

**ANNUAL
REPORT**

2014

THE STEP UP



**EQUITY
BANCSHARES, INC.**



Owner Matt Moore, right, with Michael Doyle, Equity Bank Commercial Loan Officer.



Nick Esterline, a Freddy's franchisee, visits with Equity Bank at one of his Freddy's stores.

ABOUT THE ANNUAL REPORT

In 2013, we launched Equity Bank Napkin Stories, a website that pays tribute to all types of entrepreneurs, and includes video profiles and business success stories from Equity Bank customers. In April 2015, we filmed four new Napkin Stories – profiling Freddy's Frozen Custard, Midwest Quality Gloves, Martin City Brewing, and Dynamic Manufacturing. Photos from the film shoots are included in this Report.

See these customer videos, and more: www.equitybanknapkinstories.com.

MARTIN CITY BREWING COMPANY, LLC

Owners Matt Moore and Chancie Adams opened Martin City Brewing Company first as a brewpub in 2011, featuring an extensive craft beer selection and acclaimed food. In 2014, they expanded across the street to build The Pizza and Taproom, with a state-of-the-art brewing facility and warehouse next door. Martin City Brewing Company has helped lead the revival of Martin City, Missouri, and they've begun distribution of bottled beer in Kansas City.

FREDDY'S FROZEN CUSTARD & STEAKBURGERS

We're proud to work with and partner with several franchisees of the fast-growing Freddy's chain, founded in 2002 in Wichita, Kansas. The first Freddy's store, at 21st and Tyler, still serves up steakburgers and frozen custard today. Freddy's Frozen Custard & Steakburgers are located in 23 different states in the USA. Equity Bank partners with franchisees to help service more than 30 locations in eight different states, ensuring thousands enjoy signature steakburgers and frozen custard.

DYNAMIC NC MANUFACTURING

Owner Jim Gibbs founded Dynamic NC almost eight years ago in Udall, Kansas, out of helping his friends construct larger parts for the aircraft industry. Three parts turned into nearly 450 deliverable items for the OEMs, and last year, Dynamic moved into a larger building with the help of Equity Bank. Today, they consider themselves a small manufacturer who can do big things.



Owner Jim Gibbs, right, and Bryan Mackey visited with David King, Equity Bank Commercial Loan Officer, center.

MIDWEST QUALITY GLOVES, INC.

MidWest Quality Gloves and Gear is the largest U.S. producer of leather work gloves, with two additional production facilities within a 50-mile radius of its main plant in Chillicothe, Missouri. The entire leather-cutting process is done in the main plant in order to ensure quality and efficiency. By creating strong strategic partnerships with retailers, MidWest never wavers in its commitment to give consumers high quality products at good value costs.



Stephen Franke, Chief Executive Officer, left, and Michael Doyle, Equity Bank Commercial Loan Officer.

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TO MY FELLOW SHAREHOLDERS,

I truly believe community banking serves as a pillar of our cities, towns, suburbs, groups, and our lives. In 2014, we continued our mission of growing with our communities, and helping our customers reach their financial goals. In doing so, I'm pleased to report gains in net income, and new heights for us in asset growth, loan growth, and deposit volume.

During the last year, we worked hard to reward loyalty among our shareholder group, whether appreciation for years of support, or flexibility to seek a return. We took advantage of several opportunities to increase our shareholder value.

During the first quarter of 2014, we offered the opportunity for shareholders to exercise a tender offer, and we repurchased 1,320,660 shares for \$17,221,000. We have a strong shareholder base committed to our organic growth, our growth in earnings per share, and growth in book value, plus an investment in our future.

We're in the mix. We're positioned well with loan officers dedicated to helping customers grow, and build their businesses.

In July 2014, we announced the sale of two branch locations: DeSoto, Kansas, and Spring Hill, Kansas. While we enjoyed being part of each community, each branch sat outside our core Kansas City network. We found a good partner and excellent operator for these branches with TriCentury Bank. This sale closed in November 2014. Branch consolidation is an important aspect of strategic planning, and one of the steps we must take as a company to provide returns on your investment. In addition, we closed a branch location in Haddam, Kansas.

Certain statements contained herein may be considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon the belief of the Company's management, as well as assumptions made beyond information currently available to the Company's management, and may be, but not necessarily are, identified by such words as "expect", "plan", "anticipate", "target", "forecast" and "goal". Because such "forward-looking statements" are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations include competition from other financial institutions and bank holding companies; the effects of and changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; changes in the demand for loans; fluctuations in value of collateral and loan reserves; inflation, interest rate, market and monetary fluctuations; changes in consumer spending, borrowing and savings habits; and acquisitions and integration of acquired businesses, and similar variables. Except as otherwise stated in this Report, the Company does not undertake any obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise.

