

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): **April 27, 2017**

Midland States Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

Illinois
(State or Other Jurisdiction of
Incorporation)

001-35272
(Commission File Number)

37-1233196
(IRS Employer Identification No.)

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

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2017, Midland States Bancorp, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter of 2017. The press release is attached as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure

On April 27, 2017, the Company made available on its website a slide presentation regarding the Company's first quarter 2017 financial results, which will be used as part of a publicly accessible conference call on April 28, 2017. The slide presentation is attached as Exhibit 99.2.

The information in this Form 8-K and the attached exhibits shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Midland States Bancorp, Inc., dated April 27, 2017
99.2	Slide Presentation of Midland States Bancorp, Inc. regarding first quarter 2017 financial results

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: April 27, 2017

Midland States Bancorp, Inc.

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of Midland States Bancorp, Inc., dated April 27, 2017
99.2	Slide Presentation of Midland States Bancorp, Inc. regarding first quarter 2017 financial results

Midland States Bancorp, Inc. Announces 2017 First Quarter Results

Highlights

- **Net income of \$8.5 million for first quarter of 2017**
- **Earnings per share of \$0.52, an increase of 24% over prior year period**
- **Total loans increased \$135 million, or 23.3% annualized**
- **Return on average assets of 1.05%; Return on average tangible equity of 12.78%**
- **Acquisition of CedarPoint Investment Advisors added \$180 million in assets under administration**

EFFINGHAM, Ill., April 27, 2017 (GLOBE NEWSWIRE) -- Midland States Bancorp, Inc. (NASDAQ:MSBI) (the "Company") today reported net income of \$8.5 million, or \$0.52 diluted earnings per share, for the first quarter of 2017, compared with net income of \$11.6 million, or \$0.72 diluted earnings per share, for the fourth quarter of 2016, and net income of \$5.1 million, or \$0.42 diluted earnings per share, for the first quarter of 2016. Financial results for the fourth quarter of 2016 included a \$14.3 million gain on sale of a portfolio of private label collateralized mortgage obligations ("CMOs"), \$2.1 million in charges related to the Company's branch network optimization actions, and \$1.6 million in other integration and acquisition-related expenses.

"We had strong performances across all of our major business lines in the first quarter, resulting in 24% earnings per share growth over the prior year," said Leon J. Holschbach, President and Chief Executive Officer of the Company. "We are seeing positive trends in all of our key metrics including well diversified loan growth, an expanding net interest margin, higher non-interest income and strong credit quality. We are also executing well on our Operational Excellence initiative, which is delivering the cost savings and efficiency improvements that we are targeting. Collectively, these positive trends helped us to more than offset the loss of the interest income previously generated from the portfolio of private label CMOs that we sold during the fourth quarter of 2016.

"We are seeing good opportunities to continue driving organic growth going forward. Combined with the strategic and financial benefits projected for our pending acquisition of Centru Financial Corporation, we believe that Midland is well positioned to continue increasing our level of profitability and enhancing the value of our franchise," said Mr. Holschbach.

Net Interest Income

Net interest income for the first quarter of 2017 was \$27.5 million, an increase of 5.8% from \$26.0 million for the fourth quarter of 2016. The increase in net interest income was primarily attributable to higher interest income on loans due to a 2.1% increase in the average balance of loans and an increase in net interest margin.

The Company's net interest income benefits from accretion income associated with purchased loan portfolios. Accretion income totaled \$2.7 million for the first quarter of 2017, compared with \$2.2 million for the fourth quarter of 2016.

Relative to the first quarter of 2016, net interest income increased 14.2%. Excluding the impact of a \$0.8 million increase in accretion income, net interest income increased \$2.6 million. This increase resulted from a \$4.5 million increase in interest income on loans (excluding the effect of accretion income) due to growth in the average balance of loans, partially offset by a \$1.5 million decline in interest income on investment securities due to the sale of the portfolio of CMOs.

Net Interest Margin

Net interest margin for the first quarter of 2017 was 3.87%, compared to 3.70% for the fourth quarter of 2016. The Company's net interest margin benefits from accretion income on purchased loan portfolios. Excluding accretion income, net interest margin was 3.52% for the first quarter of 2017, compared with 3.42% for the fourth quarter of 2016. The increase in net interest margin excluding accretion income was primarily attributable to an increase in average loan yields.

Relative to the first quarter of 2016, the net interest margin increased from 3.80%, primarily due to an increase in accretion income. Excluding accretion income, the net interest margin declined slightly from 3.55%, which was primarily attributable to lower average yields on investment securities following the sale of the portfolio of CMOs.

Noninterest Income

Noninterest income for the first quarter of 2017 was \$16.3 million, a decrease of 46.4% from \$30.5 million for the fourth quarter of 2016. Excluding the \$14.3 million gain on sale of the CMOs recognized in the fourth quarter of 2016, non-interest income was essentially unchanged from the prior quarter.

Commercial FHA revenue for the first quarter of 2017 was \$6.7 million, an increase of 80.8% from \$3.7 million in the fourth quarter of 2016. The Company originated \$216.9 million in rate lock commitments during the first quarter of 2017, compared to \$159.0 million in the prior quarter. Compared to the first quarter of 2016, commercial FHA revenue increased 2.0%.

Residential mortgage banking revenue for the first quarter of 2017 was \$2.9 million, a decrease of 53.3% from \$6.2 million in the fourth quarter of 2016. The decrease was attributable to the recapture of previously recorded mortgage servicing rights ("MSR") impairment totaling \$3.6 million that positively impacted residential mortgage banking revenue in the fourth quarter of 2016. Compared to the first quarter of 2016, residential mortgage banking revenue increased 160.1%, primarily due to MSR impairment charges recorded in the prior year period.

Wealth management revenue for the first quarter of 2017 was \$2.9 million, an increase of 15.1% from \$2.5 million in the fourth quarter of 2016. The increase was attributable to the full quarter impact of the increase in assets under administration resulting from the acquisition

of Sterling Trust in November 2016. Compared to the first quarter of 2016, wealth management revenue increased 60.9%, which was attributable to 9% organic growth in assets under management and the acquisition of Sterling Trust.

Relative to the first quarter of 2016, noninterest income increased 29.4% from \$12.6 million. The increase was primarily due to higher residential mortgage banking and wealth management revenue, while commercial FHA revenue was consistent with the prior year period.

Noninterest Expense

Noninterest expense for the first quarter of 2017 was \$30.8 million, compared with \$34.1 million for the fourth quarter of 2016. Noninterest expense for the first quarter of 2017 included \$1.3 million of integration and acquisition-related expenses, while noninterest expense for the fourth quarter of 2016 included \$2.1 million in charges related to the Company's branch network optimization actions and \$1.6 million in other integration and acquisition-related expenses. Excluding these expenses, noninterest expense decreased \$0.9 million or 3.0% from the prior quarter. The decrease was attributable to minor declines across most of the Company's major expense line items.

Relative to the first quarter of 2016, noninterest expense excluding integration and acquisition-related expenses increased 8.1% from \$27.3 million. The increase was primarily due to higher salaries and benefits expense, as well as higher professional fees.

Income Tax Expense

Income tax expense was \$3.0 million for the first quarter of 2017, compared to \$8.3 million for the fourth quarter of 2016. The effective tax rate for the first quarter of 2017 was 26.0%, compared to 41.8% in the prior quarter. The 26.0% effective tax rate used for the first quarter of 2017 reflects the recognition of tax benefits related to the exercise of employee stock options and the recent establishment of a captive insurance subsidiary.

Loan Portfolio

Total loans outstanding were \$2.45 billion at March 31, 2017, compared with \$2.32 billion at December 31, 2016, representing an annualized increase of 23.3%. Over the prior 12 month period, total loans increased 21.8% from \$2.02 billion at March 31, 2016. The \$135.0 million increase in the loan portfolio from December 31, 2016 was primarily driven by a \$67.1 million increase in consumer loans, a \$27.6 million increase in commercial real estate loans, a \$23.7 million increase in residential real estate loans, and a \$17.6 million increase in commercial loans.

