

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): October 24, 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 October 24, 2024, Midland States Bancorp, Inc. (the "Company") issued a press release announcing its financial results for the third quarter of 2024. The press release is attached as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

On October 24, 2024, the Company made available on its website a slide presentation regarding the Company's third 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 October 24, 2024
99.2	Slide Presentation of Midland States Bancorp, Inc. regarding third 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: October 24, 2024

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

Midland States Bancorp, Inc. Announces 2024 Third Quarter Results

Third Quarter 2024 Highlights:

- Net income available to common shareholders of \$16.2 million, or \$0.74 per diluted share
- Adjusted pre-tax, pre-provision earnings of \$27.5 million
- Tangible book value per share increased to \$24.90, compared to \$23.36 at June 30, 2024
- Common equity tier 1 capital ratio improved to 9.00%, compared to 8.64% at June 30, 2024
- Net interest margin of 3.10%, compared to 3.12% in prior quarter
- Efficiency ratio of 62.8%, compared to 65.2% in prior quarter

Effingham, IL, October 24, 2024 (GLOBE NEWSWIRE) -- Midland States Bancorp, Inc. (Nasdaq: MSBI) (the "Company") today reported net income available to common shareholders of \$16.2 million, or \$0.74 per diluted share, for the third quarter of 2024, compared to \$4.5 million, or \$0.20 per diluted share, for the second quarter of 2024. This also compares to net income available to common shareholders of \$9.2 million, or \$0.41 per diluted share, for the third quarter of 2023.

Provision expense was \$5.0 million in the third quarter of 2024 compared to \$16.8 million and \$5.2 million in the second quarter of 2024 and the third quarter of 2023, respectively. The elevated provision expense in the second quarter of 2024 was primarily due to credit deterioration and servicing issues involving one of our fintech partners, LendingPoint, subsequent to their system conversion in late 2023.

Jeffrey G. Ludwig, President and Chief Executive Officer of the Company, said, "We executed well in the third quarter and delivered a higher level of profitability while making continued progress on our balance sheet management strategies, which resulted in further increases in all of our capital ratios, an increase in our tangible book value per share, and an increase in our level of liquidity with a reduction in our loan-to-deposit ratio. We continue to utilize the payoffs resulting from the intentional reduction of our equipment finance and consumer portfolios to fund high quality loans generated in our community bank and the purchase of investment securities. We are also seeing good results from the investments we have made in the business, such as increasing our presence and business development efforts in the St. Louis market, where our loan balances increased at an annualized rate of 12% during the third quarter, and growth in our Wealth Management revenues due to an increase in assets under administration, partially driven by the new wealth advisors we have added in recent quarters.

Improving our credit quality is a priority and we are taking proactive steps to resolve problem loans in order to reduce our level of non-performing and classified loans going forward. We continue to closely monitor the health of our borrowers and be conservative in downgrading loans where we see the potential for weakness. We also recently added a new Chief Credit Officer whose background and experience is consistent with our increased focus on in-market relationship lending in our community bank, which will continue to result in a higher quality, lower risk loan portfolio.

“While we will remain conservative in new loan production while economic conditions remain uncertain, we are well positioned to benefit from lower interest rates and we expect positive trends in our net interest margin and revenue generated from our Wealth Management business. While maintaining disciplined expense control, we are continuing to make investments in talent and technology that will further enhance our ability to increase our market share, add attractive new client relationships in our community bank, and generate profitable growth. With the stronger balance sheet we are building, including a Total Capital Ratio of approximately 14%, we believe we are well positioned to support the continued growth of our franchise as economic conditions improve in the future and create additional value for our shareholders in the process,” said Mr. Ludwig.

Balance Sheet Highlights

Total assets were \$7.75 billion at September 30, 2024, compared to \$7.76 billion at June 30, 2024, and \$7.97 billion at September 30, 2023. At September 30, 2024, portfolio loans were \$5.75 billion, compared to \$5.85 billion at June 30, 2024, and \$6.28 billion at September 30, 2023.

Loans

During the third quarter of 2024, outstanding loans declined by \$103.2 million, or 1.8%, from June 30, 2024, as the Company continued to shrink its equipment financing and consumer loan portfolios, and focus on commercial loan opportunities in our community banking regions.

Equipment finance loan and lease balances decreased \$30.0 million during the third quarter of 2024 as the Company continued to reduce its concentration of this product within the overall loan portfolio. Consumer loans decreased \$82.8 million due to loan payoffs and a cessation in loans originated through GreenSky. Our Greensky-originated loan balances decreased \$63.0 million during the third quarter to \$475.3 million at September 30, 2024. In addition, as previously disclosed, during the fourth quarter of 2023, the Company ceased originating loans through LendingPoint. As of September 30, 2024, the Company had \$96.5 million in loans that were originated through and serviced by LendingPoint. Equipment financing and consumer loans comprised 15.0% and 11.5%, respectively, of the loan portfolio at September 30, 2024, compared to 15.2% and 12.7%, respectively, at June 30, 2024.

Increases in commercial FHA warehouse lines and commercial real estate loans of \$50.2 million and \$89.0 million, respectively, were offset by decreases in all other loan categories.

(in thousands)	As of				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Loan Portfolio					
Commercial loans	\$ 863,922	\$ 939,458	\$ 913,564	\$ 951,387	\$ 943,761
Equipment finance loans	442,552	461,409	494,068	531,143	578,931
Equipment finance leases	417,531	428,659	455,879	473,350	485,460
Commercial FHA warehouse lines	50,198	—	8,035	—	48,547
Total commercial loans and leases	1,774,203	1,829,526	1,871,546	1,955,880	2,056,699
Commercial real estate	2,510,472	2,421,505	2,397,113	2,406,845	2,412,164
Construction and land development	422,253	476,528	474,128	452,593	416,801
Residential real estate	378,657	378,393	378,583	380,583	375,211
Consumer	663,234	746,042	837,092	935,178	1,020,008
Total loans	\$ 5,748,819	\$ 5,851,994	\$ 5,958,462	\$ 6,131,079	\$ 6,280,883

Loan Quality

Overall, credit quality metrics remained consistent this quarter compared to the second quarter of 2024, albeit, nonperforming loans were still at elevated levels. Non-performing loans increased \$2.4 million to \$114.6 million at September 30, 2024, compared to \$112.1 million as of June 30, 2024. Substandard loans increased \$32.0 million to \$167.5 million at September 30, 2024, as compared to June 30, 2024, primarily due to two multi-family projects that were downgraded this past quarter.

(in thousands)	As of and for the Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Asset Quality					
Loans 30-89 days past due	\$ 55,329	\$ 54,045	\$ 58,854	\$ 82,778	\$ 46,608
Nonperforming loans	114,556	112,124	104,979	56,351	55,981
Nonperforming assets	126,771	123,774	116,721	67,701	58,677
Substandard loans	167,549	135,555	149,049	184,224	143,793
Net charge-offs	11,379	2,874	4,445	5,117	3,449
Loans 30-89 days past due to total loans	0.96 %	0.92 %	0.99 %	1.35 %	0.74 %
Nonperforming loans to total loans	1.99 %	1.92 %	1.76 %	0.92 %	0.89 %
Nonperforming assets to total assets	1.64 %	1.60 %	1.49 %	0.86 %	0.74 %
Allowance for credit losses to total loans	1.49 %	1.58 %	1.31 %	1.12 %	1.06 %
Allowance for credit losses to nonperforming loans	74.90 %	82.22 %	74.35 %	121.56 %	119.09 %
Net charge-offs to average loans	0.78 %	0.20 %	0.30 %	0.33 %	0.22 %

The allowance for credit losses on loans totaled \$85.8 million at September 30, 2024, compared to \$92.2 million at June 30, 2024, and \$66.7 million at September 30, 2023. The allowance as a percentage of total loans was 1.49% at September 30, 2024, compared to 1.58% at June 30, 2024, and 1.06% at September 30, 2023.

Notably, the Company recognized provision expense of \$14.0 million in the second quarter of 2024 related to the loans originated and serviced by LendingPoint, increasing the allowance to \$14.6 million on this portfolio. Credit deterioration and servicing issues following their system conversion have resulted in increased losses within this portfolio. In the third quarter of 2024, loans totaling \$6.2 million were charged off. At September 30, 2024, the Company had an allowance of \$8.3 million on the \$96.5 million of loans serviced by LendingPoint.

Deposits

Total deposits were \$6.26 billion at September 30, 2024, compared with \$6.12 billion at June 30, 2024. Noninterest-bearing deposits decreased \$57.9 million to \$1.05 billion at September 30, 2024, while interest-bearing deposits increased \$196.7 million to \$5.21 billion at September 30, 2024. Brokered time

deposits increased \$138.0 million to \$269.4 million, and represented 4.31% of total deposits at September 30, 2024.

