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): **August 7, 2023**

Midland States Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

Illinois	**001-35272**	**37-1233196**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

Registrant's telephone number, including area code: **(217) 342-7321**

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value	MSBI	The NASDAQ Market LLC
Depositary Shares (each representing a 1/40th interest in a share of 7.750% 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 7.01. Regulation FD Disclosure.

Midland States Bancorp, Inc. (the “Company”) is filing an investor presentation (the “Presentation”) that will be used by the Company in meetings with investors and analysts. A copy of the Presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 7.01 and the attached exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, 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	Midland States Bancorp, Inc. Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

Date: August 7, 2023

MIDLAND STATES BANCORP, INC.

By:	/s/ Douglas J. Tucker
Name:	Douglas J. Tucker
Title:	Senior Vice President and Corporate Counsel

Exhibit 99.1

Midland States Bancorp, Inc.
NASDAQ: MSBI

Investor Presentation
August 2023

Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements expressing management's current expectations, forecasts of future events or long-term goals may be based upon beliefs, expectations and assumptions of the Company's management, and are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. All statements in this presentation speak only as of the date they are made, and the Company undertakes no obligation to update any statement. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements including changes in interest rates and other general economic, business and political conditions, the impact of inflation, continuing effects of the recent failures of Silicon Valley Bank and Signature Bank, including anticipated effects on FDIC premiums, 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 Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," "Adjusted Return on Average Tangible Common Equity," "Adjusted Pre-Tax, Pre-Provision Income," "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

- Illinois state-chartered community bank founded in 1881
- $8.0 billion in assets
- $3.6 Wealth Management business
- Commercial bank focused on in-market relationships with national diversification in equipment finance
- 53 branches in Illinois and Missouri
- 16 successful acquisitions since 2008

Financial Highlights as of 6/30/2023

$8.0 Billion
Total Assets

$6.4 Billion
Total Loans

$6.4 Billion
Total Deposits

$3.6 Billion
Assets Under Administration

YTD ROAA:	1.10 %
YTD Return on TCE(1):	16.34 %
TCE/TA:	6.19 %
YTD PTPP(1) ROAA:	1.72 %
Dividend Yield:	6.03 %
Price/Tangible Book:	0.90x
Price/LTM EPS:	4.9x

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

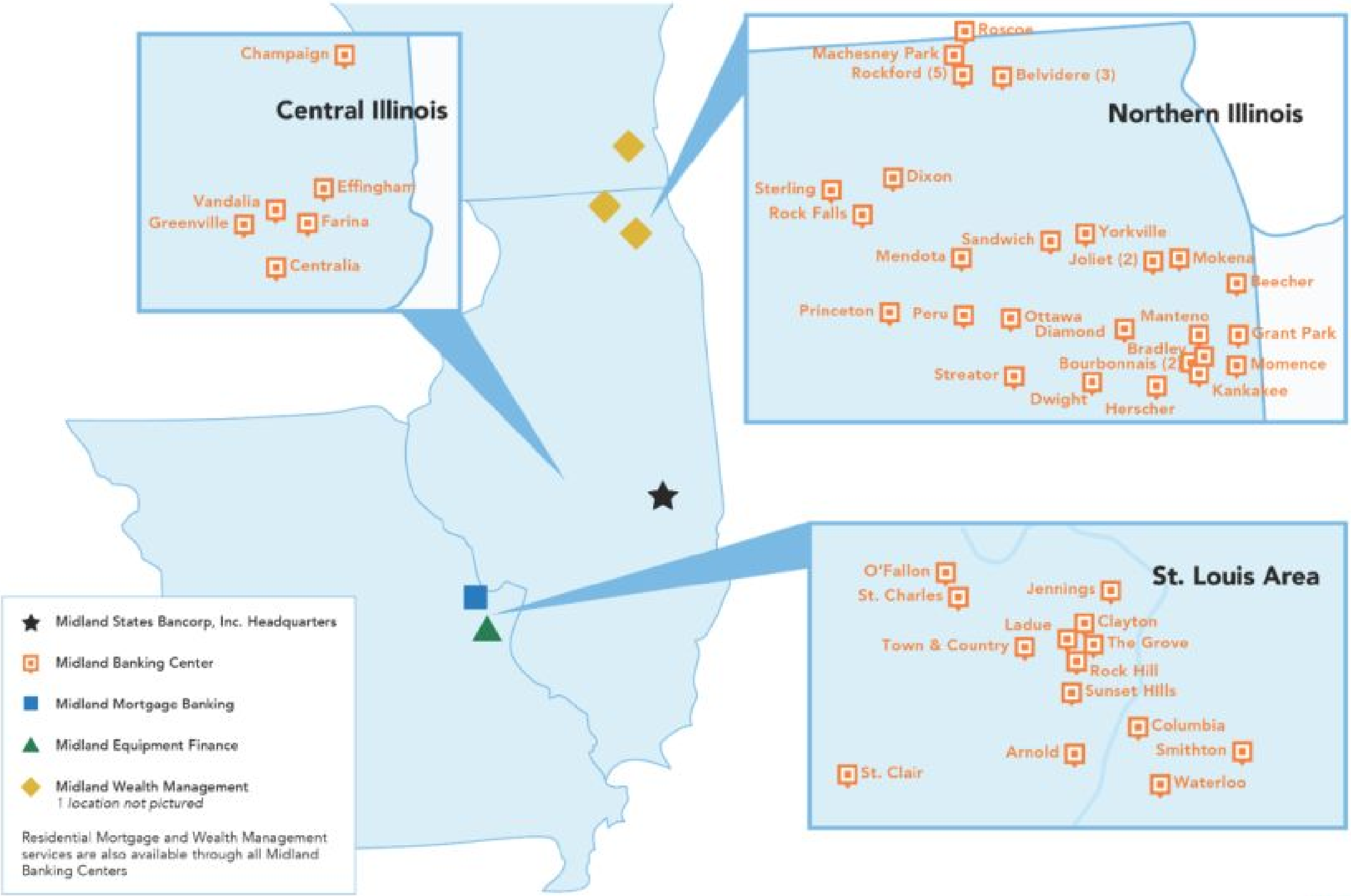
Midland States Bancorp, Inc.

Recent Trends and Operational Highlights

- 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 significant organic loan growth and consistent inflows of new commercial deposits
- More diversified, lower-risk loan portfolio resulting in improved asset quality
- Banking-as-a-Service foundation being developed and expected to start making a contribution during the second half of 2023
- New leadership in 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

Midland States Bancorp, Inc.

Financial Services & Banking Center Footprint



Midland States Bancorp, Inc.

Investment Summary

Consistent track record of driving compelling shareholder returns through disciplined strategic expansion and earnings growth

Proven track record of successful acquisitions with a focus on enhancing shareholder value while building a platform of scalability

Organization-wide focus on expense management driving improvement in operating efficiencies

Illinois and contiguous states provide ample opportunities for future acquisitions

>90%

Attractive, stable deposit franchise with core deposits consistently averaging more than 90% of total deposits

Well diversified loan portfolio across asset classes, industries and property types

Leveraging technology to drive revenue growth, increase market share, and enhance the customer experience

Business and Corporate Strategy

Customer-Centric Culture

Drive organic growth by focusing on customer service and accountability to our clients and colleagues; seek to develop bankers who create dynamic relationships; pursue continual investment in people; maintain a core set of institutional values, and build a robust technology platform that provides customers with a superior banking experience

Operational Excellence

A corporate-wide focus on driving improvements in people, processes and technology in order to generate further improvement in Midland's operating efficiency and financial performance

Enterprise-Wide Risk Management

Maintain a program designed to integrate controls, monitoring and risk-assessment at all key levels and stages of our operations and growth; ensure that all employees are fully engaged

Accretive Acquisitions

Maintain experienced acquisition team capable of identifying and executing transactions that build shareholder value through a disciplined approach to pricing; take advantage of relative strength in periods of market disruption

Revenue Diversification

Generate a diversified revenue mix and focus on growing businesses that generate strong recurring revenues such as wealth management

Midland States Bancorp, Inc.

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

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

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

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

Midland States Bancorp, Inc.

Successful Acquisition History

- Midland States has completed 16 transactions since 2008, including FDIC-assisted, branch, whole bank, asset purchase and business line acquisitions, and a New York trust asset acquisition
- Demonstrated history of earnings expansion
- Deliberate diversification of geographies and revenue channels
- Successful post-closing integration of systems and businesses
- Most recent acquisition: FNBC branch acquisition (closed in Q2 2022)

Selected Acquisitions

	2009	2010	2014	2016	2017	2018	2019
	Strategic Capital Bank	**AMCORE Bank, N.A.**	**Love Savings / Heartland Bank**	**Sterling Bancorp**	**Centrue Financial**	**Alpine Bancorp.**	**HomeStar Financial**
Acquisition Type	FDIC-Assisted	12 Branches	Whole Bank	Trust Administration	Whole Bank	Whole Bank and Wealth Mgmt	Whole Bank
Assets Acquired ($mm)	$540.4	$499.5	$889.0	—	$990.2	$1,243.3	$366.0
Location	Champaign, IL	Northern Illinois	St. Louis, MO	Yonkers, NY	Northern Illinois	Rockford, IL	Kankakee, IL
	Financially Transformative	Operationally Transformative	Revenue Diversification	Expansion of Trust Business	Enhanced Scale and Market Presence	Expanded Core Bank and Wealth Management	Low-cost Deposit Franchise and Market Presence

Midland States Bancorp, Inc.

Strategic Initiatives Strengthening Franchise

Significant Corporate Actions Since Coming Public in 2016...

