(26,065)	(28,382)	(34,886)	(37,376)	(16,932)	(7,187)	(7,004)	(9,464)
Tangible Assets	$ 6,905,990	$ 6,678,254	$ 5,880,373	$ 5,435,624	$ 4,297,145	$ 3,177,700	$ 2,831,301	$ 2,619,204
Common Shares Outstanding	$ 22,193,141	$ 22,325,471	$ 24,420,345	$ 23,751,798	$ 19,122,049	$ 15,483,499	$ 11,797,404	$ 11,725,158
Tangible Common Equity to Tangible Assets	6.80 %	6.46 %	7.74 %	7.43 %	7.70 %	8.36 %	6.33 %	6.19 %
Tangible Book Value Per Share	$ 21.17	$ 19.31	$ 18.64	$ 17.00	$ 17.31	$ 17.16	$ 15.20	$ 13.82

Midland States Bancorp, Inc.

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

Adjusted Earnings Reconciliation

	For the Years Ended December 31,				
(dollars in thousands)	**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

	For the Years Ended December 31,				
(dollars in thousands)	**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.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (unaudited)

Efficiency Ratio Reconciliation

	For the Years Ended December 31,				
(dollars in thousands)	**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.

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

Adjusted Earnings Reconciliation

	For the Quarter Ended				
(dollars in thousands, except per share data)	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Income before income taxes - GAAP	$ 25,431	$ 19,041	$ 24,040	$ 10,746	$ 3,270
Adjustments to noninterest income:					
Gain on sales of investment securities, net	160	377	-	-	1,721
Other income	-	(27)	75	3	(17)
Total adjustments to noninterest income	160	350	75	3	1,704
Adjustments to noninterest expense:					
Loss on mortgage servicing rights held for sale	79	143	-	617	188
Impairment related to facilities optimization	-	-	-	(10)	12,651
FHLB advances prepayment fees	-	3,669	8	4,872	-
Integration and acquisition expenses	176	3,771	238	231	1,200
Total adjustments to noninterest expense	255	7,583	246	5,710	14,039
Adjusted earnings pre tax	25,526	26,274	24,211	16,453	15,605
Adjusted earnings tax	5,910	6,519	5,549	3,982	3,582
Adjusted earnings - non-GAAP	$ 19,616	$ 19,755	$ 18,662	$ 12,471	$ 12,023
Adjusted diluted earnings per common share	$ 0.86	$ 0.86	$ 0.82	$ 0.54	$ 0.52
Adjusted return on average assets	1.15 %	1.17 %	1.12 %	0.73 %	0.72 %
Adjusted return on average shareholders' equity	11.94 %	12.36 %	12.12 %	7.97 %	7.56 %
Adjusted return on average tangible common equity	16.82 %	17.52 %	17.39 %	11.50 %	11.04 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended				
(dollars in thousands)	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Adjusted earnings pre tax - non- GAAP	$ 25,526	$ 26,274	$ 24,211	$ 16,453	$ 15,605
Provision for credit losses	(184)	(455)	3,565	10,058	11,728
Impairment on commercial mortgage servicing rights	3,037	1,148	1,275	2,344	1,418
Adjusted pre-tax, pre-provision earnings - non-GAAP	$ 28,379	$ 26,967	$ 29,051	$ 28,855	$ 28,751
Adjusted pre-tax, pre-provision return on average assets	1.67 %	1.60 %	1.75 %	1.69 %	1.72 %

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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
(dollars in thousands)	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Noninterest expense - GAAP	$ 41,292	$ 48,941	$ 39,079	$ 47,048	$ 53,901
Loss on mortgage servicing rights held for sale	(79)	(143)	-	(617)	(188)
Impairment related to facilities optimization	-	-	-	10	(12,651)
FHLB advances prepayment fees	-	(3,669)	(8)	(4,872)	-
Integration and acquisition expenses	(176)	(3,771)	(238)	(231)	(1,200)
Adjusted noninterest expense	$ 41,037	$ 41,358	$ 38,833	$ 41,338	$ 39,862
Net interest income - GAAP	$ 51,396	$ 50,110	$ 51,868	$ 53,516	$ 49,980
Effect of tax-exempt income	402	383	386	413	430
Adjusted net interest income	51,798	50,493	52,254	53,929	50,410
Noninterest income - GAAP	15,143	17,417	14,816	14,336	18,919
Impairment on commercial mortgage servicing rights	3,037	1,148	1,275	2,344	1,418
Gain on sales of investment securities, net	(160)	(377)	-	-	(1,721)
Other	-	27	(75)	(3)	17
Adjusted noninterest income	18,020	18,215	16,016	16,677	18,633
Adjusted total revenue	$ 69,818	$ 68,709	$ 68,270	$ 70,607	$ 69,043
Efficiency ratio	58.78 %	60.19 %	56.88 %	58.55 %	57.74 %

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)	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	$ 657,844	$ 648,186	$ 635,467	$ 621,391	$ 621,880
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(26,065)	(27,900)	(26,867)	(28,382)	(29,938)
Tangible common equity	$ 469,875	$ 458,382	$ 446,696	$ 431,105	$ 430,038
Total Assets to Tangible Assets:					
Total assets—GAAP	$ 7,093,959	$ 6,630,010	$ 6,884,786	$ 6,868,540	$ 6,700,045
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(26,065)	(27,900)	(26,867)	(28,382)	(29,938)
Tangible assets	$ 6,905,990	$ 6,440,206	$ 6,696,015	$ 6,678,254	$ 6,508,203
Common Shares Outstanding	22,193,141	22,380,492	22,351,740	22,325,471	22,602,844
Tangible Common Equity to Tangible Assets	6.80 %	7.12 %	6.67 %	6.46 %	6.61 %
Tangible Book Value Per Share	$ 21.17	$ 20.48	$ 19.98	$ 19.31	$ 19.03

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
(dollars in thousands)	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Net income available to common shareholders	$ 19,548	$ 20,124	$ 18,538	$ 8,333	$ 86
Average total shareholders' equity—GAAP	$ 651,751	$ 641,079	$ 624,661	$ 622,594	$ 632,879
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(168,771)
Other intangible assets, net	(27,132)	(26,931)	(27,578)	(29,123)	(30,690)
Average tangible common equity	$ 462,715	$ 452,244	$ 435,179	$ 431,567	$ 433,418
ROATCE	16.76 %	17.85 %	17.28 %	7.68 %	0.08 %

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