

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2024

Midland States Bancorp, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Illinois
(State or Other Jurisdiction of Incorporation)

001-35272
(Commission File Number)

37-1233196
(IRS Employer Identification No.)

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

(217) 342-7321
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	MSBI	The Nasdaq Market LLC
Depository Shares, each representing a 1/40th interest in a share of 7.75% fixed rate reset non-cumulative perpetual preferred stock, Series A, \$2.00 par value	MSBIP	The Nasdaq Market LLC

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 25, 2024, Midland States Bancorp, Inc. (the "Company") issued a press release announcing its financial results for the first quarter of 2024. The press release is attached as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

On April 25, 2024, the Company made available on its website a slide presentation regarding the Company's first quarter 2024 financial results. The slide presentation is attached as Exhibit 99.2.

The information set forth under Items 2.02 and 7.01 in this Form 8-K and the attached exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit No.	Description
99.1	Press Release of Midland States Bancorp, Inc., dated April 25, 2024
99.2	Slide Presentation of Midland States Bancorp, Inc. regarding first quarter 2024 financial results
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 25, 2024

By: /s/ Eric T. Lemke
Eric T. Lemke
Chief Financial Officer

Midland States Bancorp, Inc. Announces 2024 First Quarter Results

First Quarter 2024 Highlights:

- Net income available to common shareholders of \$11.7 million, or \$0.53 per diluted share
- Pre-tax, pre-provision earnings of \$32.2 million
- Tangible book value per share increased 0.4% from prior quarter to \$23.44
- Common equity tier 1 capital ratio improved to 8.60% from 8.40%
- Net interest margin of 3.18%, compared to 3.21% in prior quarter
- Efficiency ratio of 58.0%, compared to 55.2% in prior quarter

Effingham, IL, April 25, 2024 (GLOBE NEWSWIRE) -- Midland States Bancorp, Inc. (Nasdaq: MSBI) (the "Company") today reported net income available to common shareholders of \$11.7 million, or \$0.53 per diluted share, for the first quarter of 2024, compared to \$18.5 million, or \$0.84 per diluted share, for the fourth quarter of 2023. This also compares to net income available to common shareholders of \$19.5 million, or \$0.86 per diluted share, for the first quarter of 2023.

Provision expense was \$14.0 million in the first quarter of 2024 compared to \$7.0 million and \$3.1 million in the fourth and first quarters of 2023, respectively. The increase in provision expense was the result of a specific reserve of \$8.0 million on a multi-family construction project.

Financial results for the fourth quarter of 2023 included a \$1.1 million gain on the sale of shares of VISA B stock, offset by \$2.9 million of losses on the sale of investment securities. Results for the first quarter of 2023 included \$0.6 million of losses on the sale of investment securities. There were no adjustments to the financial results for the first quarter of 2024.

Excluding these transactions, adjusted earnings available to common shareholders were \$19.8 million and \$20.0 million, or \$0.89 and \$0.88 per diluted share, for the fourth and first quarters of 2023, respectively.

Jeffrey G. Ludwig, President and Chief Executive Officer of the Company, said, "Our first quarter reflects strong pre-tax, pre-provision results and our ongoing ability to deliver increased fee income and strong expense control. While our pre-tax pre-provision results generate solid profitability we did increase our reserves to reflect an increase in nonperforming loans. Our continued success in executing on our balance sheet management strategies resulted in the improvement in our loan-to-deposit ratio, tangible book value per share, and all of our capital ratios improved in the first quarter, even after the additional provision for credit losses.

"We continue to focus on high quality commercial relationships and our conservative approach to new loan production, including through the intentional runoff of equipment finance and consumer loans. We also continue to have success in growing our wealth management business, which contributed to the increase we had in non-interest income in the first quarter.

“As always, we continue to operate with a long-term perspective, and while we will maintain disciplined expense control, we will continue to invest in areas such as banking and wealth talent and technology that we believe will further strengthen our franchise and enhance our ability to continue creating long-term value for our shareholders,” said Mr. Ludwig.

Balance Sheet Highlights

Total assets were \$7.83 billion at March 31, 2024, compared to \$7.87 billion at December 31, 2023, and \$7.93 billion at March 31, 2023. At March 31, 2024, portfolio loans were \$5.96 billion, compared to \$6.13 billion at December 31, 2023, and \$6.35 billion at March 31, 2023.

Loans

During the first quarter of 2024, outstanding loans declined by \$172.6 million, or 2.8%, from December 31, 2023, as the Company continued to originate loans in a more selective and deliberate approach to balance liquidity and funding costs. Increases in commercial FHA warehouse lines and construction and land development loans of \$8.0 million and \$21.5 million, respectively, were offset by decreases in all other loan categories. Equipment finance loan and lease balances decreased \$54.5 million during the first quarter of 2024 as the Company continued to reduce its concentration of this product within the overall loan portfolio. Consumer loans decreased \$98.1 million due to loan payoffs and a cessation in loans originated through GreenSky. Our Greensky-originated loan balances decreased \$77.7 million during the first quarter to \$606.0 million at March 31, 2024. In addition, as previously disclosed, during the fourth quarter of 2023, the Company ceased originating loans through LendingPoint. As of March 31, 2024, the Company had \$112.7 million in loans that were originated through LendingPoint, which will continue to be serviced by LendingPoint.

(in thousands)	As of				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Loan Portfolio					
Commercial loans	\$ 913,564	\$ 951,387	\$ 943,761	\$ 962,756	\$ 937,920
Equipment finance loans	494,068	531,143	578,931	614,633	632,205
Equipment finance leases	455,879	473,350	485,460	500,485	510,029
Commercial FHA warehouse lines	8,035	—	48,547	30,522	10,275
Total commercial loans and leases	1,871,546	1,955,880	2,056,699	2,108,396	2,090,429
Commercial real estate	2,397,113	2,406,845	2,412,164	2,443,995	2,448,158
Construction and land development	474,128	452,593	416,801	366,631	326,836
Residential real estate	378,583	380,583	375,211	371,486	369,910
Consumer	837,092	935,178	1,020,008	1,076,836	1,118,938
Total loans	\$ 5,958,462	\$ 6,131,079	\$ 6,280,883	\$ 6,367,344	\$ 6,354,271

Loan Quality

Overall, credit quality metrics declined this quarter compared to the fourth quarter of 2023. Non-performing loans increased \$48.6 million to \$105.0 million at March 31, 2024, compared to \$56.4 million as of December 31, 2023. Four loans totaling \$47.4 million account for the increase. Of these, three loans totaling \$40.8 million are multi-family construction or multi-family projects. Loans 30-89 days past due decreased \$23.9 million to \$58.9 million as of March 31, 2024, compared to prior quarter end, as loans totaling \$25.1 million were transferred to nonperforming status.

At March 31, 2023, loans 30-89 days past due totaled \$30.9 million, non-performing loans were \$50.7 million, and non-performing assets as a percentage of total assets were 0.74%.