Scale

Action	Strategic Rationale	Financial Impact	2016	2022
Three whole bank acquisitions	• Low-cost deposits	Total Assets	$3.2B	$7.9B
Four Wealth Management acquisitions	• Recurring revenue	AUA	$1.7B	$3.5B
Expanded equipment finance group	• Diversify revenue with attractive risk-adjusted yields	Equipment Finance	$191M	$1.1B

Efficiency

Action	Strategic Rationale	Financial Impact	2016	2022
Branch network and facility reductions	• Increasing adoption of digital	Efficiency Ratio(1)	68.66%	55.35%
Accelerate technology investments	• Harness data to drive efficiencies for increased wallet share	Deposits/Branch	$53M	$120M

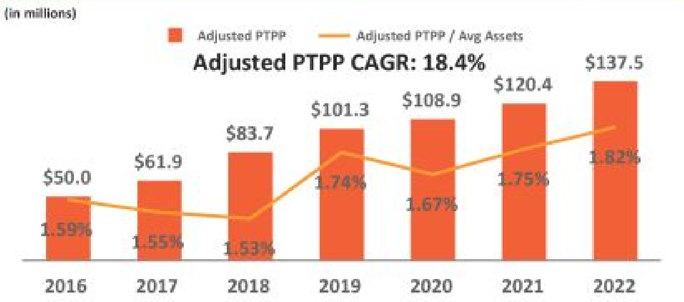
Notes:
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

Midland States Bancorp, Inc.

Strategic Initiatives Strengthening Franchise

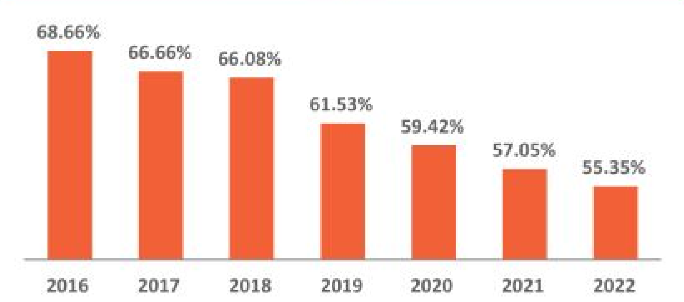
...Have Produced Improved Growth and Profitability

Adjusted Pre-Tax Pre-Provision Earnings[1]

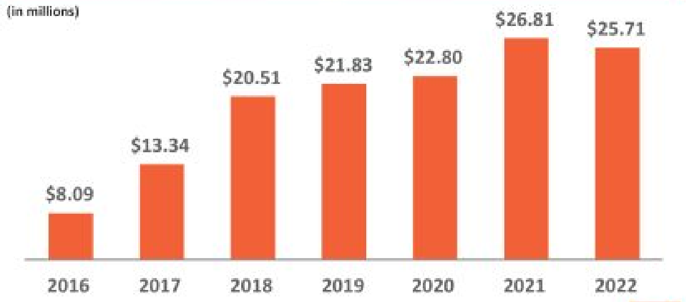


Total Loans

Efficiency Ratio[1]



Wealth Management Revenue



Notes:
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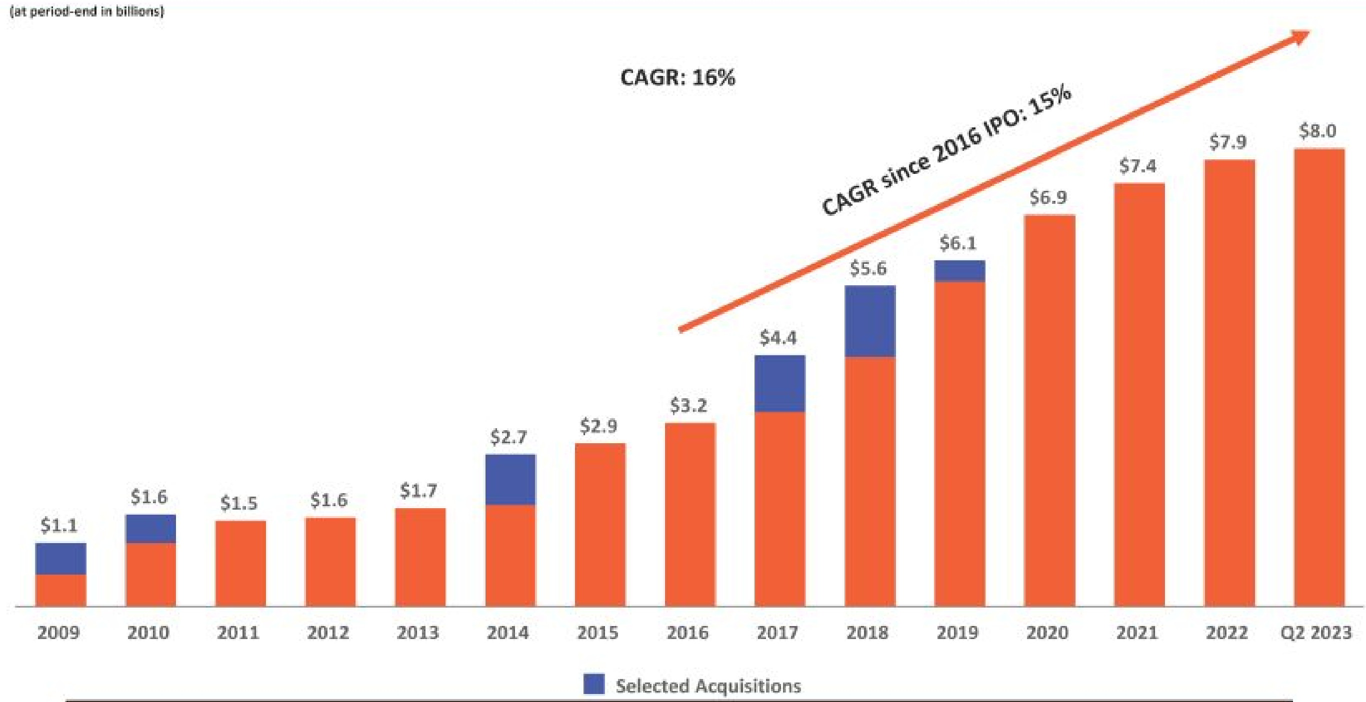
Midland States Bancorp, Inc.

Successful Execution of Strategic Plan...

Total Assets



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

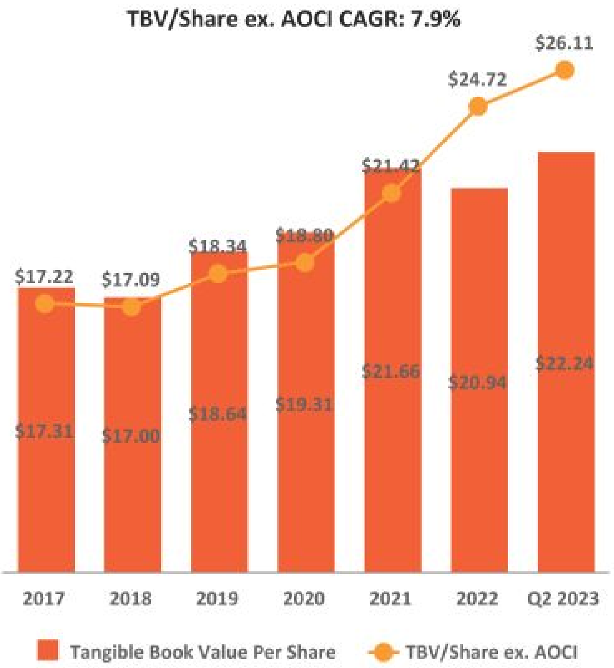
2009: Strategic Capital Bank ($540)
2014: Love Savings/Heartland Bank ($889)
2018: Alpine Bancorp ($1,243)
2010: AMCORE Bank ($500)
2017: Centrue Financial ($990)
2019: HomeStar Financial Group ($366)

Midland States Bancorp, Inc.

...Leads to Creation of Shareholder Value

22 Consecutive Years of Dividend Increases

Tangible Book Value Per Share[1]

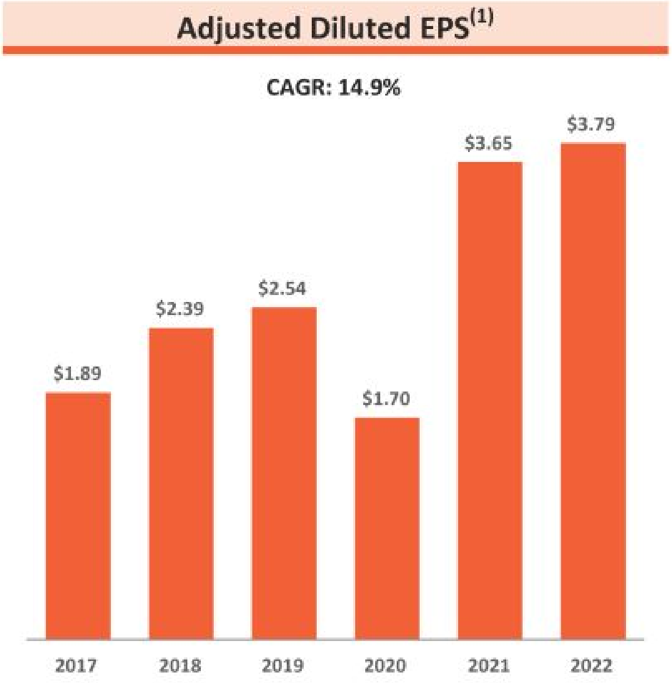


Dividends Declared Per Share

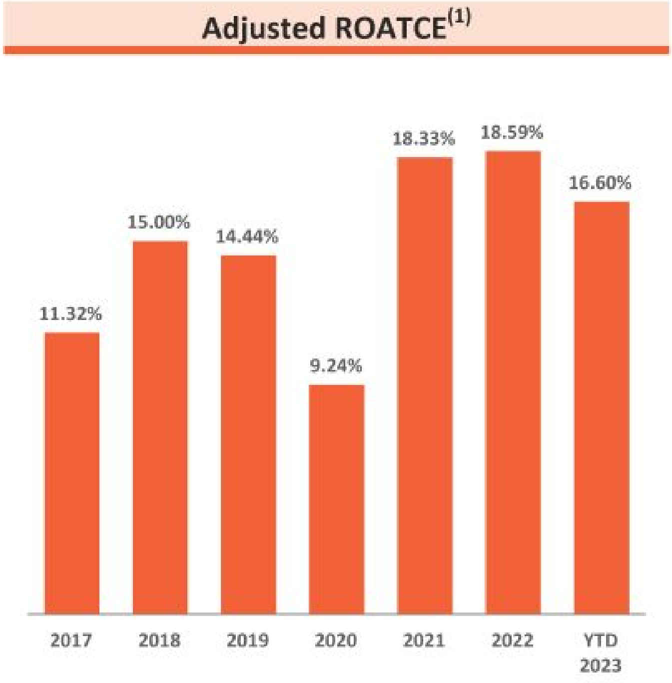
Notes:
(1) Represents a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

Midland States Bancorp, Inc.