(in thousands)	As of				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Deposit Portfolio					
Noninterest-bearing demand	\$ 1,050,617	\$ 1,108,521	\$ 1,212,382	\$ 1,145,395	\$ 1,154,515
Interest-bearing:					
Checking	2,389,970	2,343,533	2,394,163	2,511,840	2,572,224
Money market	1,187,139	1,143,668	1,128,463	1,135,629	1,090,962
Savings	510,260	538,462	555,552	559,267	582,359
Time	849,413	852,415	845,190	862,865	885,858
Brokered time	269,437	131,424	188,234	94,533	119,084
Total deposits	\$ 6,256,836	\$ 6,118,023	\$ 6,323,984	\$ 6,309,529	\$ 6,405,002

Results of Operations Highlights

Net Interest Income and Margin

During the third quarter of 2024, net interest income and net interest margin, on a tax-equivalent basis, were \$55.2 million and 3.10%, respectively, compared to \$55.2 million and 3.12%, respectively, in the second quarter of 2024. Net interest income and net interest margin, on a tax-equivalent basis, were \$58.8 million and 3.20%, respectively, in the third quarter of 2023.

Average interest-earning assets for the third quarter of 2024 were \$7.07 billion, compared to \$7.13 billion for the second quarter of 2024. The yield on interest-earning assets increased 7 basis points to 5.91% compared to the second quarter of 2024. Interest-earning assets averaged \$7.28 billion for the third quarter of 2023.

Average loans were \$5.78 billion for the third quarter of 2024, compared to \$5.92 billion for the second quarter of 2024 and \$6.30 billion for the third quarter of 2023. The yield on loans was 6.15% for the third quarter of 2024, up from 6.03% for the second quarter of 2024 and 5.93% for the third quarter of 2023.

Investment securities averaged \$1.16 billion for the third quarter of 2024, and yielded 4.71%, compared to an average balance and yield of \$1.10 billion and 4.69%, respectively, for the second quarter of 2024. The Company purchased additional higher-yielding investments resulting in the increased average balance and yield. Investment securities averaged \$863.0 million for the third quarter of 2023.

Average interest-bearing liabilities for the third quarter of 2024 were \$5.76 billion, compared to \$5.78 billion for the second quarter of 2024. The cost of funds increased 9 basis points to 3.45% compared to the second quarter of 2024. Interest-bearing liabilities averaged \$5.92 billion for the third quarter of 2023.

Average interest-bearing deposits were \$5.13 billion for the third quarter of 2024, compared to \$5.10 billion for the second quarter of 2024, and \$5.35 billion for the third quarter of 2023. Cost of interest-bearing deposits was 3.25% in the third quarter of 2024, which represented a 14 basis point increase from the second quarter of 2024, due to increased competition.

(dollars in thousands)

	September 30, 2024			June 30, 2024			September 30, 2023		
	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate
Interest-earning assets									
Cash and cash equivalents	\$ 75,255	\$ 1,031	5.45 %	\$ 65,250	\$ 875	5.40 %	\$ 78,391	\$ 1,036	5.24 %
Investment securities ⁽¹⁾	1,162,751	13,752	4.71	1,098,452	12,805	4.69	862,998	7,822	3.60
Loans ⁽¹⁾⁽²⁾	5,783,408	89,344	6.15	5,915,523	88,738	6.03	6,297,568	94,118	5.93
Loans held for sale	7,505	124	6.57	4,910	84	6.84	6,078	104	6.80
Nonmarketable equity securities	41,137	788	7.62	44,216	963	8.76	39,347	710	7.16
Total interest-earning assets	7,070,056	105,039	5.91	7,128,351	103,465	5.84	7,284,382	103,790	5.65
Noninterest-earning assets	653,279			669,370			622,969		
Total assets	\$ 7,723,335			\$ 7,797,721			\$ 7,907,351		
Interest-Bearing Liabilities									
Interest-bearing deposits	\$ 5,132,640	\$ 41,970	3.25 %	\$ 5,101,365	\$ 39,476	3.11 %	\$ 5,354,356	\$ 37,769	2.80 %
Short-term borrowings	53,577	602	4.47	30,449	308	4.07	20,127	14	0.28
FHLB advances & other borrowings	428,739	4,743	4.40	500,758	5,836	4.69	402,500	4,557	4.49
Subordinated debt	89,120	1,228	5.48	93,090	1,265	5.47	93,441	1,280	5.43
Trust preferred debentures	50,990	1,341	10.46	50,921	1,358	10.73	50,379	1,369	10.78
Total interest-bearing liabilities	5,755,066	49,884	3.45	5,776,583	48,243	3.36	5,920,803	44,989	3.01
Noninterest-bearing deposits	1,075,712			1,132,451			1,116,988		
Other noninterest-bearing liabilities	97,235			104,841			97,935		
Shareholders' equity	795,322			783,846			771,625		
Total liabilities and shareholder's equity	\$ 7,723,335			\$ 7,797,721			\$ 7,907,351		
Net Interest Margin		\$ 55,155	3.10 %		\$ 55,222	3.12 %		\$ 58,801	3.20 %
Cost of Deposits			2.69 %			2.55 %			2.32 %

- (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 September 30, 2024, June 30, 2024 and September 30, 2023, respectively.
- (2) Average loan balances include nonaccrual loans. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

For the nine months ended September 30, 2024, net interest income, on a tax-equivalent basis, decreased to \$166.5 million, with a tax-equivalent net interest margin of 3.13%, compared to net interest income, on a tax-equivalent basis, of \$178.6 million, and a tax-equivalent net interest margin of 3.27% for the nine months ended September 30, 2023.

The yield on earning assets increased 34 basis points to 5.84% for the nine months ended September 30, 2024 compared to the prior year. However, the cost of interest-bearing liabilities increased at a faster rate during this period, increasing 57 basis points to 3.34% for the nine months ended September 30, 2024.

(dollars in thousands)

	For the Nine Months Ended					
	September 30, 2024			September 30, 2023		
	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate
Interest-earning assets						
Cash and cash equivalents	\$ 69,960	\$ 2,857	5.45 %	\$ 76,939	\$ 2,868	4.98 %
Investment securities ⁽¹⁾	1,083,597	37,265	4.59	844,946	21,103	3.33
Loans ⁽¹⁾⁽²⁾	5,903,216	267,570	6.05	6,324,578	274,005	5.79
Loans held for sale	5,281	263	6.65	3,900	179	6.14
Nonmarketable equity securities	40,429	2,438	8.06	44,034	2,104	6.39
Total interest-earning assets	7,102,483	310,393	5.84	7,294,397	300,259	5.50
Noninterest-earning assets	663,967			615,383		
Total assets	\$ 7,766,450			\$ 7,909,780		
Interest-Bearing Liabilities						
Interest-bearing deposits	\$ 5,142,979	\$ 120,660	3.13 %	\$ 5,223,852	\$ 97,791	2.50 %
Short-term borrowings	49,750	1,746	4.69	26,865	53	0.26
FHLB advances & other borrowings	414,259	13,615	4.39	471,084	15,959	4.53
Subordinated debt	91,921	3,773	5.48	96,820	3,985	5.49
Trust preferred debentures	50,873	4,088	10.73	50,216	3,887	10.35
Total interest-bearing liabilities	5,749,782	143,882	3.34	5,868,837	121,675	2.77
Noninterest-bearing deposits	1,119,764			1,184,410		
Other noninterest-bearing liabilities	107,192			84,650		
Shareholders' equity	789,712			771,883		
Total liabilities and shareholders' equity	\$ 7,766,450			\$ 7,909,780		
Net Interest Margin		\$ 166,511	3.13 %		\$ 178,584	3.27 %
Cost of Deposits			2.57 %			2.04 %

(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 \$0.6 million for each of the nine months ended September 30, 2024 and 2023, respectively.

(2) Average loan balances include nonaccrual loans. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

Noninterest Income

Noninterest income was \$19.3 million for the third quarter of 2024, compared to \$17.7 million for the second quarter of 2024. Noninterest income for the second quarter of 2024 included a \$0.2 million gain on the repurchase of subordinated debt, offset by \$0.2 million of net losses on the sale of investment securities. The third quarter of 2023 included \$5.0 million of losses on the sale of investment securities.

Excluding these transactions, noninterest income for the third quarter of 2024, the second quarter of 2024, and the third quarter of 2023 was \$19.3 million, \$17.6 million, and \$16.5 million, respectively.

(in thousands)	For the Three Months Ended			For the Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	September 30,
	2024	2024	2023	2024	2023
Noninterest income					
Wealth management revenue	\$ 7,104	\$ 6,801	\$ 6,288	\$ 21,037	\$ 18,968
Service charges on deposit accounts	3,411	3,121	3,149	9,648	8,744
Interchange revenue	3,506	3,563	3,609	10,427	10,717
Residential mortgage banking revenue	697	557	507	1,781	1,452
Income on company-owned life insurance	1,982	1,925	918	5,708	2,685
Loss on sales of investment securities, net	(44)	(152)	(4,961)	(196)	(6,478)
Other income	2,683	1,841	2,035	9,777	9,989
Total noninterest income	\$ 19,339	\$ 17,656	\$ 11,545	\$ 58,182	\$ 46,077

Wealth management revenue totaled \$7.1 million in the third quarter of 2024, an increase of \$0.3 million, or 4.5%, as compared to the second quarter of 2024, due to increases in assets under administration and estate fees. Assets under administration increased to \$4.27 billion at September 30, 2024 from \$4.00 billion at June 30, 2024, primarily due to improved sales activity. Assets under administration totaled \$3.50 billion at September 30, 2023.