In July 2014, the Troubled Asset Relief Program (TARP) obligation assumed through merger with First Community Bancshares was repaid. This repayment was an important benchmark for us, and helped position us to pursue additional opportunities.



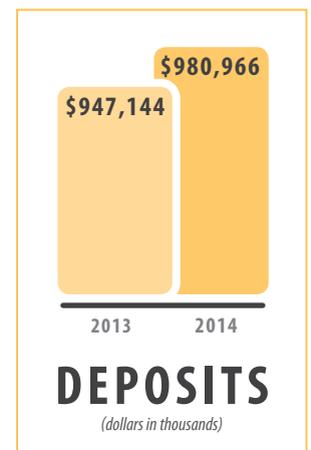
We are focused on providing community bank services to entrepreneurs, consumers, and business persons of all sizes: Small business customers itching to grow, families requiring flexibility, loans, and deposit services at their fingertips, and large commercial customers. We retooled our lending functions in 2014, and our loan portfolio grew by more than 10 percent from December 31, 2013 to December 31, 2014.

Our growth and our numbers indicate that we're doing the right things: Making

good decisions, making responsive decisions, and with the right people working with our communities. Secondly, this indicates an economy with increased activity – more businesses looking to invest capital in expansion or startup. And we're in the mix. We're positioned well with loan officers dedicated to helping customers build their businesses.

In our Kansas City and Western Missouri markets, we've benefited from energetic leadership at the hands of Kansas City Market President Mark Parman, and Western Missouri Regional President Jody Barker. Each of these market leaders knows the territory, and more importantly, is in tune with local business climates and opportunity – and is able to motivate teams of strong lenders to target and help our customers.

As part of our controlled expense strategy, we seek to make the



right investments in the right innovations. In June, we launched our new mobile app, *Equity Bank*, available on iTunes and Google Play. The app features realtime functionality, bill payment capability, account aggregation capability, and even the ability to pay your friends without a card, check, or cash. Adoption has been strong, and you truly can have an additional great relationship with Equity Bank on your phone.

We're also focused on improving in-person customer service, and in September we relocated our Webb Road branch to a new facility at 13th and Webb Road in Wichita.

It's a great location for traffic, shoppers, and our current customers. We're proud to have a new flagship branch in Wichita.

This year, 2015, is an important step up for us. We have ambitious goals for deposit and loan growth, and as a strong, sound bank in vibrant communities, we have the ability to serve a wide array of customers. We do all this while continuing to provide a return for our shareholders, through organic growth and business combinations. We're in a position to aggressively seek expansion and merger opportunities. As always, an addition to our communities must be a cultural fit as well as fiscal – and our next merger

must be the right merger, and the right step up.

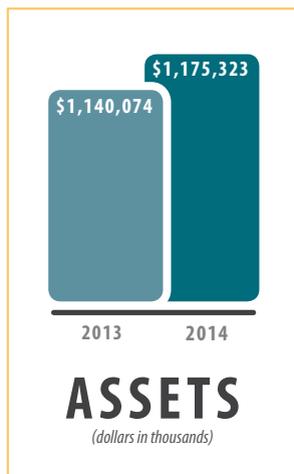
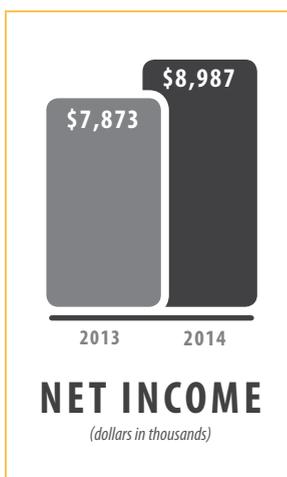
That's what a community bank does: We step up. For our customers, colleagues, employees, and friends, we work to make sure our communities are strong, and our bonds with customers stronger. Equity Bancshares works to step up, to deliver to you, our shareholders, as well as our customers.

Thank you for your support during 2014 and in the years ahead. I am excited about the next steps to deliver shareholder value.

Sincerely,



Brad Elliott
Chairman & CEO
Equity Bancshares, Inc.