...And Increased Profitability



Adjusted Diluted EPS data through 2022



Notes:
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Midland States Bancorp, Inc.

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** (Q1 2022)	**Commercial Online Account Opening** (Q4 2021)		
	Near real time payments (Q1 2021)		**Integrated Payables - Payments** (Q4 2021)	
	Online loan Origination (Q1 2021)	**Commercial Relationship pricing optimization engine** (Q1 2022)		**Online Access and Portal** (Q3 2023)
	Consumer online account opening (2020)	**SBA Loan Portal** (2021)	**SBB Loan Portal** (Opening May 2023)	
	Automated analytics-based marketing platform deployed with access to all datasets and all businesses (2020 and on-going)			
	CRM deployed to 700+ front office employees with rich view of the customer, automated leads, and single view of pipelines for executive team (2020)			
	Retail Banking Needs Navigator & Customer Incentive Programs (2020,	**Self service loan portal and treasury on-boarding** (2021)		**Trust Platform** (Q1 2024)
	Five9 Customer Care (March 2023)			**RIA Platform** (Q3 2023)

Foundational

Fintech Partnerships Established
Canapi Fund, Alloy, Blend, Plaid, GreenSky, JAM/FINTOP Fund, Informatica

CX Platform Customer Feedback (2020, 2021)

Artificial Intelligence (2020, 2021) 200+ RPA "bots" deployed in the last 18 months, AI based solutions applied in Risk Management, Mortgage Operations (Q2 2021), and Cyber Security (UEBA)

Silo-elimination and 360 view of customer (2020)
All sales teams on single sales platform using same 360 view of customer

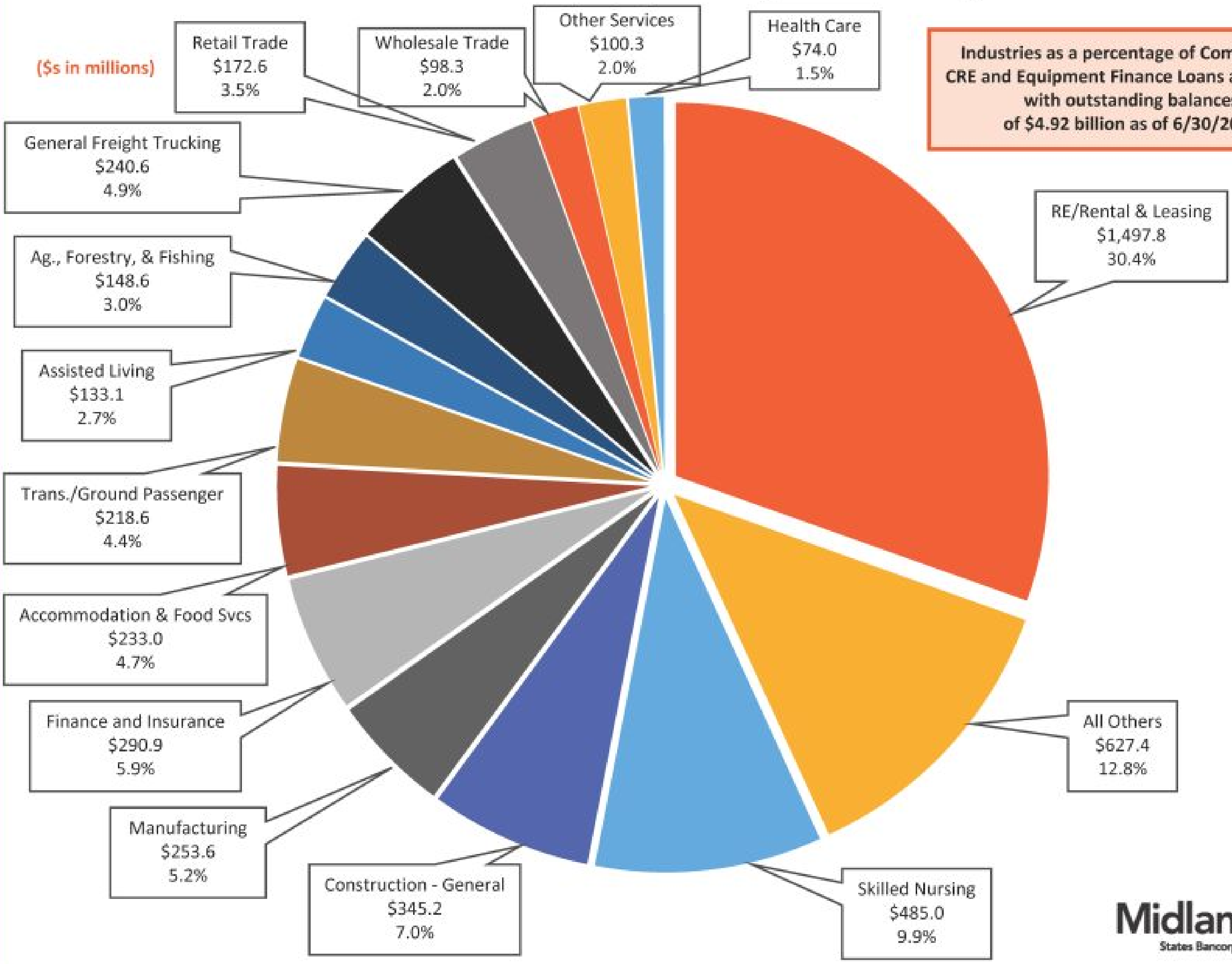
Centralized Data Analytics – Informatica, PowerBI, SAS Viya (2018, 2019, 2020)
Oracle data warehouse with 98% of data accessible for analytics across all products, services and channels.

Digital Talent (47 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

Loan Portfolio and Asset Quality

Commercial Loans and Leases by Industry

Industries as a percentage of Commercial, CRE and Equipment Finance Loans and Leases with outstanding balances of $4.92 billion as of 6/30/2023

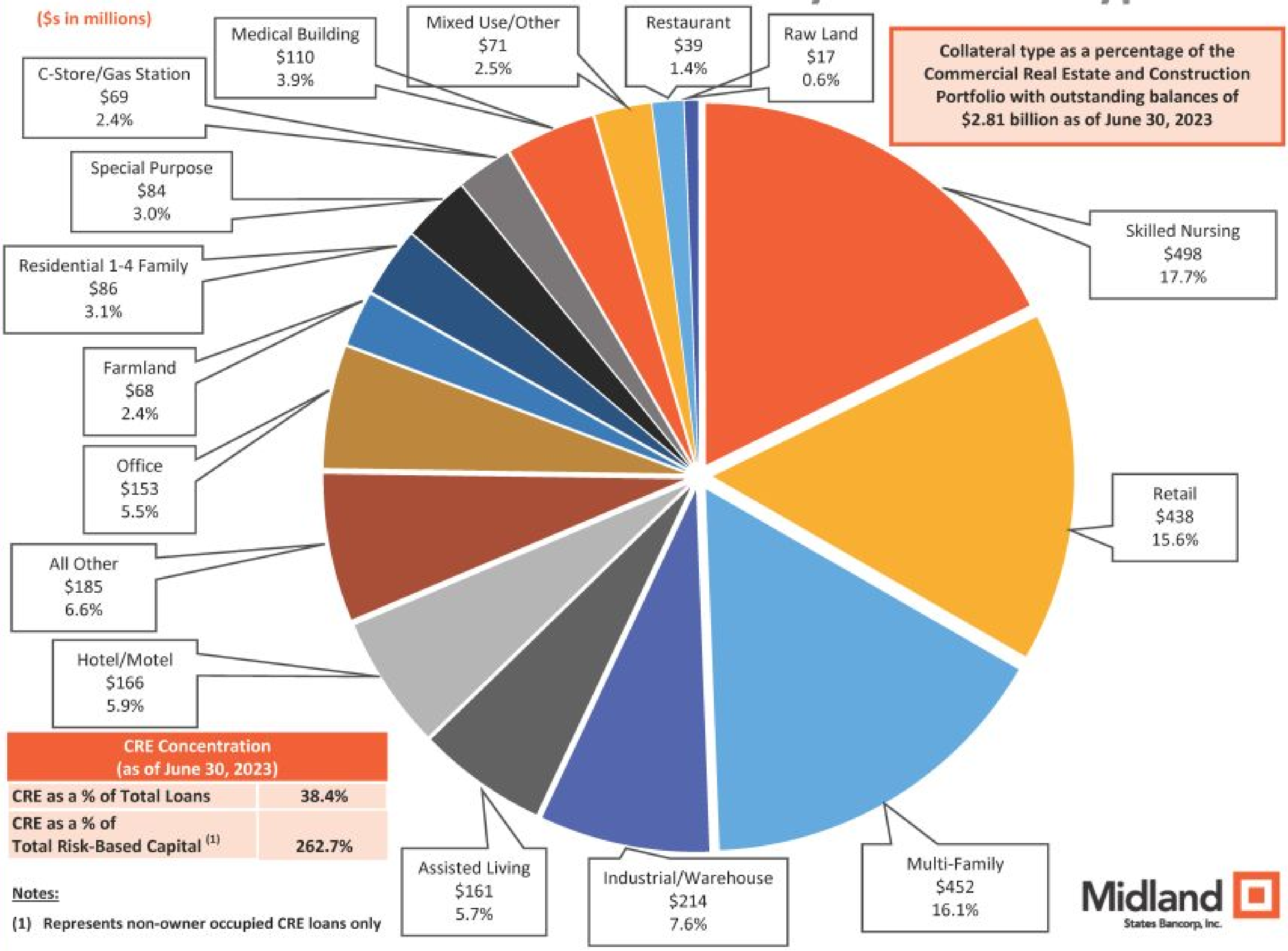


Midland States Bancorp, Inc.