Income on company-owned life insurance income totaled \$2.0 million, \$1.9 million and \$0.9 million for the third quarter of 2024, the second quarter of 2024, and the third quarter of 2023, respectively. The Company surrendered certain low-yielding life insurance policies and purchased additional policies in the third quarter of 2023, resulting in the increase in revenue.

Other income totaled \$2.7 million in the third quarter of 2024 compared to \$1.8 million in the second quarter of 2024. Income from the sale of SBA loans in the third quarter of 2024 of \$0.2 million and losses from the disposition of repossessed leased assets in the second quarter of 2024 of \$0.6 million resulted in the quarter over quarter increase in other income.

Noninterest Expense

Noninterest expense was \$46.7 million in the third quarter of 2024, compared to \$47.5 million in the second quarter of 2024 and \$42.0 million in the third quarter of 2023. Noninterest expense for the second quarter of 2024 included \$4.1 million of aggregate expenses related to OREO impairment and property taxes, and accruals related to various legal proceedings. Excluding these items, noninterest expense for the third quarter of 2024, the second quarter of 2024, and the third quarter of 2023 was \$46.7 million, \$43.4 million, and \$42.0 million, respectively. Costs related to increased staffing levels, upgrades to our ATM fleet, and loan collection and OREO expenses drove the increase in noninterest expense in the third quarter of 2024 compared to the prior quarter.

The efficiency ratio improved to 62.76% for the quarter ended September 30, 2024, compared to 65.16% for the quarter ended June 30, 2024. The efficiency ratio for the third quarter of 2023 was 55.82%.

(in thousands)	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Noninterest expense					
Salaries and employee benefits	\$ 24,382	\$ 22,872	\$ 22,307	\$ 71,356	\$ 69,407
Occupancy and equipment	4,393	3,964	3,730	12,499	12,052
Data processing	6,955	7,205	6,468	20,882	19,323
Professional services	1,744	2,243	1,554	6,242	4,977
Amortization of intangible assets	951	1,016	1,129	3,056	3,628
FDIC insurance	1,402	1,219	1,107	3,895	3,632
Other expense	6,906	8,960	5,743	21,149	16,395
Total noninterest expense	\$ 46,733	\$ 47,479	\$ 42,038	\$ 139,079	\$ 129,414

Income Tax Expense

Income tax expense was \$4.1 million for the third quarter of 2024, compared to \$1.7 million for the second quarter of 2024 and \$11.5 million for the third quarter of 2023. The resulting effective tax rates were 18.1%, 19.9% and 50.3%, respectively. Tax expense for the third quarter of 2023 included a \$1.4 million return to provision adjustment and \$4.5 million associated with the surrender of company-owned life insurance policies, as previously discussed.

Capital

At September 30, 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 September 30, 2024		
	Midland States Bank	Midland States Bancorp, Inc.	Minimum Regulatory Requirements ⁽²⁾
Total capital to risk-weighted assets	13.34%	13.98%	10.50%
Tier 1 capital to risk-weighted assets	12.09%	11.65%	8.50%
Common equity Tier 1 capital to risk-weighted assets	12.09%	9.00%	7.00%
Tier 1 leverage ratio	10.47%	10.10%	4.00%
Tangible common equity to tangible assets ⁽¹⁾	N/A	7.03%	N/A

(1) A non-GAAP financial measure. Refer to page 16 for a reconciliation to the comparable GAAP financial measure.

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

The impact of rising interest rates on the Company's investment portfolio and cash flow hedges resulted in an accumulated other comprehensive loss of \$60.6 million at September 30, 2024, which reduced tangible book value by \$2.84 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 third quarter of 2024, the Company repurchased

23,113 shares of its common stock at a weighted average price of \$22.54 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 September 30, 2024, the Company had total assets of approximately \$7.75 billion, and its Wealth Management Group had assets under administration of approximately \$4.27 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, 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.

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

	As of and for the Three Months Ended			As of and for the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Earnings Summary					
Net interest income	\$ 54,950	\$ 55,052	\$ 58,596	\$ 165,922	\$ 177,940
Provision for credit losses	5,000	16,800	5,168	35,800	14,182
Noninterest income	19,339	17,656	11,545	58,182	46,077
Noninterest expense	46,733	47,479	42,038	139,079	129,414
Income before income taxes	22,556	8,429	22,935	49,225	80,421
Income taxes	4,080	1,679	11,533	10,114	25,672
Net income	18,476	6,750	11,402	39,111	54,749
Preferred dividends	2,229	2,228	2,229	6,685	6,685
Net income available to common shareholders	\$ 16,247	\$ 4,522	\$ 9,173	\$ 32,426	\$ 48,064
Diluted earnings per common share	\$ 0.74	\$ 0.20	\$ 0.41	\$ 1.47	\$ 2.14
Weighted average common shares outstanding - diluted	21,678,242	21,734,849	21,977,196	21,732,093	22,223,986
Return on average assets	0.95 %	0.35 %	0.57 %	0.67 %	0.93 %
Return on average shareholders' equity	9.24 %	3.46 %	5.86 %	6.62 %	9.48 %
Return on average tangible common equity ⁽¹⁾	12.69 %	3.66 %	7.56 %	8.62 %	13.37 %
Net interest margin	3.10 %	3.12 %	3.20 %	3.13 %	3.27 %
Efficiency ratio ⁽¹⁾	62.76 %	65.16 %	55.82 %	61.91 %	56.15 %
Adjusted Earnings Performance Summary ⁽¹⁾					
Adjusted earnings available to common shareholders	\$ 16,223	\$ 4,511	\$ 17,278	\$ 32,391	\$ 56,783
Adjusted diluted earnings per common share	\$ 0.74	\$ 0.20	\$ 0.78	\$ 1.47	\$ 2.53
Adjusted return on average assets	0.95 %	0.35 %	0.98 %	0.67 %	1.07 %
Adjusted return on average shareholders' equity	9.23 %	3.46 %	10.03 %	6.61 %	10.99 %
Adjusted return on average tangible common equity	12.67 %	3.65 %	14.24 %	8.61 %	15.80 %
Adjusted pre-tax, pre-provision earnings	\$ 27,523	\$ 25,214	\$ 33,064	\$ 84,977	\$ 100,405
Adjusted pre-tax, pre-provision return on average assets	1.42 %	1.30 %	1.66 %	1.46 %	1.70 %
Market Data					
Book value per share at period end	\$ 33.08	\$ 31.59	\$ 29.96		
Tangible book value per share at period end ⁽¹⁾	\$ 24.90	\$ 23.36	\$ 21.67		
Tangible book value per share excluding accumulated other comprehensive income at period end ⁽¹⁾	\$ 27.74	\$ 27.22	\$ 26.35		
Market price at period end	\$ 22.38	\$ 22.65	\$ 20.54		
Common shares outstanding at period end	21,393,905	21,377,215	21,594,546		
Capital					
Total capital to risk-weighted assets	13.98 %	13.83 %	12.76 %		
Tier 1 capital to risk-weighted assets	11.65 %	11.23 %	10.53 %		
Common equity tier 1 capital to risk-weighted assets	9.00 %	8.64 %	8.07 %		
Tier 1 leverage ratio	10.10 %	9.84 %	9.59 %		
Tangible common equity to tangible assets ⁽¹⁾	7.03 %	6.59 %	6.01 %		
Wealth Management					
Trust assets under administration	\$ 4,268,539	\$ 3,996,175	\$ 3,501,225		

(1) Non-GAAP financial measures. Refer to pages 14 - 16 for a reconciliation to the comparable GAAP financial measures.