Deposits

Total deposits were \$2.53 billion at March 31, 2017, compared with \$2.40 billion at December 31, 2016, and \$2.39 billion at March 31, 2016. The increase was primarily driven by growth in checking accounts, money market accounts and brokered deposits.

Asset Quality

Non-performing loans totaled \$28.9 million, or 1.18% of total loans, at March 31, 2017, compared with \$31.6 million, or 1.36% of total loans, at December 31, 2016, and \$18.8 million, or 0.93% of total loans, at March 31, 2016.

Net charge-offs for the first quarter of 2017 were \$0.6 million, or 0.10% of average loans on an annualized basis.

The Company recorded a provision for loan losses of \$1.5 million for the first quarter of 2017, primarily reflecting the growth in the loan portfolio.

The Company's allowance for loan losses was 0.64% of total loans and 54.6% of non-performing loans at March 31, 2017, compared with 0.64% and 47.0%, respectively, at December 31, 2016. Including the fair market value discounts recorded in connection with acquired loan portfolios, the allowance for loan losses to total loans ratio was 0.92% at March 31, 2017, compared with 1.02% at December 31, 2016.

Capital

At March 31, 2017, the Company exceeded all regulatory capital requirements under Basel III and was considered to be a "well-capitalized" financial institution, as summarized in the following table:

	March 31, 2017	Well Capitalized Regulatory Requirements
Total capital to risk-weighted assets	13.48%	10.00%
Tier 1 capital to risk-weighted assets	10.97%	8.00%
Tier 1 leverage ratio	9.61%	5.00%
Common equity Tier 1 capital	9.10%	6.50%
Tangible common equity to tangible assets	8.29%	NA

Conference Call, Webcast and Slide Presentation

The Company will host a conference call and webcast at 7:30 a.m. Central Time on Friday, April 28, 2017 to discuss its financial results. The call can be accessed via telephone at (877) 516-3531 (passcode: 3106625). A recorded replay can be accessed through May 5, 2017 by dialing (855) 859-2056; passcode: 3106625.

A slide presentation relating to the first quarter 2017 results will be accessible prior to the scheduled conference call. The slide presentation and webcast of the conference call can be accessed on the Webcasts and Presentations page of the Company's investor relations website.

About Midland States Bancorp, Inc.

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois, and is the sole shareholder of Midland States Bank. Midland had assets of approximately \$3.4 billion, and its Midland Wealth Management Group had assets under administration of approximately \$1.9 billion as of March 31, 2017. Midland provides a full range of commercial and consumer banking products and services, merchant credit card services, trust and investment management, and insurance and financial planning services. In addition, commercial equipment leasing services are provided through Heartland Business Credit, and multi-family and healthcare facility FHA financing is provided through Love Funding, Midland's non-bank subsidiaries. Midland has more than 70 locations across the United States. For additional information, visit www.midlandsb.com or follow Midland on LinkedIn at <https://www.linkedin.com/company/midland-states-bank>.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures include "Adjusted Earnings," "Adjusted Diluted Earnings Per Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," "Adjusted Return on Average Tangible Common Equity," "Yield on Loans Excluding Accretion Income," "Net Interest Margin Excluding Accretion Income," "Tangible Common Equity to Tangible Assets," "Tangible Book Value Per Share" 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.

Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements," including but not limited to statements about the Company's expected loan production, operating expenses and future earnings levels including with respect to the planned acquisition of Centru Financial Corporation. These statements are subject to many risks and uncertainties, including changes in interest rates and other general economic, business and political conditions, including changes in the financial markets; changes in business plans as circumstances warrant; and other risks detailed from time to time in filings made by the Company with the Securities and Exchange Commission. Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe" or "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

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

	For the Quarter Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(dollars in thousands, except per share data)</i>					
Earnings Summary					
Net interest income	\$ 27,461	\$ 25,959	\$ 27,265	\$ 27,989	\$ 24,041
Provision for loan losses	1,533	2,445	1,392	629	1,125
Noninterest income	16,330	30,486	14,937	14,016	12,618
Noninterest expense	30,785	34,090	28,657	30,904	27,638
Income before income taxes	11,473	19,910	12,153	10,472	7,896
Income taxes	2,983	8,327	4,102	3,683	2,777
Net income	<u>\$ 8,490</u>	<u>\$ 11,583</u>	<u>\$ 8,051</u>	<u>\$ 6,789</u>	<u>\$ 5,119</u>
Diluted earnings per common share	\$ 0.52	\$ 0.72	\$ 0.51	\$ 0.50	\$ 0.42
Weighted average shares outstanding - diluted	16,351,637	16,032,016	15,858,273	13,635,074	12,229,293
Return on average assets	1.05%	1.44%	1.03%	0.89%	0.70%
Return on average shareholders' equity	10.58%	14.05%	10.04%	10.18%	8.70%
Return on average tangible common shareholders' equity	12.78%	16.84%	12.01%	12.67%	11.22%
Net interest margin	3.87%	3.70%	4.00%	4.20%	3.80%
Efficiency ratio	66.26%	76.64%	64.56%	66.46%	67.72%
Adjusted Earnings Performance Summary					
Adjusted earnings	\$ 9,436	\$ 6,302	\$ 8,277	\$ 7,106	\$ 5,768
Adjusted diluted earnings per common share	\$ 0.57	\$ 0.39	\$ 0.52	\$ 0.52	\$ 0.47

Adjusted return on average assets	1.17%	0.78%	1.06%	0.93%	0.79%
Adjusted return on average shareholders' equity	11.76%	7.64%	10.33%	10.66%	9.80%
Adjusted return on average tangible common shareholders' equity	14.20%	9.16%	12.35%	13.27%	12.64%
Net interest margin excluding accretion income	3.52%	3.42%	3.66%	3.52%	3.55%

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

<i>(in thousands, except per share data)</i>	For the Quarter Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Net interest income:					
Total interest income	\$ 31,839	\$ 29,981	\$ 31,186	\$ 32,115	\$ 27,967
Total interest expense	4,378	4,022	3,921	4,126	3,926
Net interest income	27,461	25,959	27,265	27,989	24,041
Provision for loan losses	1,533	2,445	1,392	629	1,125
Net interest income after provision for loan losses	25,928	23,514	25,873	27,360	22,916
Noninterest income:					
Commercial FHA revenue	6,695	3,704	3,260	8,538	6,562
Residential mortgage banking revenue	2,916	6,241	4,990	1,037	1,121
Wealth management revenue	2,872	2,495	1,941	1,870	1,785
Service charges on deposit accounts	892	988	1,044	965	907
Interchange revenue	977	921	920	945	964
FDIC loss sharing expense	-	-	-	(1,608)	(53)
Gain on sales of investment securities, net	67	14,387	39	72	204
Other-than-temporary impairment on investment securities	-	-	-	-	(824)
Other income	1,911	1,750	2,743	2,197	1,952
Total noninterest income	16,330	30,486	14,937	14,016	12,618
Noninterest expense:					
Salaries and employee benefits	17,115	17,326	16,568	17,012	15,387
Occupancy and equipment	3,184	3,266	3,271	3,233	3,310
Data processing	2,796	2,828	2,586	2,624	2,620
Professional	2,992	2,898	1,877	1,573	1,701
Amortization of intangible assets	525	534	514	519	580
Other	4,173	7,238	3,841	5,943	4,040
Total noninterest expense	30,785	34,090	28,657	30,904	27,638
Income before income taxes	11,473	19,910	12,153	10,472	7,896
Income taxes	2,983	8,327	4,102	3,683	2,777
Net income	<u>\$ 8,490</u>	<u>\$ 11,583</u>	<u>\$ 8,051</u>	<u>\$ 6,789</u>	<u>\$ 5,119</u>
Basic earnings per common share	\$ 0.54	\$ 0.74	\$ 0.51	\$ 0.51	\$ 0.43
Diluted earnings per common share	\$ 0.52	\$ 0.72	\$ 0.51	\$ 0.50	\$ 0.42