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 $2.81 billion as of June 30, 2023



CRE Concentration (as of June 30, 2023)	
CRE as a % of Total Loans	38.4%
CRE as a % of Total Risk-Based Capital [1]	262.7%

Notes:

(1) Represents non-owner occupied CRE loans only

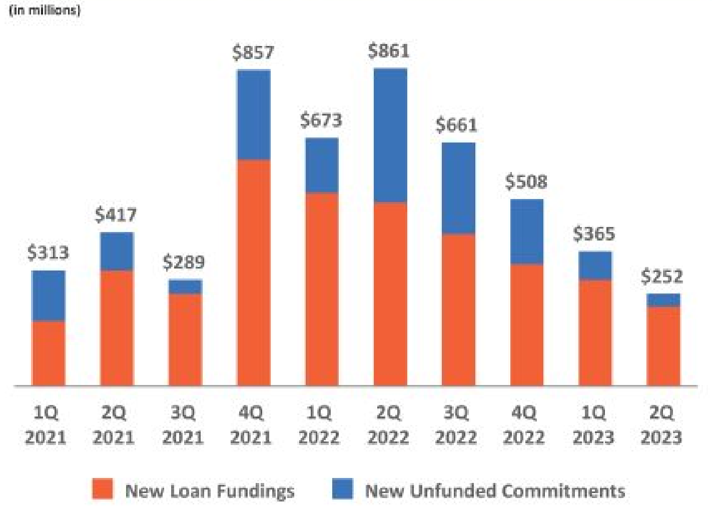
Midland States Bancorp, Inc.

Strong Commercial Loan Growth

9.9% LTM Commercial Loan Growth[(1)]

- 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

Commercial and CRE Loan Production



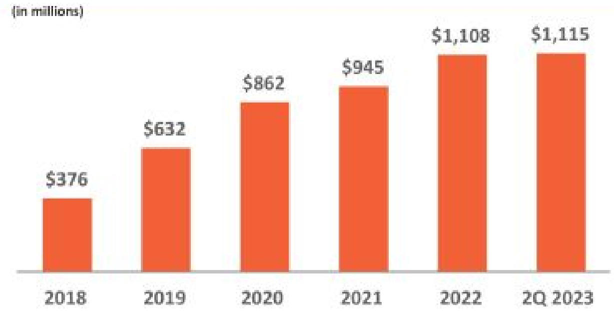
Notes:
(1) Excluding PPP loans and commercial FHA warehouse lines of credit

Midland States Bancorp, Inc.

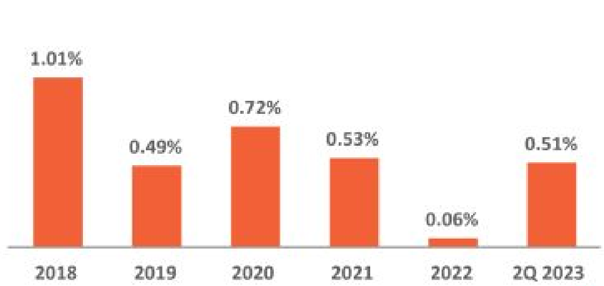
Midland Equipment Finance Portfolio Overview

Portfolio Characteristics (as of June 30, 2023)	
Nationwide portfolio providing financing solutions to equipment vendors and end-users	
Total Outstanding Loans and Leases	$1,115.1 million (17.5% of total loans)
Number of Loans and Leases	9,303
Average Loan/Lease Size	$122,781
Largest Loan/Lease	$3.6 million
Weighted Average Rate	5.80%
Representative Industries Served	Manufacturing, General Freight Trucking, Construction, Transit and Ground Passenger

Equipment Finance Outstanding Balances



NCOs/Average Loans

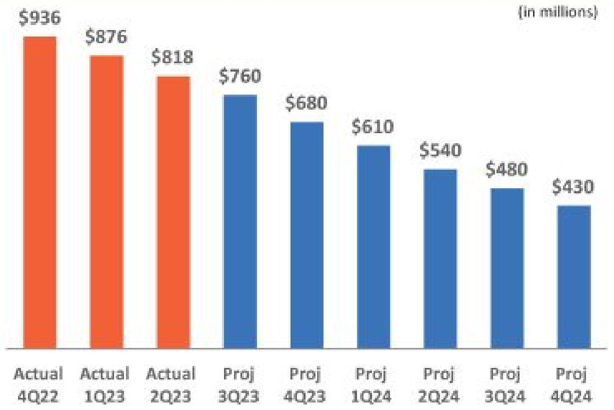


Midland States Bancorp, Inc.

GreenSky Consumer Loan Portfolio Overview

Portfolio Characteristics (as of June 30, 2023)	
Total Outstanding	$817.6 million (12.8% of total loans)
Weighted Average Rate	5.51%
Number of Loans	423,842
Average Loan Size	$1,929
Average FICO Score	775

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 $430 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 $36.5 million at 6/30/23 or 4.5% of the portfolio

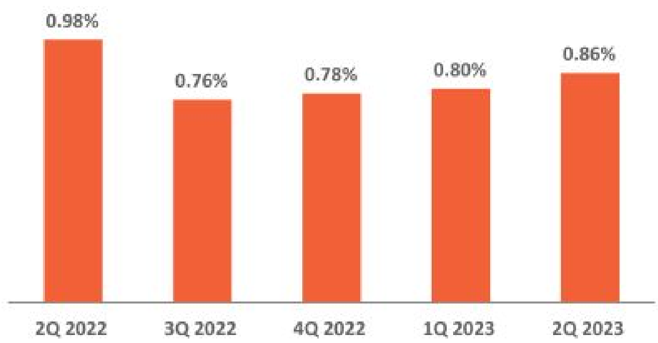
Midland States Bancorp, Inc.

Asset Quality

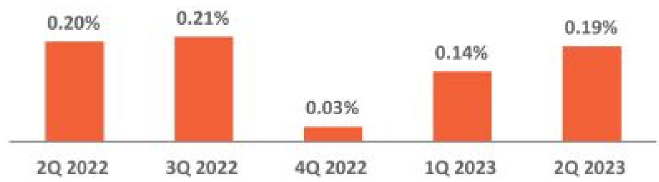
- Nonperforming loans increased $4.1 million primarily due to one commercial loan as well as increases in the equipment finance portfolio
- Delinquencies in consumer portfolio remain low
- Net charge-offs to average loans was 0.19%
- Provision for credit losses on loans of $5.9 million, primarily related to changes in the portfolio mix and increases to specific reserves
- Sale of two OREO properties resulted in decrease of nonperforming assets

Nonperforming Loans / Total Loans

(Total Loans as of quarter-end)

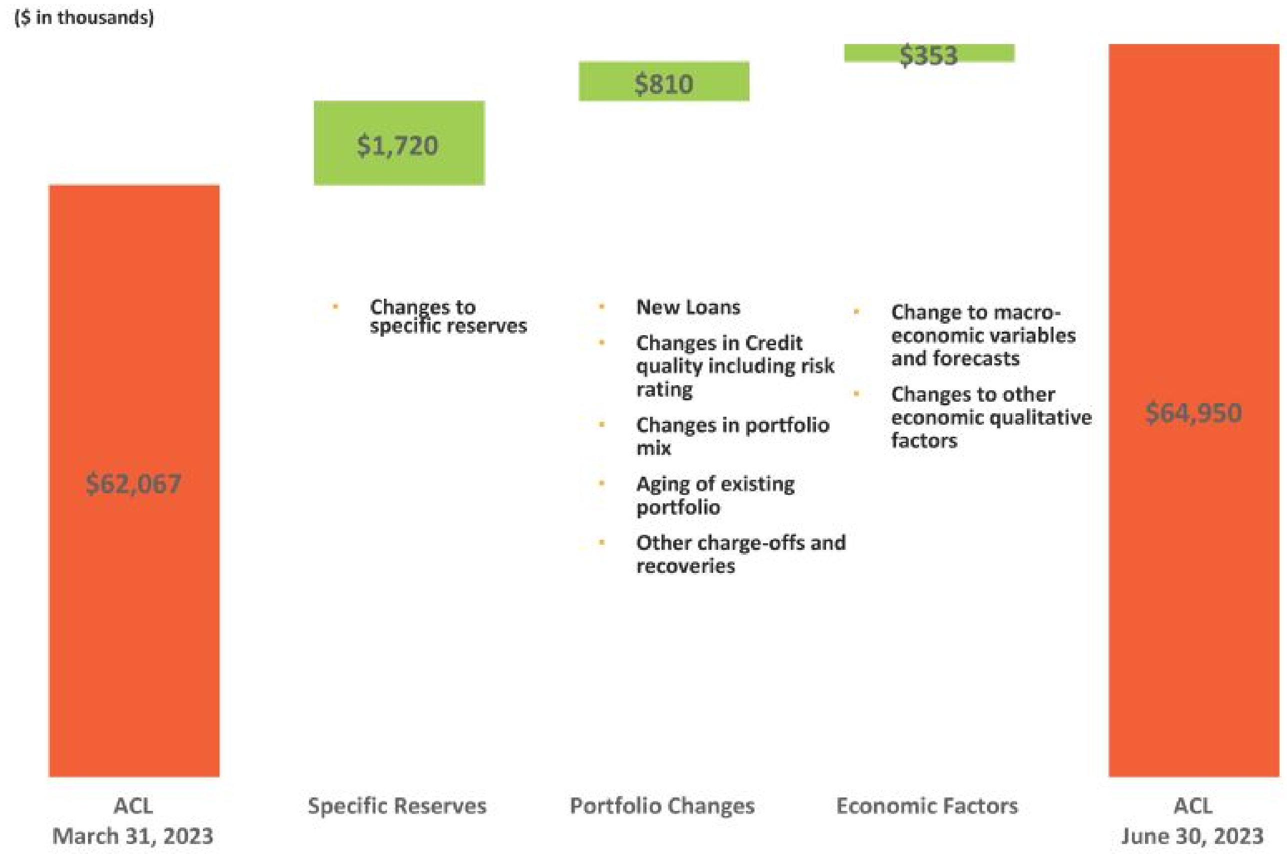


NCO / Average Loans



Midland States Bancorp, Inc.

Changes in Allowance for Credit Losses



Midland States Bancorp, Inc.