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

(in thousands)	As of				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Assets					
Cash and cash equivalents	\$ 121,873	\$ 124,646	\$ 167,316	\$ 135,061	\$ 132,132
Investment securities	1,216,795	1,099,654	1,044,900	920,396	839,344
Loans	5,748,819	5,851,994	5,958,462	6,131,079	6,280,883
Allowance for credit losses on loans	(85,804)	(92,183)	(78,057)	(68,502)	(66,669)
Total loans, net	5,663,015	5,759,811	5,880,405	6,062,577	6,214,214
Loans held for sale	8,001	5,555	5,043	3,811	6,089
Premises and equipment, net	84,672	83,040	81,831	82,814	82,741
Other real estate owned	8,646	8,304	8,920	9,112	480
Loan servicing rights, at lower of cost or fair value	18,400	18,902	19,577	20,253	20,933
Goodwill	161,904	161,904	161,904	161,904	161,904
Other intangible assets, net	13,052	14,003	15,019	16,108	17,238
Company-owned life insurance	209,193	207,211	205,286	203,485	201,750
Other assets	245,932	274,244	241,608	251,347	292,460
Total assets	\$ 7,751,483	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285
Liabilities and Shareholders' Equity					
Noninterest-bearing demand deposits	\$ 1,050,617	\$ 1,108,521	\$ 1,212,382	\$ 1,145,395	\$ 1,154,515
Interest-bearing deposits	5,206,219	5,009,502	5,111,602	5,164,134	5,250,487
Total deposits	6,256,836	6,118,023	6,323,984	6,309,529	6,405,002
Short-term borrowings	13,849	7,208	214,446	34,865	17,998
FHLB advances and other borrowings	425,000	600,000	255,000	476,000	538,000
Subordinated debt	82,744	91,656	93,617	93,546	93,475
Trust preferred debentures	51,058	50,921	50,790	50,616	50,457
Other liabilities	103,737	103,694	102,966	110,459	106,743
Total liabilities	6,933,224	6,971,502	7,040,803	7,075,015	7,211,675
Total shareholders' equity	818,259	785,772	791,006	791,853	757,610
Total liabilities and shareholders' equity	\$ 7,751,483	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285

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

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(in thousands, except per share data)</i>					
Net interest income:					
Interest income	\$ 104,834	\$ 103,295	\$ 103,585	\$ 309,804	\$ 299,615
Interest expense	49,884	48,243	44,989	143,882	121,675
Net interest income	54,950	55,052	58,596	165,922	177,940
Provision for credit losses on loans	5,000	17,000	5,168	36,000	14,182
Provision for credit losses on unfunded commitments	—	(200)	—	(200)	—
Total provision for credit losses	5,000	16,800	5,168	35,800	14,182
Net interest income after provision for credit losses	49,950	38,252	53,428	130,122	163,758
Noninterest income:					
Wealth management revenue	7,104	6,801	6,288	21,037	18,968
Service charges on deposit accounts	3,411	3,121	3,149	9,648	8,744
Interchange revenue	3,506	3,563	3,609	10,427	10,717
Residential mortgage banking revenue	697	557	507	1,781	1,452
Income on company-owned life insurance	1,982	1,925	918	5,708	2,685
Loss on sales of investment securities, net	(44)	(152)	(4,961)	(196)	(6,478)
Other income	2,683	1,841	2,035	9,777	9,989
Total noninterest income	19,339	17,656	11,545	58,182	46,077
Noninterest expense:					
Salaries and employee benefits	24,382	22,872	22,307	71,356	69,407
Occupancy and equipment	4,393	3,964	3,730	12,499	12,052
Data processing	6,955	7,205	6,468	20,882	19,323
Professional services	1,744	2,243	1,554	6,242	4,977
Amortization of intangible assets	951	1,016	1,129	3,056	3,628
FDIC insurance	1,402	1,219	1,107	3,895	3,632
Other expense	6,906	8,960	5,743	21,149	16,395
Total noninterest expense	46,733	47,479	42,038	139,079	129,414
Income before income taxes	22,556	8,429	22,935	49,225	80,421
Income taxes	4,080	1,679	11,533	10,114	25,672
Net income	18,476	6,750	11,402	39,111	54,749
Preferred stock dividends	2,229	2,228	2,229	6,685	6,685
Net income available to common shareholders	\$ 16,247	\$ 4,522	\$ 9,173	\$ 32,426	\$ 48,064
Basic earnings per common share	\$ 0.74	\$ 0.20	\$ 0.41	\$ 1.47	\$ 2.14
Diluted earnings per common share	\$ 0.74	\$ 0.20	\$ 0.41	\$ 1.47	\$ 2.14

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

Adjusted Earnings Reconciliation

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Income before income taxes - GAAP	\$ 22,556	\$ 8,429	\$ 22,935	\$ 49,225	\$ 80,421
Adjustments to noninterest income:					
Loss on sales of investment securities, net	44	152	4,961	196	6,478
(Gain) on repurchase of subordinated debt	(77)	(167)	—	(244)	(676)
Total adjustments to noninterest income	(33)	(15)	4,961	(48)	5,802
Adjusted earnings pre tax - non-GAAP	22,523	8,414	27,896	49,177	86,223
Adjusted earnings tax	4,071	1,675	8,389	10,101	22,755
Adjusted earnings - non-GAAP	18,452	6,739	19,507	39,076	63,468
Preferred stock dividends	2,229	2,228	2,229	6,685	6,685
Adjusted earnings available to common shareholders	\$ 16,223	\$ 4,511	\$ 17,278	\$ 32,391	\$ 56,783
Adjusted diluted earnings per common share	\$ 0.74	\$ 0.20	\$ 0.78	\$ 1.47	\$ 2.53
Adjusted return on average assets	0.95 %	0.35 %	0.98 %	0.67 %	1.07 %
Adjusted return on average shareholders' equity	9.23 %	3.46 %	10.03 %	6.61 %	10.99 %
Adjusted return on average tangible common equity	12.67 %	3.65 %	14.24 %	8.61 %	15.80 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(dollars in thousands)</i>					
Adjusted earnings pre tax - non-GAAP	\$ 22,523	\$ 8,414	\$ 27,896	\$ 49,177	\$ 86,223
Provision for credit losses	5,000	16,800	5,168	35,800	14,182
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 27,523	\$ 25,214	\$ 33,064	\$ 84,977	\$ 100,405
Adjusted pre-tax, pre-provision return on average assets	1.42 %	1.30 %	1.66 %	1.46 %	1.70 %

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

Efficiency Ratio Reconciliation

<i>(dollars in thousands)</i>	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Noninterest expense - GAAP	\$ 46,733	\$ 47,479	\$ 42,038	\$ 139,079	\$ 129,414
Net interest income - GAAP	\$ 54,950	\$ 55,052	\$ 58,596	\$ 165,922	\$ 177,940
Effect of tax-exempt income	205	170	205	589	644
Adjusted net interest income	55,155	55,222	58,801	166,511	178,584
Noninterest income - GAAP	19,339	17,656	11,545	58,182	46,077
Loss on sales of investment securities, net	44	152	4,961	196	6,478
(Gain) on repurchase of subordinated debt	(77)	(167)	—	(244)	(676)
Adjusted noninterest income	19,306	17,641	16,506	58,134	51,879
Adjusted total revenue	\$ 74,461	\$ 72,863	\$ 75,307	\$ 224,645	\$ 230,463
Efficiency ratio	62.76 %	65.16 %	55.82 %	61.91 %	56.15 %

Return on Average Tangible Common Equity (ROATCE)

<i>(dollars in thousands)</i>	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income available to common shareholders	\$ 16,247	\$ 4,522	\$ 9,173	\$ 32,426	\$ 48,064
Average total shareholders' equity—GAAP	\$ 795,322	\$ 783,846	\$ 771,625	\$ 789,712	\$ 771,883
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	(13,506)	(14,483)	(17,782)	(14,501)	(18,959)
Average tangible common equity	\$ 509,364	\$ 496,911	\$ 481,391	\$ 502,759	\$ 480,472
ROATCE	12.69 %	3.66 %	7.56 %	8.62 %	13.37 %

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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 818,259	\$ 785,772	\$ 791,006	\$ 791,853	\$ 757,610
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	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible common equity	<u>532,755</u>	<u>499,317</u>	<u>503,535</u>	<u>503,293</u>	<u>467,920</u>
Less: Accumulated other comprehensive loss (AOCI)	(60,640)	(82,581)	(81,419)	(76,753)	(101,181)
Tangible common equity excluding AOCI	<u>\$ 593,395</u>	<u>\$ 581,898</u>	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,751,483	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible assets	<u>\$ 7,576,527</u>	<u>\$ 7,581,367</u>	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>
Common Shares Outstanding	21,393,905	21,377,215	21,485,231	21,551,402	21,594,546
Tangible Common Equity to Tangible Assets	7.03 %	6.59 %	6.58 %	6.55 %	6.01 %
Tangible Book Value Per Share	\$ 24.90	\$ 23.36	\$ 23.44	\$ 23.35	\$ 21.67
Tangible Book Value Per Share, excluding AOCI	\$ 27.74	\$ 27.22	\$ 27.23	\$ 26.91	\$ 26.35



Midland States Bancorp, Inc.

