

Shareholder Letter

1st Quarter 2017

Dear Shareholders:

The first quarter of 2017 proved to be another good quarter. Net income was \$8.5 million, an increase of 66.6% over the first quarter of 2016. Diluted earnings per share increased to \$0.52, an increase of 23.8% over the first quarter of 2016. We had strong performance across all of our major business lines, and total loans increased on an annualized basis 23.3% in the quarter.

While we worked hard to drive organic growth across all of our business lines, we were also very pleased to announce our pending acquisition of Centru Bank, which we currently expect to close mid-year. The transaction will bring us to approximately \$4.3 billion in total assets, significantly increase our footprint in our Northern and Eastern Illinois Regions, and add to our presence in the St. Louis market. We are excited to bring the Centru franchise into Midland, including the addition of the many talented bankers in the Centru organization. Centru's footprint aligns nicely with ours, and in many cases Midland and Centru have branch locations very close to each other. This will allow us to consolidate locations in these markets while also enhancing customer service. We believe the increased efficiencies of having greater market share with

consolidated operations in these markets will allow Midland to be even more competitive and drive further value for our shareholders.

We hope you will take a minute to vote your shares as part of the Special Meeting of Shareholders we will hold on June 8th with respect to the Centru transaction. Voting instructions were included with the proxy statement delivered to you earlier this month.

In the first quarter we also completed our acquisition of CedarPoint Investment Advisors, which is headquartered in Delafield, Wisconsin which is approximately 27 miles west of Milwaukee. Like Centru, the CedarPoint acquisition brings us greater scale, and increases our assets under management to almost \$2.0 billion. The acquisition also furthers an important goal in our Wealth Management business, which is to provide clients with a streamlined investment platform and transparent fee structure. Midland's Wealth Management Group was well ahead of the market several years ago when we moved away from the transaction-based fee structure. Many banks and brokerage firms have only started adopting this "fiduciary" type model fairly recently.

Additional information regarding our first quarter results is contained in a press release dated April 27th and in the Company's Form 10-Q filed with the SEC on May 10th. Each of these documents is available on our website under the "Investors" tab.

Midland 
States Bancorp, Inc.

1st Quarter 2017 Financial Results

Summary Consolidated Financial Data

(in thousands, except for share and per share data)

	Three Months Ended	
	March 31,	
	2017	2016
Summary Income Statement Data - Unaudited		
Interest income	\$ 31,839	\$ 27,967
Interest expense	4,378	3,926
Net interest income	27,461	24,041
Provision for loan losses	1,533	1,125
Net interest income after provision for loan losses	25,928	22,916
Noninterest income:		
Commercial FHA revenue	6,695	6,562
Residential mortgage banking revenue	2,916	1,121
Wealth management revenue	2,872	1,785
Service charges on deposit accounts	892	907
Interchange revenue	977	964
Other income	1,978	1,279
Total noninterest income	16,330	12,618
Noninterest expense:		
Salaries and employee benefits	17,115	15,387
Occupancy and equipment	3,184	3,310
Data processing	2,796	2,620
Professional	2,992	1,701
Amortization of intangible assets	525	580
Other	4,173	4,040
Total noninterest expense	30,785	27,638
Income before income taxes	11,473	7,896
Income taxes	2,983	2,777
Net income	\$ 8,490	\$ 5,119
Per Common Share Data		
Earnings per share:		
Basic	\$ 0.54	\$ 0.43
Diluted	0.52	0.42
Dividends declared	0.20	0.18
Weighted average common shares outstanding:		
Basic	15,736,412	11,957,381
Diluted	16,351,637	12,229,293
Selected Performance Metrics		
Return on average assets	1.05%	0.70%
Return on average shareholders' equity	10.58%	8.70%
Return on average tangible common shareholders' equity	12.78%	11.22%
Yield on earning assets	4.47%	4.40%
Cost of average interest-bearing liabilities	0.75%	0.73%
Net interest margin	3.87%	3.80%
Efficiency ratio	66.26%	67.72%
Common stock dividend payout ratio	37.04%	41.86%
Net charge-offs to average loans	0.10%	0.51%
Net charge-offs to average loans - excludes PCI	0.11%	0.51%

Summary Consolidated Financial Data - Continued

(in thousands, except for share and per share data)