ACL by Portfolio

($ in thousands)	June 30, 2023			March 31, 2023		
Portfolio	Loans	ACL	% of Total Loans	Loans	ACL	% of Total Loans
Commercial	$ 875,295	$ 5,180	0.59 %	$ 823,847	$ 5,365	0.65 %
Warehouse Lines	30,522	—	— %	10,275	—	— %
Commercial Other	732,616	10,110	1.38 %	756,553	10,397	1.37 %
Equipment Finance Loans	614,633	9,743	1.59 %	632,205	9,997	1.58 %
Equipment Finance Leases	500,485	7,542	1.51 %	510,029	7,168	1.41 %
CRE non-owner occupied	1,647,680	20,544	1.25 %	1,636,316	18,049	1.10 %
CRE owner occupied	453,514	5,711	1.26 %	460,133	6,945	1.51 %
Multi-family	273,939	2,676	0.98 %	281,559	2,730	0.97 %
Farmland	68,862	494	0.72 %	70,150	492	0.70 %
Construction and Land Development	366,631	3,189	0.87 %	326,836	2,442	0.75 %
Residential RE First Lien	311,796	4,952	1.59 %	309,637	3,773	1.22 %
Other Residential	59,690	599	1.00 %	60,273	577	0.96 %
Consumer	108,619	804	0.74 %	112,882	1,074	0.95 %
Consumer Other[(1)]	968,217	3,149	0.33 %	1,006,056	3,055	0.30 %
Total Loans	**6,367,344**	**64,950**	**1.02 %**	**6,354,271**	**62,067**	**0.98 %**
Loans (excluding BaaS portfolio[(1)] and warehouse lines)	5,276,170	61,436	1.16 %	5,228,172	58,643	1.12 %

Notes:

(1) Primarily consists of loans originated through GreenSky relationship

Midland States Bancorp, Inc.

Recent Financial Trends

Overview of 2Q23

Strong Financial Performance

- Net income available to common shareholders of $19.3 million, or $0.86 diluted EPS
- Pre-tax, pre-provision earnings[1] increased 8% from prior quarter to $34.9 million
- ROAA of 1.09% and ROTCE of 15.99%

Stable Deposit Base

- Total deposits up slightly from end of prior quarter
- Uninsured deposits comprise 19% of total deposits
- Deposit mix reflects continued trend of customers shifting a portion of deposit balances into higher yielding accounts

Continued Shift of Portfolio Towards Commercial Loans

- New loan production focused on full banking relationships with commercial clients that provide both loans and deposits
- Total loans up slightly from end of prior quarter, reflecting the more selective approach to new loan production
- Growth in commercial loans offset decline in consumer loans resulting from decline in loans originated through GreenSky partnership

Increase in TBV and Capital Ratios

- Tangible book value per share increased 2% from end of prior quarter
- Strong financial performance and prudent balance sheet management resulted in increase in most capital ratios
- CET1 ratio increased 19bps to 8.03% at the end of the current quarter

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

Midland States Bancorp, Inc.

Loan Portfolio

- Total loans increased $13.1 million from prior quarter to $6.37 billion
- Growth primarily driven by increases in commercial loans and leases and construction and land development loans, partially offset by decline in consumer loans resulting from planned reduction of loans originated through GreenSky partnership
- Growth in construction portfolio driven by fundings on existing lines, primarily for multifamily projects
- Equipment finance balances decreased $27.1 million, or 2% from end of prior quarter
- Expect continued decreases in the consumer portfolio as GreenSky originations slow and program officially ends in October 2023

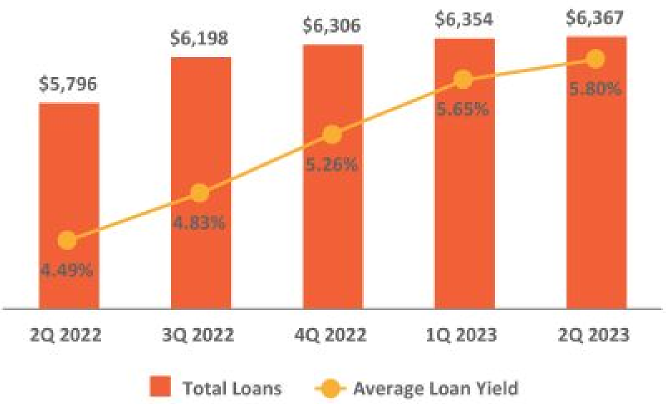
Loan Portfolio Mix

(in millions, as of quarter-end)

	2Q 2023	1Q 2023	2Q 2022
Commercial loans and leases	$ 2,108	$ 2,090	$ 1,830
Commercial real estate	2,444	2,448	2,336
Construction and land development	367	327	204
Residential real estate	371	370	340
Consumer	1,077	1,119	1,085
Total Loans	**$ 6,367**	**$ 6,354**	**$ 5,796**
Total Loans ex. Commercial FHA Lines and PPP	**$ 6,337**	**$ 6,344**	**$ 5,765**

Total Loans and Average Loan Yield

(in millions, as of quarter-end)



Midland States Bancorp, Inc.

Total Deposits

- Total deposits increased $1.3 million from end of prior quarter
- Noninterest-bearing deposits decline primarily attributable to commercial depositors moving excess liquidity into interest-bearing accounts and other seasonal outflows
- Managing rates on deposits in order to continue growing our deposit base through new and expanded relationships with retail and commercial clients
- Increase in brokered CDs replaced other higher cost fundings

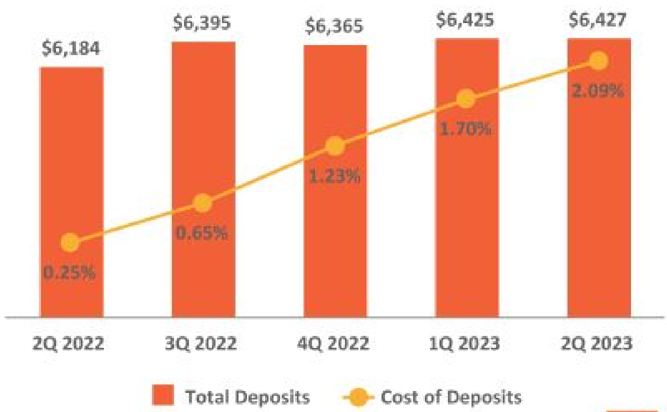
Deposit Mix

(in millions, as of quarter-end)

	2Q 2023	1Q 2023	2Q 2022
Noninterest-bearing demand	$ 1,163	$ 1,216	$ 1,403
Interest-bearing:			
Checking	$ 2,500	$ 2,503	$ 2,378
Money market	$ 1,226	$ 1,264	$ 1,028
Savings	$ 624	$ 637	$ 740
Time	$ 841	$ 767	$ 620
Brokered time	$ 73	$ 39	$ 15
Total Deposits	**$ 6,427**	**$ 6,425**	**$ 6,184**

Total Deposits and Cost of Deposits

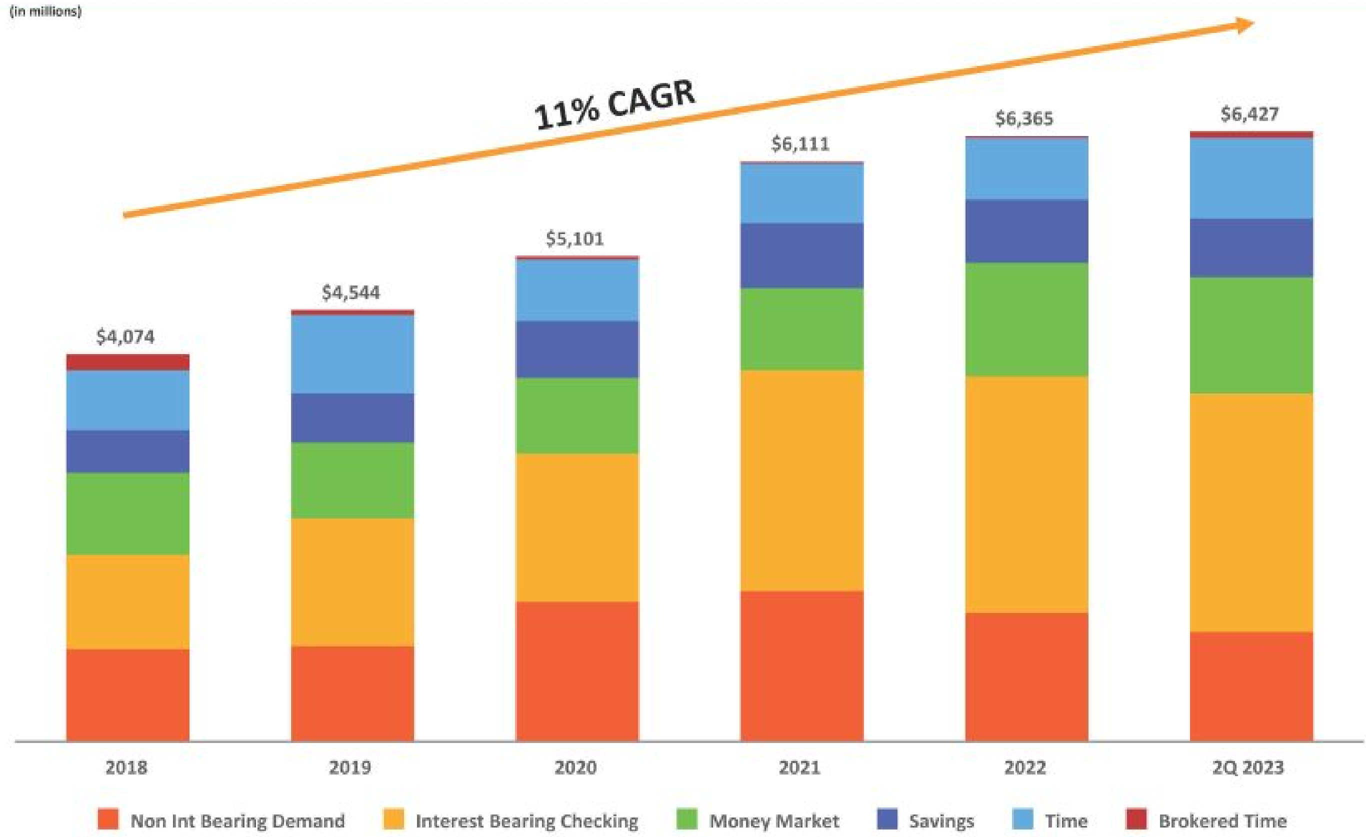
(in millions, as of quarter-end)



Midland States Bancorp, Inc.