(in thousands)	As of and for the Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Asset Quality					
Loans 30-89 days past due	\$ 58,854	\$ 82,778	\$ 46,608	\$ 44,161	\$ 30,895
Nonperforming loans	104,979	56,351	55,981	54,844	50,713
Nonperforming assets	116,721	67,701	58,677	57,688	58,806
Substandard loans	149,049	184,224	143,793	130,707	99,819
Net charge-offs	4,445	5,117	3,449	2,996	2,119
Loans 30-89 days past due to total loans	0.99 %	1.35 %	0.74 %	0.69 %	0.49 %
Nonperforming loans to total loans	1.76 %	0.92 %	0.89 %	0.86 %	0.80 %
Nonperforming assets to total assets	1.49 %	0.86 %	0.74 %	0.72 %	0.74 %
Allowance for credit losses to total loans	1.31 %	1.12 %	1.06 %	1.02 %	0.98 %
Allowance for credit losses to nonperforming loans	74.35 %	121.56 %	119.09 %	118.43 %	122.39 %
Net charge-offs to average loans	0.30 %	0.33 %	0.22 %	0.19 %	0.14 %

The Company continued to increase its allowance for credit losses on loans during the first quarter of 2024. Notably, the Company recorded a specific reserve of \$8.0 million on one large construction and land development loan. The allowance totaled \$78.1 million at March 31, 2024, compared to \$68.5 million at December 31, 2023, and \$62.1 million at March 31, 2023. The allowance as a percentage of portfolio loans was 1.31% at March 31, 2024, compared to 1.12% at December 31, 2023, and 0.98% at March 31, 2023.

Deposits

Total deposits were \$6.32 billion at March 31, 2024, compared with \$6.31 billion at December 31, 2023, representing an increase of \$14.5 million, primarily due to increases in noninterest bearing demand deposits and brokered time deposits, which were partially offset by seasonal outflows of servicing and public fund deposits. Noninterest-bearing deposits increased \$67.0 million to \$1.21 billion at March 31, 2024, while interest-bearing deposits decreased \$52.5 million to \$5.11 billion at March 31, 2024. Brokered time deposits increased \$93.7 million to offset seasonal outflows of the servicing and public fund deposits.

(in thousands)	As of				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Deposit Portfolio					
Noninterest-bearing demand	\$ 1,212,382	\$ 1,145,395	\$ 1,154,515	\$ 1,162,909	\$ 1,215,758
Interest-bearing:					
Checking	2,394,163	2,511,840	2,572,224	2,499,693	2,502,827
Money market	1,128,463	1,135,629	1,090,962	1,226,470	1,263,813
Savings	555,552	559,267	582,359	624,005	636,832
Time	845,190	862,865	885,858	840,734	766,884
Brokered time	188,234	94,533	119,084	72,737	39,087
Total deposits	\$ 6,323,984	\$ 6,309,529	\$ 6,405,002	\$ 6,426,548	\$ 6,425,201

Results of Operations Highlights

Net Interest Income and Margin

During the first quarter of 2024, net interest income, on a tax-equivalent basis, totaled \$56.1 million, a decrease of \$2.1 million, or 3.6%, compared to \$58.3 million for the fourth quarter of 2023. The tax-equivalent net interest margin for the first quarter of 2024 was 3.18%, compared with 3.21% in the fourth quarter of 2023. Net interest income and net interest margin, on a tax-equivalent basis, were \$60.7 million and 3.39%, respectively, in the first quarter of 2023. The declines in the net interest income and margin were largely attributable to increased market interest rates resulting in the cost of funding liabilities increasing at a faster rate than the yield on earning assets, as well as the impact of interest reversals on loans placed on non-accrual.

Average interest-earning assets for the first quarter of 2024 were \$7.11 billion, compared to \$7.20 billion for the fourth quarter of 2023. The yield decreased 2 basis points to 5.76% compared to the fourth quarter of 2023. Interest-earning assets averaged \$7.26 billion for the first quarter of 2023.

Average loans were \$6.01 billion for the first quarter of 2024, compared to \$6.20 billion for the fourth quarter of 2023 and \$6.32 billion for the first quarter of 2023. The yield on loans was 5.99% and 6.00% for the first quarter of 2024 and the fourth quarter of 2023, respectively.

Investment securities averaged \$988.7 million for the first quarter of 2024, and yielded 4.36%, compared to an average balance and yield of \$883.2 million and 4.16%, respectively, for the fourth quarter of 2023. The Company purchased additional higher-yielding investments resulting in the increased average balance and yield. Investment securities averaged \$809.8 million for the first quarter of 2023.

Average interest-bearing deposits were \$5.20 billion for the first quarter of 2024, compared to \$5.30 billion for the fourth quarter of 2023, and \$5.05 billion for the first quarter of 2023. Cost of interest-bearing deposits was 3.04% in the first quarter of 2024, which represented an 11 basis point increase from the fourth quarter of 2023. A competitive market, driven by rising interest rates and increased competition, contributed to the increase in deposit costs.

For the Three Months Ended

	March 31, 2024			December 31, 2023			March 31, 2023		
	Average Balance	Interest & Fees	Yield Rate	Average Balance	Interest & Fees	Yield Rate	Average Balance	Interest & Fees	Yield Rate
<i>(dollars in thousands)</i>									
Interest-earning assets									
Cash and cash equivalents	\$ 69,316	\$ 951	5.52 %	\$ 77,363	\$ 1,054	5.41 %	\$ 85,123	\$ 980	4.67 %
Investment securities	988,716	10,708	4.36	883,153	9,257	4.16	899,848	5,995	3.00
Loans	6,012,032	89,489	5.99	6,196,362	93,757	6.00	6,320,402	87,997	5.65
Loans held for sale	3,405	55	6.56	4,429	81	7.26	1,506	16	4.41
Nonmarketable equity securities	35,927	687	7.69	41,192	715	6.89	47,819	795	6.75
Total interest-earning assets	\$ 7,109,396	\$ 101,890	5.76 %	\$ 7,202,499	\$ 104,864	5.78 %	\$ 7,264,698	\$ 95,783	5.35 %
Noninterest-earning assets	671,671			695,293			610,811		
Total assets	\$ 7,781,067			\$ 7,897,792			\$ 7,875,509		
Interest-Bearing Liabilities									
Interest-bearing deposits	\$ 5,195,118	\$ 39,214	3.04 %	\$ 5,295,296	\$ 39,156	2.93 %	\$ 5,053,941	\$ 26,405	2.12 %
Short-term borrowings	65,182	836	5.16	13,139	15	0.47	38,655	25	0.26
FHLB advances & other borrowings	313,121	3,036	3.90	430,207	4,750	4.38	540,278	6,006	4.51
Subordinated debt	93,583	1,280	5.50	93,512	1,281	5.43	99,812	1,370	5.57
Trust preferred debentures	50,707	1,389	11.02	50,541	1,402	11.00	50,047	1,229	9.96
Total interest-bearing liabilities	\$ 5,717,711	\$ 45,755	3.22 %	\$ 5,882,695	\$ 46,604	3.14 %	\$ 5,782,733	\$ 35,035	2.46 %
Noninterest-bearing deposits	1,151,542			1,142,062			1,250,899		
Other noninterest-bearing liabilities	121,908			108,245			74,691		
Shareholders' equity	789,906			764,790			767,186		
Total liabilities and shareholder's equity	\$ 7,781,067			\$ 7,897,792			\$ 7,875,509		
Net Interest Margin		\$ 56,135	3.18 %		\$ 58,260	3.21 %		\$ 60,748	3.39 %
Cost of Deposits			2.49 %			2.41 %			1.70 %

