





Grow. Change. Diversify.

As you will see in our 2015 Annual Report, our Company continues to grow, change and diversify – adding new revenue streams and providing our shareholders with a more dynamic investment. We remain keenly focused on our primary goal of providing exceptional value for both our customers and shareholders by driving every key business decision from our five Strategic Initiatives to achieve success. I hope you enjoy reading this year's report.

R. J. Holschlag

Our Strategic Initiatives

These five initiatives represent our blueprint for driving revenue and net income growth and are the basis for every key decision we make. We believe this has led to the success we have achieved over the past eight years.

- Revenue Diversification
- Customer Centric Culture
- De Novo Expansion
- Accretive Acquisitions
- Enterprise-Wide Risk Management

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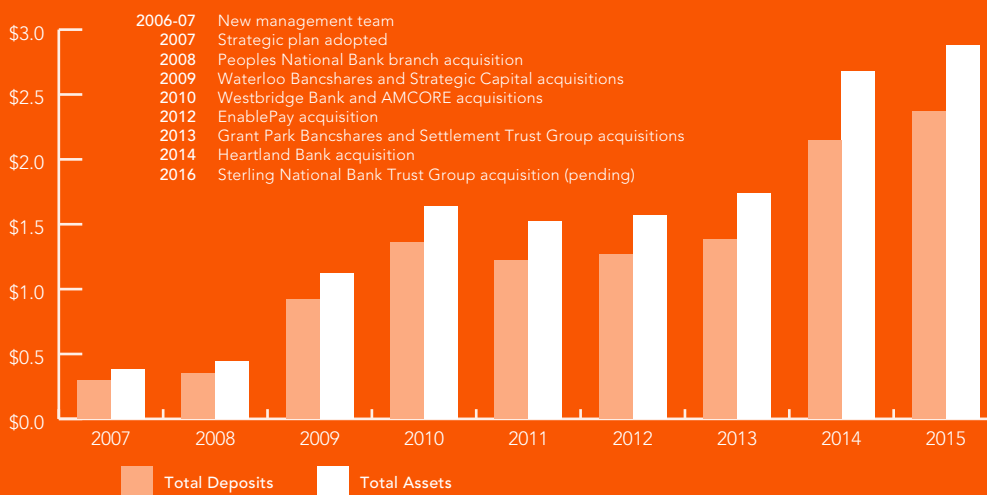
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The Company's 2015 Annual Report to Shareholders is available on the Company's website, and printed copies are available by request. Please contact Ms. Sarah Leonard, Assistant Secretary of the Company, at 217-342-7321 or sleonard@midlandsb.com for access/delivery information.

Letter to Shareholders

Strategic Growth History

(\$ in Billions)





Leon J. Holschbach
President and CEO
Midland States Bancorp, Inc.

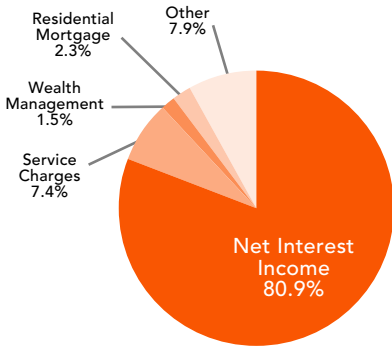
Fellow Shareholders:

2015 was another strong year for the Company. By several financial measures our performance improved markedly over 2014, driven by strong organic growth and the Heartland Bank acquisition, which was completed on December 31, 2014. For the 2015 fiscal year, net income was \$24.3 million, an increase of 124.9% from 2014. Earnings per share (diluted) rose to \$2.00, up 277.4% from 2014. Book value per share increased to \$19.74, and tangible book value per share grew to \$15.20, representing increases of 5.4% and 10.0%, respectively. Total assets grew by 7.8%, to \$2.9 billion, during 2015. We also increased per share dividends on our common stock by 10.2%, representing the 15th year in a row we have increased dividends by at least 10%.

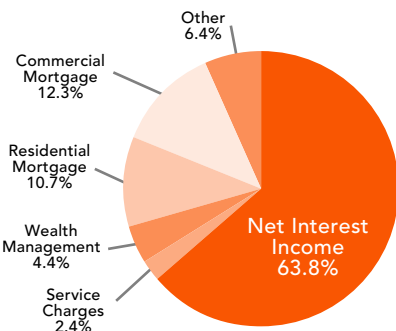
Common Dividends Per Share



2007 Revenue Composition



2015 Revenue Composition



I also believe it was a key year in the Company’s continued growth. The Heartland Bank acquisition provided greater breadth and scale, and several key metrics showing solid improvement. Perhaps the most noteworthy example is reflected by the growth in our percentage of noninterest revenue to total revenue. This metric generally reflects the extent to which a bank is not solely reliant on interest income, and therefore not fully exposed to decreasing interest margin. A higher percentage of noninterest income generally reflects a lower dependence on net interest margin, which tends to decrease in times of low interest rates.

While our noninterest income represented a healthy 24.0% of total revenue in 2014, our noninterest income rose to 36.2% of total revenue in 2015. Principal drivers of this increase in 2015 were the addition of Love Funding, which originated almost \$400 million of commercial and multi-family FHA loans in 2015, and the significant expansion in our residential mortgage business, which grew from \$105.6 million of originations in 2014 (excluding Heartland Bank) to \$580.8 million by the combined mortgage business in 2015. This increase in noninterest income demonstrates the significance of the revenue diversification initiative in our Strategic Plan.

Based on strong efforts by our commercial and retail bankers, we also experienced strong loan, deposit and leasing growth in 2015. Total deposits grew to \$2.4 billion, representing 10.1% growth, while total loans grew to \$2.0 billion, an increase of 11.0%. I view these levels of growth in a year of nominal expansion in the U.S. economy as truly impressive. Heartland Business Credit, our commercial leasing company located in Denver, Colorado, also had its best year ever, finishing 2015

with a lease portfolio of \$144.2 million, up 26.0% from 2014 year-end. Our leasing team did a tremendous job in an extremely competitive environment.

In 2015, we principally focused on integrating Heartland Bank’s businesses, employees and systems with ours. Overall the process went well, and it was gratifying to see the “can do” attitude displayed by the Heartland personnel, who had to quickly become familiar with new data systems, operating procedures, products and services. I am grateful to all of the Midland employees, old and new, for their dedication and hard work during this process.

The growth that resulted from the Heartland acquisition has also led us to bring in additional management talent. I’ve mentioned a few of these new hires in the 2015 quarterly shareholder letters, and I am pleased to say that we are already benefitting from their expertise. We look forward to introducing you to other new hires and internal promotions as we continue to grow.

