



# Midland States Bancorp, Inc.

## NASDAQ: MSBI

Investor Presentation  
July 2024



**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



## Financial Highlights as of June 30, 2024

**\$7.8 Billion**

*Total Assets*

**\$5.9 Billion**

*Total Loans*

**\$6.1 Billion**

*Total Deposits*

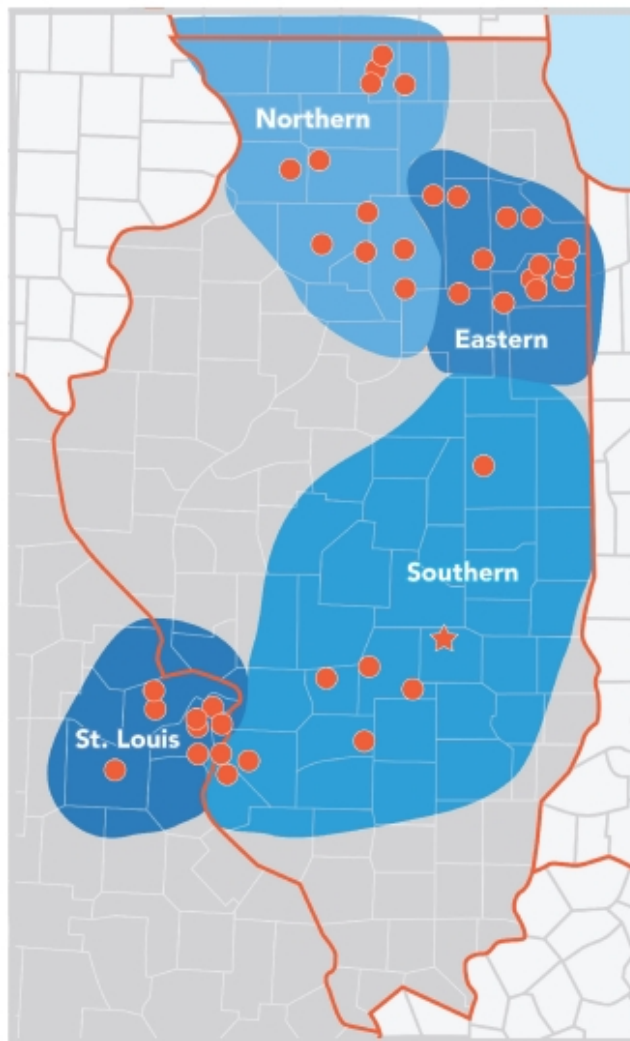
**\$4.0 Billion**

*Assets Under Administration*

|   |        |
|---|--------|
| YTD Adjusted ROAA <sup>(1)</sup> :          | 0.53%  |
| YTD Adjusted Return on TCE <sup>(1)</sup> : | 6.51%  |
| TCE/TA:                                     | 6.59%  |
| YTD PTPP <sup>(1)</sup> ROAA:               | 1.48%  |
| Dividend Yield:                             | 5.47 % |
| Price/Tangible Book:                        | 0.97x  |
| Price/LTM EPS:                              | 11.4x  |



# 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

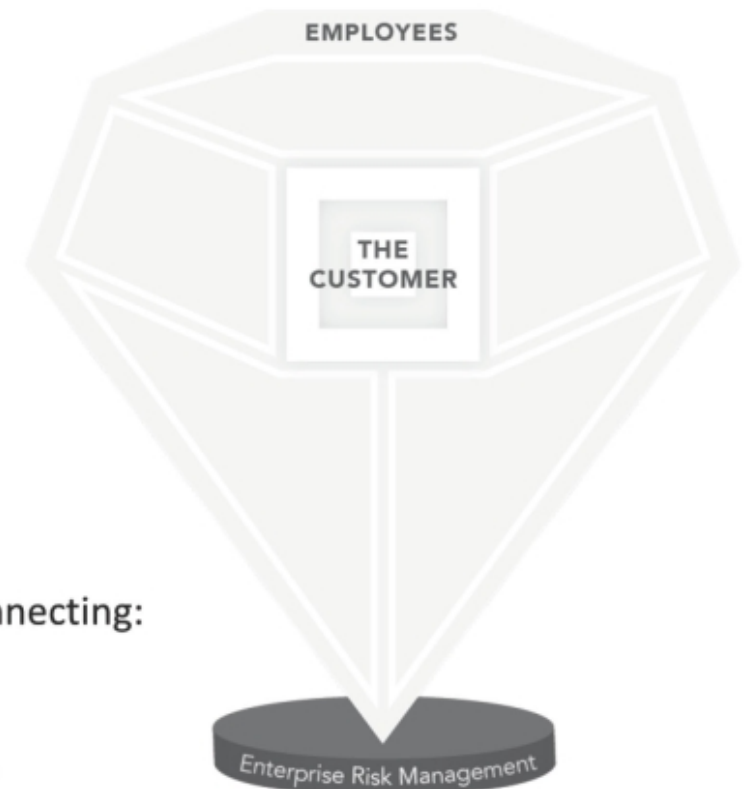
We re-evaluated our strategic plan to ensure we are:

- 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

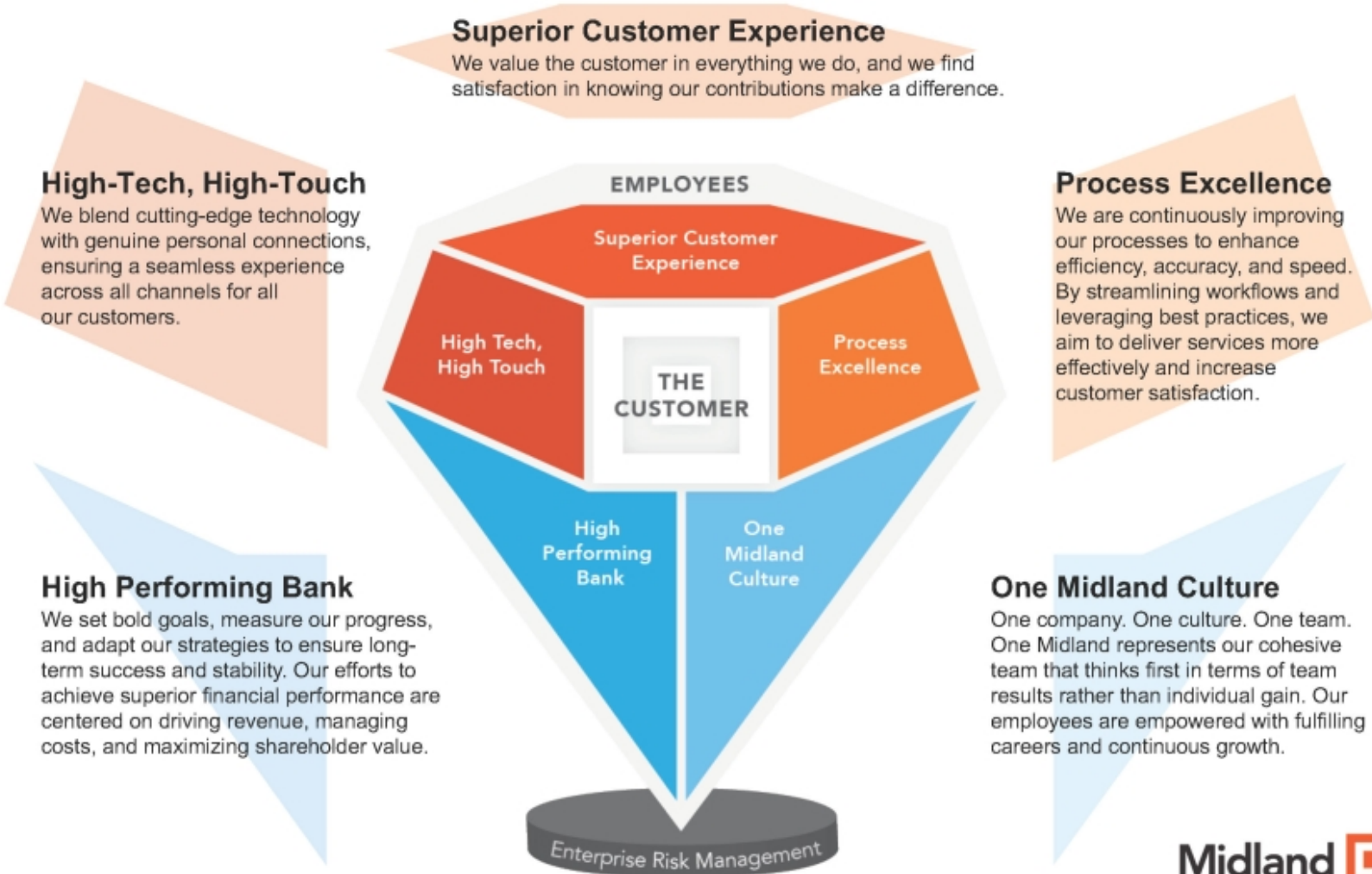
We are one bank, committed to cohesive teamwork that prioritizes team success over individual gains.