(1) Interest income and average rates for tax-exempt loans and investment securities are presented on a tax-equivalent basis, assuming a federal income tax rate of 21%. Tax-equivalent adjustments totaled \$0.2 million for each of the three months ended March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

Noninterest Income

Noninterest income was \$21.2 million for the first quarter of 2024, compared to \$20.5 million for the fourth quarter of 2023. Noninterest income for the first quarter of 2024 included incremental servicing revenues of \$3.7 million related to the Greensky portfolio. Noninterest income for the fourth quarter of 2023 included incremental servicing revenues of \$2.2 million and \$1.6 million related to our commercial FHA servicing portfolio and the Greensky portfolio, respectively. Also included was a \$1.1 million one-time gain from the sale of Visa B stock, offset by \$2.9 million of losses on the sale of investment securities. The first quarter of 2023 included \$0.6 million of losses on the sale of investment securities.

Excluding these transactions, noninterest income for the first quarter of 2024, the fourth quarter of 2023, and the first quarter of 2023 was \$17.5 million, \$18.5 million, and \$16.4 million, respectively.

(in thousands)	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
Noninterest income			
Wealth management revenue	\$ 7,132	\$ 6,604	\$ 6,411
Service charges on deposit accounts	3,116	3,246	2,745
Interchange revenue	3,358	3,585	3,412
Residential mortgage banking revenue	527	451	405
Income on company-owned life insurance	1,801	1,753	876
Loss on sales of investment securities, net	—	(2,894)	(648)
Other income	5,253	7,768	2,578
Total noninterest income	\$ 21,187	\$ 20,513	\$ 15,779

Wealth management revenue totaled \$7.1 million in the first quarter of 2024, an increase of \$0.5 million, or 8.0%, as compared to the fourth quarter of 2023. Assets under administration increased to \$3.89 billion at March 31, 2024 from \$3.73 billion at December 31, 2023, primarily due to improved market performance, resulting in an increase in revenue. In addition, the first quarter fees included seasonal tax preparation fees. Assets under administration totaled \$3.50 billion at March 31, 2023.

Noninterest Expense

Noninterest expense was \$44.9 million in the first quarter of 2024, compared to \$44.5 million in both the fourth quarter of 2023, and the first quarter of 2023. The efficiency ratio increased to 58.03% for the quarter ended March 31, 2024, compared to 55.22% for the quarter ended December 31, 2023, and 57.64% for the quarter ended March 31, 2023.

(in thousands)	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
Noninterest expense			
Salaries and employee benefits	\$ 24,102	\$ 24,031	\$ 24,243
Occupancy and equipment	4,142	3,934	4,443
Data processing	6,722	6,963	6,311
Professional services	2,255	2,072	1,760
Amortization of intangible assets	1,089	1,130	1,291
FDIC insurance	1,274	1,147	1,329
Other expense	5,283	5,211	5,105
Total noninterest expense	\$ 44,867	\$ 44,488	\$ 44,482

Income Tax Expense

Income tax expense was \$4.4 million for the first quarter of 2024, as compared to \$6.4 million for the fourth quarter of 2023 and \$6.9 million for the first quarter of 2023. The resulting effective tax rates were 23.9%, 23.7% and 24.0%, respectively.

Capital

At March 31, 2024, Midland States Bank and the Company exceeded all regulatory capital requirements under Basel III, and Midland States Bank met the qualifications to be a “well-capitalized” financial institution, as summarized in the following table:

	As of March 31, 2024		
	Midland States Bank	Midland States Bancorp, Inc.	Minimum Regulatory Requirements ⁽²⁾
Total capital to risk-weighted assets	12.77%	13.68%	10.50%
Tier 1 capital to risk-weighted assets	11.62%	11.16%	8.50%
Tier 1 leverage ratio	10.33%	9.92%	4.00%
Common equity Tier 1 capital	11.62%	8.60%	7.00%
Tangible common equity to tangible assets ⁽¹⁾	N/A	6.58%	N/A

(1) A non-GAAP financial measure. Refer to page 15 for a reconciliation to the comparable GAAP financial measure.

(2) Includes the capital conservation buffer of 2.5%.

The impact of rising interest rates on the Company’s investment portfolio and cash flow hedges resulted in an \$81.4 million accumulated other comprehensive loss at March 31, 2024, which reduces tangible book value by \$3.79 per share.

Stock Repurchase Program

As previously disclosed, on December 5, 2023, the Company’s board of directors authorized a new share repurchase program, pursuant to which the Company is authorized to repurchase up to \$25.0 million of common stock through December 31, 2024. During the first quarter of 2024, the Company repurchased 73,781 shares of its common stock at a weighted average price of \$26.31 under its stock repurchase program.

About Midland States Bancorp, Inc.

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois, and is the sole shareholder of Midland States Bank. As of March 31, 2024, the Company had total assets of approximately \$7.83 billion, and its Wealth Management Group had assets under administration of approximately \$3.89 billion. The Company provides a full range of commercial and consumer banking products and services and business equipment financing, merchant credit card services, trust and investment management, insurance and financial planning services. For additional information, visit <https://www.midlandsb.com/> or <https://www.linkedin.com/company/midland-states-bank>.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with GAAP.

These non-GAAP financial measures include “Adjusted Earnings,” “Adjusted Earnings Available to Common Shareholders,” “Adjusted Diluted Earnings Per Common Share,” “Adjusted Return on Average Assets,” “Adjusted Return on Average Shareholders’ Equity,” “Adjusted Return on Average Tangible Common Equity,” “Adjusted Pre-Tax, Pre-Provision Earnings,” “Adjusted Pre-Tax, Pre-Provision Return on Average Assets,” “Efficiency Ratio,” “Tangible Common Equity to Tangible Assets,” “Tangible Book Value Per Share,” “Tangible Book Value Per Share excluding Accumulated Other Comprehensive

Income,” and “Return on Average Tangible Common Equity.” The Company believes 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, the measures in this press release may not be comparable to other similarly titled measures as presented by other companies.

Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including but not limited to statements about the Company’s plans, objectives, future performance, goals and future earnings levels. These statements are subject to many risks and uncertainties, including changes in interest rates and other general economic, business and political conditions, the impact of inflation, continuing effects of the failures of Silicon Valley Bank and Signature Bank, increased deposit volatility and potential regulatory developments; changes in the financial markets; changes in business plans as circumstances warrant; risks relating to acquisitions; changes to U.S. tax laws, regulations and guidance; and other risks detailed from time to time in filings made by the Company with the Securities and Exchange Commission. Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe," "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and the Company does not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

CONTACTS:

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MIDLAND STATES BANCORP, INC.
CONSOLIDATED FINANCIAL SUMMARY (unaudited)

	As of and for the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>			
Earnings Summary			
Net interest income	\$ 55,920	\$ 58,077	\$ 60,504
Provision for credit losses	14,000	6,950	3,135
Noninterest income	21,187	20,513	15,779
Noninterest expense	44,867	44,488	44,482
Income before income taxes	18,240	27,152	28,666
Income taxes	4,355	6,441	6,894
Net income	13,885	20,711	21,772
Preferred dividends	2,228	2,228	2,228
Net income available to common shareholders	\$ 11,657	\$ 18,483	\$ 19,544
Diluted earnings per common share	\$ 0.53	\$ 0.84	\$ 0.86
Weighted average common shares outstanding - diluted	21,787,691	21,822,328	22,501,970
Return on average assets	0.72 %	1.04 %	1.12 %
Return on average shareholders' equity	7.07 %	10.74 %	11.51 %
Return on average tangible common equity ⁽¹⁾	9.34 %	15.41 %	16.70 %
Net interest margin	3.18 %	3.21 %	3.39 %
Efficiency ratio ⁽¹⁾	58.03 %	55.22 %	57.64 %
Adjusted Earnings Performance Summary ⁽¹⁾			
Adjusted earnings available to common shareholders	\$ 11,657	\$ 19,793	\$ 20,017
Adjusted diluted earnings per common share	\$ 0.53	\$ 0.89	\$ 0.88
Adjusted return on average assets	0.72 %	1.11 %	1.15 %
Adjusted return on average shareholders' equity	7.07 %	11.42 %	11.76 %
Adjusted return on average tangible common equity	9.34 %	16.51 %	17.11 %
Adjusted pre-tax, pre-provision earnings	\$ 32,240	\$ 35,898	\$ 32,449
Adjusted pre-tax, pre-provision return on average assets	1.67 %	1.80 %	1.67 %
Market Data			
Book value per share at period end	\$ 31.67	\$ 31.61	\$ 30.08
Tangible book value per share at period end ⁽¹⁾	\$ 23.44	\$ 23.35	\$ 21.87
Tangible book value per share excluding accumulated other comprehensive income at period end ⁽¹⁾	\$ 27.23	\$ 26.91	\$ 25.39
Market price at period end	\$ 25.13	\$ 27.56	\$ 21.42
Common shares outstanding at period end	21,485,231	21,551,402	22,111,454
Capital			
Total capital to risk-weighted assets	13.68 %	13.20 %	12.46 %
Tier 1 capital to risk-weighted assets	11.16 %	10.91 %	10.25 %
Tier 1 common capital to risk-weighted assets	8.60 %	8.40 %	7.84 %
Tier 1 leverage ratio	9.92 %	9.71 %	9.54 %
Tangible common equity to tangible assets ⁽¹⁾	6.58 %	6.55 %	6.24 %
Wealth Management			
Trust assets under administration	\$ 3,888,219	\$ 3,733,355	\$ 3,502,635

(1) Non-GAAP financial measures. Refer to pages 13 - 15 for a reconciliation to the comparable GAAP financial measures.

MIDLAND STATES BANCORP, INC.
CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)

(in thousands)	As of				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Assets					
Cash and cash equivalents	\$ 167,316	\$ 135,061	\$ 132,132	\$ 160,695	\$ 138,310
Investment securities	1,044,900	920,396	839,344	887,003	821,005
Loans	5,958,462	6,131,079	6,280,883	6,367,344	6,354,271
Allowance for credit losses on loans	(78,057)	(68,502)	(66,669)	(64,950)	(62,067)
Total loans, net	5,880,405	6,062,577	6,214,214	6,302,394	6,292,204
Loans held for sale	5,043	3,811	6,089	5,632	2,747
Premises and equipment, net	81,831	82,814	82,741	81,006	80,582
Other real estate owned	8,920	9,112	480	202	6,729
Loan servicing rights, at lower of cost or fair value	19,577	20,253	20,933	21,611	1,117
Commercial FHA mortgage loan servicing rights held for sale	—	—	—	—	20,745
Goodwill	161,904	161,904	161,904	161,904	161,904
Other intangible assets, net	15,019	16,108	17,238	18,367	19,575
Company-owned life insurance	205,286	203,485	201,750	152,210	151,319
Other assets	241,608	251,347	292,460	243,697	233,937
Total assets	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721	\$ 7,930,174
Liabilities and Shareholders' Equity					
Noninterest-bearing demand deposits	\$ 1,212,382	\$ 1,145,395	\$ 1,154,515	\$ 1,162,909	\$ 1,215,758
Interest-bearing deposits	5,111,602	5,164,134	5,250,487	5,263,639	5,209,443
Total deposits	6,323,984	6,309,529	6,405,002	6,426,548	6,425,201
Short-term borrowings	214,446	34,865	17,998	21,783	31,173
FHLB advances and other borrowings	255,000	476,000	538,000	575,000	482,000
Subordinated debt	93,617	93,546	93,475	93,404	99,849
Trust preferred debentures	50,790	50,616	50,457	50,296	50,135
Other liabilities	102,966	110,459	106,743	90,869	66,173
Total liabilities	7,040,803	7,075,015	7,211,675	7,287,900	7,154,531
Total shareholders' equity	791,006	791,853	757,610	776,821	775,643
Total liabilities and shareholders' equity	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721	\$ 7,930,174

MIDLAND STATES BANCORP, INC.
CONSOLIDATED FINANCIAL SUMMARY (unaudited) (continued)

<i>(in thousands, except per share data)</i>	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
Net interest income:			
Interest income	\$ 101,675	\$ 104,681	\$ 95,539
Interest expense	45,755	46,604	35,035
Net interest income	55,920	58,077	60,504
Provision for credit losses on loans	14,000	6,950	3,135
Net interest income after provision for credit losses	41,920	51,127	57,369
Noninterest income:			
Wealth management revenue	7,132	6,604	6,411
Service charges on deposit accounts	3,116	3,246	2,745
Interchange revenue	3,358	3,585	3,412
Residential mortgage banking revenue	527	451	405
Income on company-owned life insurance	1,801	1,753	876
Loss on sales of investment securities, net	—	(2,894)	(648)
Other income	5,253	7,768	2,578
Total noninterest income	21,187	20,513	15,779
Noninterest expense:			
Salaries and employee benefits	24,102	24,031	24,243
Occupancy and equipment	4,142	3,934	4,443
Data processing	6,722	6,963	6,311
Professional services	2,255	2,072	1,760
Amortization of intangible assets	1,089	1,130	1,291
FDIC insurance	1,274	1,147	1,329
Other expense	5,283	5,211	5,105
Total noninterest expense	44,867	44,488	44,482
Income before income taxes	18,240	27,152	28,666
Income taxes	4,355	6,441	6,894
Net income	13,885	20,711	21,772
Preferred stock dividends	2,228	2,228	2,228
Net income available to common shareholders	\$ 11,657	\$ 18,483	\$ 19,544
Basic earnings per common share	\$ 0.53	\$ 0.84	\$ 0.86
Diluted earnings per common share	\$ 0.53	\$ 0.84	\$ 0.86