In late 2015 we also added a new director to the holding company board - Deborah Golden. Deb filled the board vacancy created by Tony Siemer's retirement, and brings additional business, legal and executive level experience to our board. Deb is Executive Vice President, General Counsel and Secretary of GATX, a NYSE listed company headquartered in Chicago. Deb's experience at GATX, which is in the equipment leasing business, is particularly relevant to us following our acquisition of Heartland Business Credit. Deb has also served as Assistant General Counsel for the Office of the Governor, State of Illinois, and in various executive legal positions at Ameritech Corporation. She was also a partner at the law firm of Schiff, Hardin & Waite. Deb holds a B.A. from Boston College, a J.D. from Loyola University School of Law and an M.B.A. from Loyola University. Please join me in welcoming her to the Midland family.



Deborah Golden
Executive Vice President,
General Counsel and
Secretary of GATX

Another area of increased focus for us in 2015 was on building the same types of close-knit, boots-on-the-ground relationships in our newer communities as we have always maintained in our long-standing neighborhoods. Part of this effort involved the opening of two new banking offices, one in downtown Joliet, Illinois, and one in Jennings, Missouri. Another part involves working with additional community development groups, government agencies and community business leaders. These collective efforts are part of a larger vision and plan, which in this case is described in our Community Development Plan (CDP). The CDP is designed to increase our deposit, lending and business services relationships with lower and moderate income families and minority owned businesses, and help drive economic development, in our communities. We believe these efforts can provide us with opportunities for further growth.

We also opened our new downtown Effingham branch in October 2015, after having been in the former location since 1883. We know that there are many pundits who say that branch banking is on its way out and will be completely overtaken by mobile banking and "fintechs", but I see strong indications that community banks will continue to play an important role in the U.S. banking sector. For example, according to the Banc Investment Daily, a recent survey performed by the Federal Reserve of small businesses with less than 500 employees found that 75% of borrowers were satisfied with their borrowing experience at small banks, while only 15% were satisfied with online lenders.

I also believe Midland's relationship-based banking does, and will likely continue to, play an important role in our overall business model and efforts to drive further shareholder value. For example, I mentioned that our total deposits increased by more than 10% in 2015. But all deposits are not of equal value to a bank. Banks that rely heavily on the Internet, out-of-market mass mailings and other non-branch bank deposit gathering activities often wind up with significant levels of "non-core" deposits. These non-core deposits, including "brokered" deposits, tend to come and go quickly since they are constantly chasing the highest yield, and as a result banks often must pay higher rates to attract these deposits. Midland, however, enjoys a stable and growing base of more permanent "core" deposits, and we generally maintain lower costs of funds and stronger net interest margin than many of our competitors. At December 31, 2015, core deposits represented 88.4% of our total deposits, and for 2015, our weighted average cost of interest bearing deposits was 0.44%. Moreover, noninterest bearing deposits represented 23.0% of our total deposits at year-end. These factors helped contribute to a 4.38% net interest margin for 2015, which we believe compares very favorable to many of our peers as

well as to most regional and national banks. So while there is no doubt that Midland's online and mobile banking, as well as other technology conveniences we may launch in the future, improve our customers' banking experience, I also believe branch locations will continue to drive our business for some time to come.

This all leads me to the final points I want to make in this year's letter. As I have said on many occasions, the Company's most important asset is our people. This is true across our entire organization, from top to bottom, and is why we began a program we refer to as "Ensuring Leadership Continuity" approximately five years ago. The program is designed to help us plan for continued growth, as well as expected and unexpected changes in personnel, including senior management personnel.



Jeff Ludwig

Executive Vice President and
Chief Financial Officer
Midland States Bancorp, Inc.

President and
Chief Financial Officer
Midland States Bank

As part of this effort, in early February our Bank Board promoted Jeff Ludwig, who had been the Bank's Executive Vice President and Chief Financial Officer, to the position of President of the Bank. Jeff remains the Chief Financial Officer of the Bank and the Executive Vice President and Chief Financial Officer of the Company. At the same time, the board also promoted Jeff Mefford, who had been Senior Vice President, Community Banking, to the role of Executive Vice President, Banking, of the Bank.

These promotions were well warranted and serve as an important part of our overall succession planning. Both Jeff Ludwig and Jeff Mefford have been instrumental in the development and the execution of our Strategic Plan, and I have come to rely on each of them for sound advice and general business and banking knowledge.

Both Jeffs have also had a strong hand in running our overall operations during the past eight years of growth. In addition to running Finance, Jeff Ludwig has been responsible for Treasury, Operations, Wealth Management, IT, and Facilities. Jeff Mefford has lead our entire Retail and Commercial Banking operation, and has been the key management link to our efforts to use our bank to support the growth of Heartland Business Credit and Love Funding. In addition to other important roles, in his new position he will oversee Marketing as well, allowing for full coordination of our marketing and branding efforts Company-wide. Moreover, in addition to the operational roles each has had, over the past few years, virtually all of our business leaders and senior management personnel have reported to one or both of them. While each of their roles have expanded as a result of these promotions, they will continue to run their respective areas of responsibility. Please join me in congratulating each of them on their very well deserved promotions, and in knowing that we are taking the steps necessary to provide for the continued leadership of our organization.



Jeff Mefford

Executive Vice President,
Banking
Midland States Bank

These promotions also proved to be a timely way to test our leadership continuity efforts. Less than two weeks after the promotions were made I learned that I needed to take an unexpected six week leave of absence for health reasons. While it was enormously frustrating for me to be sitting at home while our Company continued moving forward, in hindsight it was actually quite useful for my role as CEO in at least two important ways. First, it allowed me the

time to consider all we have done in the eight years that I have been with the Company, and to consider whether our community banking model in general, and our Strategic Plan in particular, can continue to drive shareholder value. I believe the answer is a resounding “yes.” I also believe we are better positioned to capitalize on further growth opportunities than we were in 2007 when I arrived at the Company.

Second, it reaffirmed my belief in our management team and employees. Almost any good business book describes the importance of hiring the best possible people and providing them the resources and training to perform well. We have accomplished many things in the past eight years, including nine acquisitions, several capital raises, an almost ten-fold increase in the number of employees and a more than ten-fold increase in the number of locations. But, in my view, none of these compare in importance for driving further shareholder value than the management team we have built during this period, both at the board level and in our operating units. I believe the combination of our board members, who are business savvy, but also thoughtful and cautious, coupled with our talented and dedicated management team, gives us the organizational strength we need to continue our growth and further drive earnings and dividends.