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

<i>(in thousands)</i>	At Quarter Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Assets					
Cash and cash equivalents	\$ 218,096	\$ 190,716	\$ 228,030	\$ 123,366	\$ 162,416
Investment securities available-for-sale at fair value	259,332	246,339	252,212	238,781	232,074
Investment securities held to maturity at amortized cost	76,276	78,672	82,941	84,756	88,085
Loans	2,454,950	2,319,976	2,312,778	2,161,041	2,016,034
Allowance for loan losses	(15,805)	(14,862)	(15,559)	(14,752)	(14,571)
Total loans, net	2,439,145	2,305,114	2,297,219	2,146,289	2,001,463
Loans held for sale at fair value	39,900	70,565	61,363	101,782	103,365
Premises and equipment, net	66,914	66,692	70,727	72,147	72,421

Other real estate owned	3,680	3,560	4,828	3,540	4,740
Mortgage servicing rights at lower of cost or market	68,557	68,008	64,689	62,808	65,486
Intangible assets	8,633	7,187	5,391	5,905	6,424
Goodwill	50,807	48,836	46,519	46,519	46,519
Cash surrender value of life insurance policies	74,806	74,226	74,276	73,665	53,173
Other assets	67,431	73,808	59,532	62,226	61,914
Total assets	<u>\$3,373,577</u>	<u>\$ 3,233,723</u>	<u>\$ 3,247,727</u>	<u>\$3,021,784</u>	<u>\$2,898,080</u>

Liabilities and Shareholders' Equity

Noninterest bearing deposits	\$ 528,021	\$ 562,333	\$ 629,113	\$ 528,966	\$ 546,664
Interest bearing deposits	1,999,455	1,842,033	1,790,919	1,825,586	1,843,046
Total deposits	2,527,476	2,404,366	2,420,032	2,354,552	2,389,710
Short-term borrowings	124,035	131,557	138,289	125,014	101,649
FHLB advances and other borrowings	250,353	237,518	237,543	97,588	40,133
Subordinated debt	54,532	54,508	54,484	54,459	61,903
Trust preferred debentures	37,496	37,405	37,316	37,229	37,142
Other liabilities	45,352	46,599	38,314	36,674	29,157
Total liabilities	3,039,244	2,911,953	2,925,978	2,705,516	2,659,694
Total shareholders' equity	334,333	321,770	321,749	316,268	238,386
Total liabilities and shareholders' equity	<u>\$3,373,577</u>	<u>\$ 3,233,723</u>	<u>\$ 3,247,727</u>	<u>\$3,021,784</u>	<u>\$2,898,080</u>

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

(in thousands)	As of				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Loan Portfolio					
Commercial loans	\$ 475,408	\$ 457,827	\$ 545,069	\$ 489,228	\$ 484,618
Commercial real estate loans	997,200	969,615	956,298	929,399	897,099
Construction and land development loans	171,047	177,325	163,900	181,667	159,507
Residential real estate loans	277,402	253,713	216,935	179,184	158,221
Consumer loans	337,081	270,017	248,131	205,060	158,938
Lease financing loans	196,812	191,479	182,445	176,503	157,651
Total loans	<u>\$2,454,950</u>	<u>\$ 2,319,976</u>	<u>\$ 2,312,778</u>	<u>\$2,161,041</u>	<u>\$2,016,034</u>

Deposit Portfolio

Noninterest-bearing demand deposits	\$ 528,021	\$ 562,333	\$ 629,113	\$ 528,966	\$ 546,664
Checking accounts	751,193	656,248	658,021	627,003	612,475
Money market accounts	415,322	399,851	366,193	374,537	415,130
Savings accounts	169,715	166,910	162,742	164,792	163,163
Time deposits	394,508	400,304	420,779	431,173	433,386
Brokered deposits	268,717	218,720	183,184	228,081	218,892
Total deposits	<u>\$2,527,476</u>	<u>\$ 2,404,366</u>	<u>\$ 2,420,032</u>	<u>\$2,354,552</u>	<u>\$2,389,710</u>

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

(in thousands)	For the Quarter Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Average Balance Sheets					
Cash and cash equivalents	\$ 163,595	\$ 140,439	\$ 154,764	\$ 232,362	\$ 223,951
Investment securities	328,880	315,511	329,900	321,424	311,806
Loans	2,361,380	2,299,115	2,177,517	2,092,248	2,004,191
Loans held for sale	73,914	86,665	90,661	79,566	59,377
Nonmarketable equity securities	20,047	18,927	18,365	16,800	15,461

Total interest-earning assets	2,947,816	2,860,657	2,771,207	2,742,400	2,614,786
Non-earning assets	336,761	337,566	329,504	324,880	317,728
Total assets	<u>\$3,284,577</u>	<u>\$ 3,198,223</u>	<u>\$ 3,100,711</u>	<u>\$3,067,280</u>	<u>\$2,932,514</u>
Interest-bearing deposits	\$1,896,569	\$ 1,838,760	\$ 1,803,189	\$1,844,493	\$1,832,599
Short-term borrowings	143,583	151,191	134,052	114,651	120,753
FHLB advances and other borrowings	248,045	183,614	165,774	185,195	99,499
Subordinated debt	54,518	54,495	54,470	61,677	61,878
Trust preferred debentures	37,443	37,357	37,266	37,182	37,094
Total interest-bearing liabilities	2,380,158	2,265,417	2,194,751	2,243,198	2,151,823
Noninterest-bearing deposits	525,868	562,958	550,816	522,632	511,019
Other noninterest-bearing liabilities	53,109	41,962	36,284	33,309	32,935
Shareholders' equity	325,442	327,886	318,860	268,141	236,737
Total liabilities and shareholders' equity	<u>\$3,284,577</u>	<u>\$ 3,198,223</u>	<u>\$ 3,100,711</u>	<u>\$3,067,280</u>	<u>\$2,932,514</u>

Yields

Cash and cash equivalents	0.77%	0.53%	0.50%	0.50%	0.50%
Investment securities	3.21%	3.10%	5.02%	5.15%	5.34%
Loans	4.91%	4.65%	4.83%	5.24%	4.70%
Loans held for sale	4.22%	4.22%	3.77%	4.65%	4.22%
Nonmarketable equity securities	4.41%	3.85%	3.77%	4.16%	4.06%
Total interest-earning assets	4.47%	4.26%	4.57%	4.81%	4.40%
Interest-bearing deposits	0.51%	0.48%	0.48%	0.50%	0.49%
Short-term borrowings	0.23%	0.22%	0.24%	0.24%	0.23%
FHLB advances and other borrowings	0.93%	0.78%	0.73%	0.56%	0.55%
Subordinated debt	6.40%	6.41%	6.41%	6.84%	6.84%
Trust preferred debentures	5.12%	4.99%	5.03%	4.95%	4.80%
Total interest-bearing liabilities	0.75%	0.71%	0.71%	0.74%	0.73%
Net interest margin	3.87%	3.70%	4.00%	4.20%	3.80%

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

As of and for the Quarter Ended

<i>(dollars in thousands, except per share data)</i>	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Asset Quality					
Loans 30-89 days past due	\$ 14,075	\$ 10,767	\$ 10,318	\$ 10,453	\$ 6,616
Nonperforming loans	28,933	31,603	29,926	18,430	18,787
Nonperforming assets	31,684	34,550	34,304	21,469	22,312
Net charge-offs	590	3,142	585	448	2,542
Loans 30-89 days past due to total loans	0.57%	0.46%	0.45%	0.48%	0.33%
Nonperforming loans to total loans	1.18%	1.36%	1.29%	0.85%	0.93%
Nonperforming assets to total assets	0.94%	1.07%	1.06%	0.71%	0.77%
Allowance for loan losses to total loans	0.64%	0.64%	0.67%	0.68%	0.72%
Allowance for loan losses to nonperforming loans	54.62%	47.03%	51.99%	80.04%	77.56%
Net charge-offs to average loans	0.10%	0.54%	0.11%	0.09%	0.51%