# Business and Corporate Strategy

## MSBI's Five Strategic Elements





# Operating Model

## Key Business Units

(dollars in millions, as of quarter-end)

| Business Unit           | Community Bank |                 |                 |                  |                   | Midland Equipment Finance | Other   | Total   |
|-------------------------|----------------|-----------------|-----------------|------------------|-------------------|---------------------------|---------|---------|
|                         | Eastern Region | Northern Region | Southern Region | St. Louis Region | Wealth Management |                           |         |         |
| Branches                | 16             | 17              | 9               | 11               |                   |                           |         | 53      |
| Loans & Leases          | \$884          | \$725           | \$700           | \$825            |                   | \$890                     | \$2,712 | \$5,852 |
| Deposits                | \$1,368        | \$1,994         | \$661           | \$444            | \$299             |                           | \$1,352 | \$6,118 |
| Assets Under Management |                |                 |                 |                  | \$3,996           |                           |         | \$3,996 |
| Head Count              | 121            | 158             | 57              | 56               | 81                | 36                        | 386     | 895     |





# 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



# Investment Summary and Strategic Initiatives

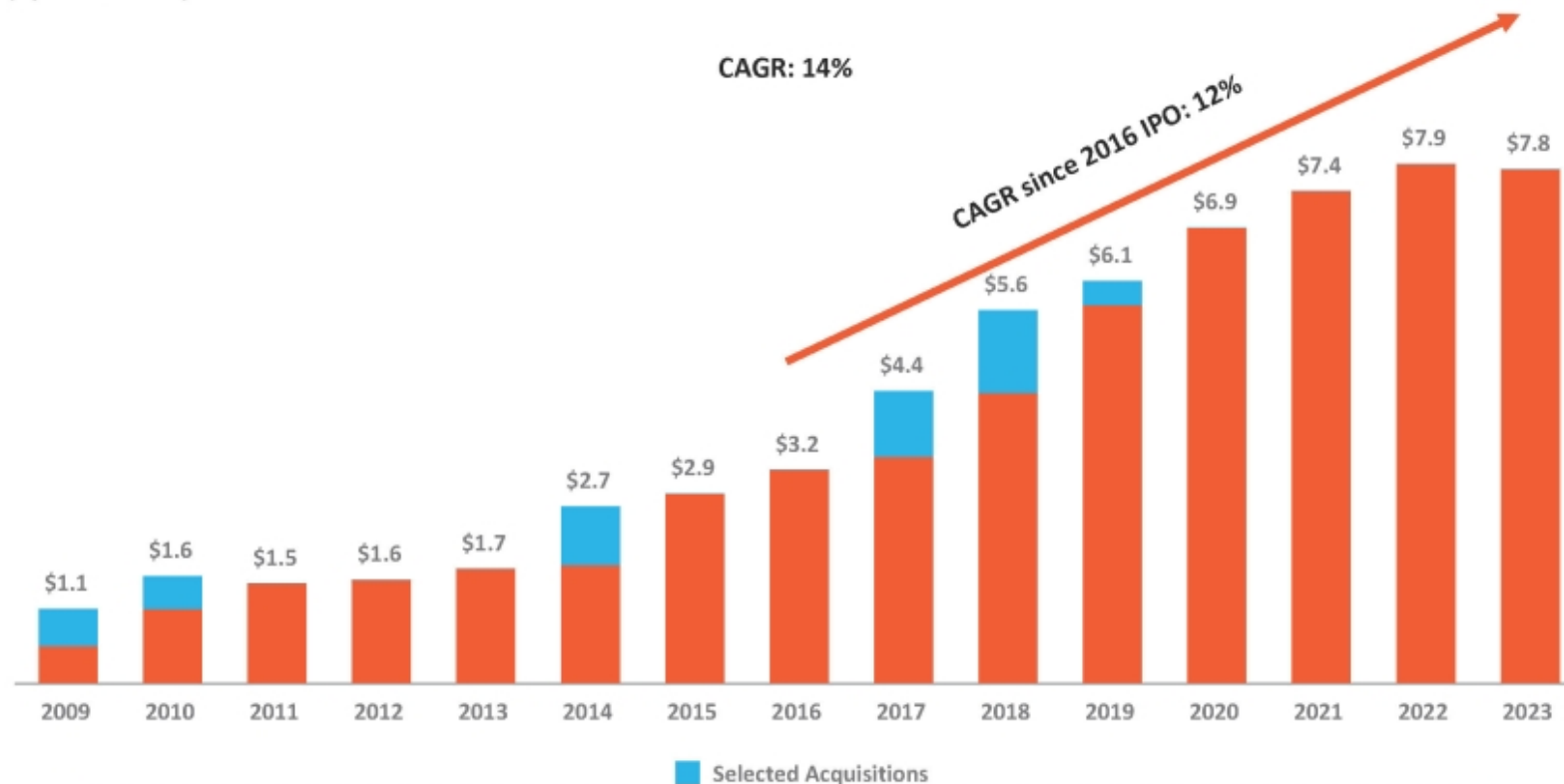
- **Profitable growth and improved efficiencies resulting in higher EPS and increased returns over the past few years**
- **Strengthened commercial banking team and increased presence in faster growing markets driving high quality in-market loan production and consistent inflows of new commercial deposits**
- **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**



# 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

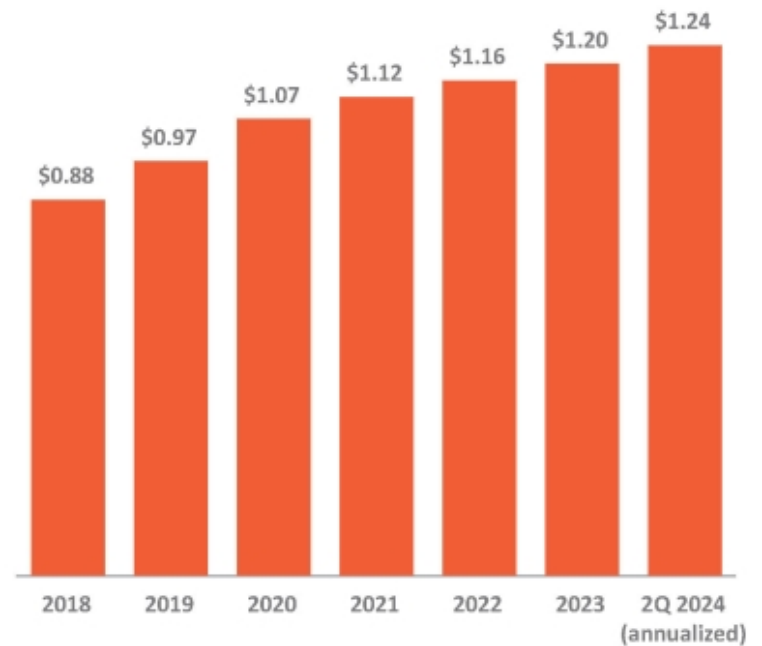
### Tangible Book Value Per Share<sup>(1)</sup>

TBV/Share ex. AOCI CAGR: 7.4%



### Dividends Declared Per Share

CAGR: 5.0%



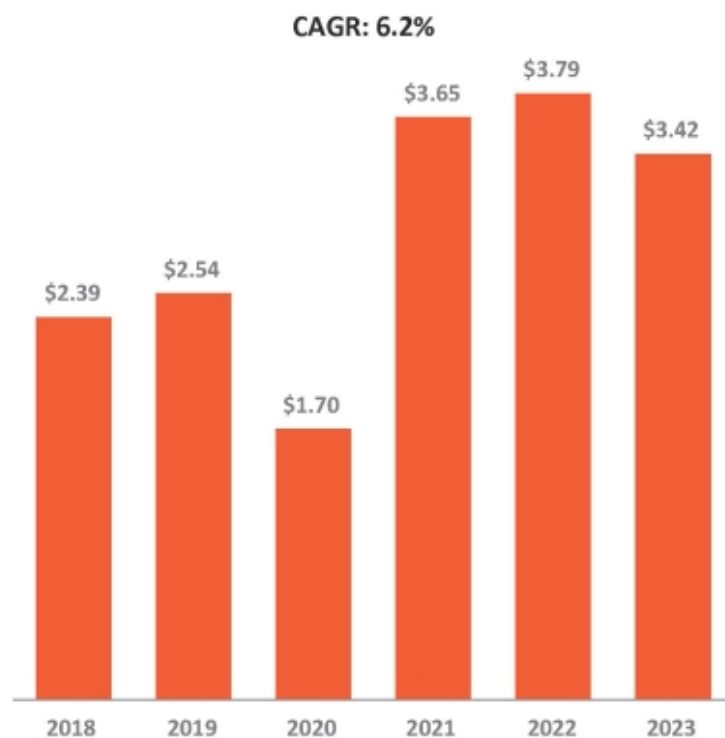
**Notes:**

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

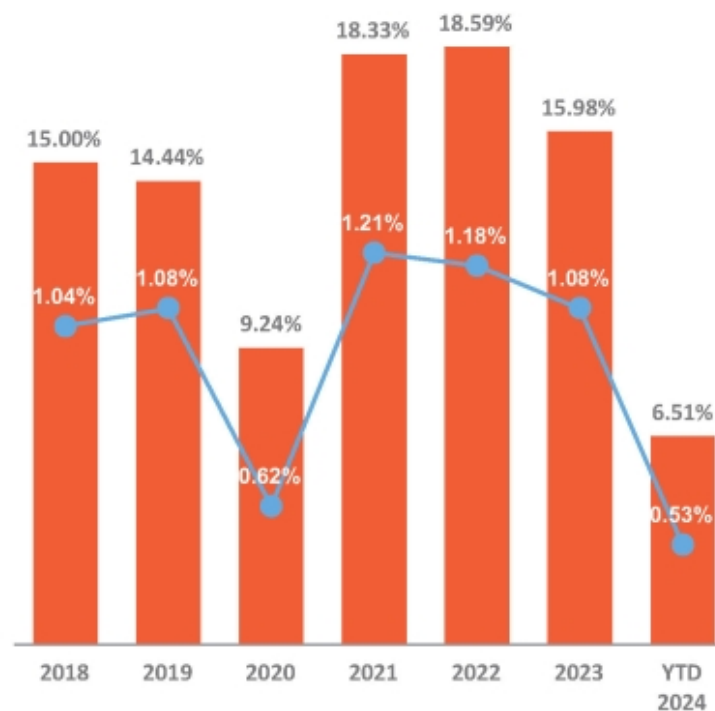


# ...And Increased Profitability

### Adjusted Diluted EPS<sup>(1)</sup>



### Adjusted ROATCE<sup>(1)</sup> & ROAA<sup>(1)</sup>



■ Adj ROATCE ● Adj ROAA

**Notes:**

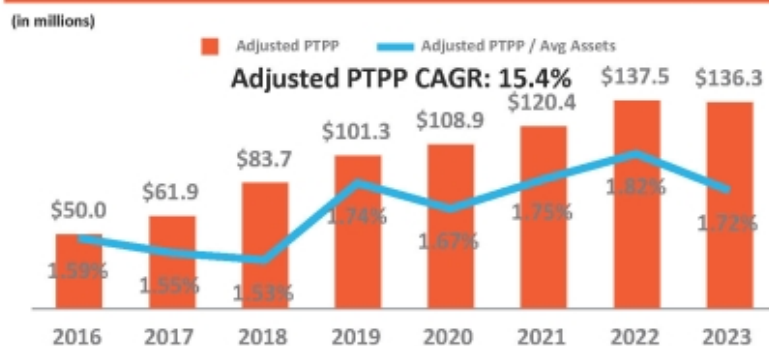
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# Strategic Initiatives Strengthening Franchise