Should you wish to receive a printed copy of the 2015 Annual Report, please contact Ms. Sarah Leonard, Assistant Secretary of the Company, at 217-342-7321 or sleonard@midlandsb.com.

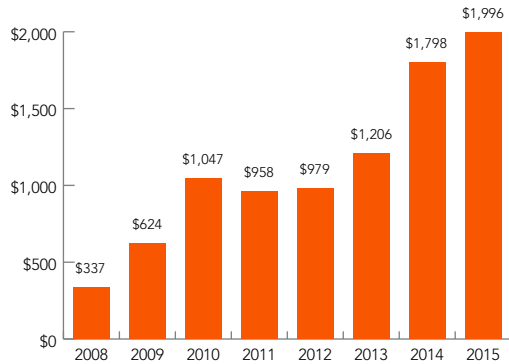
Very truly yours,



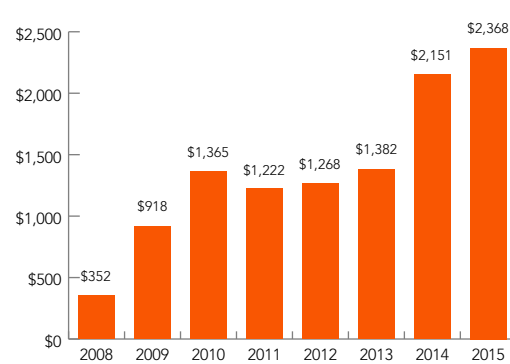
Leon J. Holschbach
President and CEO
Midland States Bancorp, Inc.

Financial Highlights

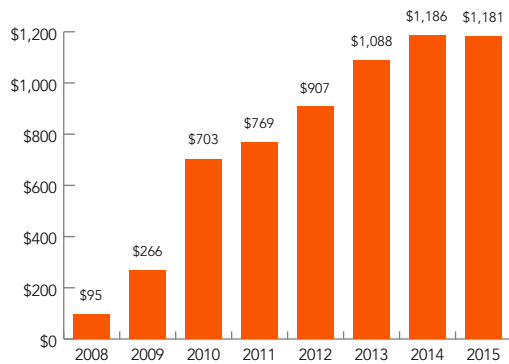
Total Gross Loans
(\$ in Millions)



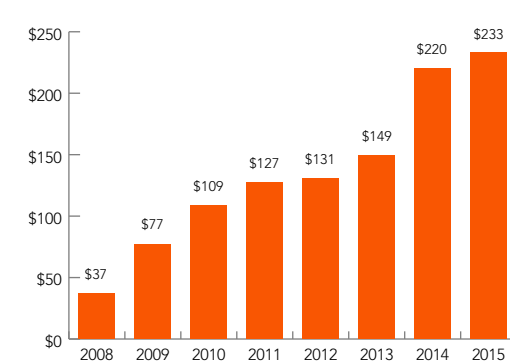
Total Deposits
(\$ in Millions)



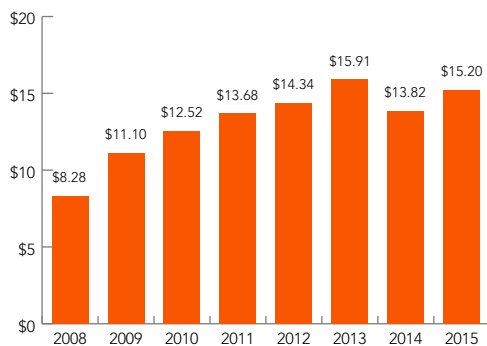
Trust Assets Under Administration
(\$ in Millions)



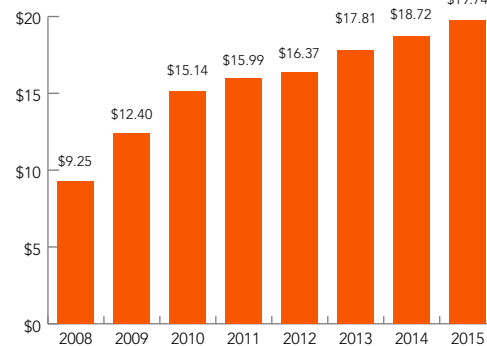
Total Shareholders' Equity
(\$ in Millions)



Tangible Book Value / Share⁽¹⁾

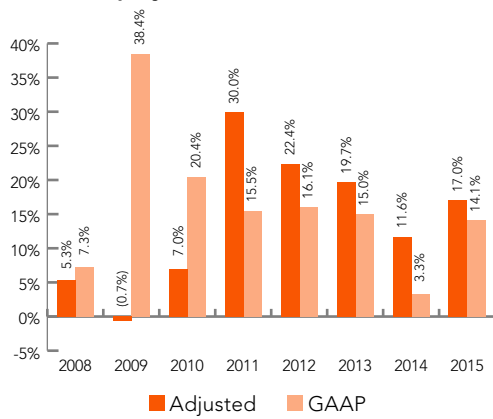


Book Value Per Share⁽¹⁾

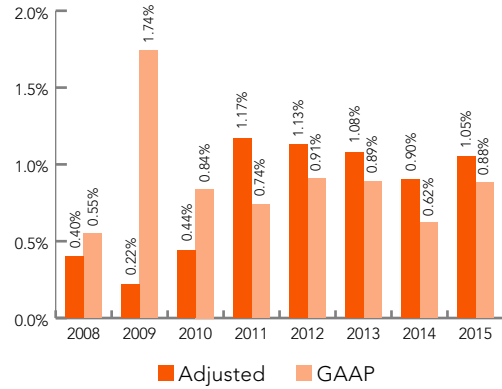


(1) Amounts shown assume the conversion of all preferred shares that were outstanding prior to December 31, 2014.