Wealth Management

Trust assets under administration	\$ 1,869,314	\$ 1,658,235	\$ 1,235,132	\$ 1,198,044	\$ 1,189,693
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Market Data

Book value per share at period end	\$ 21.19	\$ 20.78	\$ 20.89	\$ 20.53	\$ 20.19
Tangible book value per share at period end	\$ 17.42	\$ 17.16	\$ 17.52	\$ 17.13	\$ 15.71
Market price at period end	\$ 34.39	\$ 36.18	\$ 25.34	\$ 21.69	\$ N/A
Shares outstanding at period end	15,780,651	15,483,499	15,404,423	15,402,946	11,804,779

Capital

Total capital to risk-weighted assets	13.48%	13.85%	13.53%	13.91%	11.67%
Tier 1 capital to risk-weighted assets	10.97%	11.27%	10.94%	11.23%	8.48%
Tier 1 leverage ratio	9.61%	9.76%	9.82%	9.77%	7.25%
Tier 1 common capital to risk-weighted assets	9.10%	9.35%	9.03%	9.24%	6.40%

Tangible common equity to tangible assets

8.29 %

8.36 %

8.44 %

8.89 %

6.52 %

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

<i>(dollars in thousands, except per share data)</i>	For the Quarter Ended				
	March 31,	December 31,	September 30,	June 30,	March 31,
	2017	2016	2016	2016	2016
Adjusted Earnings Reconciliation					
Income before income taxes - GAAP	\$ 11,473	\$ 19,910	\$ 12,153	\$ 10,472	\$ 7,896
Adjustments to other income:					
Gain on sales of investment securities, net	67	14,387	39	72	204
Other than-temporary-impairment on investment securities	-	-	-	-	(824)
Reversal of contingent consideration accrual	-	-	-	350	-
Total adjusted other income	<u>67</u>	<u>14,387</u>	<u>39</u>	<u>422</u>	<u>(620)</u>
Adjustments to other expense:					
Expenses associated with payoff of subordinated debt	-	-	-	511	-
Net expense from loss share termination agreement	-	351	-	-	-
Branch network optimization plan charges	-	2,099	-	-	-
Integration and acquisition expenses	1,346	1,200	352	406	385
Total adjusted other expense	<u>1,346</u>	<u>3,650</u>	<u>352</u>	<u>917</u>	<u>385</u>
Adjusted earnings pre tax	12,752	9,173	12,466	10,967	8,901
Adjusted earnings tax	3,316	2,871	4,189	3,861	3,133
Adjusted earnings - non-GAAP	<u>\$ 9,436</u>	<u>\$ 6,302</u>	<u>\$ 8,277</u>	<u>\$ 7,106</u>	<u>\$ 5,768</u>
Adjusted diluted EPS	\$ 0.57	\$ 0.39	\$ 0.52	\$ 0.52	\$ 0.47
Adjusted return on average assets	1.17 %	0.78 %	1.06 %	0.93 %	0.79 %
Adjusted return on average shareholders' equity	11.76 %	7.64 %	10.33 %	10.66 %	9.80 %
Adjusted return on average tangible common equity	14.20 %	9.16 %	12.35 %	13.27 %	12.64 %
Yield on Loans					
Reported yield on loans	4.91 %	4.65 %	4.83 %	5.24 %	4.70 %
Effect of accretion income on acquired loans	<u>(0.43) %</u>	<u>(0.33) %</u>	<u>(0.43) %</u>	<u>(0.88) %</u>	<u>(0.31) %</u>
Yield on loans excluding accretion income	<u>4.48 %</u>	<u>4.32 %</u>	<u>4.40 %</u>	<u>4.36 %</u>	<u>4.39 %</u>
Net Interest Margin					
Reported net interest margin	3.87 %	3.70 %	4.00 %	4.20 %	3.80 %
Effect of accretion income on acquired loans	<u>(0.35) %</u>	<u>(0.28) %</u>	<u>(0.34) %</u>	<u>(0.68) %</u>	<u>(0.25) %</u>
Net interest margin excluding accretion income	<u>3.52 %</u>	<u>3.42 %</u>	<u>3.66 %</u>	<u>3.52 %</u>	<u>3.55 %</u>

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

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

<i>(dollars in thousands, except per share data)</i>	As of				
	March 31,	December 31,	September 30,	June 30,	March 31,
	2017	2016	2016	2016	2016
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 334,333	\$ 321,770	\$ 321,749	\$ 316,268	\$ 238,386
Adjustments:					
Goodwill	(50,807)	(48,836)	(46,519)	(46,519)	(46,519)
Other intangibles	(8,633)	(7,187)	(5,391)	(5,905)	(6,424)
Tangible common equity	<u>\$ 274,893</u>	<u>\$ 265,747</u>	<u>\$ 269,839</u>	<u>\$ 263,844</u>	<u>\$ 185,443</u>
Total Assets to Tangible Assets:					
Total assets—GAAP	3,373,577	3,233,723	3,247,727	3,021,784	2,898,080
Adjustments:					
Goodwill	(50,807)	(48,836)	(46,519)	(46,519)	(46,519)
Other intangibles	(8,633)	(7,187)	(5,391)	(5,905)	(6,424)
Tangible assets	<u>\$ 3,314,137</u>	<u>\$ 3,177,700</u>	<u>\$ 3,195,817</u>	<u>\$ 2,969,360</u>	<u>\$ 2,845,137</u>
Common Shares Outstanding	15,780,651	15,483,499	15,404,423	15,402,946	11,804,779
Tangible Common Equity to Tangible Assets					
	8.29 %	8.36 %	8.44 %	8.89 %	6.52 %
Tangible Book Value Per Share	\$ 17.42	\$ 17.16	\$ 17.52	\$ 17.13	\$ 15.71

Return on Average Tangible Common Equity (ROATCE)

<i>(in thousands)</i>	As of				
	March 31,	December 31,	September 30,	June 30,	March 31,
	2017	2016	2016	2016	2016
Net Income	<u>\$ 8,490</u>	<u>\$ 11,583</u>	<u>\$ 8,051</u>	<u>\$ 6,789</u>	<u>\$ 5,119</u>
Average total shareholders' equity—GAAP	\$ 325,442	\$ 327,886	\$ 318,860	\$ 268,141	\$ 236,737
Adjustments:					
Goodwill	(48,836)	(46,594)	(46,519)	(46,519)	(46,519)
Other intangibles	(7,144)	(7,718)	(5,656)	(6,184)	(6,740)
Average tangible common equity	<u>\$ 269,462</u>	<u>\$ 273,574</u>	<u>\$ 266,685</u>	<u>\$ 215,438</u>	<u>\$ 183,478</u>
ROATCE	12.78 %	16.84 %	12.01 %	12.67 %	11.22 %

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Midland States Bancorp, Inc.
NASDAQ: MSBI

First Quarter 2017 Earnings Call



Forward-Looking Statements. This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements express management's current expectations, forecasts of future events or long-term goals, and may be based upon beliefs, expectations and assumptions of Midland's and Centru's management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. All statements in this presentation speak only as of the date they are made, and neither Midland nor Centru undertakes any obligation to update any statement. A number of factors, many of which are beyond the ability of Midland and Centru to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others: (i) the possibility that any of the anticipated benefits of the proposed transaction between Midland and Centru will not be realized or will not be realized within the expected time period; (ii) the risk that integration of operations of Centru with those of Midland will be materially delayed or will be more costly or difficult than expected; (iii) the failure of the proposed transaction to close for any other reason; (iv) the effect of the announcement of the transaction on customer relationships and operating results; and (v) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events. 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 Midland and Centru and their respective businesses, including additional factors that could materially affect Midland's and Centru's financial results, are included in Midland's and Centru's filings with the Securities and Exchange Commission.