...Have Produced Improved Growth and Profitability

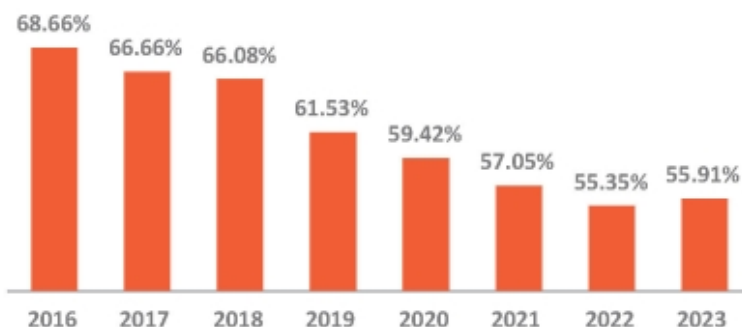
## Adjusted Pre-Tax Pre-Provision Earnings<sup>(1)</sup>



## Total Loans



## Efficiency Ratio<sup>(1)</sup>



## Wealth Management Revenue



**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)<br>   | Commercial Online Account Opening (2021)                   |   |   |
|  | Near real time payments (2021)<br>   |  | Integrated Payables – Payments (2021)<br>                 |   |
|  | Online loan Origination (2021)<br>   | Commercial Relationship pricing optimization engine (2022) | Q2   precisionlender                                      | Online Access and Portal (2023)<br>                     |
|  | Consumer online account opening (2020)<br>   | SBA Loan Portal (2021)<br>                                 | SBB Loan Portal (2023)<br>                                | Black Diamond   |
|  | Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020)  |  |   | marketing cloud   |
|  | 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)<br>  | Self service loan portal and treasury on-boarding (2021)   |   | Trust Platform (2024)<br>  INNOVEST<br>  Black Diamond  |
|  | Five9 Customer Care (2023)<br>   |  | Mozaik(MSB Salesforce) Omnichannel Account Opening (2024) | RIA Platform (2023)<br>  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<br>Canapi Fund, Alloy, Blend, Plaid, GreenSky, JAM/FINTOP Fund, Informatica<br>   |  |   |   |
|  | CX Platform Customer Feedback (2020, 2021)<br>   |  |   |   |
|  | 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)<br>   |  |   |   |
|  | 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)<br> |  |   |   |
|  | Website Relaunch (2024)  |  |   |   |
| Centralized Data Analytics – Informatica, PowerBI, SAS Viya (2018, 2019, 2020)<br>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   |
|                        | <b>Strategic Capital Bank</b> | <b>AMCORE Bank, N.A.</b>     | <b>Love Savings / Heartland Bank</b> | <b>Sterling Bancorp</b>     | <b>Centrue Financial</b>           | <b>Alpine Bancorp.</b>                   | <b>HomeStar Financial</b>                      |
| 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 |



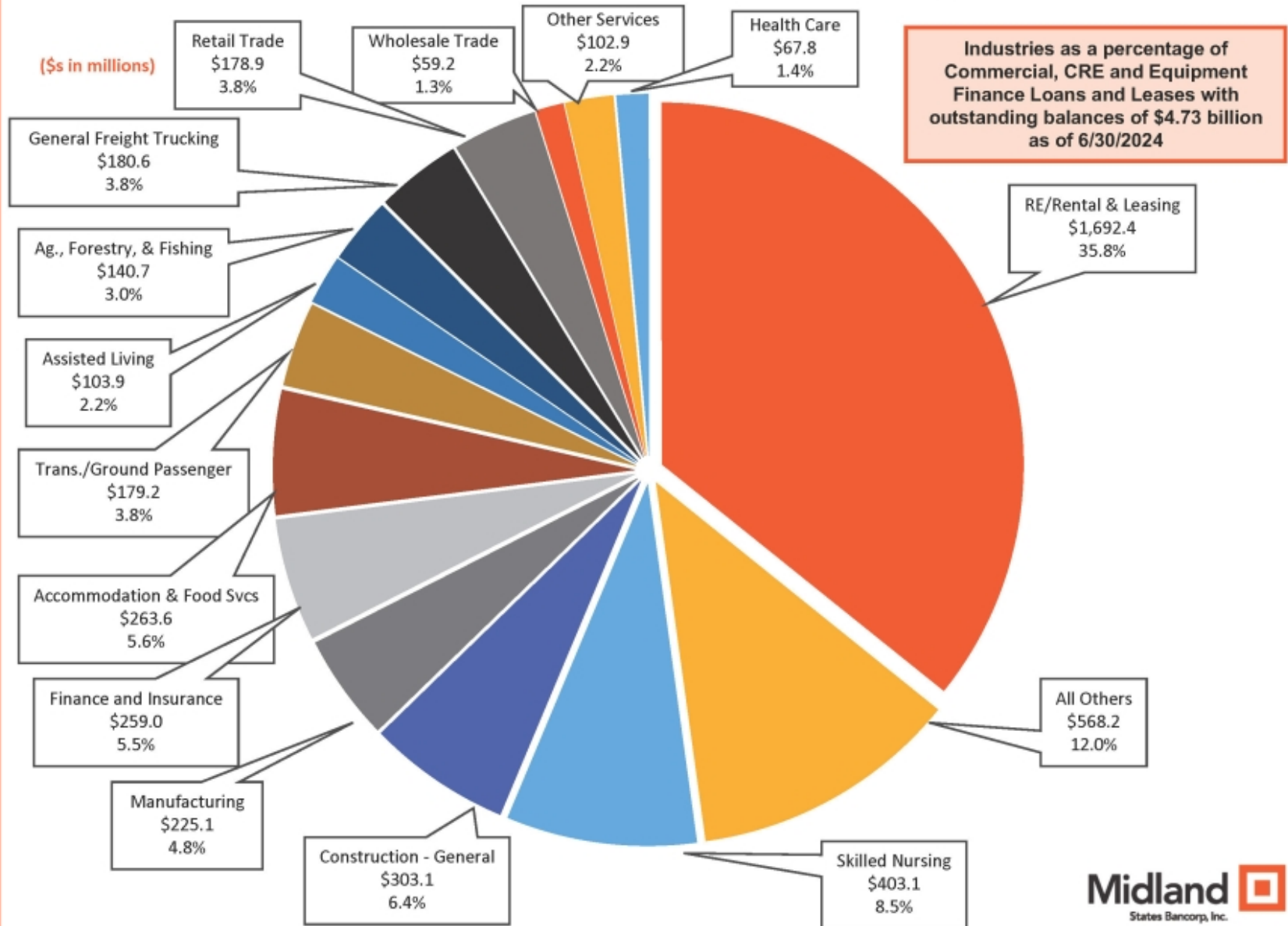


# Loan Portfolio and Asset Quality



# Commercial Loans and Leases by Industry

(\$s in millions)

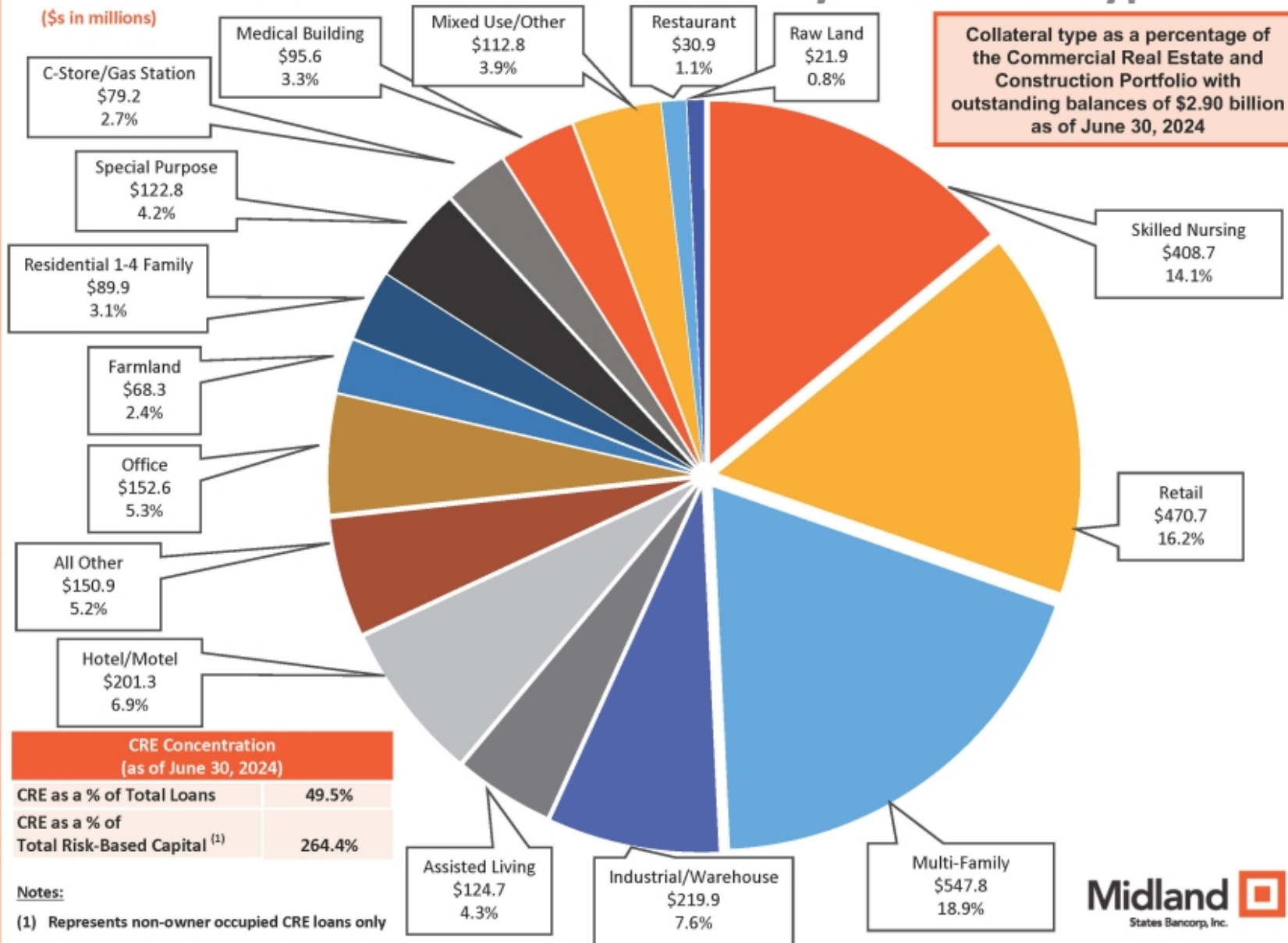


Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of \$4.73 billion as of 6/30/2024