NASDAQ: MSBI

Third 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, 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



Midland States Bank is a 2024 Top Workplace!
3 Years Running

Financial Highlights as of September 30, 2024

\$7.8 Billion

Total Assets

\$5.7 Billion

Total Loans

\$6.3 Billion

Total Deposits

\$4.3 Billion

Assets Under Administration

YTD Adjusted ROAA⁽¹⁾: 0.67%

YTD Adjusted Return on TCE⁽¹⁾: 8.61%

TCE/TA: 7.03%

YTD PTPP⁽¹⁾ ROAA: 1.46%

Dividend Yield: 5.54%

Price/Tangible Book: 0.9x

Price/LTM EPS: 9.7x

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Notes:

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

Midland



Overview of 3Q24

Financial Performance

- Net income available to common shareholders of \$16.2 million, or \$0.74 diluted EPS
- Pre-tax, pre-provision earnings⁽¹⁾ of \$27.5 million
- Strong noninterest income of \$19.3 million
- Net interest margin stable at 3.10%

Continued Success in Balance Sheet Management Strategies

- Tangible book value per share increased 6.6% to \$24.90 from prior quarter.
- Increase in capital ratios with CET1 increasing 36 bps to 9.00%
- Increased liquidity with reduction in loan-to-deposit ratio
- Runoff in non-core loan portfolios funding new loan production and purchase of higher-yielding investment securities

Successfully Growing Community Bank

- Another good quarter of business development in community bank with full banking relationships added with high quality in-market clients
- Community bank loans increased \$45 million during 3Q24, offset by intentional reduction of equipment finance and consumer portfolios
- Loan portfolio continues to shift towards core in-market C&I and CRE loans resulting in higher quality loan portfolio

Continued Investments in Talent and Technology

- Strength of franchise allowing Midland to continue attracting high quality banking talent
- New technology platform in Wealth Management will enhance ability to cross-sell to community bank clients
- New talent and technology investments expected to drive profitable growth and further enhance the value of Midland franchise

4

Notes:

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



Loan Portfolio

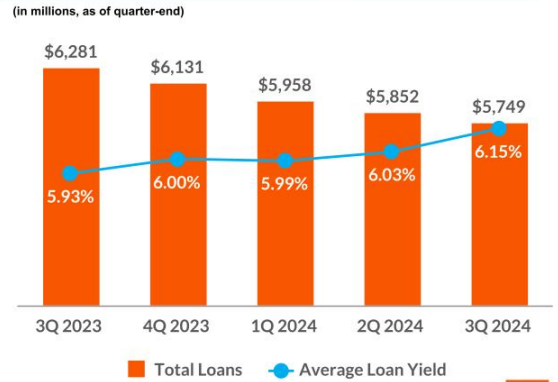
- Total loans decreased \$103.2 million from prior quarter to \$5.75 billion
- Decrease primarily driven by decline in equipment finance portfolio of \$30.0 million and continued runoff of GreenSky portfolio of \$63.0 million
- Decrease in non-core portfolios partially offset by new loan production from high quality commercial clients that provide full banking relationships
- Investments made to increase business development efforts in St. Louis resulted in total loans increasing at an annualized rate of 12% during 3Q24 in this market
- Runoff from GreenSky portfolio rotated into investment portfolio

Loan Portfolio Mix

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Commercial loans and leases	\$ 1,775	\$ 1,829	\$ 2,057
Commercial real estate	2,510	2,422	2,412
Construction and land development	422	477	417
Residential real estate	379	378	375
Consumer	663	746	1,020
Total Loans	\$ 5,749	\$ 5,852	\$ 6,281
Total Loans ex. Commercial FHA Lines	\$ 5,699	\$ 5,852	\$ 6,232

Total Loans and Average Loan Yield





Loan Segments

- Total loans in our Community Bank increased \$45 million from prior quarter to \$3.18 billion
- Loans in St. Louis region increased \$25 million or 12% annualized in 3Q24
- Focused on core, in-market loan relationships
- Continuing to add talent in faster growing markets to drive quality loan relationships and commercial deposits

Loan Portfolio Segments

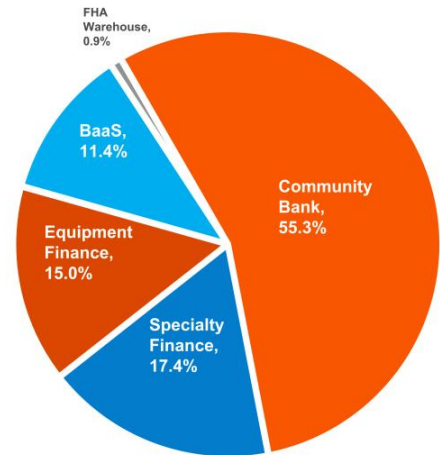
(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Regions:			
Eastern	\$ 903	\$ 884	\$ 853
Northern	731	725	708
Southern	695	700	702
St. Louis	850	825	704
Community Bank	\$ 3,179	\$ 3,134	\$ 2,967
Other:			
FHA Warehouse Line	\$ 50	\$ —	\$ 49
Specialty Finance	\$ 1,003	\$ 1,093	\$ 1,194
Equipment Finance	860	890	1,064
BaaS ⁽¹⁾	657	735	1,007
Total Loans	\$ 5,749	\$ 5,852	\$ 6,281

Notes:

(1) includes loans originated through Greensky and LendingPoint relationships

Loan Segment Mix





Total Deposits

- Total deposits increased \$138.8 million from end of prior quarter, primarily due to increases in brokered time
- Average balances of non-interest bearing demand deposits declined \$57 million compared to prior quarter primarily due to seasonal outflows and lower average balances
- Brokered time deposits increased \$138.0 million from prior quarter as rates provided lower cost of funds than other wholesale borrowings, which were reduced following addition of brokered time deposits

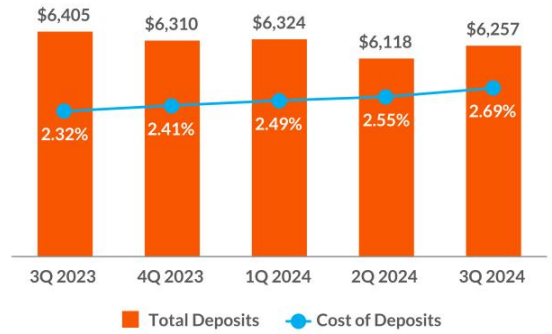
Deposit Mix

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Noninterest-bearing demand	\$ 1,051	\$ 1,109	\$ 1,155
Interest-bearing:			
Checking	2,390	2,344	2,572
Money market	1,187	1,144	1,091
Savings	510	538	582
Time	849	852	886
Brokered time	270	131	119
Total Deposits	\$ 6,257	\$ 6,118	\$ 6,405

Total Deposits and Cost of Deposits

(in millions, as of quarter-end)



■ Total Deposits ● Cost of Deposits

Midland



Deposit Summary

- Deposits excluding brokered remained relatively stable from prior quarter
- Total brokered deposits increased \$152 million in 3Q24
- Interest rates will decrease for servicing and brokered deposits reducing pressure on cost of funds

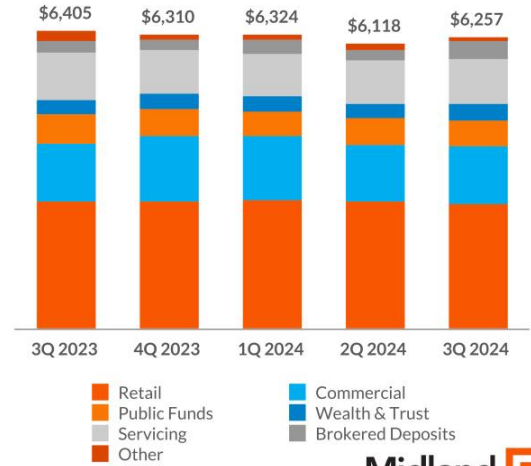
Deposits by Channel

(in millions, as of quarter-end)

	3Q 2024	2Q 2024	3Q 2023
Retail	\$ 2,695	\$ 2,742	\$ 2,756
Commercial	1,219	1,217	1,231
Public Funds	574	569	615
Wealth & Trust	332	299	318
Servicing	959	932	1,020
Brokered Deposits	391	239	228
Other	87	120	237
Total Deposits	\$ 6,257	\$ 6,118	\$ 6,405

Trend of Deposit Channel Mix

(in millions, as of quarter-end)



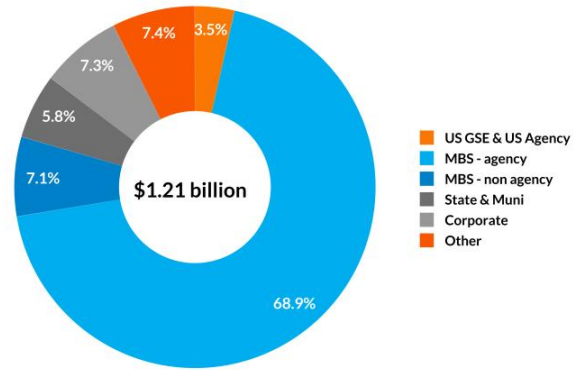


Investment Portfolio

As of September 30, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.71% for 3Q24
- Average Duration is 4.87 years
- Purchased \$163 million with T/E Yield of 5.10% and sold \$11 million with T/E Yield of 3.85% in 3Q24