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

Adjusted Earnings Reconciliation

	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>			
Income before income taxes - GAAP	\$ 18,240	\$ 27,152	\$ 28,666
Adjustments to noninterest income:			
Loss on sales of investment securities, net	—	2,894	648
(Gain) on sale of Visa B shares	—	(1,098)	—
Total adjustments to noninterest income	—	1,796	648
Adjusted earnings pre tax - non-GAAP	18,240	28,948	29,314
Adjusted earnings tax	4,355	6,927	7,069
Adjusted earnings - non-GAAP	13,885	22,021	22,245
Preferred stock dividends	2,228	2,228	2,228
Adjusted earnings available to common shareholders	\$ 11,657	\$ 19,793	\$ 20,017
Adjusted diluted earnings per common share	\$ 0.53	\$ 0.89	\$ 0.88
Adjusted return on average assets	0.72 %	1.11 %	1.15 %
Adjusted return on average shareholders' equity	7.07 %	11.42 %	11.76 %
Adjusted return on average tangible common equity	9.34 %	16.51 %	17.11 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<i>(dollars in thousands)</i>			
Adjusted earnings pre tax - non-GAAP	\$ 18,240	\$ 28,948	\$ 29,314
Provision for credit losses	14,000	6,950	3,135
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 32,240	\$ 35,898	\$ 32,449
Adjusted pre-tax, pre-provision return on average assets	1.67 %	1.80 %	1.67 %

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

Efficiency Ratio Reconciliation

	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<i>(dollars in thousands)</i>			
Noninterest expense - GAAP	\$ 44,867	\$ 44,488	\$ 44,482
Net interest income - GAAP	\$ 55,920	\$ 58,077	\$ 60,504
Effect of tax-exempt income	215	183	244
Adjusted net interest income	56,135	58,260	60,748
Noninterest income - GAAP	21,187	20,513	15,779
Loss on sales of investment securities, net	—	2,894	648
(Gain) on sale of Visa B shares	—	(1,098)	—
Adjusted noninterest income	21,187	22,309	16,427
Adjusted total revenue	\$ 77,322	\$ 80,569	\$ 77,175
Efficiency ratio	58.03 %	55.22 %	57.64 %

Return on Average Tangible Common Equity (ROATCE)

	For the Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<i>(dollars in thousands)</i>			
Net income available to common shareholders	\$ 11,657	\$ 18,483	\$ 19,544
Average total shareholders' equity—GAAP	\$ 789,906	\$ 764,790	\$ 767,186
Adjustments:			
Preferred Stock	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,525)	(16,644)	(20,184)
Average tangible common equity	\$ 501,929	\$ 475,694	\$ 474,550
ROATCE	9.34 %	15.41 %	16.70 %

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

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

	As of				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 791,006	\$ 791,853	\$ 757,610	\$ 776,821	\$ 775,643
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible common equity	<u>503,535</u>	<u>503,293</u>	<u>467,920</u>	<u>486,002</u>	<u>483,616</u>
Less: Accumulated other comprehensive loss (AOCI)	(81,419)	(76,753)	(101,181)	(84,719)	(77,797)
Tangible common equity excluding AOCI	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>	<u>\$ 570,721</u>	<u>\$ 561,413</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721	\$ 7,930,174
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible assets	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>	<u>\$ 7,854,450</u>	<u>\$ 7,748,695</u>
Common Shares Outstanding	21,485,231	21,551,402	21,594,546	21,854,800	22,111,454
Tangible Common Equity to Tangible Assets	6.58 %	6.55 %	6.01 %	6.19 %	6.24 %
Tangible Book Value Per Share	\$ 23.44	\$ 23.35	\$ 21.67	\$ 22.24	\$ 21.87
Tangible Book Value Per Share, excluding AOCI	\$ 27.23	\$ 26.91	\$ 26.35	\$ 26.11	\$ 25.39



Midland States Bancorp, Inc.

NASDAQ: MSBI

First Quarter 2024 Earnings Presentation





Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements expressing management's current expectations, forecasts of future events or long-term goals may be based upon beliefs, expectations and assumptions of the Company's management, and are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. All statements in this presentation speak only as of the date they are made, and the Company undertakes no obligation to update any statement. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements including changes in interest rates and other general economic, business and political conditions, the impact of inflation, continuing effects of the failures of Silicon Valley Bank and Signature Bank, increased deposit volatility and potential regulatory developments. These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements. Additional information concerning the Company and its businesses, including additional factors that could materially affect the Company's financial results, are included in the Company's filings with the Securities and Exchange Commission.

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



Company Snapshot

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

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



Financial Highlights as of March 31, 2024

\$7.8 Billion

Total Assets

\$6.0 Billion

Total Loans

\$6.3 Billion

Total Deposits

\$3.9 Billion

Assets Under Administration

YTD Adjusted ROAA⁽¹⁾: 0.72%

YTD Adjusted Return on TCE⁽¹⁾: 9.34%

TCE/TA: 6.58%

YTD PTPP⁽¹⁾ ROAA: 1.67%

Dividend Yield: 4.93 %

Price/Tangible Book: 1.07x

Price/LTM EPS: 9.5x

3

Notes:

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

Midland 
States Bancorp, Inc.



Overview of 1Q24

Solid Financial Performance

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

Continued Success in Balance Sheet Management Strategies

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

Positive Trends Across Key Metrics

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

Prudent Increase in ACL and Decline in Net Charge-Offs

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

4

Notes:

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



Loan Portfolio

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

Loan Portfolio Mix

(in millions, as of quarter-end)

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

Total Loans and Average Loan Yield

(in millions, as of quarter-end)





Total Deposits

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

Deposit Mix

(in millions, as of quarter-end)

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

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



■ Total Deposits ● Cost of Deposits





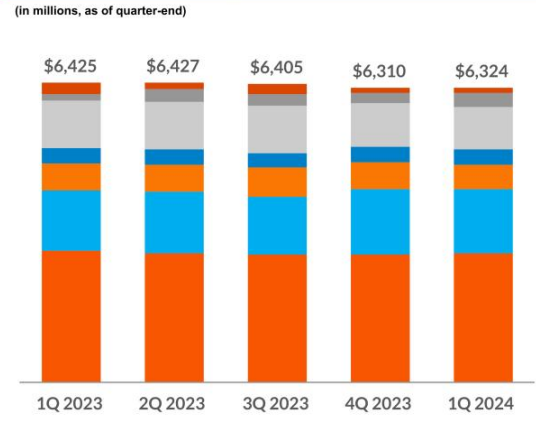
Deposit Summary as of March 31, 2024

Deposits by Channel

(in millions, as of quarter-end)