# Commercial Real Estate Portfolio by Collateral Type

(\$s in millions)



Collateral type as a percentage of the Commercial Real Estate and Construction Portfolio with outstanding balances of \$2.90 billion as of June 30, 2024

### CRE Concentration (as of June 30, 2024)

|   |        |
|---|--------|
| CRE as a % of Total Loans                             | 49.5%  |
| CRE as a % of Total Risk-Based Capital <sup>(1)</sup> | 264.4% |

**Notes:**

(1) Represents non-owner occupied CRE loans only



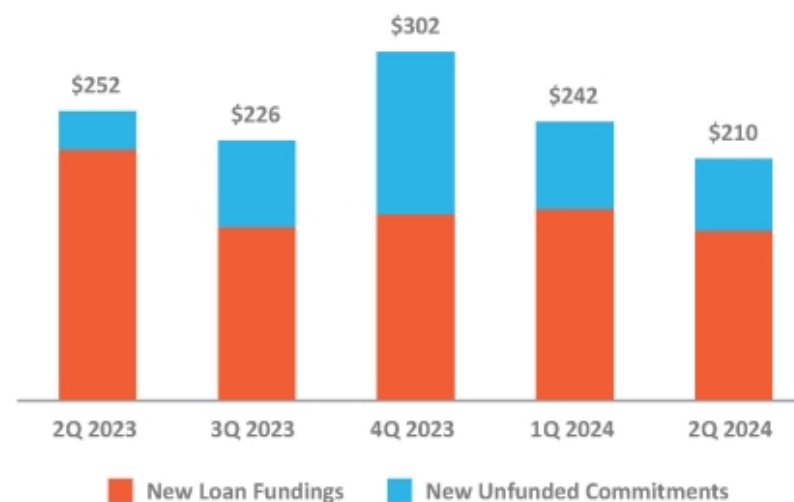
# Commercial Loan Growth

*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

(in millions)





# Midland Equipment Finance Portfolio Overview

| Portfolio Characteristics<br>(as of June 30, 2024)   |   |
|--|---|
| <i>Nationwide portfolio providing financing solutions to equipment vendors and end-users</i> |   |
| Total Outstanding Loans and Leases   | \$890.1 million<br>(15.2% of total loans)   |
| Number of Loans and Leases   | 8,204   |
| Average Loan/Lease Size  | \$115,791   |
| Largest Loan/Lease   | \$3.1 million   |
| Weighted Average Rate  | 6.35%   |
| 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

■ NCOs/Avg Loans    — NA/Qtr end Loans



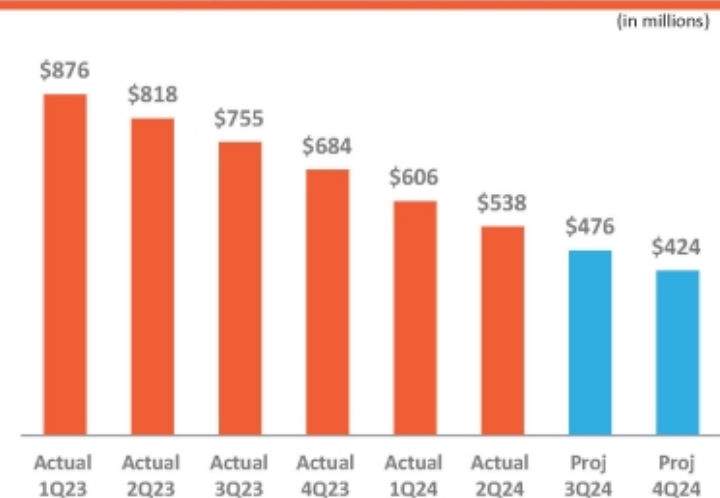
Note: New production being limited in order to reduce portfolio as a percentage of total loans



# GreenSky Consumer Loan Portfolio Overview

| Portfolio Characteristics<br>(as of June 30, 2024) |  |
|--|--|
| Total Outstanding                                  | \$538.3 million<br>(9.2% of total loans) |
| Weighted Average Rate                              | 5.48%                                    |
| Number of Active Loans                             | 40,128                                   |
| Average Loan Size                                  | \$13,415                                 |
| Average FICO Score                                 | 769                                      |

## Projected GreenSky Balances



## Plan with GreenSky to Wind Down Portfolio

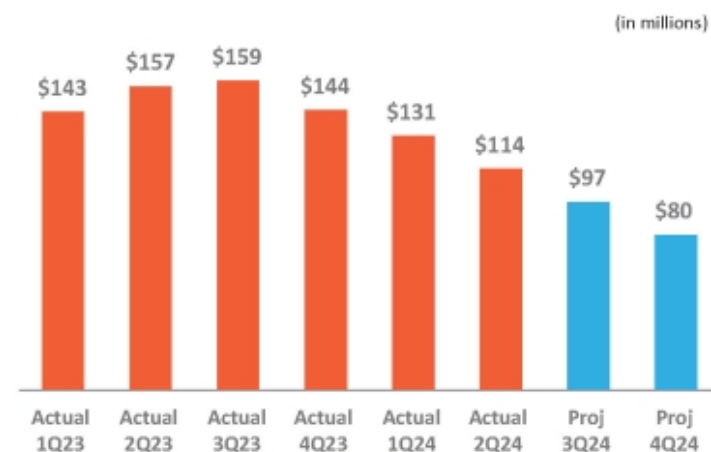
- Notice provided to officially terminate the GreenSky program in October 2023
- Reduced loan originations
- Projected portfolio reduction to \$424 million by EOY 2024
- Decrease in portfolio to improve liquidity and capital
- Escrow deposits
  - Escrow deposits absorb losses in excess of cash flow waterfall
  - Escrow account totaled \$21.9 million at 6/30/24 or 4.1% of the portfolio



# LendingPoint Loan Portfolio Overview

| Portfolio Characteristics<br>(as of June 30, 2024) |  |
|--|--|
| Total Outstanding                                  | \$114.2 million<br>(2.0% of total loans) |
| Weighted Average Rate                              | 5.45%                                    |
| Number of Active Loans                             | 8,988                                    |
| Average Loan Size                                  | \$12,703                                 |
| Average FICO Score                                 | 739                                      |
| Reserves in ACL                                    | \$14.6 million                           |

## Projected LendingPoint Balances



## Plan with LendingPoint to Wind Down Portfolio

- Notice provided to stop new originations in the LendingPoint program in Oct. 2023
- Projected portfolio reduction to \$80 million by EOY 2024
- Declining credit quality and servicing issues creating shortage in cash flow waterfall and escrows
- Reserves in ACL for \$14.6 million as of June 30, 2024
- Expected charge-off's in coming quarters with this portfolio

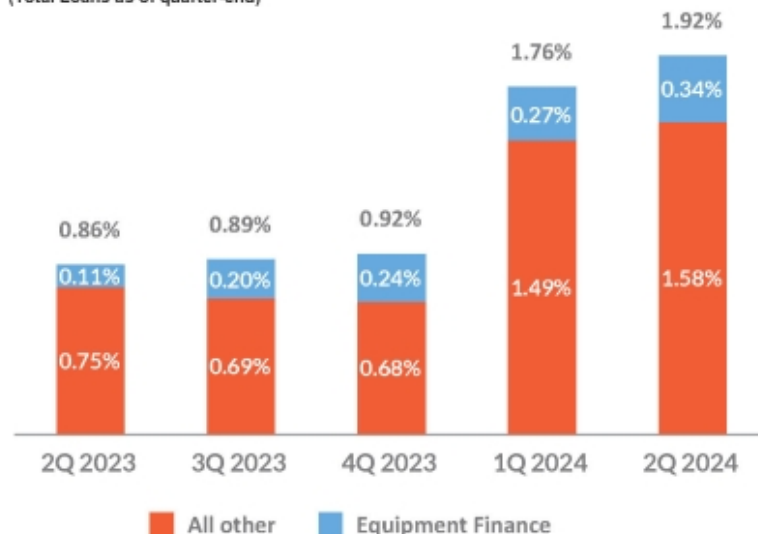


# Asset Quality

- Nonperforming loans increased due to equipment financing loans and one \$3.5 million commercial loan placed on non-accrual
- Past due loans and substandard loans declined during the second quarter
- Net charge-offs to average loans was 0.20% primarily driven by equipment finance with provision for credit losses on loans of \$17.0 million, primarily related to reserves added to the LendingPoint portfolio resulting from credit deterioration and servicing issues
- Net charge offs include \$2.2 million recovery on previously charged off CRE loan