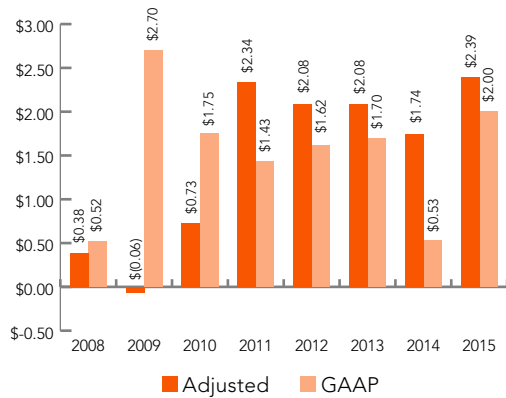
Return on Average Tangible Common Equity⁽¹⁾⁽²⁾



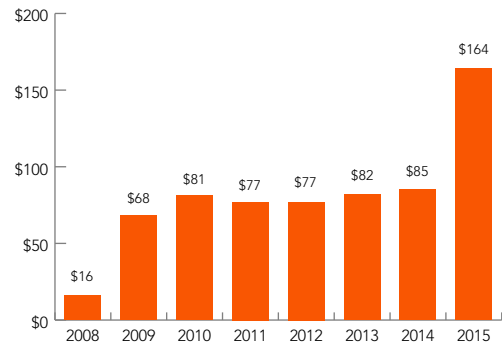
Return on Average Assets⁽¹⁾⁽²⁾



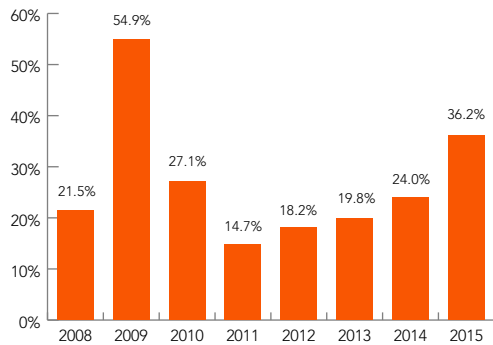
Diluted Earnings Per Share⁽¹⁾⁽²⁾



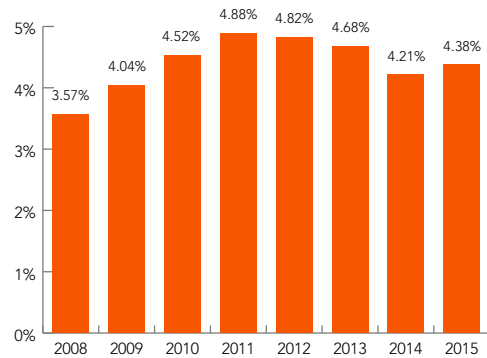
Revenue (\$ in Millions)



Noninterest Income / Revenue⁽²⁾



Net Interest Margin



(1) Adjusted financial metrics exclude the following items: bargain purchase gains on acquisitions; payments received under our FDIC settlement; FDIC loss sharing income; amortization of FDIC indemnification assets, net; gain on sales of investment securities, net; gain on sales of other assets; and other than temporary impairment on investment securities.

(2) Net income in 2009 was positively affected by a \$19.2 million bargain purchase gain recognized in connection with the Strategic Capital acquisition.

Summary Financial Information

The following selected historical consolidated financial data as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 has been derived from our audited consolidated financial statements.

(dollars in thousands, except per share data)	For the Year Ended December 31,				
	2015	2014	2013	2012	2011
Per Common Share Data					
Basic earnings per share	\$ 2.03	\$ 0.53	\$ 2.12	\$ 1.96	\$ 1.69
Diluted earnings per share	2.00	0.53	1.70	1.62	1.43
Dividends declared	0.65	0.59	0.53	0.48	0.43
Book value ⁽¹⁾	19.74	18.72	17.81	16.37	15.99
Weighted average shares outstanding:					
Basic	11,902,455	5,945,615	4,558,549	4,300,578	4,245,500
Diluted	12,112,403	6,025,454	7,151,471	6,898,791	6,896,393
Shares outstanding at period end	11,797,404	11,725,158	4,620,026	4,257,319	4,198,947
Performance Ratios					
Adjusted earnings ⁽²⁾	\$ 29,193	\$ 15,715	\$ 17,541	\$ 16,969	\$ 18,109
Return on average assets	0.88%	0.62%	0.89%	0.91%	0.74%
Return on average shareholders' equity	10.68%	6.82%	10.45%	10.75%	10.05%
Return on average tangible common equity	14.14%	3.26%	15.04%	16.12%	15.49%
Yield on earning assets	4.91%	4.74%	5.29%	5.65%	6.07%
Cost of average interest bearing liabilities	0.66%	0.65%	0.72%	0.96%	1.36%
Net interest spread	4.25%	4.09%	4.57%	4.69%	4.71%
Net interest margin ⁽³⁾	4.38%	4.21%	4.68%	4.82%	4.88%
Efficiency ratio ⁽⁴⁾	66.15%	71.42%	67.37%	66.04%	62.36%
Common stock dividend payout ratio ⁽⁵⁾	32.02%	111.32%	25.00%	24.49%	25.44%
Loan to deposit ratio	84.29%	83.60%	87.24%	77.16%	78.39%
Regulatory Capital Ratios⁽⁶⁾					
Tier 1 common capital to risk-weighted assets	6.50%	N/A	N/A	N/A	N/A
Tier 1 leverage ratio	7.49%	10.48%	8.14%	7.98%	7.60%
Tier 1 capital to risk-weighted assets	8.62%	8.65%	9.98%	10.36%	9.96%
Total capital to risk-weighted assets	11.82%	9.59%	11.77%	12.03%	11.67%
Credit Quality Data					
Loans 30-89 days past due	\$ 10,120	\$ 5,744	\$ 9,193	\$ 3,037	\$ 5,785
Loans 30-89 days past due to total loans	0.51%	0.32%	0.76%	0.31%	0.60%
Nonperforming loans	\$ 24,891	\$ 32,172	\$ 21,822	\$ 19,829	\$ 21,674
Nonperforming loans to total loans	1.25%	1.80%	1.81%	2.03%	2.26%
Nonperforming assets	\$ 29,206	\$ 39,542	\$ 28,481	\$ 25,860	\$ 24,023
Nonperforming assets to total assets	1.01%	1.48%	1.64%	1.64%	1.58%
Allowance for loan losses to total loans	0.80%	0.69%	1.96%	2.68%	2.80%
Allowance for loan losses to nonperforming loans	64.23%	38.23%	108.48%	132.08%	123.79%
Net charge-offs to average loans	0.39%	0.94%	0.25%	0.28%	0.56%

1) Book value per share gives effect to the conversion of all of the issued and outstanding shares of Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock into shares of the Company's common stock. Book value per share is a non-GAAP measure.

2) Adjusted earnings is a non-GAAP measure – see reconciliation to income before taxes on page 13.

3) Net interest margin during the periods presented represent: (i) the difference between interest income on interest earning assets and the interest expense on interest bearing liabilities, divided by (ii) average interest earning assets for the period.

4) Efficiency ratio represents noninterest expense, as adjusted, divided by the sum of fully taxable equivalent net interest income plus noninterest income, as adjusted. Noninterest expense adjustments exclude integration and acquisition related expenses and professional fees and other expenses for aborted stock offering. Noninterest income adjustments exclude bargain purchase gains, FDIC loss sharing income, accretion/amortization of the FDIC indemnification asset, realized gains or losses from the sale of investment securities, and other than temporary impairment.

