




Midland States Bancorp, Inc.

NASDAQ: MSBI

Investor Presentation
May 2024



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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 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

Notes:

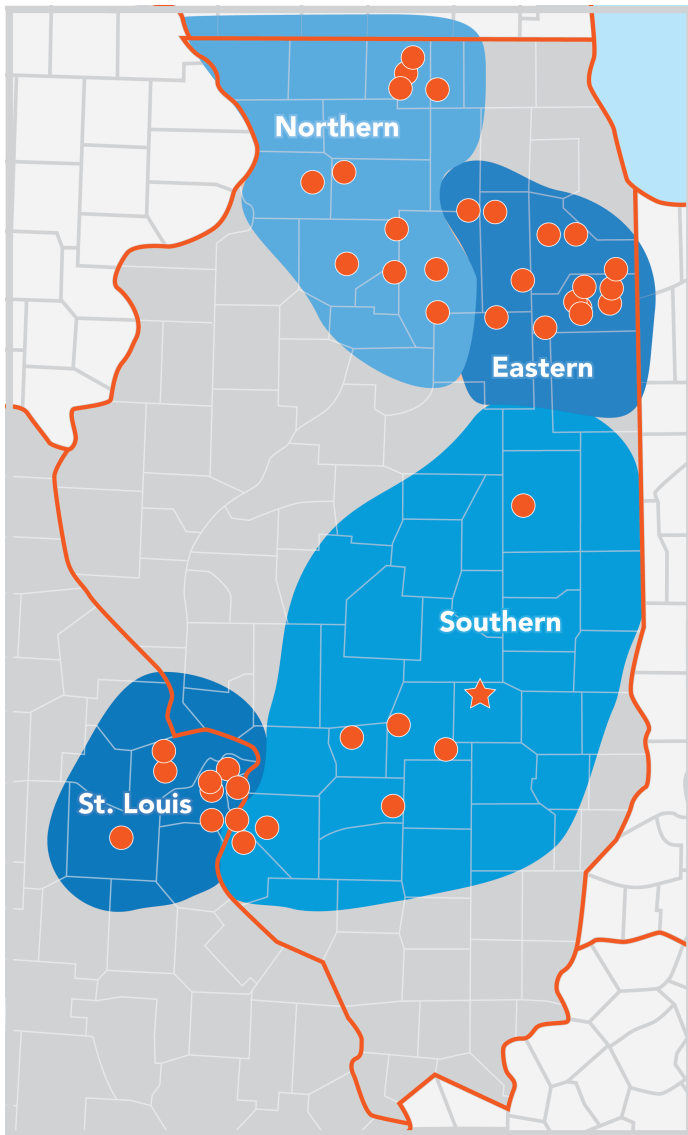
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.



Investment Summary and Strategic Initiatives

- **Profitable growth and improved efficiencies resulting in higher EPS and increased returns over the past few years**
- **Strengthened commercial banking team and increased presence in faster growing markets driving high quality in-market loan production and consistent inflows of new commercial deposits**
- **Wealth Management business focused on more effectively capitalizing on cross-selling opportunities and increasing organic growth rate**
- **More conservative approach to new loan production adopted in light of current environment until economic conditions improve**
- **Well positioned to capitalize on the current environment to add new commercial and retail deposit relationships**
- **Banking-as-a-Service foundation being developed and expected to start making a contribution in 2024**

Financial Services & Banking Center Footprint



Headquartered in Effingham, Illinois

43 Illinois Banking Centers
11 Missouri Banking Centers

Our Community Bank is organized into four regions:

- Northern
- Eastern
- Southern
- St. Louis

Services Include:

- Wealth Management
- Residential Mortgage
- Commercial and Small Business Banking
- Retail Services

Additional Locations:

Equipment Finance - St. Louis, MO

Trust Company - Chicago, IL & Tarrytown, NY

Business and Corporate Strategy

We are a community bank focused on developing deep customer relationships and building strong communities.

2023

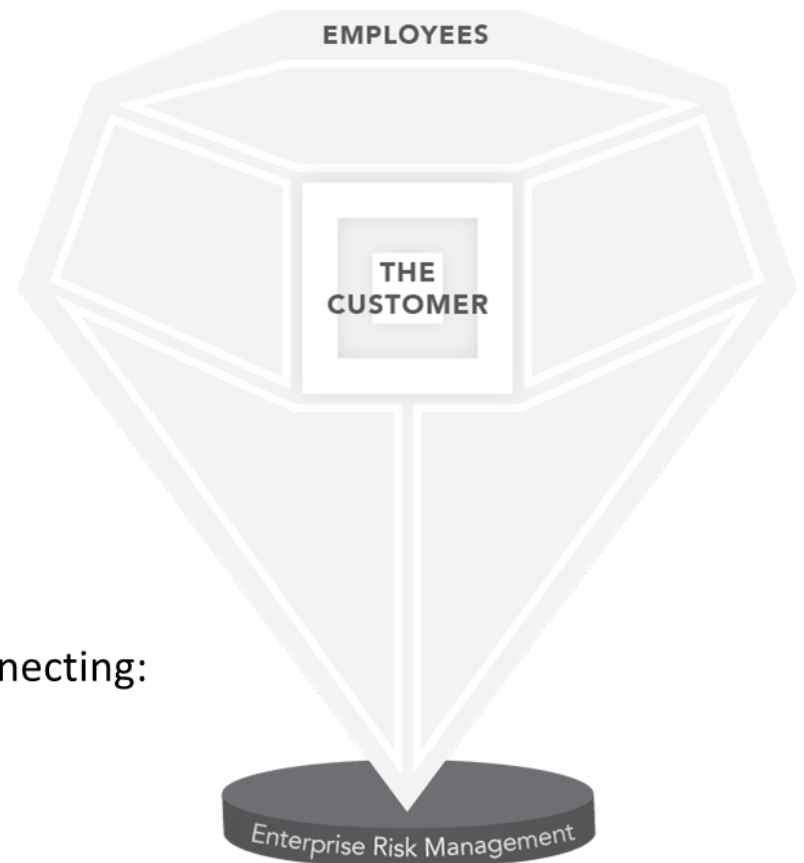
We re-evaluated our strategic plan to ensure we are:

- continuing to meet the future expectations of our customers and communities and
- meeting the changing expectations of financial service providers.

THE RESULT

The creation of five key strategic elements, connecting:

- our central focus on our **customer's needs**
- our **employees' contributions**, and
- our foundation of strong **risk management.**



Business and Corporate Strategy

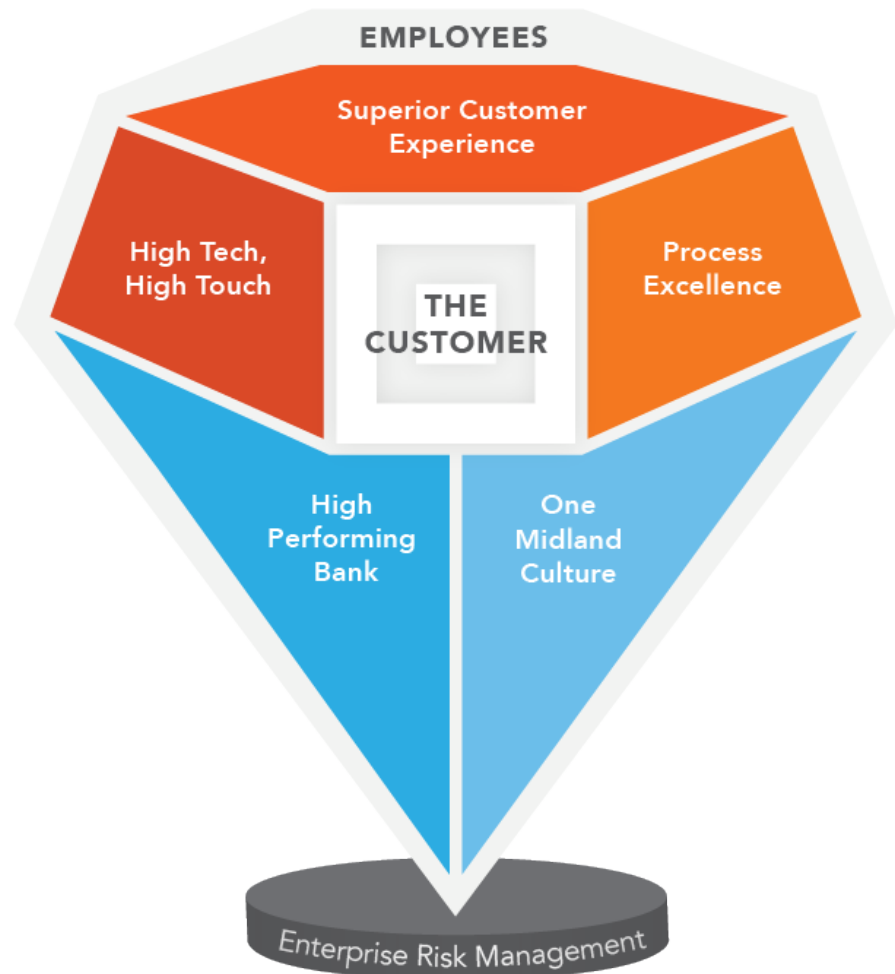
We are a community bank focused on developing deep customer relationships and building strong communities.

OUR MISSION

Providing a superior experience to enrich our customer's financial journey

OUR VISION

We are one bank, committed to cohesive teamwork that prioritizes team success over individual gains.