FINANCIAL NEWS & NOTES

Net income of the Company was approximately \$9.0 million for the year ended December 31, 2014, as compared to \$7.9 million for the prior year ended December 31, 2013, an increase of \$1.1 million. Net income allocable to common shareholders was \$8.3 million for the year ended December 31, 2014, compared to \$6.9 million for the year ended December 31, 2013. Diluted earnings per share were \$1.30 and \$0.92 for the years ended December 31, 2014 and 2013.

Net interest income was approximately \$41.0 million for the year ended December 31, 2014, up from \$40.8 million for the comparable period in 2013. The net interest margin on average assets was 3.54% in 2014, compared to 3.47% during 2013. Non-interest income, which includes service charges, mortgage income and gains on the sale of investment securities, was \$9.5 million for the 12-month period ended December 31, 2014, compared to \$8.9 million for the year 2013. Non-interest expenses totaled \$36.1 million, or 3.11% of average assets for 2014, compared to \$35.6 million, or 3.03% of average assets for 2013.

Total assets at December 31, 2014 were \$1.18 billion as compared to \$1.14 billion on December 31, 2013. Net loans totaled \$720 million, compared to \$654 million a year prior. As of December 31, 2014, the allowance for loan losses was \$6.0 million, or 0.82% of total loans, compared to \$5.6 million, or 0.85% of total loans on December 31, 2013. Non-performing assets (non-accrual loans and Other Real Estate Owned) totaled \$15.5 million at December 31, 2014, as compared to \$20.3 million on December 31, 2013. Total deposits at the end of 2014 were \$981 million, compared to \$947 million at December 31, 2013. Core Deposits averaged 75.62% of total deposits during the current year, compared to 75.65% of total deposits in 2013.

Equity Bancshares, Inc.'s book equity as of December 31, 2014 was \$117.7 million, compared to \$139.9 million on December 31, 2013. This change was primarily due to the first quarter 2014 stock repurchase by the Company and the July repayment of TARP funds, offset by 2014 earnings. As of December 31, 2014, the Company had 6,067,511 common shares outstanding and the common book value per share was \$16.71, compared to 7,385,603 common shares and a book value of \$14.62 on December 31, 2013. Diluted tangible common book value per share was \$13.10 and \$11.83 per share as of December 31, 2014 and 2013.

EQUITY BANCSHARES, INC.

(Unaudited)

CONSOLIDATED BALANCE SHEETS (dollars in thousands)

	12/31/14	12/31/13	12/31/12
Cash & Cash Equivalents	\$ 31,707	\$ 20,620	\$ 100,371
Total Investments	319,997	353,852	256,559
Loans, net of allowance for loan losses of \$5,963; \$5,614 and \$4,471	720,181	653,692	719,859
Total Other Assets	103,438	111,910	112,061
Total Assets	\$ 1,175,323	\$ 1,140,074	\$ 1,188,850
Total Deposits	\$ 980,966	\$ 947,144	\$ 993,128
Total Borrowings and Other Liabilities	76,628	53,057	57,553
Total Stockholders' Equity	117,729	139,873	138,169
Total Liabilities & Stockholders' Equity	\$ 1,175,323	\$ 1,140,074	\$ 1,188,850

CONSOLIDATED INCOME STATEMENTS (dollars in thousands)

	2014	2013	2012
Net Interest Income	\$ 40,978	\$ 40,765	\$ 25,570
Provision for Loan Losses	(1,200)	(2,583)	(1,656)
Net Interest Income After Provision for Loan Losses	39,778	38,182	23,914
Total Non-interest Income	9,479	8,856	4,826
Total Non-interest Expense	(36,067)	(35,631)	(22,900)
Income Before Income Taxes	13,190	11,407	5,840
Provision for Income Taxes	(4,203)	(3,534)	(1,654)
Net Income	8,987	7,873	4,186
Less: Dividends and Accretion on Preferred Stock**	(708)	(978)	(372)
Net Income Allocable to Common Stockholders	\$ 8,279	\$ 6,895	\$ 3,814

NET LOANS & TOTAL DEPOSITS

(dollars in thousands)

CAGR 26% Net Loans

CAGR 27% Total Deposits

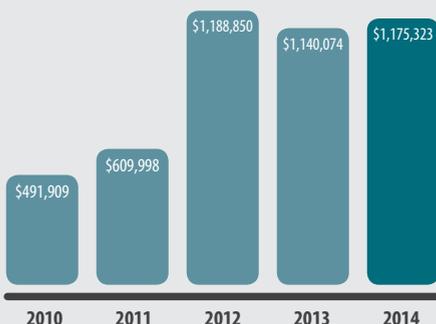
■ Net Loans
▨ Total Deposits



TOTAL ASSETS

(dollars in thousands)