5) Common stock dividend payout ratio represents dividends per share divided by basic earnings per share.

6) Beginning January 1, 2015, calculated in accordance with Basel III.

MIDLAND STATES BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

(dollars expressed in thousands, except for share and per share data)

	2015	2014
Assets		
Cash and due from banks	\$ 211,976	\$ 159,769
Federal funds sold	499	134
Cash and cash equivalents	212,475	159,903
Investment securities available for sale, at fair value (\$75,979 and \$92,319 covered by FDIC loss-share at December 31, 2015 and 2014, respectively)	236,627	253,768
Investment securities held to maturity, at amortized cost (fair value of \$92,816 and \$106,891 at December 31, 2015 and 2014, respectively)	87,521	101,763
Loans	1,995,589	1,798,015
Allowance for loan losses	(15,988)	(12,300)
Total loans, net	1,979,601	1,785,715
Loans held for sale, at fair value	54,413	96,407
Premises and equipment, net	73,133	72,331
Other real estate owned	5,472	8,291
Nonmarketable equity securities	15,472	12,194
Accrued interest receivable	7,697	8,642
Mortgage servicing rights, at lower of cost or market	66,651	62,781
Intangible assets	7,004	9,464
Goodwill	46,519	47,946
Cash surrender value of life insurance policies	52,729	31,255
Accrued income taxes receivable	8,754	3,426
Deferred tax assets, net	1,496	3,683
Other assets	29,260	19,045
Total assets	<u>\$ 2,884,824</u>	<u>\$ 2,676,614</u>
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 543,401	\$ 507,188
Interest-bearing	1,824,247	1,643,445
Total deposits	2,367,648	2,150,633
Short-term borrowings	107,538	129,714
FHLB advances and other borrowings	40,178	74,349
Subordinated debt	61,859	7,370
Trust preferred debentures	37,057	36,930
Accrued interest payable	979	1,067
Other liabilities	36,509	56,622
Total liabilities	<u>2,651,768</u>	<u>2,456,685</u>
Shareholders' Equity:		
Common stock, \$0.01 par value; 40,000,000 shares authorized; 11,797,404 and 11,725,158 shares issued and outstanding at December 31, 2015 and 2014, respectively	118	117
Capital surplus	135,822	134,423
Retained earnings	90,911	74,279
Accumulated other comprehensive income	6,029	10,637
Total Midland States Bancorp, Inc. shareholders' equity	232,880	219,456
Noncontrolling interest in subsidiaries	176	473
Total shareholders' equity	<u>233,056</u>	<u>219,929</u>
Total liabilities and shareholders' equity	<u>\$ 2,884,824</u>	<u>\$ 2,676,614</u>

MIDLAND STATES BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(dollars expressed in thousands, except for share and per share data)

	2015	2014	2013
Interest income:			
Loans:			
Taxable	\$ 100,814	\$ 55,514	\$ 55,598
Tax exempt	1,175	782	1,260
Investment securities:			
Taxable	11,502	12,063	12,801
Tax exempt	3,916	4,604	5,137
Federal funds sold and cash investments	389	178	193
Total interest income	<u>117,796</u>	<u>73,141</u>	<u>74,989</u>
Interest expense:			
Deposits	7,511	5,198	5,713
Short-term borrowings	237	179	161
FHLB advances and other borrowings	741	1,682	1,766
Subordinated debt	2,731	728	755
Trust preferred debentures	1,669	756	674
Total interest expense	<u>12,889</u>	<u>8,543</u>	<u>9,069</u>
Net interest income	104,907	64,598	65,920
Provision for loan losses	11,127	92	173
Net interest income after provision for loan losses	<u>93,780</u>	<u>64,506</u>	<u>65,747</u>
Noninterest income:			
Commercial mortgage banking revenue	20,175	—	—
Residential mortgage banking revenue	17,634	3,000	3,366
Wealth management revenue	7,292	7,098	6,149
Merchant services revenue	1,529	1,083	742
Service charges on deposit accounts	3,969	3,036	2,741
Interchange revenue	3,562	2,613	2,260
Gain on bargain purchase	—	—	2,154
FDIC loss-sharing expense	(566)	(3,491)	(1,149)
Amortization of FDIC indemnification asset	(397)	(954)	(2,705)
Gain on sales of investment securities, net	193	77	321
Other-than-temporary impairment on investment securities	(461)	(190)	(190)
Gain (loss) on sales of other real estate owned	600	761	(26)
Gain on sales of other assets	—	3,224	—
Other income	5,952	4,184	2,567
Total noninterest income	<u>59,482</u>	<u>20,441</u>	<u>16,230</u>
Noninterest expense:			
Salaries and employee benefits	63,313	32,503	30,537
Occupancy and equipment	13,151	7,587	6,999
Data processing	10,197	6,402	5,593
FDIC insurance	2,051	1,328	1,121
Professional	8,687	5,677	4,794
Marketing	2,891	2,530	1,470
Communications	2,354	1,541	1,100
Loan expense	2,960	1,204	1,577
Other real estate owned	945	2,189	2,247
Intangible assets amortization	2,460	2,115	2,257
FHLB advances prepayment fee	—	1,746	—
Other	8,755	4,658	3,754
Total noninterest expense	<u>117,764</u>	<u>69,480</u>	<u>61,449</u>
Income before income taxes	35,498	15,467	20,528
Income taxes	11,091	4,651	6,023
Net income	<u>24,407</u>	<u>10,816</u>	<u>14,505</u>
Less: net income attributable to noncontrolling interest in subsidiaries	83	—	—
Net income attributable to Midland States Bancorp, Inc.	24,324	10,816	14,505
Preferred stock dividends	—	7,601	4,718
Net income available to common shareholders	<u>\$ 24,324</u>	<u>\$ 3,215</u>	<u>\$ 9,787</u>
Per common share data:			
Basic earnings per common share	\$ 2.03	\$ 0.53	\$ 2.12
Diluted earnings per common share	\$ 2.00	\$ 0.53	\$ 1.70
Weighted average common shares outstanding	11,902,455	5,945,615	4,558,549
Weighted average diluted common shares outstanding	12,112,403	6,025,454	7,151,471

RECONCILIATION OF ADJUSTED EARNINGS TO INCOME BEFORE TAXES

(dollars expressed in thousands)