Fair Value of Investments by Type

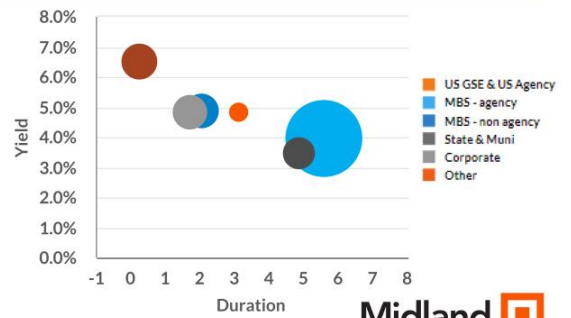


Investment Mix & Unrealized Gain (Loss)

(in millions)

	Fair Value	Book Value	Unrealized Gain (Loss)
US GSE & US Agency	\$ 43	\$ 44	\$ (1)
MBS - agency	835	897	(62)
MBS - non agency	86	87	(1)
State & Municipal	70	75	(5)
Corporate	88	95	(7)
Other	90	90	—
Total Investments	\$ 1,212	\$ 1,288	\$ (76)

Investments by Yield and Duration





Net Interest Income/Margin

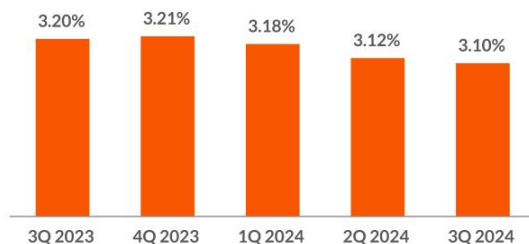
- Net interest income down slightly from prior quarter due to higher interest-bearing deposit rates and average short-term borrowings
- Net interest margin decreased 2 bp to 3.10% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets
- Average rate on new and renewed loan originations was 7.82% in 3Q24 and higher than average rates on loan payoffs making them accretive to net interest margin
- Deposit rates starting to decline following Fed rate cuts and expected to positively impact net interest margin in 2025

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 September 30, 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	\$ 722	\$ 275	\$ 537	\$ 197	\$ 30	\$ 5	\$ 8	\$1,774	\$ 557	\$ 78	\$ 1,139
Commercial real estate	862	361	769	362	142	14	1	2,511	601	235	1,675
Construction and land	291	44	76	10	1	—	—	422	233	31	158
Residential real estate	74	56	85	67	74	19	4	379	54	109	216
Consumer	132	196	235	85	15	—	—	663	83	—	580
Total	\$2,081	\$ 932	\$1,702	\$ 721	\$ 262	\$ 38	\$ 13	\$5,749	\$ 1,528	\$ 453	\$ 3,768
% of Total	35 %	16 %	30 %	13 %	5 %	1 %	— %	100 %	27 %	8 %	65 %
Weighted Average Rate	7.14 %	5.63 %	5.19 %	5.73 %	4.62 %	4.10 %	3.84 %	6.00 %	7.83 %	4.96 %	5.40 %

Investment Securities Available for Sale⁽²⁾

(in millions)

As of September 30, 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	\$ 189	\$ 187	\$ 214	\$ 331	\$ 367	\$ 1,288
% of Total	15 %	14 %	17 %	26 %	28 %	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) 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 \$273 million mainly due to \$178 million in new assets and market performance
- Wealth Management fees increased due to higher AUA and net new accounts
- New technology that integrates Wealth Management data into mobile banking app that is expected to positively impact cross-selling to community bank clients
- Continual hiring of wealth advisors positively impacting new business development

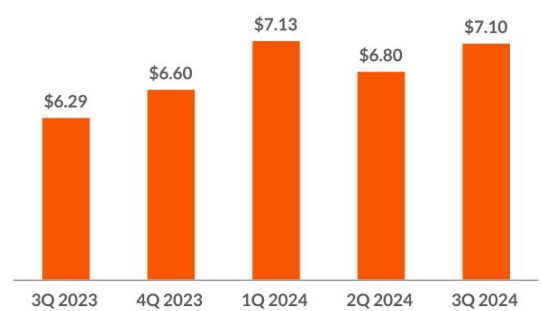
Assets Under Administration

(in millions)



Wealth Management Revenue

(in millions)



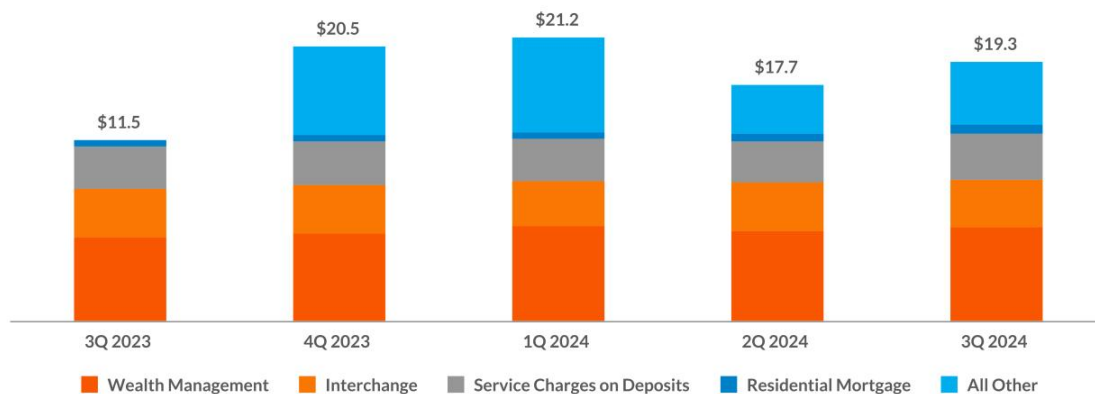


Noninterest Income

- Noninterest income increased from prior quarter primarily due to higher Wealth Management revenue resulting from increased AUA and higher deposit service charges
- 3Q24 noninterest income includes \$0.2 million gain on sale of SBA loans and \$0.4 million of earnings on limited partnership investments
- Other income negatively impacted by losses on sale of repossessed and other equipment of \$0.2 million in current quarter
- Fee income expected to be \$18.0 - \$18.5 million in the near-term quarters

Noninterest Income

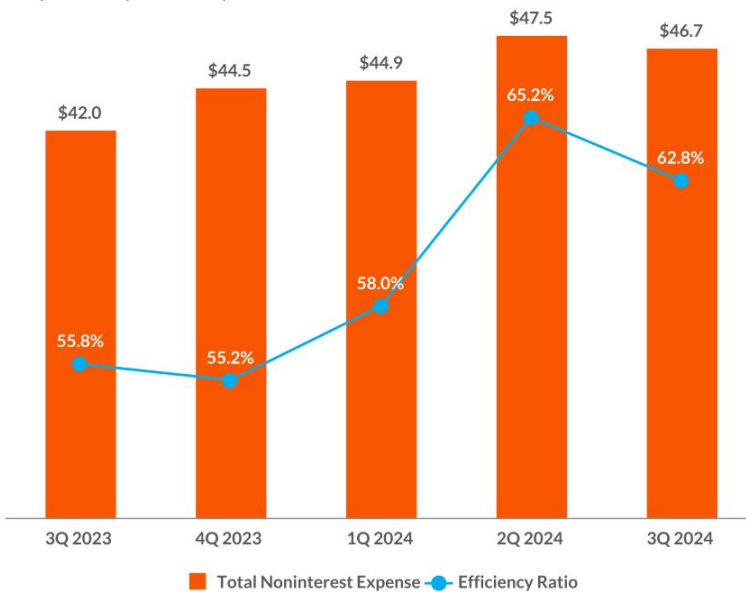
(in millions)



Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio ⁽¹⁾

(Noninterest expense in millions)



- Efficiency Ratio ⁽¹⁾ was 62.8% in 3Q 2024 vs. 65.2% in 2Q 2024
- Compensation and benefits increased \$1.5 million due to new staff additions and incentive compensation
- Other expenses decreased \$2.0 million as prior quarter included a \$3.0 million accrual for legal action offset by increases in loan collection and continued OREO expenses in the current 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.