## 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)

**June 30, 2024**

**March 31, 2024**

| Portfolio   | Loans            | ACL           | % of Total Loans | Loans            | ACL           | % of Total Loans |
|---|------------------|---------------|------------------|------------------|---------------|------------------|
| Commercial  | \$ 829,888       | \$ 8,821      | 1.06 %           | \$ 813,963       | \$ 9,135      | 1.12 %           |
| Commercial Other  | 570,979          | 15,426        | 2.70 %           | 601,704          | 12,194        | 2.03 %           |
| Equipment Finance Loans   | 461,409          | 11,839        | 2.57 %           | 494,068          | 11,806        | 2.39 %           |
| Equipment Finance Leases  | 428,659          | 13,288        | 3.10 %           | 455,879          | 13,466        | 2.95 %           |
| CRE non-owner occupied  | 1,621,102        | 13,949        | 0.86 %           | 1,591,455        | 13,353        | 0.84 %           |
| CRE owner occupied  | 438,117          | 5,286         | 1.21 %           | 450,149          | 4,858         | 1.08 %           |
| Multi-family  | 293,863          | 2,636         | 0.90 %           | 287,586          | 2,871         | 1.00 %           |
| Farmland  | 68,423           | 326           | 0.48 %           | 67,923           | 285           | 0.42 %           |
| Construction and Land Development                                   | 476,528          | 12,966        | 2.72 %           | 474,128          | 12,629        | 2.66 %           |
| Residential RE First Lien   | 315,039          | 4,616         | 1.47 %           | 316,310          | 4,986         | 1.58 %           |
| Other Residential   | 63,354           | 577           | 0.91 %           | 62,273           | 669           | 1.07 %           |
| Consumer  | 94,763           | 499           | 0.53 %           | 99,157           | 520           | 0.52 %           |
| Consumer Other <sup>(1)</sup>                                       | 651,279          | 13,793        | 2.12 %           | 737,935          | 3,091         | 0.42 %           |
| <b>Total Loans</b>  | <b>5,851,994</b> | <b>92,183</b> | <b>1.58 %</b>    | <b>5,958,462</b> | <b>78,057</b> | <b>1.31 %</b>    |
| Loans (excluding BaaS portfolio <sup>(1)</sup> and warehouse lines) | 5,125,723        | 74,815        | 1.46 %           | 5,136,557        | 74,587        | 1.45 %           |

Notes:

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



# Recent Financial Trends



# Overview of 2Q24

## Financial Performance

- Net income available to common shareholders of \$4.5 million, or \$0.20 diluted EPS
- Pre-tax, pre-provision earnings<sup>(1)</sup> of \$25.2 million
- Strong noninterest income of \$17.7 million
- Strengthened ACL to 1.58% of total loans

## Continued Success in Balance Sheet Management Strategies

- Increases in capital ratios
- CET1 ratio increased 3 bps to 8.63%
- Runoff in non-core loan portfolios being used to fund 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 by \$91 million during 2Q24, 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 including new market president for Northern Illinois region and new Chief Deposit Officer
- 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

**Notes:**

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



# Loan Portfolio

- Total loans decreased \$106.5 million from prior quarter to \$5.85 billion
- Decrease primarily driven by decline in equipment finance portfolio of \$59.9 million and continued runoff of GreenSky portfolio of \$67.7 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 31% during 2Q24 in this market
- Runoff from GreenSky portfolio rotated into investment portfolio

## Loan Portfolio Mix

(in millions, as of quarter-end)

|   | 2Q 2024         | 1Q 2024         | 2Q 2023         |
|---|-----------------|-----------------|-----------------|
| Commercial loans and leases                 | \$ 1,829        | \$ 1,872        | \$ 2,108        |
| Commercial real estate                      | 2,422           | 2,397           | 2,444           |
| Construction and land development           | 477             | 474             | 367             |
| Residential real estate                     | 378             | 378             | 371             |
| Consumer                                    | 746             | 837             | 1,077           |
| <b>Total Loans</b>                          | <b>\$ 5,852</b> | <b>\$ 5,958</b> | <b>\$ 6,367</b> |
| <b>Total Loans ex. Commercial FHA Lines</b> | <b>\$ 5,852</b> | <b>\$ 5,950</b> | <b>\$ 6,337</b> |

## Total Loans and Average Loan Yield

(in millions, as of quarter-end)





# Loan Segments

- Total loans in our Community Bank increased \$91 million from prior quarter to \$3.13 billion
- Loans in St. Louis region increased \$59 million or 31% annualized in 2Q24
- 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

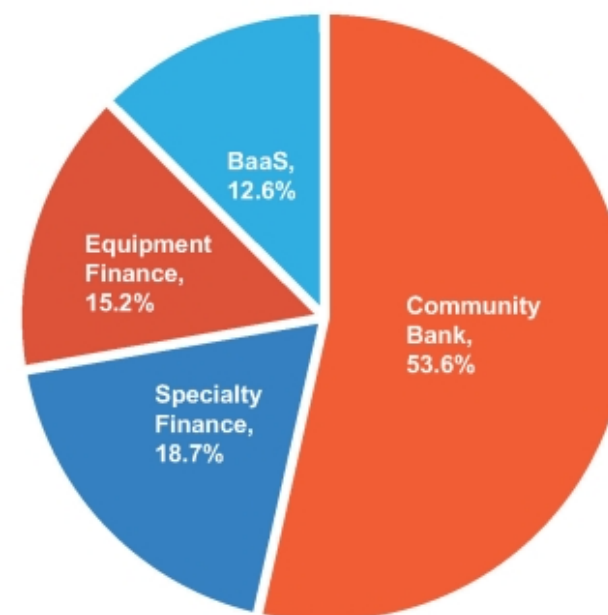
(in millions, as of quarter-end)

|                       | 2Q 2024         | 1Q 2024         | 2Q 2023         |
|-----------------------|-----------------|-----------------|-----------------|
| <b>Regions:</b>       |                 |                 |                 |
| Eastern               | \$ 884          | \$ 897          | \$ 860          |
| Northern              | 725             | 692             | 721             |
| Southern              | 700             | 688             | 696             |
| St. Louis             | 825             | 766             | 687             |
| <b>Community Bank</b> | <b>\$ 3,134</b> | <b>\$ 3,043</b> | <b>\$ 2,964</b> |
| <b>Other:</b>         |                 |                 |                 |
| Specialty Finance     | \$ 1,093        | \$ 1,142        | \$ 1,216        |
| Equipment Finance     | 890             | 950             | 1,115           |
| BaaS <sup>(1)</sup>   | 735             | 823             | 1,072           |
| <b>Total Loans</b>    | <b>\$ 5,852</b> | <b>\$ 5,958</b> | <b>\$ 6,367</b> |

Notes:

(1) Includes loans originated through Greensky and LendingPoint relationships

## Loan Segment Mix





# Total Deposits

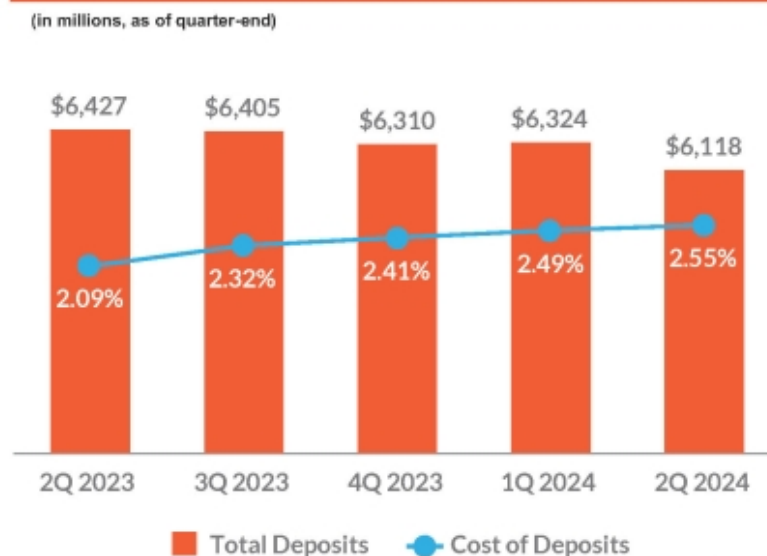
- Total deposits decreased \$206.0 million from end of prior quarter, primarily due to decreases in noninterest-bearing demand and brokered time
- Deposit outflows primarily related to some larger commercial depositors moving funds into higher interest account including Midland's Wealth Management business and declines in brokered time
- Average balances of non-interest bearing demand deposits declined \$19 million compared to prior quarter
- Brokered time deposits decreased \$57 million from prior quarter as maturities were not replaced

## Deposit Mix

(In millions, as of quarter-end)

|                            | 2Q 2024         | 1Q 2024         | 2Q 2023         |
|----------------------------|-----------------|-----------------|-----------------|
| Noninterest-bearing demand | \$ 1,109        | \$ 1,212        | \$ 1,163        |
| Interest-bearing:          |                 |                 |                 |
| Checking                   | 2,344           | 2,394           | 2,500           |
| Money market               | 1,144           | 1,128           | 1,226           |
| Savings                    | 538             | 556             | 624             |
| Time                       | 852             | 845             | 841             |
| Brokered time              | 131             | 188             | 73              |
| <b>Total Deposits</b>      | <b>\$ 6,118</b> | <b>\$ 6,324</b> | <b>\$ 6,427</b> |

## Total Deposits and Cost of Deposits





# Deposit Summary as of June 30, 2024

- Commercial deposits decreased \$171 million over prior quarter
- Four large commercial customers decreased deposit balances by \$120 million in 2Q24 with approximately \$88 million moving to our Wealth business line
- Retail deposit balances decreased \$26 million in 2Q24 primarily due to decreased in average balances in interest bearing checking accounts
- Total brokered deposits including money market accounts and time decreased \$70 million in 2Q24

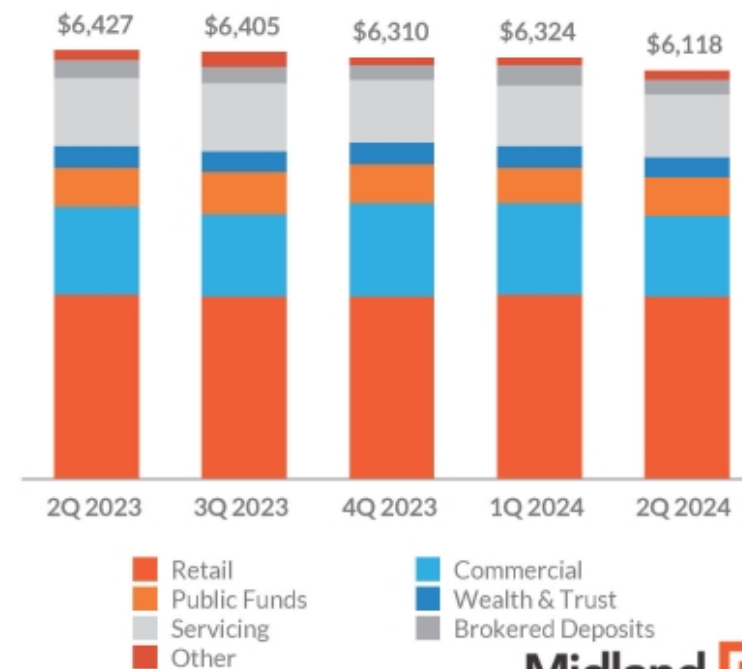
## Deposits by Channel

(in millions, as of quarter-end)

|                       | 2Q 2024         | 1Q 2024         | 2Q 2023         |
|-----------------------|-----------------|-----------------|-----------------|
| Retail                | \$ 2,742        | \$ 2,768        | \$ 2,780        |
| Commercial            | 1,217           | 1,388           | 1,298           |
| Public Funds          | 569             | 516             | 578             |
| Wealth & Trust        | 299             | 324             | 329             |
| Servicing             | 932             | 901             | 1,018           |
| Brokered Deposits     | 239             | 309             | 270             |
| Other                 | 120             | 118             | 154             |
| <b>Total Deposits</b> | <b>\$ 6,118</b> | <b>\$ 6,324</b> | <b>\$ 6,427</b> |