	2015	2014	2013	2012	2011
Income before income taxes - GAAP	\$ 35,498	\$ 15,467	\$ 20,528	\$ 18,499	\$ 15,347
Adjustments to other income:					
Gain on sales of investment securities, net	193	77	321	953	466
Other than-temporary-impairment on investment securities	(461)	(190)	(190)	(319)	(742)
Gain on bargain purchase	-	-	2,154	-	-
FDIC settlement	-	1,709	-	-	-
FDIC loss-sharing (expense) income	(566)	(3,491)	(1,149)	1,477	4,455
Amortization of FDIC indemnification asset, net	(397)	(954)	(2,705)	(5,172)	(8,047)
Gain on sale of other assets	12	2,972	-	-	-
Total adjusted other income	(1,219)	123	(1,569)	(3,061)	(3,868)
Adjustments to other expense:					
Foundation contribution	-	900	-	-	-
Professional fees and other expenses for aborted stock offering	-	-	-	-	3,413
Integration and acquisition expenses	6,101	6,229	2,727	1,424	1,807
Total adjusted other expense	6,101	7,129	2,727	1,424	5,220
Adjusted earnings pre tax	42,818	22,473	24,824	22,984	24,435
Adjusted earnings tax	13,625	6,758	7,283	6,015	6,326
Adjusted earnings - non-GAAP	<u>\$ 29,193</u>	<u>\$ 15,715</u>	<u>\$ 17,541</u>	<u>\$ 16,969</u>	<u>\$ 18,109</u>

MIDLAND STATES BANCORP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(dollars expressed in thousands, except for share and per share data)

	Preferred stock	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock	Midland States Bancorp, Inc.'s Shareholders' Equity	Noncontrolling interest in subsidiaries	Total
Balances, December 31, 2012	\$ 57,370	\$ 50	\$ 10,595	\$ 67,192	\$ 2,327	\$ (6,616)	\$ 130,918	\$ —	\$ 130,918
Net income	—	—	—	14,505	—	—	14,505	—	14,505
Compensation expense for stock option grants	—	—	358	—	—	—	358	—	358
Amortization of restricted stock awards	—	—	349	—	—	—	349	—	349
Common dividends declared (\$0.53 per share)	—	—	—	(2,403)	—	—	(2,403)	—	(2,403)
Preferred dividends declared	—	—	—	(4,718)	—	—	(4,718)	—	(4,718)
Issuance of common stock warrants to an investor	—	—	615	—	—	—	615	—	615
Purchase of treasury stock	—	—	—	—	—	(9)	(9)	—	(9)
Sale of treasury stock to an investor	—	—	1,102	—	—	868	1,970	—	1,970
Issuance of treasury stock for an acquisition	—	—	1,624	—	—	1,110	2,734	—	2,734
Issuance of common stock under employee benefit plans	—	—	154	—	—	282	436	—	436
Other comprehensive income	—	—	—	—	4,685	—	4,685	—	4,685
Balances, December 31, 2013	\$ 57,370	\$ 50	\$ 14,797	\$ 74,576	\$ 7,012	\$ (4,365)	\$ 149,440	\$ —	\$ 149,440
Net income	—	—	—	10,816	—	—	10,816	—	10,816
Compensation expense for stock option grants	—	—	240	—	—	—	240	—	240
Amortization of restricted stock awards	—	—	468	—	—	—	468	—	468
Common dividends declared (\$0.59 per share)	—	—	—	(3,512)	—	—	(3,512)	—	(3,512)
Preferred dividends declared	—	—	—	(4,698)	—	—	(4,698)	—	(4,698)
Conversion of Series C preferred stock into 2,008,543 shares of common stock	(23,600)	17	19,259	—	—	4,324	—	—	—
Conversion of Series D preferred stock into 1,039,823 shares of common stock	(22,470)	10	22,460	—	—	—	—	—	—
Conversion of Series E preferred stock into 536,171 shares of common stock	(6,300)	5	6,295	—	—	—	—	—	—
Conversion of Series F preferred stock into 231,375 shares of common stock	(5,000)	2	4,998	—	—	—	—	—	—
Issuance of 138,239 shares of common stock for preferred dividends	—	1	2,902	(2,903)	—	—	—	—	—
Private placement issuance of 887,562 shares of common stock	—	9	16,147	—	—	—	16,156	—	16,156
Issuance of 2,224,091 shares of common stock for an acquisition	—	22	46,684	—	—	—	46,706	—	46,706
Fair value of noncontrolling interest recognized from business combination	—	—	—	—	—	—	—	473	473
Issuance of common stock under employee benefit plans	—	1	173	—	—	41	215	—	215
Other comprehensive income	—	—	—	—	3,625	—	3,625	—	3,625
Balances, December 31, 2014	\$ —	\$ 117	\$ 134,423	\$ 74,279	\$ 10,637	\$ —	\$ 219,456	\$ 473	\$ 219,929
Net income	—	—	—	24,324	—	—	24,324	83	24,407
Cash distributions to noncontrolling interests	—	—	—	—	—	—	—	(380)	(380)
Compensation expense for stock option grants	—	—	413	—	—	—	413	—	413
Amortization of restricted stock awards	—	—	517	—	—	—	517	—	517
Common dividends declared (\$0.65 per share)	—	—	—	(7,692)	—	—	(7,692)	—	(7,692)
Issuance of common stock under employee benefit plans	—	1	469	—	—	—	470	—	470
Other comprehensive loss	—	—	—	—	(4,608)	—	(4,608)	—	(4,608)
Balances, December 31, 2015	\$ —	\$ 118	\$ 135,822	\$ 90,911	\$ 6,029	\$ —	\$ 232,880	\$ 176	\$ 233,056

2015 Actual Cash Dividend Data

Quarter	Record Date	Payment Date	Share Amount
1	February 2, 2015	February 9, 2015	\$0.16
2	May 1, 2015	May 7, 2015	\$0.16
3	August 3, 2015	August 10, 2015	\$0.16
4	November 2, 2015	November 9, 2015	\$0.17

Ten-year Dividend History and Book Value Per Share

Year	Cash Dividends for the Year		Book Value Per Share - at End of Year	
	Amount ^(a)	% Increase	Amount ^(b)	% Increase
2006	\$0.24		\$8.60	
2007	\$0.27	12.5%	\$8.90	3.5%
2008	\$0.30	11.1%	\$9.25	3.9%
2009	\$0.33	10.0%	\$12.40	34.1%
2010	\$0.39	18.2%	\$15.14	22.1%
2011	\$0.43	10.3%	\$15.99	5.6%
2012	\$0.48	11.6%	\$16.37	2.4%
2013	\$0.53	10.4%	\$17.81	8.8%
2014	\$0.59	11.3%	\$18.72	5.1%
2015	\$0.65	10.2%	\$19.74	5.4%

(a) Restated for 10 for 1 stock split on December 31, 2010.