	March 31, 2017	December 31, 2016
Summary Balance Sheet Data - Unaudited		
Total assets	\$ 3,373,577	\$ 3,233,723
Loans	2,454,950	2,319,976
Allowance for loan losses	(15,805)	(14,862)
Investment securities	335,608	325,011
Cash and cash equivalents	218,096	190,716
Deposits	2,527,476	2,404,366
Borrowings	374,388	369,075
Subordinated debt and trust preferred debentures	92,028	91,913
Total shareholders' equity	334,333	321,770
Per Common Share Data		
Book value	\$ 21.19	\$ 20.78
Tangible book value	17.42	17.16
Common shares outstanding	15,780,651	15,483,499
Regulatory and Other Capital Ratios - Consolidated		
Tier 1 leverage ratio	9.61%	9.76%
Tier 1 capital to risk-weighted assets	10.97%	11.27%
Total capital to risk-weighted assets	13.48%	13.85%
Common equity Tier 1 capital	9.10%	9.35%
Tangible common equity to tangible assets	8.29%	8.36%
Regulatory Capital Ratios - Bank Only		
Tier 1 leverage ratio	9.94%	10.05%
Tier 1 capital to risk-weighted assets	11.35%	11.61%
Total capital to risk-weighted assets	11.93%	12.17%
Common equity Tier 1 capital	11.35%	11.61%
Credit Quality Data		
Allowance for loan losses to total loans	0.64%	0.64%
Allowance for loan losses plus credit marks to total loans	0.92%	1.02%

CedarPoint also moves Midland's Wealth platform more squarely into the Registered Investment Advisor (RIA) segment of the investment advisory business. Although the RIA business is substantially similar in breadth and scope to our existing wealth management business, the technology platforms and customer experience are more streamlined, and we expect this to become a competitive advantage for Midland over the wealth businesses of other banks. The addition of Dan Wilson and Bob Dignan, the principals of CedarPoint, and their team in Delafield, also brings us additional talent. We are very pleased that they decided to join Midland.

Under our Operational Excellence initiative we took several steps in the first quarter to improve our net operating performance. I have always felt that regardless of how well a company is run, there is always room for improvement. Indeed, we like to live by the "save a hundred thousand here, a hundred thousand there and pretty soon you are talking about real money" philosophy. As an example, in February-March we consolidated seven

of our branch locations, which reduced our operating overhead in several of our markets. Moving forward we will seek additional operating efficiencies, principally through improvements in technology and processes, which should lead to greater employee productivity and a better banking experience for our customers. While some of these cost reductions will be countered by increased expenses, especially labor costs, we still believe that there are net efficiencies to be realized through this initiative.

Enclosed is your quarterly dividend in the amount of \$0.20 per common share. We look forward to announcing the closing of our Centruie acquisition in the near future.

Yours very truly,



Leon J. Holschbach
President and CEO
Midland States Bancorp, Inc.

Additional Information

Midland has filed a registration statement on Form S-4 with the SEC in connection with the proposed transaction with Centruie. The registration statement includes a proxy statement of Midland and Centruie that also constitutes a prospectus of Midland, which has been sent to the shareholders of each of Midland and Centruie. Shareholders are advised to read the joint proxy statement/prospectus because it contains important information about Midland, Centruie and the proposed transaction. This document and other documents relating to the merger filed by Midland and Centruie can be obtained free of charge from the SEC's website at www.sec.gov. These documents also can be obtained free of charge by accessing Midland's website at www.midlandsb.com under "Investors" and then under the "SEC Filings" tab. Alternatively, these documents may be obtained free of charge from Midland upon written request to Midland States Bancorp, Inc., Corporate Secretary, 1201 Network Centre Drive, Effingham, Illinois, 62401 or by calling (217) 342-7321 or emailing corpsec@midlandsb.com, or from Centruie, upon written request to Centruie Financial Corporation, Investor Relations, 122 West Madison Street, Ottawa, Illinois 61350 or by calling (815) 431-8400 or emailing investor.relations@centruie.com.

Participants in this Transaction

Midland, Centruie and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction under the rules of the SEC. Information about these participants

may be found in Midland's definitive proxy statement relating to its 2017 annual meeting of shareholders filed with the SEC on March 17, 2017 and in Centruie's Annual Report on Form 10-K filed with the SEC on March 2, 2017. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants is included in the joint proxy statement/prospectus regarding the proposed transaction.

Forward-Looking Statements

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our plans, objectives, future performance and business. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of management and on information currently available to management, 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. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and we undertake no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond our ability to control or predict, could cause actual results to differ materially from those in our forward-looking statements. These factors include, among others, the matters described in our Annual Report on Form 10-K and our other filings with the SEC.

Midland 
States Bancorp, Inc.

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