Business and Corporate Strategy

MSBI's Five Strategic Elements

Superior Customer Experience

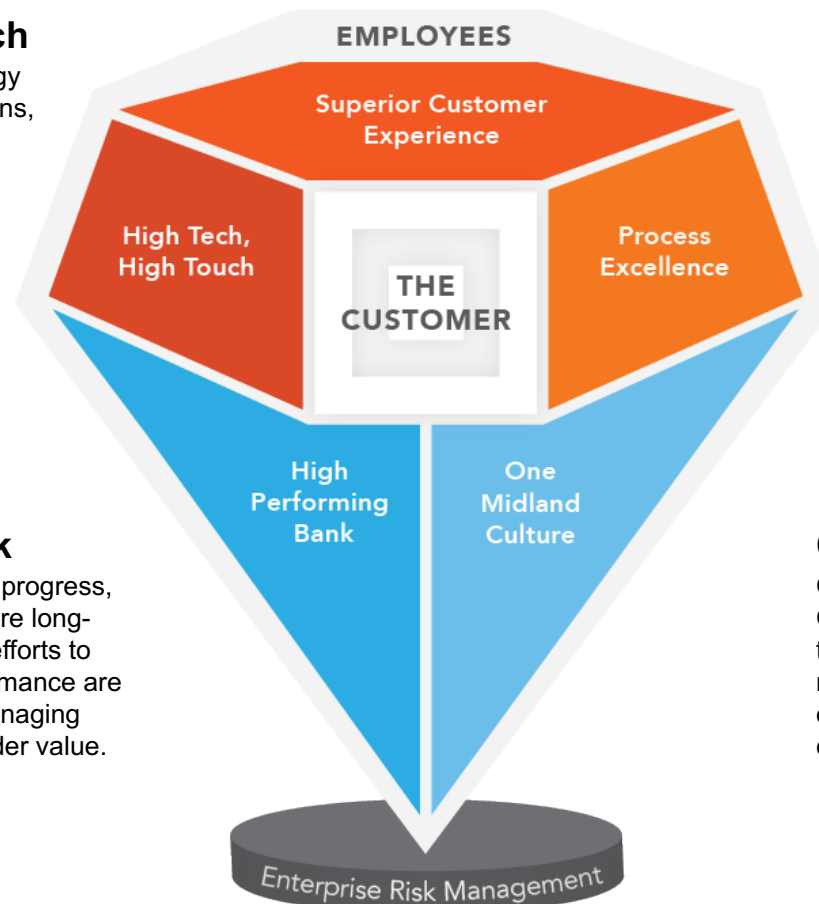
We value the customer in everything we do, and we find satisfaction in knowing our contributions make a difference.

High-Tech, High-Touch

We blend cutting-edge technology with genuine personal connections, ensuring a seamless experience across all channels for all our customers.

Process Excellence

We are continuously improving our processes to enhance efficiency, accuracy, and speed. By streamlining workflows and leveraging best practices, we aim to deliver services more effectively and increase customer satisfaction.



High Performing Bank

We set bold goals, measure our progress, and adapt our strategies to ensure long-term success and stability. Our efforts to achieve superior financial performance are centered on driving revenue, managing costs, and maximizing shareholder value.

One Midland Culture

One company. One culture. One team. One Midland represents our cohesive team that thinks first in terms of team results rather than individual gain. Our employees are empowered with fulfilling careers and continuous growth.

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



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



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



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



Daniel E. Casey

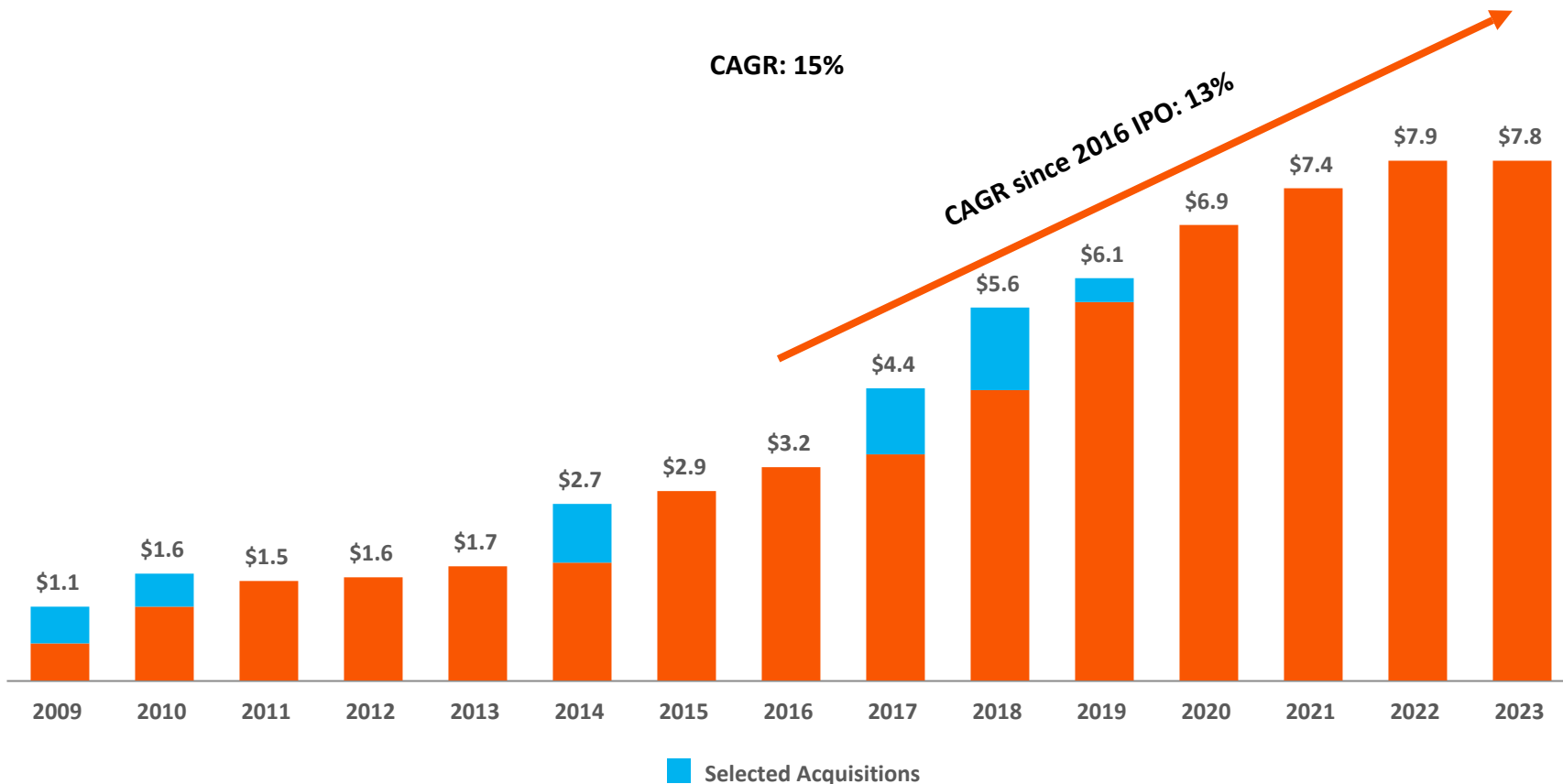
Chief Risk Officer

- 30+ years in risk and investment management
- Administers enterprise risk management functions including compliance management, loan review, internal audit and other fiduciary safeguards
- Joined Midland in 2023

Successful Execution of Strategic Plan...

Total Assets

(at period-end in billions)



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

2009: Strategic Capital Bank (\$540)

2014: Love Savings/Heartland Bank (\$889)

2018: Alpine Bancorp (\$1,243)

2010: AMCORE Bank (\$500)

2017: Centru Financial (\$990)

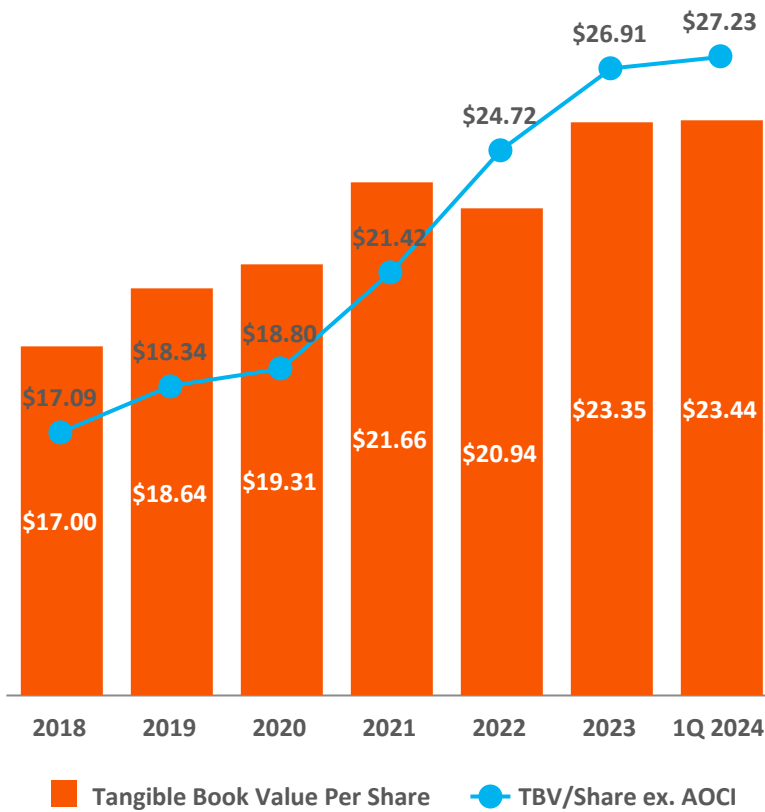
2019: HomeStar Financial Group (\$366)