(b) Book value per share gives effect to the conversion of all of the issued and outstanding shares of preferred stock into shares of the Company's common stock in 2009, 2010, 2011, 2012 and 2013

Board of Directors



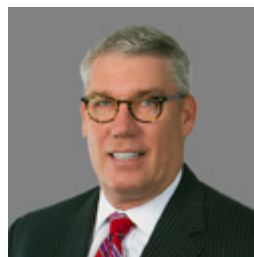
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Midland States Bancorp, Inc.
Midland States Bank
Chairman
Agracel, Inc.
Chairman and Chief
Executive Officer



Leon J. Holschbach
Midland States Bancorp, Inc.
Midland States Bank
Vice Chairman
President and Chief
Executive Officer



Robert F. Schultz
JM Schultz Investment
Company
Managing Partner



Jeffrey C. Smith
Walters Management Group
Principal and Managing
Partner



Richard T. Ramos
Maritz Holdings, Inc.
Executive Vice President
Chief Financial Officer
and Board Member



Thomas D. Shaw
Shaw Media
Chief Executive Officer



Jerry L. McDaniel
Superior Fuels, Inc.
Encore Transportation, LLC
President



Dwight A. Miller
Dash Management, Inc.
Chief Executive Officer

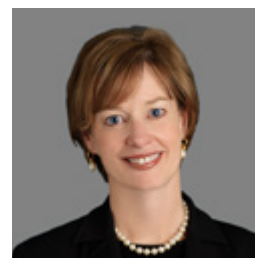
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midlandsb.com/investors.



Jeffrey M. McDonnell
J&J Management
Services, Inc.
Chief Executive Officer



Laurence A. Schiffer
Hallmark Investment
Corporation
President and Co-Chief
Executive Officer



Deborah A. Golden
Executive Vice President,
General Counsel and
Secretary of GATX

Management Team

Executive Management

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Midland States Bancorp, Inc.
Vice Chairman, President and
Chief Executive Officer

Midland States Bank
Vice Chairman and
Chief Executive Officer

Jeffrey G. Ludwig
Midland States Bancorp, Inc.
Executive Vice President and
Chief Financial Officer

Midland States Bank
President and
Chief Financial Officer

Douglas J. Tucker
Midland States Bancorp, Inc.
Senior Vice President,
Corporate Counsel and Secretary

Midland States Bank
Senior Vice President,
Corporate Counsel

Jeffrey S. Mefford
Midland States Bank
Executive Vice President,
Banking

Jeffrey A. Brunoehler
Midland States Bank
Senior Vice President,
Chief Credit Officer

Sharon A. Schaubert
Midland States Bank
Senior Vice President,
Banking Services

James R. Stewart
Midland States Bank
Senior Vice President,
Chief Risk Officer

Senior Management

Corporate

Jeffrey Culp
Director - Financial Planning
& Analysis

Steve Erickson
Director - Mergers & Acquisitions

Michael Karibian
Corporate Treasurer

Kyle Mooney
Chief Information Officer

Gregory Pence
Director - Marketing

Aaron Rios
Director - Operations

Donald Spring
Controller

Willie Wierman
Senior Credit Officer and
Manager of Retail and Business
Banking

Banking

Jeffrey Lovett
Regional Market President
Northern Region

Timothy Spitz
Regional Market President
Southern and St. Louis Regions

Dan Stevenson
Regional Market President
Eastern Region

Chuck Frederick
Director - Retail Banking

Residential Mortgage

Cory Mackwood
President - Residential Mortgage

Wealth Management

Eric Chojnicki
President - Wealth Management

Heartland Business Credit

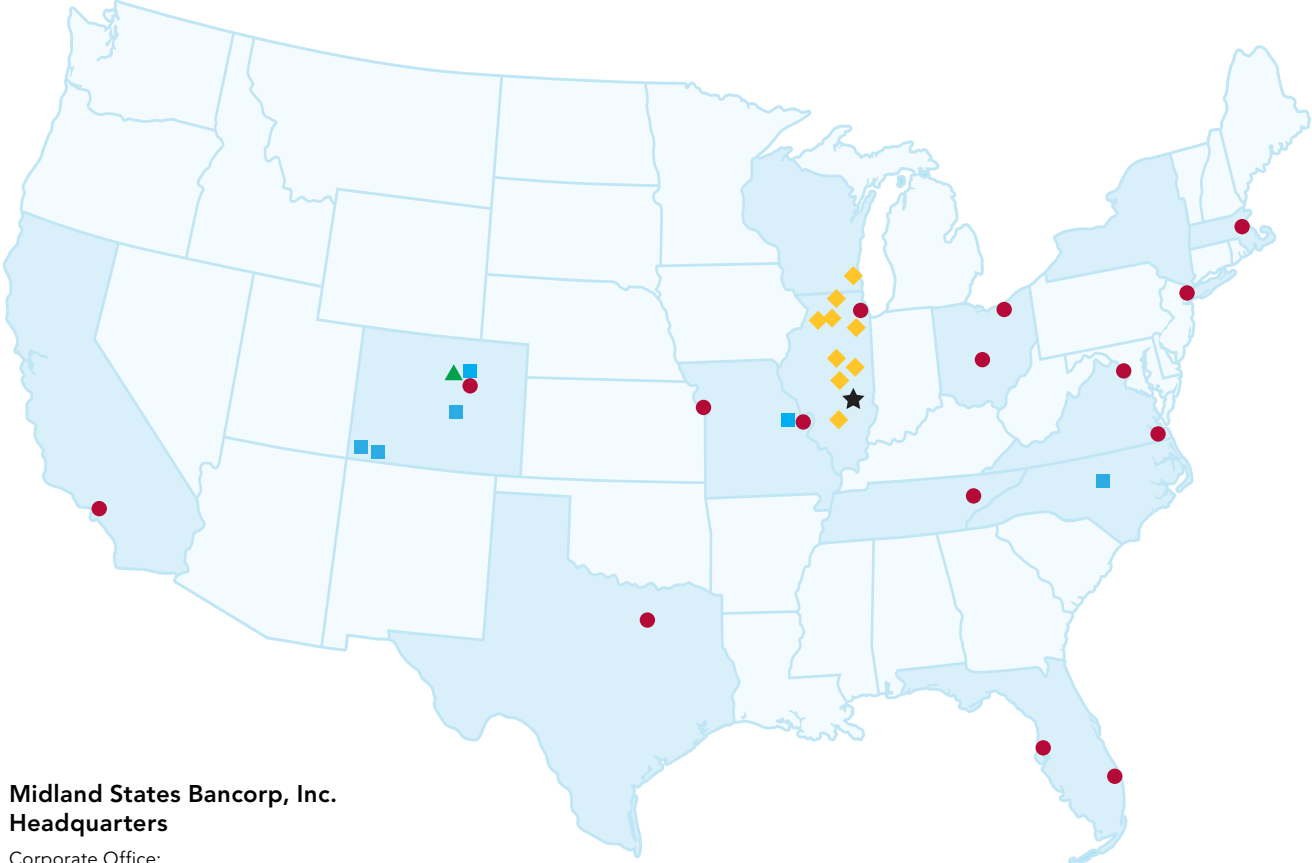
Larry White
President
Chief Executive Officer