## Trend of Deposit Channel Mix

(in millions, as of quarter-end)





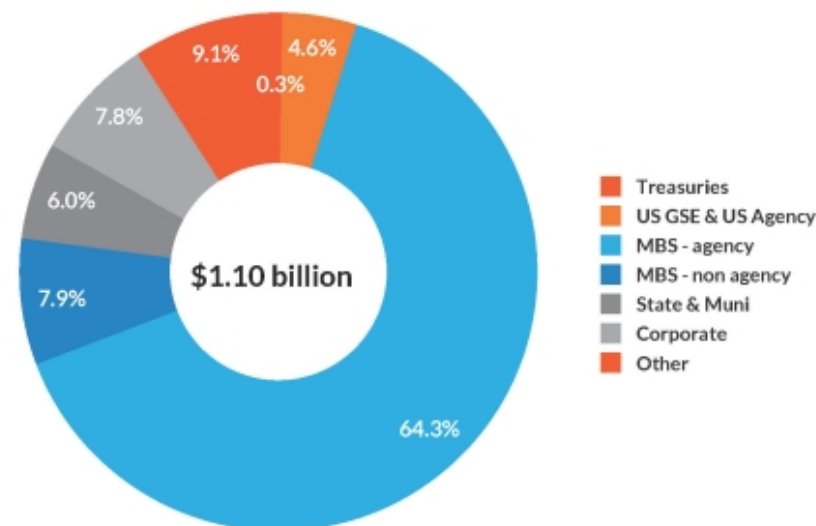


# Investment Portfolio

As of June 30, 2024

- All Investments are classified as Available for Sale
- Average T/E Yield is 4.69% for 2Q24
- Average Duration is 4.76 years
- Purchased \$151 million with T/E Yield of 5.96% and sold \$48 million with T/E Yield of 4.50% in 2Q24

## Fair Value of Investments by Type

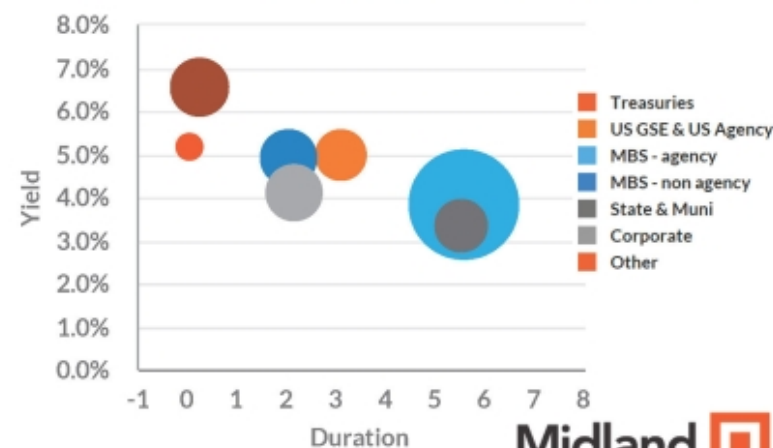


## Investment Mix & Unrealized Gain (Loss)

(in millions)

|                          | Fair Value      | Book Value      | Unrealized Gain (Loss) |
|--------------------------|-----------------|-----------------|------------------------|
| Treasuries               | \$ 3            | \$ 3            | \$ —                   |
| US GSE & US Agency       | 51              | 52              | (1)                    |
| MBS - agency             | 704             | 790             | (86)                   |
| MBS - non agency         | 86              | 89              | (3)                    |
| State & Municipal        | 66              | 73              | (7)                    |
| Corporate                | 85              | 93              | (8)                    |
| Other                    | 100             | 100             | —                      |
| <b>Total Investments</b> | <b>\$ 1,095</b> | <b>\$ 1,202</b> | <b>\$ (107)</b>        |

## Investments by Yield and Duration





# Liquidity Overview

## Liquidity Sources

| (In millions)   | June 30, 2024     | March 31, 2024    |
|---|-------------------|-------------------|
| Cash and Cash Equivalents                             | \$ 124.6          | \$ 167.3          |
| Unpledged Securities                                  | 527.3             | 506.2             |
| FHLB Committed Liquidity                              | 797.1             | 1,167.4           |
| FRB Discount Window Availability                      | 610.3             | 613.3             |
| <b>Total Estimated Liquidity</b>                      | <b>\$ 2,059.4</b> | <b>\$ 2,454.1</b> |
| <b>Conditional Funding Based on Market Conditions</b> |                   |                   |
| Additional Credit Facility                            | \$ 409.0          | \$ 431.0          |
| Brokered CDs (additional capacity)                    | \$ 450.0          | \$ 400.0          |



# Net Interest Income/Margin

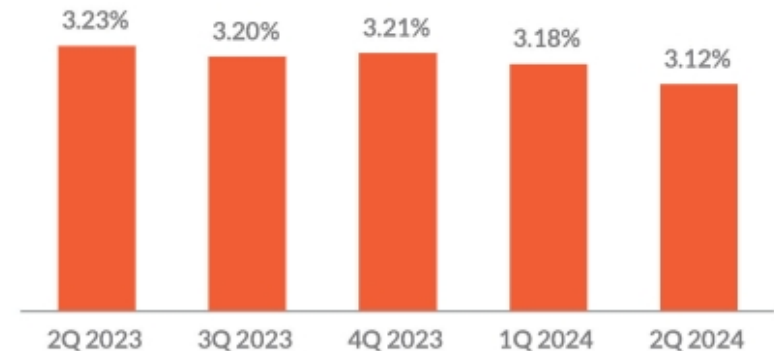
- Net interest income down slightly from prior quarter due to higher average FHLB borrowings
- Net interest margin decreased 6bp to 3.12% as the increase in the cost of deposits exceeded the increase in the average yield on earning assets, as well as the impact of interest reversals on loans placed on non-accrual
- Average rate on new and renewed loan originations was 7.67% in 2Q24 and higher than average rates on loan payoffs making them accretive to net interest margin

## Net Interest Income

(in millions)



## Net Interest Margin





# Loans & Securities - Repricing and Maturity

## Total Loans and Leases (net of unearned income)<sup>(1)</sup>

(In millions)

As of June 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 | \$ 725         | \$ 272        | \$ 542         | \$ 217        | \$ 39         | \$ 4         | \$ 30                 | \$1,829        | \$ 585          | \$ 74           | \$ 1,170        |
| Commercial real estate      | 733            | 371           | 686            | 409           | 156           | 18           | 49                    | 2,422          | 542             | 232             | 1,648           |
| Construction and land       | 237            | 94            | 101            | 18            | —             | —            | 27                    | 477            | 272             | 29              | 176             |
| Residential real estate     | 73             | 54            | 78             | 63            | 83            | 20           | 7                     | 378            | 54              | 114             | 210             |
| Consumer                    | 167            | 168           | 393            | 12            | 6             | —            | —                     | 746            | 97              | —               | 649             |
| <b>Total</b>                | <b>\$1,935</b> | <b>\$ 959</b> | <b>\$1,800</b> | <b>\$ 719</b> | <b>\$ 284</b> | <b>\$ 42</b> | <b>\$ 113</b>         | <b>\$5,852</b> | <b>\$ 1,550</b> | <b>\$ 449</b>   | <b>\$ 3,853</b> |
| % of Total                  | 33 %           | 16 %          | 31 %           | 12 %          | 5 %           | 1 %          | 2 %                   | 100 %          | 26 %            | 8 %             | 66 %            |
| Weighted Average Rate       | 7.69 %         | 5.75 %        | 5.24 %         | 5.61 %        | 4.63 %        | 3.83 %       | 0.19 % <sup>(2)</sup> | 6.04 %         | 8.17 %          | 4.82 %          | 5.33 %          |

## Investment Securities Available for Sale<sup>(3)</sup>

(In millions)

As of June 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 | \$ 182                                      | \$ 170    | \$ 188    | \$ 337     | \$ 325        | \$ 1,202 |
| % of Total     | 15 %  | 14 %      | 16 %      | 28 %       | 27 %          | 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 \$212 million mainly due to new accounts
- New accounts include commercial customers moving funds of approximately \$88 million to Wealth for higher rate and other options
- Wealth Management fees decreased from prior quarter due to seasonal impact of tax planning fees in 1Q24
- New technology launched in 2Q24 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)