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

Trend of Deposit Channel Mix



- Retail
- Public Funds
- Commercial
- Wealth & Trust
- Servicing
- Brokered Deposits
- Other

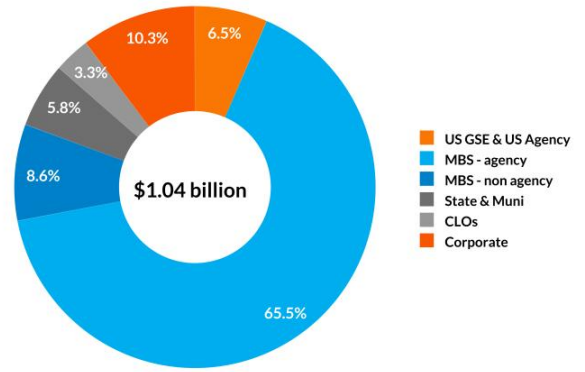


Investment Portfolio

As of March 31, 2024

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

Fair Value of Investments by Type

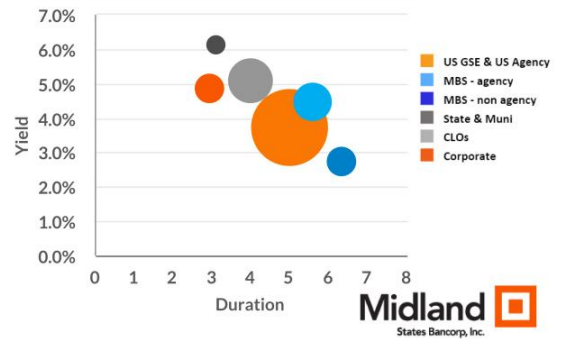


Investment Mix & Unrealized Gain (Loss)

(in millions)

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

Investments by Yield and Duration





Liquidity Overview

Liquidity Sources

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



Net Interest Income/Margin

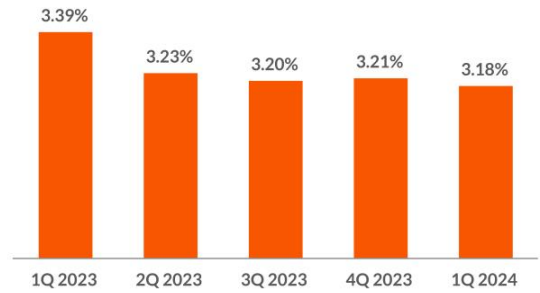
- Net interest income down slightly from prior quarter due to lower average earning assets
- Net interest margin decreased 3bp to 3.18% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets, as well as the impact of interest reversals on loans placed on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

Net Interest Income

(in millions)



Net Interest Margin





Loans & Securities - Repricing and Maturity

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

(in millions)

As of March 31, 2024

	Repricing Term							Total	Rate Structure		
	3 mos or less	3-12 mos	1-3 years	3-5 years	5-10 years	10-15 years	Over 15 years		Floating Rate	Adjustable Rate	Fixed Rate
Commercial loans and leases	\$ 710	\$ 290	\$ 539	\$ 264	\$ 38	\$ 4	\$ 27	\$1,872	\$ 565	\$ 80	\$ 1,227
Commercial real estate	707	345	679	427	186	19	34	2,397	517	233	1,647
Construction and land	296	41	38	71	1	—	27	474	264	39	171
Residential real estate	72	54	77	64	85	20	7	379	52	119	208
Consumer	196	203	418	14	6	—	—	837	113	—	724
Total	\$1,981	\$ 933	\$1,751	\$ 839	\$ 316	\$ 43	\$ 95	\$5,958	\$ 1,510	\$ 471	\$ 3,977
% of Total	33 %	16 %	29 %	14 %	5 %	1 %	2 %	100 %	25 %	8 %	67 %
Weighted Average Rate	7.59 %	5.59 %	5.24 %	5.35 %	4.59 %	3.75 %	0.22 % ⁽²⁾	5.97 %	8.16 %	4.78 %	5.27 %

Investment Securities Available for Sale⁽³⁾

(in millions)

As of March 31, 2024

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

Notes:

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



Wealth Management

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

Assets Under Administration

(in millions)



Wealth Management Revenue

(in millions)



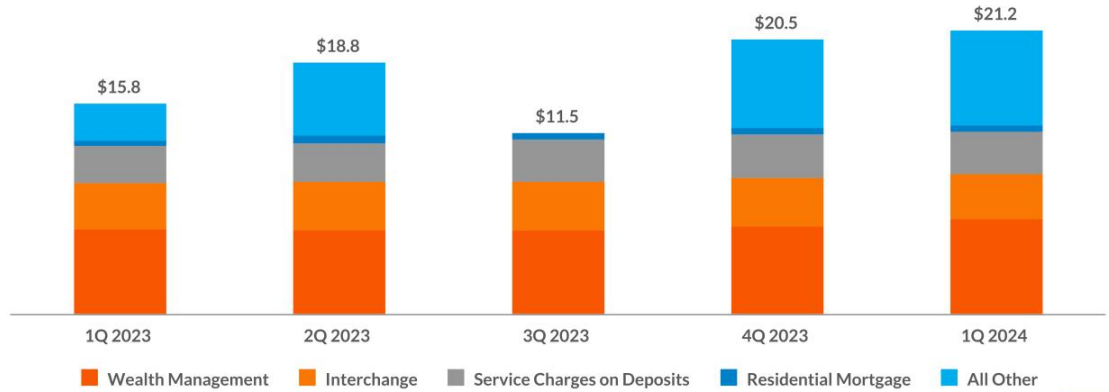


Noninterest Income

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

Noninterest Income

(in millions)



Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio ⁽¹⁾

(Noninterest expense in millions)



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

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

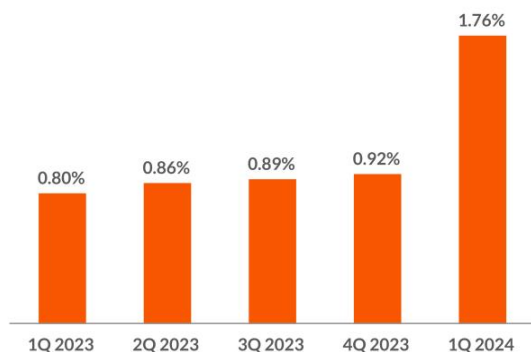


Asset Quality

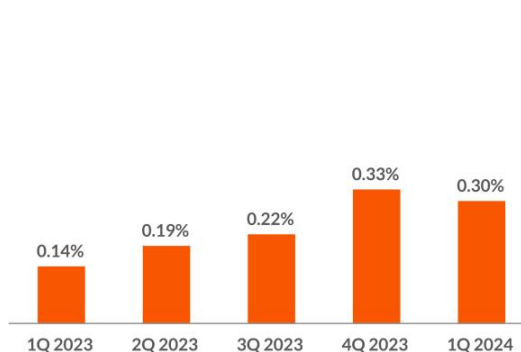
- Nonperforming loans increased due to placement of 4 loans on non-accrual, totaling \$47.4 million, 3 of which were multi-family construction or multi-family projects
- Past due loans and substandard loans declined during the first quarter
- Net charge-offs to average loans was 0.30% primarily driven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