Deposit Type Trend

Deposits by Type Trend

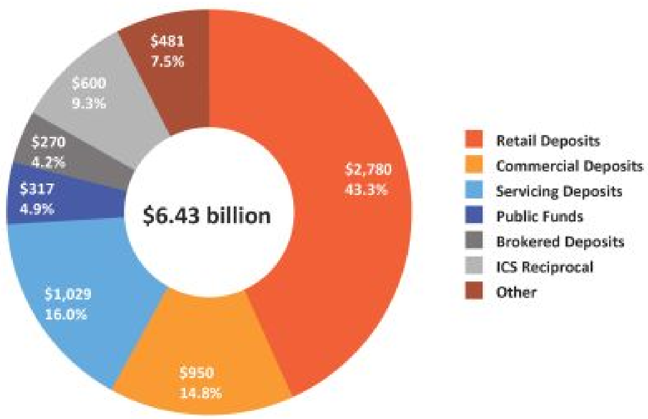


Midland States Bancorp, Inc.

Deposit Summary as of June 30, 2023

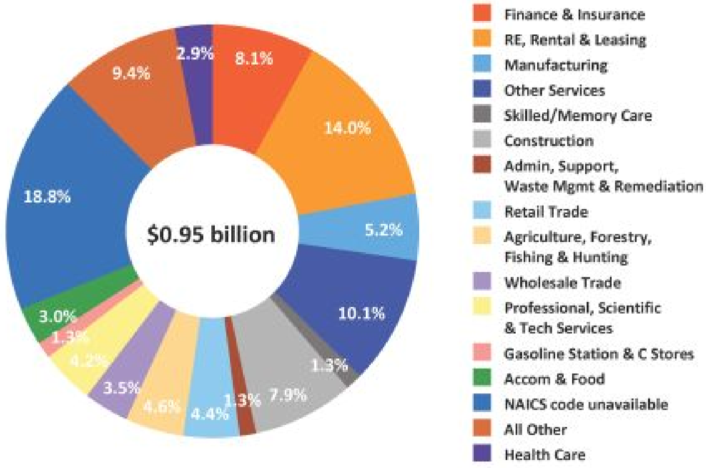
Deposits by Channel

(in millions)



Commercial Deposits by NAICS Code

(in millions)



All Other category made up of over 155 NAICS with Golf Courses being the largest at $4 million

Midland States Bancorp, Inc.

Uninsured Deposits

Uninsured Deposits				
(in millions)		June 30, 2023		March 31, 2023
Call Report Uninsured Estimate	$	1,654	$	1,793
Call Report Estimated Uninsured Deposits to Total Deposits		*26 %*		*28 %*
Less: Affiliate Deposits (MSB owned funds)		(30)		(32)
Less: Additional structured FDIC coverage		(50)		(56)
Less: Collateralized Deposits		(363)		(384)
Estimated uninsured deposits excluding items above	**$**	**1,211**	**$**	**1,321**
Estimated Uninsured Deposits to Total Deposits		**19 %**		**21 %**
Total Deposits	$	6,427	$	6,425

Average Deposit Balance per Account = $33,000

***Excludes $569 million and $645 million, respectively, of fully insured funds in Insured Cash Sweep (ICS) accounts**

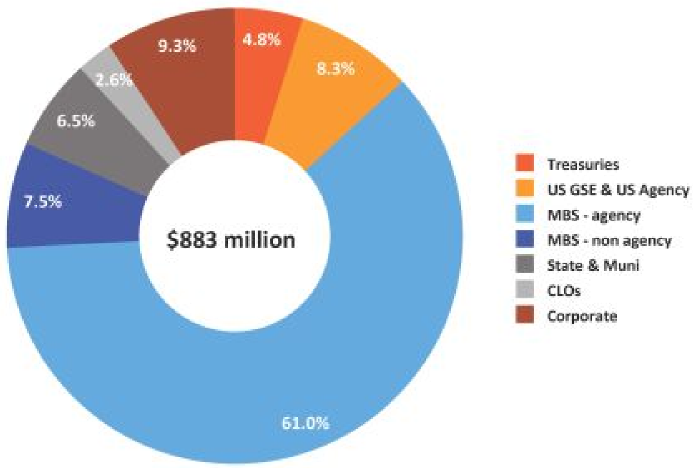
Midland States Bancorp, Inc.

Investment Portfolio

As of June 30, 2023

- All Investments are classified as Available for Sale
- Average T/E Yield is 3.39%
- Average Duration is 5.46 years
- Purchased $109 million with T/E Yield of 5.53%, Sold $15.5 million with T/E Yield of 1.71% in 2Q23

Fair Value of Investments by Type

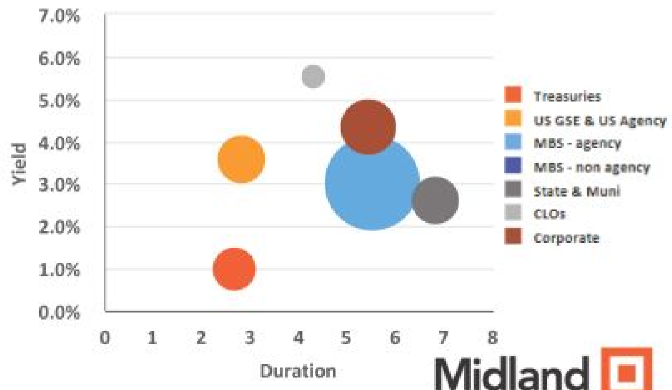


Investment Mix & Unrealized Gain (Loss)

(in millions)

	Fair Value		Book Value		Unrealized Gain (Loss)
Treasuries	$	43	$	47	$ (4)
US GSE & US Agency		73		78	(5)
MBS - agency		539		612	(73)
MBS - non agency		66		70	(4)
State & Municipal		57		64	(7)
CLOs		23		23	—
Corporate		82		95	(13)
Total Investments	$	883	$	989	$ (106)

Investments by Yield and Duration



Midland States Bancorp, Inc.

Liquidity Overview

Liquidity Sources

(in millions)	June 30, 2023	March 31, 2023
Cash and Cash Equivalents	$ 160.7	$ 138.3
Unpledged Securities	343.5	310.3
FHLB Committed Liquidity	857.2	932.8
FRB Discount Window Availability	184.1	207.7
Total Estimated Liquidity	**$ 1,545.5**	**$ 1,589.1**
Conditional Funding Based on Market Conditions		
Additional Credit Facility	$ 330.0	$ 250.0
Brokered CDs (additional capacity)	$ 400.0	$ 500.0

Midland States Bancorp, Inc.

Net Interest Income/Margin

- Net interest income down slightly from prior quarter as higher average balance of interest-earning assets was offset by an increase in cost of interest-bearing liabilities
- Net interest margin decreased 16 bps from prior quarter as the increase in cost of deposits exceeded the increase in the average yield on earning assets
- Average rate on new and renewed loan originations increased 57 bps to 8.01% in June 2023 from 7.44% in March 2023
- Net interest margin expected to stabilize as the pace of Fed rate increases slow, loan portfolio continues to reprice, and the impact of repositioning in the investment portfolio is realized

Net Interest Income

Net Interest Margin

Midland
States Bancorp, Inc.

Wealth Management

- Assets under administration up slightly in 2Q23
- 1Q23 increase in Wealth Management fees included seasonal tax preparation fees
- Increase in AUA resulted in slight increase in Wealth Management revenue compared to the prior quarter excluding the seasonal tax preparation fees

Assets Under Administration

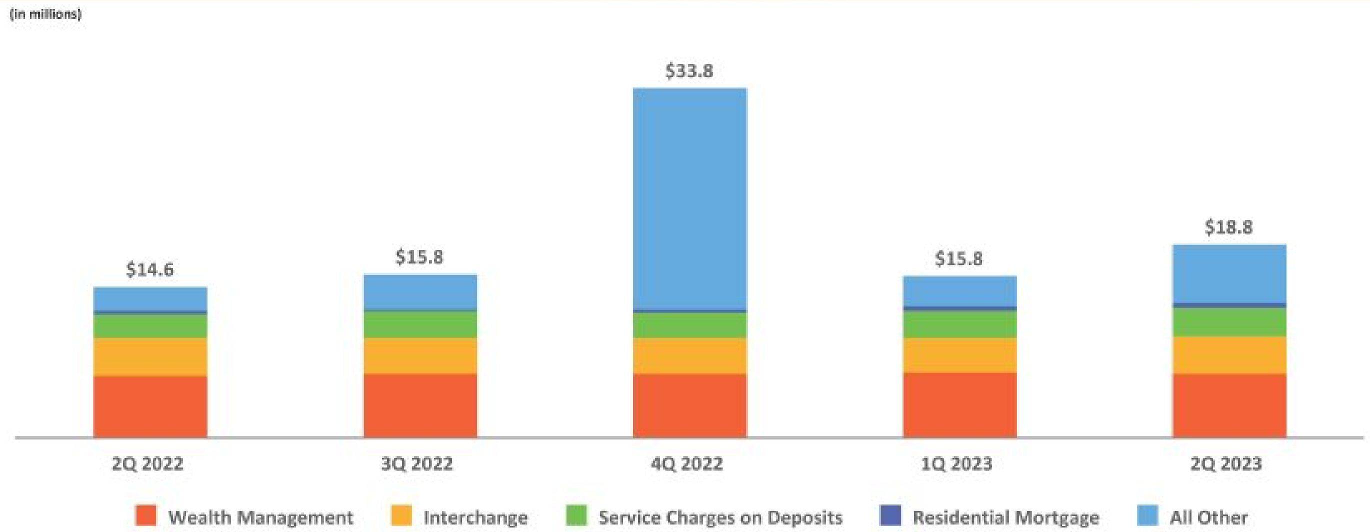
Wealth Management Revenue

Midland States Bancorp, Inc.