...Leads to Creation of Shareholder Value

23 Consecutive Years of Dividend Increases

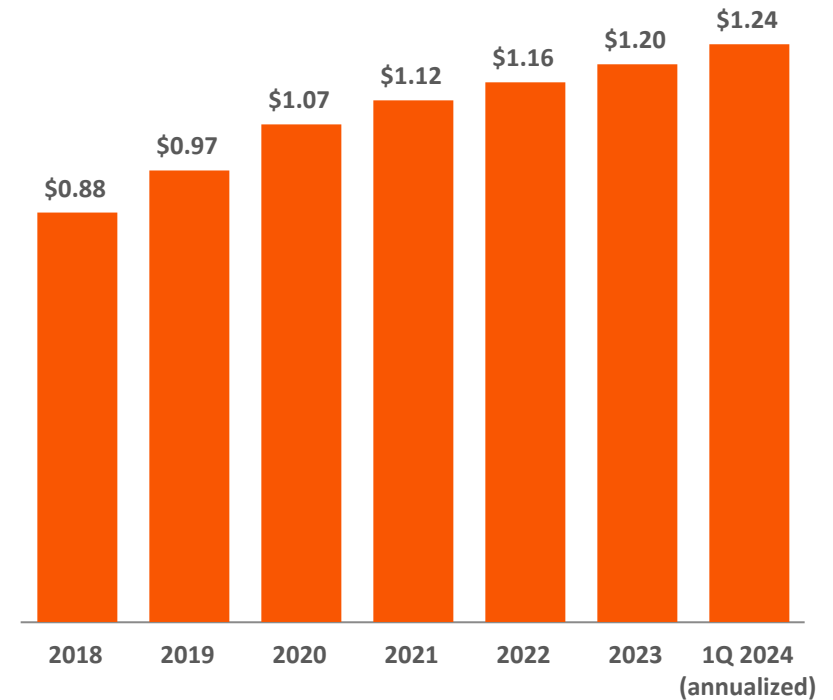
Tangible Book Value Per Share⁽¹⁾

TBV/Share ex. AOCI CAGR: 7.7%



Dividends Declared Per Share

CAGR: 5.0%



Notes:

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

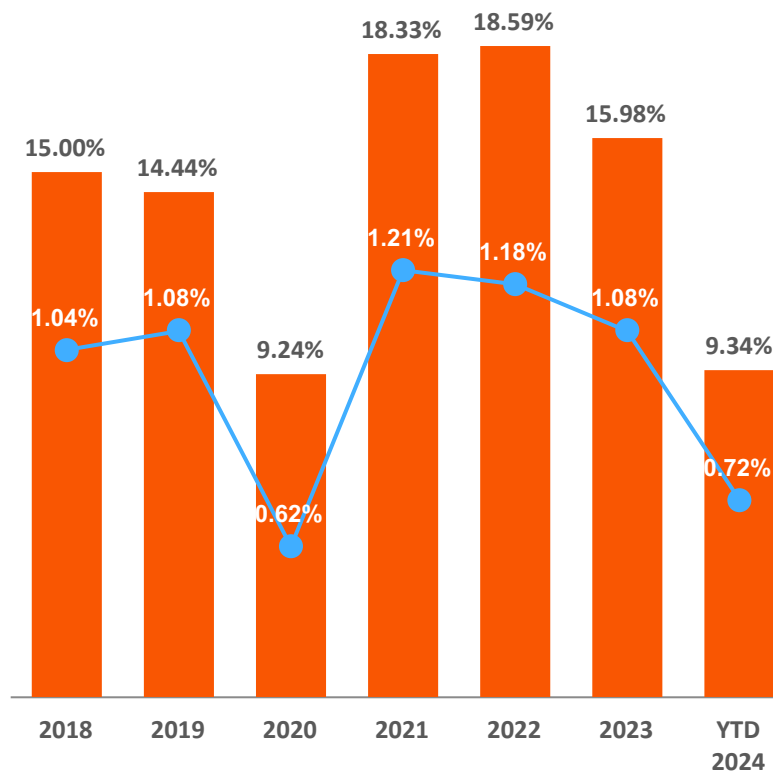
...And Increased Profitability

Adjusted Diluted EPS⁽¹⁾

CAGR: 6.2%



Adjusted ROATCE⁽¹⁾ & ROAA⁽¹⁾



Adj ROATCE Adj ROAA

Notes:

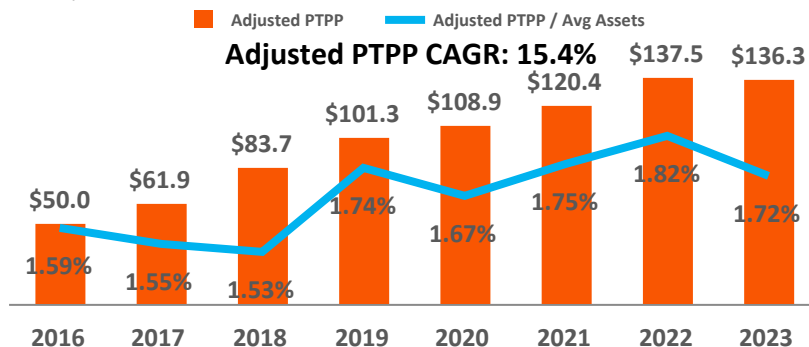
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

Strategic Initiatives Strengthening Franchise

...Have Produced Improved Growth and Profitability

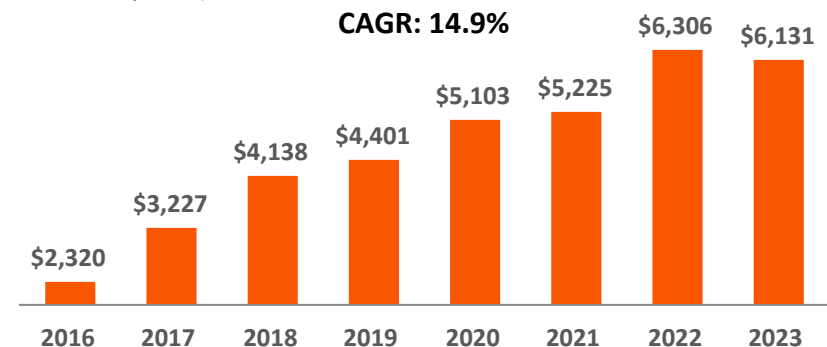
Adjusted Pre-Tax Pre-Provision Earnings⁽¹⁾

(in millions)

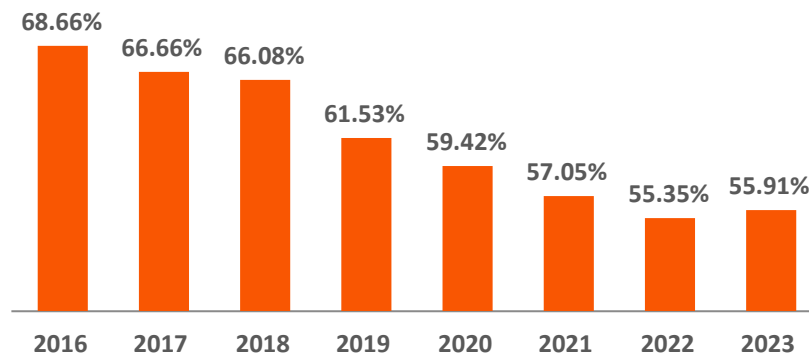


Total Loans

(in millions, as of year-end)

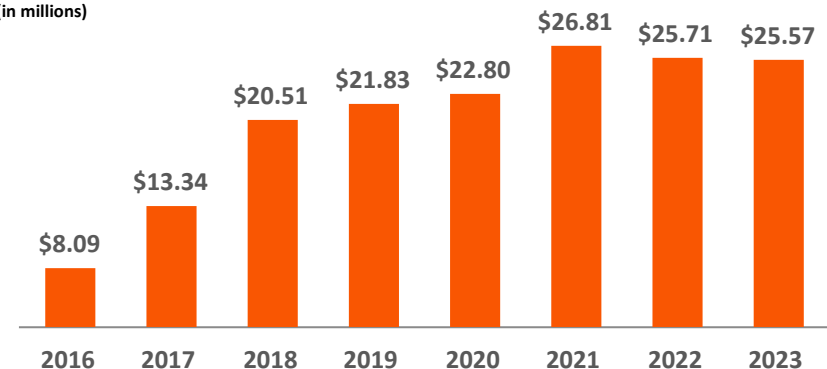


Efficiency Ratio⁽¹⁾



Wealth Management Revenue

(in millions)






































Notes:

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

High Tech High Touch - 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	Flexible Overdrafts (2022) 	Commercial Online Account Opening (2021) 		
	Near real time payments (2021) 		Integrated Payables – Payments (2021) 	
	Online loan Origination (2021) 	Commercial Relationship pricing optimization engine (2022) 		Online Access and Portal (2023) 
	Consumer online account opening (2020) 	SBA Loan Portal (2021) 	SBB Loan Portal (2023) 	  Black Diamond
	Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020)			
	CRM deployed to employees with rich view of the customer, automated leads, and single view of pipelines for executive team (2020)			
	Retail Banking Needs Navigator & Customer Incentive Programs (2020) 	Self service loan portal and treasury on-boarding (2021) 		Trust Platform (2024)  INNOVEST  Black Diamond
	Five9 Customer Care (2023)  		Mozaik(MSB Salesforce) Omnichannel Account Opening (2024)	RIA Platform (2023)  Black Diamond
	Mozaik(MSB Salesforce) Omnichannel Account Opening (2024)			Wealth Access (2024)
	Extole Customer Referral Program (2024)			Unified Wealth & Consumer Online/Mobile Platform (2024)
Foundational	Fintech Partnerships Established Canapi Fund, Alloy, Blend, Plaid, GreenSky, JAM/FINTOP Fund, Informatica         			
	CX Platform Customer Feedback (2020, 2021) 			
	Artificial Intelligence (2020, 2021) 200+ RPA "bots" deployed in the last 18 months, AI based solutions applied in Risk Management, Mortgage Operations (2021), and Cyber Security (UEBA), Add Microsoft Co-Pilot & OpenAI Partnerships (2024)			 
	Silo-elimination and 360 view of customer (2020) All sales teams on single sales platform using same 360 view of customer, Five 9 & Salesforce Customer Service Platform (2023), Self Service IVR (2024), Salesforce Integrated Customer Service and Operations Case Management (2024)			 
	Website Relaunch (2024)			
	Centralized Data Analytics – Informatica, PowerBI, SAS Viya (2018, 2019, 2020) Oracle data warehouse with 98% of data accessible for analytics across all products, services and channels.			
Digital Talent (53 FTE) Chief Digital Officer, Director – Strategic Transformation, Director – Strategic Engineering & Development, Director – Banking as a Service, Lead Engineer API Development, Senior Manager – Digital Marketing, Manager – Customer Experience, Board Member – Digital Expertise, Web Development, Fintech Onboarding & Oversight				