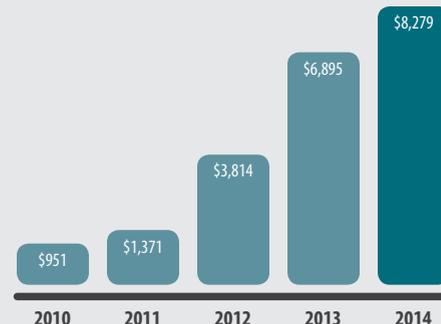
CAGR 24%



NET INCOME ALLOCABLE TO COMMON STOCKHOLDERS

(dollars in thousands)

CAGR 72%



SUMMARY FINANCIAL INFORMATION

(Unaudited*)

STOCKHOLDER DATA (COMMON)

	2014	2013	2012
Basic Earnings Per Share	\$ 1.31	\$ 0.93	\$ 0.66
Diluted Earnings Per Share	\$ 1.30	\$ 0.92	\$ 0.65
Weighted Average Shares	6,299,420	7,427,261	5,820,054
Diluted Weighted Average Shares	6,373,149	7,492,020	5,863,543
Shares Outstanding, Period-End	6,067,511	7,385,603	7,431,513
Diluted Shares Outstanding, Period-End	6,271,158	7,470,106	7,475,002
Book Value Per Share	\$ 16.71	\$ 14.62	\$ 14.30
Book Value Per Share - Diluted	\$ 16.13	\$ 14.47	\$ 14.18
Tangible Book Value Per Share	\$ 13.54	\$ 11.97	\$ 11.60
Tangible Book Value Per Share - Diluted	\$ 13.07	\$ 11.84	\$ 11.50

CAPITAL RATIOS

	12/31/14	12/31/13	REGULATORY STANDARD
Core capital (leverage) ratio	9.62%	11.31%	4.00%
Tier 1 risk-based capital ratio	13.16%	16.61%	4.00%
Total risk-based capital ratio	13.86%	17.33%	8.00%

*All numbers are in thousands of dollars except for the number of shares and per share amounts. This financial information is internally prepared by bank management and is accurate to the best of our knowledge, but is not audited or reviewed. Some items in the prior year financial information were reclassified to conform to the current year presentation.

**All dividends and accretion on Preferred Stock are paid to the U. S. Treasury under the TARP and/or Small Business Lending Fund programs.

STOCKHOLDERS' EQUITY

(dollars in thousands)

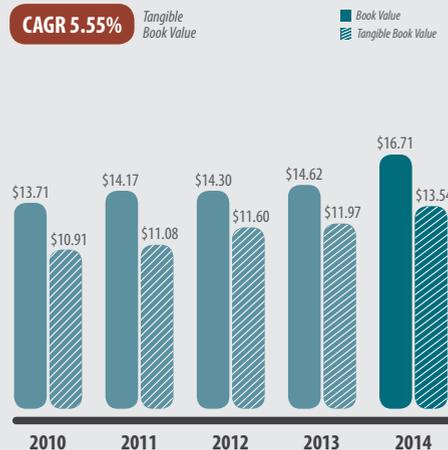
CAGR 14%



BOOK VALUE & TANGIBLE BOOK VALUE

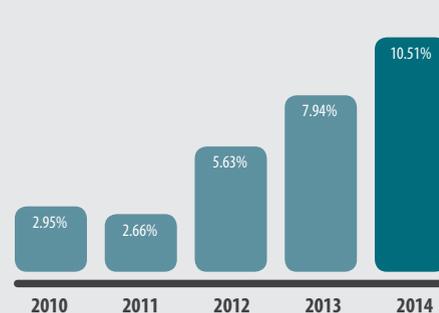
(dollars per share)

CAGR 5.55%



RETURN ON TANGIBLE COMMON EQUITY

CAGR 37%



BOARD OF DIRECTORS

BRAD ELLIOTT
GARY ALLERHEILIGEN
JIM BERGLUND
JEFF BLOOMER
ROGER BULLER
MICHAEL DOWNING
P. JOHN ECK
GREG GAEDDERT
MICHAEL HIGH
RANDEE KOGER
GREG KOSSOVER
JOHN MCCARTHY
DAVID B. MOORE
SHAWN PENNER
HARVEY SORENSEN