Noninterest Income

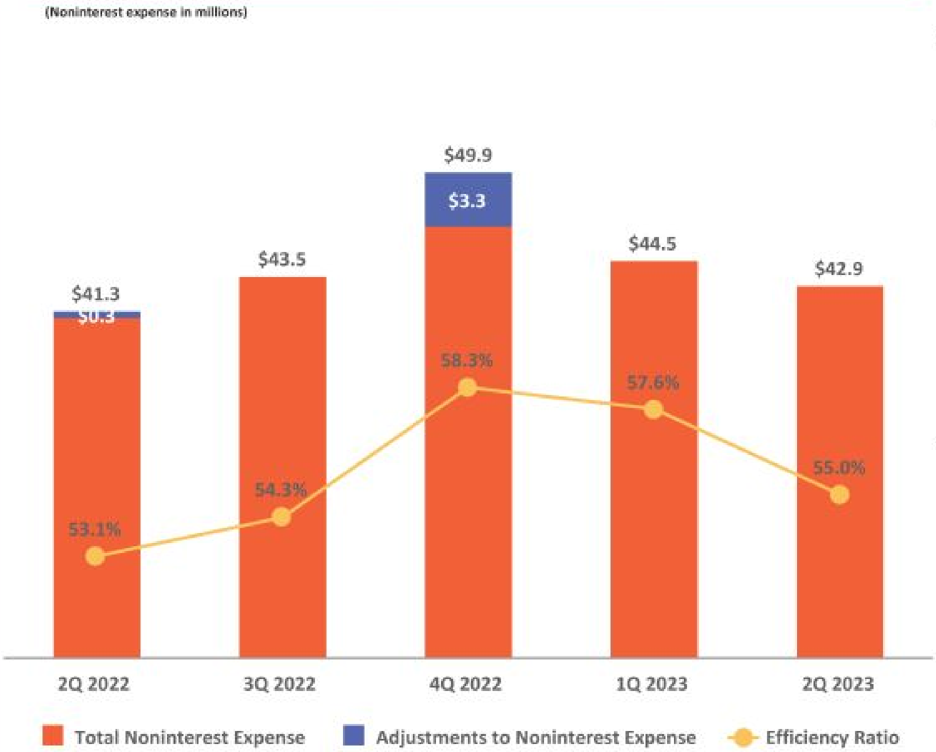
- Noninterest income increased $3.0 million from prior quarter primarily due to gains on the redemption of subordinated debt and sales of other real estate owned
- 2Q23 noninterest income included $0.9 million loss on sale of investment securities as part of repositioning of portfolio that will positively impact net interest margin, liquidity, and capital allocations
- Projecting $0.6 million of commercial MSR amortization per quarter going forward

Noninterest Income



Noninterest Expense and Operating Efficiency

Noninterest Expense and Efficiency Ratio [1]



- Efficiency Ratio [1] was 55.0% in 2Q 2023 vs. 57.6% in 1Q 2023
- Noninterest expense decreased primarily due to:
  - Decreased commissions and incentive compensation expenses partially offset by annual salary increases
  - Decreased occupancy and equipment primarily due to elevated seasonal related expenses incurred in 1Q23
- Near-term operating expense run-rate expected to be $43.5 - $44.5 million

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

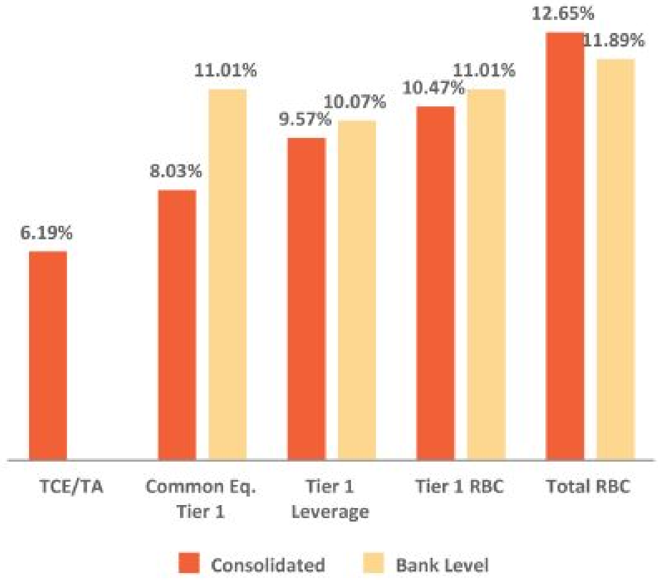
Midland States Bancorp, Inc.

Capital Ratios and Strategy

Capital Strategy

- Capital initiatives increased CET1 to 8.03% from 7.77% at 12/31/22 with limited buybacks below TBV
- Internal capital generated from strong profitability and slower balance sheet growth expected to raise TCE ratio to 7.00%-7.75% by the end of 2024
- Capital actions and strong profitability expected to enable MSBI to raise capital ratios while maintaining current dividend payout

Capital Ratios
(as of June 30, 2023)



Midland States Bancorp, Inc.

Outlook

Outlook

- Prudent risk management will remain top priority while economic uncertainty remains
- Continue generating strong financial performance while maintaining conservative approach to new loan production to build capital and liquidity
- Planned reduction in the consumer portfolio will continue to be utilized to fund new commercial loan production, add to the securities portfolio and pay off higher cost funding sources with net impact likely being earnings neutral, but capital accretive
- Planned sale of commercial MSR portfolio has been terminated and this business will continue to provide a low-cost source of deposits
- Maintain disciplined expense management while getting further leverage from investments in talent and technology made over the past few years
- Business development efforts focused on adding new commercial and retail deposit relationships, supplemented with new Banking-as-a-Service partnerships focused on deposit generation that are expected to start making a contribution during the second half of 2023
- Strength of balance sheet expected to provide opportunities to capitalize on current environment to add new clients that will contribute to continued long-term profitable growth and increase in franchise value

Long-Term Formula for Enhancing Shareholder Value

Disciplined Balance Sheet Growth

+

Improving Operating Efficiencies

+

Stable Sources of Recurring Income

+

Accretive M&A Transactions

=

Earnings Growth, Improving Returns and Enhanced Franchise Value

APPENDIX

Midland States Bancorp, Inc.

ESG: A Framework for Sustainability

Environmental

Facilities

- Our Corporate HQ, built in 2011, is LEED (Silver) Certified.
- We have installed solar power in 10 Midland locations.
- We have made more than $50+ million of credit available for residential solar projects since 2011.
- We have also completed more than $540 million of financing for 18 "green" (LEED, Energy Star, etc.) multi-family/health care facilities through our Love Funding subsidiary since 2017.

Paper Reduction

- More than 40% of our customers use paperless statements and Midland has had a digitization/paper elimination program in place since 2010.

Social

Community Outreach

- Midland States Bank has been serving families and businesses in our communities for more than 140 years, offering products and services based on the needs of our customers.
- We work with more than 150 low-to-moderate income ("LMI") and minority focused community development groups in our banking markets to help insure our community development programs address the needs of each of our markets.
- The Midland Institute CEO Program, a unique program designed to teach and create entrepreneurial opportunities to teens, was first created by our Bank in 2008 for the local Effingham, Illinois high schools and has now grown to be offered by 288 high schools in six states.

Culture and People

- Since 2008 Midland has provided all employees personal and professional development through an acclaimed third-party training company.
- Midland's Advanced Study for Talent Enrichment and Resource Training ("MASTERS") program serves to develop future leaders of the Company. To date 65% of participants have been women or minority employees.
- Midland launched its Diversity & Inclusion Council in April 2020 to focus on diversity in the workplace and workforce.
- Beginning in 2020, Midland offers employees paid time off to contribute their time and talents to recognized charities, causes, or not for profit community organizations.

Philanthropy

- $132.5 million of investment towards community development goals targeted for the 2019-2021 period.

Financial Education

- Since 2015 we have held more than 240 financial literacy seminars in LMI/minority neighborhoods in our footprint.

CRA, Community Development and Financial Inclusion

- Through our Believable Banking® Residential Mortgage and Home Improvement Loan Programs we have made more than $97.3 million of loans to consumers underserved by traditional loan programs.
- Our banking products and services are offered through our personal bankers and online with materials designed to clearly describe the features, costs and alternatives available to our customers, including through dual-language materials and our ADA compliant website.
- Midland has provided $877 million of financing for 148 affordable multi-family and health care projects since 2015.

Governance

Reputation

- Midland States Bank was one of the first in the nation to have a woman on its board (1903).
- Our board composition includes 45% women and minorities, and our criteria for identifying directors includes seeking diverse individuals.

Oversight of Strategy and Risk

- The Company's Chair and CEO roles been separate since the Company's inception (1988).
- Our Board of Directors has established a Risk and Compliance Committee to oversee all aspects of risk and compliance management.
- Our ERM program evaluates risk in each of our businesses and operational departments, including asset and liability management, and our Chief Risk Officer reports directly to the Audit and Risk and Compliance Committees of the Company's Board of Directors.

Data Security

- Robust data security programs and a Privacy Policy under which we do not sell or share customer information with non-affiliated entities.

Management of Legal and Regulatory Environment

- All continuing directors except our CEO are "independent" pursuant to applicable SEC/NASDAQ rules.
- Our Executive Compensation, including all performance related compensation, is also evaluated under our ERM to ensure compliance with the FDIC's Interagency Guidelines Establishing Standards for Safety and Soundness and the Sound Incentive Compensation Policies issued jointly by the federal financial institutions regulatory agencies.
- All cash and equity incentive programs for executive officers include operating metrics and/or four-year vesting periods.

Midland States Bancorp, Inc.