Love Funding

Mark Dellonte
President
Chief Executive Officer

Strategic Footprint

With more than 70 locations in 13 states plus the District of Columbia, and a highly diversified revenue model, Midland is now in the top 5% of all banks in the U.S., out of more than 6,000 banks.



★ **Midland States Bancorp, Inc.**
Headquarters

Corporate Office:
1201 Network Centre Drive

■ **Midland Mortgage Banking**

Corporate Office:
14125 Clayton Road
Chesterfield, MO 63017

Mortgage Offices:
Richmond Heights, MO
St. Louis, MO
Colorado Springs, CO
Cortez, CO
Denver, CO
Durango, CO
Cary, NC

▲ **Heartland Business Credit**

Corporate Office:
390 Union Blvd.
Suite 600
Lakewood, CO 80228

◆ **Midland Wealth Management**

Corporate Office:
1201 Network Centre Drive
Effingham, IL 62401

Offices:
Bloomington, IL
Centralia, IL
Champaign, IL
Decatur, IL
Dixon, IL
Effingham, IL
Joliet, IL
Rockford, IL
Sterling, IL
Milwaukee, WI

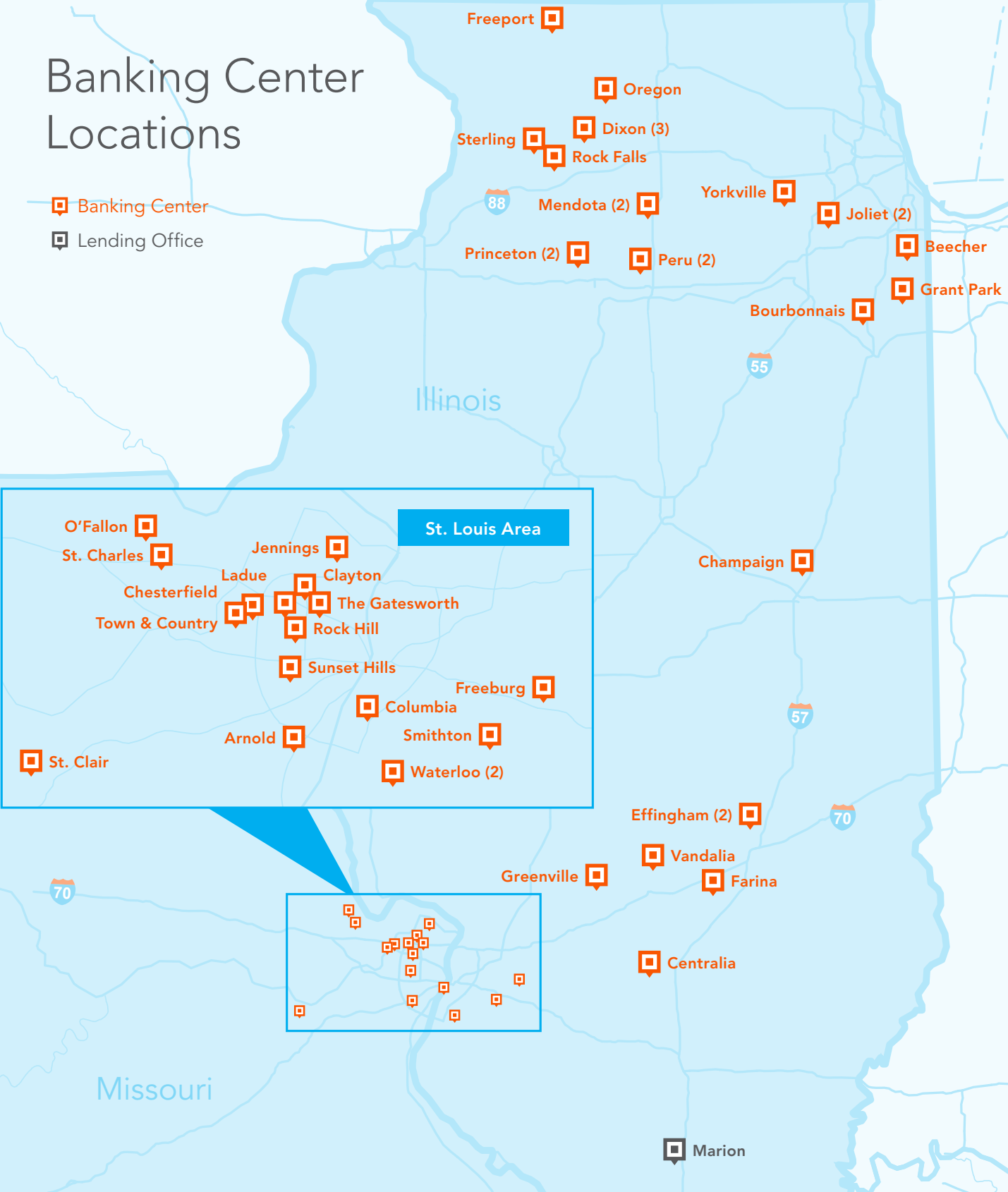
● **Love Funding**

Corporate Office:
1250 Connecticut Avenue NW
Suite 310
Washington, D.C. 20036

Offices:
Boston, MA
Chicago, IL
Cleveland, OH
Columbus, OH
Dallas, TX
Denver, CO
Kansas City, MO
Knoxville, TN
Los Angeles, CA
New York, NY
Norfolk, VA
Palm Beach, FL
St. Louis, MO
Tampa, FL

Banking Center Locations

-  Banking Center
-  Lending Office



This map does not show our Banking Center in Denver, Colorado.