Chairman/CEO, Equity Bancshares, Inc., Wichita, Kansas
CPA/Consultant, Wichita, Kansas
Bank Advisor, Retired President/CEO, Sunflower Bank, Salina, Kansas
President/COO, Sunrise Oilfield Supply, Wichita, Kansas
SVP/Regional Manager, Benjamin F. Edwards & Co., Wichita, Kansas
Retired Owner/President, Ellis State Bank, Ellis, Kansas
Owner, AGV Corp., Eck Agency, Inc., Attica, Kansas
Managing Partner, B12 Capital Partners, LLC, Kansas City, Missouri
Managing Principal, Patriot Financial Partners, Philadelphia, Pennsylvania
Attorney/Partner, Wise & Reber, L.C., McPherson, Kansas
Chief Financial Officer, Equity Bancshares, Inc., Wichita, Kansas
Chief Investment Officer, Centaur Capital Partners, Inc., Chicago, Illinois
Managing Principal, Marathon Capital Holdings, Inc., San Diego, California
Owner, Shamrock Development, LLC, Wichita, Kansas
Attorney/Partner, Foulston Siefkin LLP, Wichita, Kansas



FRONT ROW, LEFT TO RIGHT: Michael Downing, John McCarthy, David B. Moore, Greg Kossover, Randee Koger, Gary Allerheiligen

BACK ROW, LEFT TO RIGHT: P. John Eck, Michael High, Shawn Penner, Harvey Sorensen, Brad Elliott, Roger Buller, Jim Berglund, Greg Gaeddert, Jeff Bloomer



EQUITY
BANCSHARES, INC.

EQUITY BANK TEAM

SENIOR LEADERSHIP

BRAD ELLIOTT	President CEO
PATRICK HARBERT	EVP Community Markets
JULIE HUBER	EVP Chief Credit Officer
JENNIFER JOHNSON	EVP Chief Operations Officer Chief Information Officer
GREG KOSSOVER	EVP Chief Financial Officer
ROLANDO MAYANS	EVP Chief Risk Officer
BETH MONEY	EVP Retail Director
SAM PEPPER	EVP Commercial Banking Leader
BRUCE BENYSHEK	SVP Treasurer
MARK PARMAN	SVP Market President, Kansas City
PATRICK SALMANS	SVP Human Resources Director



FRONT ROW, LEFT TO RIGHT: Sam Pepper, Patrick Harbert, Beth Money, Greg Kossover, Julie Huber
BACK ROW, LEFT TO RIGHT: Bruce Benyshek, Mark Parman, Jennifer Johnson, Brad Elliott, Rolando Mayans, Patrick Salmans

MARKET LEADERS

Jody Barker	Regional President Western Missouri
Kent Antenen	Market President Western Kansas
Cheryl Barnson	Market President Sedalia
Richard Bartel	Market President Warsaw
Scott Crist	Market President Higginsville
Randy Eaton	Business Development Officer Warsaw
Kelly Gilbert	Market President Warrensburg
David King	Market President Wichita West
Jason Pickerell	Market President Topeka
Rhonda Scott	Branch Manager Windsor

COMMERCIAL OFFICERS

Matt Baty	VP Commercial Sales Wichita
Eric Clemenson	VP Commercial Loan Officer Overland Park
Michael Doyle	VP Commercial Loan Officer Overland Park
Tracey Dreiling	VP Treasury Management Wichita
Dale Gottschalk	VP Commercial Loan Officer Hays
Larry Hillier	VP Commercial Loan Officer Lee's Summit
Sherri Howard	VP Treasury Management Lee's Summit
Greg Hall	VP Commercial Loan Officer Warrensburg
Mark Janczewski	VP Treasury Management Overland Park
Justin Kelly	VP Special Assets Manager Overland Park
Steve Kelly	SVP Senior Credit Officer Overland Park
Jeremy Machain	VP Commercial Loan Officer Wichita
Chris Palmer	VP Commercial Loan Officer Higginsville
Chris Ryan	VP Commercial Loan Officer Lee's Summit

OPERATIONS & SERVICE

Rhonda Bethe	VP Assistant Controller Wichita
Jim Brunsell	VP IT Manager Wichita
Kristi Bueno	VP Compliance Officer Wichita
John Hanley	VP Senior Marketing Director Overland Park
Robert Musgrave	VP Assistant Controller Wichita
Jesse Nienke	VP Systems Administrator Wichita
Barbara Noyes	VP Controller Wichita