Successful Acquisition History

- Midland States has completed 16 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
- Most recent acquisition: FNBC branch acquisition (closed in Q2 2022)

	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

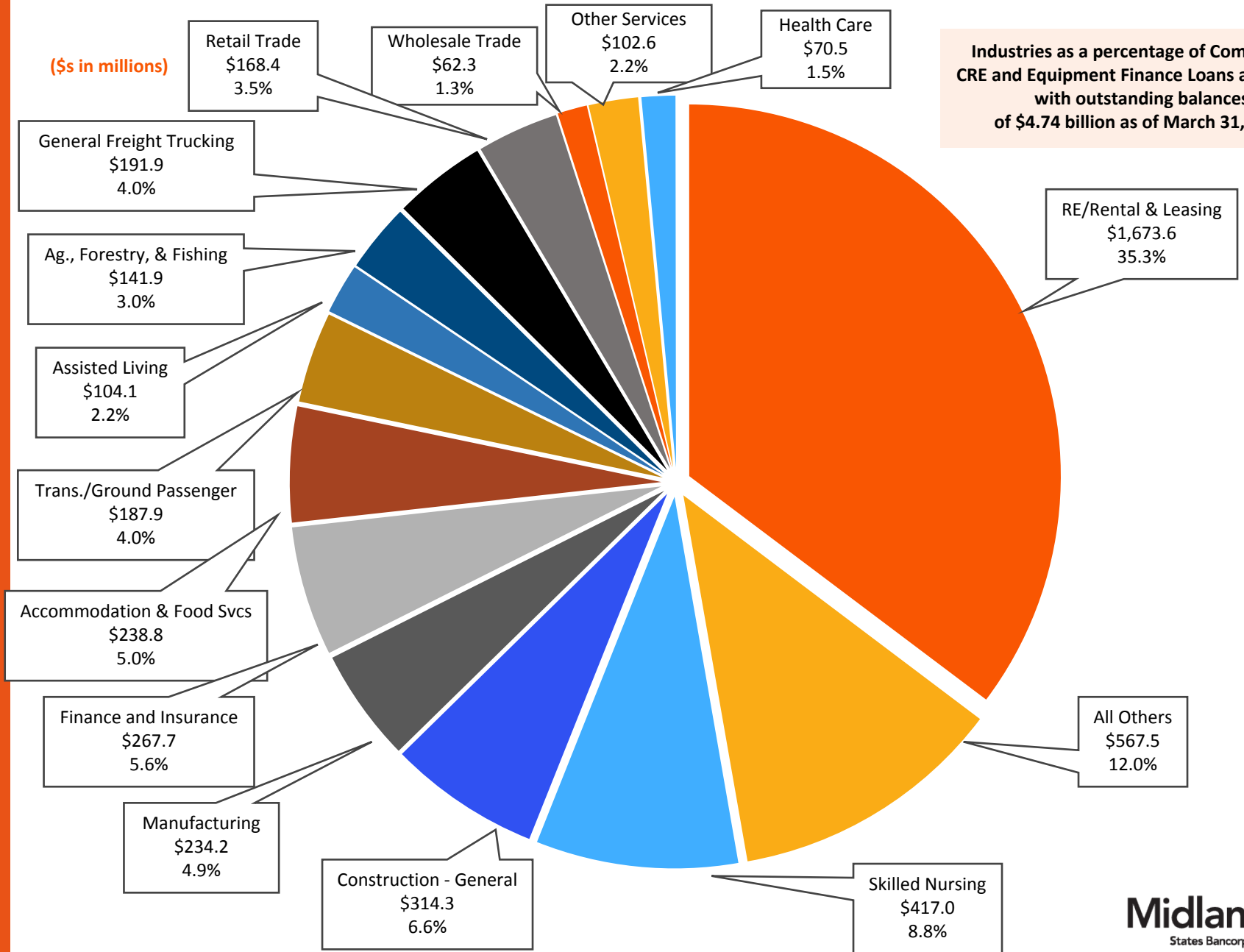


Loan Portfolio and Asset Quality

Commercial Loans and Leases by Industry

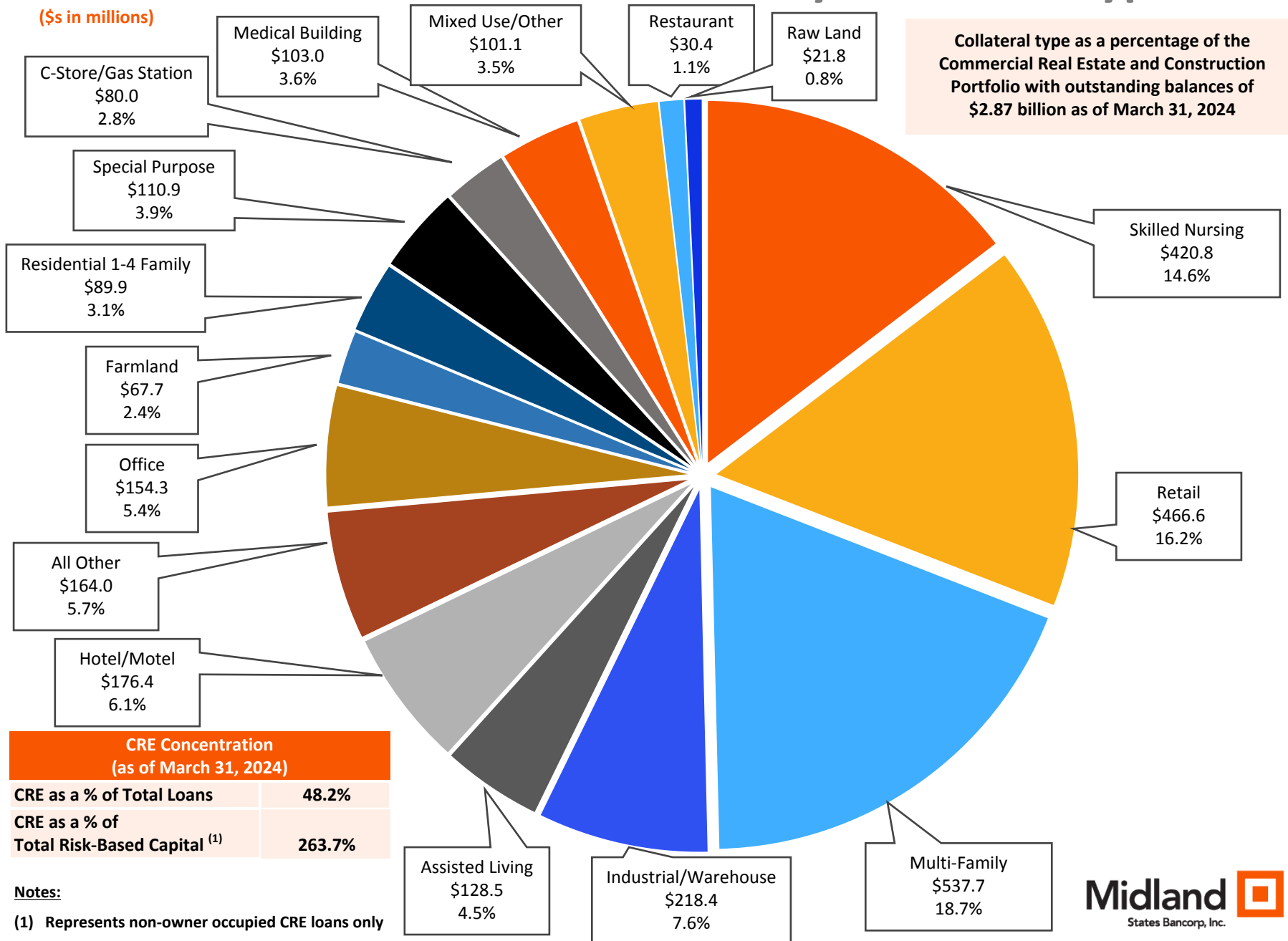
(\$s in millions)

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



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:

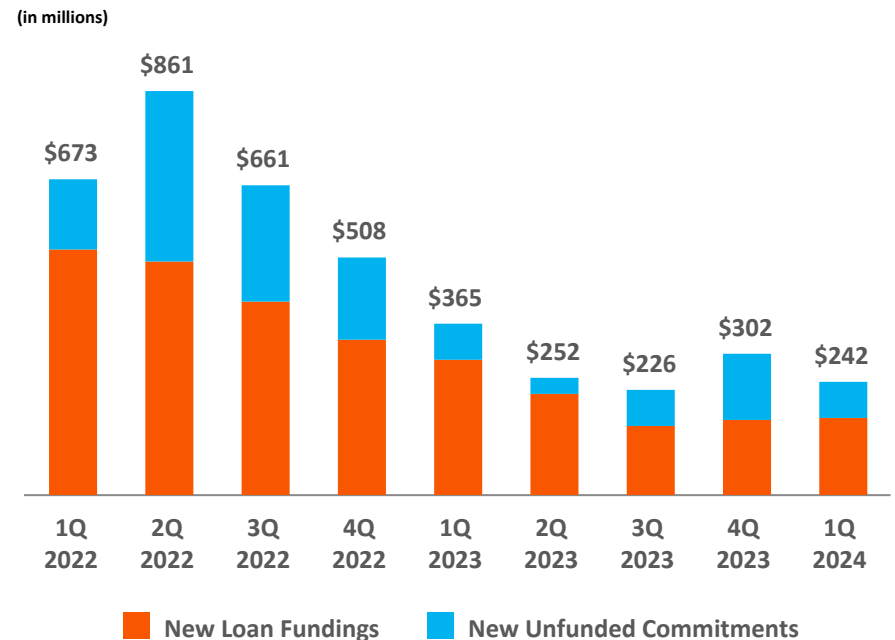
(1) Represents non-owner occupied CRE loans only

Commercial Loan Growth

More conservative approach to new loan production in light of economic uncertainty has impacted production levels since mid-2022