Use of Non-GAAP Financial Measures. This presentation contains 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 Return on Average Assets," "Adjusted Return on Average Tangible Common Equity," "Adjusted Diluted Earnings Per Share," "Adjusted Earnings," "Adjusted Earnings Available to Common Shareholders," "Yields on Loans Excluding Accretion Income," "Net Interest Margin Excluding Accretion Income," and "Tangible Book Value Per Share." 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. Because not all companies use the same calculation of these measures, this presentation may not be comparable to other similarly titled measures as calculated by other companies. Reconciliations of these non-GAAP measures are provided in the Appendix section of this presentation.

Miscellaneous. Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof. Market data used in this presentation has been obtained from independent industry sources and publications as well as from research reports prepared for other purposes. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Midland has not independently verified the data obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this presentation.



First Quarter 2017 Summary

Strong Earnings

Net income of \$8.5 million or \$0.52 per diluted share

Positive Trends in Key Metrics

Strong loan growth, expanding NIM, higher non-interest income, greater efficiencies and improvement in credit quality

Robust Loan Growth

Total loans increased 23% on an annualized basis

Wealth Management Acquisition

Expanded Wealth Management business with acquisition of CedarPoint Investment Advisors, our first Registered Investment Advisory firm

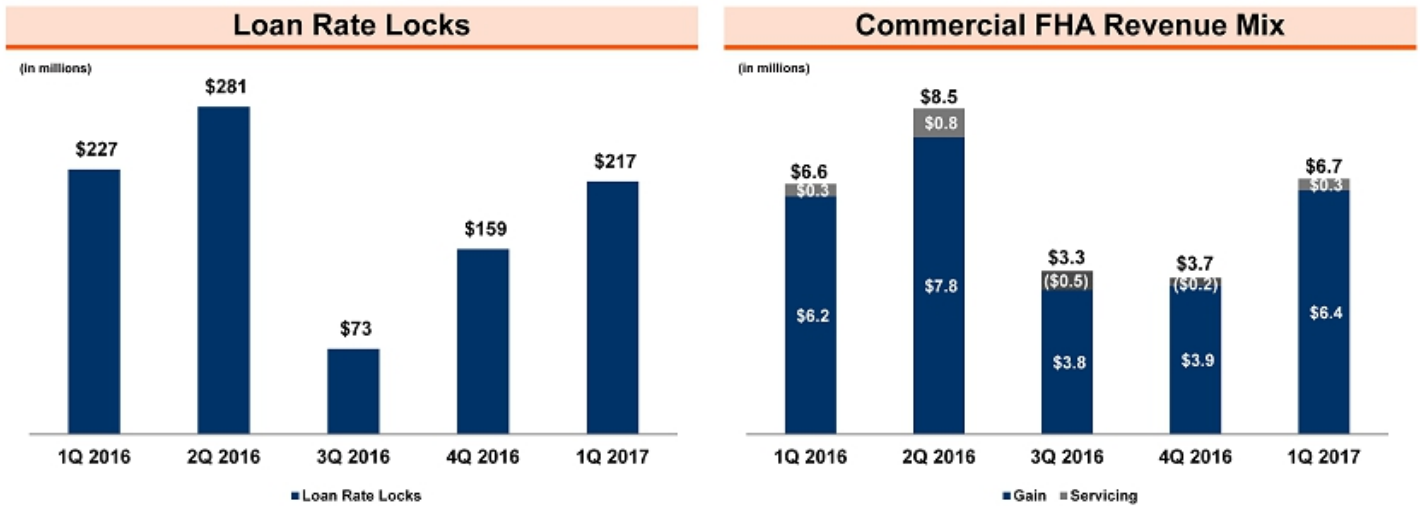
Operational Excellence

Completed branch network optimization efforts and achieved targeted cost savings and efficiencies



Business Unit Review - Love Funding

- Commercial FHA origination and servicing business focused on multifamily and healthcare facilities
- Long-term replacement reserve deposits for maintenance/capex of properties and escrow deposits are low-cost sources of funds
- Originated \$217 million in rate lock commitments in 1Q17
- 1Q17 revenue positively impacted by higher mix of permanent loans
- Average deposits related to servicing were \$280 million in 1Q17, up 10% over prior year

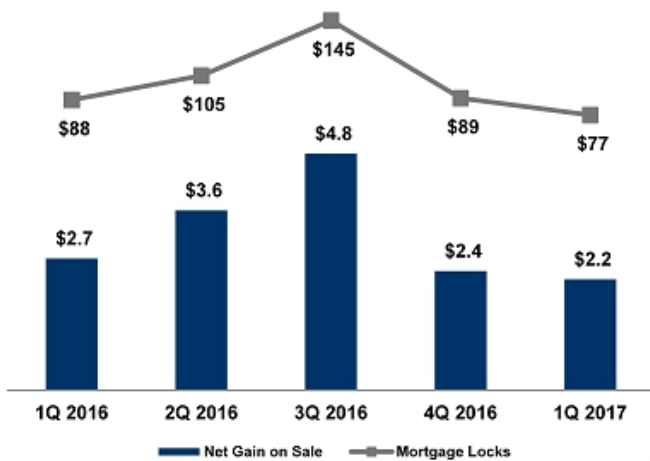


Business Unit Review - Residential Mortgage

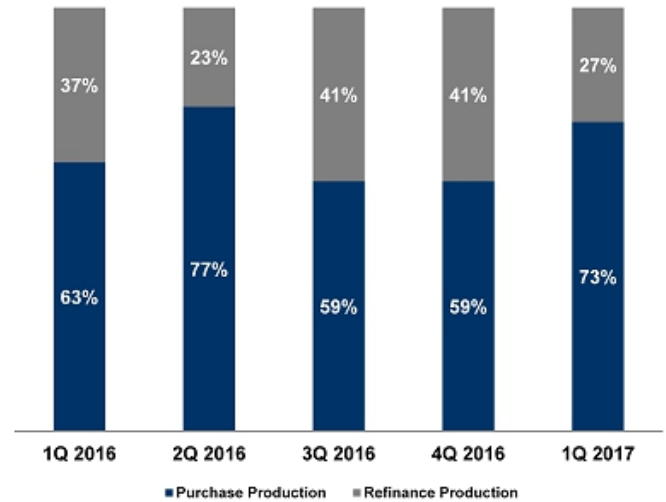
- Residential mortgage loan origination and servicing
- \$77 million in mortgage rate locks on loans originated for sale
- 1Q17 net gain on sale reflects the seasonally lower activity

Net Gain on Sale

(in millions)