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



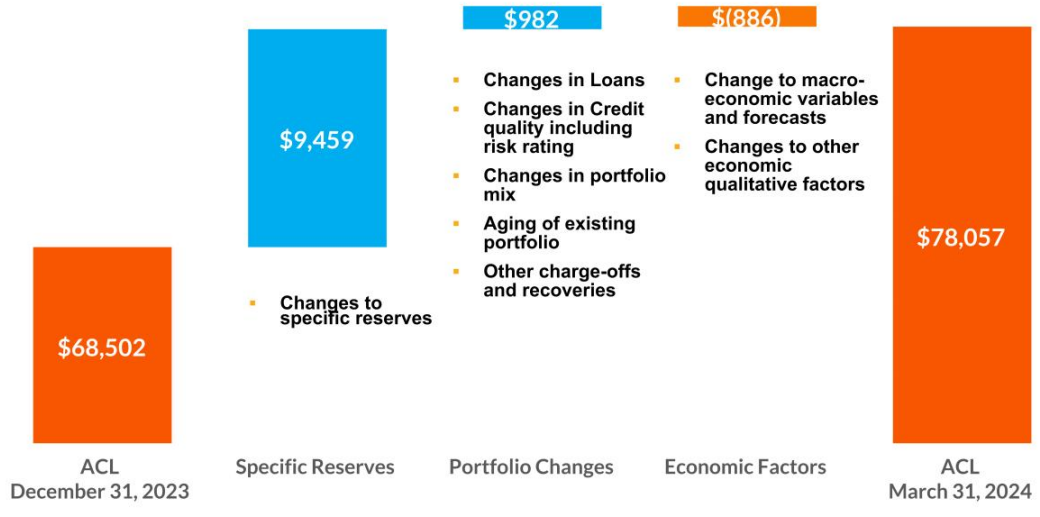
NCO / Average Loans





Changes in Allowance for Credit Losses

(\$ in thousands)





ACL by Portfolio

(\$ in thousands)

March 31, 2024

December 31, 2023

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

Notes:

(1) Primarily consists of loans originated through GreenSky relationship



2024 Outlook and Priorities

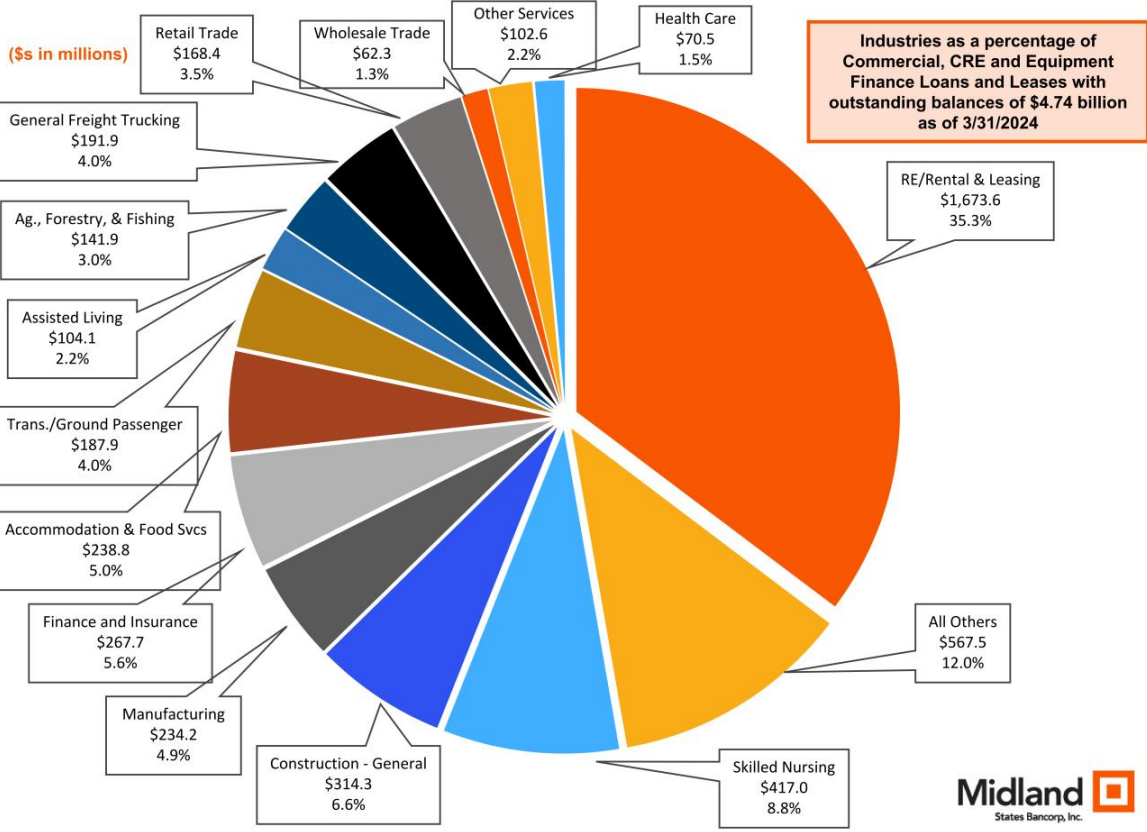
- Well positioned with increased levels of capital, liquidity, and reserves
- Prudent risk management will remain top priority while economic uncertainty remains with business development efforts focused on adding new commercial and retail deposit relationships throughout our markets
- Capitalizing on market disruption resulting from M&A to add new clients and banking talent
- Strong financial performance and prudent balance sheet management should lead to further increases in capital ratios
- Loan pipeline remains steady and new loan production within the community bank will continue to partially offset the runoff from the GreenSky portfolio and continued intentional reduction of the equipment finance portfolio
- Neutral interest rate sensitivity positions Midland well for managing future changes in interest rates
- Maintain disciplined expense management while also investing in areas that will enhance the long-term value of the franchise
 - * Improvements in technology platform and additional advisors positively impacting business development in Wealth Management
 - * Expanded presence in higher growth St. Louis market including the addition of a new market president resulting in new commercial, retail and wealth management clients
 - * Banking-as-a-Service initiative expected to start making meaningful contribution to deposit gathering and fee income during 2024