- New hires and an increase in productivity of the commercial banking group without increasing the size of the business development team
- Addition of expertise in specialty finance and SBA lending
- Increased exposure to higher growth markets in Northern Illinois and St. Louis
- Successfully moving up market and working with larger clients that have greater financing needs
- Effectively leveraging technology investments, including the Salesforce platform, to improve win rate and expand relationships with clients
- New commercial loan production to be funded by planned reduction in consumer portfolio

Commercial and CRE Loan Production



Midland Equipment Finance Portfolio Overview

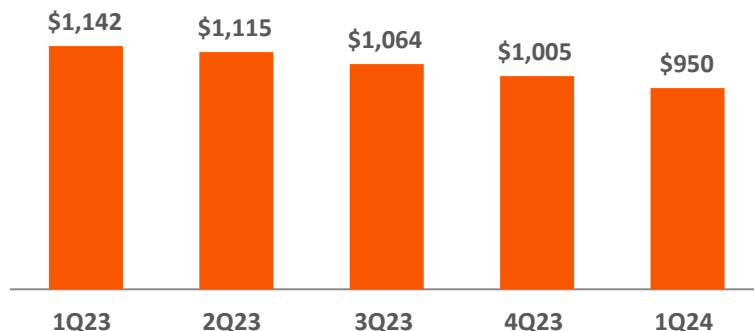
Portfolio Characteristics (as of March 31, 2024)

Nationwide portfolio providing financing solutions to equipment vendors and end-users

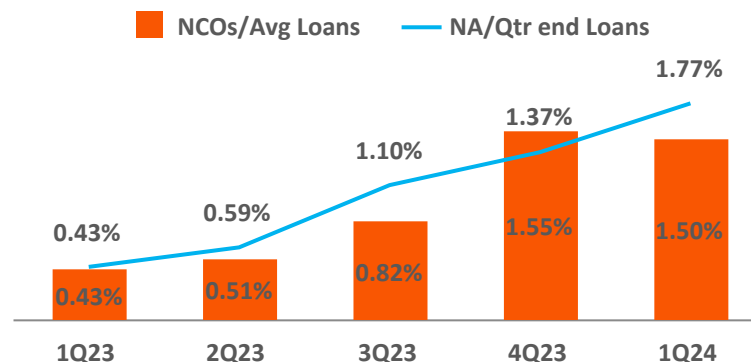
Total Outstanding Loans and Leases	\$949.9 million (15.9% of total loans)
Number of Loans and Leases	8,823
Average Loan/Lease Size	\$107,667
Largest Loan/Lease	\$3.2 million
Weighted Average Rate	6.22%
Representative Industries Served	Manufacturing, General Freight Trucking, Construction, Transit and Ground Passenger

Equipment Finance Outstanding Balances

(in millions)



NCOs/Avg Loans & Non Accruals/Qtr end Loans



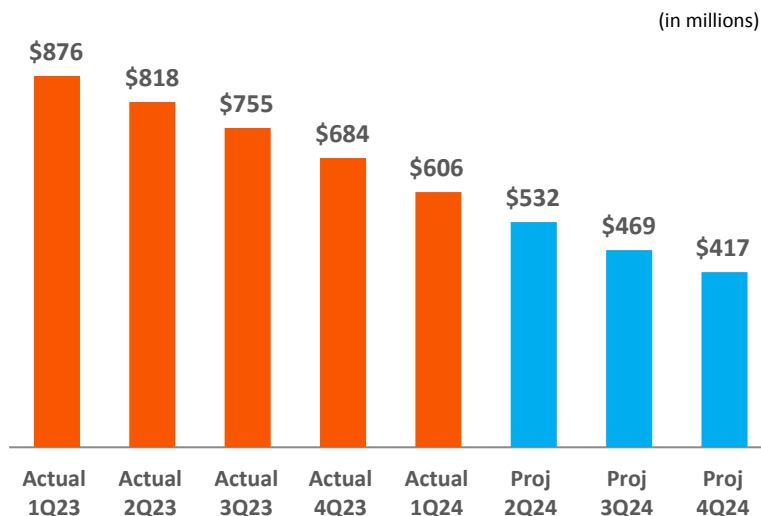
Note: New production being limited in order to reduce portfolio as a percentage of total loans

GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of March 31, 2024)

Total Outstanding	\$606.0 million (10.2% of total loans)
Weighted Average Rate	5.49%
Number of Active Loans	44,430
Average Loan Size	\$13,639
Average FICO Score	756

Projected GreenSky Balances



Plan with GreenSky to Wind Down Portfolio

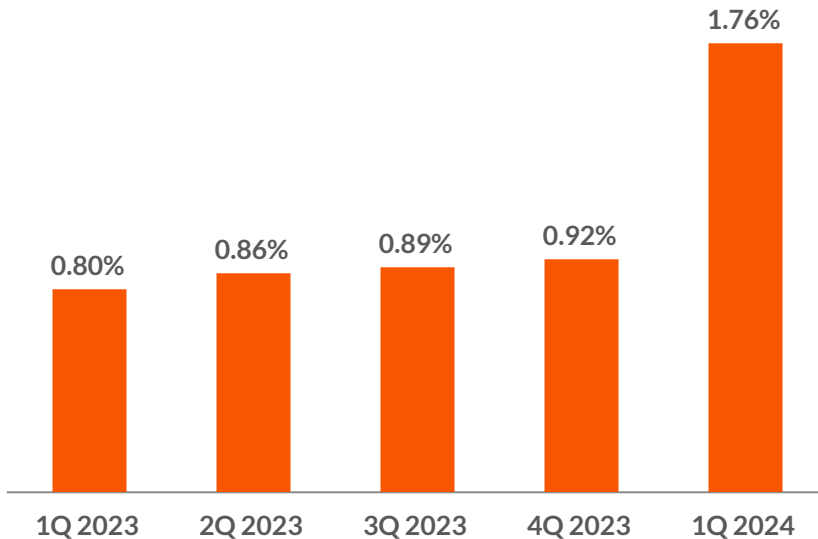
- Notice provided to officially terminate the GreenSky program in October 2023
- Reduced loan originations
- Projected portfolio reduction to \$417 million by EOY 2024
- Decrease in portfolio to improve liquidity and capital
- Escrow deposits
 - Escrow deposits absorb losses in excess of cash flow waterfall
 - Escrow account totaled \$26.2 million at 3/31/24 or 4.3% of the portfolio

Asset Quality

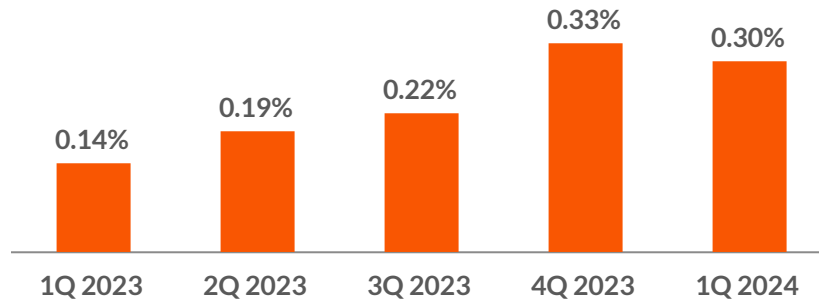
- Nonperforming loans increased due to placement of 4 loans on non-accrual, totaling \$47.4 million, 3 of which were multi-family construction or multi-family projects
- Past due loans and substandard loans declined during the first quarter
- Net charge-offs to average loans was 0.30% primarily driven 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)

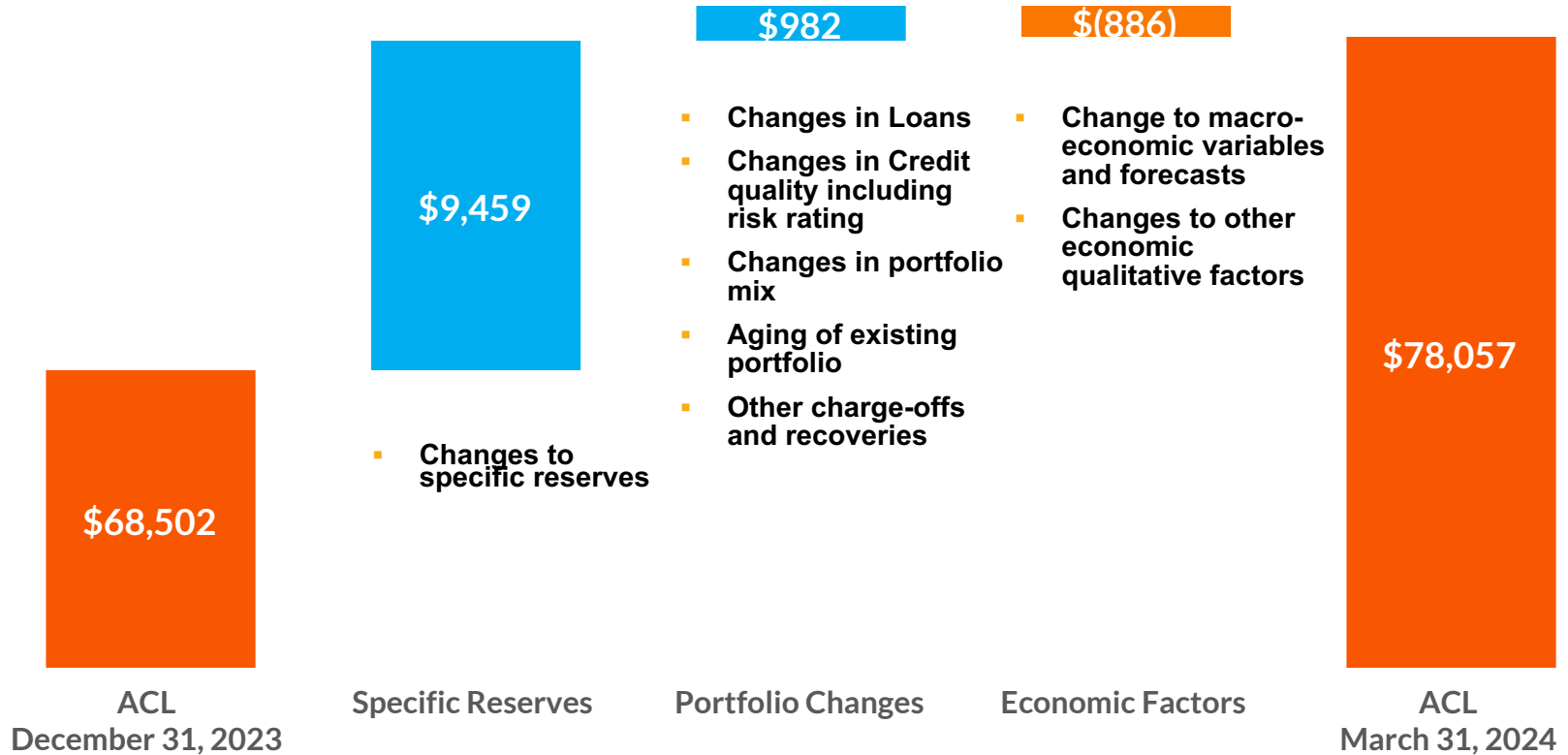


NCO / Average Loans



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



Recent Financial Trends

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 non-interest income
- Continued growth in noninterest-bearing deposits resulting from new and expanded commercial relationships
- Loan portfolio continues to shift towards core in-market C&I and CRE loans