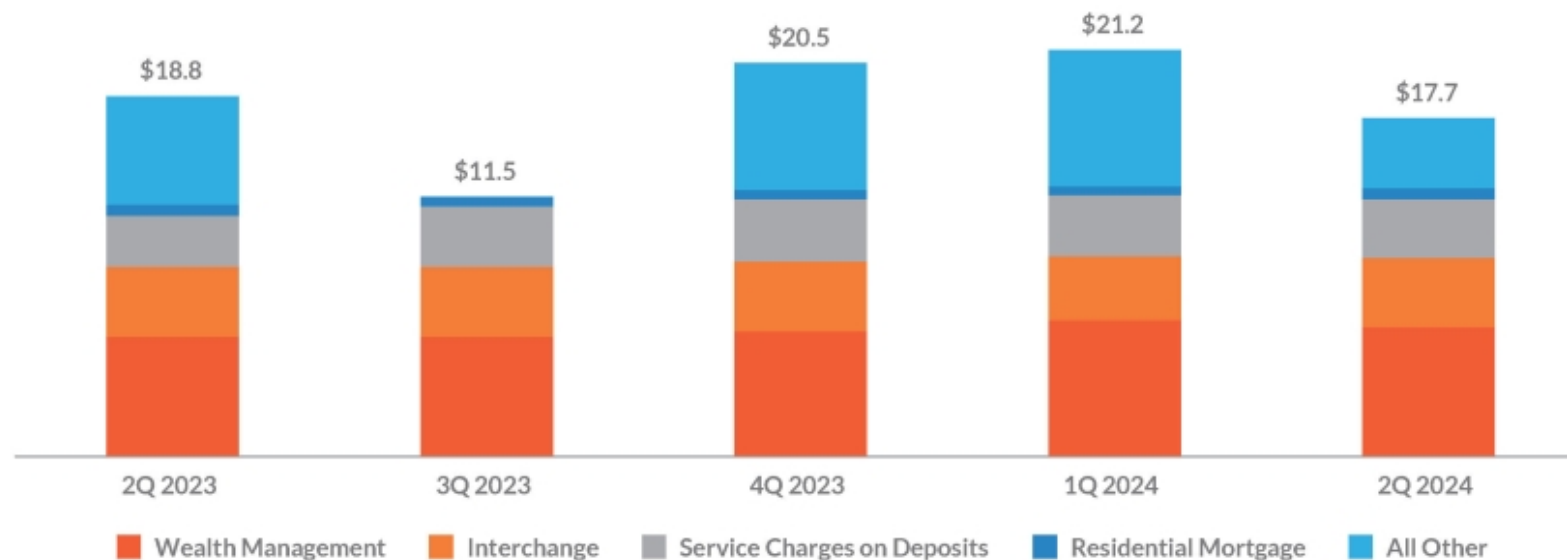


# Noninterest Income

- Noninterest income decreased from prior quarter primarily due to 1Q24 incremental servicing revenues of \$3.7 million related to the Greensky portfolio
- 2Q24 noninterest income included a \$0.2 million gain on the repurchase of subordinated debt, offset by \$0.2 million of losses on the sale of investment securities
- Other income negatively impacted by losses on sale of repossessed and other equipment of \$0.6 million in the current quarter
- Fee income expected to be \$18.0 - \$18.5 million in the near-term quarters

## Noninterest Income

(in millions)

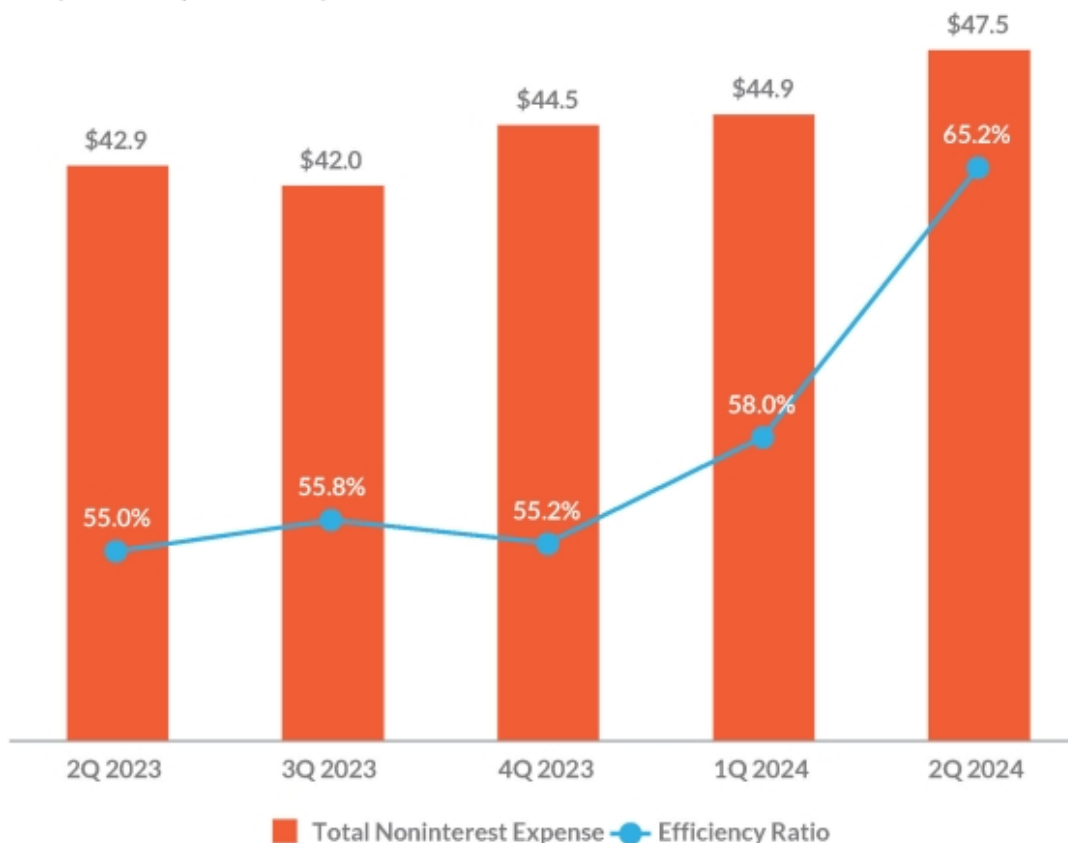




# Noninterest Expense and Operating Efficiency

## Noninterest Expense and Efficiency Ratio <sup>(1)</sup>

(Noninterest expense in millions)



- Efficiency Ratio <sup>(1)</sup> was 65.2% in 2Q 2024 vs. 58.0% in 1Q 2024
- Increase in noninterest expense from prior quarter primarily attributable to \$4.1 million related to OREO expense and various legal actions
- Compensation and benefits decreased \$1.2 million compared to prior quarter due to reduced incentive compensation accruals
- 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.

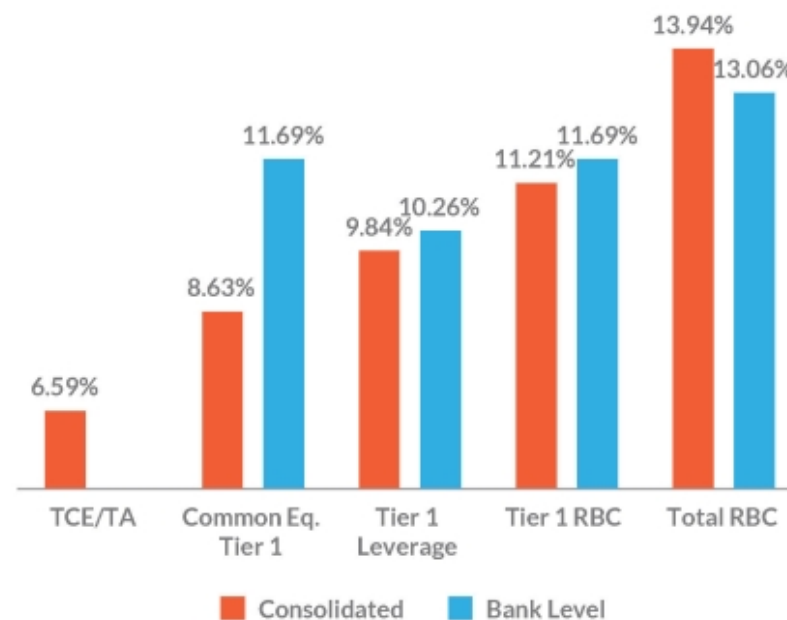


# Capital Ratios and Strategy

## Capital Strategy

- Capital initiatives increased CET1 to 8.63% 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 June 30, 2024)



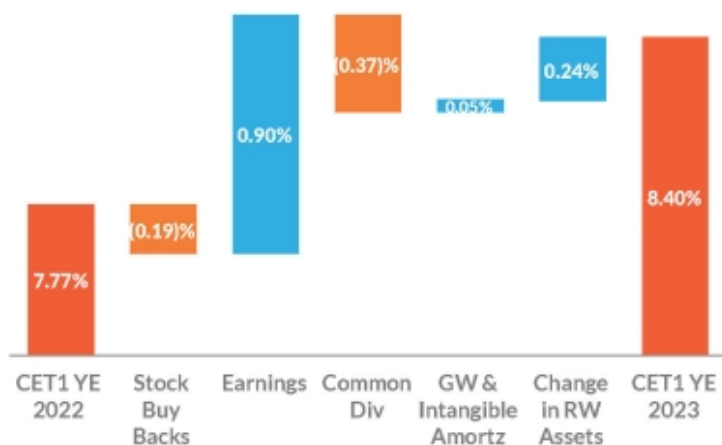




# Building Capital

- CET1 Increased 23 bps to 8.63% from 4Q23 despite credit headwinds
- Balance sheet and capital strategy reduced risk weighted assets \$204 million 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



## Year to Date - 2Q24





# 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](https://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>  |                    |                   |                   |                   |                   |                   |
| <b>Shareholders' Equity to Tangible Common Equity</b> |                    |                   |                   |                   |                   |                   |
| 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          |
| <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) 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 %    |

**Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation**

|  | For The Year Ended |                   |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2018               | 2019              | 2020              | 2021              | 2022              | 2023              |
| <i>(dollars in thousands)</i>                              |                    |                   |                   |                   |                   |                   |
| Adjusted earnings pre tax - non-GAAP                       | \$ 74,725          | \$ 82,184         | \$ 52,223         | \$ 109,482        | \$ 116,134        | \$ 115,171        |
| Provision for credit losses                                | 9,430              | 16,985            | 44,361            | 3,393             | 20,126            | 21,132            |
| Impairment on commercial mortgage servicing rights         | (450)              | 2,139             | 12,337            | 7,532             | 1,263             | —                 |
| <b>Adjusted pre-tax, pre-provision earnings - non-GAAP</b> | <b>\$ 83,705</b>   | <b>\$ 101,308</b> | <b>\$ 108,921</b> | <b>\$ 120,407</b> | <b>\$ 137,523</b> | <b>\$ 136,303</b> |
| Adjusted pre-tax, pre-provision return on average assets   | 1.53 %             | 1.74 %            | 1.67 %            | 1.75 %            | 1.82 %            | 1.72 %            |





