

Midland to Acquire Trust Department with \$400 Million of Assets under Administration from New York-based Sterling National Bank

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EFFINGHAM, ILLINOIS AND YONKERS, NEW YORK – February 23, 2016 – Midland States Bank and Sterling National Bank announced today that they have entered into a definitive agreement for Midland States Bank to acquire approximately \$400 million in wealth management assets from Sterling National Bank of Yonkers, New York, with an expected transaction closing date in the second or third quarter of 2016.

The wealth management assets to be acquired were from Hudson Valley Bank, which merged with Sterling National Bank in 2015. The majority of these assets are held within Special Needs and Settlement Trusts. Midland has experience in this specialized field through its 2013 acquisition of a Milwaukee-based settlement trust group. In connection with the transaction, Midland expects to retain all 10 members of Sterling’s trust department, bringing Midland’s Wealth Management Group to 45 professionals. The transaction is subject to regulatory approval and other customary closing conditions.

Midland’s Wealth Management Group currently offers trust & estate services, investment management, and retirement planning, in addition to its settlement trust services. Since 2007, Midland has grown its wealth management assets under administration from \$90 million to \$1.2 billion as of December 31, 2015.

“Sterling National’s trust team gives us additional expertise and critical mass in the court-appointed settlement trust business,” stated Eric Chojnicki, President of Midland’s Wealth Management Group. “Their team is client driven through the creation of customized strategies, which is a cultural fit to the way we work with our clients. We are excited to have them join our team.”

“We are pleased that our trust clients will benefit from Midland States Bank’s expertise and focus in this specialized business, which allows us to remain focused on our strategy of serving middle market commercial clients,” said Jim Peoples, Sterling’s Chief Banking Officer.

“We are always looking for opportunities to grow our company in ways that fit within our expertise,” commented Jeff Ludwig, President and Chief Financial Officer of Midland States Bank. “This opportunity is a nice fit and allows us to expand our expertise in this specialized trust space. This acquisition continues our strategy, both for our Bank and Wealth Management Group, of identifying leading professionals in specific areas and bringing them into Midland. We look forward to growing and servicing our new clients.”

Keefe, Bruyette & Woods, Inc. is serving as financial advisor to Sterling and Wachtell, Lipton, Rosen & Katz is serving as Sterling’s legal counsel in connection with the transaction. Barack Ferrazzano Kirschbaum & Nagelberg LLP is serving as legal counsel to Midland.

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 has assets of approximately \$3.0 billion, and its Midland Wealth Management Group has assets under administration of \$1.2 billion as of December 31, 2015. Midland remains locally owned and provides a full range of commercial and consumer banking products and services, merchant credit card services, trust and investment management, 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, its non-bank subsidiaries. Midland now has more than 80 locations across the U.S. As a community banking institution, Midland prides itself on establishing and maintaining excellent relationships with its customers and is committed to serving the financial needs of its communities. For additional information, visit <http://www.midlandsb.com> or follow us on LinkedIn at <https://www.linkedin.com/company/midland-states-bank>.

About Sterling National Bank

Sterling Bancorp, of which the principal subsidiary is Sterling National Bank, specializes in the delivery of service and solutions to business owners, their families, and consumers within the communities we serve through teams of dedicated and experienced relationship managers. Sterling National Bank offers a complete line of commercial, business, and consumer banking products and services. Additional information is available at: <http://www.sterlingbancorp.com>.

Forward-Looking Statements

This release may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may concern current expectations about its future results, plans, operations and prospects and are subject to numerous assumptions, risks and uncertainties, including inflation; ability to obtain regulatory approvals and meet other closing conditions to the transaction on the expected terms and schedule; the effects of, and changes in, trade; changes in asset quality and credit risk; introduction, withdrawal, success and timing of business initiatives; capital management activities; customer disintermediation; and the success at managing these risks. Other factors that could cause actual results to differ from those indicated in forward-looking statements are included in the “Risk Factors” section of Sterling’s securities filings with the Securities and Exchange Commission. The forward-looking statements included herein are only made as of the date hereof, and Sterling specifically disclaims any obligation to update these statements in the future.

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