Prudent Increase in ACL and Decline in Net Charge-Offs

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

Notes:

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

Loan Portfolio

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

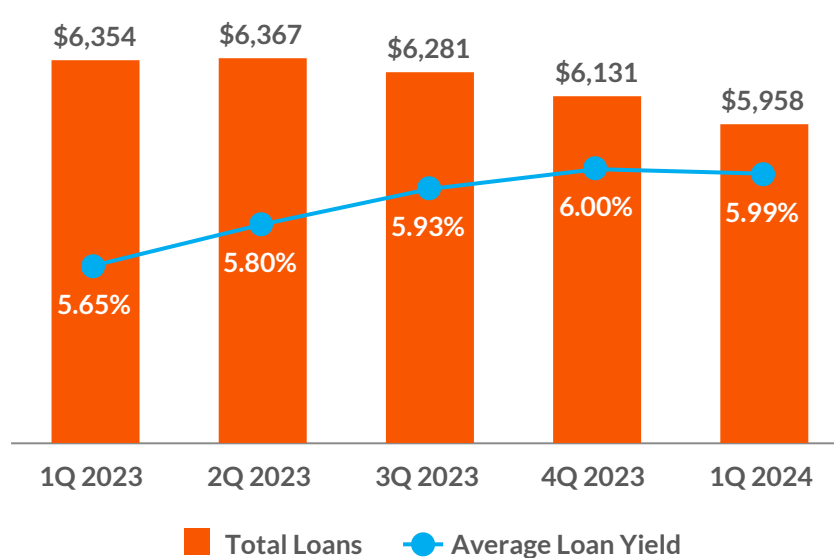
Loan Portfolio Mix

(in millions, as of quarter-end)

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

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



Total Deposits

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

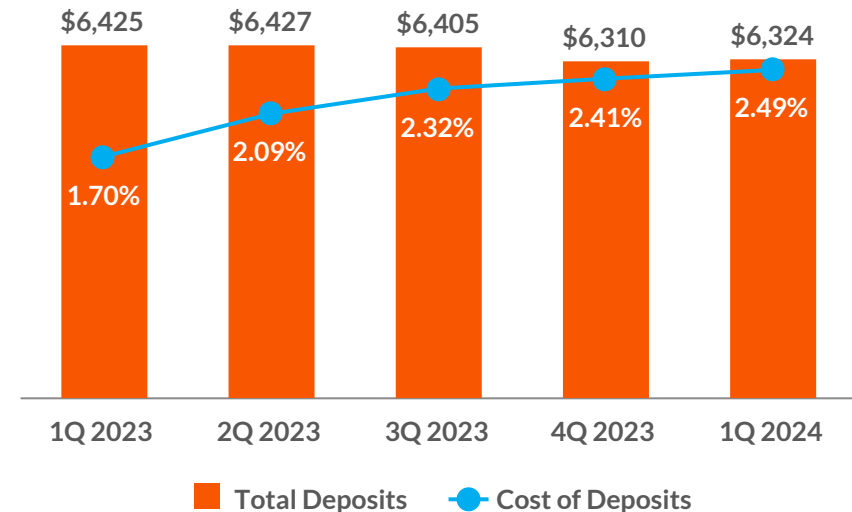
Deposit Mix

(in millions, as of quarter-end)

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

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



Deposit Summary as of March 31, 2024

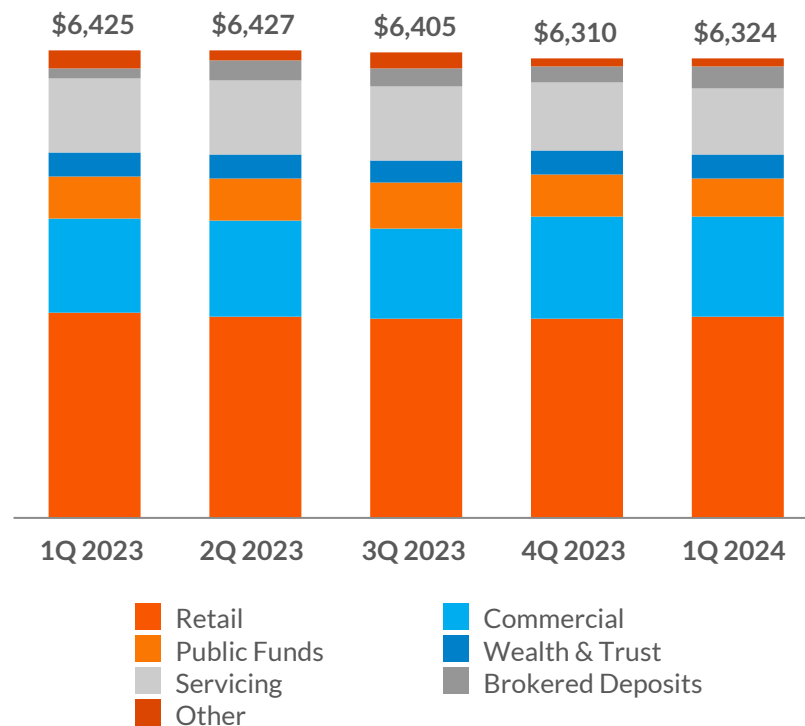
Deposits by Channel

(in millions, as of quarter-end)

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

Trend of Deposit Channel Mix

(in millions, as of quarter-end)

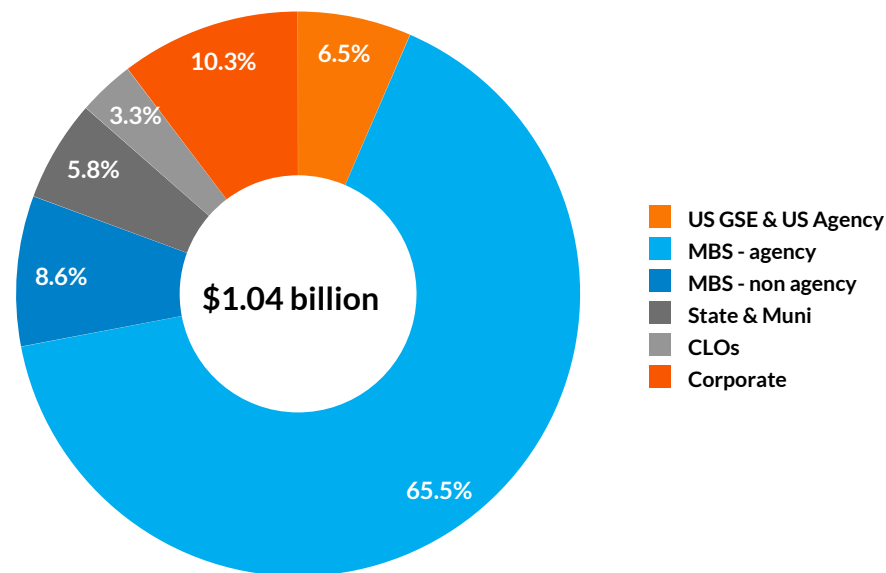


Investment Portfolio

As of March 31, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.36% for 1Q24 and 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

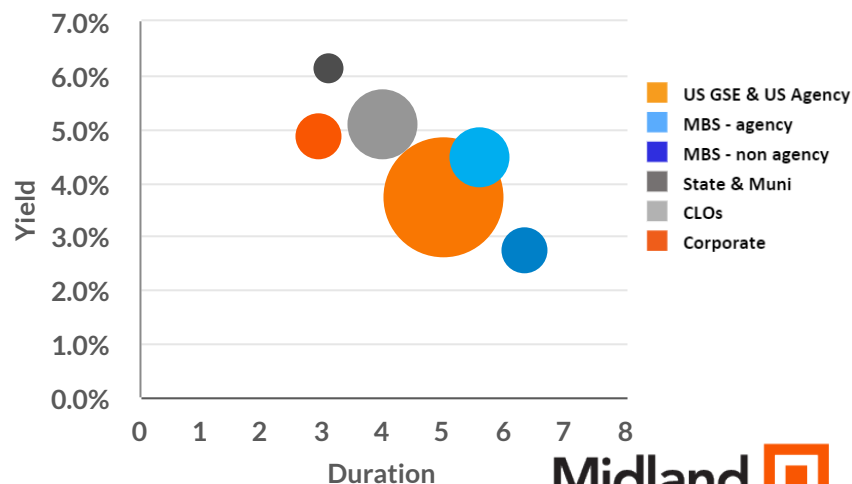


Investment Mix & Unrealized Gain (Loss)