RETAIL LEADERS

Belinda DeWerff	VP Branch Manager Hays
Sharon Holmes	VP Retail Sales Manager KC & Topeka
Mandi Martinson	VP Retail Support Manager Andover
Melinda Mitchell	VP Retail Sales Manager Western Missouri
Micha Mohr	VP Retail Sales Manager Wichita
Patty Sellers	VP Branch Manager Warrensburg
Janet Thayer	VP Branch Manager Topeka
Debra Vickrey	VP Branch Manager Higginsville
Allen Weber	VP Branch Manager, Ellis

EQUITY FINANCIAL SERVICES GROUP

Brian Orr	VP Investment Sales Manager Lee's Summit
Sandra Rice	VP Financial Advisor Sedalia

HONORS & MILESTONES

2014

April. One of 16 finalists for the *Wichita Business Journal's* Best in Business awards, presented annually to companies achieving strong five-year performance and strong corporate citizenship.

November. Brad Elliott, Most Admired Bank CEO, voted by readers of *Wichita Business Journal*.

December. Best Places to Work, Finalist, *Wichita Business Journal*.

2015

February. Greg Kossover, Class of 2015 CFO Awards, *Wichita Business Journal*.

April. Winner of the *Wichita Business Journal* Best in Business honors, recognizing performance and community involvement.



**BEST
PLACES TO
WORK**

**BEST IN
BUSINESS**

EQUITY UNIVERSITY

Equity U is Equity Bank's internal leadership program, delivering real-time lessons in breakthrough thinking to future Equity Bank leaders.

Graduating class members attend six sessions during the year, and the class is led by Julie Huber, EVP/Chief Credit Officer, Jennifer Johnson, EVP/Chief Operations Officer/Chief Information Officer, and Patrick Salmans, SVP/Human Resources Director.



CLASS OF 2013

- Matt Baty, Wichita
- Jim Brunsell, Wichita
- Greg Hall, Warrensburg
- Sharon Holmes, Lee's Summit
- Steve Kelly, Kansas City
- Melinda Mitchell, Lee's Summit
- Rob Musgrave, Wichita
- Jesse Nienke, Wichita
- Samantha Schemm, Wichita
- Rhonda Scott, Windsor

CLASS OF 2014

- Kent Antenen, Hays
- Jody Barker, Clinton
- Rhonda Bethe, Wichita
- Kristi Bueno, Wichita
- David King, Wichita
- Brian Orr, Lee's Summit
- Mandi Martinson, Wichita
- Tyler Miranda, Wichita
- Micha Mohr, Wichita
- Jason Pickerell, Topeka
- Patty Sellers, Warrensburg



In December, our Equity U classes banded together to film "Equity Bank - I CARE!", describing what it means to work for Equity Bank. "Equity Bank - I CARE!" is available at EquityBank.com and on YouTube!



2002

Equity Bancshares, Inc. (EBI) formed by Brad Elliott, present Chairman/CEO.

2004

National Bank of Andover begins operating as Equity Bank.

2006

EBI opens two branches in Missouri.

2008

EBI expands to Hays and Ellis, KS, acquiring Ellis State Bank.

EBI opens new full-service branch in Lee's Summit, Mo.

2010

EBI completes \$20 million capital raise.

2012

Equity Bank becomes state-chartered financial institution.

EBI raises additional \$20 million in capital.

2014

Equity Bank publishes *Equity Bank* mobile app with bill pay and person-to-person functionality.

2014

EBI completes repayment of TARP funds assumed through the FCB merger of 2012.

2003

EBI purchases National Bank of Andover.

2005

EBI acquires first two branches in Wichita from Hillcrest Bank.

2007

EBI merges with Signature Bancshares, operates branches in Spring Hill and Haddam, KS.

2009

EBI opens two Overland Park, Kansas locations: I-435 & Roe and Antioch & 151st.

2011

EBI acquires 4 locations in Topeka from Citizens Bank & Trust.

2012

EBI acquires First Community Bancshares (FCB), bringing branch total to 28 in Kansas and Missouri.

2014

EBI repurchases more than \$17 million of capital.

2014

EBI relocates Equity Bank branch to 1555 N Webb Rd in Wichita, consolidates branch network to 25.





EQUITY BANCSHARES, INC.

KANSAS Andover • Ellis • Hays • Overland Park • Topeka • Wichita

MISSOURI Clinton • Higginsville • Kansas City • Knob Noster • Lee's Summit • Sedalia • Sweet Springs • Warrensburg • Warsaw • Windsor

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