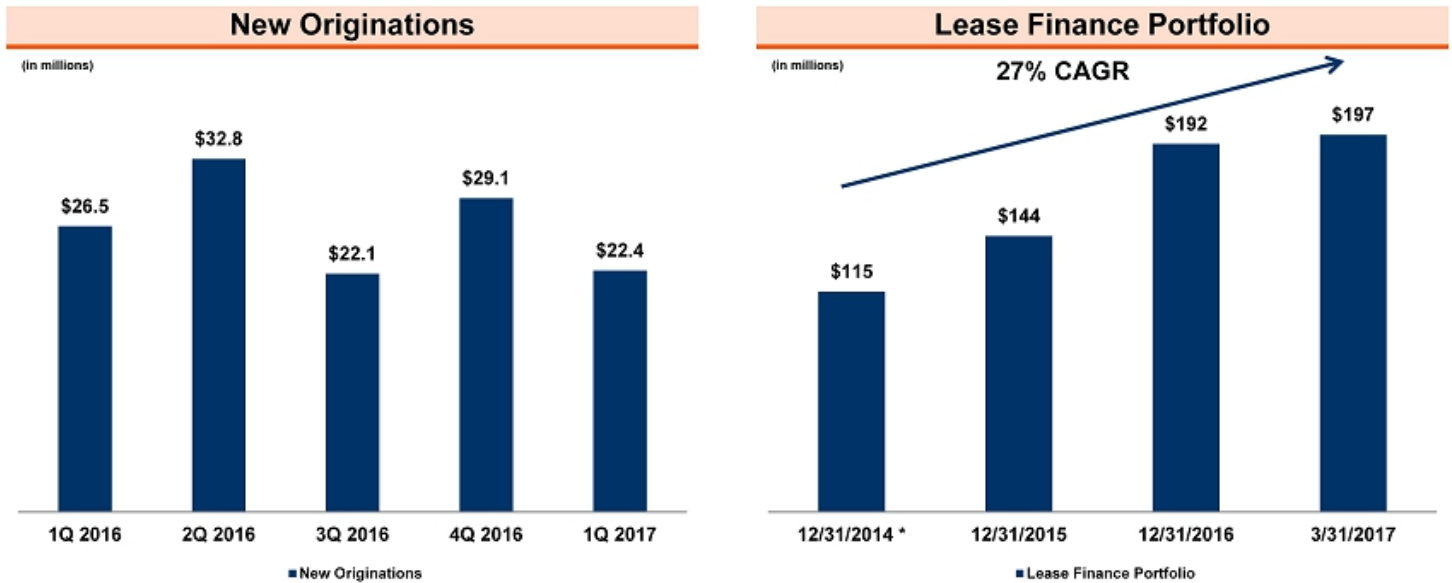


Purchase / Refinance Mix



Business Unit Review - Heartland Business Credit

- Equipment leasing sourced from a network of equipment manufacturers and brokers
- Strong production with \$22 million in originations
- Attractive yields – average rate (ex. accretion) on lease finance portfolio was 5.44%
- 25% portfolio growth vs. 1Q16

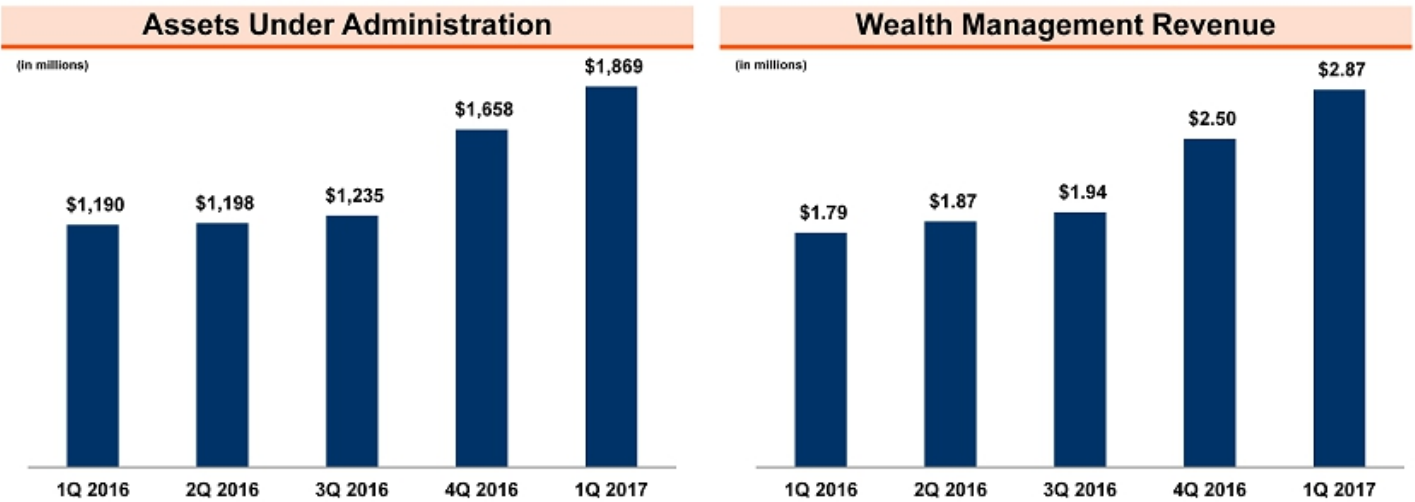


* Date of acquisition



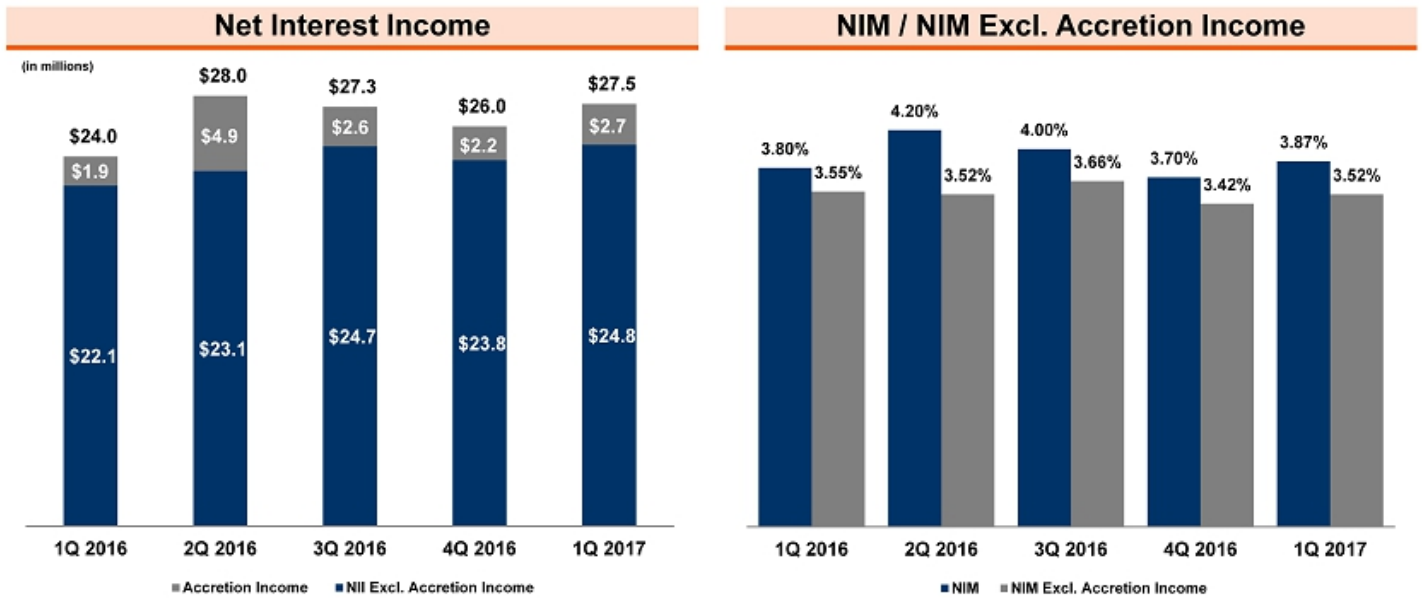
Business Unit Review – Wealth Management

- Wealth Management group offers Trust and Estate services, Investment Management, Financial Planning and Employer Sponsored Retirement Plans
- Assets under administration increased by \$211 million, or 13% from 4Q16
 - Excluding CedarPoint acquisition, assets under administration increased \$28 million, or 2% from 4Q16
- Year over year organic growth in assets under administration was \$109 million, or 9%, excluding both the Sterling Trust and CedarPoint acquisitions