(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

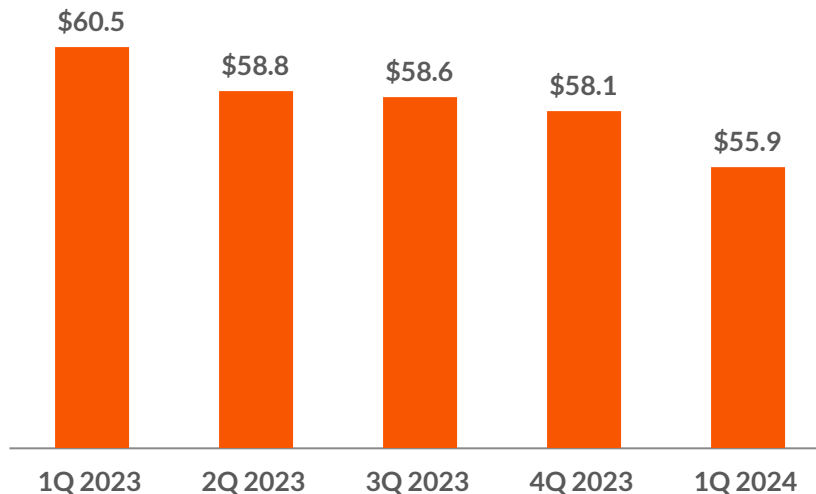
(in millions)	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Cash and Cash Equivalents	\$ 167.3	\$ 135.1
Unpledged Securities	506.2	346.8
FHLB Committed Liquidity	1,167.4	936.0
FRB Discount Window Availability	<u>613.3</u>	<u>699.9</u>
Total Estimated Liquidity	<u>\$ 2,454.1</u>	<u>\$ 2,117.8</u>
Conditional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

Net Interest Income/Margin

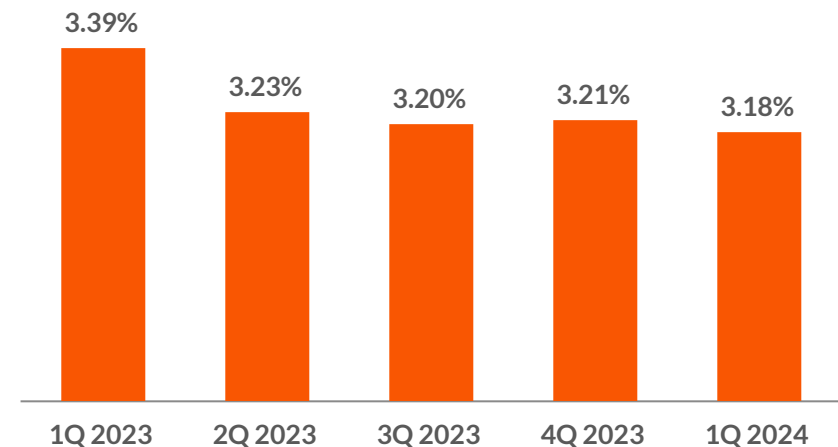
- Net interest income down slightly from prior quarter due to lower average earning assets
- Net interest margin decreased 3bp to 3.18% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets, as well as the impact of interest reversals on loans placed on 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

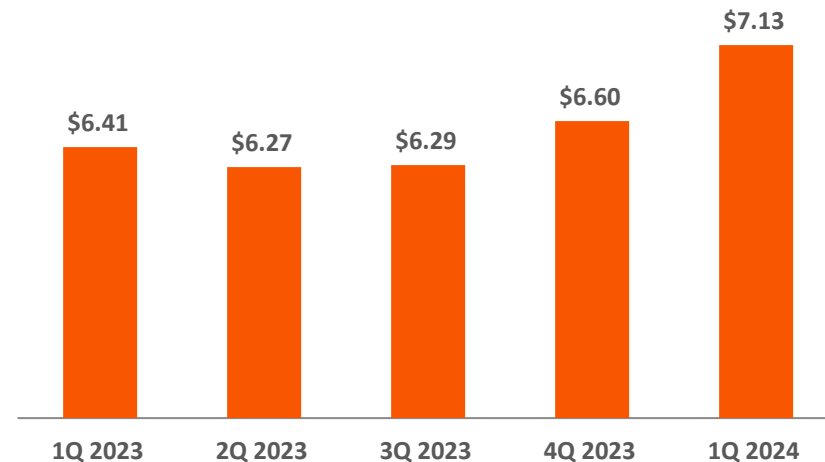
Assets Under Administration

(in millions)



Wealth Management Revenue

(in millions)

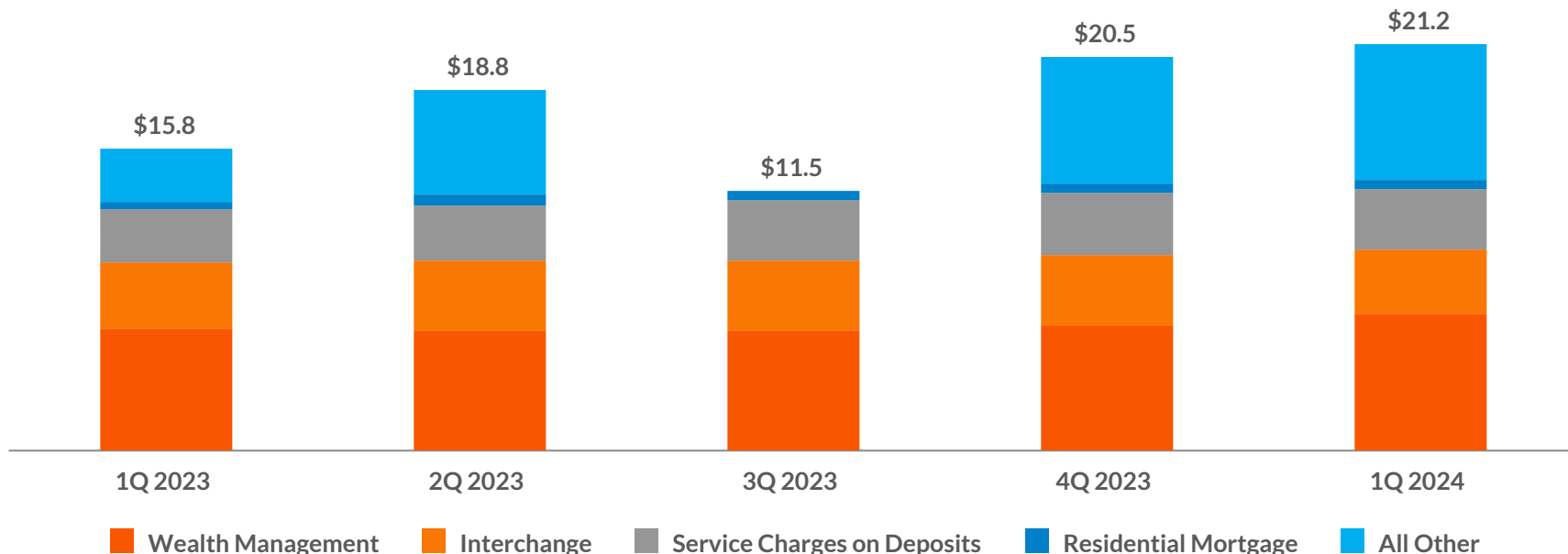


Noninterest Income

- 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:

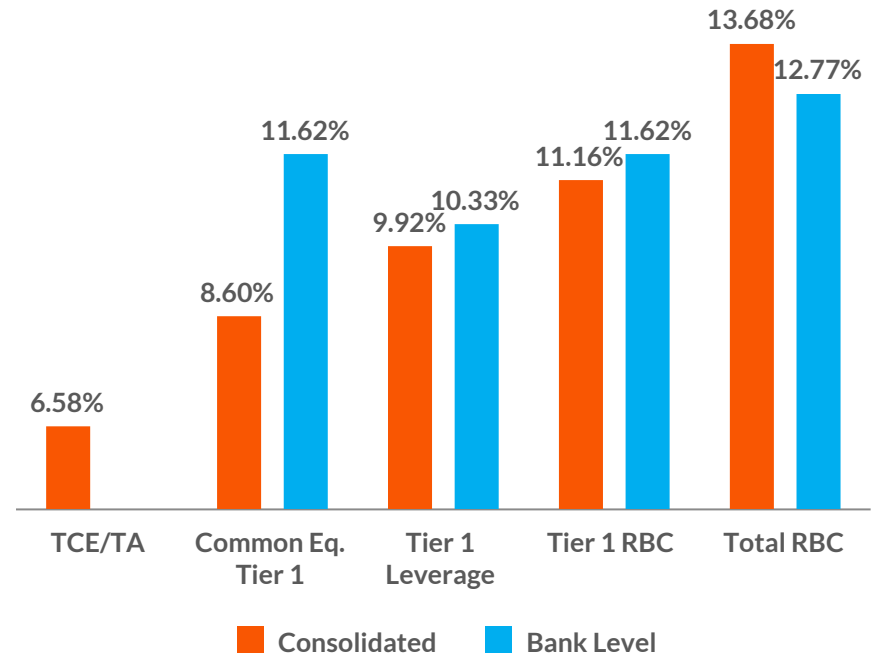
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

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

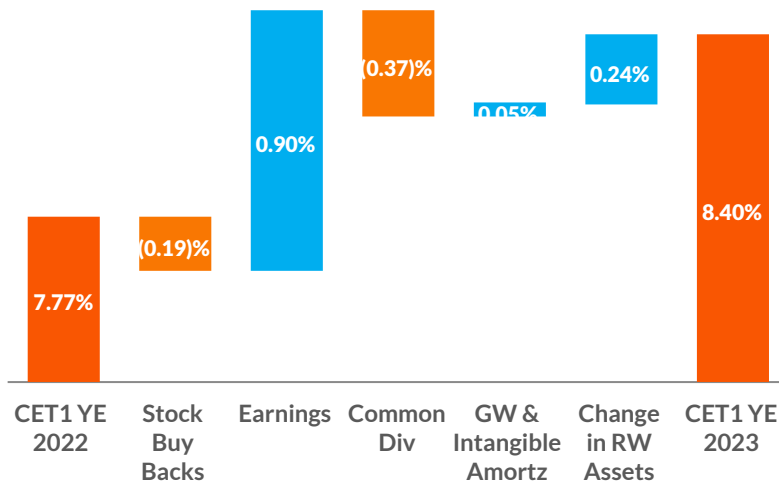
Capital Ratios (as of March 31, 2024)