**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 |                   |                      |                       |                  | For the Six<br>Months Ended |
|---|-----------------------|-------------------|----------------------|-----------------------|------------------|-----------------------------|
|   | June 30,<br>2024      | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 | June 30,<br>2024            |
| <i>(dollars in thousands, except per share data)</i>      |                       |                   |                      |                       |                  |                             |
| Income before income taxes - GAAP                         | \$ 8,429              | \$ 18,240         | \$ 27,152            | \$ 22,935             | \$ 28,820        | \$ 26,669                   |
| Adjustments to noninterest income:                        |                       |                   |                      |                       |                  |                             |
| Loss on sales of investment securities, net               | 152                   | —                 | 2,894                | 4,961                 | 869              | 152                         |
| (Gain) on repurchase of subordinated debt                 | (167)                 | —                 | —                    | —                     | (676)            | (167)                       |
| (Gain) on sale of Visa B shares                           | —                     | —                 | (1,098)              | —                     | —                | —                           |
| Total adjustments to noninterest income                   | (15)                  | —                 | 1,796                | 4,961                 | 193              | (15)                        |
| Adjusted earnings pre tax - non-GAAP                      | 8,414                 | 18,240            | 28,948               | 27,896                | 29,013           | 26,654                      |
| Adjusted earnings tax                                     | 1,675                 | 4,355             | 6,927                | 8,389                 | 7,297            | 6,030                       |
| Adjusted earnings - non-GAAP                              | 6,739                 | 13,885            | 22,021               | 19,507                | 21,716           | 20,624                      |
| Preferred stock dividends                                 | 2,228                 | 2,228             | 2,228                | 2,229                 | 2,228            | 4,456                       |
| <b>Adjusted earnings available to common shareholders</b> | <b>\$ 4,511</b>       | <b>\$ 11,657</b>  | <b>\$ 19,793</b>     | <b>\$ 17,278</b>      | <b>\$ 19,488</b> | <b>\$ 16,168</b>            |
| <i>Adjusted diluted earnings per common share</i>         | \$ 0.20               | \$ 0.53           | \$ 0.89              | \$ 0.78               | \$ 0.87          | \$ 0.73                     |
| Adjusted return on average assets                         | 0.35 %                | 0.72 %            | 1.11 %               | 0.98 %                | 1.10 %           | 0.53 %                      |
| Adjusted return on average shareholders' equity           | 3.46 %                | 7.07 %            | 11.42 %              | 10.03 %               | 11.21 %          | 5.27 %                      |
| Adjusted return on average tangible common equity         | 3.65 %                | 9.34 %            | 16.51 %              | 14.24 %               | 16.10 %          | 6.51 %                      |

**Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation**

|  | For the Quarter Ended |                   |                      |                       |                  | For the Six<br>Months Ended |
|--|-----------------------|-------------------|----------------------|-----------------------|------------------|-----------------------------|
|  | June 30,<br>2024      | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 | June 30,<br>2024            |
| <i>(dollars in thousands)</i>                              |                       |                   |                      |                       |                  |                             |
| Adjusted earnings pre tax - non-GAAP                       | \$ 8,414              | \$ 18,240         | \$ 28,948            | \$ 27,896             | \$ 29,013        | \$ 26,654                   |
| Provision for credit losses                                | 16,800                | 14,000            | 6,950                | 5,168                 | 5,879            | 30,800                      |
| Impairment on commercial mortgage servicing rights         | —                     | —                 | —                    | —                     | —                | —                           |
| <b>Adjusted pre-tax, pre-provision earnings - non-GAAP</b> | <b>\$ 25,214</b>      | <b>\$ 32,240</b>  | <b>\$ 35,898</b>     | <b>\$ 33,064</b>      | <b>\$ 34,892</b> | <b>\$ 57,454</b>            |
| Adjusted pre-tax, pre-provision return on average assets   | 1.30 %                | 1.67 %            | 1.80 %               | 1.66 %                | 1.76 %           | 1.48 %                      |



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

**Efficiency Ratio Reconciliation**

|   | For the Quarter Ended |                   |                      |                       |                  |
|---|-----------------------|-------------------|----------------------|-----------------------|------------------|
|   | June 30,<br>2024      | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 |
| <i>(dollars in thousands)</i>                       |                       |                   |                      |                       |                  |
| Noninterest expense - GAAP                          | \$ 47,479             | \$ 44,867         | \$ 44,488            | \$ 42,038             | \$ 42,894        |
| Loss on mortgage servicing rights held for sale     | —                     | —                 | —                    | —                     | —                |
| Integration and acquisition expenses                | —                     | —                 | —                    | —                     | —                |
| Adjusted noninterest expense                        | <u>\$ 47,479</u>      | <u>\$ 44,867</u>  | <u>\$ 44,488</u>     | <u>\$ 42,038</u>      | <u>\$ 42,894</u> |
| Net interest income - GAAP                          | \$ 55,052             | \$ 55,920         | \$ 58,077            | \$ 58,596             | \$ 58,840        |
| Effect of tax-exempt income                         | 170                   | 215               | 183                  | 205                   | 195              |
| Adjusted net interest income                        | <u>55,222</u>         | <u>56,135</u>     | <u>58,260</u>        | <u>58,801</u>         | <u>59,035</u>    |
| Noninterest income - GAAP                           | 17,656                | 21,187            | 20,513               | 11,545                | 18,753           |
| Impairment on commercial mortgage servicing rights  | —                     | —                 | —                    | —                     | —                |
| Loss on sales of investment securities, net         | 152                   | —                 | 2,894                | 4,961                 | 869              |
| (Gain) on termination of hedged interest rate swaps | —                     | —                 | —                    | —                     | —                |
| (Gain) on repurchase of subordinated debt           | (167)                 | —                 | —                    | —                     | (676)            |
| Company-owned life insurance enhancement fee        | —                     | —                 | —                    | —                     | —                |
| Adjusted noninterest income                         | <u>17,641</u>         | <u>21,187</u>     | <u>22,309</u>        | <u>16,506</u>         | <u>18,946</u>    |
| Adjusted total revenue                              | <u>\$ 72,863</u>      | <u>\$ 77,322</u>  | <u>\$ 80,569</u>     | <u>\$ 75,307</u>      | <u>\$ 77,981</u> |
| <b>Efficiency ratio</b>                             | 65.16 %               | 58.03 %           | 55.22 %              | 55.82 %               | 55.01 %          |



**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               |                                  |                      |                       |                     |
|---|---------------------|----------------------------------|----------------------|-----------------------|---------------------|
|   | June 30,<br>2024    | March 31,<br>2023 <sup>(1)</sup> | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023    |
| <i>(dollars in thousands, except per share data)</i>  |                     |                                  |                      |                       |                     |
| <b>Shareholders' Equity to Tangible Common Equity</b> |                     |                                  |                      |                       |                     |
| Total shareholders' equity—GAAP                       | \$ 785,772          | \$ 791,006                       | \$ 791,853           | \$ 757,610            | \$ 776,821          |
| 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                          | (14,003)            | (15,019)                         | (16,108)             | (17,238)              | (18,367)            |
| Tangible common equity                                | <u>\$ 499,317</u>   | <u>\$ 503,535</u>                | <u>\$ 503,293</u>    | <u>\$ 467,920</u>     | <u>\$ 486,002</u>   |
| Less: Accumulated other comprehensive income (AOCI)   | (82,581)            | (81,419)                         | (76,753)             | (101,181)             | (84,719)            |
| Tangible common equity excluding AOCI                 | <u>\$ 581,898</u>   | <u>\$ 584,954</u>                | <u>\$ 580,046</u>    | <u>\$ 569,101</u>     | <u>\$ 570,721</u>   |
| <b>Total Assets to Tangible Assets:</b>               |                     |                                  |                      |                       |                     |
| Total assets—GAAP                                     | \$ 7,757,274        | \$ 7,831,809                     | \$ 7,866,868         | \$ 7,969,285          | \$ 8,034,721        |
| Adjustments:  |                     |                                  |                      |                       |                     |
| Goodwill  | (161,904)           | (161,904)                        | (161,904)            | (161,904)             | (161,904)           |
| Other intangible assets, net                          | (14,003)            | (15,019)                         | (16,108)             | (17,238)              | (18,367)            |
| Tangible assets                                       | <u>\$ 7,581,367</u> | <u>\$ 7,654,886</u>              | <u>\$ 7,688,856</u>  | <u>\$ 7,790,143</u>   | <u>\$ 7,854,450</u> |
| Common Shares Outstanding                             | 21,377,215          | 21,485,231                       | 21,551,402           | 21,594,546            | 21,854,800          |
| <i>Tangible Common Equity to Tangible Assets</i>      | 6.59 %              | 6.58 %                           | 6.55 %               | 6.01 %                | 6.19 %              |
| <i>Tangible Book Value Per Share</i>                  | \$ 23.36            | \$ 23.44                         | \$ 23.35             | \$ 21.67              | \$ 22.24            |
| <i>Tangible Book Value Per Share, excluding AOCI</i>  | \$ 27.22            | \$ 27.23                         | \$ 26.91             | \$ 26.35              | \$ 26.11            |

**Return on Average Tangible Common Equity (ROATCE)**

|   | For the Quarter Ended |                                  |                      |                       |                   |
|---|-----------------------|----------------------------------|----------------------|-----------------------|-------------------|
|   | June 30,<br>2024      | March 31,<br>2023 <sup>(1)</sup> | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023  |
| <i>(dollars in thousands)</i>               |                       |                                  |                      |                       |                   |
| Net income available to common shareholders | <u>\$ 4,522</u>       | <u>\$ 11,657</u>                 | <u>\$ 18,483</u>     | <u>\$ 9,173</u>       | <u>\$ 19,347</u>  |
| Average total shareholders' equity—GAAP     | \$ 783,846            | \$ 789,906                       | \$ 764,790           | \$ 771,625            | \$ 776,791        |
| 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                | (14,483)              | (15,525)                         | (16,644)             | (17,782)              | (18,937)          |
| Average tangible common equity              | <u>\$ 496,911</u>     | <u>\$ 501,929</u>                | <u>\$ 475,694</u>    | <u>\$ 481,391</u>     | <u>\$ 485,402</u> |
| ROATCE                                      | 3.66 %                | 9.34 %                           | 15.41 %              | 7.56 %                | 15.99 %           |

**Notes:**

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

