



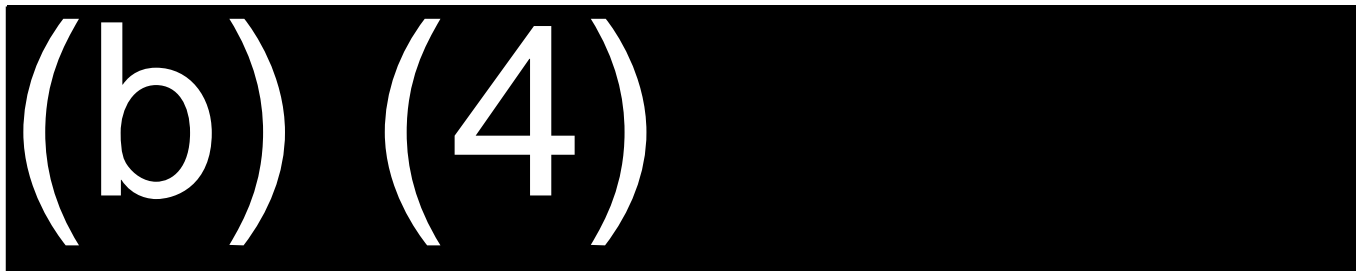
March 2, 2009

Mr. Neil M. Barofsky
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, DC 20220

Dear Mr. Barofsky:

This is in response to your letter dated February 6, 2009.

At the time of your letter, it had been only one week since Equity Bancshares was in receipt of the TARP funds. As outlined in our application for the \$8,750,000 in TARP funds received, the funds are to be used for general corporate purposes. Accordingly, the proceeds from the sale of our preferred stock have not been, and will not be, segregated from other funds. On our unaudited financial statements (a copy of which are enclosed for the month ending January 31, 2009) the funds were credited to preferred stock paid in capital on the date received.



As we only recently completed our TARP transaction, the Compensation Committee of our Board of Directors is only now beginning its thorough analysis of any changes that may be appropriate to our internal risk management systems and compensation plans. Our Compensation Committee is aware of the relevant Department of Treasury guidelines issued to date.

Hopefully, this addresses your concerns regarding the use of these funds. I certify that the foregoing statements, representations and supporting information are accurate and acknowledge that this information is being provided subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Sincerely,



Brad Elliott
Chairman/C.E.O.

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BALANCE SHEET

(Unaudited)

<u>ASSETS</u>	As of 1/31/2009
CASH & DUE FROM BANKS	\$ 20,419,127
SECURITIES	50,445,836
FED FUNDS SOLD	64,000
OTHER	-
TOTAL INVESTMENTS	50,509,836
COMMERCIAL LOANS	63,355,473
COMMERCIAL RE LOANS	167,505,762
HOME MORTGAGES HELD FOR SALE	15,294,002
HOME MORTGAGES PORTFOLIO	33,092,482
AG LOANS	11,050,508
CONSUMER LOANS	7,174,092
HOME EQUITY LOANS	2,825,921
OVERDRAFTS	131,443
OTHER LOANS/ESCROWS/SOP 03-03	(740,670)
TOTAL LOANS	299,689,013
ALLOWANCE FOR LOAN LOSS	(2,506,283)
NET LOANS	297,182,730
FIXED ASSETS	10,067,283
INTANGIBLES	12,824,775
IENC AND OTHER	5,045,214
TOTAL OTHER ASSETS	27,937,272
TOTAL ASSETS	\$ 396,048,965
 <u>LIABILITIES</u>	
NON INT BEARING DDA	\$ 28,724,822
INT BEARING DDA / MMDA	129,073,326
SAVINGS	12,547,821
TIME DEPOSITS <100K	80,430,748
TIME DEPOSITS >100K	70,295,125
TOTAL DEPOSITS	321,071,842
REPURCHASE ACCOUNTS	9,423,226
OVERNIGHT BORROWING	55,000
TERM BORROWING	14,016,791
OTHER	1,973,082
BANK STOCK LOAN	-
TOTAL LIABILITIES	346,539,941
 <u>EQUITY CAPITAL</u>	
PREFERRED STOCK SERIES A	88
PREFERRED STOCK SERIES B	438,000
UNEARNED DISCOUNT PREFERRED B	(438,000)
COMMON STOCK	25,096
PREFERRED PAID IN CAPITAL	8,749,913
SURPLUS	36,752,798
TREASURY STOCK	(223,898)
UNDIVIDED PROFITS	3,768,181
NET UNREALIZED GAIN (LOSS) - AFS SECURITIES (NET OF TAX)	436,848
NET UNREALIZED GAIN (LOSS) - CASH FLOW HEDGE (NET OF TAX)	-
TOTALEQUITY CAPITAL	49,509,026
TOTAL LIABILITIES AND CAPITAL	\$ 396,048,967
SHARES OUTSTANDING	2,493,014
SHARES PLUS WARRANTS & OPTIONS	2,640,992
STOCKHOLDERS EQUITY PLUS WARRANTS & OPTIONS	43,035,761
BOOK VALUE PER SHARE	16.35
DILUTED BOOK VALUE PER SHARE	16.30
TANGIBLE BOOK VALUE PER SHARE	11.21

These financials are internally prepared by bank management and are accurate to the best of our knowledge but are not audited or reviewed and may contain adjustments from time to time.



INCOME STATEMENT

(Unaudited)

YTD 01/31/2009

INTEREST INCOME - LOANS	\$ 1,631,509
INTEREST INCOME - INVESTMENTS	193,185
LOAN FEES - COMMERCIAL / CONSUMER	10,422
TOTAL INTEREST INCOME	<u>1,835,116</u>
INTEREST EXPENSE - DEPOSITS	668,390
INTEREST EXPENSE - BORROWINGS	60,239
INTEREST EXPENSE - BANK STOCK LOAN	12,789
TOTAL INTEREST EXPENSE	<u>741,418</u>
NET INTEREST INCOME	1,093,698
PROVISION FOR LOANS LOSSES	<u>79,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS	1,014,698
SERVICE CHARGES	61,029
LOAN FEES - SOLD MORTGAGES / OTHER	167,320
OTHER	64,120
TOTAL NONINTEREST INCOME	<u>292,469</u>
SALARY AND BENEFITS	747,750
OCCUPANCY	213,095
ADVERTISING / BUSINESS DEVELOPMENT	32,318
DATA PROCESSING / SOFTWARE DEPRECIATION	58,481
PROFESSIONAL FEES (ACCTG, LEGAL, EXAM, CNSLTG)	62,105
LOAN EXPENSE	43,444
PRINTING / SUPPLIES	7,349
OTHER	168,477
HOLDING COMPANY EXPENSE	952
TOTAL NON-INTEREST EXPENSE	<u>1,333,971</u>
NET EARNINGS BEFORE TAXES	<u>(26,804)</u>
HOLDING COMPANY INCOME TAX EXPENSE (BENEFIT)	(2,000)
SUBSIDIARY BANK INCOME TAX EXPENSE (BENEFIT)	(3,295)
NET EARNINGS (LOSS) AFTER TAXES	<u>\$ (21,509)</u>
SHARES OUTSTANDING - MONTH	2,493,014
AVERAGE SHARES OUTSTANDING - YTD	2,493,014
DILUTED SHARES - MONTH	2,640,992
AVERAGE DILUTED SHARES OUTSTANDING - YTD	2,640,992
EARNINGS (LOSS) PER SHARE - YTD	(\$0.01)
DILUTED EARNINGS (LOSS) PER SHARE - YTD	(\$0.01)

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