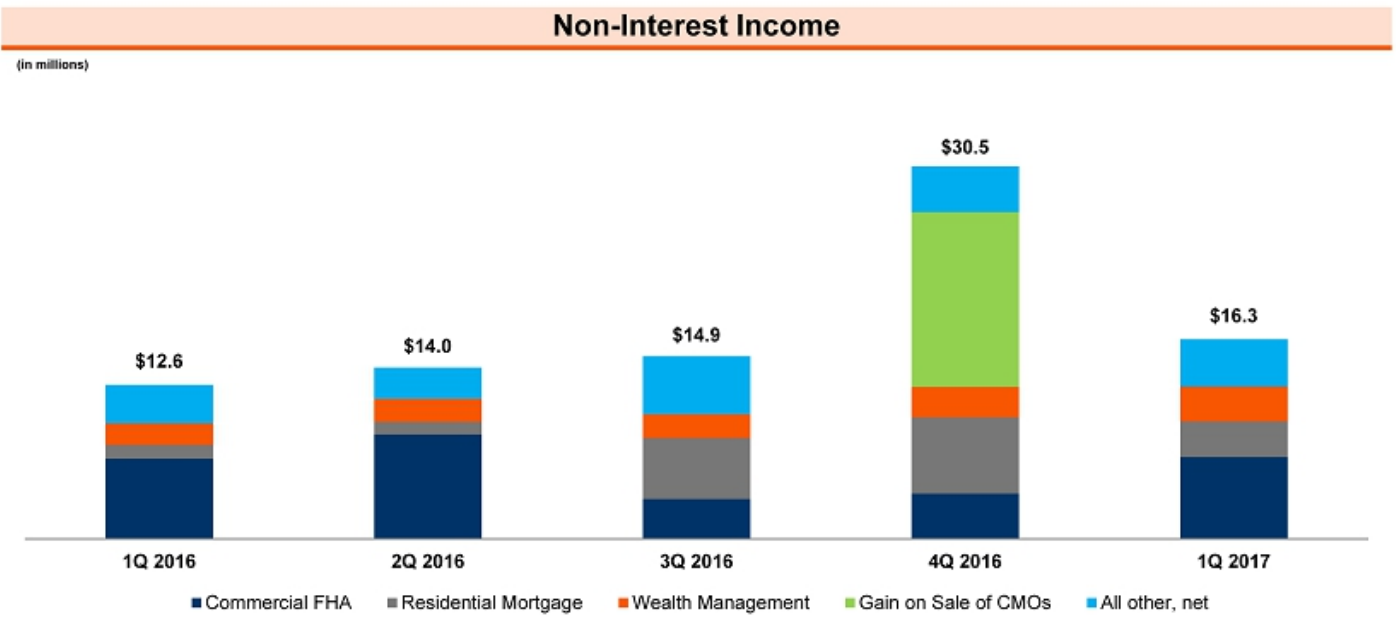
Net Interest Income/Margin

- Net interest income increased 5.8% from 4Q16 primarily due to higher interest income on loans due to strong loan growth and higher net interest margin
- Net interest margin, excluding accretion income, increased by 10 basis points, due to higher average loan yields



Non-Interest Income

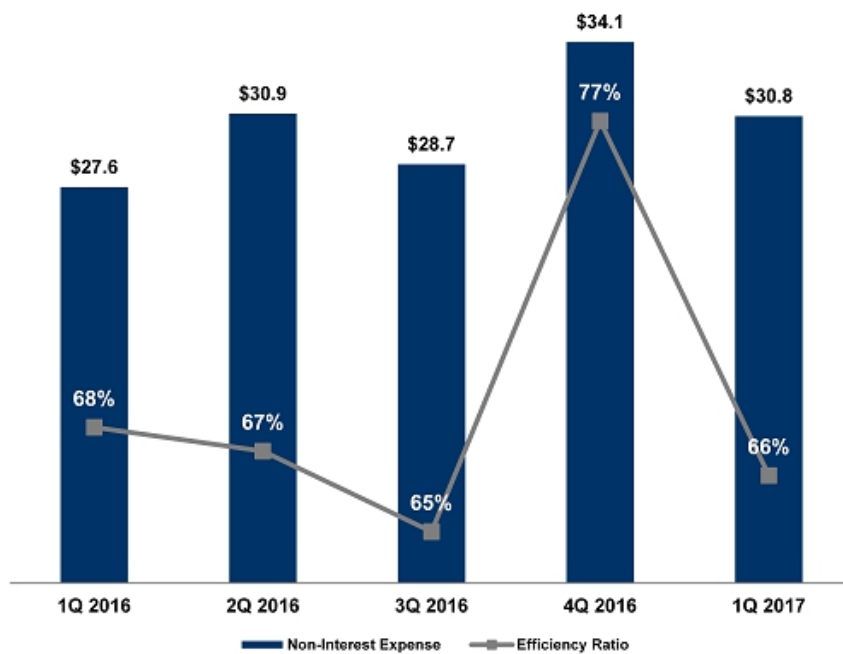
- Fee generating businesses drive 37% of total revenue in 1Q17



Non-Interest Expense and Operating Efficiency

Non-Interest Expense and Efficiency Ratio¹

(Non-Interest expense in millions)



- Efficiency Ratio¹ decreased to 66% in 1Q17 vs. 77% in 4Q16
- \$1.3 million in integration and acquisition-related expenses in 1Q17
- Excluding integration and acquisition-related expenses and branch network optimization charges in 1Q17, noninterest expense was down 3% from 4Q16
- Experienced declines in most expense areas, despite the full quarter impact of operations and personnel from the Sterling Trust acquisition

¹Efficiency Ratio represents non-Interest expenses, as adjusted, divided by the sum of fully taxable equivalent net interest income plus non-Interest income, as adjusted. Non-interest expense adjustments exclude expense from the payoff of subordinated debt, net expense from the loss share termination agreement, branch network optimization plan charges and integration and acquisition expenses. Non-Interest income adjustments exclude mortgage servicing rights impairment / recapture, FDIC loss sharing expense, accretion / amortization of the FDIC indemnification asset, gains or losses from the sale of investment securities, other-than-temporary impairment on investment securities and reversal of a contingent consideration accrual.



Loan Portfolio

- Total loans at quarter end increased by \$135 million in 1Q17 vs. 4Q16
- Increases across all major portfolios with the strongest growth coming from commercial real estate, residential real estate and consumer loan portfolios
- Growth in the consumer loan portfolio was primarily driven by a program that provides financing for home improvement projects

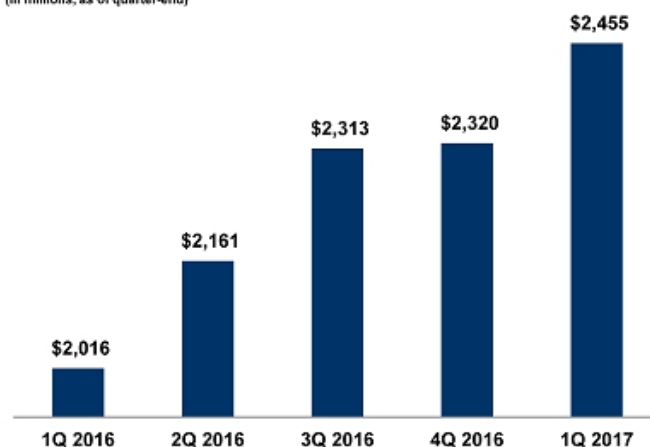
Loan Portfolio Mix

(in millions, as of quarter-end)

	1Q 2017	4Q 2016	1Q 2016
Commercial	\$ 475	\$ 458	\$ 485
Commercial real estate	997	970	897
Construction and land development	171	177	160
Residential real estate	277	254	158
Consumer	337	270	159
Lease financing	197	191	158
Total	\$ 2,455	\$ 2,320	\$ 2,016

Total Loans

(in millions, as of quarter-end)



Total Deposits

- Total deposits at quarter end increased by \$123 million in 1Q17 vs. 4Q16
- Majority of growth came in checking accounts and money market accounts
- Increased the level of brokered deposits in 1Q17 to support the strong growth in total loans

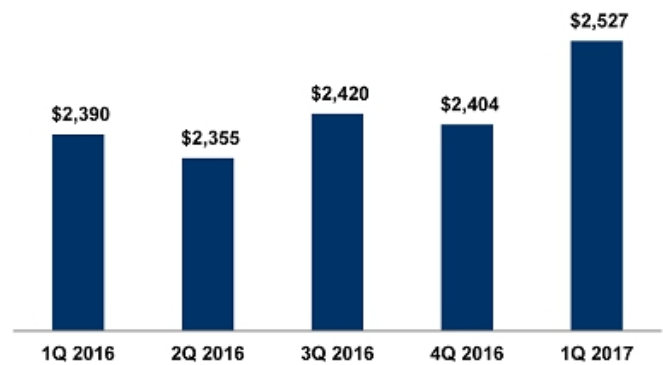
Deposit Mix

(in millions, as of quarter-end)