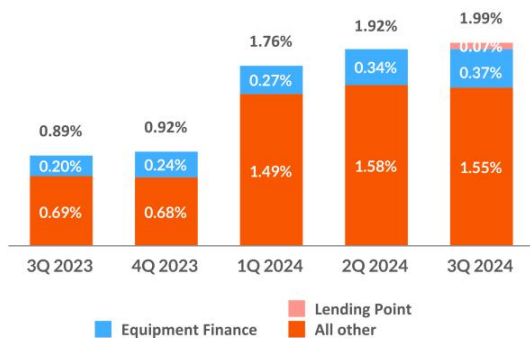


Asset Quality

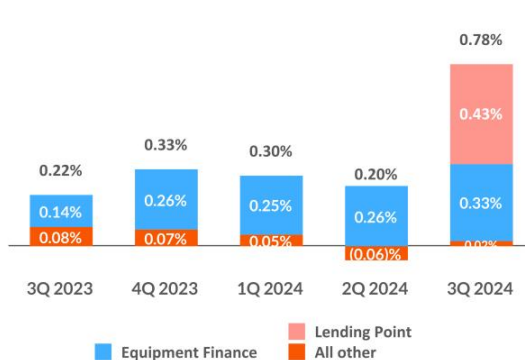
- Nonperforming loans increased from prior quarter
- Net charge-offs to average loans was 0.78% driven by equipment finance and \$6.2 million of charge offs in the Lending Point portfolio
- General stability in asset quality resulted in lower provision for credit losses than prior quarter with ACL/Total Loans of 1.49%
- Taking steps to improve asset quality through focus on relationship lending and tighter credit standards

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)



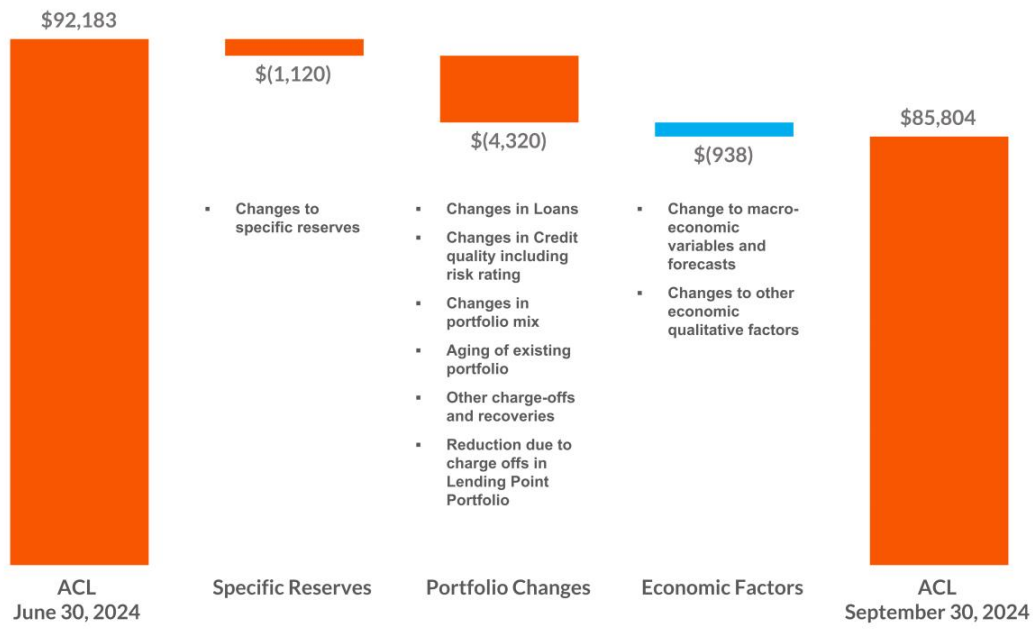
NCO / Average Loans





Changes in Allowance for Credit Losses

(\$ in thousands)





ACL by Portfolio

(\$ in thousands)

September 30, 2024

June 30, 2024

Portfolio	Loans	ACL	% of Total Loans	Loans	ACL	% of Total Loans
Commercial	\$ 797,318	\$ 9,263	1.16 %	\$ 829,888	\$ 8,821	1.06 %
Commercial Other	559,354	14,844	2.65 %	570,979	15,426	2.70 %
Equipment Finance Loans	442,552	11,236	2.54 %	461,409	11,839	2.57 %
Equipment Finance Leases	417,531	13,724	3.29 %	428,659	13,288	3.10 %
CRE non-owner occupied	1,630,930	13,623	0.84 %	1,621,102	13,949	0.86 %
CRE owner occupied	455,101	5,017	1.10 %	438,117	5,286	1.21 %
Multi-family	355,988	3,619	1.02 %	293,863	2,636	0.90 %
Farmland	68,453	269	0.39 %	68,423	326	0.48 %
Construction and Land Development	422,253	12,061	2.86 %	476,528	12,966	2.72 %
Residential RE First Lien	315,634	4,738	1.50 %	315,039	4,616	1.47 %
Other Residential	63,023	614	0.97 %	63,354	577	0.91 %
Consumer	90,626	531	0.59 %	94,763	499	0.53 %
Consumer Other ⁽¹⁾	572,608	7,501	1.31 %	651,279	13,793	2.12 %
Total Loans	\$ 5,748,819	\$ 85,804	1.49 %	\$ 5,851,994	\$ 92,183	1.58 %
Loans (excluding BaaS portfolio ⁽¹⁾ and warehouse lines)	5,048,243	74,715	1.48 %	5,125,723	74,815	1.46 %

Notes:

(1) Primarily consists of loans originated through GreenSky and LendingPoint relationships



2024 Outlook and Priorities

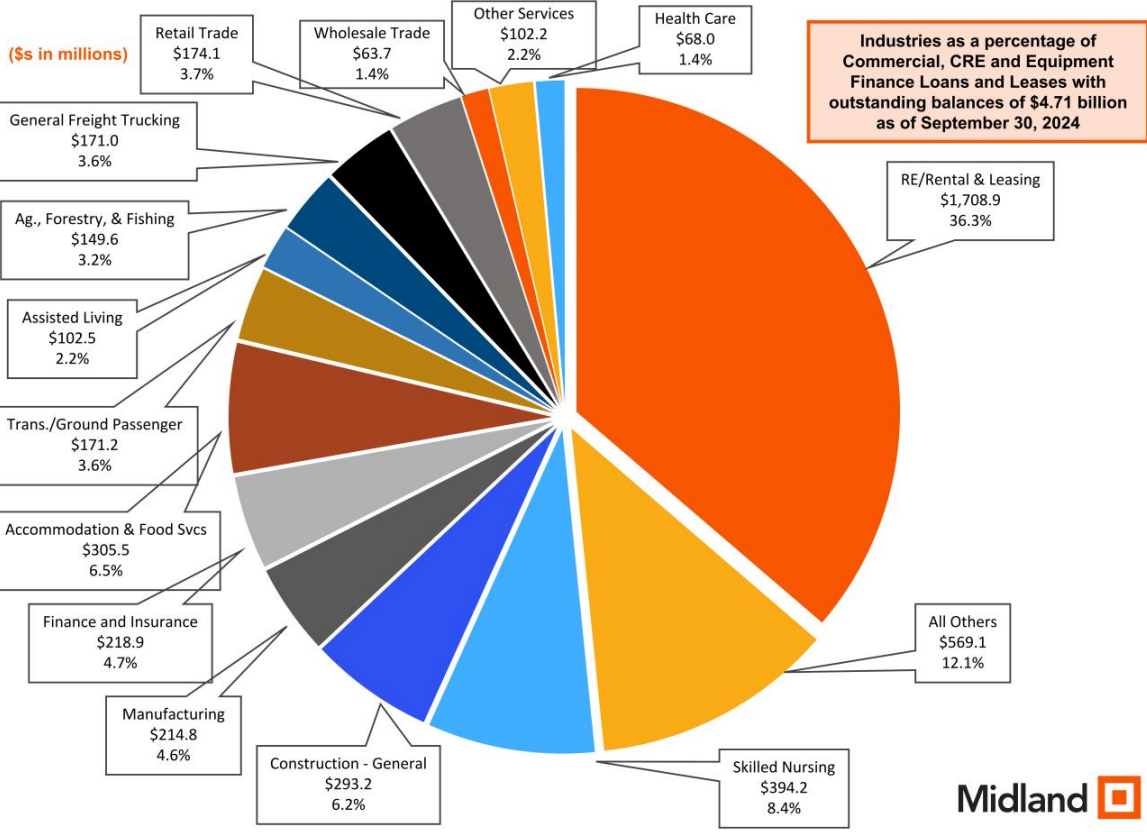
- Well positioned with increased levels of capital, liquidity, and reserves
- Continuing to focus on improving credit quality through core relationship lending and tightened credit
- Prudent risk management will remain top priority while economic uncertainty remains with business development efforts 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
- Prudent balance sheet management and earnings 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
- Well positioned to benefit from lower interest rates with lower funding costs expected to lead to expanded net interest margin
- Positive trends in key areas should lead to consistent level of profitability
 - * Continued disciplined expense management while making investments in the business to increase market share, add clients, and generate profitable growth in the future
 - * Wealth Management revenue trending higher due to contributions of new advisors
 - * BaaS initiative continuing to seek high quality FinTech partners



