



On October 11, 2019 Docking Bancshares, Inc. and Midland Financial Corporation signed an agreement and plan for reorganization for Docking Bancshares, Inc. to purchase Midland Financial Corporation and its wholly owned subsidiary Midland National Bank. The closing is anticipated to happen at year end 2019, pending regulatory approvals. At that time Union State Bank and Midland National Bank will merge. Midland National Bank will continue to operate separately under the dba of “Midland” until banking systems are converted. At that same time, the Midland will rebrand to Union State Bank.

Q: Who is Docking Bancshares, Inc. and Union State Bank?

A: Docking Bancshares, Inc. is a privately held holding company headquartered in Arkansas City, Kansas, and the parent company of Union State Bank, also headquartered in Arkansas City, Kansas. Since 1956 control of Docking Bancshares has resided with the Docking Family, with Bill Docking serving as President, CEO and Chairman of the Board and Brian Docking serving as Vice-Chair of the Board. As of June 30th, total assets were \$339 million.

Founded in 1908, Union State Bank has ten full or limited service banking locations serving the communities of Arkansas City, Udall, Wichita and Winfield in Kansas and Bartlesville and Edmond in Oklahoma. Union State Bank offers a full range of electronic, deposit and cash management services, as well as business and agriculture, commercial real estate, construction, mortgage, residential and consumer loans. To learn more, visit their website at www.myunionstate.com.

Q: Why is Midland National Bank selling?

A: It was determined by both Boards that this was a mutually beneficial opportunity. Midland Financial Corporation and Midland National Bank have an obligation to stockholders to make decisions that are in the Bank’s best interest. With this transaction they will be joining a financially strong and stable community banking organization that provides great customer service and cares about their employees and the communities they serve. Union State Bank is looking for expansion opportunities in Kansas, and Newton is an attractive market for growth.

Q: Why is this a good thing for Midland customers?

A: Our values are similar. Both banks understand the importance of building personal relationships, supporting community and providing excellent service. We believe as a combined organization customers will be better served with broader product offerings, increased lending limits and greater banking convenience with more locations serving South Central Kansas.

Q: When will the transaction be final?

A: Docking Bancshares, Inc. will file their application with their governing regulators to acquire Midland National Bank in the next few weeks. Once regulatory approval is received, the sale can then be completed. We anticipate closing of the transaction will be at the end of 2019.

Q: Will the Midland National Bank locations remain open?

A: All branches of Midland National Bank will remain open. Union State Bank's interest in Midland National Bank is to enhance and expand their current market footprint and provide additional convenience for bank customers.

Q. What will happen to the management of Midland National Bank?

A: Union State Bank recognizes the strong talent and value of the Midland National Bank management team in Newton. We are pleased to tell you that Ron Lang has agreed to stay on with Union State Bank as Market President to take care of the customers and businesses in the Newton communities. In addition, Union State Bank anticipates announcing additional positions with other members of the management team in the future. We will let you know as soon as those positions are confirmed.

Q: When can customers bank at both banks?

A: Until the banking systems conversion is completed, customers of both banks will continue to bank at their current branch locations. We anticipate this happening sometime in the third quarter of 2020.

Q: What will change on customers' accounts?

A: At this time there will be no changes. It's business as usual! Customers should continue to bank and use their Midland National Bank and Union State Bank accounts as they have always done. We will notify customers about any changes that might affect them well in advance, and will work to ensure a seamless transition. Again, nothing will change until approvals are granted and the banking systems are converted.

Q: Do customers need to do anything right now?

A: No. For now, Midland National Bank customers should continue to use their same checks, debit card and online banking services. Once regulatory approvals are granted, customers of Midland National Bank will receive additional information from Union State Bank regarding the transaction and what they can expect.

Q: Will FDIC Insurance be affected?

A: The \$250,000 FDIC limits would apply to the combined bank once the banks have merged. Customers of both Union State Bank and Midland National Bank that have concerns regarding FDIC insurance should visit their local branch so that we can assist in reviewing their accounts after the banks merge.

Q: Should customers be concerned?

A: Absolutely not! Union State Bank is a 110-year-old financially-strong and sound community bank with ten locations serving South Central Kansas and Oklahoma. They have a long-standing commitment to their communities, and to their customers. They are very interested in retaining all the Midland National Bank customers and continuing to deliver excellent customer service!