	1Q 2017	4Q 2016	1Q 2016
Non-interest-bearing demand	\$ 528	\$ 562	\$ 547
Checking	751	656	612
Money market	415	400	415
Savings	170	167	163
Time	395	400	433
Brokered	269	219	219
Total deposits	\$ 2,527	\$ 2,404	\$ 2,390

Total Deposits

(in millions, as of quarter-end)

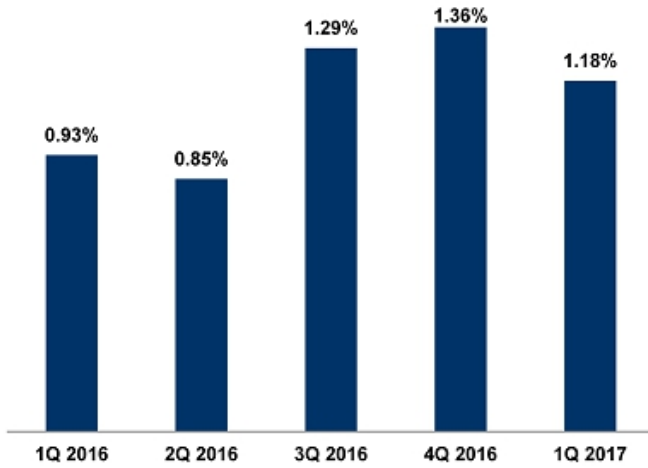


Asset Quality

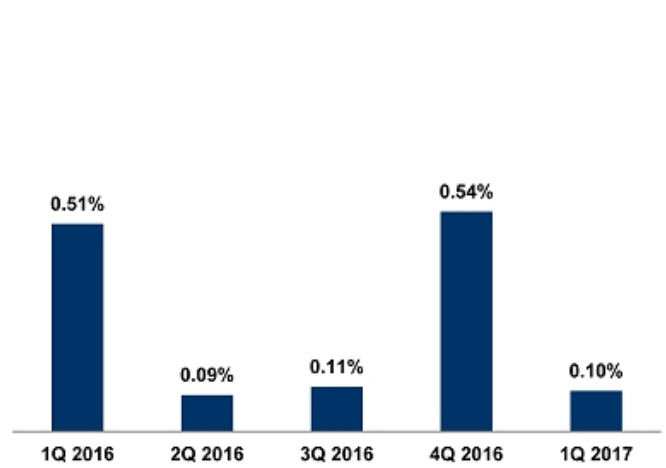
- Non-performing loans decreased by \$2.7 million from 4Q16
- Net charge-offs totaled \$0.6 million in 1Q17, or 10 bps of average loans
- Recorded a provision for loan losses of \$1.5 million in 1Q17

Non-performing Loans / Total Loans

(Total Loans as of quarter-end)



NCO / Average Loans



Outlook

- Economic conditions in our markets remain healthy
- Expect continuation of positive trends in revenue growth and credit quality
- Centruce acquisition on track to close in mid-2017
- Investment in resources needed to execute the Centruce integration will result in higher expense levels until cost savings are phased-in
- All cost savings expected to be fully realized by the start of 2018
- 2017 expected to be another strong year of earnings growth and further value creation for shareholders



APPENDIX



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

	For the Quarter Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(dollars in thousands, except per share data)</i>					
Adjusted Earnings Reconciliation					
Income before income taxes - GAAP	\$ 11,473	\$ 19,910	\$ 12,153	\$ 10,472	\$ 7,896
Adjustments to other income:					
Gain on sales of investment securities, net	67	14,387	39	72	204
Other than-temporary-impairment on investment securities	-	-	-	-	(824)
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Branch network optimization plan charges	-	2,099	-	-	-
Integration and acquisition expenses	1,346	1,200	352	406	385
Total adjusted other expense	<u>1,346</u>	<u>3,650</u>	<u>352</u>	<u>917</u>	<u>385</u>
Adjusted earnings pre tax	12,752	9,173	12,466	10,967	8,901
Adjusted earnings tax	3,316	2,871	4,189	3,861	3,133
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Adjusted diluted EPS	\$ 0.57	\$ 0.39	\$ 0.52	\$ 0.52	\$ 0.47
Adjusted return on average assets	1.17 %	0.78 %	1.06 %	0.93 %	0.79 %
Adjusted return on average shareholders' equity	11.76 %	7.64 %	10.33 %	10.66 %	9.80 %
Adjusted return on average tangible common equity	14.20 %	9.16 %	12.35 %	13.27 %	12.64 %
Yield on Loans					
Reported yield on loans	4.91 %	4.65 %	4.83 %	5.24 %	4.70 %
Effect of accretion income on acquired loans	(0.43) %	(0.33) %	(0.43) %	(0.88) %	(0.31) %
Yield on loans excluding accretion income	<u>4.48 %</u>	<u>4.32 %</u>	<u>4.40 %</u>	<u>4.36 %</u>	<u>4.39 %</u>
Net Interest Margin					
Reported net interest margin	3.87 %	3.70 %	4.00 %	4.20 %	3.80 %
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Net interest margin excluding accretion income	<u>3.52 %</u>	<u>3.42 %</u>	<u>3.66 %</u>	<u>3.52 %</u>	<u>3.55 %</u>

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

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

	As of				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
<i>(dollars in thousands, except per share data)</i>					
Shareholders' Equity to Tangible Common Equity					
Total shareholders' equity—GAAP	\$ 334,333	\$ 321,770	\$ 321,749	\$ 316,268	\$ 238,386
Adjustments:					
Goodwill	(50,807)	(48,836)	(46,519)	(46,519)	(46,519)
Other intangibles	(8,633)	(7,187)	(5,391)	(5,905)	(6,424)
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Tangible Book Value Per Share	\$ 17.42	\$ 17.16	\$ 17.52	\$ 17.13	\$ 15.71

Return on Average Tangible Common Equity (ROATCE)

	As of				
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<i>(in thousands)</i>					
Net Income	<u>\$ 8,490</u>	<u>\$ 11,583</u>	<u>\$ 8,051</u>	<u>\$ 6,789</u>	<u>\$ 5,119</u>
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Other intangibles	(7,144)	(7,718)	(5,656)	(6,184)	(6,740)
Average tangible common equity	<u>\$ 269,462</u>	<u>\$ 273,574</u>	<u>\$ 266,685</u>	<u>\$ 215,438</u>	<u>\$ 183,478</u>
ROATCE	12.78 %	16.84 %	12.01 %	12.67 %	11.22 %

Additional Information. Midland has filed a registration statement on Form S-4 with the Securities and Exchange Commission (SEC) in connection with its proposed acquisition of Centruie. The registration statement includes a proxy statement of Midland and Centruie that also constitutes a prospectus of Midland, which will be sent to the shareholders of each of Midland and Centruie. The registration statement has not yet become effective and the joint proxy statement/prospectus included therein is in preliminary form. Shareholders are advised to read the joint proxy statement/prospectus because it contains important information about Midland, Centruie and the proposed transaction. This document and other documents relating to the merger filed by Midland can be obtained free of charge from the SEC's website at www.sec.gov. These documents also can be obtained free of charge by accessing Midland's website at www.midlandsb.com under "Investors" and then under the "SEC Filings" tab. Alternatively, these documents may be obtained free of charge from Midland upon written request to Midland States Bancorp, Inc., Corporate Secretary, 1201 Network Centre Drive, Effingham, Illinois, 62401 or by calling (217) 342-7321 or emailing corpsec@midlandsb.com.

Participants in the Transaction. Midland, Centruie and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction under the rules of the SEC. Information about these participants may be found in Midland's definitive proxy statement relating to its 2017 annual meeting of shareholders filed with the SEC on March 17, 2017 and in Centruie's Annual Report on Form 10-K filed with the SEC on March 2, 2017. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants is included in the joint proxy statement/prospectus regarding the proposed transaction.