APPENDIX

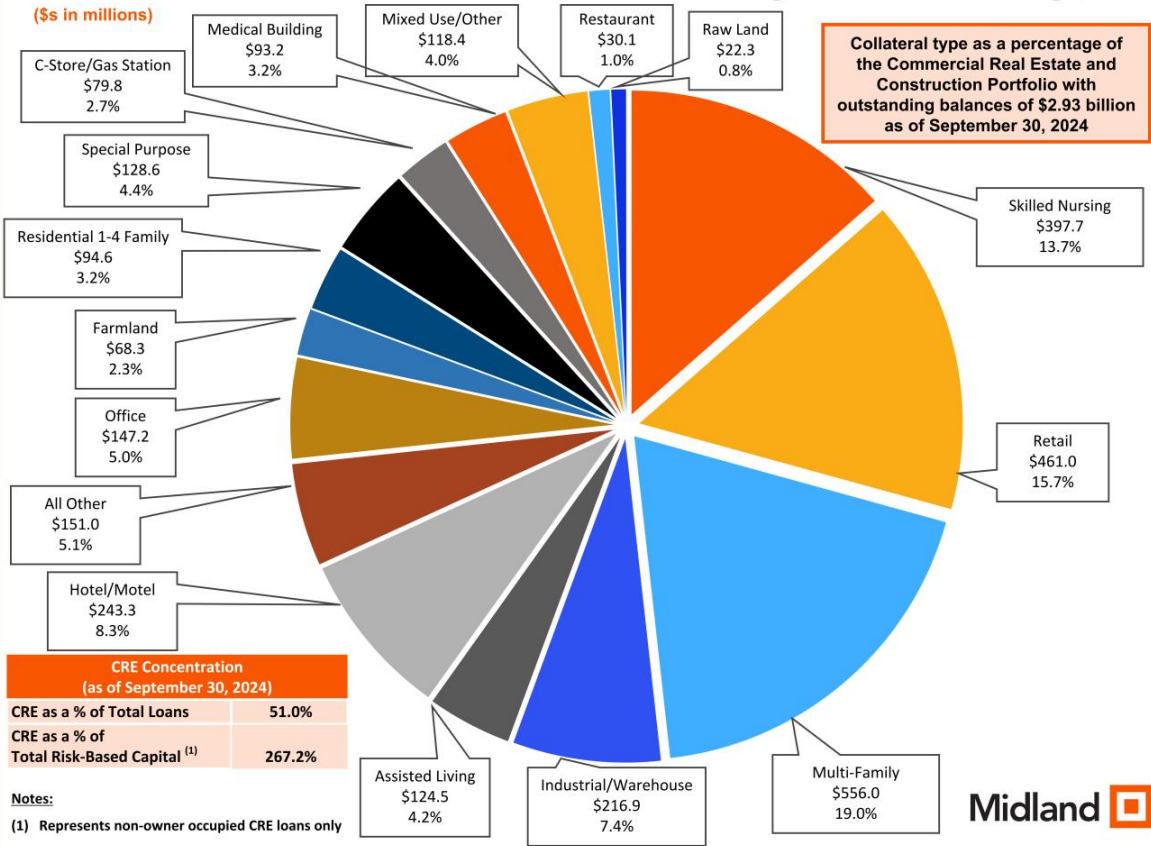


Commercial Loans and Leases by Industry



Commercial Real Estate Portfolio by Collateral Type

(\$s in millions)



CRE Concentration (as of September 30, 2024)	
CRE as a % of Total Loans	51.0%
CRE as a % of Total Risk-Based Capital ⁽¹⁾	267.2%

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





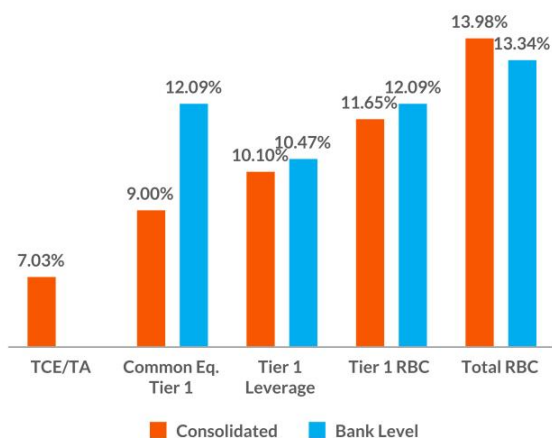
Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 9.00% from 7.77% at December 31, 2022 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 September 30, 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) loss 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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Income before income taxes - GAAP	\$ 22,556	\$ 8,429	\$ 18,240	\$ 27,152	\$ 22,935
Adjustments to noninterest income:					
Loss on sales of investment securities, net	44	152	—	2,894	4,961
(Gain) on sale of Visa B shares	—	—	—	(1,098)	—
(Gain) on repurchase of subordinated debt	(77)	(167)	—	—	—
Total adjustments to noninterest income	(33)	(15)	—	1,796	4,961
Adjusted earnings pre tax - non-GAAP	22,523	8,414	18,240	28,948	27,896
Adjusted earnings tax	4,071	1,675	4,355	6,927	8,389
Adjusted earnings - non-GAAP	18,452	6,739	13,885	22,021	19,507
Preferred stock dividends	2,229	2,228	2,228	2,228	2,229
Adjusted earnings available to common shareholders	\$ 16,223	\$ 4,511	\$ 11,657	\$ 19,793	\$ 17,278
<i>Adjusted diluted earnings per common share</i>	\$ 0.74	\$ 0.20	\$ 0.53	\$ 0.89	\$ 0.78
Adjusted return on average assets	0.95 %	0.35 %	0.72 %	1.11 %	0.98 %
Adjusted return on average shareholders' equity	9.23 %	3.46 %	7.07 %	11.42 %	10.03 %
Adjusted return on average tangible common equity	12.67 %	3.65 %	9.34 %	16.51 %	14.24 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands)</i>					
Adjusted earnings pre tax - non-GAAP	\$ 22,523	\$ 8,414	\$ 18,240	\$ 28,948	\$ 27,896
Provision for credit losses	5,000	16,800	14,000	6,950	5,168
Adjusted pre-tax, pre-provision earnings - non-GAAP	\$ 27,523	\$ 25,214	\$ 32,240	\$ 35,898	\$ 33,064
Adjusted pre-tax, pre-provision return on average assets	1.42 %	1.30 %	1.67 %	1.80 %	1.66 %



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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands)</i>					
Noninterest expense - GAAP	\$ 46,733	\$ 47,479	\$ 44,867	\$ 44,488	\$ 42,038
Net interest income - GAAP	\$ 54,950	\$ 55,052	\$ 55,920	\$ 58,077	\$ 58,596
Effect of tax-exempt income	205	170	215	183	205
Adjusted net interest income	55,155	55,222	56,135	58,260	58,801
Noninterest income - GAAP	19,339	17,656	21,187	20,513	11,545
Loss on sales of investment securities, net	44	152	—	2,894	4,961
(Gain) on sale of Visa B shares	—	—	—	(1,098)	—
(Gain) on repurchase of subordinated debt	(77)	(167)	—	—	—
Adjusted noninterest income	19,306	17,641	21,187	22,309	16,506
Adjusted total revenue	\$ 74,461	\$ 72,863	\$ 77,322	\$ 80,569	\$ 75,307
Efficiency ratio	62.76 %	65.16 %	58.03 %	55.22 %	55.82 %



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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 818,259	\$ 785,772	\$ 791,006	\$ 791,853	\$ 757,610
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	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible common equity	<u>\$ 532,755</u>	<u>\$ 499,317</u>	<u>\$ 503,535</u>	<u>\$ 503,293</u>	<u>\$ 467,920</u>
Less: Accumulated other comprehensive income (AOCI)	(60,640)	(82,581)	(81,419)	(76,753)	(101,181)
Tangible common equity excluding AOCI	<u>\$ 593,395</u>	<u>\$ 581,898</u>	<u>\$ 584,954</u>	<u>\$ 580,046</u>	<u>\$ 569,101</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	\$ 7,751,483	\$ 7,757,274	\$ 7,831,809	\$ 7,866,868	\$ 7,969,285
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(13,052)	(14,003)	(15,019)	(16,108)	(17,238)
Tangible assets	<u>\$ 7,576,527</u>	<u>\$ 7,581,367</u>	<u>\$ 7,654,886</u>	<u>\$ 7,688,856</u>	<u>\$ 7,790,143</u>
Common Shares Outstanding	21,393,905	21,377,215	21,485,231	21,551,402	21,594,546
Tangible Common Equity to Tangible Assets	7.03 %	6.59 %	6.58 %	6.55 %	6.01 %
Tangible Book Value Per Share	\$ 24.90	\$ 23.36	\$ 23.44	\$ 23.35	\$ 21.67
Tangible Book Value Per Share, excluding AOCI	\$ 27.74	\$ 27.22	\$ 27.23	\$ 26.91	\$ 26.35

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<i>(dollars in thousands)</i>					
Net income available to common shareholders	\$ 16,247	\$ 4,522	\$ 11,657	\$ 18,483	\$ 9,173
Average total shareholders' equity—GAAP	\$ 795,322	\$ 783,846	\$ 789,906	\$ 764,790	\$ 771,625
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	(13,506)	(14,483)	(15,525)	(16,644)	(17,782)
Average tangible common equity	<u>\$ 509,364</u>	<u>\$ 496,911</u>	<u>\$ 501,929</u>	<u>\$ 475,694</u>	<u>\$ 481,391</u>
ROATCE	12.69 %	3.66 %	9.34 %	15.41 %	7.56 %