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

Tangible Book Value Per Share

	For the Year Ended					
(dollars in thousands, except per share data)	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Shareholders' Equity to Tangible Common Equity						
Total shareholders' equity—GAAP	$ 449,545	$ 608,525	$ 661,911	$ 621,391	$ 663,837	$ 758,574
Adjustments:						
Preferred Stock	(2,970)	(2,781)	—	—	—	(110,548)
Goodwill	(98,624)	(164,673)	(171,758)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(16,932)	(37,376)	(34,886)	(28,382)	(24,374)	(20,866)
Tangible common equity	331,019	403,695	455,267	431,105	477,559	465,256
Less: Accumulated other comprehensive income (AOCI)	1,758	(2,108)	7,442	11,431	5,237	(83,797)
Tangible common equity excluding AOCI	$ 329,261	$ 405,803	$ 447,825	$ 419,674	$ 472,322	$ 549,053
Common Shares Outstanding	19,122,049	23,751,798	24,420,345	22,325,471	22,050,537	22,214,913
Tangible Book Value Per Share	$ 17.31	$ 17.00	$ 18.64	$ 19.31	$ 21.66	$ 20.94
Tangible Book Value Per Share excluding AOCI	$ 17.22	$ 17.09	$ 18.34	$ 18.80	$ 21.42	$ 24.72

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

Adjusted Earnings Reconciliation

(dollars in thousands, except per share data)	For The Year Ended 2017	2018	2019	2020	2021	2022
Income before income taxes - GAAP	$ 26,471	$ 50,805	$ 72,471	$ 32,014	$ 99,112	$ 129,838
Adjustments to noninterest income:						
(Gain) on sales of investment securities, net	(222)	(464)	(674)	(1,721)	(537)	230
(Gain) on termination of hedged interest rate swaps	—	—	—	—	(2,159)	(17,531)
Other income	67	(89)	29	17	(48)	—
Total adjustments to noninterest income	(155)	(553)	(645)	(1,704)	(2,744)	(17,301)
Adjustments to noninterest expense:						
Impairment related to facilities optimization	(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	—	—	(1,778)	(193)	—	—
Integration and acquisition expenses	(17,738)	(24,015)	(5,493)	(2,309)	(4,356)	(347)
Total adjustments to noninterest expense	(23,749)	(24,473)	(10,358)	(21,913)	(13,114)	(3,597)
Adjusted earnings pre tax - non-GAAP	50,065	74,725	82,184	52,223	109,482	116,134
Adjusted earnings tax	15,170	17,962	19,358	12,040	26,261	27,113
Adjusted earnings - non-GAAP	34,895	56,763	62,826	40,183	83,221	89,021
Preferred stock dividends, net	83	141	46	—	—	3,169
Adjusted earnings available to common shareholders	$ 34,812	$ 56,622	$ 62,780	$ 40,183	$ 83,221	$ 85,852
Adjusted diluted earnings per common share	$ 1.89	$ 2.39	$ 2.54	$ 1.70	$ 3.65	$ 3.79
Adjusted return on average tangible common equity	11.32 %	15.00 %	14.44 %	9.24 %	18.33 %	18.59 %

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
(dollars in thousands)							
Noninterest expense - GAAP	$ 121,289	$ 152,997	$ 191,643	$ 175,641	$ 184,010	$ 175,069	$ 175,662
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	(351)	—	—	—	—	—	—
Integration and acquisition expenses	(2,343)	(17,738)	(24,015)	(5,493)	(2,309)	(4,356)	(347)
Adjusted noninterest expense	$ 115,985	$ 129,248	$ 167,170	$ 165,283	$ 162,097	$ 161,955	$ 172,065
Net interest income - GAAP	105,254	129,662	180,087	189,815	199,136	207,675	245,735
Effect of tax-exempt income	2,579	2,691	2,095	2,045	1,766	1,543	1,283
Adjusted net interest income	107,833	132,353	182,182	191,860	200,902	209,218	247,018
Noninterest income - GAAP	72,057	59,362	71,791	75,282	61,249	69,899	79,891
Adjustments to noninterest income:							
Impairment (recapture) on commercial mortgage	3,135	2,324	(450)	2,139	12,337	7,532	1,263
(Gain) on sales of investment securities, net	(14,702)	(222)	(464)	(674)	(1,721)	(537)	230
(Gain) on termination of hedged interest rate swaps	—	—	—	—	—	(2,159)	(17,531)
Other income	608	67	(89)	29	17	(48)	—
Adjusted noninterest income	61,098	61,531	70,788	76,776	71,882	74,687	63,853
Adjusted total revenue	$ 168,931	$ 193,884	$ 252,970	$ 268,636	$ 272,784	$ 283,905	$ 310,871
Efficiency ratio	68.66 %	66.66 %	66.08 %	61.53 %	59.42 %	57.05 %	55.35 %

Midland States Bancorp, Inc.

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

Adjusted Earnings Reconciliation

	For The Quarter Ended				
(dollars in thousands, except per share data)	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Income before income taxes - GAAP	$ 28,820	$ 28,666	$ 43,902	$ 29,380	$ 29,167
Adjustments to noninterest income:					
Loss on sales of investment securities, net	869	648	—	129	101
(Gain) on termination of hedged interest rate swaps	—	—	(17,531)	—	—
Total adjustments to noninterest income	193	648	(17,531)	129	101
Adjustments to noninterest expense:					
(Loss) on mortgage servicing rights held for sale	—	—	(3,250)	—	—
FHLB advances prepayment fees	—	—	—	—	—
Integration and acquisition expenses	—	—	—	68	(324)
Total adjustments to noninterest expense	—	—	(3,250)	68	(324)
Adjusted earnings pre tax - non-GAAP	29,013	29,314	29,621	29,441	29,592
Adjusted earnings tax	7,297	7,069	7,174	5,873	7,401
Adjusted earnings - non-GAAP	21,716	22,245	22,447	23,568	22,191
Preferred stock dividends	2,228	2,228	—	—	—
Adjusted earnings available to common shareholders	$ 19,488	$ 20,017	$ 22,447	$ 23,568	$ 22,191
Adjusted diluted earnings per common share	$ 0.87	$ 0.88	$ 0.85	$ 1.04	$ 0.98
Adjusted return on average assets	1.10 %	1.15 %	1.13 %	1.22 %	1.21 %
Adjusted return on average shareholders' equity	11.21 %	11.76 %	11.89 %	13.34 %	13.84 %
Adjusted return on average tangible common equity	16.10 %	17.11 %	16.80 %	20.24 %	19.41 %

Adjusted Pre-Tax, Pre-Provision Earnings Reconciliation

	For the Quarter Ended				
(dollars in thousands)	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**
Adjusted earnings pre tax - non-GAAP	$ 29,013	$ 29,314	$ 29,621	$ 29,441	$ 29,592
Provision for credit losses	5,879	3,135	3,544	6,974	5,441
Impairment on commercial mortgage servicing rights	—	—	—	—	869
Adjusted pre-tax, pre-provision earnings - non-GAAP	$ 34,892	$ 32,449	$ 33,165	$ 36,415	$ 35,902
Adjusted pre-tax, pre-provision return on average assets	1.76 %	1.67 %	1.68 %	1.89 %	1.95 %

Midland States Bancorp, Inc.

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

Efficiency Ratio Reconciliation

	For the Quarter Ended				
(dollars in thousands)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Noninterest expense - GAAP	$ 42,894	$ 44,482	$ 49,943	$ 43,496	$ 41,339
Loss on mortgage servicing rights held for sale	—	—	(3,250)	—	—
FHLB advances prepayment fees	—	—	—	—	—
Integration and acquisition expenses	—	—	—	68	(324)
Adjusted noninterest expense	$ 42,894	$ 44,482	$ 46,693	$ 43,564	$ 41,015
Net interest income - GAAP	$ 58,840	$ 60,504	$ 63,550	$ 64,024	$ 61,334
Effect of tax-exempt income	195	244	286	307	321
Adjusted net interest income	59,035	60,748	63,836	64,331	61,655
Noninterest income - GAAP	18,753	15,779	33,839	15,826	14,613
Impairment on commercial mortgage servicing rights	—	—	—	—	869
Loss on sales of investment securities, net	869	648	—	129	101
(Gain) on termination of hedged interest rate swaps	—	—	(17,531)	—	—
(Gain) on repurchase of subordinated debt	(676)	—	—	—	—
Adjusted noninterest income	18,946	16,427	16,308	15,955	15,583
Adjusted total revenue	$ 77,980	$ 77,175	$ 80,144	$ 80,286	$ 77,238
Efficiency ratio	55.01 %	57.64 %	58.26 %	54.26 %	53.10 %

Midland
States Bancorp, Inc.

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				
(dollars in thousands, except per share data)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	$ 776,821	$ 775,643	$ 758,574	$ 739,279	$ 636,188
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(110,548)	—
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(18,367)	(19,575)	(20,866)	(22,198)	(23,559)
Tangible common equity	$ 486,002	$ 483,616	$ 465,256	$ 444,629	$ 450,725
Less: Accumulated other comprehensive income (AOCI)	(77,797)	(77,797)	(83,797)	(78,383)	(53,097)
Tangible common equity excluding AOCI	$ 563,799	$ 561,413	$ 549,053	$ 523,012	$ 503,822
Total Assets to Tangible Assets:					
Total assets—GAAP	$ 8,034,721	$ 7,930,174	$ 7,855,501	$ 7,821,877	$ 7,435,812
Adjustments:					
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(18,367)	(19,575)	(20,866)	(22,198)	(23,559)
Tangible assets	$ 7,854,450	$ 7,748,695	$ 7,672,731	$ 7,637,775	$ 7,250,349
Common Shares Outstanding	21,854,800	22,111,454	22,214,913	22,074,740	22,060,255
Tangible Common Equity to Tangible Assets	6.19 %	6.24 %	6.06 %	5.82 %	6.22 %
Tangible Book Value Per Share	$ 22.24	$ 21.87	$ 20.94	$ 20.14	$ 20.43
Tangible Book Value Per Share excluding AOCI	$ 26.11	$ 25.39	$ 24.72	$ 23.69	$ 22.84

Return on Average Tangible Common Equity (ROATCE)

	For the Quarter Ended				
(dollars in thousands)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net income available to common shareholders	$ 19,347	$ 19,544	$ 29,703	$ 23,521	$ 21,883
Average total shareholders' equity—GAAP	$ 776,791	$ 767,186	$ 749,183	$ 700,866	$ 643,004
Adjustments:					
Preferred Stock	(110,548)	(110,548)	(110,548)	(54,072)	—
Goodwill	(161,904)	(161,904)	(161,904)	(161,904)	(161,904)
Other intangible assets, net	(18,937)	(20,184)	(21,504)	(22,589)	(22,570)
Average tangible common equity	$ 485,402	$ 474,550	$ 455,227	$ 462,301	$ 458,530
ROATCE	15.99 %	16.70 %	25.89 %	20.20 %	19.14 %

Midland States Bancorp, Inc.