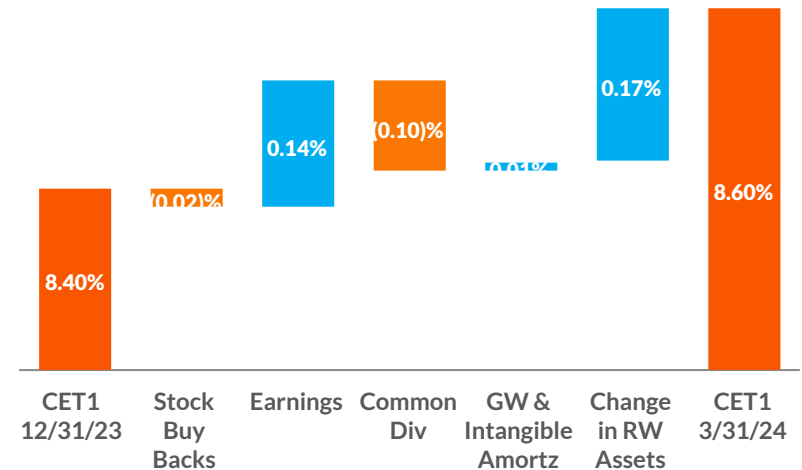
Building Capital

- CET1 Increased 20 bps to 8.60% from from 4Q23 despite credit headwinds
- Balance sheet and capital strategy reduced risk weighted assets \$135M from 4Q23
- Support organic growth needs of new and existing core relationships
- Opportunistic share repurchases at or below TBV and continuing 23-year track record of increasing the dividend on an annual basis while continuing to improve capital
- Targeted CET1 ratio of 9.00% to 9.25% by end of 2024

Annual - 2023



Quarterly - 1Q24





Outlook



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

Long-Term Formula for Enhancing Shareholder Value





APPENDIX

ESG: A Framework for Sustainability

Environmental

Facilities

- We have installed solar power in 22 Midland locations.
- Our corporate headquarters, built in 2011, is LEED (Silver) Certified.
- We have made more than \$50 million of credit available for residential and commercial solar projects since 2011.

Paper Reduction

- More than 50% of our customers use paperless statements and we have had a paper elimination program in place since 2010.

Social

Community Impact

- We have been serving families and businesses since 1881, offering products and services based on the needs of our customers.
- We work with more than 200 community organizations to ensure we address the needs of each of our markets in the areas of lending, investments, philanthropy, products, community engagement, and inclusion.
- The Midland Institute CEO program, a unique year-long program designed to teach entrepreneurship to high school students, was created in 2010. As of 2023, 70 programs serving 330 schools utilize this powerful program for energizing tomorrow's business leaders.

Culture and People

- Since 2008, Midland has provided all employees with personal and professional development training.
- Midland's Advanced Study for Talent Enrichment and Resource Training (MASTERS) program serves to develop future leaders of the Company. To date 68% of participants have been women or minority employees.
- In April 2020, Midland established the Diversity & Inclusion Council. This council, now known as the Council of Belonging, continues to actively contribute to our Company culture, reinforcing our commitment to diversity, inclusion and belonging for all employees.
- Midland offers employees paid time off to contribute their time and talents to recognized charities, causes, or not-for-profit community organizations.

Philanthropy

- Since its creation in 2011, the Midland States Bank Foundation has contributed more than \$1.8 million to non-profit organizations throughout Midland's footprint. The Foundation seeks to align contributions with Midland's Community Impact focus: education, work force development, financial empowerment, housing, small business development and health & wellness. Priority is given to programs or organizations that focus on low- to moderate-income populations.

Financial Education

- In 2023, we provided over 600 volunteer hours specific to financial empowerment seminars in our communities.
- Since 2015 we have held more than 450 financial literacy seminars benefiting low to moderate income or minority neighborhoods in our footprint.

CRA, Community Development and Financial Inclusion

- Through our Believable Banking® Residential Mortgage and Home Improvement programs we have made \$123.5 million of loans to families underserved by traditional loan programs.
- Our banking products and services are offered through our personal bankers, online with materials clearly describing the features, costs and alternatives available, and by dual-language materials in our branches and our ADA compliant website.

Governance

Reputation and Ethics

- Midland States Bank was one of the first in the nation to have a woman on its board (1903).
- Our board includes female, Hispanic and African American representation and has since before becoming a publicly traded company in 2016.
- Our Code of Business Conduct and Ethics is available at investors.midlandsb.com.

Oversight of Strategy and Risk

- The Company's Chair and CEO roles have been separate since the Company's inception (1988).
- All directors, except our CEO, are "independent" pursuant to applicable SEC/NASDAQ rules.
- Our board of directors has established a Risk and Compliance Committee to oversee all aspects of risk and compliance management across our enterprise.
- Consistent with COSO's 2017 Enterprise-Wide Risk Management (ERM) Framework, our ERM program employs business process risk ownership and the "three lines of defense" model.

Data Security

- We utilize data security programs and a privacy policy under which we do not sell or share customer information with nonaffiliated entities.

Executive Compensation

- Our executive compensation, including all performance related compensation, is evaluated annually by Risk Management to ensure consistency with Federal Reserve Safety and Soundness requirements, and the Interagency Guidance on Sound Incentive Compensation Policies issued jointly by the federal regulatory agencies.
- All cash and equity incentive programs for executive officers include performance metrics and/or four-year vesting periods.

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

Tangible Book Value Per Share

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

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

Adjusted Earnings Reconciliation

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

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

Efficiency Ratio Reconciliation

	For the Year Ended							
	2016	2017	2018	2019	2020	2021	2022	2023
<i>(dollars in thousands)</i>								
Noninterest expense - GAAP	\$ 121,289	\$ 152,997	\$ 191,643	\$ 175,641	\$ 184,010	\$ 175,069	\$ 175,662	\$ 173,902
Adjustments to noninterest expense:								
Impairment related to facilities optimization	(2,099)	(1,952)	—	(3,577)	(12,847)	—	—	—
(Loss) gain on mortgage servicing rights held for sale	—	(4,059)	(458)	490	(1,692)	(222)	(3,250)	—
FHLB advances prepayment fees	—	—	—	—	(4,872)	(8,536)	—	—
Loss on repurchase of subordinated debt	(511)	—	—	(1,778)	(193)	—	—	—
Net expense from FDIC loss share termination agreement	(351)	—	—	—	—	—	—	—
Integration and acquisition expenses	(2,343)	(17,738)	(24,015)	(5,493)	(2,309)	(4,356)	(347)	—
Adjusted noninterest expense	<u>\$ 115,985</u>	<u>\$ 129,248</u>	<u>\$ 167,170</u>	<u>\$ 165,283</u>	<u>\$ 162,097</u>	<u>\$ 161,955</u>	<u>\$ 172,065</u>	<u>\$ 173,902</u>
Net interest income - GAAP	105,254	129,662	180,087	189,815	199,136	207,675	245,735	236,017
Effect of tax-exempt income	2,579	2,691	2,095	2,045	1,766	1,543	1,283	828
Adjusted net interest income	<u>107,833</u>	<u>132,353</u>	<u>182,182</u>	<u>191,860</u>	<u>200,902</u>	<u>209,218</u>	<u>247,018</u>	<u>236,845</u>
Noninterest income - GAAP	72,057	59,362	71,791	75,282	61,249	69,899	79,891	66,590
Adjustments to noninterest income:								
Impairment (recapture) on commercial mortgage servicing	3,135	2,324	(450)	2,139	12,337	7,532	1,263	—
(Gain) loss on sales of investment securities, net	(14,702)	(222)	(464)	(674)	(1,721)	(537)	230	9,372
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—	(2,159)	(17,531)	—
(Gain) on repurchase of subordinated debt	—	—	—	—	—	—	—	(676)
(Gain) on sale of Visa B shares	—	—	—	—	—	—	—	(1,098)
Other income	608	67	(89)	29	17	(48)	—	—
Adjusted noninterest income	<u>61,098</u>	<u>61,531</u>	<u>70,788</u>	<u>76,776</u>	<u>71,882</u>	<u>74,687</u>	<u>63,853</u>	<u>74,188</u>
Adjusted total revenue	<u>\$ 168,931</u>	<u>\$ 193,884</u>	<u>\$ 252,970</u>	<u>\$ 268,636</u>	<u>\$ 272,784</u>	<u>\$ 283,905</u>	<u>\$ 310,871</u>	<u>\$ 311,033</u>
Efficiency ratio	68.66 %	66.66 %	66.08 %	61.53 %	59.42 %	57.05 %	55.35 %	55.91 %

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 repurchase of subordinated debt	—	—	—	(676)	—
(Gain) on sale of Visa B shares	—	—	—	—	—
Total adjustments to noninterest income	—	1,796	4,961	193	648
Adjustments to noninterest expense:					
(Loss) on mortgage servicing rights held for sale	—	—	—	—	—
Integration and acquisition expenses	—	—	—	—	—
Total adjustments to noninterest expense	—	—	—	—	—
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
Impairment on commercial mortgage servicing rights	—	—	—	—	—
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	—	—	—	—	—
Integration and acquisition expenses	—	—	—	—	—
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
Impairment on commercial mortgage servicing rights	—	—	—	—	—
Loss on sales of investment securities, net	—	2,894	4,961	869	648
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—
(Gain) on repurchase of subordinated debt	—	—	—	(676)	—
Company-owned life insurance enhancement fee	—	—	—	—	—
Adjusted noninterest income	<u>21,187</u>	<u>22,309</u>	<u>16,506</u>	<u>18,946</u>	<u>16,427</u>
Adjusted total revenue	<u>\$ 77,322</u>	<u>\$ 80,569</u>	<u>\$ 75,307</u>	<u>\$ 77,981</u>	<u>\$ 77,175</u>
Efficiency ratio	58.03 %	55.22 %	55.82 %	55.01 %	57.64 %

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

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

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

Return on Average Tangible Common Equity (ROATCE)

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

Notes:

(1) September 30, 2023 amounts include the impact of the revision stated in the Fourth Quarter 2023 Earnings Release