APPENDIX

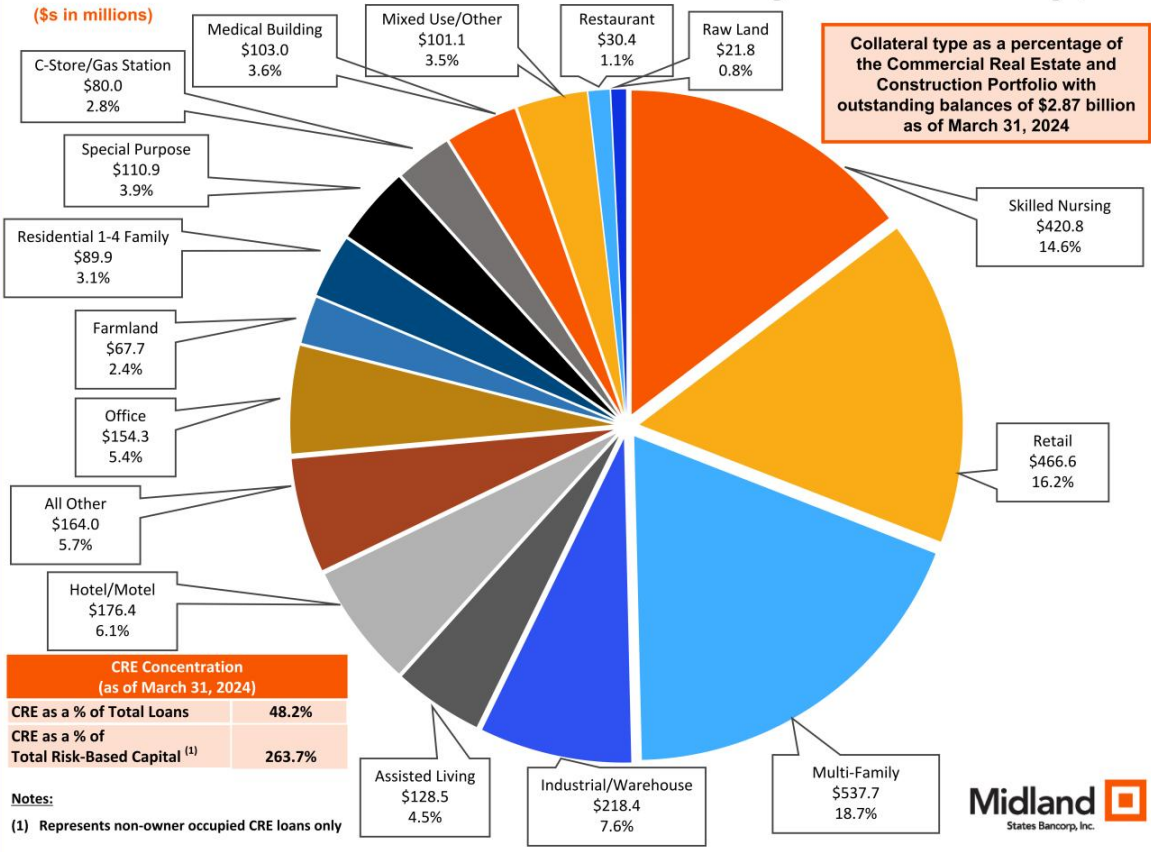


Commercial Loans and Leases by Industry



Commercial Real Estate Portfolio by Collateral Type

(\$s in millions)



CRE Concentration (as of March 31, 2024)	
CRE as a % of Total Loans	48.2%
CRE as a % of Total Risk-Based Capital ⁽¹⁾	263.7%

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



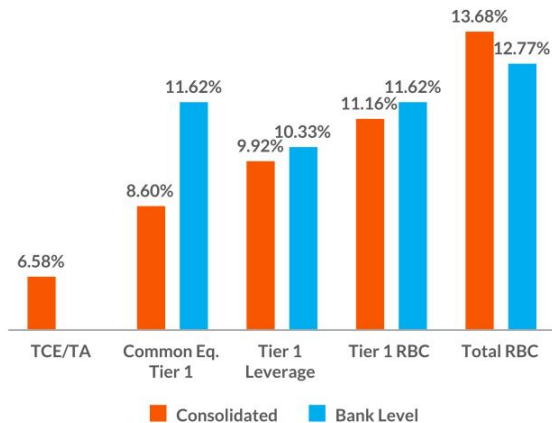


Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 8.60% from 7.77% at 12/31/22 with limited buybacks below TBV
- Internal capital generated from strong profitability and slower balance sheet growth expected to raise TCE ratio to 7.00%-7.75% by the end of 2024
- Capital actions and strong profitability expected to enable MSBI to raise capital ratios while maintaining current dividend payout

Capital Ratios (as of March 31, 2024)





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

Tangible Book Value Per Share

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



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

Adjusted Earnings Reconciliation

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



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

Adjusted Earnings Reconciliation

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

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

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



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

Efficiency Ratio Reconciliation

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



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

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

	As of				
	March 31, 2024	December 31, 2023 ⁽¹⁾	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 791,006	\$ 791,853	\$ 757,610	\$ 776,821	\$ 775,643
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible common equity	<u>\$ 503,535</u>	<u>\$ 503,293</u>	<u>\$ 467,920</u>	<u>\$ 486,002</u>	<u>\$ 483,616</u>
Less: Accumulated other comprehensive income (AOCI)	(81,419)	(76,753)	(101,181)	(84,719)	(77,797)
Tangible common equity excluding AOCI	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>	<u>\$ 570,721</u>	<u>\$ 561,413</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285	\$ 8,034,721	\$ 7,930,174
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,019)	(16,108)	(17,238)	(18,367)	(19,575)
Tangible assets	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>	<u>\$ 7,854,450</u>	<u>\$ 7,748,695</u>
Common Shares Outstanding	21,485,231	21,551,402	21,594,546	21,854,800	22,111,454
Tangible Common Equity to Tangible Assets	6.58 %	6.55 %	6.01 %	6.19 %	6.24 %
Tangible Book Value Per Share	\$ 23.44	\$ 23.35	\$ 21.67	\$ 22.24	\$ 21.87
Tangible Book Value Per Share, excluding AOCI	\$ 27.23	\$ 26.91	\$ 26.35	\$ 26.11	\$ 25.39

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
	March 31, 2024	December 31, 2023 ⁽¹⁾	September 30, 2023	June 30, 2023	March 31, 2023
<i>(dollars in thousands)</i>					
Net income available to common shareholders	\$ 11,657	\$ 18,483	\$ 9,173	\$ 19,347	\$ 19,544
Average total shareholders' equity—GAAP	\$ 789,906	\$ 764,790	\$ 771,625	\$ 776,791	\$ 767,186
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	(110,548)
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(15,525)	(16,644)	(17,782)	(18,937)	(20,184)
Average tangible common equity	<u>\$ 501,929</u>	<u>\$ 475,694</u>	<u>\$ 481,391</u>	<u>\$ 485,402</u>	<u>\$ 474,550</u>
ROATCE	9.34 %	15.41 %	7.56 %	15.99 %	16.70 %

